

STATE OF MINNESOTA

SEVENTY-SIXTH SESSION—1990

SEVENTY-FOURTH DAY

SAINT PAUL, MINNESOTA, WEDNESDAY, MARCH 21, 1990

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 Pastor Gregg Donnelly, Grace Evangelical Free Church, Fridley, Minnesota.

The roll was called and the following members were present:

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

A quorum was present.

Dille, Kalis, Kelso, Miller and Rice were excused.

The Chief Clerk proceeded to read the Journals of the preceding days. Simoneau and Segal moved that further reading of the Journals be dispensed with and that the Journals be approved as corrected by the Chief Clerk. The motion prevailed.

REPORTS OF CHIEF CLERK

Pursuant to Rules of the House, printed copies of H. F. Nos. 1234, 1877, 1879, 2083, 2171, 2268, 2418, 2683, 2704, 84, 1673, 1935, 1997, 2133, 2168, 2205, 2230, 2266, 2318, 2346, 2386, 2458, 2489, 2497, 2499, 2500, 2608, 2621, 2689, 2103, 2081, 1981, 2294, 2062 and 2135 and S. F. Nos. 488, 2130, 1789, 443, 1663, 1696 and 1820 have been placed in the members' files.

S. F. No. 1789 and H. F. No. 1935, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Greenfield moved that the rules be so far suspended that S. F. No. 1789 be substituted for H. F. No. 1935 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2130 and H. F. No. 2205, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Skoglund moved that the rules be so far suspended that S. F. No. 2130 be substituted for H. F. No. 2205 and that the House File be indefinitely postponed. The motion prevailed.

REPORTS OF STANDING COMMITTEES

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

H. F. No. 274, A bill for an act relating to human services; providing that medical certification for general assistance benefits may be made by a licensed chiropractor; amending Minnesota Statutes 1988, section 256D.02, by adding a subdivision.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1988, section 256D.02, is amended by adding a subdivision to read:

Subd. 17. [MEDICALLY CERTIFIED OR MEDICAL CERTIFICATION.] "Medical certification" means:

(1) a statement about a person's illness, injury, or incapacity that is signed by a licensed physician, licensed consulting psychologist, or licensed psychologist, whose professional training and experience qualifies him or her to diagnose and certify the person's condition; or

(2) a statement about an incapacity involving a spinal subluxation condition that is signed by a licensed chiropractor whose professional training and experience qualifies him or her to diagnose and certify the condition."

With the recommendation that when so amended the bill pass.

The report was adopted.

Kelly from the Committee on Judiciary to which was referred:

H. F. No. 596, A bill for an act relating to trusts; permitting the creation of custodial trusts; adopting the uniform custodial trust act; proposing coding for new law as Minnesota Statutes, chapter 529.

Reported the same back with the following amendments:

Page 2, after line 3, insert:

"(8) "Holder of the beneficiary's power of attorney" means a person who is a holder of the beneficiary's unrevoked power of attorney if the document creating the power of attorney grants powers similar or identical to those defined as "beneficiary transactions" in section 523.24, subdivision 7."

Page 2, line 4, delete "(8)" and insert "(9)"

Page 2, line 6, delete "deficiency" and insert "retardation"

Page 2, line 10, delete "(9)" and insert "(10)"

Page 2, line 12, delete "(10)" and insert "(11)"

Page 2, line 16, delete "(11)" and insert "(12)"

Page 2, line 19, delete "(12)" and insert "(13)"

Page 2, line 23, delete "(13)" and insert "(14)"

Page 2, line 26, delete “(14)” and insert “(15)”

Page 2, line 28, delete “(15)” and insert “(16)”

Page 3, line 17, delete everything before “may” and insert “holder of the beneficiary’s power of attorney”

Page 3, line 19, delete “conservator” and insert “holder of the beneficiary’s power of attorney”

Page 5, delete section 5

Page 5, line 19, delete “529.06” and insert “529.05”

Page 5, line 34, delete “7” and insert “6” and delete “15” and insert “14”

Page 5, line 36, delete “529.07” and insert “529.06”

Page 6, line 8, delete “that would be” and insert “set forth in section 501B.10.”

Page 6, delete lines 9 and 10

Page 6, line 11, delete “fiduciaries.”

Page 6, line 13, delete everything after the period

Page 6, delete lines 14 to 16

Page 7, delete lines 2 to 4

Page 7, line 5, delete “529.08” and insert “529.07”

Page 7, line 12, delete “7” and insert “6”

Page 7, line 13, delete “529.09” and insert “529.08”

Page 7, line 35, delete “529.10” and insert “529.09”

Page 8, line 1, delete “the custodial”

Page 8, line 2, delete “trust was created under section 5, (ii)”

Page 8, line 4, delete “(iii)” and insert “(ii)”

Page 8, line 17, delete “may” and insert “must”

Page 8, line 34, delete "529.11" and insert "529.10"

Page 9, line 16, delete "529.12" and insert "529.11"

Page 10, line 8, delete "529.13" and insert "529.12"

Page 10, line 34, after "incapacitated," insert "or the holder of the beneficiary's power of attorney"

Page 10, line 35, delete everything after the period

Page 10, delete line 36

Page 11, delete lines 1 to 5

Page 11, line 9, delete "guardian" and insert "conservator"

Page 11, line 13, after "trustee" insert "in accordance with the procedures set forth in sections 501B.16 to 501B.25"

Page 11, line 31, delete "529.14" and insert "529.13"

Page 12, line 9, delete "529.15" and insert "529.14"

Page 13, after line 13, insert:

"(g) All proceedings described in this section must be conducted in accordance with the procedures set forth in sections 501B.16 to 501B.25."

Page 13, line 14, delete "529.16" and insert "529.15"

Page 14, line 12, delete "529.17" and insert "529.16"

Page 14, line 16, after "(2)" insert "to the holder of the beneficiary's power of attorney;

(3)"

Page 14, line 18, delete "(3)" and insert "(4)"

Page 14, delete lines 19 to 21

Page 14, line 22, delete "(ii)" and insert "(i)"

Page 14, line 24, delete "(iii)" and insert "(ii)"

Page 14, line 26, delete "(iv)" and insert "(iii)"

Page 14, line 36, delete "529.18" and insert "529.17"

Page 16, line 32, delete "works" and insert "words"

Page 18, line 1, before the headnote insert "[529.18]"

Page 18, line 14, before the headnote insert "[529.19]"

Page 18, lines 18 and 19, delete "20" and insert "19"

Renumber the sections in sequence

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 1025, A bill for an act relating to the environment; requiring labeling of CFC-processed materials and materials containing CFC's; restricting use of CFC's unless approved; requiring recovery of CFC's from refrigeration units; imposing a tax on raw CFC; providing penalties; amending Minnesota Statutes 1988, sections 116.70, subdivision 2; and 116.74; proposing coding for new law in Minnesota Statutes, chapter 116.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [CITATION.]

Sections 1 to 9 may be cited as the "comprehensive chlorofluorocarbon reduction and recycling act of 1990."

Sec. 2. [PURPOSE.]

It is the intent of the legislature to reduce the amount of CFCs used and emitted in Minnesota. Toward this goal, it is the legislature's intent that Minnesota industries use alternative chemicals when available and feasible. Where no alternative exists, CFCs should be recaptured and recycled whenever possible.

Sec. 3. Minnesota Statutes 1988, section 116.70, subdivision 1, is amended to read:

Subdivision 1. [APPLICABILITY.] The definitions in this section apply to sections 116.71 to ~~116.73~~ 116.7395.

Sec. 4. [116.735] [REQUIREMENTS TO RECYCLE CFCs.]

Subdivision 1. [SALVAGE AUTOMOBILES.] A person who processes automobiles for salvage must remove CFCs for recycling prior to disposal or sale of the materials containing CFCs. This subdivision does not apply to crushed automobiles or automobiles that have been processed in a manner that makes removal and recovery of CFCs impossible.

Subd. 2. [REFRIGERATION EQUIPMENT.] A person processing scrap refrigerators, central air conditioning units, or freezers must remove and recycle the CFCs.

Subd. 3. [MOBILE AIR CONDITIONING EQUIPMENT.] A person servicing or removing mobile air conditioning equipment must:

(1) recapture CFCs, provide storage for recaptured CFCs, and transfer recaptured CFCs to a recycler; or

(2) recapture CFCs and recycle the CFCs to an allowed use.

Subd. 4. [SERVICING OF APPLIANCES.] A person servicing refrigerators, central air conditioning units, or freezers must:

(1) recapture CFCs, provide storage for recaptured CFCs, and transfer recaptured CFCs to a recycler; or

(2) recapture CFCs and recycle the CFCs to an allowed use.

Subd. 5. [FOAM NOT REQUIRED TO BE RECYCLED.] This section does not require recycling of rigid or flexible foam.

Subd. 6. [RULES.] The agency shall adopt rules for recycling CFCs and establish standards for CFC recycling equipment under this section.

Sec. 5. [116.737] [REQUIREMENT TO RECYCLE FIRE EXTINGUISHER HALONS.]

A person who recharges, services, or retires fire extinguishers must recapture and recycle halons.

Sec. 6. [116.7395] [MEDICAL DEVICE EXEMPTION.]

Sections 1 to 5 do not apply to processes using CFCs or halons on medical devices, in sterilization processes in health care facilities, or

by a person or facility in manufacturing or selling of medical devices.

Sec. 7. [116.7397] [UNIFORM CFC REGULATION.]

It is the policy of this state to regulate and manage CFCs in a uniform manner throughout the state. Political subdivisions may not adopt, and are preempted from adopting or enforcing, requirements relating to CFCs that are different than state law.

Sec. 8. Minnesota Statutes 1989 Supplement, section 299K.08, is amended by adding a subdivision to read:

Subd. 3. [ADDITIONAL CHEMICAL REPORTING.] A facility must file a toxic chemical release inventory reporting form to the commission for CFC11' and CFC12', when the facility and chemical thresholds meet the requirements specified in United States Code, title 42, section 11023.

Sec. 9. [325E.35] [SALE OF CERTAIN CFC PRODUCTS PROHIBITED.]

Subdivision 1. [MOTOR VEHICLE COOLANTS.] A person may not offer for sale or sell CFC coolants in containers weighing less than 15 pounds that are designed for or are suitable for use in motor vehicle air conditioners except to persons who possess CFC recycling equipment and who present proof of ownership of CFC recycling equipment at the time of purchase.

Subd. 2. [SOLVENTS.] A person may not offer for sale or sell solvents containing CFCs in containers weighing 15 pounds or less.

Subd. 3. [PARTY STREAMERS.] A person may not offer for sale or sell CFC-propelled party streamers.

Subd. 4. [NOISE HORNS.] A person may not offer for sale or sell CFC noise horns.

Subd. 5. [CFC DEFINITION.] For purposes of this section, the term "CFC" has the definition given in section 116.70, subdivision 3.

Sec. 10. [EFFECTIVE DATE.]

Section 4, subdivisions 1 and 2, are effective July 1, 1991. Section 4, subdivision 3, and section 9 are effective January 1, 1993. Section 4, subdivision 4, is effective January 1, 1992."

Delete the title and insert:

"A bill for an act relating to the environment; requiring CFCs to be recycled; preempting local regulation of CFCs; requiring a report to the emergency response commission; prohibiting the sale of certain CFC products; amending Minnesota Statutes 1988, section 116.70, subdivision 1; Minnesota Statutes 1989 Supplement, section 299K.08, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 116; and 325E."

With the recommendation that when so amended the bill pass.

The report was adopted.

Wenzel from the Committee on Agriculture to which was referred:

H. F. No. 1463, A bill for an act relating to agriculture; restricting use, purchase, or sale of bovine somatotropin.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [PURPOSE.]

In the public interest, the legislature intends biosynthetic bovine somatotropin to be closely regulated and administered only in research or necessary medical circumstances for two years after the effective date of sections 2 to 4.

Sec. 2. Minnesota Statutes 1988, section 151.01, subdivision 28, is amended to read:

Subd. 28. [VETERINARY LEGEND DRUG:] "Veterinary legend drug" means biosynthetic bovine somatotropin (BST) until two years after the effective date of this section or a drug that is required by federal law to bear the following statement: "Caution: Federal law restricts this drug to use by or on the order of a licensed veterinarian."

Sec. 3. Minnesota Statutes 1988, section 151.15, subdivision 3, is amended to read:

Subd. 3. [UNLICENSED PERSONS; VETERINARY LEGEND DRUGS.] It shall be unlawful for any person other than a licensed veterinarian or pharmacist to compound or dispense veterinary legend drugs except as provided in this chapter. Until two years after the effective date of this section, a veterinarian or veterinarian's assistant may use biosynthetic bovine somatotropin (BST) for medical or research purposes only. Biosynthetic bovine somatotro-

pin (BST) may not be dispensed to, used by, or administered by a person who is not a licensed veterinarian or a veterinarian's assistant under the veterinarian's supervision.

Sec. 4. Minnesota Statutes 1988, section 151.25, is amended to read:

**151.25 [REGISTRATION OF MANUFACTURERS OR WHOLESALE-
SALERS; FEE; PROHIBITIONS.]**

The board shall require and provide for the annual registration of every person engaged in manufacturing or selling at wholesale drugs, medicines, chemicals, or poisons for medicinal purposes, now or hereafter doing business with accounts in this state. Upon a payment of a fee as set by the board, the board shall issue a registration certificate in such form as it may prescribe to such manufacturer or wholesaler. Such registration certificate shall be displayed in a conspicuous place in such manufacturer's or wholesaler's place of business for which it is issued and expire on the date set by the board. It shall be unlawful for any person to manufacture or sell at wholesale drugs, medicines, chemicals, or poisons for medicinal purposes unless such a certificate has been issued to the person by the board. It shall be unlawful for any person engaged in the manufacture or selling at wholesale, or the person's agent, to sell legend drugs or biosynthetic bovine somatotropin (BST) until two years after the effective date of this section to other than a pharmacy, except as provided in this chapter.

Sec. 5. [EFFECTIVE DATE.]

Sections 2, 3, and 4 are effective 30 days after the commissioner of agriculture publishes notice in the State Register that states having 40 percent or more of milk production as determined by the United States Department of Agriculture statistics for 1987 adopt provisions that restrict general use of biosynthetic bovine somatotropin (BST)."

Delete the title and insert:

"A bill for an act relating to agriculture; restricting use of biosynthetic bovine somatotropin for two years; authorizing dispensing and administering of biosynthetic bovine somatotropin only by licensed veterinarians for two years if approved by states with 40 percent of the nation's milk production; prescribing penalties; amending Minnesota Statutes 1988, sections 151.01, subdivision 28; 151.15, subdivision 3; and 151.25."

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. 1860, A bill for an act relating to traffic regulations; requiring motorists to activate vehicle lights during inclement weather conditions; amending Minnesota Statutes 1988, section 169.48.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1988, section 169.48, is amended to read:

169.48 [VEHICLE LIGHTING.]

Subdivision 1. [LIGHTS TO BE DISPLAYED.] Every vehicle upon a highway within this state;

(1) at any time from sunset to sunrise;

(2) at any time when it is raining, snowing, sleeting, or hailing;
and

(3) at any other time when visibility is impaired by weather, smoke, fog or other conditions or there is not sufficient light to render clearly discernible persons and vehicles on the highway at a distance of 500 feet ahead, shall display lighted lamps and illuminating devices, as hereinafter, respectively, required for different classes of vehicles, subject to exceptions with respect to parked vehicles, as hereinafter stated. In addition to the other requirements of this paragraph, every school bus transporting children upon a highway within this state, at any time from a half hour before sunrise to a half hour after sunset, shall display lighted lamps and illuminating devices as required by this paragraph, except that the operator shall use the lower most distribution of light specified in section 169.60 unless conditions warrant otherwise.

When requirement is hereinafter declared as to the distance from which certain lamps and devices shall render objects visible or within which such lamps or devices shall be visible, these provisions shall apply during the time stated in this section upon a straight level unlighted highway under normal atmospheric conditions unless a different time or condition is expressly stated and unless otherwise specified the location of lamps and devices shall refer to the center of such lamps or devices. Parking lamps shall not be used in lieu of head lamps to satisfy the requirements of this section.

Subd. 2. [CERTAIN VIOLATIONS; NEGLIGENCE.] Notwithstanding section 169.96, a violation of subdivision 1, clause (2), is not negligence per se or prima facie evidence of negligence."

Amend the title as follows:

Page 1, line 4, after the semicolon insert "providing that violation is not negligence per se or prima facie evidence of negligence;"

With the recommendation that when so amended the bill pass.

The report was adopted.

Kelly from the Committee on Judiciary to which was referred:

H. F. No. 1882, A bill for an act relating to probate; providing right to counsel in certain guardianship and conservatorship proceedings; proposing coding for new law in Minnesota Statutes, chapter 525.

Reported the same back with the following amendments:

Page 1, line 8, before "A" insert "Subdivision 1. [GENERAL.]" and delete the second "proposed"

Page 1, line 11, delete the first "the proposed" and after "conservatee" insert "for the initial proceeding held pursuant to section 525.551"

Page 1, line 13, delete "that person" and insert "the proposed ward or conservatee"

Page 1, line 15, delete "as set forth in" and insert "under"

Page 1, line 22, delete "this charge" and insert "section 525.551"

Page 2, after line 4, insert:

"Subd. 2. [FILING FEE SURCHARGE.] A petitioner who pays a filing fee for a petition under chapters 524 and 525 shall pay a surcharge of up to \$20, set by the county board of the county in which the petition is filed, in addition to the filing fee and other surcharges imposed by law. The court administrator shall transmit the surcharge to the county treasurer for deposit in the county treasury.

Subd. 3. [PAYMENT OF COUNSEL.] A proposed ward or conservatee shall pay the costs of counsel out of assets of, or available to, the ward or conservatee. If the proposed ward or conservatee is indigent, the costs of counsel shall be paid by the county from amounts deposited in the county treasury under subdivision 2."

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

The report was adopted.

Kelly from the Committee on Judiciary to which was referred:

H. F. No. 1890, A bill for an act relating to government data practices; establishing procedures for computerized comparisons of data; requiring matching agreements; providing for contesting of data; requiring reviews and reports; imposing penalties; proposing coding for new law as Minnesota Statutes, chapter 13B.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [13B.01] [DEFINITIONS.]

Subdivision 1. [GENERAL.] For purposes of this chapter, the following terms have the meanings given them.

Subd. 2. [BENEFIT PROGRAM.] "Benefit program" means a program administered by a public entity or agent of a public entity that provides cash or in-kind assistance in the form of payments, grants, subsidies, loans, loan guarantees, or any other form of financial assistance to individuals.

Subd. 3. [FRONT END VERIFICATION.] "Front end verification" means a computerized procedure operated by a public entity that checks the accuracy and truthfulness of data provided by an individual as part of an application with the public entity.

Subd. 4. [GOVERNMENT DATA.] "Government data" has the meaning given the term in section 13.02, subdivision 7.

Subd. 5. [INDIVIDUAL.] "Individual" has the meaning given the term in section 13.02, subdivision 8.

Subd. 6. [LAW ENFORCEMENT AGENCY.] "Law enforcement agency" means an agency of the state, a political subdivision, or the

University of Minnesota with the power to conduct criminal investigations or make arrests or an attorney authorized by law to prosecute or participate in the prosecution of criminal offenses.

Subd. 7. [MATCHING PROGRAM.] "Matching program" means a computerized comparison of government data to government or nongovernment data for use by a public entity for purposes of determining the eligibility of individuals for a license, privilege, benefit program, or employment. Matching program does not include a comparison performed:

(1) by a public entity if all data used in the comparison are government data of one responsible authority within the public entity, other than personnel or payroll data;

(2) by a law enforcement agency after initiation of a law enforcement investigation for gathering evidence for a law enforcement proceeding against an identified individual;

(3) to produce aggregate statistical data without data that identify individuals in the final product; or

(4) to support a research or statistical project, the specific data of which may not be used to make decisions concerning the rights, benefits, or privileges of specific individuals.

Subd. 8. [PUBLIC ENTITY.] "Public entity" means a state agency or statewide system as those terms are defined in section 13.02.

Subd. 9. [RESPONSIBLE AUTHORITY.] "Responsible authority" has the meaning given in section 13.02, subdivision 16.

Sec. 2. [13B.02] [MATCHING AGREEMENTS.]

Before participating in a matching program, the responsible authority in each public entity that participates in the matching program shall enter into a written agreement with the other public entity specifying:

(1) the rationale, purpose, and legal authority for conducting the program;

(2) a description of the data that will be matched, including each data element that will be used, the approximate number of records that will be matched, and the projected starting and completion dates of the matching program;

(3) procedures for retention and destruction of data created by the matching program consistent with section 138.17;

(4) procedures for ensuring the security of the data;

(5) prohibitions on duplication and redisclosure of data by the public entity who receives the data, unless authorized by the public entity that releases the data;

(6) procedures governing the use of the data provided by the public entity for the matching program, including procedures governing return to the public entity or destruction of the data consistent with section 138.17; and

(7) information on assessments that have been made on the accuracy of the data that will be used in the matching program.

Sec. 3. [13B.03] [FRONT END VERIFICATION AND MATCHING PROGRAMS; RIGHTS OF SUBJECTS.]

A public entity may not suspend, terminate, reduce, or make a final denial of employment or a license or other privilege or of assistance under a benefit program, or take other adverse action against an individual as a result of data produced by a matching program or front end verification, until the entity has independently verified the data. If independent verification shows that the data are correct, the entity shall give the individual written notice of its findings and an opportunity to contest the findings. The requirements of this section may be satisfied by verification, notice, hearing, and appeal rights governing the particular benefit program or employment or licensing procedure. This section shall not apply to actions taken by the commissioner of revenue pursuant to section 270.72.

Sec. 4. [REPEALER.]

Section 2 is repealed July 31, 1992."

Amend the title as follows:

Page 1, line 5, delete everything after "data;"

Page 1, line 6, delete everything before "proposing"

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 1908, A bill for an act relating to human services; requiring duplication, contradiction, and archaic language in laws, rules, and regulations governing human services to be reduced or eliminated; requiring one state agency to administer each service; requiring technical assistance, fiscal responsibility, and interpretative guidelines for all regulatory standards; and establishing a legislative commission on regulatory reduction; proposing coding for new law in Minnesota Statutes, chapter 245A.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [245A.17] [REFORM OF RULES AND REGULATIONS AFFECTING SERVICES TO PERSONS WITH MENTAL RETARDATION AND RELATED CONDITIONS.]

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

(a) "Commissioners" means the commissioners of human services and health.

(b) "Services" means all services provided to persons with mental retardation or related conditions that are licensed, certified, or regulated by the department of human services or health.

(c) "Rules and regulations" means all laws, interpretative bulletins, or program standards established or administered by the department of human services or health affecting services to persons with mental retardation and related conditions.

(d) "Affected parties" means all consumers of services, providers of services, advocacy groups, and licensing staff.

Subd. 2. [POLICY.] The Minnesota legislature intends to ensure that rules and regulations (1) assure quality of care and services, (2) conform with federal and state codes, (3) are cost effective, and (4) are concise, clear, and noncontradictory.

Subd. 3. [OBJECTIVES.] The commissioners shall submit by February 1, 1991, a plan for simplification of rules and regulations governing services to persons with developmental disabilities and related conditions. This plan shall be developed in consultation with affected parties."

Delete the title and insert:

"A bill for an act relating to health and human services; stating policy and requiring a plan relating to rules and regulations affecting services to persons with mental retardation and related conditions; proposing coding for new law in Minnesota Statutes, chapter 245A."

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 1911, A bill for an act relating to human services; amending the Medicare certification requirement for nursing homes; amending Minnesota Statutes 1989 Supplement, section 256B.48, subdivision 6.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1989 Supplement, section 256B.48, subdivision 6, is amended to read:

Subd. 6. [MEDICARE CERTIFICATION.] (a) [DEFINITION.] For purposes of this subdivision, "nursing facility" means a nursing home that is certified as a skilled nursing facility or, after September 30, 1990, a nursing home licensed under chapter 144A that is certified as a nursing facility.

(b) [FULL MEDICARE PARTICIPATION REQUIRED.] All nursing facilities shall fully participate in Medicare part A and part B unless, after submitting an application, Medicare certification is denied by the federal health care financing administration. Medicare review shall be conducted at the time of the annual medical assistance review. Charges for Medicare-covered services provided to residents who are simultaneously eligible for medical assistance and Medicare must be billed to Medicare part A or part B before billing medical assistance. Medical assistance may be billed only for charges not reimbursed by Medicare.

(c) [UNTIL SEPTEMBER 30, 1990.] Until September 30, 1990, a nursing facility satisfies the requirements of paragraph (b) if: (1) at least 50 percent of the facility's beds that are licensed under section 144A and certified as skilled nursing beds under the medical

assistance program are Medicare certified; or (2) if a nursing facility's beds are licensed under section 144A, and some are medical assistance certified as skilled nursing beds and others are Medical assistance certified as intermediate care facility I beds, at least 50 percent of the facility's total skilled nursing beds and intermediate care facility I beds or 100 percent of its skilled nursing beds, whichever is less, are Medicare certified.

(d) [OCTOBER 1, 1990, TO JUNE 30, 1991 AFTER SEPTEMBER 30, 1990.] After September 30, 1990, and until June 30, 1991, a nursing facility satisfies the requirements of paragraph (b) if at least 50 percent of the facility's beds certified as nursing facility beds under the medical assistance program are Medicare certified.

(e) [AFTER JUNE 30, 1991.] After June 30, 1991, a nursing facility satisfies the requirements of paragraph (b) if 100 percent of the facility's beds that are certified as nursing facility beds under the medical assistance program are Medicare certified.

(f) [PROHIBITED TRANSFERS.] A resident in a skilled nursing bed or, after September 30, 1990, a resident in any nursing facility bed, who is eligible for medical assistance and who becomes eligible for Medicare has the right to refuse an intrafacility skilled nursing bed transfer if the commissioner approves the exception request based on written documentation submitted by a physician that the transfer would create or contribute to a health problem for the resident. A resident who is occupying a skilled nursing bed or, after September 30, 1990, a nursing facility bed certified by the medical assistance and Medicare programs, has the right to refuse a transfer if the resident's bed is needed for a Medicare-eligible patient or private-pay patient and if the commissioner approves the exception based on written documentation submitted by a physician that the transfer would create or contribute to a health problem for the resident. [CONFLICT WITH MEDICARE DISTINCT PART REQUIREMENTS.] At the request of a facility, the commissioner of human services may reduce the 50 percent Medicare participation requirement in paragraphs (c) and (d) to no less than 20 percent if the commissioner of health determines that, due to the facility's physical plant configuration, the facility cannot satisfy Medicare distinct part requirements at the 50 percent certification level. To receive a reduction in the participation requirement, a facility must demonstrate that the reduction will not adversely affect access of Medicare-eligible residents to Medicare-certified beds.

(g) (f) [INSTITUTIONS FOR MENTAL DISEASE.] The commissioner may grant exceptions to the requirements of paragraph (b) for nursing facilities that are designated as institutions for mental disease.

(h) (g) [NOTICE OF RIGHTS.] The commissioner shall inform

recipients of their rights under this subdivision and section 144.651, subdivision 29."

Delete the title and insert:

"A bill for an act relating to human services; amending the Medicare certification requirement for nursing homes; amending Minnesota Statutes 1989 Supplement, section 256B.48, subdivision 6."

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

The report was adopted.

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

H. F. No. 1912, A bill for an act relating to human services; allowing an increase to the property rates for a limited period; establishing a capital replacement fund for nursing homes; providing for a phase-up and extending grandfather status for property costs of certain nursing homes; amending Minnesota Statutes 1988, section 256B.431, by adding a subdivision; and Minnesota Statutes 1989 Supplement, section 256B.431, subdivision 3f.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1988, section 144A.073, is amended by adding a subdivision to read:

Subd. 3a. [EXTENSION OF APPROVAL OF A PROJECT REQUIRING AN EXCEPTION TO THE NURSING HOME MORATORIUM.] Notwithstanding subdivision 3, a construction project that was approved by the commissioner under the moratorium exception approval process in this section prior to February 1, 1990, may be commenced more than 12 months after the date of the commissioner's approval but no later than July 1, 1992.

Sec. 2. Minnesota Statutes 1988, section 256B.431, is amended by adding a subdivision to read:

Subd. 3h. [PROPERTY COSTS FOR THE RATE YEAR BEGINNING JULY 1, 1990.] Notwithstanding Minnesota Rules, part 9549.0060, subpart 13, item H, the commissioner shall determine

property-related payment rates for nursing homes for the rate year beginning July 1, 1990, as follows:

(a) The property-related payment rate for a nursing home that qualifies under subdivision 3g is the rate determined under that subdivision.

(b) Nursing homes shall be grouped according to the type of property-related payment rate the commissioner determined for the rate year beginning July 1, 1989. A nursing home whose property-related payment rate was determined under Minnesota Rules, part 9549.0060, subpart 13, item A (full rental reimbursement) shall be considered group A. A nursing home whose property-related payment rate was determined under Minnesota Rules, part 9549.0060, subpart 13, item B (phase-down to full rental reimbursement) shall be considered group B. A nursing home whose property-related payment rate was determined under Minnesota Rules, part 9549.0060, subpart 13, item C or D (phase-up to full rental reimbursement) shall be considered group C.

(c) For the rate year beginning July 1, 1990, a Group A nursing home shall receive its property-related payment rate determined under Minnesota Rules, parts 9549.0010 to 9549.0080, and this section.

(d) For the rate year beginning July 1, 1990, a Group B nursing home shall receive the greater of 90.5 percent of the property-related payment rate in effect on July 1, 1989; or the rental per diem rate determined under Minnesota Rules, parts 9549.0010 to 9549.0080, and this section in effect on July 1, 1990; or the sum of 100 percent of the nursing home's allowable principal and interest expense, plus its equipment allowance multiplied by the resident days for the reporting year ending September 30, 1989, divided by the nursing home's capacity days as determined under Minnesota Rules, part 9549.0060, subpart 11, as modified by subdivision 3f, paragraph (c); except that the nursing home's property-related payment rate must not exceed its property-related payment rate in effect on July 1, 1989.

(e) For the rate year beginning July 1, 1990, a Group C nursing home shall receive its property-related payment rate determined under Minnesota Rules, parts 9549.0010 to 9549.0080, and this section, except the rate must not exceed the lesser of its property-related payment rate determined for the rate year beginning July 1, 1989, multiplied by 150 percent or its rental per diem rate determined effective July 1, 1990.

(f) The property-related payment rate for a nursing home that qualifies for a rate adjustment under Minnesota Rules, part 9549.0060, subpart 13, item G (special reappraisals) shall have the

property-related payment rate determined in paragraphs (a) to (e) adjusted according to the provisions in that rule.

Sec. 3. Minnesota Statutes 1988, section 256B.431, is amended by adding a subdivision to read:

Subd. 3i. [PROPERTY RATE ADJUSTMENT FOR REQUIRED IMPROVEMENTS.] The commissioner shall add an adjustment to the property-related payment rate of a certified, freestanding boarding care home reflecting the costs incurred by that nursing home to install a communications system in every room and hallway handrails, as required under the 1987 federal Omnibus Budget Reconciliation Act, Public Law Number 100-203. The property-related payment rate increase is only available if, and to the extent that, the nursing home's existing property-related payment rate, minus the nursing home's allowable principal and interest costs and equipment allowance, is not sufficient to cover the costs of the required improvements. Each nursing home eligible for the adjustment shall submit to the commissioner a detailed estimate of the cost increases the facility will incur to meet the new physical plant requirements. Ten percent of the amount of the costs that are determined by the commissioner to be reasonable for the nursing home to meet the new requirements, divided by resident days, must be added to the nursing home's property-related payment rate. The adjustment shall be added to the property-related payment rate determined under section 2. The resulting recalculated property-related payment rate is effective October 1, 1990, or 60 days after a nursing home submits its detailed cost estimate, whichever occurs later.

The adjustment is only available to a certified, freestanding boarding care home that cannot meet the requirements of Public Law Number 100-203 for communications systems and handrails as demonstrated to the satisfaction of the commissioner of health. When the commissioner of human services establishes that it is not cost effective to upgrade an eligible certified, freestanding boarding care home to the new standards, the commissioner of human services may exclude the certified freestanding boarding care home if it is either an institution for mental disease or a certified, freestanding boarding care home that would have been determined to be an institution for mental disease but for the fact that it has 16 or fewer licensed beds.

Sec. 4. [RECOMMENDATIONS REGARDING PROPERTY COST PAYMENTS.]

By December 15, 1990, the rule 50 property reimbursement advisory task force under the convening authority of the commissioner of state planning shall recommend to the legislature a new system for determining property-related payment rates for nursing homes. The system recommended by the advisory task force must

not increase total medical assistance spending for nursing home property costs. The system must be designed to:

(1) reimburse nursing homes for their legitimate and reasonable property-related costs;

(2) permit appropriate sales of facilities within reasonable limitations;

(3) allow for the reasonable accumulation of funds to replace capital assets;

(4) take into consideration Medicare principles and required state plan assurances;

(5) provide equitable treatment of facilities;

(6) establish limitations on investment per bed; and

(7) encourage long-term ownership of nursing facilities through providing a return on an owner's actual investment which is related to the length of ownership at the time of an arm's length sale.

Sec. 5. [REPEALER.]

Minnesota Statutes 1988, sections 256B.431, subdivisions 3, 3b, 3c, and 3d; and 256B.50, subdivision 2; and Minnesota Statutes 1989 Supplement, section 256B.431, subdivisions 3a and 3f, are repealed effective July 1, 1991.

Sec. 6. [EFFECTIVE DATE.]

Sections 1 to 5 are effective July 1, 1990."

Delete the title and insert:

"A bill for an act relating to health and human services; extending the construction deadline for nursing homes that have been granted exceptions to the moratorium; repealing laws establishing a rental system for reimbursing nursing home property costs; establishing interim property payment rates; requiring the property reimbursement advisory task force to recommend a new property payment system; amending Minnesota Statutes 1988, sections 144A.073, by adding a subdivision; and 256B.431, by adding subdivisions; repealing Minnesota Statutes 1988, sections 256B.431, subdivisions 3, 3b, 3c, and 3d; and 256B.50, subdivision 2; and Minnesota Statutes 1989 Supplement, section 256B.431, subdivisions 3a and 3f."

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

The report was adopted.

Kelly from the Committee on Judiciary to which was referred:

H. F. No. 2027, A bill for an act relating to civil actions; addressing reduction of damages in an action under no-fault automobile insurance; clarifying the execution of a state agency lien for medical assistance in a civil case; preserving common law tort law claims against adults who knowingly provide alcoholic beverages to minors; changing the standard for awarding punitive damages; addressing when a principal may be held liable for punitive damages for an act of the principal's agent; requiring a separate trial to address punitive damages; requiring the court to review a punitive damages award; making the contributory negligence rule apply to damages resulting from economic loss; redefining fault; abolishing the doctrine of last clear chance; repealing the limit on intangible loss damages and the requirement that a jury specify amounts for past, future, and intangible loss damages; amending Minnesota Statutes 1988, sections 65B.51, subdivision 1; 256B.042, subdivision 5; 340A.801; by adding a subdivision; 541.051, subdivision 1; 548.36, subdivision 3; 549.20, subdivisions 1, 2, and by adding subdivisions; 604.01, subdivisions 1, 1a, and 3; repealing Minnesota Statutes 1988, sections 549.23 and 549.24.

Reported the same back with the following amendments:

Page 1, after line 26, insert:

"Section 1. Minnesota Statutes 1988, section 31.50, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] (a) For the purposes of this section, "distressed food" means, in addition to the definition in section 31.495, certain perishable foods, as defined in section 28A.03, which may not be readily marketable due to appearance, freshness, grade, surplus or other considerations and are not suspect of having been rendered unsafe or unsuitable for food use and are adequately labeled.

(b) For the purposes of this section, "food bank" means a surplus food collection and distribution system operated and established to assist in bringing donated food to nonprofit charitable organizations and individuals for the purpose of reducing hunger and meeting nutritional needs.

(c) For the purposes of this section, "food facility" means a:

(1) restaurant, food establishment, vehicle, vending machine, produce stand, temporary food facility, satellite food distribution facility, stationary mobile food preparation unit, and mobile food preparation unit;

(2) place used in conjunction with the operations described in clause (1), including, but not limited to, storage facilities for food-related utensils, equipment, and materials; or

(3) farmers' market.

(d) "Nonprofit charitable organization" means an organization that was organized under the Minnesota nonprofit corporation act and is operating for charitable purposes.

Sec. 2. Minnesota Statutes 1988, section 31.50, subdivision 2, is amended to read:

Subd. 2. [DONATION; DISTRESSED FOOD.] A food manufacturer, distributor, processor or a person who donates or collects distressed food to or for a nonprofit charitable organization as defined in section 309.50, subdivision 4, for distribution at no charge to the elderly or needy, or who directly distributes distressed food to the elderly or needy at no charge, shall not be liable for any injury, including but not limited to injury resulting from the ingesting of the distressed food, unless the injury is caused by the gross negligence, recklessness or intentional misconduct of the food manufacturer, processor, distributor or person.

Sec. 3. Minnesota Statutes 1988, section 31.50, subdivision 3, is amended to read:

Subd. 3. [DISTRIBUTION.] A food bank or nonprofit charitable organization as defined in section 309.50, subdivision 4, which in good faith collects or receives distressed food and distributes it at no charge to the elderly or needy, at no charge, food which is fit for human consumption at the time it is distributed, shall not be liable for any injury, including but not limited to injury resulting from the ingesting of the distressed food, unless the injury is caused by the gross negligence, recklessness or intentional misconduct of the food bank or nonprofit charitable organization.

Sec. 4. Minnesota Statutes 1988, section 31.50, is amended by adding a subdivision to read:

Subd. 5. [OTHER FOOD DONATION.] A food facility that donates, to a food bank or other nonprofit charitable organization, food which is:

(1) fit for human consumption at the time of donation; and

(2) distributed by the food bank or nonprofit charitable organization to the elderly or needy at no charge;

shall not be liable for any injury, including, but not limited to, liability resulting from ingestion of the food, unless the injury is caused by the gross negligence, recklessness, or intentional misconduct of the food facility.

Sec. 5. Minnesota Statutes 1988, section 38.013, is amended to read:

38.013 [TORT LIABILITY.]

The provisions of chapter 466, regarding tort liability apply to county agricultural societies organized under this chapter, except that no person who serves without compensation as a member of the board of a county agricultural society created or organized under chapter 38 shall be held civilly liable for an act or omission by that person if the act or omission was in good faith, was within the scope of the person's responsibilities as a member of the board and did not constitute willful or reckless misconduct.

This subdivision does not apply to:

(1) an action or proceeding brought by the attorney general for a breach of a fiduciary duty as a director;

(2) a cause of action to the extent it is based on federal law; or

(3) a cause of action based on the board member's express contractual obligation.

Nothing in this subdivision shall be construed to limit the liability of a member of the board for physical injury to the person of another or for wrongful death which is personally and directly caused by the board member.

For purposes of this subdivision the term "compensation" means any thing of value received for services rendered, except:

(1) reimbursement for expenses actually incurred;

(2) a per diem in an amount not to exceed the per diem authorized for state advisory councils and committees pursuant to section 15.059, subdivision 3; or

(3) payment by the county agricultural society of insurance premiums on behalf of a member of the board."

Page 2, delete section 2 and insert:

"Sec. 7. Minnesota Statutes 1988, section 169.48, is amended to read:

169.48 [VEHICLE LIGHTING.]

Every vehicle upon a highway within this state, at any time from sunset to sunrise and at any other time when visibility is impaired by weather, smoke, fog or other conditions or there is not sufficient light to render clearly discernible persons and vehicles on the highway at a distance of 500 feet ahead, shall display lighted lamps and illuminating devices, as hereinafter, respectively, required for different classes of vehicles, subject to exceptions with respect to parked vehicles and law enforcement vehicles, as hereinafter stated. In addition to the other requirements of this paragraph, every school bus transporting children upon a highway within this state, at any time from a half hour before sunrise to a half hour after sunset, shall display lighted lamps and illuminating devices as required by this paragraph, except that the operator shall use the lower most distribution of light specified in section 169.60 unless conditions warrant otherwise.

When requirement is hereinafter declared as to the distance from which certain lamps and devices shall render objects visible or within which such lamps or devices shall be visible, these provisions shall apply during the time stated in this section upon a straight level unlighted highway under normal atmospheric conditions unless a different time or condition is expressly stated and unless otherwise specified the location of lamps and devices shall refer to the center of such lamps or devices. Parking lamps shall not be used in lieu of head lamps to satisfy the requirements of this section.

Sec. 8. [169.541] [LIGHTING EXEMPTIONS; LAW ENFORCEMENT VEHICLES; STANDARDS.]

Subdivision 1. [EXEMPTION.] Sections 84.87, 84.928, 169.48 to 169.65, and 361.15, relating to lighting of vehicles and watercraft, do not apply to a licensed peace officer, as defined in section 626.84, subdivision 1, paragraph (c), while operating a motor vehicle or watercraft owned, leased, or otherwise the property of the state or a political subdivision, in the performance of the officer's law enforcement duties if the officer's conduct is consistent with the standards adopted under subdivision 2, and if the officer reasonably believes that operating the vehicle without lights is necessary under the circumstances to investigate a criminal violation or suspected criminal violation of state laws, rules, or orders or local laws, ordinances, or regulations.

Subd. 2. [POST BOARD STANDARDS.] The peace officers standards and training board shall adopt standards governing situations in which licensed peace officers as defined in section 626.84, subdivision 1, paragraph (c), may operate a vehicle or watercraft

without lights as provided in subdivision 1. The board shall report to the legislature on the standards by January 1, 1991.

Subd. 3. [TORT LIABILITY.] When authorized under subdivision 1, the fact that a motor vehicle or watercraft was operated without lights by a licensed peace officer is an act or omission, or performance or failure to perform, as applied in sections 3.736, subdivision 3, clauses (a) and (b); and 466.03, subdivisions 5 and 6."

Page 3, after line 2, insert:

"Sec. 10. Minnesota Statutes 1988, section 361.15, is amended to read:

361.15 [LIGHTS.]

Subdivision 1. Except as provided in section 8, each watercraft using the waters of this state, when underway or in use at any time between sunset and sunrise, shall carry and display the lights specified by the commissioner for such watercraft.

Sec. 11. Minnesota Statutes 1988, section 466.08, is amended to read:

466.08 [COMPROMISE OF CLAIMS.]

Notwithstanding sections 466.03 and 466.06, the governing body of any municipality, the administrator of a self-insurance pool, or the authorized representative of a private insurance carrier may compromise, adjust and settle tort claims against the municipality for damages under section 466.02 and may, subject to procedural requirements imposed by law or charter, appropriate money for the payment of amounts agreed upon. When the amount of a settlement exceeds ~~\$2,500~~ \$10,000, the settlement shall not be effective until approved by the district court."

Page 7, line 1, delete "2, and 4 to 13" and insert "to 6, and 12 to 21"

Page 7, line 3, delete "3" and insert "9"

Page 7, line 4, after the period insert "Section 11 is effective August 1, 1990, and applies to claims settled on or after that date."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, after the semicolon insert "limiting the liability of food donors;"

Page 1, line 3, after the semicolon insert "providing vehicle and watercraft lighting exemptions for law enforcement vehicles;"

Page 1, line 19, after "sections" insert "31.50, subdivisions 1, 2, 3, and by adding a subdivision; 38.013;"

Page 1, line 20, delete "256B.042, subdivision 5" and insert "169.48"

Page 1, line 21, after the first semicolon insert "361.15; 466.08;"

Page 1, line 24, after "3;" insert "proposing coding for new law in Minnesota Statutes, chapter 169;"

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 2031, A bill for an act relating to health; requiring the commissioner of health to purchase vaccine for resale to medical providers at discounted prices; declaring the goal of the legislature to achieve full funding for the WIC program by 1993; establishing additional responsibilities of the commissioner of health relating to the WIC program; requiring the commissioner of human services to seek federal approval to eliminate eligibility redeterminations for certain pregnant women and infants; expanding eligibility for the children's health plan to include certain pregnant women and children up to age six; increasing medical assistance income limits for pregnant women and children up to age seven; increasing payment rates for prenatal care and delivery services; requiring a plan to improve utilization rates for prenatal care and preventive care for children; expanding the prenatal care media outreach campaign; requiring the boards of medical examiners and nursing to report on complaints relating to obstetrics, gynecology, prenatal care, and delivery; appropriating money; amending Minnesota Statutes 1988, sections 214.07, subdivision 1, and by adding a subdivision; and 256.936, by adding a subdivision; Minnesota Statutes 1989 Supplement, sections 145.894; 256.936, subdivision 1; 256B.04, subdivision 17; and 256B.057, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 144.

Reported the same back with the following amendments:

Page 1, line 32, delete "15" and insert "17"

Page 2, after line 6, insert:

"Sec. 3. [62A.62] [DEMONSTRATION PROJECT.]

Subdivision 1. [ESTABLISHMENT.] The commissioner shall establish demonstration projects to allow health insurers regulated under this chapter and nonprofit health service plan corporations regulated under chapter 62C to extend coverage for health and services to individuals or groups currently unable to afford such coverage. For purposes of this section, the commissioner may waive compliance with minimum benefits required under chapter 62A, and any applicable rules if there is reasonable evidence that the rules prohibit the operation of the demonstration project. The commissioner shall provide for public comment before any statute or rule is waived.

Subd. 2. [APPLICATION AND APPROVAL.] An insurer or health service plan corporation electing to participate in a demonstration project shall apply to the commissioner for approval on a form developed by the commissioner. The application shall include at least the following:

(1) a statement identifying the population that the project is designed to serve;

(2) a description of the proposed project including a statement projecting a schedule of costs and benefits for the enrollee;

(3) reference to the sections of Minnesota Statutes and department of commerce rules for which waiver is requested;

(4) evidence that application of the requirements of applicable Minnesota Statutes and department of commerce rules would, unless waived, prohibit the operation of the demonstration project;

(5) an estimate of the number of years needed to adequately demonstrate the project's effects; and

(6) other information the commissioner may reasonably require.

Subd. 3. [COMMISSIONER'S REVIEW OF APPLICATION FOR DEMONSTRATION PROJECT.] The commissioner shall approve, deny, or refer back to the insurer or health service plan corporation for modification, the application for a demonstration project within 60 days of receipt from the insurer or health service plan corporation.

Subd. 4. [LENGTH OF PROJECT.] The commissioner may approve an application for a demonstration project for a maximum of six years, with an option to renew.

Subd. 5. [REPORT REQUIRED.] Each insurer or health service plan corporation for which a demonstration project is approved shall annually file a report with the commissioner summarizing the project's experience at the same time it files its annual report. The report shall be on a form developed by the commissioner and shall be separate from the annual report.

Subd. 6. [APPROVAL MAY BE RESCINDED.] The commissioner may rescind approval of a demonstration project if the commissioner finds that the project's operation is contrary to the information contained in the approved application."

Pages 6 and 7, delete sections 7 and 8 and insert:

"Sec. 8. Minnesota Statutes 1989 Supplement, section 256.936, subdivision 1, is amended to read:

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

(a) "Eligible persons" means pregnant women and children who are one year of age or older but less than 18 years of age who have gross family incomes that are equal to or less than 185 percent of the federal poverty guidelines and who are not eligible for medical assistance under chapter 256B or general assistance medical care under chapter 256D and who are not otherwise insured for the covered services. The period of eligibility for children extends from the first day of the month in which the child's first birthday occurs birth to the last day of the month in which the child becomes 18 years old. For purposes of this subdivision, a woman is considered pregnant for 60 days postpartum.

(b) "Covered services" means children's health services.

(c) "Children's health services" means the health services reimbursed under chapter 256B, with the exception of inpatient hospital services, special education services, private duty nursing services, orthodontic services, medical transportation services, personal care assistant and case management services, hospice care services, nursing home or intermediate care facilities services, and chemical dependency services.

(d) "Eligible providers" means those health care providers who provide children's health services to medical assistance recipients under rules established by the commissioner for that program.

Reimbursement under this section shall be at the same rates and conditions established for medical assistance.

(e) "Commissioner" means the commissioner of human services.

(f) "Gross family income" for farm and nonfarm self-employed means income calculated using as the baseline the adjusted gross income reported on the applicant's federal income tax form for the previous year and adding back in reported depreciation, carryover loss, and net operating loss amounts that apply to the business in which the family is currently engaged. Applicants shall report the most recent financial situation of the family if it has changed from the period of time covered by the federal income tax form. The report may be in the form of percentage increase or decrease.

Sec. 9. Minnesota Statutes 1989 Supplement, section 256.936, subdivision 4, is amended to read:

Subd. 4. [ENROLLMENT FEE.] An annual enrollment fee of \$25, not to exceed \$150 per family, is required from eligible persons, who have gross family incomes that are equal to or less than 185 percent of the federal poverty guidelines, for children's health services. An annual enrollment fee of \$50, not to exceed \$300 per family, is required from eligible persons, who have gross family incomes that exceed 185 percent of the federal poverty guidelines, for children's health services. Enrollment fees are dedicated to the commissioner for the children's health plan program. The commissioner shall make an annual redetermination of continued eligibility and identify people who may become eligible for medical assistance."

Page 10, after line 9, insert:

"Sec. 16. [CONSUMER AWARENESS CAMPAIGN.]

The department of commerce shall establish a consumer awareness campaign to inform the public of cost effective strategies for the purchase of affordable health insurance. The department of commerce may accept public and private funds to establish and promote this consumer awareness campaign."

Page 10, line 14, delete the first comma and insert "and"

Page 10, line 14, delete everything after "care program"

Page 10, line 15, delete "children's health plan"

Page 10, line 16, delete "7, 8, 10, and 13" and insert "11 and 14"

Page 10, line 19, delete "9" and insert "10"

Page 10, after line 23, insert:

“(c) \$ is appropriated from the general fund to the commissioner of human services for the biennium ending June 30, 1991, for start-up and administrative costs related to expansion of the children’s health plan.”

“(d) \$ is appropriated from the general fund to the commissioner of human services for the biennium ending June 30, 1991, for marketing and promotional efforts under section 256.936, subdivision 2.”

“(e) \$ is appropriated from the general fund to the commissioner of human services for the biennium ending June 30, 1991, to pay for the cost of medical services related to expansion of the children’s health plan.”

Sec. 18. [EFFECTIVE DATE.]

Sections 8 and 9 are effective August 1, 1990. Section 17, paragraphs (c) and (d), are effective the day following final enactment. Section 17, paragraph (e), is effective July 1, 1990.”

Renumber the sections in sequence

Correct internal references

Amend the title as follows:

Page 1, line 2, after the semicolon insert “allowing demonstration projects to provide health coverage to persons who currently can’t afford it;”

Page 1, line 13, delete “certain” and delete “up to age six” and insert “from birth” and after the semicolon insert “adjusting enrollment fees;”

Page 1, line 23, after the first semicolon insert “requiring a consumer awareness program on affordable health insurance;”

Page 1, lines 25 and 26, delete “and 256.936, by adding a subdivision;”

Page 1, line 27, delete “subdivision 1” and insert “subdivisions 1 and 4”

Page 1, line 29, delete “chapter” and insert “chapters 62A and”

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

The report was adopted.

Kalis from the Committee on Transportation to which was referred:

H. F. No. 2064, A bill for an act relating to railroads; establishing standard for abandonment of tracks; clarifying standard for abandonment of shops, terminals, and stations; amending Minnesota Statutes 1988, sections 219.681; 219.71; and 219.85.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. [219.855] [EMPLOYEES; RIGHT TO BE HEARD.]

In any proceeding before the board arising under section 219.681, 219.71, or 219.85, employees of each railroad which is party to the proceeding have the right to appear and present testimony on the issues before the board but do not have standing as parties to the proceeding.”

Amend the title as follows:

Page 1, line 2, after the semicolon delete “establishing standard for” and insert “clarifying a railroad employee’s right to appear at certain hearings conducted by the transportation regulation board;”

Page 1, delete lines 3 to 6 and insert “proposing coding for new law in Minnesota Statutes, chapter 219.”

With the recommendation that when so amended the bill pass.

The report was adopted.

Kostohryz from the Committee on General Legislation, Veterans Affairs and Gaming to which was referred:

H. F. No. 2099, A bill for an act relating to pet or companion animals; permitting restrictions to be imposed on persons convicted of committing certain crimes; amending Minnesota Statutes 1988, section 343.21, by adding a subdivision.

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

The report was adopted.

Skoglund from the Committee on Insurance to which was referred:

H. F. No. 2118, A bill for an act relating to health; establishing requirements for rehabilitating or liquidating a health maintenance organization; specifying requirements for a health maintenance organization application for a certificate; establishing protections against conflicts of interest; establishing requirements for a guaranteeing organization; including certain investments as admitted assets; requiring an expedited resolution of disputes about coverage of immediately and urgently needed service; allowing replacement coverage by other health maintenance organizations; allowing appointment of a special examiner; amending Minnesota Statutes 1988, sections 60B.04, subdivision 1; 60B.15; 60B.17, subdivision 2, and by adding a subdivision; 60B.20; 60B.25; 62D.02, subdivision 15; 62D.03, subdivision 4; 62D.04, subdivision 1; 62D.041, subdivision 2; 62D.044; 62D.08, subdivisions 1, 2, and 6; 62D.11, subdivisions 1a, 4, and by adding a subdivision; 62D.121, by adding a subdivision; 62D.17, subdivisions 1 and 4; 62D.18, subdivision 1; 62D.211; Minnesota Statutes 1989 Supplement, sections 62D.121, subdivision 3; 72A.491, by adding a subdivision; Laws 1988, chapter 434, section 24; proposing coding for new law in Minnesota Statutes, chapters 60B; and 62D; repealing Minnesota Statutes 1988, sections 62D.12, subdivision 16; 62D.18, subdivisions 2, 3, and 5.

Reported the same back with the following amendments:

Page 6, line 21, after "the" insert "notice"

Page 16, line 26, after "the" insert "notice"

Page 35, delete section 29

Page 35, line 20, delete "30" and insert "29"

Page 35, line 25, delete "31" and insert "30"

Amend the title as follows:

Page 1, line 22, delete "sections" and insert "section"

Page 1, line 23, delete "72A.491, by adding a subdivision;"

With the recommendation that when so amended the bill pass.

The report was adopted.

Kelly from the Committee on Judiciary to which was referred:

H. F. No. 2218, A bill for an act relating to privacy of communications; including cordless telephones in the privacy of communications act; amending Minnesota Statutes 1988, section 626A.01, subdivisions 3 and 14.

Reported the same back with the following amendments:

Page 2, after line 9, insert:

"Sec. 3. Minnesota Statutes 1988, section 626A.02, subdivision 2, is amended to read:

Subd. 2. [EXEMPTIONS.] (a) It is not unlawful under sections 626A.01 to 626A.23 for an operator of a switchboard, or an officer, employee, or agent of a provider of wire or electronic communication service, whose facilities are used in the transmission of a wire communication, to intercept, disclose, or use that communication in the normal course of employment while engaged in any activity which is a necessary incident to the rendition of service or to the protection of the rights or property of the provider of that service, except that a provider of wire communication service to the public shall not utilize service observing or random monitoring except for mechanical or service quality control checks.

(b) It is not unlawful under sections 626A.01 to 626A.23 for an officer, employee, or agent of the Federal Communications Commission, in the normal course of employment and in discharge of the monitoring responsibilities exercised by the commission in the enforcement of chapter 5 of title 47 of the United States Code, to intercept a wire or electronic communication, or oral communication transmitted by radio, or to disclose or use the information thereby obtained.

(c) It is not unlawful under sections 626A.01 to 626A.23 for a person acting under color of law to intercept a wire, electronic, or oral communication, where such person is a party to the communication or one of the parties to the communication has given prior consent to such interception.

(d) It is not unlawful under sections 626A.01 to 626A.23 for a person not acting under color of law to intercept a wire, electronic, or oral communication where such person is a party to the communication or where one of the parties to the communication has given

prior consent to such interception unless such communication is intercepted for the purpose of committing any criminal or tortious act in violation of the constitution or laws of the United States or of any state.

(e) It is not a violation of sections 626A.01 to 626A.23 or sections 626A.26 to 626A.34 for a person:

(1) to intercept or access an electronic communication made through an electronic communication system that is configured so that the electronic communication is readily accessible to the general public;

(2) to intercept any radio communication that is transmitted:

(i) by a station for the use of the general public, or that relates to ships, aircraft, vehicles, or persons in distress;

(ii) by a governmental, law enforcement, civil defense, private land mobile, or public safety communications system, including police and fire, readily accessible to the general public;

(iii) by a station operating on an authorized frequency within the bands allocated to the amateur, citizens band, or general mobile radio services; or

(iv) by a marine or aeronautical communications system;

(3) to engage in any conduct which:

(i) is prohibited by section 553 of title 47 of the United States Code; or

(ii) is excepted from the application of section 605(a) of title 47 of the United States Code by section 605(b) of that title;

(4) to intercept a wire or electronic communication the transmission of which is causing harmful interference to any lawfully operating station or consumer electronic equipment, to the extent necessary to identify the source of such interference; or

(5) for other users of the same frequency to intercept any radio communication made through a system that utilizes frequencies monitored by individuals engaged in the provision or the use of such system, if the communication is not scrambled or encrypted.

(f) It is not unlawful under sections 626A.01 to 626A.23:

(1) to use a pen register or a trap and trace device as those terms are defined by section 626A.39; or

(2) for a provider of electronic communication service to record the fact that a wire or electronic communication was initiated or completed in order to protect the provider, another provider furnishing service toward the completion of the wire or electronic communication, or a user of that service, from fraudulent, unlawful, or abusive use of the service.

(g) It is not unlawful under sections 626A.01 to 626A.23 for a person not acting under color of law to intercept the radio portion of a cordless telephone communication that is transmitted between the cordless telephone handset and the base unit if the initial interception of the communication was obtained inadvertently.

Sec. 4. Minnesota Statutes 1988, section 626A.02, subdivision 4, is amended to read:

Subd. 4. [PENALTIES.] (a) Except as provided in paragraph (b) or in subdivision 5, whoever violates subdivision 1 shall be fined not more than \$20,000 or imprisoned not more than five years, or both.

(b) If the offense is a first offense under paragraph (a) and is not for a tortious or illegal purpose or for purposes of direct or indirect commercial advantage or private commercial gain, and the wire or electronic communication with respect to which the offense under paragraph (a) is a radio communication that is not scrambled or encrypted, then:

(1) if the communication is not the radio portion of a cellular telephone communication, a public land mobile radio service communication, a cordless telephone communication transmitted between the cordless telephone handset and the base unit, or a paging service communication, and the conduct is not that described in subdivision 5, the offender shall be fined not more than \$3,000 or imprisoned not more than one year, or both; and

(2) if the communication is the radio portion of a cellular telephone communication, a public land mobile radio service communication, a cordless telephone communication transmitted between the cordless telephone handset and the base unit, or a paging service communication, the offender shall be fined not more than \$500.

(c) Conduct otherwise an offense under this subdivision that consists of or relates to the interception of a satellite transmission that is not encrypted or scrambled and that is transmitted:

(1) to a broadcasting station for purposes of retransmission to the general public; or

(2) as an audio subcarrier intended for redistribution to facilities

open to the public, but not including data transmissions or telephone calls,

is not an offense under this subdivision unless the conduct is for the purposes of direct or indirect commercial advantage or private financial gain."

Amend the title as follows:

Page 1, line 5, after "14" insert "; and 626A.02, subdivisions 2 and 4"

With the recommendation that when so amended the bill pass.

The report was adopted.

Jacobs from the Committee on Regulated Industries to which was referred:

H. F. No. 2340, A bill for an act relating to alcoholic beverages; authorizing cities and counties to issue licenses permitting on-sale of alcoholic beverages during certain hours when on-sale is otherwise prohibited; amending Minnesota Statutes 1988, section 340A.504, subdivisions 1 and 6; Minnesota Statutes 1989 Supplement, section 340A.504, subdivisions 2 and 3; proposing coding for new law in Minnesota Statutes, chapter 349.

Reported the same back with the following amendments:

Page 3, line 14, delete "349.5051" and insert "340A.5051"

Page 3, line 20, delete "and to permit the consumption of"

Page 3, line 21, delete everything before "The"

Page 3, line 30, after "employee" insert "serving or supervising the serving of alcoholic beverages"

Page 4, line 7, delete the second "or" and insert "for"

Amend the title as follows:

Page 1, line 9, delete "349" and insert "340A"

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

The report was adopted.

Kelly from the Committee on Judiciary to which was referred:

H. F. No. 2351, A bill for an act relating to natural resources; authorizing conservation officers to seek issuance of and to serve search warrants; amending Minnesota Statutes 1989 Supplement, sections 626.05, subdivision 2; and 626.13.

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

The report was adopted.

Kelly from the Committee on Judiciary to which was referred:

H. F. No. 2367, A bill for an act relating to crimes; making it a crime for an alleged or adjudicated juvenile delinquent who is 18 years old to escape from a local juvenile correctional facility; amending Minnesota Statutes 1988, section 609.485, subdivisions 2 and 4.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1988, section 260.015, subdivision 5, is amended to read:

Subd. 5. [DELINQUENT CHILD.] "Delinquent child" means a child:

(a) Who has violated any state or local law, except as provided in section 260.193, subdivision 1, and except for juvenile offenders as described in subdivisions 19 to 23; or

(b) Who has violated a federal law or a law of another state and whose case has been referred to the juvenile court if the violation would be an act of delinquency if committed in this state or a crime or offense if committed by an adult; or

(c) Who has escaped from confinement to a state juvenile correc-

tional facility after being committed to the custody of the commissioner of corrections; or

(d) Who has escaped from confinement to a local juvenile correctional facility after being committed to the facility by the court.

Sec. 2. Minnesota Statutes 1989 Supplement, section 260.125, subdivision 3, is amended to read:

Subd. 3. A prima facie case that the public safety is not served or that the child is not suitable for treatment shall have been established if the child was at least 16 years of age at the time of the alleged offense and:

(1) is alleged by delinquency petition to have committed an aggravated felony against the person and (a) in committing the offense, the child acted with particular cruelty or disregard for the life or safety of another; or (b) the offense involved a high degree of sophistication or planning by the juvenile; or

(2) is alleged by delinquency petition to have committed murder in the first degree; or

(3) is alleged by delinquency petition (a) to have committed the delinquent act of escape from confinement to a state juvenile correctional facility or a local juvenile correctional facility and (b) to have committed an offense as part of, or subsequent to, escape from custody that would be a felony listed in section 609.11, subdivision 9, if committed by an adult; or

(4) has been found by the court, pursuant to an admission in court or after trial, to have committed an offense within the preceding 24 months which would be a felony if committed by an adult, and is alleged by delinquency petition to have committed murder in the second or third degree, manslaughter in the first degree, criminal sexual conduct in the first degree or assault in the first degree; or

(5) has been found by the court, pursuant to an admission in court or after trial, to have committed two offenses, not in the same behavioral incident, within the preceding 24 months which would be felonies if committed by an adult, and is alleged by delinquency petition to have committed manslaughter in the second degree, kidnapping, criminal sexual conduct in the second degree, arson in the first degree, aggravated robbery, or assault in the second degree; or

(6) has been found by the court, pursuant to an admission in court or after trial, to have committed two offenses, not in the same behavioral incident, within the preceding 24 months, one or both of which would be the felony of burglary of a dwelling if committed by

an adult, and the child is alleged by the delinquency petition to have committed another burglary of a dwelling. For purposes of this subdivision, "dwelling" means a building which is, in whole or in part, usually occupied by one or more persons living there at night; or

(7) has previously been found by the court, pursuant to an admission in court or after trial, to have committed three offenses, none in the same behavioral incident, within the preceding 24 months which would be felonies if committed by an adult, and is alleged by delinquency petition to have committed any felony other than those described in clause (2), (4), or (5); or

(8) is alleged by delinquency petition to have committed an aggravated felony against the person, other than a violation of section 609.713, in furtherance of criminal activity by an organized gang; or

(9) has previously been found by the court, pursuant to an admission in court or after trial, to have committed an offense which would be a felony if committed by an adult, and is alleged by delinquency petition to have committed a felony-level violation of chapter 152 involving the unlawful sale or possession of a schedule I or II controlled substance, while in a park zone or a school zone as defined in section 152.01, subdivisions 12a and 14a. This clause does not apply to a juvenile alleged to have unlawfully possessed a controlled substance in a private residence located within the school zone or park zone.

For the purposes of this subdivision, "aggravated felony against the person" means a violation of any of the following provisions: section 609.185; 609.19; 609.195; 609.20, subdivision 1 or 2; 609.221; 609.222; 609.223; 609.245; 609.25; 609.342; 609.343; 609.344, subdivision 1, clause (c) or (d); 609.345, subdivision 1, clause (c) or (d); 609.561; 609.582, subdivision 1, clause (b) or (c); or 609.713.

For the purposes of this subdivision, an "organized gang" means an association of five or more persons, with an established hierarchy, formed to encourage members of the association to perpetrate crimes or to provide support to members of the association who do commit crimes.

Sec. 3. Minnesota Statutes 1988, section 609.485, subdivision 2, is amended to read:

Subd. 2. [ACTS PROHIBITED.] Whoever does any of the following may be sentenced as provided in subdivision 4:

(1) escapes while held in lawful custody on a charge or conviction of a crime, or while held in lawful custody of the commissioner of

~~corrections~~ on an allegation or adjudication of a delinquent act while 18 years of age;

(2) transfers to another, who is in lawful custody on a charge or conviction of a crime, or introduces into an institution in which the latter is confined, anything usable in making such escape, with intent that it shall be so used;

(3) having another in lawful custody on a charge or conviction of a crime, intentionally permits the other to escape; or

(4) escapes while in a facility designated under section 253B.18, subdivision 1, pursuant to a court commitment order after a finding of not guilty by reason of mental illness or mental deficiency of a crime against the person, as defined in section 253B.02, subdivision 4a. Notwithstanding section 609.17, no person may be charged with or convicted of an attempt to commit a violation of this clause.

Sec. 4. Minnesota Statutes 1988, section 609.485, subdivision 4, is amended to read:

Subd. 4. [SENTENCE.] Except as otherwise provided in subdivision 3a, whoever violates this section may be sentenced as follows:

(1) If the person who escapes is in lawful custody on a charge or conviction of a felony, to imprisonment for not more than five years or to payment of a fine of not more than \$10,000, or both.

(2) If the person who escapes is in lawful custody after a finding of not guilty by reason of mental illness or mental deficiency of a crime against the person, as defined in section 253B.02, subdivision 4a, to imprisonment for not more than one year and one day or to payment of a fine of not more than \$3,000, or both.

(3) If such charge or conviction is for a gross misdemeanor, or if the person who escapes is in lawful custody of the ~~commissioner of corrections~~ on an allegation or adjudication of a delinquent act while 18 years of age, to imprisonment for not more than one year or to payment of a fine of not more than \$3,000, or both.

(4) If such charge or conviction is for a misdemeanor, to imprisonment for not more than 90 days or to payment of a fine of not more than \$700, or both.

(5) If the escape was a violation of subdivision 2, clause (1), (2), or (3) and was effected by violence or threat of violence against a person, the sentence may be increased to not more than twice those permitted in clauses (1), (3), and (4).

(6) Unless a concurrent term is specified by the court, a sentence

under this section shall be consecutive to any sentence previously imposed or which may be imposed for any crime or offense for which the person was in custody when the person escaped.

(7) Notwithstanding clause (6), if a person who was committed to the commissioner of corrections under section 260.185 escapes from the custody of the commissioner while 18 years of age, the person's sentence under this section shall commence on the person's 19th birthday or on the person's date of discharge by the commissioner of corrections, whichever occurs first. However, if the person described in this clause is convicted under this section after becoming 19 years old and after having been discharged by the commissioner, the person's sentence shall commence upon imposition by the sentencing court.

(8) Notwithstanding clause (6), if a person who is in lawful custody on an allegation or adjudication of a delinquent act while 18 years of age escapes from a local juvenile correctional facility, the person's sentence under this section begins on the person's 19th birthday or on the person's date of discharge from the jurisdiction of the juvenile court, whichever occurs first. However, if the person described in this clause is convicted after becoming 19 years old and after discharge from the jurisdiction of the juvenile court, the person's sentence begins upon imposition by the sentencing court.

Sec. 5. [EFFECTIVE DATE.]

Sections 3 and 4 are effective August 1, 1990, and apply to crimes committed on or after that date."

Delete the title and insert:

"A bill for an act relating to crimes; providing that it is a prima facie case for reference for prosecution as an adult if a child is alleged to have committed a felony offense as part of, or subsequent to, the delinquent act of escape from confinement to a local juvenile correctional facility; making it a crime for an alleged or adjudicated juvenile delinquent who is 18 years old to escape from a local juvenile correctional facility; amending Minnesota Statutes 1988, sections 260.015, subdivision 5; and 609.485, subdivisions 2 and 4; and Minnesota Statutes 1989 Supplement, section 260.125, subdivision 3."

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. 2372, A bill for an act relating to motor vehicles; establishing and regulating manufacturer's registration plates; amending Minnesota Statutes 1989 Supplement, section 168.27, subdivisions 1, 16, and 17.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1989 Supplement, section 168.27, subdivision 1, is amended to read:

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

(1) "Leasing motor vehicles" means furnishing a motor vehicle for a fee under a bailor-bailee relationship where no incidences of ownership are intended to be transferred other than the right to use the vehicle for a stated period of time.

(2) "Brokering motor vehicles" means arranging sales between willing buyers and sellers of motor vehicles and receiving a fee for said service.

(3) "Wholesaling motor vehicles" means selling new or used motor vehicles to dealers for resale to the public.

(4) "Auctioning motor vehicles" means arranging for and handling the sale of motor vehicles, not the property of the auctioneer, to the highest bidder.

(5) "Dealer" includes new motor vehicle dealers, used motor vehicle dealers, wholesalers, auctioneers, lessors of new or used motor vehicles, scrap metal processors, used vehicle parts dealers, and salvage pools.

(6) "Commercial building" means a permanent, enclosed building that is on a permanent foundation and connected to local sewer and water facilities or otherwise complying with local sanitary codes, is adapted to commercial use, and conforms to local government zoning requirements. "Commercial building" may include strip office malls or garages if a separate entrance and a separate address are maintained and the dealership is clearly identified as a separate business.

(7) "Commercial office space" means office space occupying all or part of a commercial building.

(8) "Horse trailer" is a trailer designed and used to carry horses and other livestock, which has not more than three axles and a maximum gross weight capacity of not more than 24,000 pounds.

(9) "Isolated or occasional sales or leases" means the sale or lease of not more than five motor vehicles in a 12-month period, exclusive of pioneer or classic motor vehicles as defined in section 168.10, subdivisions 1a and 1b, or sales by a licensed auctioneer selling motor vehicles at an auction if, in the ordinary course of the auctioneer's business, the sale of motor vehicles is incidental to the sale of other real or personal property.

(10) "Used motor vehicle" means a motor vehicle for which title has been transferred from the person who first acquired it from the manufacturer, distributor, or dealer. A new motor vehicle will not be considered a used motor vehicle until it has been placed in actual operation and not held for resale by an owner who has been granted a certificate of title on the motor vehicle and has registered the motor vehicle in accordance with this chapter and chapters 168A and 297B, or the laws of the residence of the owner.

(11) "New motor vehicle" means a motor vehicle other than described in paragraph (10).

(12) "Junked vehicle" means a vehicle that is graded and stamped as a "class D" total loss vehicle under section 168A.151.

(13) "Motor vehicle" has the meaning given it in section 168.011, subdivision 4, and also includes a park trailer as defined in section 168.011, subdivision 8.

(14) "Motor vehicle manufacturer" means an individual, firm, partnership, or corporation engaged in the business of manufacturing, assembling, or distributing motor vehicles, that certify to the registrar that in the normal course of business, it manufactures at least 10,000 new vehicles per year.

Sec. 2. Minnesota Statutes 1989 Supplement, section 168.27, subdivision 16, is amended to read:

Subd. 16. [PLATES, DISTINGUISHING NUMBERS.] (a) The registrar shall issue to every motor vehicle dealer, upon a request from the motor vehicle dealer licensed as provided in subdivision 2 or 3, one or more plates displaying a general distinguishing number. This subdivision does not apply to a scrap metal processor, a used vehicle parts dealer, or a vehicle salvage pool. The fee for each of the first four plates is \$75, of which \$60 must be paid to the registrar and

the remaining \$15 is payable as motor vehicle excise tax under section 297B.035. For each additional plate, the dealer shall pay the registrar a fee of \$25 and a motor vehicle excise tax of \$15 annually. The registrar shall deposit the tax in the state treasury and it shall be credited as provided in section 297B.09. Motor vehicles, new or used, owned by the motor vehicle dealer and bearing the number plate, except vehicles leased to the user who is not an employee of the dealer during the term of the lease, held for hire, or customarily used by the dealer as a tow truck, service truck, or parts pickup truck, may be driven upon the streets and highways of this state:

(1) by the motor vehicle dealer or dealer's spouse, or any full-time employee of the motor vehicle dealer for either private or business purposes;

(2) by a part-time employee when the use is directly related to a particular business transaction of the dealer;

(3) for demonstration purposes by any prospective buyer thereof for a period of 48 hours or in the case of a truck, truck-tractor, or semitrailer, for a period of seven days; or

(4) in a promotional event that lasts no longer than four days in which at least three motor vehicles are involved.

(b) A new or used motor vehicle sold by the motor vehicle dealer and bearing the motor vehicle dealer's number plate may be driven upon the public streets and highways for a period of 72 hours by the buyer for either of the following purposes: (1) Removing the vehicle from this state for registration in another state, or (2) permitting the buyer to use the motor vehicle before the buyer receives number plates pursuant to registration. Use of a motor vehicle by the buyer under the provisions of clause (2) of the preceding sentence before the buyer receives number plates pursuant to registration constitutes a use of the public streets or highways for the purpose of the time requirements for registration of motor vehicles.

(c) The registrar shall issue to a motor vehicle manufacturer, on the request of the motor vehicle manufacturer and payment of the same fees provided in paragraph (a) for dealers, one or more plates displaying a general distinguishing number, but not to exceed 100 for each manufacturer. Motor vehicles, new or used, owned by the motor vehicle manufacturer and bearing the number plate may be driven on the highways of the state; provided that, with respect to new motor vehicles, the plate may be displayed only on vehicles manufactured, assembled, or distributed by the manufacturer. Vehicles bearing the number plate may be driven:

(1) by a full-time employee of the motor vehicle manufacturer, or the employee's spouse, for either private or business purposes;

(2) by a part-time employee when the use is directly related to a particular business transaction of the manufacturer;

(3) for demonstration purposes by a prospective buyer for a period of 48 hours or in the case of a truck, truck-tractor, or semitrailer for a period of seven days; or

(4) in a promotional event that lasts no longer than four days in which at least three motor vehicles are involved."

Amend the title as follows:

Page 1, line 5, delete ", 16, and 17" and insert "and 16"

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

The report was adopted.

Kalis from the Committee on Transportation to which was referred:

H. F. No. 2373, A bill for an act relating to traffic regulations; regulating wheel flaps and covered loads; imposing a penalty; amending Minnesota Statutes 1988, sections 169.733; and 169.81, subdivision 5, and by adding a subdivision.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1988, section 169.733, is amended to read:

169.733 [WHEEL FLAPS ON TRUCKS AND TRAILERS.]

Subdivision 1. [VEHICLES GENERALLY.] Every truck, trailer, semitrailer, pole trailer, and rear-end dump truck, excepting rear-end dump farm trucks and military vehicles of the United States, shall be provided with wheel flaps or other suitable protection above and behind the rearmost wheels of the vehicle or combination of vehicles to prevent, as far as practicable, such wheels from throwing dirt, water, or other materials on the windshields of vehicles which follow. Such flaps or protectors shall be at least as wide as the tires they are protecting and shall have a ground clearance of not more than one-fifth of the horizontal distance from the center of the

rearmost axle to the flap under any conditions of loading or operation of the motor vehicle.

Subd. 2. [VEHICLE WITH CONVEYOR BELT.] ~~Provided that in the case of~~ For a dump truck or truck with a rigid box fastened to its frame and having a conveyor belt or chain in the bottom of the vehicle which moves the cargo to the rear end of the vehicle, the flaps shall be mounted as far to the rear of the vehicle as practicable and shall have a ground clearance of not more than 18 inches when the vehicle is loaded.

Subd. 3. [BOTTOM-DUMP VEHICLES.] A bottom-dump cargo vehicle transporting sand, gravel, aggregate, dirt, lime rock, silica, or similar material must be equipped with flaps that are mounted to the rear of the axles, cover the entire width of the vehicle, and have a ground clearance of six inches or less when the vehicle is fully loaded.

Subd. 4. [ALTERNATIVE REQUIREMENTS.] If the motor vehicle is so designed and constructed that the above requirements are accomplished by means of body construction or other means of enclosure, then no such protectors or flaps shall be required.

Subd. 5. [EXTENDED FLAPS.] If the rear wheels are not covered at the top by fenders, body or other parts of the vehicle, the flap or other protective means shall be extended at least to a point directly above the center of the rearmost axle.

Subd. 6. [LAMPS OR WIRING.] Lamps or wiring shall not be attached to fender flaps.

Sec. 2. Minnesota Statutes 1988, section 169.81, subdivision 5, is amended to read:

Subd. 5. [MANNER OF LOADING.] No vehicle shall be driven or moved on any highway unless such vehicle is so constructed, loaded, or the load securely covered as to prevent any of its load from dropping, sifting, leaking, blowing, or otherwise escaping therefrom, except that sand may be dropped for the purpose of securing traction, or water or other substances may be sprinkled on a roadway in cleaning or maintaining such roadway. This subdivision shall not apply to motor vehicles operated by a farmer or the farmer's agent when transporting produce the farmer has produced such as small grains, shelled corn, soybeans, or other farm produce of a size and density not likely to cause injury to persons or damage to property on escaping in small amounts from a vehicle. Dropping of farm produce not exempted by this subdivision from a vehicle operated by a farmer or a farmer's agent is chargeable as a petty misdemeanor.

Sec. 3. Minnesota Statutes 1988, section 169.81, is amended by adding a subdivision to read:

Subd. 5b. [SECURING OF LOADS; EXCEPTIONS.] (a) The driver of a vehicle transporting sand, gravel, aggregate, dirt, lime rock, silica, or similar material shall ensure that the cargo compartment of the vehicle is securely covered if:

(1) the vertical distance from the top of an exterior wall of the cargo compartment to the load, when measured downward along the inside surface of the wall, is less than six inches; or

(2) the horizontal distance from the top of an exterior wall of the cargo compartment to the load is less than two feet.

(b) The driver shall not operate or allow to be operated a vehicle to transport sand, gravel, aggregate, dirt, lime rock, silica, or similar material in or on any part of the vehicle other than in the cargo container. The driver shall clean the vehicle of loose sand, gravel, aggregate, dirt, lime rock, silica, or similar material before the vehicle is moved on a road, street, or highway following loading or unloading.

(c) A driver of a vehicle used to transport garbage, rubbish, trash, debris, or similar material is not required to cover the transported material as long as (1) the vehicle is being operated at a speed less than 30 miles per hour, (2) the vehicle is not being operated on an interstate highway, and (3) no part of the load escapes from the vehicle. A driver shall immediately retrieve material that escapes from the vehicle, when safe to do so."

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 2382, A bill for an act relating to forestry; implementing a statewide program to encourage maintenance and expansion of community and urban forests; assigning responsibilities to various state agencies and municipalities.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [17.86] [URBAN FOREST PROMOTION AND DEVELOPMENT.]

Subdivision 1. [OVERALL.] The following course of action is intended as a basis for prompt action to the maximum extent practical within the limits of state, local, and commercial resources. The assignment of a basic responsibility to a particular agency is not intended to confer exclusive responsibility or authority unless specifically stated, for joint action is intended as the key to a successful program.

Subd. 2. [RESEARCH.] The University of Minnesota and its extension service in cooperation with the commissioner of agriculture shall institute a continuing research program on tree varieties most suitable for growth within the state; and the proper placement of individual trees and groups of trees in new or existing commercial, industrial, and residential settings to maximize energy saving benefits. The University of Minnesota and the commissioner shall work closely with nurseries and other suppliers of trees to assure a constant and reliable supply of the desirable varieties is available for planting.

Subd. 3. [INFORMATION.] The University of Minnesota extension service, in cooperation with the commissioners of agriculture, education, natural resources, and public service, shall serve as the principal agency for publishing and circulating information derived from research under subdivision 2 among the various municipalities and individual property owners in the state. Where practical, the extension service and department of public service shall secure the advice and assistance of various energy utilities interested and concerned with conservation. The commissioner of agriculture shall establish an information source for requests for nursery stock, to match needs of municipalities with stocks of trees available for planting from private and governmental sources.

Subd. 4. [TRANSPORTATION PLANTINGS.] The commissioner of transportation shall utilize information on varieties and placement of trees to provide maximum forestation in rest areas and other areas controlled by the department. The commissioner of transportation shall consider the use of trees in conjunction with solid noise walls along urban freeways to the maximum extent practical.

Subd. 5. [SCHOOL ARBOR DAY ACTIVITIES.] The commissioners of education, agriculture, and natural resources, with the state arbor month committee and its individual public and private members, shall jointly work to expand and strengthen programs available to all levels of schools in forestry education and shall encourage reinstitution of Arbor Day activities. Information on desirable shade tree varieties and efficient spacing and location of

shade trees shall be made available for use in related adult education courses.

Subd. 6. [MUNICIPAL ACTION.] A city of the first or second class shall, by ordinance, require the use of properly placed trees in new subdivisions and plantings on lands dedicated to parks and open spaces. Cities of the third and fourth class may adopt such ordinances. Counties may assist and encourage the smaller cities in tree planting programs. A municipality may contract on a long-term basis with nurseries and shade tree wholesalers to assure continued availability of nursery stock of the desirable shade tree varieties."

Amend the title as follows:

Page 1, line 5, before the period insert "; proposing coding for new law in Minnesota Statutes, chapter 17"

With the recommendation that when so amended the bill pass.

The report was adopted.

Ogren from the Committee on Taxes to which was referred:

H. F. No. 2457, A bill for an act relating to public financing; allocating authority to issue tax exempt revenue bonds; amending Minnesota Statutes 1988, sections 474A.02, subdivisions 6, 8, and by adding a subdivision; 474A.03; 474A.061, subdivision 3, and by adding subdivisions; 474A.081, as amended; 474A.091, subdivisions 1, 4, and 5; 474A.131, subdivision 2; and 474A.14; Minnesota Statutes Second 1989 Supplement, sections 474A.061, subdivisions 1 and 4; and 474A.091, subdivisions 2 and 3; proposing coding for new law in Minnesota Statutes, chapter 474A; repealing Minnesota Statutes 1988, section 474A.091, subdivision 4a; Minnesota Statutes Second 1989 Supplement, section 474A.061, subdivision 2.

Reported the same back with the following amendments:

Page 1, after line 16, insert:

"Section 1. Minnesota Statutes 1989 Supplement, 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) interest income on obligations of the state of Minnesota or a political or governmental subdivision, municipality, or government agency or instrumentality of the state of Minnesota exempt from federal income taxes, if the obligations are residential rental bonds and are found to not be in compliance with the requirements of section 7, subdivision 1, and

(iii) exempt-interest dividends as defined in section 852(b)(5) of the Internal Revenue Code, 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, or the fund of the regulated investment company as defined in section 851(h) of the Internal Revenue Code, 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.”

Page 5, line 26, delete “earnings”

Page 5, after line 27, insert:

“Sec. 8. [474A.048] [SINGLE FAMILY MORTGAGE BONDS; LIMITATIONS.]

Subdivision 1. [DEFINITIONS.] (a) For purposes of this section the following terms have the meaning given them.

(b) "City" means a city as defined in section 462C.02, subdivision 6.

(c) "Existing housing" means single family housing that (i) has been previously occupied prior to the first day of the origination period; or (ii) has been available for occupancy for at least 12 months but has not been previously occupied prior to the first day of the origination period.

(d) "Metropolitan area" means the Minneapolis-St. Paul metropolitan statistical area as defined by the United States Department of Commerce's Bureau of the Census.

(e) "New housing" means single family housing that has not been previously occupied and has become initially available within 60 days or less of the first day of the origination period.

(f) "Origination period" means the period that loans financed with the proceeds of qualified mortgage revenue bonds are available for the purchase of single family housing. The origination period begins when financing actually becomes available to the borrowers for loans.

(g) "Redevelopment area" means a compact and contiguous area within which the city finds by resolution that 70 percent of the parcels in the area are occupied by buildings, streets, utilities, or other improvements and more than 25 percent of the buildings, not including outbuildings, are structurally substandard to a degree requiring substantial renovation or clearance.

(h) "Single family housing" means dwelling units eligible to be financed from the proceeds of qualified mortgage revenue bonds under federal law.

(i) "Structurally substandard" means containing defects in structural elements or a combination of deficiencies in essential utilities and facilities, light, ventilation, fire protection including adequate egress, layout and condition of interior partitions, or similar factors, which defects or deficiencies are of sufficient total significance to justify substantial renovation or clearance.

Subd. 2. [LIMITATION; ORIGINATION PERIOD.] During the first ten months of an origination period, the Minnesota housing finance agency or a city may make loans financed with proceeds of mortgage bonds for the purchase of existing housing. Loans financed with the proceeds of mortgage bonds for new housing in the metropolitan area may be made during the first ten months of an origination period only if at least one of the following conditions is met:

(1) the new housing is located in a redevelopment area and is replacing a structurally substandard structure or structures;

(2) the new housing is located on a parcel purchased by the city or conveyed to the city under section 282.01, subdivision 1; or

(3) the new housing is part of a housing affordability initiative, other than those financed with the proceeds from the sale of bonds, in which federal, state, or local assistance is used to substantially improve the terms of the financing or to substantially write down the purchase price of the new housing.

Upon expiration of the first ten-month period, the agency or a city may make loans financed with the proceeds of mortgage bonds for the purchase of new and existing housing.

Subd. 3. [REDEVELOPMENT AREA.] A city must submit to the Minnesota housing finance agency the resolution adopted by the governing body of the city finding an area to be a redevelopment area and a map of the redevelopment area.

Subd. 4. [LIMITATION; COMMITMENTS AND LOANS TO BUILDERS AND DEVELOPERS.] The Minnesota housing finance agency or a city may not make available, provide set asides, or commit to make available proceeds of mortgage bonds for the exclusive use of builders or developers for loans to eligible purchasers for new housing except for new housing described in subdivision 2, clauses (1) to (3). This prohibition is in effect for the total origination period.

Subd. 5. [REPORTING REQUIREMENT.] The Minnesota housing finance agency and any city that provides loans for new housing financed with the proceeds of mortgage bonds shall report to the chairs of the appropriate housing related standing committees or divisions of the state senate and house of representatives by January 1 of each year detailing new housing activity financed with the proceeds of mortgage bonds, including a description of affordable housing initiatives, the number of loans, the average purchase price, and average borrower income."

Page 7, line 13, delete "greater of the" and after "limits" insert "except in the Minneapolis-St. Paul metropolitan statistical area as determined by the United States Department of Commerce where the adjusted income limits of home buyers may not exceed the greater of the agency's income limits"

Page 7, line 14, delete "greater of the state or area" and insert "county"

Page 7, lines 22 and 23, delete "100 percent of the median city

purchase price" and insert "90 percent of the safe harbor limitation for existing housing"

Page 7, line 27, after the semicolon insert "and"

Page 7, delete lines 28 to 36

Page 8, delete lines 1 to 15 and insert:

"(4) the housing program meets the requirements of section 8."

Page 9, line 15, after the period insert "The commissioner shall allocate the requested amount to the city or cities subject to the limitations under this paragraph."

Pages 12 and 13, delete section 13

Page 22, line 28, delete "section" and insert "sections 474.081, subdivisions 1, 2 and 4, and"

Page 22, delete lines 33 to 35 and insert:

"Section 1 is effective for taxable years beginning after December 31, 1989. Sections 2 to 5, 8 to 21, and 23 are effective January 1, 1991. Sections 6, 7, and 22 are effective the day after final enactment."

Renumber the sections in sequence

Correct internal references

Amend the title as follows:

Page 1, line 3, after the semicolon insert "restricting loans from proceeds of mortgage revenue bonds under certain circumstances;"

Page 1, lines 6 and 7, delete "474A.081, as amended,"

Page 1, line 8, before "Minnesota" insert "Minnesota Statutes 1989 Supplement, section 290.01, subdivision 19a;"

Page 1, line 13, delete "section" and insert "sections 474A.081, subdivisions 1, 2, and 4; and"

With the recommendation that when so amended the bill pass.

The report was adopted.

Ogren from the Committee on Taxes to which was referred:

H. F. No. 2480, A bill for an act relating to taxation; making technical corrections and administrative changes to sales and use, motor vehicle excise, income, franchise, insurance, petroleum products, pull-tab and tipboard taxes, firefighter state aids, and property tax refunds; including lottery prizes as refunds in the revenue recapture act; providing for posting of certain tax delinquencies; requiring a social security number on certain probate applications; imposing a tax on untaxed pull-tabs and tipboards; recodifying license inquiry provisions; providing for payment and settlement of state elections campaign funds to political party state committees; transferring certain powers and duties; amending Minnesota Statutes 1988, sections 60A.198, by adding a subdivision; 69.771, subdivision 3; 69.772, subdivision 2a; 69.774, subdivision 1; 168A.30, subdivision 1; 270A.03, subdivision 7; 290.17, subdivision 5; 290.39, subdivision 5; 290.49, subdivision 3; 290.92, subdivisions 12 and 23; 290.93, subdivision 1; 290A.03, subdivision 3; 290A.04, subdivision 1; 296.06, subdivision 2; 297A.01, subdivision 8; 297A.14, subdivision 1; 297A.25, subdivision 31; 297A.255, by adding a subdivision; 297B.01, subdivision 8; 297B.035, subdivision 1; 299F.21, subdivision 1; 349.212, by adding a subdivision; and 524.3-301; Minnesota Statutes 1989 Supplement, sections 69.021, subdivision 6; 168A.10, subdivision 1; 270.73, subdivision 1; 270B.07, by adding a subdivision; and 290.39, subdivision 4; Minnesota Statutes Second 1989 Supplement, sections 10A.31, subdivision 5; 60A.15, subdivision 1; 290.17, subdivision 2; 290A.04, subdivisions 2h and 2i; 297A.01, subdivision 3; 349.212, subdivision 4; and Laws 1989, chapter 28, section 24; repealing Minnesota Statutes 1988, sections 290.23, subdivision 15; 290.612; and 297A.431.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1

SALES AND USE, MOTOR VEHICLE EXCISE, AND PETROLEUM PRODUCTS TAXES

Section 1. Minnesota Statutes 1989 Supplement, section 168A.10, subdivision 1, is amended to read:

Subdivision 1. If an owner transfers interest in a vehicle other than by the creation of a security interest, the owner shall at the time of the delivery of the vehicle execute an assignment and warranty of title to the transferee and shall state the actual selling price in the space provided therefor on the certificate. With respect

to motor vehicles subject to the provisions of section 325E.15, the transferor shall also, in the space provided therefor on the certificate, state the true cumulative mileage registered on the odometer or that the actual mileage is unknown if the odometer reading is known by the transferor to be different from the true mileage. The transferor shall cause the certificate and assignment to be delivered to the transferee immediately.

Sec. 2. Minnesota Statutes 1988, section 296.06, subdivision 2, is amended to read:

Subd. 2. [REQUIREMENTS FOR ISSUANCE.] A distributor's license shall be issued to any responsible person qualifying as a distributor who makes application therefor, and who shall pay to the commissioner at the time thereof and annually thereafter a license fee of \$10, and who shall further comply with the following conditions:

(1) A written application shall be made in a manner approved by the commissioner, who shall require the applicant or licensee to deposit with the state treasurer securities of the United States government or the state of Minnesota or to execute and file a bond, with a corporate surety approved by the commissioner, to the state of Minnesota in an amount to be determined by the commissioner and in a form to be fixed by the commissioner and approved by the attorney general, and which shall be conditioned for the payment when due of all excise taxes, inspection fees, penalties, and accrued interest arising in the ordinary course of business or by reason of any delinquent money which may be due the state of Minnesota; the bond shall cover all places of business within the state where petroleum products are received by the licensee; and the applicant or licensee shall designate and maintain an agent in this state upon whom service may be had for all purposes of this section.

(2) An initial applicant for a distributor's license shall furnish a bond in a minimum sum of \$3,000 for the first year;

(3) The commissioner, on reaching the opinion that the bond given by a licensee is inadequate in amount to fully protect the state, shall require an additional bond in such amount as the commissioner deems sufficient;

(4) A licensee who desires to be exempt from depositing securities or furnishing such bond, as hereinbefore provided shall furnish an itemized financial statement showing the assets and the liabilities of the applicant and if it shall appear to the commissioner, from the financial statement or otherwise, that the applicant is financially responsible, then the commissioner may exempt such applicant from depositing such securities or furnishing such bond until the commissioner otherwise orders.

(5) The premium on any bond required under clauses (1) and (2), and on any additional bond required under clause (3), shall be paid by the commissioner out of a bond premium fund required to be set up from an appropriation by the legislature from whatever funds are available. All of said bonds required during each license period shall be purchased by the commissioner of administration from the lowest responsible bidder after advertising for competitive bids in the manner prescribed by Laws 1939, chapter 431, article II, as amended. The commissioner of administration shall call for bids within a reasonable period prior to the commencement of license period.

(6) Each license period shall be for one year ending each June 30.

(7) (6) Upon application to the commissioner and compliance by the applicant with the provisions of this subdivision, the commissioner also shall issue a distributor's license to (a) any person engaged in this state in the bulk storage of petroleum products and the distribution thereof by tank car or tank truck or both, and (b) any person holding an unrevoked license as a distributor since January 1, 1947, and (c) any person holding a license and performing a function under the motor fuel tax law of an adjoining state equivalent to that of a distributor under this act, who desires to ship or deliver petroleum products from that state to persons in this state not licensed as distributors in this state and who agrees to assume with respect to all petroleum products so shipped or delivered the liabilities of a distributor receiving petroleum products in this state, provided, however, that any such license shall be issued only for the purpose of permitting such person to receive in this state the petroleum products so shipped or delivered. Except as herein provided, all persons licensed as distributors under this clause shall have the same rights and privileges and be subject to the same duties, requirements and penalties as other licensed distributors.

Sec. 3. Minnesota Statutes 1988, section 297A.01, subdivision 8, is amended to read:

Subd. 8. "Sales price" means the total consideration valued in money, for a retail sale whether paid in money or otherwise, excluding therefrom any amount allowed as credit for tangible personal property taken in trade for resale, without deduction for the cost of the property sold, cost of materials used, labor or service cost, interest, or discount allowed after the sale is consummated, the cost of transportation incurred prior to the time of sale, any amount for which credit is given to the purchaser by the seller, or any other expense whatsoever. A deduction may be made for charges for services that are part of the sale, including charges up to 15 percent in lieu of tips, if the consideration for such charges is separately stated, but no deduction shall be allowed for charges for services that are part of a sale as defined in subdivision 3, clauses (b) to (f) (1). A deduction may also be made for interest, financing, or carrying

charges, charges for labor or services used in installing or applying the property sold or transportation charges if the transportation occurs after the retail sale of the property only if the consideration for such charges is separately stated. There shall not be included in "sales price" cash discounts allowed and taken on sales or the amount refunded either in cash or in credit for property returned by purchasers.

Sec. 4. Minnesota Statutes 1988, section 297A.14, subdivision 1, is amended to read:

Subdivision 1. [IMPOSITION.] For the privilege of using, storing or consuming in Minnesota tangible personal property, ~~tickets or admissions to places of amusement and athletic events, electricity, gas, and local exchange telephone service~~ or taxable services purchased for use, storage or consumption in this state, a use tax is imposed on every person in this state at the rate of tax imposed under section 297A.02 on the sales price of sales at retail of the items, unless the tax imposed by section 297A.02 was paid on the sales price.

Sec. 5. Minnesota Statutes 1988, section 297A.25, subdivision 31, is amended to read:

Subd. 31. [SALES BY GOVERNMENT TAXABLE.] This section shall not be construed to exempt the gross receipts from sales of tangible personal property or taxable services purchased from the United States or any of its agencies or instrumentalities, or the state of Minnesota, its agencies, instrumentalities or political subdivisions by ultimate consumers, and such purchases are hereby declared to be subject to tax, except as they may be otherwise exempted.

Sec. 6. Minnesota Statutes 1988, section 297A.255, is amended by adding a subdivision to read:

Subd. 5. There is specifically exempted from the provisions of this chapter the purchase or use of aircraft registered in the state of Minnesota by a corporation or partnership when the transfer constitutes a transfer within the meaning of section 351 or 721 of the Internal Revenue Code of 1986, as amended through December 31, 1989.

Sec. 7. Minnesota Statutes 1988, section 297B.035, subdivision 1, is amended to read:

Subdivision 1. Except as provided in this section, motor vehicles purchased for resale in the ordinary course of business or used by any motor vehicle dealer, as defined in section 168.011, subdivision 21, who is licensed under section 168.27, subdivision 2 or 3, which

bear dealer plates as authorized by section 168.27, subdivision 16, shall be exempt from the provisions of this chapter.

Sec. 8. [EFFECTIVE DATE.]

Sections 1 to 7 are effective July 1, 1990.

ARTICLE 2

INCOME AND FRANCHISE TAXES AND
PROPERTY TAX REFUNDS

Section 1. Minnesota Statutes Second 1989 Supplement, section 10A.31, subdivision 5, is amended to read:

Subd. 5. In each calendar year the money in the general account shall be allocated to candidates as follows:

(1) 21 percent for the offices of governor and lieutenant governor together;

(2) 3.6 percent for the office of attorney general;

(3) 1.8 percent each for the offices of secretary of state, state auditor, and state treasurer;

(4) In each calendar year during the period in which state senators serve a four-year term, $23\frac{1}{3}$ percent for the office of state senator and $46\frac{2}{3}$ percent for the office of state representative;

(5) In each calendar year during the period in which state senators serve a two-year term, 35 percent each for the offices of state senator and state representative.

In each calendar year the money in each party account shall be allocated as follows:

(1) 14 percent for the offices of governor and lieutenant governor together;

(2) 2.4 percent for the office of attorney general;

(3) 1.2 percent each for the offices of secretary of state, state auditor, and state treasurer;

(4) In each calendar year during the period in which state senators serve a four-year term, $23\frac{1}{3}$ percent for the office of state senator and $46\frac{2}{3}$ percent for the office of state representative;

(5) In each calendar year during the period in which state senators serve a two-year term, 35 percent each for the offices of state senator and state representative;

(6) ten percent for the state committee of a political party; money allocated to each state committee under this clause must be deposited in a separate account and must be spent for only those items enumerated in section 10A.275; money allocated to a state committee under this clause must be paid to the committee by the state treasurer as notified by the state ethical practices board as it is received in the account on a monthly basis, with payment on the 15th day of the calendar month following the month in which the ~~tax~~ returns were ~~received~~ processed by the department of revenue, provided that these distributions would be equal to 90 percent of the amount of money indicated in the department of revenue's weekly unedited reports of income tax returns ~~for that and property tax refund returns processed in the month, as notified by the department of revenue to the state ethical practices board.~~ The amounts paid to each state committee are subject to final annual biennial adjustment and settlement as indicated according to the at the time of each certification by required of the commissioner of revenue under subdivision 6 subdivisions 7 and 10. If the total amount of total payments received before September 15 by a state committee for the period reflected on a certification by the department of revenue is greater than different from the amount certified by the commissioner of revenue on September 15, the total amount of payments distributed between September 1 and December 31 that should have been received during the period according to the certification, each subsequent monthly payment must be reduced by increased or decreased to the fullest extent possible until the amount of the overpayment is recovered or the underpayment is distributed.

To assure that moneys will be returned to the counties from which they were collected, and to assure that the distribution of those moneys rationally relates to the support for particular parties or for particular candidates within legislative districts, money from the party accounts for legislative candidates shall be distributed as follows:

Each candidate for the state senate and state house of representatives whose name is to appear on the ballot in the general election shall receive money from the candidate's party account set aside for candidates of the state senate or state house of representatives, whichever applies, according to the following formula;

For each county within the candidate's district the candidate's share of the dollars allocated in that county to the candidate's party account and set aside for that office shall be:

(a) The sum of the votes cast in the last general election in that

part of the county in the candidate's district for all candidates of that candidate's party (i) whose names appeared on the ballot in each voting precinct of the state and (ii) for the state senate and state house of representatives, divided by

(b) The sum of the votes cast in that county in the last general election for all candidates of that candidate's party (i) whose names appeared on the ballot in each voting precinct in the state and (ii) for the state senate and state house of representatives, multiplied by

(c) The amount in the candidate's party account allocated in that county and set aside for the candidates for the office for which the candidate is running.

The sum of all the county shares calculated in the formula above is the candidate's share of the candidate's party account.

In a year in which an election for the state senate occurs, with respect to votes for candidates for the state senate only, "last general election" means the last general election in which an election for the state senate occurred.

For any party under whose name no candidate's name appeared on the ballot in each voting precinct in the state in the last general election, amounts in the party's account shall be allocated based on (a) the number of people voting in the last general election in that part of the county in the candidate's district, divided by (b) the number of the people voting in that county in the last general election, multiplied by (c) the amount in the candidate's party account allocated in that county and set aside for the candidates for the office for which the candidate is running.

In a year in which the first election after a legislative reapportionment is held, "the candidate's district" means the newly drawn district, and voting data from the last general election will be applied to the area encompassing the newly drawn district notwithstanding that the area was in a different district in the last general election.

If in a district there was no candidate of a party for the state senate or state house of representatives in the last general election, or if a candidate for the state senate or state house of representatives was unopposed, the vote for that office for that party shall be the average vote of all the remaining candidates of that party in each county of that district whose votes are included in the sums in clauses (a) and (b). The average vote shall be added to the sums in clauses (a) and (b) before the calculation is made for all districts in the county.

Money from a party account not distributed to candidates for state

senator and representative in any election year shall be returned to the general fund of the state. Money from a party account not distributed to candidates for other offices in an election year shall be returned to the party account for reallocation to candidates as provided in clauses (1) to (6) in the following year. Money from the general account refused by any candidate shall be distributed to all other qualifying candidates in proportion to their shares as provided in this subdivision.

Sec. 2. Minnesota Statutes Second 1989 Supplement, 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 an amount equal to the gain on the sale of the stock multiplied by the ratio that was used to compute the amount of S corporation income assignable to Minnesota in the tax year preceding the year of sale.

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, the Minnesota state lottery, 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. 3. Minnesota Statutes 1988, section 290.17, subdivision 5, is amended to read:

Subd. 5. [SPECIAL RULES.] Notwithstanding subdivisions 3 and 4, all income from the operation of the following types of businesses must be allocated as follows:

(a) All income from the operation of a farm is assigned to this state if the farm is located within this state and no such income is assigned to this state if the farm is located without this state.

(b) Income from a trade or business consisting principally of the performance of personal or professional services is assigned to this state if, and to the extent that, the services are performed within this state.

(c) For athletic teams when the visiting team does not share in the gate receipts, all of the team's income is assigned to the state in which the team's operation is based.

Sec. 4. Minnesota Statutes 1989 Supplement, section 290.39, subdivision 4, is amended to read:

Subd. 4. [VOTER REGISTRATION FORM.] The commissioner shall insert securely in each individual income tax return form or instruction booklet distributed in an even-numbered for an odd-numbered year a voter registration form, returnable to the secretary of state, designed according to rules adopted by the secretary of state. This requirement applies to forms and booklets supplied to post offices, banks, and other outlets, as well as to those mailed directly to taxpayers.

Sec. 5. Minnesota Statutes 1988, section 290.39, subdivision 5, is amended to read:

Subd. 5. [PARTNERSHIPS; NONRESIDENT PARTNERS.] (a) The commissioner may allow a partnership with five or more nonresident partners to file a composite return on behalf of nonresident partners who have no other Minnesota source income. This composite return must include the names, addresses, social security numbers, income allocation, and tax liability for all nonresident partners electing to be covered by the composite return.

(b) The computation of each partner's tax liability will be determined by multiplying the income allocated to that partner by the highest rate used to determine the tax liability for individuals under

section 290.06, subdivision 2c. Nonbusiness deductions, standard deductions, or personal exemptions are not allowed.

(c) The partnership must submit a request to use this composite return filing method for nonresident partners ~~on or before the due date for filing the individual income tax return. The request may be made a part of the return filed. The requesting partnership must file a composite return in the form prescribed by the commissioner of revenue. The filing of a composite return is considered a request to use the composite return filing method.~~

(d) The electing partner must not have any Minnesota source income other than the income from the partnership and other electing partnerships. If it is determined that the electing partner has other Minnesota source income, the inclusion of the income and tax liability for that partner under this provision will not constitute a return to satisfy the requirements of subdivision 1. The penalty for failure to file a return as provided in section 290.53, subdivision 2, is assessed from the due date for filing a return until a noncomposite return is filed. The tax paid for such an individual as part of the composite return is allowed as a payment of the tax by the individual on the date on which the composite return payment was made. If the electing nonresident partner has no other Minnesota source income, filing of the composite return constitutes a return for purposes of subdivision 1.

(e) This subdivision does not preclude the requirement that an individual pay estimated tax if the individual's liability would exceed the requirements set forth in section 290.93. However, a composite estimate may be filed in a manner similar to and containing the same information required under paragraph (a).

(f) If an electing partner's share of the partnership's gross income from Minnesota sources is less than the filing requirements for a nonresident under section 290.37, subdivision 1, the tax liability is zero. However, a statement showing the partner's share of gross income must be included as part of the composite return.

(g) The election provided in this subdivision is not available to any partner other than a full-year nonresident individual who has no other Minnesota source income.

(h) A corporation defined in section 290.9725 and its nonresident shareholders may make an election under this subdivision. The provisions covering the partnership apply to the corporation and the provisions applying to the partner apply to each shareholder.

(i) Estates and trusts distributing current income only and the nonresident individual beneficiaries of such estates or trusts may make an election under this subdivision. The provisions covering the

partnership apply to the estate or trust. The provisions applying to the partner apply to each beneficiary.

Sec. 6. Minnesota Statutes 1988, section 290.49, subdivision 3, is amended to read:

Subd. 3. [OMISSION IN EXCESS OF 25 PERCENT.] If the taxpayer omits from gross income an amount properly includable therein which is in excess of 25 percent of the amount of gross income stated in the return, the tax may be assessed, or a proceeding in court for the collection of such tax may be begun at any time within 6½ years after the return was filed.

For purposes of this subdivision, the term "gross income" shall mean gross income as defined in section 290.37, subdivision 1, clause (e) 290.01, subdivision 20.

Sec. 7. Minnesota Statutes 1988, section 290.92, subdivision 12, is amended to read:

Subd. 12. [WITHHELD AMOUNT, CREDIT AGAINST TAX.] The amount deducted and withheld as tax under subdivision 2a or, 3, 4b, or 4c or section 290.923, subdivision 2, during any calendar year upon the wages, partnership income, or "S" corporation income of any individual or person receiving royalty payments shall be allowed as a credit to the recipient of the income against the taxes imposed by this chapter or by chapter 298, for a taxable year beginning in such calendar year. If more than one taxable year begins in such calendar year, such amount shall be allowed as a credit against the taxes for the last taxable year so beginning.

Sec. 8. Minnesota Statutes 1988, section 290.92, subdivision 23, is amended to read:

Subd. 23. [WITHHOLDING BY EMPLOYER OF DELINQUENT TAXES.] (1) The commissioner may, within five years after the date of assessment of the tax, give notice to any employer deriving income which has a taxable situs in this state regardless of whether the income is exempt from taxation, that an employee of that employer is delinquent in a certain amount with respect to any state taxes, including penalties, interest and costs. The commissioner can proceed under this subdivision only if the tax is uncontested or if the time for appeal of the tax has expired. The commissioner shall not proceed under this subdivision until the expiration of 30 days after mailing to the taxpayer, at the taxpayer's last known address, a written notice of (a) the amount of taxes, interest, and penalties due from the taxpayer and demand for their payment, and (b) the commissioner's intention to require additional withholding by the taxpayer's employer pursuant to this subdivision. The effect of the notice shall expire 180 days after it has been mailed to the taxpayer provided that the notice may be renewed by mailing a new notice

which is in accordance with this subdivision. The renewed notice shall have the effect of reinstating the priority of the original claim. The notice to the taxpayer shall be in substantially the same form as that provided in section 571.41. The notice shall further inform the taxpayer of the wage exemptions contained in section 550.37, subdivision 14. If no statement of exemption is received by the commissioner within 30 days from the mailing of the notice, the commissioner may proceed under this subdivision. The notice to the taxpayer's employer may be served by mail or by delivery by an employee of the department of revenue and shall be in substantially the same form as provided in section 571.495. Upon receipt of notice, the employer shall withhold from compensation due or to become due to the employee, the total amount shown by the notice, subject to the provisions of section 571.55. The employer shall continue to withhold each pay period until the total amount shown by the notice is paid in full. Upon receipt of notice by the employer, the claim of the state of Minnesota shall have priority over any subsequent garnishments or wage assignments. The commissioner may arrange between the employer and the employee for withholding a portion of the total amount due the employee each pay period, until the total amount shown by the notice plus accrued interest has been withheld.

The "compensation due" any employee is defined in accordance with the provisions of section 571.55. The maximum withholding allowed under this subdivision for any one pay period shall be decreased by any amounts payable pursuant to a garnishment action with respect to which the employer was served prior to being served with the notice of delinquency and any amounts covered by any irrevocable and previously effective assignment of wages; the employer shall give notice to the department of the amounts and the facts relating to such assignments within ten days after the service of the notice of delinquency on the form provided by the department of revenue as noted in this subdivision. In crediting amounts withheld against delinquent taxes of an employee, the department shall apply amounts withheld in the following order: penalties, interest, tax, and costs.

(2) If the employee ceases to be employed by the employer before the full amount set forth in a notice of delinquency plus accrued interest has been withheld, the employer shall immediately notify the commissioner in writing of the termination date of the employee and the total amount withheld. No employer may discharge any employee by reason of the fact that the commissioner has proceeded under this subdivision. If an employer discharges an employee in violation of this provision, the employee shall have the same remedy as provided in section 571.61, subdivision 2.

(3) The employer shall, by the date prescribed in subdivision 6, remit to the commissioner, on a form and in the manner prescribed by the commissioner, the amount withheld during the calendar

quarter under this subdivision. Should any employer, after notice, willfully fail to withhold in accordance with the notice and this subdivision, or willfully fail to remit any amount withheld as required by this subdivision, the employer shall be liable for the total amount set forth in the notice together with accrued interest which may be collected by any means provided by law relating to taxation. ~~No amount required to be paid by an employer by reason of the employer's failure to remit under this subdivision, may be deducted from the gross income of the employer, under sections 290.09, subdivision 4 or 290.01, subdivisions 20 to 20f.~~ Any amount collected from the employer for failure to withhold or for failure to remit under this subdivision shall be credited to the employee's account in the following manner: penalties, interest, tax, and costs.

(4) Clauses (1), (2) and (3), except provisions imposing a liability on the employer for failure to withhold or remit, shall apply to cases in which the employer is the United States or any instrumentality thereof or this state or any municipality or other subordinate unit thereof.

(5) The commissioner shall refund to the employee excess amounts withheld from the employee under this subdivision. If any excess results from payments by the employer because of willful failure to withhold or remit as prescribed in clause (3) above, the excess attributable to the employer's payment shall be refunded to the employer.

(6) Employers required to withhold delinquent taxes, penalties, interest and costs under this subdivision shall not be required to compute any additional interest, costs or other charges to be withheld.

(7) The collection remedy provided to the commissioner by this subdivision shall have the same legal effect as if it were a levy made pursuant to section 270.70.

Sec. 9. Minnesota Statutes 1988, section 290.93, subdivision 1, is amended to read:

Subdivision 1. [REQUIREMENT OF DECLARATION.] (1) Every individual shall, at the time prescribed in subdivision 5, make and file with the commissioner a declaration of estimated tax for the taxable year if

the gross income (for purposes of this subdivision and subdivision 5 as defined in section ~~290.37, subdivision 1, clause (c) 290.01, subdivision 20~~) for the taxable year can reasonably be expected to exceed the gross income amounts set forth in section 290.37, subdivision 1 pertaining to the requirements for making a return.

(2) If the individual is an infant or incompetent person, the declaration shall be made by the individual's guardian.

(3) Notwithstanding the provisions of this section, no declaration is required if the estimated tax (as defined in subdivision 3) is less than \$500.

Sec. 10. Minnesota Statutes 1988, section 290A.03, subdivision 3, is amended to read:

Subd. 3. [INCOME.] (1) "Income" means the sum of the following:

(a) the greater of federal adjusted gross income as defined in the Internal Revenue Code or zero; and

(b) the sum of the following amounts to the extent not included in clause (a):

(i) all nontaxable income;

(ii) the amount of a passive activity loss that is not disallowed as a result of section 469, paragraph (i) or (1) of the Internal Revenue Code and the amount of passive activity loss carryover allowed under section 469(b) of the Internal Revenue Code;

(iii) an amount equal to the total of any discharge of qualified farm indebtedness of a solvent individual excluded from gross income under section 108(g) of the Internal Revenue Code;

(iv) cash public assistance and relief;

(v) any pension or annuity (including railroad retirement benefits, all payments received under the federal Social Security Act, supplemental security income, and veterans benefits), which was not exclusively funded by the claimant or spouse, or which was funded exclusively by the claimant or spouse and which funding payments were excluded from federal adjusted gross income in the years when the payments were made;

(vi) interest received from the federal or a state government or any instrumentality or political subdivision thereof;

(vii) workers' compensation;

(viii) nontaxable strike benefits;

(ix) the gross amounts of payments received in the nature of disability income or sick pay as a result of accident, sickness, or other disability, whether funded through insurance or otherwise;

(x) a lump sum distribution under section 402(e)(3) of the Internal Revenue Code;

(xi) contributions made by the claimant to an individual retirement account, including a qualified voluntary employee contribution; simplified employee pension plan; self-employed retirement plan; cash or deferred arrangement plan under section 401(k) of the Internal Revenue Code; or deferred compensation plan under section 457 of the Internal Revenue Code; and

(xii) nontaxable scholarship or fellowship grants.

In the case of an individual who files an income tax return on a fiscal year basis, the term "federal adjusted gross income" shall mean federal adjusted gross income reflected in the fiscal year ending in the calendar year. Federal adjusted gross income shall not be reduced by the amount of a net operating loss carryback.

(2) "Income" does not include

(a) amounts excluded pursuant to the Internal Revenue Code, sections 101(a), 102, and 121;

(b) amounts of any pension or annuity which was exclusively funded by the claimant or spouse and which funding payments were not excluded from federal adjusted gross income in the years when the payments were made;

(c) surplus food or other relief in kind supplied by a governmental agency;

(d) relief granted under this chapter; or

(e) child support payments received under a temporary or final decree of dissolution or legal separation.

(3) The sum of the following amounts ~~shall~~ may be subtracted from income:

(a) for the claimant's first dependent, the exemption amount multiplied by 1.4;

(b) for the claimant's second dependent, the exemption amount multiplied by 1.3;

(c) for the claimant's third dependent, the exemption amount multiplied by 1.2;

(d) for the claimant's fourth dependent, the exemption amount multiplied by 1.1;

(e) for the claimant's fifth dependent, the exemption amount; and

(f) if the claimant or claimant's spouse was disabled or attained the age of 65 prior to June 1 of the year for which the taxes were levied or rent paid, the exemption amount.

For purposes of this subdivision, the "exemption amount" means the exemption amount under section 151(d) of the Internal Revenue Code of 1986, as amended through December 31, 1987, for the taxable year for which the income is reported.

Sec. 11. Minnesota Statutes 1988, section 290A.04, subdivision 1, is amended to read:

Subdivision 1. A refund shall be allowed each claimant in the amount that property taxes payable or rent constituting property taxes exceed the percentage of the household income of the claimant specified in subdivision 2 in the year for which the taxes were levied or in the year in which the rent was paid as specified in subdivision 2. If the amount of property taxes payable or rent constituting property taxes is equal to or less than the percentage of the household income of the claimant specified in subdivision 2 in the year for which the taxes were levied or in the year in which the rent was paid, the claimant shall not be eligible for a state refund pursuant to this section. ~~For purposes of claiming this refund, a claimant who owns a homestead part of the year and rents part of the year may add the rent constituting property taxes to the qualifying tax on the homestead.~~

Sec. 12. Minnesota Statutes Second 1989 Supplement, section 290A.04, subdivision 2h, is amended to read:

Subd. 2h. (a) If the gross property taxes payable on a homestead increase more than ten percent over the net property taxes payable in the prior year on the same property that is owned by the same owner in both years, and the amount of that increase is \$40 or more for taxes payable in 1990 and 1991, \$60 or more for taxes payable in 1992, \$80 or more for taxes payable in 1993, and \$100 or more for taxes payable in 1994, a claimant who is a homeowner shall be allowed an additional refund equal to the sum of (1) 75 percent of the first \$250 of the amount of the increase over ten percent for taxes payable in 1990 and 1991, 75 percent of the first \$275 of the amount of the increase over ten percent for taxes payable in 1992, 75 percent of the first \$300 of the amount of the increase over ten percent for taxes payable in 1993, and 75 percent of the first \$325 of the amount of the increase over ten percent for taxes payable in 1994, and (2) 90 percent of the amount of the increase over ten percent plus \$250 for taxes payable in 1990 and 1991, 90 percent of the amount of the increase over ten percent plus \$275 for taxes payable in 1992, 90 percent of the amount of the increase over ten percent plus \$300 for taxes payable in 1993, and 90 percent of the amount of the increase

over ten percent plus \$325 for taxes payable in 1994. This subdivision shall not apply to any increase in the net gross property taxes payable attributable to improvements made to the homestead after the assessment date for the current year's taxes.

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

(1) "Net property taxes payable" means property taxes payable after reductions made under sections 273.13, subdivisions 22 and 23; 273.132; 273.135; 273.1391; and 273.42, subdivision 2, and any other state paid property tax credits and after the deduction of tax refund amounts for which the claimant qualifies pursuant to subdivision 2 and this subdivision.

(2) "Gross property taxes" means net property taxes payable determined without regard to the refund allowed under this subdivision.

(c) In addition to the other proofs required by this chapter, each claimant under this subdivision shall file with the property tax refund return a copy of the property tax statement for taxes payable in the preceding year or other documents required by the commissioner.

On or before December 1, 1990, and December 1 of each of the following three years, the commissioner shall estimate the cost of making the payments provided by this subdivision for taxes payable in the following year. Notwithstanding the open appropriation provision of section 290A.23, if the estimated total refund claims exceed the following amounts for the taxes payable year designated, the commissioner shall decrease the percentages of the excess taxes the state will pay and increase the dollar amount of tax increase which must occur before a taxpayer qualifies for a refund.

Taxes payable in:	Appropriation limit
1991	\$7,000,000
1992	\$6,500,000
1993	\$6,000,000
1994	\$5,500,000

The commissioner shall make the adjustments so that half of the estimated savings come from decreasing the percentages of the excess taxes the state will pay and half of the estimated savings come from increasing the dollar amount of the tax increase which must occur before a taxpayer qualifies for a refund. The determinations of the revised percentages and thresholds by the commissioner are not rules subject to chapter 14.

Sec. 13. Minnesota Statutes Second 1989 Supplement, section 290A.04, subdivision 2i, is amended to read:

Subd. 2i. If the net property taxes payable in 1990 on a seasonal residential and recreational property, not devoted to commercial use, increase more than ten percent over the net property taxes payable in 1989 and if the amount is \$40 or more, one claimant individual who is an owner of the property in both years is allowed a refund equal to 75 percent of the first \$250 of the excess of the increase over ten percent. This subdivision does not apply to the portion of an increase in taxes payable that are attributable to improvements to the property.

The individual claiming the refund can use only one contiguous seasonal residential and recreational property in computing the refund and is allowed only one refund. For the purposes of this subdivision, a husband and wife are treated as one individual.

In addition to the other proofs required by this chapter, each claimant individual claiming a refund under this subdivision shall file with the application a copy of the property tax statement for property taxes payable in 1989 and 1990 and any other documents required by the commissioner.

Sec. 14. Laws 1989, chapter 28, section 24, is amended to read:

Sec. 24. [FEDERAL CHANGES.]

The changes made by sections 1002, 1004, 1006, 1008, 1009, 1011, 1014, 1018, 3041, 6002, 6026, and ~~6286~~ 6282 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. 15. [REPEALER.]

Minnesota Statutes 1988, section 290.23, subdivision 15, is repealed.

Sec. 16. [EFFECTIVE DATE.]

Section 1 is effective on the day following final enactment. Sections 3, 5, and 15 are effective for taxable years beginning after December 31, 1989. Sections 2 and 7 are effective for taxable years beginning after December 31, 1988. Section 10 is effective for claims based on rent paid in 1989 and subsequent years and claims based on property taxes payable in 1990 and subsequent years. Sections 11 and 12 are effective beginning for property taxes payable in 1990. Section 13 is effective beginning for property taxes paid in 1990.

ARTICLE 3

INSURANCE TAXES

Section 1. Minnesota Statutes Second 1989 Supplement, section 60A.15, subdivision 1, is amended to read:

Subdivision 1. [DOMESTIC AND FOREIGN COMPANIES.] (a) On or before April 15, June 15, and December 15 of each year, every domestic and foreign company, including town and farmers' mutual insurance companies and domestic mutual insurance companies, shall pay to the commissioner of revenue installments equal to one-third of the insurer's total estimated tax for the current year. Except as provided in paragraph (b), installments must be based on a sum equal to two percent of the premiums described in paragraph (c).

(b) For town and farmers' mutual insurance companies and mutual property and casualty insurance companies other than those (i) writing life insurance, or (ii) whose total assets at the end of the preceding calendar year exceed \$1,600,000,000, the installments must be based on an amount equal to the following percentages of the premiums described in paragraph (c):

(1) for premiums paid after December 31, 1988, and before January 1, 1992, one percent; and

(2) for premiums paid after December 31, 1991, one-half of one percent.

(c) Installments under paragraph (a) or (b) are percentages of gross premiums less return premiums on all direct business received by the insurer in this state, or by its agents for it, in cash or otherwise, during such year, excepting premiums written for marine insurance as specified in subdivision 6.

(d) Failure of a company to make payments of at least one-third of either (1) the total tax paid during the previous calendar year or (2) 80 percent of the actual tax for the current calendar year shall subject the company to the penalty and interest provided in this section, unless the total tax for the current tax year is \$500 or less.

Sec. 2. Minnesota Statutes 1988, section 60A.198, is amended by adding a subdivision to read:

Subd. 6. [ALLOCATION OF PREMIUMS ACCORDING TO LOCATION OF SUBJECT MATTER.] If the insurance described in subdivision 4 also covers a subject of insurance residing, located, or to be performed outside this state, for the purposes of this section, a proper pro rata portion of the entire premium payable for all of that insurance must be allocated according to the subjects of insurance residing, located, or to be performed in this state.

Sec. 3. Minnesota Statutes 1989 Supplement, section 69.021, subdivision 6, is amended to read:

Subd. 6. [CALCULATION OF APPORTIONMENT OF AID TO COUNTIES.] With respect to firefighters, one-half of the state aid available shall be distributed to the counties in proportion to their population as shown by the last official statewide federal census. The remaining one-half of the state aid available shall be distributed to the counties in proportion to their net tax capacity, excluding mineral values.

In the case of incorporated or municipal fire departments furnishing fire protection to cities, towns or townships in other counties as evidenced by valid fire service contracts filed with the commissioner of commerce and county auditor the distribution to the respective counties shall be adjusted proportionately to take into consideration the crossover fire protection service. Necessary adjustments shall be made to subsequent apportionments.

The state aid available in respect to peace officers shall not exceed the amount of tax collected and shall be distributed to the counties

in proportion to the total number of active peace officers, as defined in section 69.011, subdivision 1, clause (g), in each county who are employed either by municipalities maintaining police departments or by the county. Any necessary adjustments shall be made to subsequent apportionments.

Sec. 4. Minnesota Statutes 1988, section 69.771, subdivision 3, is amended to read:

Subd. 3. [REMEDY FOR NONCOMPLIANCE; DETERMINATION.] Any municipality in which there exists a firefighters' relief association as specified in subdivision 1 which does not comply with the applicable provisions of sections 69.771 to 69.776 or the provisions of any applicable special law relating to the funding or financing of the association shall not qualify initially to receive, or be entitled subsequently to retain, fire state aid pursuant to sections 69.011 to 69.051 until the reason for disqualification is remedied, whereupon the municipality or relief association, if otherwise qualified, shall be entitled to again receive fire state aid for the year occurring immediately subsequent to the year in which the disqualification is remedied. The ~~commissioner of commerce~~ state auditor shall determine if a municipality to which a firefighters' relief association is directly associated or a firefighters' relief association fails to comply with the provisions of sections 69.771 to 69.776 or the funding or financing provisions of any applicable special law based upon the information contained in the annual financial report of the firefighters' relief association required pursuant to section 69.051.

Sec. 5. Minnesota Statutes 1988, section 69.772, subdivision 2a, is amended to read:

Subd. 2a. [DETERMINATION OF ACCRUED LIABILITY FOR RECIPIENTS OF INSTALLMENT PAYMENTS.] Each firefighters' relief association which pays a lump sum service pension in installment payments to a retired firefighter pursuant to section 424A.02, subdivision 8, shall determine the accrued liability of the special fund of the firefighters' relief association relative to each retired member receiving a lump sum service pension in installment payments calculated individually as the sum of each future installment payment discounted at an interest rate of five percent, compounded annually, from the date the installment payment is scheduled to be paid to December 31. If the bylaws of the relief association provide for the payment of interest on unpaid installments, the amount of interest, projected to December 31, shall be added to the accrued liability attributable to each retired member. The sum of the accrued liability attributable to each retired member of the relief association receiving a lump sum service pension in installment payments shall be the total additional accrued liability of the special fund of the relief association as of December 31, and shall be added to the accrued liability of the special fund of the relief association calculated pursuant to subdivision 2 for purposes of

calculating the financial requirements of the relief association and the minimum obligation of the municipality pursuant to subdivision 3.

To the extent that the ~~commissioner of commerce~~ state auditor deems it to be necessary or practical, the ~~commissioner~~ state auditor may specify and issue procedures, forms or mathematical tables for use in performing the calculations required pursuant to this subdivision.

Sec. 6. Minnesota Statutes 1988, section 69.774, subdivision 1, is amended to read:

Subdivision 1. [AUTHORIZED INCLUSION IN FIRE STATE AID PROGRAM; COVERED NONPROFIT CORPORATIONS.] This section shall apply to any independent nonprofit firefighting corporation incorporated or organized pursuant to chapter 317 which operates exclusively for firefighting purposes, which is composed of volunteer firefighters, which has a duly established separate subsidiary incorporated firefighters' relief association which provides retirement coverage for or pays a service pension to a retired firefighter or a retirement benefit to a surviving dependent of either an active or a retired firefighter, and which operates subject to the service pension minimum requirements for entitlement to and maximums for a service pension contained in section 424A.02, or a special law modifying those requirements or maximums. Notwithstanding any law to the contrary, a municipality contracting with an independent nonprofit firefighting corporation shall be included in the distribution of fire state aid to the appropriate county auditor by the ~~commissioner of commerce~~ state auditor only if the independent nonprofit firefighting corporation complies with the provisions of this section.

Sec. 7. Minnesota Statutes 1988, section 299F.21, subdivision 1, is amended to read:

Subdivision 1. [ESTIMATED INSTALLMENT PAYMENTS.] On or before April 15, June 15, and December 15 of each year, every licensed insurance company, including reciprocals or interinsurance exchanges, doing business in the state, excepting farmers' mutual fire insurance companies and township mutual fire insurance companies, shall pay to the commissioner of revenue installments equal to one-third of, a tax upon its fire premiums or assessments or both, based on a sum equal to one-half of one percent of the estimated fire premiums and assessments, less return premiums and dividends, on all direct business received by it in this state, or by its agents for it, in cash or otherwise, during the year, including premiums on policies covering fire risks only on automobiles, whether written under floater form or otherwise. In the case of a mutual company or reciprocal exchange the dividends or savings paid or credited to members in this state shall be construed to be return premiums. The

money so received into the state treasury shall be credited to the general fund. A company that fails to make payments of at least one-third of either (1) the total tax paid during the previous calendar year or (2) 80 percent of the actual tax for the current calendar year is subject to the penalty and interest provided in this chapter, unless the total tax for the current tax year is \$500 or less.

Sec. 8. [EFFECTIVE DATE.]

Sections 1, 2, and 7 are effective for tax years beginning after December 31, 1990. Sections 3, 4, 5, and 6 are effective the day after final enactment.

ARTICLE 4

MISCELLANEOUS PROVISIONS

Section 1. Minnesota Statutes 1988, section 270A.03, subdivision 7, is amended to read:

Subd. 7. "Refund" means an individual income tax refund, pursuant to chapter 290, or a property tax credit or refund, pursuant to chapter 290A.

For purposes of this chapter, lottery prizes, as set forth in section 349A.08, subdivision 8, shall be treated as refunds.

Sec. 2. Minnesota Statutes 1989 Supplement, section 270.73, subdivision 1, is amended to read:

Subdivision 1. [POSTING, NOTICE.] Pursuant to the authority to disclose under section 270B.12, subdivision 4, the commissioner shall, by the 15th of each month, submit to the commissioner of public safety a list of all taxpayers who are required to withhold or collect the tax imposed by section 290.92 or 297A.02 or a local option tax administered and collected by the commissioner of revenue and who are 30 days or more delinquent in either filing a tax return or paying the tax.

The commissioner of revenue is under no obligation to list a taxpayer whose business is inactive. At least ten days before notifying the commissioner of public safety, the commissioner of revenue shall notify the taxpayer of the intended action.

The commissioner of public safety shall post the list in the same manner as provided in section 340A.318, subdivision 3. The list will prominently show the date of posting. If a taxpayer previously listed cures the delinquency by filing all returns and paying all taxes, the commissioner shall notify the commissioner of public safety within two business days that the delinquency was cured.

Sec. 3. Minnesota Statutes 1989 Supplement, section 270B.07, is amended by adding a subdivision to read:

Subd. 5. [INQUIRIES RELATED TO APPLICATIONS FOR LIQUOR LICENSES.] The commissioner may disclose and certify to a requesting county or municipality whether or not an applicant for a license to be issued under section 340A.403 or sections 340A.404 to 340A.406 is liable for state or local taxes or assessments that were not paid when they became due. The commissioner shall not disclose or certify that the license applicant is liable for unpaid state or local taxes or assessments if an administrative or court action which questions the amount or validity of the unpaid taxes or assessments has been commenced, or if the appeal period to contest the taxes or assessments has not yet expired.

Sec. 4. Minnesota Statutes Second 1989 Supplement, section 349.212, subdivision 4, is amended to read:

Subd. 4. [PULL-TAB AND TIPBOARD TAX.] (a) There is imposed a tax on the sale of each deal of pull-tabs and tipboards sold by a licensed distributor. The rate of the tax is two percent of the ideal gross of the pull-tab or tipboard deal. The sales tax imposed by chapter 297A on the sale of the pull-tabs and tipboards by the licensed distributor is imposed on the retail sales price less the tax imposed by this subdivision. The retail sale of pull-tabs or tipboards by the organization is exempt from taxes imposed by chapter 297A if the tax imposed by this subdivision has been paid and is exempt from all local taxes and license fees except a fee authorized under section 349.16, subdivision 4.

(b) The liability for the tax imposed by this section is incurred when the pull-tabs and tipboards are delivered by the distributor to the customer, to a common or contract carrier for delivery to the customer, or when received by the customer's authorized representative at the distributor's place of business, regardless of the distributor's method of accounting or the terms of the sale.

The tax imposed by this subdivision is imposed on all sales of pull-tabs and tipboards, except the following:

(1) sales to the governing body of an Indian tribal organization for use on an Indian reservation;

(2) sales to distributors licensed under this chapter;

(3) sales to distributors licensed under the laws of another state or of a Province of Canada, as long as all statutory and regulatory requirements are met in the other state or province; and

(4) sales of promotional tickets as defined in section 349.12.

(c) Pull-tabs and tipboards sold to an organization that sells pull-tabs and tipboards under the exemption from licensing in section 349.214, subdivision 2, paragraph (b), are exempt from the tax imposed by this subdivision. A distributor must require an organization conducting exempt gambling to show proof of its exempt status before making a tax-exempt sale of pull-tabs or tipboards to such an organization. A distributor shall identify, on all reports submitted to the commissioner, all sales of pull-tabs and tipboards that are exempt from tax under this subdivision.

Sec. 5. Minnesota Statutes 1988, section 349.212, is amended by adding a subdivision to read:

Subd. 7. [UNTAXED PULL-TABS AND TIPBOARDS.] In addition to penalties or criminal sanctions imposed by this chapter, any person, organization, or business entity possessing a pull-tab or tipboard upon which the tax imposed by subdivision 4 has not been paid is liable for a tax of six percent of the ideal gross of each pull-tab or tipboard. The tax on a partial deal shall be assessed as if it were a full deal.

The tax shall be assessed by the commissioner. An assessment shall be considered a jeopardy assessment or jeopardy collection as provided in section 270.70. The commissioner shall assess the tax based on personal knowledge or information available to the commissioner. The commissioner shall mail to the taxpayer at the taxpayer's last known address, or serve in person, a written notice of the amount of tax, demand its immediate payment, and, if payment is not immediately made, collect the tax by any method described in chapter 270, except that the commissioner need not await the expiration of the times specified in chapter 270. The tax assessed by the commissioner is presumed to be valid and correctly determined and assessed. The burden is upon the taxpayer to show its incorrectness or invalidity.

Sec. 6. Minnesota Statutes 1988, section 524.3-301, is amended to read:

524.3-301 [INFORMAL PROBATE OR APPOINTMENT PROCEEDINGS; APPLICATION; CONTENTS.]

An informal probate proceeding is an informal proceeding for the probate of decedent's will with or without an application for informal appointment. An informal appointment proceeding is an informal proceeding for appointment of a personal representative in testate or intestate estates. These proceedings may be combined in a single proceeding. Applications for informal probate or informal appointment shall be directed to the registrar, and verified by the applicant, in accordance with section 524.1-310, to be accurate and complete to the best of applicant's knowledge and belief as to the following information:

(1) Every application for informal probate of a will or for informal appointment of a personal representative, other than a special or successor representative, shall contain the following:

- (i) a statement of the interest of the applicant;
- (ii) the name, social security number, birthdate, and date of death of the decedent, and the county and state of the decedent's domicile at the time of death, and the names and addresses of the spouse, children, heirs, and devisees and the ages of any who are minors so far as known or ascertainable with reasonable diligence by the applicant;
- (iii) if the decedent was not domiciled in the state at the time of death, a statement showing venue;
- (iv) a statement identifying and indicating the address of any personal representative of the decedent appointed in this state or elsewhere whose appointment has not been terminated;
- (v) a statement indicating whether the applicant has received a demand for notice, or is aware of any demand for notice of any probate or appointment proceeding concerning the decedent that may have been filed in this state or elsewhere.

(2) An application for informal probate of a will shall state the following in addition to the statements required by (1):

- (i) that the original of the decedent's last will is in the possession of the court, or accompanies the application, or that an authenticated copy of a will probated in another jurisdiction accompanies the application;
- (ii) that the applicant, to the best of the applicant's knowledge, believes the will to have been validly executed;
- (iii) that after the exercise of reasonable diligence, the applicant is unaware of any instrument revoking the will, and that the applicant believes that the instrument which is the subject of the application is the decedent's last will;
- (iv) that the time limit for informal probate as provided in this article has not expired either because three years or less have passed since the decedent's death, or, if more than three years from death have passed, that circumstances as described by section 524.3-108 authorizing tardy probate have occurred.

(3) An application for informal appointment of a personal representative to administer an estate under a will shall describe the will by date of execution and state the time and place of probate or the

pending application or petition for probate. The application for appointment shall adopt the statements in the application or petition for probate and state the name, address and priority for appointment of the person whose appointment is sought.

(4) An application for informal appointment of an administrator in intestacy shall state in addition to the statements required by (1):

(i) that after the exercise of reasonable diligence, the applicant is unaware of any unrevoked testamentary instrument relating to property having a situs in this state under section 524.1-301, or, a statement why any such instrument of which the applicant may be aware is not being probated;

(ii) the priority of the person whose appointment is sought and the names of any other persons having a prior or equal right to the appointment under section 524.3-203.

(5) An application for appointment of a personal representative to succeed a personal representative appointed under a different testacy status shall refer to the order in the most recent testacy proceeding, state the name and address of the person whose appointment is sought and of the person whose appointment will be terminated if the application is granted, and describe the priority of the applicant.

(6) An application for appointment of a personal representative to succeed a personal representative who has tendered a resignation as provided in section 524.3-610(c), or whose appointment has been terminated by death or removal, shall adopt the statements in the application or petition which led to the appointment of the person being succeeded except as specifically changed or corrected, state the name and address of the person who seeks appointment as successor, and describe the priority of the applicant.

Sec. 7. [REPEALER.]

Minnesota Statutes 1988, sections 290.612; and 297A.431, are repealed.

Sec. 8. [EFFECTIVE DATE.]

Sections 1 to 7 are effective the day following final enactment.

ARTICLE 5

PROPERTY TAXES AND AIDS

Section 1. Minnesota Statutes 1988, section 116K.04, subdivision 4, is amended to read:

Subd. 4. The commissioner shall:

(1) Appoint the state demographer, who shall be compensated in accordance with section 43A.18, subdivision 3. The state demographer shall be professionally competent in the field of demography and shall possess demonstrated ability, based upon past performance;

(2) Continuously gather and develop demographic data within the state;

(3) Design and test methods of research and data collection;

(4) Periodically prepare population projections for designated regions and for the state and may periodically prepare projections for each county, or other political or geographic division as necessary to carry out the purposes of this section;

(5) Review, comment, and prepare analysis of population estimates and projections made by state agencies, political subdivisions, other states, federal agencies or nongovernmental persons, institutions or commissions;

(6) Serve as the state liaison with the federal bureau of census, and coordinate the activities of the state planning agency with federal demographic activities to the fullest extent possible, and shall aid the legislature in preparing a census data plan and form for each decennial census;

(7) Compile an annual study of population estimates on the basis of county, regional or other political or geographic divisions as necessary to carry out the purposes of this subdivision and section 116K.05;

(8) On or before January 1 of each year, issue a report to the legislature containing an analysis of the demographic implications of the annual population study and population projections;

(9) Cause to be prepared maps of all counties in the state, all municipalities with a population of 10,000 or more, and any other municipalities as deemed necessary for census purposes, according to scale and detail recommended by the federal bureau of the census, with the maps of cities showing boundaries of precincts; and

(10) Prepare an estimate of population and of the number of households for each governmental subdivision for which the metropolitan council does not prepare an annual estimate, and shall communicate the estimates to the governing body of each governmental subdivision by May 1 of each year.

(11) Prepare an estimate of population and number of households for an area annexed by a governmental subdivision subject to levy limits under sections 275.50 to 275.56 if a municipal board order exists for the annexation and if the population in the annexed area is equal to either (i) at least 50 people or (ii) at least ten percent of the population of a governmental subdivision or unorganized territory is being annexed. The estimate shall be of the population as of the date, within the 12-month period after the annexation occurs, for which a population estimate for the governmental subdivision is made by either the state demographer under clause (10) or by the metropolitan council.

Sec. 2. Minnesota Statutes 1989 Supplement, section 168.013, subdivision 5, is amended to read:

Subd. 5. [CERTAIN VEHICLES SUBJECT TO PERSONAL PROPERTY TAX.] Motor vehicles not subject to taxation as provided in section 168.012, but subject to taxation as personal property within the state under section 273.36 or 273.37, subdivision 1, shall be assessed and valued at 33 $\frac{1}{3}$ percent of the market value thereof, have a tax capacity as provided in section 273.13, subdivision 24, provided, that if the person against whom any tax has been levied on the ad valorem basis because of any motor vehicle shall, during the calendar year for which such tax is levied, be also taxed under the provisions of this chapter, then and in that event, upon proper showing, the commissioner of revenue shall grant to the person against whom said ad valorem tax was levied, such reduction or abatement of net tax capacity or taxes as was occasioned by the so-called ad valorem tax imposed, and provided further that, if said ad valorem tax upon any motor vehicle has been assessed against a dealer in new and unused motor vehicles, and the tax imposed by this chapter for the required period is thereafter paid by the owner, then and in that event, upon proper showing, the commissioner of revenue, upon the application of said dealer, shall grant to such dealer against whom said ad valorem tax was levied such reduction or abatement of net tax capacity or taxes as was occasioned by the so-called ad valorem tax imposed. If such motor vehicle be registered and taxed under this chapter for a fractional part of the calendar year only, then such ad valorem tax shall be reduced in the percentage which such fractional part of the years bears to a full year.

Sec. 3. Minnesota Statutes 1989 Supplement, section 272.16, is amended to read:

272.16 [TRANSFER OF SPECIFIC PART.]

Subdivision 1. [TRANSFER OF SPECIFIC PART.] When any part less than the whole of any parcel of land, as charged in the tax lists, is conveyed, the county auditor shall transfer the same whenever the seller and purchaser agree, in a writing signed by them, or person-

ally appear before the county auditor and agree, upon the amount of the net tax capacity to be transferred therewith; ~~but~~. If the seller and purchaser do not so agree, the county auditor shall make ~~such~~ a division of the net tax capacity as ~~may appear~~ that appears just to the auditor just. If the county auditor is satisfied that the proportion of the net tax capacity so agreed to be transferred is greater than the proportional value of the land to be transferred therewith, and that ~~such~~ the agreement was made by collusion of the parties, and with a view fraudulently to evade payment of taxes assessed on the entire parcel, the auditor may refuse to make ~~such~~ the transfer; ~~and~~. When any such transfer has already been procured by fraudulent agreement, the auditor shall cancel ~~the same~~ it, and the land so transferred shall be charged with taxes in the same manner as though the transfer had not been made.

Subd. 2. [SPECIFIC PART CONVEYED AFTER EXECUTION OF A LENDER'S LIEN.] Notwithstanding the provisions of sections 272.12, 272.121, and 272.162, a lender that acquires, through execution of a lien, any part less than the whole of any parcel of land, as charged in the tax lists, may convey that part upon payment of the proper proportion of taxes due and owing on that part. The county auditor shall determine the proper proportion of taxes to be paid. The lender shall be required to provide the county auditor with instruments that document the lender's lien and the acquisition of the part.

Sec. 4. Minnesota Statutes 1989 Supplement, section 273.01, is amended to read:

273.01 [LISTING AND ASSESSMENT, TIME.]

All real property subject to taxation shall be listed and at least one-fourth of the parcels listed shall be appraised each year with reference to their value on January 2 preceding the assessment so that each parcel shall be reappraised at maximum intervals of four years. All real property becoming taxable in any year shall be listed with reference to its value on January 2 of that year. Except as provided in this section and section 274.01, subdivision 1, all real property assessments shall be completed two weeks prior to the date scheduled for the local board of review or equalization. No changes in valuation or classification which are intended to correct errors in judgment by the county assessor may be made by the county assessor after the board of review or the county board of equalization has adjourned; however, corrections of errors that are merely clerical in nature or changes which extend homestead treatment to property are permitted after adjournment until the tax extension date for that assessment year. Any changes made by the assessor after this time adjournment must be fully documented and maintained in a file in the assessor's office and shall be available for review by any person. A copy of any changes made during this period shall be sent to the county board no later than December 31 of the

assessment year. In the event a valuation and classification is not placed on any real property by the dates scheduled for the local board of review or equalization the valuation and classification determined in the preceding assessment shall be continued in effect and the provisions of section 273.13 shall, in such case, not be applicable, except with respect to real estate which has been constructed since the previous assessment. Real property containing iron ore, the fee to which is owned by the state of Minnesota, shall, if leased by the state after January 2 in any year, be subject to assessment for that year on the value of any iron ore removed under said lease prior to January 2 of the following year. Personal property subject to taxation shall be listed and assessed annually with reference to its value on January 2; and, if acquired on that day, shall be listed by or for the person acquiring it.

Sec. 5. Minnesota Statutes 1989 Supplement, section 273.11, subdivision 1, is amended to read:

Subdivision 1. [GENERALLY.] Except as provided in subdivisions 6, 8, and 9 or section 273.17, subdivision 1, all property shall be valued at its market value. The market value as determined pursuant to this section shall be stated such that any amount under \$100 is rounded up to \$100 and any amount exceeding \$100 shall be rounded to the nearest \$100. In estimating and determining such value, the assessor shall not adopt a lower or different standard of value because the same is to serve as a basis of taxation, nor shall the assessor adopt as a criterion of value the price for which such property would sell at a forced sale, or in the aggregate with all the property in the town or district; but the assessor shall value each article or description of property by itself, and at such sum or price as the assessor believes the same to be fairly worth in money. In assessing any tract or lot of real property, the value of the land, exclusive of structures and improvements, shall be determined, and also the value of all structures and improvements thereon, and the aggregate value of the property, including all structures and improvements, excluding the value of crops growing upon cultivated land. In valuing real property upon which there is a mine or quarry, it shall be valued at such price as such property, including the mine or quarry, would sell for a fair, voluntary sale, for cash. In valuing real property which is vacant, the fact that such property is platted shall not be taken into account. An individual lot of such platted property shall not be assessed in excess of the assessment valuation of the land as if it were unplatted until the lot is improved with a permanent improvement all or a portion of which is located upon the lot, or for a period of three years after final approval of said plat whichever is shorter. When a lot is sold or construction begun, ~~the net tax capacity of that lot or any single contiguous lot fronting on the same street shall be eligible for reassessment~~ revaluation. All property, or the use thereof, which is taxable under section 272.01, subdivision 2, or 273.19, shall be valued at the market value of such

property and not at the value of a leasehold estate in such property, or at some lesser value than its market value.

Sec. 6. Minnesota Statutes Second 1989 Supplement, section 273.13, subdivision 25, is amended to read:

Subd. 25. [CLASS 4.] (a) Class 4a is residential real estate containing four or more units and used or held for use by the owner or by the tenants or lessees of the owner as a residence for rental periods of 30 days or more. Class 4a also includes hospitals licensed under sections 144.50 to 144.56, other than hospitals exempt under section 272.02, and contiguous property used for hospital purposes, without regard to whether the property has been platted or subdivided. Class 4a property has a class rate of 3.6 percent of market value.

(b) Class 4b includes:

(1) residential real estate containing less than four units, other than seasonal residential, and recreational;

(2) post-secondary student housing not to exceed one acre of land which is owned by a nonprofit corporation organized under chapter 317 and is used exclusively by a sorority or fraternity organization for housing;

(3) manufactured homes not classified under any other provision;

(4) a dwelling, garage, and surrounding one acre of property on a nonhomestead farm classified under subdivision 23, paragraph (b).

Class 4b property has a class rate of 3.0 percent of market value.

(c) Class 4c property includes:

(1) a structure that is situated on real property that is used for housing for the elderly or for low and moderate income families as defined by Title II of the National Housing Act or the Minnesota housing finance agency law of 1971 or rules promulgated by the agency pursuant thereto and financed by a direct federal loan or federally insured loan or a loan made by the Minnesota housing finance agency pursuant to the provisions of either of those acts and acts amendatory thereof. This clause applies only to property of a nonprofit or limited dividend entity. Property is classified as class 4c under this clause for 15 years from the date of the completion of the original construction or substantial rehabilitation, or for the original term of the loan;

(2) a structure that is:

(i) situated upon real property that is used for housing lower income families or elderly or handicapped persons, as defined in section 8 of the United States Housing Act of 1937, as amended; and

(ii) owned by an entity which has entered into a housing assistance payments contract under section 8 which provides assistance for 100 percent of the dwelling units in the structure, other than dwelling units intended for management or maintenance personnel. Property is classified as class 4c under this clause for the term of the housing assistance payments contract, including all renewals, or for the term of its permanent financing, whichever is shorter; and

(3) a qualified low-income building that (i) receives a low-income housing credit under section 42 of the Internal Revenue Code of 1986, as amended through December 31, 1988; or (ii) meets the requirements of that section. Classification pursuant to this clause is limited to buildings the construction or rehabilitation of which began after May 1, 1988, and to a term of 15 years.

For all properties described in clauses (1), (2), and (3) and in paragraph (d), the market value determined by the assessor must be based on the normal approach to value using normal unrestricted rents. The land on which these structures are situated has the class rate given in paragraph (b) if the structure contains fewer than four units, and the class rate given in paragraph (a) if the structure contains four or more units.

(4) a parcel of land, not to exceed one acre, and its improvements or a parcel of unimproved land, not to exceed one acre, if it is owned by a neighborhood real estate trust and at least 60 percent of the dwelling units, if any, on all land owned by the trust are leased to or occupied by lower income families or individuals. This clause does not apply to any portion of the land or improvements used for nonresidential purposes. For purposes of this clause, a lower income family is a family with an income that does not exceed 65 percent of the median family income for the area, and a lower income individual is an individual whose income does not exceed 65 percent of the median individual income for the area, as determined by the United States Secretary of Housing and Urban Development. For purposes of this clause, "neighborhood real estate trust" means an entity which is certified by the governing body of the municipality in which it is located to have the following characteristics: (a) it is a nonprofit corporation organized under chapter 317; (b) it has as its principal purpose providing housing for lower income families in a specific geographic community designated in its articles or bylaws; (c) it limits membership with voting rights to residents of the designated community; and (d) it has a board of directors consisting of at least seven directors, 60 percent of whom are members with voting rights and, to the extent feasible, 25 percent of whom are elected by resident members of buildings owned by the trust; and

(5) except as provided in subdivision 22, paragraph (c), real property devoted to temporary and seasonal residential occupancy for recreation purposes, including real property devoted to temporary and seasonal residential occupancy for recreation purposes and not devoted to commercial purposes for more than 225 days in the year preceding the year of assessment. For this purpose, property is devoted to commercial use on a specific day if it is used, or offered for use, and a fee is charged for the use. Class 4c also includes commercial use real property used exclusively for recreational purposes in conjunction with class 4c property devoted to temporary and seasonal residential occupancy for recreational purposes, up to a total of two acres, provided the property is not devoted to commercial recreational use for more than 225 days in the year preceding the year of assessment and is located within two miles of the class 4c property with which it is used. Class 4c property classified in this clause and clause (6) also includes the remainder of class 1c resorts; and

(6) real property up to a maximum of one acre of land owned by a nonprofit community service oriented organization; provided that the property is not used for a revenue-producing activity for more than six days in the calendar year preceding the year of assessment and the property is not used for residential purposes on either a temporary or permanent basis. For purposes of this clause, a "nonprofit community service oriented organization" means any corporation, society, association, foundation, or institution organized and operated exclusively for charitable, religious, fraternal, civic, or educational purposes, and which is exempt from federal income taxation pursuant to section 501(c)(3), (10), or (19) of the Internal Revenue Code of 1986, as amended through December 31, 1988. For purposes of this clause, "revenue-producing activities" shall include but not be limited to property or that portion of the property that is used as an on-sale intoxicating liquor or nonintoxicating malt liquor establishment licensed under chapter 340A, a restaurant open to the public, bowling alley, a retail store, gambling conducted by organizations licensed under chapter 349, an insurance business, or office or other space leased or rented to a lessee who conducts a for-profit enterprise on the premises. Any portion of the property which is used for revenue-producing activities for more than six days in the calendar year preceding the year of assessment shall be assessed as class 3a. The use of the property for social events open exclusively to members and their guests for periods of less than 24 hours, when an admission is not charged nor any revenues are received by the organization shall not be considered a revenue-producing activity; and

Class 4c property has a class rate of 2.4 percent of market value.

(d) Class 4d property includes any structure:

(i) situated on real property that is used for housing for the elderly

or for low and moderate income families as defined by the farmers home administration;

(ii) located in a municipality of less than 10,000 population; and

(iii) financed by a direct loan or insured loan from the farmers home administration. Property is classified under this clause for 15 years from the date of the completion of the original construction or for the original term of the loan.

The class rates in paragraph (c), clauses (1), (2), and (3) and this clause apply to the properties described in them, only in proportion to occupancy of the structure by elderly or handicapped persons or low and moderate income families as defined in the applicable laws unless construction of the structure had been commenced prior to January 1, 1984; or the project had been approved by the governing body of the municipality in which it is located prior to June 30, 1983; or financing of the project had been approved by a federal or state agency prior to June 30, 1983. Classification under this clause is only available to property of a nonprofit or limited dividend entity.

Class 4d property has a class rate of 1.7 percent of market value for taxes payable in 1990, and two percent of market value for taxes payable thereafter.

(e) Residential rental property that would otherwise be assessed as class 4 property under paragraph (a); paragraph (b), clauses (1) and (2); or paragraph (c), clause (1), (2), (3), or (4); ~~or paragraph (d),~~ is assessed at the class rate applicable to it under Minnesota Statutes 1988, section 273.13, if it is found to be a substandard building under section 273.1316. Residential rental property that would otherwise be assessed as class 4 property under paragraph (d) is assessed at 2.4 percent of market value if it is found to be a substandard building under section 273.1316.

Sec. 7. Minnesota Statutes Second 1989 Supplement, section 273.1391, subdivision 2, is amended to read:

Subd. 2. For taxes payable in 1990 and subsequent years, the amount of the reduction authorized by subdivision 1 shall be:

(a) In the case of property located within a school district which does not meet the qualifications of section 273.134 as a tax relief area, but which is located in a county with a population of less than 100,000 in which taconite is mined or quarried and wherein a school district is located which does meet the qualifications of a tax relief area, and provided that at least 90 percent of the area of the school district which does not meet the qualifications of section 273.134 lies within such county, 57 percent of the tax on qualified property located in the school district that does not meet the qualifications of

section 273.134, provided that the amount of said reduction shall not exceed the maximum amounts specified in clause (c), and shall not exceed an amount sufficient to reduce the effective tax rate on each parcel of property to the product of 95 percent of the base year effective tax rate multiplied by the ratio of the current year's tax rate to the payable 1989 tax rate. In no case will the reduction for each homestead resulting from this credit be less than \$10. The reduction provided by this clause shall only be applicable to property located within the boundaries of the county described therein.

(b) In the case of property located within a school district which does not meet the qualifications of section 273.134 as a tax relief area, but which is located in a school district in a county containing a city of the first class and a qualifying municipality, but not in a school district containing a city of the first class or adjacent to a school district containing a city of the first class unless the school district so adjacent contains a qualifying municipality, 57 percent of the tax, but not to exceed the maximums specified in clause (c), and shall not exceed an amount sufficient to reduce the effective tax rate on each parcel of property to the product of 95 percent of the base year effective tax rate multiplied by the ratio of the current year's tax rate to the payable 1989 tax rate. In no case will the reduction for each homestead resulting from this credit be less than \$10.

(c) The maximum reduction of the tax up to the taconite breakpoint is \$200.10 for taxes payable in 1985. This maximum amount shall increase by \$15 multiplied by the quantity one minus the homestead credit equivalency percentage per year for taxes payable in 1986 and subsequent years.

For the purposes of this subdivision, "homestead credit equivalency percentage" means one minus the ratio of the net tax capacity percentage to the gross tax capacity percentage applicable to the first \$68,000 of the market value of residential homesteads, and "effective tax rate" means tax divided by the market value of a property, and the "base year effective tax rate" means the payable 1988 tax on a property with an identical market value to that of the property receiving the credit in the current year after application of the credits payable under Minnesota Statutes 1988, section 273.13, subdivisions 22 and 23, and this section, divided by the market value of the property.

Sec. 8. Minnesota Statutes Second 1989 Supplement, section 273.1398, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] (a) In this section, the terms defined in this subdivision have the meanings given them.

(b) "Unique taxing jurisdiction" means the geographic area subject to the same set of tax capacity rates.

(c) "Gross tax capacity" means the product of the gross class rates and estimated market values. "Total gross tax capacity" means the gross tax capacities for all property within the unique taxing jurisdiction. The total gross tax capacity used shall be reduced by the sum of (1) the unique taxing jurisdiction's gross tax capacity of commercial industrial property as defined in section 473F.02, subdivision 3, multiplied by the ratio determined pursuant to section 473F.08, subdivision 6, for the municipality, as defined in section 473F.02, subdivision 8, in which the unique taxing jurisdiction is located, (2) the gross tax capacity of the captured value of tax increment financing districts as defined in section 469.177, subdivision 2, and (3) the gross tax capacity of transmission lines deducted from a local government's total gross tax capacity under section 273.425. Gross tax capacity cannot be less than zero.

(d) "Net tax capacity" means the product of the appropriate net class rates for the year in which the aid is payable, except that for class 3 utility real and personal property the class rate applied shall be 5.38 percent, and estimated market values for the assessment two years prior to that in which aid is payable. "Total net tax capacity" means the net tax capacities for all property within the unique taxing jurisdiction. The total net tax capacity used shall be reduced by the sum of (1) the unique taxing jurisdiction's net tax capacity of commercial industrial property as defined in section 473F.02, subdivision 3, multiplied by the ratio determined pursuant to section 473F.08, subdivision 6, for the municipality, as defined in section 473F.02, subdivision 8, in which the unique taxing jurisdiction is located, (2) the net tax capacity of the captured value of tax increment financing districts as defined in section 469.177, subdivision 2, and (3) the net tax capacity of transmission lines deducted from a local government's total net tax capacity under section 273.425. For purposes of determining the net tax capacity of property referred to in clauses (1) and (2), the net tax capacity shall be multiplied by the ratio of the highest class rate for class 3a property for taxes payable in the year in which the aid is payable to the highest class rate for class 3a property in the prior year. Net tax capacity cannot be less than zero.

(e) "Equalized market values" are market values that have been equalized by dividing the assessor's estimated market value for the second year prior to that in which the aid is payable by the assessment sales ratios determined by class in the assessment sales ratio study conducted by the department of revenue pursuant to section 124.2131 in the second year prior to that in which the aid is payable. The equalized market values shall equal the unequalized market values divided by the assessment sales ratio.

(f) "Local tax rate" means the quotient derived by dividing the gross taxes levied within a unique taxing jurisdiction for taxes payable in 1989 by the gross tax capacity of the unique taxing jurisdiction for taxes payable in 1989. For computation of the local

tax rate for aid payable in 1991 and subsequent years, gross taxes for taxes payable in 1989 exclude equalized levies as defined in subdivision 2a. For purposes of computation of the local tax rate only, gross taxes shall not be adjusted by inflation or household growth.

(g) For purposes of calculating the homestead and agricultural credit aid authorized pursuant to subdivision 2, the "subtraction factor" is the product of (i) a unique taxing jurisdiction's local tax rate; (ii) its total net tax capacity; and (iii) 0.9767.

(h) For purposes of calculating and allocating homestead and agricultural credit aid authorized pursuant to subdivision 2 and the disparity reduction aid authorized in subdivision 3, "gross taxes levied on all properties" or "gross taxes" means the total gross taxes levied on all properties except that levied on the captured value of tax increment districts as defined in section 469.177, subdivision 2, and that levied on the portion of commercial industrial properties' assessed value or gross tax capacity, as defined in section 473F.02, subdivision 3, subject to the areawide tax as provided in section 473F.08, subdivision 6, in a unique taxing jurisdiction before reduction by any credits for taxes payable in 1989. Gross taxes are before any reduction for disparity reduction aid. Gross taxes levied cannot be less than zero.

For homestead and agricultural credit aid payable in 1991 and subsequent years, "gross taxes" or "gross taxes levied on all properties" shall mean gross taxes payable in 1989, excluding taxes defined as "equalized levies" actual amounts levied for the purposes listed in subdivision 2a, multiplied by the cost-of-living adjustment factor and the household adjustment factor.

(i) "Human services aids" means:

(1) aid to families with dependent children under sections 256.82, subdivision 1, and 256.935, subdivision 1;

(2) medical assistance under sections 256B.041, subdivision 5, and 256B.19, subdivision 1;

(3) general assistance medical care under section 256D.03, subdivision 6;

(4) general assistance under section 256D.03, subdivision 2;

(5) work readiness under section 256D.03, subdivision 2;

(6) emergency assistance under section 256.871, subdivision 6;

(7) Minnesota supplemental aid under section 256D.36, subdivision 1;

(8) preadmission screening and alternative care grants under section 256B.091;

(9) work readiness services under section 256D.051;

(10) case management services under section 256.736, subdivision 13;

(11) general assistance claims processing, medical transportation and related costs; and

(12) medical assistance, medical transportation and related costs.

(j) "Adjustment factor" means one plus the percentage change in (1) the ratio of estimated market value of residential ~~homesteads~~ property to the estimated market value of all taxable property within the city or township containing the unique taxing jurisdiction based on the assessment one year prior to the year in which the aid is payable when compared to the same ratio based on the assessment two years prior to the year in which the aid is payable. If the market value of farm homesteads exceeds the market value of residential homesteads in the city or township containing the unique taxing jurisdiction for the assessment two years prior to the year in which the aid is payable, "adjusted adjustment factor" means one plus the percentage change in the ratio of the estimated market value of farm ~~homesteads~~ property to the estimated market value of all taxable property within the city or township containing the unique taxing jurisdiction based on the assessment one year prior to the year in which the aid is payable when compared to the same ratio based on the assessment two years prior to the year in which the aid is payable. The adjustment factor cannot be less than one. Estimates of market value for the assessment one year prior to the year in which the aid is paid will be made on the basis of the abstract submitted pursuant to section 270.11. Discrepancies between the estimate and actual market values will not result in increased or decreased aid in the year in which the estimates are used to compute aid.

(k) "Cost-of-living adjustment factor" means one plus the percentage, if any, by which:

(1) the consumer price index for the calendar year preceding that in which aid is payable, exceeds

(2) the consumer price index for calendar year 1989.

(l) "Consumer price index for any calendar year" means the average of the consumer price index as of the close of the 12-month period ending on May 31 of such calendar year.

(m) "Consumer price index" means the last consumer price index for all-urban consumers published by the department of labor. For purposes of the preceding sentence, the revision of the consumer price index which is most consistent with the consumer price index for calendar year 1989 shall be used.

(n) "Household adjustment factor" means the number of households for the most recent year preceding that in which the aids are payable divided by the 1988 number of households. The household adjustment factor cannot be less than one.

Sec. 9. Minnesota Statutes Second 1989 Supplement, section 273.1398, subdivision 2, is amended to read:

Subd. 2. [HOMESTEAD AND AGRICULTURAL CREDIT AID.]

(a) Initial homestead and agricultural credit aid for each unique taxing jurisdiction equals the total gross taxes levied on all properties, minus the unique taxing jurisdiction's subtraction factor. The commissioner of revenue may, in computing the amount of the homestead and agricultural credit aid paid in 1990, adjust the gross tax capacity, net tax capacity, and gross taxes of a taxing jurisdiction for taxes payable in 1989 to reflect auditor's errors in computing taxes payable for 1989 in unique taxing jurisdictions within independent school district Nos. 720 and 792. Homestead and agricultural credit aid cannot be less than zero.

(b)(1) The homestead and agricultural credit aid is allocated to each local government levying taxes in the unique taxing jurisdiction in the proportion that the local government's gross taxes bears to the total gross taxes levied within the unique taxing jurisdiction.

(2) The 1990 homestead and agricultural credit aid so determined for school districts for purposes of general education levies pursuant to section 124A.23, subdivisions 2 and 2a, and transportation levies pursuant to section 275.125, subdivisions 5 and 5c, shall be multiplied by the ratio of the adjusted gross tax capacity based upon the 1988 adjusted gross tax capacity to the estimated 1987 adjusted gross tax capacity based upon the 1987 adjusted assessed value.

(3) If a local government's total tax capacity rate for all funds for taxes payable in 1989 varies within the area in which it exercises taxing authority, the local government's allocated homestead and agricultural credit aid must be further allocated between the part of its levy in respect to which the tax capacity rate is constant throughout the area in which it exercises taxing authority and the part of its levy in respect to which the tax capacity rate varies throughout the area in which it exercises taxing authority.

(c) The calendar year 1990 homestead and agricultural credit aid shall be adjusted by the adjustment factor.

(d) Payments under this subdivision to counties in 1990 and subsequent years shall be reduced by the amount provided in section 477A.012, subdivisions 3, paragraph (d), and 4, paragraph (d).

(e) Payments under this subdivision to cities and towns shall be annually reduced by the amount of the homestead and agricultural credit aid adjustment, if any, determined for 1990 under section 477A.013, subdivision 6.

Sec. 10. Minnesota Statutes Second 1989 Supplement, section 273.1398, subdivision 5a, is amended to read:

Subd. 5a. [AID ADJUSTMENT FOR COUNTY HUMAN SERVICES AID.] (a) There shall be transferred to the human services aid account from the payment to a county under subdivision 2 an amount representing a county's human services aid increase as calculated in subdivision 5b, paragraphs (a) to (c). The amount calculated for each county shall be deducted from the first payment to the county under this section in 1991 and subsequent years. If the deduction exceeds the amount of the first payment, the balance shall be subtracted from the second payment. The amount of the payments under subdivision 2 shall not be less than zero as a result of this adjustment.

Sec. 11. Minnesota Statutes Second 1989 Supplement, section 273.1398, subdivision 6, is amended to read:

Subd. 6. [PAYMENT.] The commissioner shall certify the aids provided in subdivisions 2, 2b, 3, and 5 before December 1, 1989, and October 1 thereafter of the year preceding the distribution year to the county auditor of the affected local government and pay them and the credit reimbursements to local governments other than school districts at the times provided in section 477A.015 for payment of local government aid to taxing jurisdictions. Aids and credit reimbursements to school districts must be certified to the commissioner of education and paid under section 273.1392. Except for education districts and secondary cooperatives that receive revenue according to section 124.2721 or 124.575, payment shall not be made to any taxing jurisdiction that has ceased to levy a property tax nor shall homestead and agricultural credit aid be payable on the part of a levy to which homestead and agricultural credit aid was separately allocated under subdivision 2, paragraph (b), clause (2), which is no longer levied.

Sec. 12. Minnesota Statutes 1988, section 274.01, subdivision 1, is amended to read:

Subdivision 1. [ORDINARY BOARD; MEETINGS; DEADLINES, GRIEVANCES.] (a) The town board of a town, or the council or other governing body of a city, is the board of review except in cities whose

charters provide for a board of equalization. The county assessor shall fix a day and time when the board or the board of equalization shall meet in the assessment districts of the county. On or before February 15 of each year the assessor shall give written notice of the time to the city or town clerk. Notwithstanding the provisions of any charter to the contrary, the meetings must be held between April 1 and May 31 each year. The clerk shall give published and posted notice of the meeting at least ten days before the date of the meeting. The board shall meet at the office of the clerk to review the assessment and classification of property in the town or city. No changes in valuation or classification which are intended to correct errors in judgment by the county assessor may be made by the county assessor after the board of review or the county board of equalization has adjourned; however, corrections of errors that are merely clerical in nature or changes which extend homestead treatment to property are permitted after the board of review or the county board of equalization has adjourned. This restriction does not apply to corrections of errors that are merely clerical or administrative in nature adjournment until the tax extension date for that assessment year. The changes must be fully documented and maintained in the assessor's office and must be available for review by any person. A copy of the changes made during this period must be sent to the county board no later than December 31 of the assessment year.

(b) The board shall determine whether the taxable property in the town or city has been properly placed on the list and properly valued by the assessor. If real or personal property has been omitted, the board shall place it on the list with its market value, and correct the assessment so that each tract or lot of real property, and each article, parcel, or class of personal property, is entered on the assessment list at its market value. No assessment of the property of any person may be raised unless the person has been duly notified of the intent of the board to do so. On application of any person feeling aggrieved, the board shall review the assessment or classification, or both, and correct it as appears just.

(c) A local board of review may reduce assessments upon petition of the taxpayer but the total reductions must not reduce the aggregate assessment made by the county assessor by more than one percent. If the total reductions would lower the aggregate assessments made by the county assessor by more than one percent, none of the adjustments may be made. The assessor shall correct any clerical errors or double assessments discovered by the board of review without regard to the one percent limitation.

(d) A majority of the members may act at the meeting, and adjourn from day to day until they finish hearing the cases presented. The assessor shall attend, with the assessment books and papers, and take part in the proceedings, but must not vote. The county assessor, or an assistant delegated by the county assessor

shall attend the meetings. The board shall list separately, on a form appended to the assessment book, all omitted property added to the list by the board and all items of property increased or decreased, with the market value of each item of property, added or changed by the board, placed opposite the item. The county assessor shall enter all changes made by the board in the assessment book.

(e) If a person fails to appear in person, by counsel, or by written communication before the board after being duly notified of the board's intent to raise the assessment of the property, or if a person feeling aggrieved by an assessment or classification fails to apply for a review of the assessment or classification, the person may not appear before the county board of equalization for a review of the assessment or classification. This paragraph does not apply if an assessment was made after the board meeting, as provided in section 273.01, or if the person can establish not having received notice of market value at least five days before the local board of review meeting.

(f) The board of review or the board of equalization must complete its work and adjourn within 20 days from the time of convening stated in the notice of the clerk, unless a longer period is approved by the commissioner of revenue. No action taken after that date is valid. All complaints about an assessment or classification made after the meeting of the board must be heard and determined by the county board of equalization. A nonresident may, at any time, before the meeting of the board of review file written objections to an assessment or classification with the county assessor. The objections must be presented to the board of review at its meeting by the county assessor for its consideration.

Sec. 13. Minnesota Statutes Second 1989 Supplement, section 274.14, is amended to read:

274.14 [LENGTH OF SESSION; RECORD.]

The county board of equalization or the special board of equalization appointed by it shall meet during the last two weeks in June that contain ten meeting days, excluding Saturday and Sunday. No action taken by the county board of review after June 30 is valid, except for corrections permitted in sections 273.01 and 274.01. The county auditor shall keep an accurate record of the proceedings and orders of the board. The record must be published like other proceedings of county commissioners. A copy of the published record must be sent to the commissioner of revenue, with the abstract of assessment required by section 274.16.

Sec. 14. Minnesota Statutes Second 1989 Supplement, section 274.175, is amended to read:

274.175 [VALUES FINALIZED.]

The assessments recorded by the county assessor and the county auditor under sections 273.124, subdivision 9; 274.16; 274.17; or other law for real and personal property are final on July 1 of the assessment year, except for property added to the assessment rolls under section 272.02, subdivision 4, or deleted because of tax forfeiture pursuant to chapter 281. No changes in value may be made after July 1 of the assessment year, except for corrections permitted in sections 273.01 and 274.01.

Sec. 15. Minnesota Statutes Second 1989 Supplement, section 275.07, subdivision 3, is amended to read:

Subd. 3. The county auditor shall adjust each local government's levy certified under subdivision 1 by the amount of homestead and agricultural credit aid certified by section 273.1398, subdivision 2, reduced by the amount under section 273.1398, subdivision 5a, and equalization aid certified by section 477A.013, subdivision 5. ~~If a local government's homestead and agricultural credit aid was further allocated between portions of its levy pursuant to section 273.1398, subdivision 2, paragraph (b)(2), the levy or fund to which the homestead and agricultural credit aid was allocated is the levy or fund which must be adjusted.~~

Sec. 16. Minnesota Statutes Second 1989 Supplement, section 275.50, subdivision 5, is amended to read:

Subd. 5. Notwithstanding any other law to the contrary for taxes levied in 1989 payable in 1990 and subsequent years, "special levies" means those portions of ad valorem taxes levied by governmental subdivisions to:

(a) for taxes levied in 1990, payable in 1991 and subsequent years, pay the costs not reimbursed by the state or federal government, of payments made to or on behalf of recipients of aid under any public assistance program authorized by law, and the costs of purchase or delivery of social services. The aggregate amounts levied under this clause for the costs of purchase or delivery of social services and income maintenance programs, other than those identified in section 273.1398, subdivision 1, paragraph (i), are subject to a maximum increase over the amount levied for the previous year of 12 percent for counties within the metropolitan area as defined in section 473.121, subdivision 2, or counties outside the metropolitan area but containing a city of the first class, and 15 percent for other counties. For purposes of this clause, "income maintenance programs" include income maintenance programs in section 273.1398, subdivision 1, paragraph (i), to the extent the county provides benefits under those programs over the statutory mandated standards. Effective with taxes levied in 1990, the portion of this special levy for human service programs identified in section 273.1398, subdivision 1, paragraph (i), is eliminated;

(b) pay the costs of principal and interest on bonded indebtedness except on bonded indebtedness issued under section 471.981, subdivisions 4 to 4c, or to reimburse for the amount of liquor store revenues used to pay the principal and interest due in the year preceding the year for which the levy limit is calculated on municipal liquor store bonds;

(c) pay the costs of principal and interest on certificates of indebtedness, except tax anticipation or aid anticipation certificates of indebtedness, issued for any corporate purpose except current expenses or funding an insufficiency in receipts from taxes or other sources or funding extraordinary expenditures resulting from a public emergency; and to pay the cost for certificates of indebtedness issued pursuant to sections 298.28 and 298.282;

(d) fund the payments made to the Minnesota state armory building commission pursuant to section 193.145, subdivision 2, to retire the principal and interest on armory construction bonds;

(e) provide for the bonded indebtedness portion of payments made to another political subdivision of the state of Minnesota;

(f) pay the amounts required, in accordance with section 275.075, to correct for a county auditor's error of omission but only to the extent that when added to the preceding year's levy it is not in excess of an applicable statutory, special law or charter limitation, or the limitation imposed on the governmental subdivision by sections 275.50 to 275.56 in the preceding levy year;

(g) pay amounts required to correct for an error of omission in the levy certified to the appropriate county auditor or auditors by the governing body of a city or town with statutory city powers in a levy year, but only to the extent that when added to the preceding year's levy it is not in excess of an applicable statutory, special law or charter limitation, or the limitation imposed on the governmental subdivision by sections 275.50 to 275.56 in the preceding levy year;

(h) pay amounts required by law to be paid to pay the interest on and to reduce the unfunded accrued liability of public pension funds in accordance with the actuarial standards and guidelines specified in sections 356.215 and 356.216 reduced by 106 percent of the amount levied for that purpose in 1976, payable in 1977. For the purpose of this special levy, the estimated receipts expected from the state of Minnesota pursuant to sections 69.011 to 69.031 or any other state aid expressly intended for the support of public pension funds shall be considered as a deduction in determining the required levy for the normal costs of the public pension funds. No amount of these aids shall be considered as a deduction in determining the governmental subdivision's required levy for the reduction of the unfunded accrued liability of public pension funds;

(i) to compensate the state for the cost of a reassessment ordered by the commissioner of revenue pursuant to section 270.16;

(j) pay the debt service on tax increment financing revenue bonds to the extent that revenue to pay the bonds or to maintain reserves for the bonds is insufficient as a result of the provisions of Laws 1988, chapter 719, article 5;

(k) pay the cost of hospital care under section 261.21;

(l) pay the unreimbursed costs incurred in the previous year to satisfy judgments rendered against the governmental subdivision by a court of competent jurisdiction in any tort action, or to pay the costs of settlements out of court against the governmental subdivision in a tort action when substantiated by a stipulation for the dismissal of the action filed with the court of competent jurisdiction and signed by both the plaintiff and the legal representative of the governmental subdivision, provided that an appeal for the unreimbursed costs under this clause was approved by the commissioner of revenue under section 275.51, subdivision 3;

(m) pay the expenses reasonably and necessarily incurred in preparing for or repairing the effects of natural disaster including the occurrence or threat of widespread or severe damage, injury, or loss of life or property resulting from natural causes such as earthquake, fire, flood, wind storm, wave action, oil spill, water contamination, air contamination, or drought in accordance with standards formulated by the emergency services division of the state department of public safety, provided that an appeal for the expenses incurred under this clause were approved by the commissioner of revenue under section 275.51, subdivision 3;

(n) pay a portion of the losses in tax receipts to a city due to tax abatements or court actions in the year preceding the current levy year, provided that an appeal for the tax losses was approved by the commissioner of revenue under section 275.51, subdivision 3. This special levy is limited to the amount of the losses times the ratio of the nonspecial levies to total levies for taxes payable in the year the abatements were granted. County governments are not authorized to claim this special levy;

(o) pay the operating cost of regional library services authorized under section 134.34, subject to a maximum increase over the previous year of the greater of (1) 103 percent multiplied by one plus the percentage increase determined for the governmental subdivision under section 275.51, subdivision 3h, clause (b), or (2) six percent. If a governmental subdivision elected to include some or all of its levy for libraries within its adjusted levy limit base in the prior year, but elects to claim the levy as a special levy in the current levy year, the allowable increase is determined by applying the greater percentage determined under clause (1) or (2) to the total amount

levied for libraries in the prior levy year. After levy year 1989, the increase must not be determined using a base amount other than the amount that could have been levied as a special levy in the prior year. In no event shall the special levy be less than the minimum levy required under sections 134.33 and 134.34, subdivisions 1 and 2;

(p) pay the amount of the county building fund levy permitted under section 373.40, subdivision 6;

(q) pay the county's share of the costs levied in 1989, 1990, and 1991 for the Minnesota cooperative soil survey under Minnesota Statutes 1988, section 40.07, subdivision 15;

(r) for taxes levied in 1989, payable in 1990 only, pay the cost incurred for the minimum share required by counties levying for the first time under section 134.34 as required under section 134.341. For taxes levied in 1990, and thereafter, counties levying under this provision must levy under clause (o), and their allowable increase must be determined with reference to the amount levied in 1989 under this paragraph;

(s) for taxes levied in 1989, payable in 1990 only, provide an amount equal to 50 percent of the estimated amount of the reduction in aids to a county under sections 273.1398, subdivision 2, paragraph (d), and 477A.012, subdivision 3, for aids payable in 1990;

(t) for taxes levied in 1990 only by a county in the eighth judicial district, provide an amount equal to the amount of the levy, if any, that is required under Laws 1989, chapter 335, article 3, section 54, subdivision 8;

(u) for taxes levied in 1989, payable in 1990 only, pay the costs not reimbursed by the state or federal government:

(i) for the costs of purchase or delivery of social services. The aggregate amounts levied under this item are subject to a maximum increase over the amount levied in the previous year of 12 percent for counties within the metropolitan area as defined in section 473.121, subdivision 2, or counties outside the metropolitan area but containing a city of the first class, and 15 percent for other counties.

(ii) for payments made to or on behalf of recipients of aid under any public assistance program authorized by law. The aggregate amounts levied under this item are subject to a maximum increase over the amount levied in the previous year of 12 percent and must be used only for the public assistance programs; and.

If the amount levied under this paragraph (u) in 1989 is less than the actual expenditures needed for these programs for 1990, the

difference between the actual expenditures and the amount levied may be levied in 1990 as a special levy. If the amount levied in 1989 is greater than the actual expenditures needed for these programs for 1990, the difference between the amount levied and the actual expenditures shall be deducted from the 1990 levy limit, payable in 1991; and

(v) pay an amount of up to 25 percent of the money sought for distribution and approved under section 115A.557, subdivision 3, paragraph (b), clause (3).

~~If the amount levied in 1989 is less than the actual expenditures needed for these programs for 1990, the difference between the actual expenditures and the amount levied may be levied in 1990 as a special levy. If the amount levied in 1989 is greater than the actual expenditures needed for these programs for 1990, the difference between the amount levied and the actual expenditures shall be deducted from the 1990 levy limit, payable in 1991.~~

Sec. 17. Minnesota Statutes Second 1989 Supplement, section 275.51, subdivision 3f, is amended to read:

Subd. 3f. [LEVY LIMIT BASE.] (a) The property tax levy limit base for governmental subdivisions for taxes levied in 1988 shall be equal to the total actual levy for taxes payable in 1988 with additions and subtractions as specified in paragraphs (b) and (c).

(b) The amounts to be added to the actual 1988 levy are (1) the amount of local government aid the governmental subdivision was certified to receive in 1988 under sections 477A.011 to 477A.014, (2) its 1988 taconite aids under sections 298.28 and 298.282, and (3) its 1988 wetlands and native prairie reimbursements under Minnesota Statutes 1986, sections 273.115, subdivision 3, and 273.116, subdivision 3.

(c) The amounts to be subtracted from the actual 1988 levy are (1) any special levies claimed for taxes payable in 1988 pursuant to Laws 1987, chapter 268, article 5, section 12, subdivision 4, clauses (1), (2), (3), and (4); and (2) for a governmental subdivision participating in a regional library system receiving grants from the department of education under section 134.34, the amount levied for taxes payable in 1988 for the operating costs of a public library service.

(d) For taxes levied in 1989 and subsequent years, a governmental subdivision's levy limit base is equal to its adjusted levy limit base for the preceding year, provided that for taxes levied in 1989, the amount of the administrative reimbursement aid received in 1988 shall be added to the base.

(e) For taxes levied by a county in 1989, the levy limit base determined under paragraph (d) shall be reduced by an amount equal to 90 percent of the cost of public defender services for felonies and gross misdemeanors and the costs of law clerks in the county that are assumed by the state during calendar year 1990, less 103 percent of one-half the amount of fees collected by the courts in the county during calendar year 1988. For taxes levied in 1990, the levy limit base determined under paragraph (d) shall first be increased by the product of (1) the amount deducted under this paragraph for taxes levied in 1989 and (2) the adjustments under subdivision 3h, paragraphs (a) and (b) for taxes levied in 1989, and then shall be reduced by an amount equal to the cost of public defender services for felonies and gross misdemeanors and the cost of law clerks in the county that are assumed by the state during calendar year 1991, less the amount of fees collected by the courts in the county during calendar year 1989, computed at the rate of \$30 for civil and probate filings and \$20 for marriage dissolutions.

(f) For taxes levied in 1989 only, by a county that is located in the eighth judicial district, the levy limit base determined under paragraphs (d) and (e) shall be further reduced by an amount equal to 90 percent of the cost of operation of the trial courts in the county during calendar year 1990 that are assumed by the state and for which an appropriation is provided, less 103 percent of the sum of (1) the remaining one-half of the amount of fees and (2) 100 percent of the amount of fines collected by the courts in the county during calendar year 1988. For taxes levied in 1990 only by those counties, the levy limit base determined under paragraphs (d) and (e) shall first be increased by the product of (1) the amount deducted under this paragraph for taxes levied in 1989 and (2) the adjustments under subdivision 3h, paragraphs (a) and (b) for taxes levied in 1989, and then shall be further reduced by an amount equal to the cost of operation of the trial courts in the county during the first six months of calendar year 1991 that are assumed by the state less 50 percent of the amount of fines collected by the courts during calendar year 1989.

(g) By October 15, 1989, the board of public defense shall determine and certify to the commissioner of revenue the pro rata share for each county of the state-financed public defense services described in paragraph (e) during the six-month period beginning July 1, 1990. By October 15, 1989, the supreme court shall determine and certify to the department of revenue for each county the pro rata share for each county of the cost of providing law clerks during the three-month period beginning October 1, 1990, plus, for each county located in the eighth judicial district, the cost of operation of the trial courts during calendar year 1990.

By July 15, 1990, the board of public defense shall determine and certify to the department of revenue the pro rata share for each county of the state-financed public defense services described in

paragraph (e) during calendar year 1991. By July 15, 1990, the supreme court shall determine and certify to the department of revenue for each county the pro rata share for each county of the cost of providing law clerks during calendar year 1991 plus, for each county located in the eighth judicial district, the cost of operation of the trial courts during the first six months of 1991.

(h) For taxes levied in a county in 1991, the levy limit base shall be reduced by an amount equal to the cost in the county of court reporters, judicial officers, and district court referees and the expenses of law clerks and court reporters as authorized in sections 484.545, subdivision 3, and 486.05, subdivisions 1 and 1a, as certified by the supreme court pursuant to section 477A.012, subdivision 4.

(i) If a governmental subdivision received an adjustment to its levy limit base for taxes levied in 1988 under section 275.51, subdivision 3j, its levy limit base for taxes levied in 1989 must be reduced by the lesser of (1) the adjustment under section 275.51, subdivision 3j, or (2) the difference between its (i) levy limit for taxes levied in 1988 and its (ii) total actual levy for taxes levied in 1988 minus any special levies claimed for taxes levied in 1988 under section 275.50, subdivision 5.

Sec. 18. Minnesota Statutes Second 1989 Supplement, section 275.51, subdivision 3h, is amended to read:

Subd. 3h. [ADJUSTED LEVY LIMIT BASE.] For taxes levied in 1989 and thereafter, the adjusted levy limit base is equal to the levy limit base computed pursuant to subdivision 3f, increased by:

(a) three percent for taxes levied in 1989 and subsequent years;

(b) a percentage equal to (1) one-half of the greater of the percentage increases in population or in number of households, if any, for cities and towns and (2) the lesser of the percentage increase in population or the number of households, if any, for counties, using figures derived pursuant to subdivision 6;

(c) the amount of a permanent increase in the levy limit base approved at a general or special election held during the 12-month period ending September 30 ~~four working days after December 20~~ of the levy year under section 275.58, subdivisions 1 and 2;

(d) for levy year 1989, for a county which incurred costs since October 1978, for the litigation of federal land claims under United States Code, title 18, section 1162; United States Code, title 25, section 331; and United States Code, title 28, section 1360; an amount of up to the actual costs incurred by the county for this purpose. This adjustment shall not exceed \$250,000;

(e) for levy year 1989, an amount of \$1,724,000 for Ramsey county for implementing the local government pay equity act under sections 471.991 to 471.999. Furthermore, in levy years 1990 and 1991, an additional amount of \$862,000 shall be added to Ramsey county's adjusted levy limit base under this clause for each of the two years; and

(f) for levy year 1989, an amount equal to the decrease in a county's 50 percent share of the powerline taxes extended between taxes payable years 1988 and 1989 under section 273.42, subdivision 1. The adjustment shall be determined by the department of revenue.

For taxes levied in 1989, the adjusted levy limit base is reduced by an amount equal to the estimated amount of the reduction in aids to a county under sections 273.1398, subdivision 2, paragraph (d), and 477A.012, subdivision 3, for aids payable in 1990.

Sec. 19. Minnesota Statutes Second 1989 Supplement, section 275.51, subdivision 6, is amended to read:

Subd. 6. [POPULATION AND HOUSEHOLD ESTIMATES.] For the purpose of determining the amount of tax that a governmental subdivision may levy in accordance with limitation established by this chapter, the population or the number of households of the governmental subdivision shall be that established by the last federal census, by a census taken pursuant to section 275.14, or by an estimate made by the metropolitan council, or by the state demographer made pursuant to section 116K.04, subdivision 4, whichever is the most recent as to the stated date of count or estimate, for the calendar year preceding the current levy year. If the area included in a governmental subdivision has increased due to annexation in the 12 months prior to the most recent population estimate for the calendar year preceding the current levy year and the adjusted levy limit base is modified under section 275.54, subdivision 3, the percentage increases in population and households determined in subdivision 3h are to be based on the change in population and number of households in the area included in the governmental subdivision before the annexation.

Sec. 20. Minnesota Statutes 1988, section 275.54, is amended to read:

275.54 [CONSOLIDATION AND ANNEXATION OF GOVERNMENTAL SUBDIVISIONS.]

Subdivision 1. If all or part of the area included within two or more governmental subdivisions is consolidated, merged, or otherwise combined to constitute a single governmental subdivision, and differing limitations upon the amount of tax levy per capita apply to the governmental subdivisions from which the consolidated,

merged, or otherwise combined governmental subdivision was formed, the limitation applicable to the surviving entity for purposes of sections 275.50 to 275.56 shall be equal to the highest limitation applicable to any one of the constituent subdivisions prior to the consolidation, merger or other combination.

Subd. 2. If a function or service of one governmental subdivision is transferred to another governmental subdivision, the levy limitations established by Extra Session Laws 1971, chapter 31, shall be adjusted by the commissioner of revenue in such manner so as to fairly and equitably reflect the reduced or increased property tax burdens of such subdivisions resulting from such transfer. The aggregate of the adjusted limitations shall not exceed the aggregate of such limitations prior to adjustment.

Subd. 3. If the area included within the governmental subdivision is increased due to annexation in the 12 months prior to the most recent population estimate for the calendar year preceding the current levy year and the state demographer prepares a population estimate for the annexed area under section 116K.04, subdivision 4, paragraph (11), the governmental subdivision's adjusted levy limit base under section 275.51, subdivision 3h, will be adjusted in the following manner:

(a) A percentage will be calculated equal to the percentage increase in population in the governmental subdivision due to annexation determined by dividing the population of the annexed area by the population of the governmental subdivision excluding the annexed area, using population estimates for the calendar year preceding the current levy year.

(b) The governmental subdivision's adjusted levy limit base under section 275.51, subdivision 3h, after giving effect to paragraphs (a) and (b) but before any other paragraphs in section 275.51, subdivision 3h, shall be increased by the percentage calculated in paragraph (a).

For purposes of section 275.51, subdivision 3f, the term "adjusted levy limit base" includes the adjustment made under this subdivision for the preceding year.

Sec. 21. Minnesota Statutes 1988, section 287.21, subdivision 2, is amended to read:

Subd. 2. The proceeds of the taxes levied and collected under sections 287.21 to 287.36 on or after July 1, 1985, shall be credited apportioned, 97 percent to the county revenue general fund of the state, and three percent to the county revenue fund.

Sec. 22. Minnesota Statutes Second 1989 Supplement, section 287.29, subdivision 1, is amended to read:

Subdivision 1. On or before the tenth day of each month, the county treasurer shall determine and pay to the commissioner of revenue for deposit in the state treasury and credit to the general fund the state's portion of the receipts from the sale of documentary stamps during the preceding month. The county treasurer shall provide any related reports requested by the commissioner of revenue.

Sec. 23. Minnesota Statutes 1989 Supplement, section 469.177, subdivision 1a, is amended to read:

Subd. 1a. [ORIGINAL TAX CAPACITY RATE.] At the time of the initial certification of the original net tax capacity for a tax increment financing district, the county auditor shall certify the original tax capacity rate that applies to the district. The original tax capacity rate is the sum of all the tax capacity rates that apply to a property in the district for the taxes payable in the calendar year in which the initial certification of. The tax capacity rate to be certified is the rate in effect for the same taxes payable year applicable to the tax capacity values certified as the district's original net tax capacity is requested under subdivision 1. If the total tax capacity rate applicable to properties in the tax increment financing district varies, the tax capacity rate must be computed by determining the average total tax capacity rate in the district, weighted on the basis of net tax capacity. The resulting tax capacity rate is the original tax capacity rate for the life of the district.

Sec. 24. Minnesota Statutes Second 1989 Supplement, section 473F.08, subdivision 8a, is amended to read:

Subd. 8a. [FISCAL DISPARITIES ADJUSTMENT.] In any year in which the highest class rate for class 3a property changes from the rate in the previous year, the following adjustments shall be made to the procedures described in sections 473F.06 to 473F.08.

(1) An initial contribution tax capacity shall be determined for each municipality based on the previous year's class rates.

(2) Each jurisdiction's distribution tax capacity shall be determined based upon the areawide tax base determined by summing the tax capacities computed under clause (1) for all municipalities and apportioning the resulting sum pursuant to section 473F.07, subdivision 5.

(3) Each jurisdiction's distribution levy shall be determined by applying the procedures described in subdivision 3, clause (a), to the distribution tax capacity determined pursuant to clause (2).

(4) Each municipality's final contribution tax capacity shall be determined equal to its initial contribution tax capacity multiplied by the ratio of the new highest class rate for class 3a property to the previous year's highest class rate for class 3a property.

(5) For the purposes of computing education aids and any other state aids requiring the addition of the fiscal disparities distribution tax capacity to the local tax capacity, each municipality's final distribution tax capacity shall be determined equal to its initial distribution tax capacity multiplied by the ratio of the new highest class rate for class 3a property to the previous year's highest class rate for class 3a property.

(6) The areawide tax capacity rate shall be determined by dividing the sum of the amounts determined in clause (3) by the sum of the values determined in clause (4).

(6) (7) The final contribution tax capacity determined in clause (4) shall also be used to determine the portion of each commercial/industrial property's tax capacity subject to the areawide tax capacity rate pursuant to subdivision 6.

Sec. 25. Minnesota Statutes 1989 Supplement, section 477A.011, subdivision 15, is amended to read:

Subd. 15. [CITY REVENUE.] "City revenue" equals the sum of (i) the city's aid payable under section 477A.013, except for aid payable under section 477A.013, subdivision 5, in the year prior to that for which aids are being calculated, and (ii) its levy for taxes payable in the year prior to that for which aids are being calculated.

Sec. 26. Minnesota Statutes 1988, section 477A.011, is amended by adding a subdivision to read:

Subd. 26. [LEVY.] "Levy" means the levy as defined in section 275.07, subdivision 1, including the fiscal disparities distribution levy.

Sec. 27. Minnesota Statutes Second 1989 Supplement, section 477A.012, subdivision 3, is amended to read:

Subd. 3. [AID OFFSET FOR COURT COSTS.] (a) There shall be deducted from the payment to a county under this section an amount representing the cost to the state for assumption of the cost of district court administration and operation of the trial court information system in the county and, in the case of Hennepin and Ramsey counties, of public defense services in juvenile and misdemeanor cases in the county. The amount of the deduction shall be computed as provided in this subdivision.

(b) By October 15, 1989, the board of public defense shall determine and certify to the department of revenue the cost of the state-financed public defense services in juvenile and misdemeanor cases for Hennepin and Ramsey counties during the fiscal year beginning the following July 1. By October 15, 1989, the supreme court shall determine and certify to the department of revenue for each county, except counties located in the eighth judicial district, the pro rata estimated share for each county of district court administration and trial court information system costs during the fiscal year beginning on the following July 1.

(c) One-half of the amount computed under paragraph (b) for each county shall be deducted from each payment to the county under section 477A.015 in 1990 and each subsequent year.

(d) If the amount computed under paragraph (b) plus, if applicable, the amount deducted under paragraph (c), exceeds the amount payable to a county under subdivision 1, the excess shall be deducted from the aid payable to the county under section 273.1398, subdivision 2.

(e) By July 15, 1990, the board of public defense and the supreme court shall determine and certify to the department of revenue the final actual budgeted amounts for the activities described in paragraph (b). If the amount certified under paragraph (b) is greater than the amount certified under this paragraph, the excess shall be deducted from added to the aid payable to the county in 1991 and each subsequent year under this section. If the amount certified under paragraph (b) is less than the amount certified under this paragraph, the difference shall be ~~added to~~ subtracted from the aid payable to the county in 1991 and each subsequent year under this section.

Sec. 28. Minnesota Statutes Second 1989 Supplement, section 477A.013, subdivision 3, is amended to read:

Subd. 3. [CITY AID DISTRIBUTION.] In 1989, a city whose initial aid is greater than \$0 will receive the following aid increases in addition to an amount equal to the local government aid it received in 1988 under Minnesota Statutes 1987 Supplement, section 477A.013:

(1) for a city whose expenditure/unlimited aid ratio is at least 1.5, two percent of city revenue;

(2) for a city whose expenditure/unlimited aid ratio is at least 1.4 but less than 1.5, 2.5 percent of city revenue;

(3) for a city whose expenditure/unlimited aid ratio is at least 1.3 but less than 1.4, three percent of city revenue;

(4) for a city whose expenditure/unlimited aid ratio is at least 1.2 but less than 1.3, four percent of city revenue;

(5) for a city whose expenditure/unlimited aid ratio is at least 1.1 but less than 1.2, five percent of city revenue;

(6) for a city whose expenditure/unlimited aid ratio is at least 1.05 but less than 1.1, six percent of city revenue;

(7) for a city whose expenditure/unlimited aid ratio is at least 1.0 but less than 1.05, seven percent of city revenue;

(8) for a city whose expenditure/unlimited aid ratio is at least .95 but less than 1.0, 7.5 percent of city revenue;

(9) for a city whose expenditure/unlimited aid ratio is at least .75 but less than .95, 8.5 percent of city revenue; and

(10) for a city whose expenditure/unlimited aid ratio is less than .75, nine percent of city revenue.

In 1990, a city whose initial aid is greater than \$0 will receive an amount equal to the aid it received under this section in the year prior to that for which aids are being calculated plus an aid increase equal to 50 percent of the rates listed in clauses (1) to (10) multiplied by city revenue.

In 1991 and subsequent years, a city whose initial aid is greater than \$0 will receive an amount equal to the aid it received under this section in the year prior to that for which aids are being calculated plus an aid increase equal to 25 percent of the rates listed in clauses (1) to (10) multiplied by city revenue.

A city's aid increase under this subdivision is limited to the lesser of (1) 20 percent of its levy for taxes payable in the year prior to that for which aids are being calculated after the adjustments provided in section 273.1398, subdivision 2, or (2) its initial aid amount, or (3) 15 percent of the total amount received under this section in the previous year, provided that no city will receive an increase that is less than two percent of its 1989 local government aid for aids payable in 1990.

A city whose initial aid is \$0 will receive in 1990 an amount equal to 102 percent of the local government aid it received in 1989 under Minnesota Statutes 1988, section 477A.013. A city whose initial aid is \$0 will receive in 1991 and subsequent years an amount equal to the aid it received in the previous year under this section. For purposes of this subdivision, the term "local government aid" includes equalization aid for aids payable in 1991 and thereafter.

Sec. 29. Laws 1989, First Special Session, chapter 1, article 3, section 35, is amended to read:

Sec. 35. [EFFECTIVE DATE.]

Section 1 is effective the day following final enactment and is intended to confirm and clarify the original intent of the legislature in the taxation and equalization of state-assessed public utility property.

Sections 2 ~~and~~ 7, and 23 are effective for taxes payable in 1991 and thereafter.

Sections 3, 5, 8, 11, 12, ~~23~~, 26, and 28 are effective for taxes payable in 1990 and thereafter.

Section 4 is effective January 1, 1989.

Sections 6, 9, 21, 29 to 32, and 34 are effective the day following final enactment.

Section 10 is effective for taxes levied in 1989, payable in 1990 and thereafter, provided that cooperatives that qualified under Minnesota Statutes, section 273.124, subdivision 6, on January 2, 1989, shall meet the board membership requirements of paragraph (a) by December 1, 1989, and shall meet the requirements of section 501(c)(3) or 501(c)(4) status under the Internal Revenue Code in the first paragraph and in paragraph (e) by January 1, 1990, and that the notice and filing requirements of paragraphs (f) and (g) shall apply only to leasehold cooperatives created later than 60 days after the date of enactment of this act.

Sections 13, 19, and 20 are effective January 1, 1991.

Section 14, paragraph (i), clauses (1) to (12), are effective for aids paid in 1991 and thereafter. The rest of section 14 and sections 15, 17, 18, and 22 are effective for aids paid in 1990 and thereafter, except as otherwise provided in those sections.

Section 16 is effective for aids payable in 1991 and thereafter.

Sections 24 and 25 are effective for mortgage registration and deed taxes collected after November 30, 1990.

Section 27 is effective for taconite produced in 1989, proceeds distributed in 1990, and thereafter.

Section 33 is effective July 1, 1991.

Sec. 30. Laws 1989, First Special Session chapter 1, article 9, section 86, is amended to read:

Sec. 86. [EFFECTIVE DATES.]

Section 5 is effective for school district referenda held after July 15, 1990, for property taxes levied in 1990, payable in 1991, and thereafter.

Sections 1 to 4, 6 to 8, 10 to 12, 17, 19 to 21, 26 to 30, 41 to 46, 48, 50 to 52, 51, and 66 to 77 are effective for taxes levied in 1990, payable in 1991, and thereafter.

The part of section 9 changing the meeting date of the state board of equalization is effective for taxes levied in 1990, payable in 1991, and thereafter. The rest of section 9 and sections 13 to 16, 22 to 25, 78, and 82, 84, and 85 are effective the day following final enactment.

Section 18 is effective for sales after January 1, 1990.

Sections 31 to 38 and 40 are effective for taxes levied in 1990, payable in 1991, and thereafter, except as otherwise provided.

Sections 39, 47, 49, 52, 54 to 64, 79, and 80 are effective for property taxes levied in 1989, payable in 1990, and thereafter.

Section 53 is effective for property taxes levied in 1989, payable in 1990, and thereafter, except that the provision requiring certification of aids by September 1, is effective for taxes levied in 1990, payable in 1991, and thereafter.

Sections 65 and 81 are effective July 1, 1990.

Section 83 is effective only for taxes levied in 1989, payable in 1990.

Sec. 31. [REPEALER.]

Minnesota Statutes 1988, section 272.70, is repealed.

Sec. 32. [EFFECTIVE DATE.]

Sections 1, 4, 12 to 14, and 29 to 31 are effective the day following final enactment.

Sections 2, 5, 7 to 9, 11, 15, 16, 18, 23 to 26, and 28 are effective for taxes levied in 1989 and thereafter, payable in 1990 and thereafter, except as otherwise provided.

Section 10 is effective January 1, 1991.

Sections 6, 17, 19, and 20 are effective for taxes levied in 1990 and thereafter, payable in 1991 and thereafter.

Sections 21 and 22 are effective for deed taxes collected after November 30, 1990.

Section 27 is effective for aid paid in 1991 and thereafter.

ARTICLE 6

PROPERTY TAX SYSTEM CONVERSIONS

Section 1. Minnesota Statutes 1989 Supplement, section 38.18, is amended to read:

38.18 [COUNTY FAIRGROUNDS, IMPROVEMENT AIDED.]

Any town, statutory city, or school district in this state, now or hereafter having a net tax capacity market value of all its taxable property, exclusive of money and credits, of more than \$25,000,000 \$105,000,000, and having a county fair located within its corporate limits, is hereby authorized to aid in defraying part of the expense of improving any such fairground, by appropriating and paying over to the treasurer of the county owning the fairground such sum of money, not exceeding \$10,000, for each of the political subdivisions, as the governing body of the town, statutory city, or school district may, by resolution, determine to be for the best interest of the political subdivision, the sums so appropriated to be used solely for the purpose of aiding in the improvement of the fairground in such manner as the county board of the county shall determine to be for the best interest of the county.

Sec. 2. Minnesota Statutes 1989 Supplement, section 50.14, subdivision 4, is amended to read:

Subd. 4. Class three shall be:

(a) The bonds, certificates of indebtedness, or other interest bearing obligations, payable out of a levy of ad valorem taxes, of any county, city, town, or any school district, drainage district, or other district, or of any board of any municipality, or of any public authority, created pursuant to law for public purposes in Minnesota, without regard to any debt limits other than those in section 475.53;

(b) The bonds, certificates of indebtedness or other interest bearing obligations, payable out of a levy of ad valorem taxes, of any county, city, town, or school, drainage or other district, or public authority, created pursuant to law for public purposes in any state of

the United States other than Minnesota, provided that the total bonded indebtedness of the county, municipality, district or authority, after deducting the amount of all sinking funds and of all revenue bonds or certificates (including among revenue bonds and certificates those which pledge the full faith and credit of the issuer, if the net revenues applicable to the payment of the bonds or certificates during the three fiscal years immediately preceding the date of purchase exceeded by at least five percent the amount required to pay principal and interest on those bonds or certificates during that period), shall not exceed ten percent of its ~~net tax capacity~~ assessed value; and provided further that if the county, municipality, district or authority is of any state other than Iowa, Wisconsin, North Dakota, or South Dakota, it contains at least 3,500 inhabitants;

(c) The bonds, certificates or other interest bearing obligations, payable out of special revenues, of any county, city, town, or school, drainage, or other district, or public authority, created pursuant to law for public purposes in any state of the United States, provided that:

(aa) If the county, municipality, district or authority is of any state other than Minnesota, it contains at least 3,500 inhabitants;

(bb) The obligations were issued to finance the purpose of construction of or addition to a public enterprise furnishing water, sewer, lighting, power, gas, or road facilities, from which revenue is to be derived;

(cc) The governing body or other legally constituted authority has covenanted or is required by law to establish and maintain rates to yield sufficient revenue for the payment of operating expenses, maintenance expenses, and principal and interest on the revenue obligations and to pledge that revenue irrevocably for those purposes;

(dd) At the date of investment the public enterprise has been in operation for at least three years; and

(ee) During the preceding three fiscal years its annual net earnings, after payment of operating expenses and maintenance expenses, have been on the average at least $1\frac{1}{4}$ times the average annual interest, principal and sinking fund requirements on the revenue obligations during the period from the end of its most recent fiscal year to the final maturity of the obligations; and

(d) The bonds or other interest bearing obligations, payable from revenues other than ad valorem taxes as contemplated in clause (a), validly issued by any state or insular possession of the United States, or by any agency, instrumentality, municipality, or governmental or public subdivision, district, corporation, commission,

board, council, or authority of whatsoever kind, created for public purposes by or pursuant to the laws of any state, provided that the bonds or other interest bearing obligations are at the time of purchase rated among the highest three quality categories, not applicable to bonds or other interest bearing obligations in default as to principal, used by a nationally recognized rating agency for rating the quality of similar bonds or other interest bearing obligations, and are not rated lower by any other such agency.

Sec. 3. Minnesota Statutes 1989 Supplement, section 110.70, is amended to read:

110.70 [APPLICATION.]

Nothing in sections 110.55 to 110.69 shall amend, alter, supersede, or otherwise change the provisions set forth in section 110.13. The provisions of sections 110.55 to 110.69 shall in no manner apply to public waters of an area of more than 10,000 acres, situated wholly or partially within counties now or hereafter having a population of more than 450,000 and a net tax capacity market value of more than \$450,000,000 \$1,860,000,000, including money and credits, and in which is situated a city of the first class within a distance of 20 miles from the body of public water; and, as to such public waters, nothing contained in sections 110.55 to 110.69 shall be construed to authorize the diversion of any water from any stream, river, or lake located in any county adjoining or abutting in part upon the county wherein a major portion of such public waters is located.

Sec. 4. Minnesota Statutes 1989 Supplement, section 118.12, is amended to read:

118.12 [INVESTMENT OF TOWN FUNDS.]

When the town board of any town in this state, by a unanimous resolution, deem it advisable, such town board may invest such amount of funds in such town treasury as will not, in the opinion of such board, be needed by such town during the fiscal year, in any of the bonds of any county, city, town, school district, drainage or other district created pursuant to law for public purposes in Minnesota, Iowa, Wisconsin, and North and South Dakota, or in bonds of the United States of America, or in the bonds of any city, county, town, school district, drainage or other district created pursuant to law for public purposes in the United States, containing at least 3,500 inhabitants, provided that the total bonded indebtedness of any such municipality or district shall not exceed ten percent of its net tax capacity assessed value, if not located in Minnesota, or 2.5 percent of its taxable market value, if located in Minnesota.

Sec. 5. Minnesota Statutes 1989 Supplement, section 163.04, subdivision 3, is amended to read:

Subd. 3. [EXPENDITURES ON BRIDGES WITHIN CERTAIN CITIES.] When the council of any statutory city or city of the third or fourth class may determine that it is necessary to build or improve any bridge or bridges, including approaches thereto, and any dam or retaining works connected therewith, upon or forming a part of streets or highways either wholly or partly within its limits, the county board shall appropriate one-half of the money as may be necessary therefor from the county road and bridge fund, not exceeding during any year one-half the amount of taxes paid into the county road and bridge fund during the preceding year, on property within the corporate limits of the city. The appropriation shall be made upon the petition of the council, which petition shall be filed by the council with the county board prior to the fixing by the board of the annual county tax levy. The county board shall determine the plans and specifications, shall let all necessary contracts, shall have charge of construction, and upon its request, warrants in payment thereof shall be issued by the county auditor, from time to time, as the construction work proceeds. Any unpaid balance may be paid or advanced by the city. On petition of the council, the appropriations of the county board, during not to exceed three successive years, may be made to apply on the construction of the same items and to repay any money advanced by the city in the construction thereof. None of the provisions of this section shall be construed to be mandatory as applied to any city whose net tax capacity market value exceeds \$500 \$2,100 per capita of its population.

Sec. 6. Minnesota Statutes 1989 Supplement, section 163.06, subdivision 6, is amended to read:

Subd. 6. [EXPENDITURE IN CERTAIN COUNTIES.] In any county having not less than 95 nor more than 105 full and fractional townships, and having a net tax capacity market value of not less than \$3,000,000 \$12,000,000 nor more than \$5,000,000 \$21,000,000, exclusive of money and credits, the county board, by resolution, may expend the funds provided in subdivision 4 in any organized or unorganized township or portion thereof in such county.

Sec. 7. Minnesota Statutes 1989 Supplement, section 165.10, subdivision 1, is amended to read:

Subdivision 1. [CERTAIN COUNTIES MAY ISSUE AND SELL.] The county board of any county having no outstanding road and bridge bonds may issue and sell county road bonds in an amount not exceeding one-half of one 0.12089 percent of the net tax capacity market value of the taxable property within the county exclusive of money and credits, for the purpose of constructing, reconstructing, improving, or maintaining any bridge or bridges on any highway under its jurisdiction, without submitting the matter to a vote of the electors of the county.

Sec. 8. Minnesota Statutes 1989 Supplement, section 365.025, subdivision 4, is amended to read:

Subd. 4. **[BIG BUYS MAJOR PURCHASES: NOTICE, PETITION, ELECTION.]** Before buying anything under subdivision 2 that costs more than ~~one~~ 0.24177 percent of the net tax capacity market value of the town, the town must follow this subdivision.

The town must publish in its official newspaper the board's resolution to pay for the property over time. Then a petition for an election on the contract may be filed with the clerk. The petition must be filed within ten days after the resolution is published. To require the election the petition must be signed by a number of voters equal to ten percent of the voters at the last regular town election. The contract then must be approved by a majority of those voting on the question. The question may be voted on at a regular or special election.

Sec. 9. Minnesota Statutes 1989 Supplement, section 368.01, subdivision 23, is amended to read:

Subd. 23. **[FINANCING PURCHASE OF CERTAIN EQUIPMENT.]** The town board of supervisors may issue certificates of indebtedness within existing debt limits for the purpose of purchasing fire or police equipment or ambulance equipment or street construction or maintenance equipment. Such certificates shall be payable in not more than five years and shall be issued on such terms and in such manner as the board may determine. If the amount of the certificates to be issued to finance any such purchase exceeds ~~one~~ 0.24177 percent of the net tax capacity market value of the town, excluding money and credits, they shall not be issued for at least ten days after publication in the official newspaper of a town board resolution determining to issue them; and if before the end of that time, a petition asking for an election on the proposition signed by voters equal to ten percent of the number of voters at the last regular town election is filed with the clerk, such certificates shall not be issued until the proposition of their issuance has been approved by a majority of the votes cast on the question at a regular or special election. A tax levy shall be made for the payment of the principal and interest on such certificates as in the case of bonds.

Sec. 10. Minnesota Statutes 1989 Supplement, section 368.44, is amended to read:

368.44 [DISSOLUTION OF CERTAIN TOWNS; GROUNDS.]

When the voters residing within a duly organized town in any county in this state having more than 85 congressional townships of land and having a net tax capacity market value of not less than \$5,000,000 ~~\$21,000,000~~ nor more than ~~\$12,000,000~~ \$50,000,000 have failed to elect any town officials for more than three years

continuously, or the town has failed and omitted to exercise any of the powers and functions of a town, as provided by law, which facts, or any of them, may be found and determined by the resolution of the county board of the county in which the town is located, according to the official records in the office of the auditor of the county, the county board by resolution duly adopted may declare any such town, naming it, duly dissolved and no longer entitled to exercise any of the powers or functions of a town.

Sec. 11. Minnesota Statutes 1989 Supplement, section 368.47, is amended to read:

368.47 [TOWNS MAY BE DISSOLVED.]

When the voters residing within a town in this state have failed to elect any town officials for more than ten years continuously, or the town has failed and omitted for a period of ten years to exercise any of the powers and functions of a town, as provided by law, or when the net tax capacity market value of any town drops to less than \$40,000 \$165,000, or when the tax delinquency of any such town, exclusive of taxes that are delinquent or unpaid by reason of taxes being contested in proceedings for the enforcement of taxes, amounts to ~~50~~ 12 percent of its net tax capacity market value, or where the state or federal government has acquired title to 50 percent of the real estate of such town, which facts, or any of them, may be found and determined by the resolution of the county board of the county in which the town is located, according to the official records in the office of the county auditor, the county board by resolution may declare any such town, naming it, duly dissolved and no longer entitled to exercise any of the powers or functions of a town. In counties having a population according to the 1930 federal census of not more than 16,000 nor less than 15,000 and having not more than 77 nor less than 75 full or fractional congressional townships, and in counties having a population according to the 1930 federal census of not more than 28,000 nor less than 27,000 and having not more than 91 nor less than 90 full or fractional congressional townships, and in counties having a population according to the 1930 federal census of not more than 210,000 nor less than 200,000 and having not more than 202 nor less than 200 full or fractional congressional townships, before any such dissolution shall become effective the voters of the town shall express their approval or disapproval of such dissolution. The clerk of the town shall, upon a petition signed by a majority of the registered voters of the town, filed with the clerk at least 60 days before any regular or special town election thereof, give notice at the same time and in the same manner of such election that the question of dissolution of such town will be submitted for determination at such election. At such election when so petitioned for the question shall be voted upon by a separate ballot, the terms of which shall be either "for dissolution" or "against dissolution," which ballot shall be deposited in a separate ballot box to be provided and the result of such voting shall be

duly canvassed, certified, and returned in the same manner and at the same time as other facts and returns of the election. If a majority of the votes cast at the election shall be for dissolution, such town shall be dissolved; and, if a majority of the votes cast at the election shall be against dissolution, the town shall not be dissolved.

When a town is dissolved under the provisions of sections 368.47 to 368.49 the county shall acquire title to any telephone company or any other business being conducted by such town and such business shall be operated by the board of county commissioners until such time as a sale thereof can be made; provided that the subscribers or patrons of such businesses shall have the first opportunity of purchase. If such dissolved town has any outstanding indebtedness chargeable to such business, the auditor of the county wherein such dissolved town is located shall levy a tax against the property situated in the dissolved town for the purpose of paying the indebtedness as it becomes due.

Sec. 12. Minnesota Statutes 1989 Supplement, section 370.01, is amended to read:

370.01 [CHANGE OF BOUNDARIES; CREATION OF NEW COUNTIES.]

The boundaries of counties may be changed by taking territory from a county and attaching it to an adjoining county, and new counties may be established out of territory of one or more existing counties. A new county shall contain at least 400 square miles, have at least 2,000 inhabitants, and have a net tax capacity market value of at least \$4,000,000 \$17,000,000. An existing county shall not be reduced in area below 400 square miles, have less than 2,000 inhabitants, or have a net tax capacity market value of less than \$4,000,000 \$17,000,000.

In existing counties having an area of more than 3,500 and less than 6,000 square miles, boundaries may be changed and new counties established having a net tax capacity market value of at least \$2,500,000 \$10,000,000.

No change in the boundaries of any county having an area of more than 2,500 square miles, whether by the creation of a new county, or otherwise, shall detach from the existing county any territory within 12 miles of the county seat.

Sec. 13. Minnesota Statutes Second 1989 Supplement, section 373.40, subdivision 1, is amended to read:

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

(a) "Bonds" means an obligation as defined under section 475.51.

(b) "Capital improvement" means acquisition or betterment of public lands, buildings, or other improvements within the county for the purpose of a county courthouse, administrative building, health or social service facility, correctional facility, jail, law enforcement center, hospital, morgue, library, park, and roads and bridges. An improvement must have an expected useful life of five years or more to qualify. "Capital improvement" does not include light rail transit or any activity related to it or a recreation or sports facility building (such as, but not limited to, a gymnasium, ice arena, racquet sports facility, swimming pool, exercise room or health spa), unless the building is part of an outdoor park facility and is incidental to the primary purpose of outdoor recreation.

(c) "Commissioner" means the commissioner of trade and economic development.

(d) "Metropolitan county" means a county located in the seven-county metropolitan area as defined in section 473.121 or a county with a population of 90,000 or more.

(e) "Population" means the population established by the most recent of the following (determined as of the date the resolution authorizing the bonds was adopted):

(1) the federal decennial census,

(2) a special census conducted under contract by the United States Bureau of the Census, or

(3) a population estimate made either by the metropolitan council or by the state demographer under section 116K.04, subdivision 4, clause (10).

(f) "Tax capacity" means total taxable ~~tax capacity~~ market value, but does not include captured ~~tax capacity~~ market value.

Sec. 14. Minnesota Statutes 1989 Supplement, section 383.06, is amended to read:

383.06 [PAYMENT OF WARRANTS; ACCOUNTS; HOW KEPT; CERTIFICATES OF INDEBTEDNESS TO RETIRE OUTSTANDING WARRANTS.]

The county treasurer shall pay warrants only from the fund from which they are legally payable. Payments under any special contract shall be kept separate under the name of such contract, and under the general title of the fund from which such payment may be legally

made. The treasurer need not keep a specific appropriations account separately, but shall keep a general appropriations account.

In any county having a net tax capacity market value of not less than \$150,000,000 \$620,000,000, exclusive of money and credits, the county board may, by resolution, issue and sell as many certificates of indebtedness as may be needed in anticipation of the collection of taxes levied for any fund named in the tax levy for the purpose of raising money for such fund, but the certificates outstanding for any such separate funds shall not at any time exceed 50 percent of the amount of taxes previously levied for such fund remaining uncollected, and no certificate shall be issued to become due and payable later than December 31 of the year succeeding the year in which the tax levy was made, and the certificates shall not be sold for less than par and accrued interest and shall not bear a greater rate of interest than six percent per annum. No such certificates shall be issued prior to the beginning of the fiscal year for which the taxes so anticipated were intended, except that when taxes shall have been levied for the purpose of paying a deficit in any such fund carried over from any previous year or years certificates of indebtedness in anticipation of collection of the taxes levied for such deficit may be issued at any time after such levy shall have been finally made and certified to the county auditor. Each certificate shall state upon its face for which fund the proceeds thereof shall be used, the total amount of certificates so issued, and the whole amount embraced in the levy for that particular purpose. They shall be numbered consecutively, be in denominations of \$100 or a multiple thereof, may have interest coupons attached, shall be otherwise of such form and terms, and may be made payable at such place, as will best aid in their negotiation, and the proceeds of the tax assessed and collected on account of the fund and the full faith and credit of the county shall be irrevocably pledged for the redemption and payment of the certificates so issued. Such certificates shall be payable primarily from the moneys derived from the levy for the years against which such certificates were issued, but shall constitute unlimited general obligations of the county. Moneys derived from the sale of such certificates shall be credited to the fund or funds the taxes for which are so anticipated.

Sec. 15. Minnesota Statutes 1989 Supplement, section 385.31, is amended to read:

385.31 [PAYMENT OF COUNTY ORDERS OR WARRANTS.]

When any order or warrant drawn on the treasurer is presented for payment, if there is money in the treasury for that purpose, the county treasurer shall redeem the same, and write across the entire face thereof the word "redeemed," the date of the redemption, and the treasurer's official signature. If there is not sufficient funds in the proper accounts to pay such orders they shall be numbered and registered in their order of presentation, and proper endorsement

thereof shall be made on such orders and they shall be entitled to payment in like order. Such orders shall bear interest at not to exceed the rate of six percent per annum from such date of presentment. The treasurer, as soon as there is sufficient money in the treasury, shall appropriate and set apart a sum sufficient for the payment of the orders so presented and registered, and, if entitled to interest, issue to the original holder a notice that interest will cease in 30 days from the date of such notice; and, if orders thus entitled to priority of payment are not then presented, the next in order of registry may be paid until such orders are presented. No interest shall be paid on any order, except upon a warrant drawn by the county auditor for that purpose, giving the number and the date of the order on account of which the interest warrant is drawn. In any county in this state now or hereafter having a net tax capacity market value of all taxable property, exclusive of money and credits, of not less than \$250,000,000 \$1,033,000,000, the county treasurer, in order to save payment of interest on county warrants drawn upon a fund in which there shall be temporarily insufficient money in the treasury to redeem the same, may borrow temporarily from any other fund in the county treasury in which there is a sufficient balance to care for the needs of such fund and allow a temporary loan or transfer to any other fund, and may pay such warrants out of such funds. Any such money so transferred and used in redeeming such county warrants shall be returned to the fund from which drawn as soon as money shall come in to the credit of such fund on which any such warrant was drawn and paid as aforesaid. Any county operating on a cash basis may use a combined form of warrant or order and check, which, when signed by the chair of the county board and by the auditor, is an order or warrant for the payment of the claim, and, when countersigned by the county treasurer, is a check for the payment of the amount thereof.

Sec. 16. Minnesota Statutes 1989 Supplement, section 386.34, is amended to read:

386.34 [DEPUTIES, SALARIES.]

The county board of each county having a population of less than 75,000, may by written order to be filed in the office of the county auditor allow one deputy county recorder in such county compensation for services as such deputy, to be fixed by the board and specified in said order. In each county containing less than 15 full and fractional congressional townships, and having more than 16,000 and less than 19,000 inhabitants according to the 1940 federal census, and having a net tax capacity market value of less than \$7,000,000 \$29,000,000, exclusive of moneys and credits, the county board may by written order to be filed in the office of the county auditor allow one deputy county recorder in such county compensation for services as such deputy not exceeding \$1,800 per year.

Sec. 17. Minnesota Statutes 1989 Supplement, section 412.081, subdivision 1, is amended to read:

Subdivision 1. [ELECTION, ASSESSMENT DISTRICTS.] Any statutory city hereafter organized shall be constituted an election and assessment district separate from the town in which it lies immediately upon incorporation, except that if the incorporation occurs between March 15 and July 1 the town assessor shall assess the property in the city that year and the city assessor shall not assume duties until the following year. Where the town assessor makes the assessment, the city shall pay such proportion of the cost of the assessment as its net tax capacity bears to the assessed valuation net tax capacity of the town, including the city.

Sec. 18. Minnesota Statutes 1989 Supplement, section 412.221, subdivision 2, is amended to read:

Subd. 2. [CONTRACTS.] The council shall have power to make such contracts as may be deemed necessary or desirable to make effective any power possessed by the council. The city may purchase personal property through a conditional sales contract and real property through a contract for deed under which contracts the seller is confined to the remedy of recovery of the property in case of nonpayment of all or part of the purchase price, which shall be payable over a period of not to exceed five years. When the contract price of property to be purchased by contract for deed or conditional sales contract exceeds one 0.24177 percent of the net tax capacity market value of the city, the city may not enter into such a contract for at least ten days after publication in the official newspaper of a council resolution determining to purchase property by such a contract; and, if before the end of that time a petition asking for an election on the proposition signed by voters equal to ten percent of the number of voters at the last regular city election is filed with the clerk, the city may not enter into such a contract until the proposition has been approved by a majority of the votes cast on the question at a regular or special election.

Sec. 19. Minnesota Statutes 1989 Supplement, section 430.102, subdivision 2, is amended to read:

Subd. 2. [COUNCIL APPROVAL; SPECIAL TAX LEVY LIMITATION.] The council shall receive and consider the estimate required in subdivision 1 and the items of cost after notice and hearing before it or its appropriate committee as it considers necessary or expedient, and shall approve the estimate, with necessary amendments. The amounts of each item of cost estimated are then appropriated to operate, maintain, and improve the pedestrian mall during the next fiscal year. The amount of the special tax to be charged under subdivision 1, clause (3), must not, however, exceed 50 cents per \$100 0.12089 percent of net tax capacity market value of taxable property in the district. The council shall make any necessary adjustment in

costs of operating and maintaining the district to keep the amount of the tax within this limitation.

Sec. 20. Minnesota Statutes 1989 Supplement, section 465.04, is amended to read:

465.04 [ACCEPTANCE OF GIFTS.]

Cities of the second, third, or fourth class, having at any time a net tax capacity market value of not more than \$10,000,000 \$41,000,000, exclusive of money and credits, as officially equalized by the commissioner of revenue, either under home rule charter or under the laws of this state, in addition to all other powers possessed by them, hereby are authorized and empowered to receive and accept gifts and donations for the use and benefit of such cities and the inhabitants thereof upon terms and conditions to be approved by the governing bodies of such cities; and such cities are authorized to comply with and perform such terms and conditions, which may include payment to the donor or donors of interest on the value of the gift at not exceeding five percent per annum payable annually or semiannually, during the remainder of the natural life or lives of such donor or donors.

Sec. 21. Minnesota Statutes 1989 Supplement, section 471.24, is amended to read:

471.24 [STATUTORY CITIES AND TOWNS MAY JOIN IN MAINTAINING CEMETERIES.]

Where a statutory city or town owns and maintains an established cemetery or burial ground, either within or without the municipal limits, the statutory city or town may, by mutual agreement with contiguous statutory cities and towns, each having a net tax capacity market value of not less than \$500,000 \$2,000,000, join together in the maintenance of such public cemetery or burial ground for the use of the inhabitants of each of such municipalities; and each such municipality is hereby authorized, by action of its council or governing body, to levy a tax or make an appropriation for the support and maintenance of such cemetery or burial ground; provided, the amount thus levied or appropriated by each municipality shall not exceed a total of \$10,000 in any one year.

Sec. 22. Minnesota Statutes 1989 Supplement, section 471.73, is amended to read:

471.73 [ACCEPTANCE OF PROVISIONS.]

In the case of any city within the class specified in 471.72 having a net tax capacity market value, as defined in section 471.72, in excess of \$9,000,000 \$37,000,000; and in the case of any statutory

city within such class having a net tax capacity market value, as defined in section 471.72, of less than \$1,100,000 \$5,000,000; and in the case of any statutory city within such class which is governed by Laws 1933, chapter 211, or Laws 1937, chapter 356; and in the case of any statutory city within such class which is governed by Laws 1929, chapter 208, and has a net tax capacity market value of less than \$20,000,000 \$83,000,000; and in the case of any school district within such class having a net tax capacity market value, as defined in section 471.72, of more than \$13,000,000 \$54,000,000; and in the case of all towns within said class; sections 471.71 to 471.83 apply only if the governing body of the city or statutory city, the board of the school district, or the town board of the town shall have adopted a resolution determining to issue bonds under the provisions of sections 471.71 to 471.83 or to go upon a cash basis in accordance with the provisions thereof.

Sec. 23. Minnesota Statutes 1989 Supplement, section 475.58, subdivision 2, is amended to read:

Subd. 2. [FUNDING, REFUNDING.] Any city, town or school district whose outstanding gross debt, including all items referred to in section 475.51, subdivision 4, exceed in amount $6\frac{2}{3}\%$ 1.75 percent of its net tax capacity market value may issue bonds under this subdivision for the purpose of funding or refunding such indebtedness or any part thereof. A list of the items of indebtedness to be funded or refunded shall be made by the recording officer and treasurer and filed in the office of the recording officer. The initial resolution of the governing body shall refer to this subdivision as authority for the issue, state the amount of bonds to be issued and refer to the list of indebtedness to be funded or refunded. This resolution shall be published once each week for two successive weeks in a legal newspaper published in the municipality or if there be no such newspaper, in a legal newspaper published in the county seat. Such bonds may be issued without the submission of the question of their issue to the electors unless within ten days after the second publication of the resolution a petition requesting such election signed by ten or more voters who are taxpayers of the municipality, shall be filed with the recording officer. In event such petition is filed, no bonds shall be issued hereunder unless authorized by a majority of the electors voting on the question.

Sec. 24. Minnesota Statutes 1989 Supplement, section 475.73, subdivision 1, is amended to read:

Subdivision 1. Obligations sold under the provisions of section 475.60 may be purchased by the state board of investment if the obligations meet the requirements of section 11A.24, subdivision 2, upon the approval of the attorney general as to form and execution of the application therefor, and under rules as the board may specify, and the state board shall have authority to purchase the same to an amount not exceeding 15 3.62662 percent of the net tax capacity

market value of the taxable property of the municipality, according to the last preceding assessment. The obligations shall not run for a shorter period than one year; nor for a longer period than 30 years and shall bear interest at a rate to be fixed by the state board but not less than two percent per annum. Forthwith upon the delivery to the state of Minnesota of any obligations issued by virtue thereof, the commissioner of finance shall certify to the respective auditors of the various counties wherein are situated the municipalities issuing the same, the number, denomination, amount, rate of interest and date of maturity of each obligation.

Sec. 25. Minnesota Statutes 1989 Supplement, section 505.173, subdivision 1, is amended to read:

Subdivision 1. [CERTAIN DEFECTS.] In all cases where the plats, or what purports to be plats, of any portion of the lands contained within any additions to or subdivisions of any town or city, situated in any county having less than 15 full and fractional congressional townships, having less than 15,000 inhabitants according to the 1940 federal census, and having an net tax capacity assessed value of more than \$7,500,000 and less than \$8,500,000, exclusive of money and credits which have been executed and filed in an office of any county recorder previous to January 1, 1915, (1) fail to identify or correctly describe the land to be so platted or to show correctly upon their face the tract of land intended or purported to be platted thereby, or (2) are defective by reason of the plat and the description of the land purported to be so platted thereby being inconsistent or incorrect, or (3) there exists a defect in the execution of said plats on the part of the grantors thereof, the governing board or council of the municipality containing land so platted or purported to be so platted may authorize, within two years from April 21, 1951, referring by the record book and page of such plat or plats in the office of the county recorder to the plat or plats to be corrected, the making of one or more plats which shall correctly show on the face thereof and by description of the land intended to be platted, which plat or plats may vary from the original plats in description as to lots and blocks to suit the best purpose and secure the best results. Such plat or plats, in a declaration thereon, shall recite such resolution and shall identify each separate tract of land described therein with such tract of land in the purported plat or plats intended to be corrected thereby, and shall be certified by the proper officers of the municipality as to authorization and by an engineer or surveyor as to correctness, and the signatures of such persons shall be acknowledged in like manner as a deed.

ARTICLE 7

PROCEDURES

Section 1. [289A.01] [APPLICATION OF CHAPTER.]

This chapter applies to taxes administered by or paid to the commissioner under chapters 290, 290A, 291, and 297A.

Sec. 2. [289A.02] [DEFINITIONS.]

Subdivision 1. [APPLICABILITY.] Unless the context clearly requires otherwise, the following terms used in this chapter have the following meanings.

Subd. 2. [COMMISSIONER.] "Commissioner" means the commissioner of revenue of the state of Minnesota or a person to whom the commissioner has delegated functions.

Subd. 3. [TAXPAYER.] "Taxpayer" means a person subject to, or liable for, a state tax; a person required to file a return with respect to, or to pay, or withhold or collect and remit, a state tax; or a person required to obtain a license or a permit or to keep records under a law imposing a state tax.

Subd. 4. [PERSON.] "Person" means an individual, partnership, corporation, association, governmental unit or agency, or public or private organization of any kind, under a duty to comply with state tax laws because of its character or position.

Subd. 5. [OTHER WORDS.] Unless specifically defined in this chapter, or unless the context clearly indicates otherwise, the words used in this chapter have the same meanings as they are defined in chapters 290, 290A, 291, and 297A.

Sec. 3. [289A.021] [FILING REQUIREMENTS FOR INDIVIDUAL INCOME, FIDUCIARY INCOME, CORPORATE FRANCHISE, AND ENTERTAINMENT TAXES.]

Subdivision 1. (a) A taxpayer must file a return for each taxable year the taxpayer is required to file a return under section 6012 of the Internal Revenue Code of 1986, as amended through December 31, 1989, except that an individual who is not a Minnesota resident for any part of the year is not required to file a Minnesota income tax return if the individual's gross income derived from Minnesota sources under sections 290.081, paragraph (a), and 290.17, is less than the filing requirements for a single individual who is a full year resident of Minnesota.

(b) The decedent's final income tax return, and other income tax returns for prior years where the decedent had gross income in excess of the minimum amount at which an individual is required to file and did not file, must be filed by the decedent's personal representative, if any. If there is no personal representative, the return or returns must be filed by the transferees, as defined in

section 289A.06, subdivision 13, who receive property of the decedent.

(c) The term "gross income," as it is used in this section, has the same meaning given it in section 290.01, subdivision 20.

Subd. 2. [RETURNS FILED BY FIDUCIARIES.] (a) The trustee or other fiduciary of property held in trust must file a return with respect to the taxable net income of the trust or estate if it exceeds an amount determined by the commissioner and if the trust belongs to the class of taxable persons.

(b) The receivers, trustees in bankruptcy, or assignees operating the business or property of a taxpayer must file a return with respect to the taxable net income of the taxpayer if a return is required.

Subd. 3. [CORPORATIONS.] A corporation that is subject to the state's jurisdiction to tax under section 290.014, subdivision 5, must file a return, except that a foreign operating corporation as defined in section 290.01, subdivision 6b, is not required to file a return. The return must be signed by a person designated by the corporation. The commissioner shall adopt rules for the filing of one return on behalf of the members of an affiliated group of corporations that are required to file a combined report. Members of an affiliated group that elect to file one return on behalf of the members of the group under rules adopted by the commissioner may change or rescind the election by filing the form required by the commissioner.

Subd. 4. [EXEMPT ORGANIZATIONS; UNRELATED BUSINESS INCOME.] An exempt organization that is subject to tax on unrelated business income under section 290.05, subdivision 3, must file a return for each taxable year in which the organization is required to file a return under section 6012 of the Internal Revenue Code of 1986, as amended through December 31, 1989, because of the receipt of unrelated business income. If an organization is required to file a return under federal law but has no federal tax liability for the taxable year, the commissioner may provide that the filing requirement under this paragraph is satisfied by filing a copy of the taxpayer's federal return.

Subd. 5. [ANNUAL RETURN; EXCEPTIONS.] A return under this section must cover a 12-month period, except in the following cases:

(1) A return made by or for a taxpayer in existence for less than the whole of a taxable year must cover the part of the taxable year the taxpayer was in existence;

(2) A taxpayer who, in keeping books, regularly computes income

on the basis of an annual period that varies from 52 to 53 weeks and ends always on the same day of the week, and ends always (i) on the date that day of the week last occurs in a calendar month or (ii) on the date that day of the week falls that is nearest to the last day of a calendar month, may compute the taxpayer's net income and taxable net income on the basis of that annual period in accordance with rules prescribed by the commissioner. If the effective date or the applicability of a provision of this chapter or chapter 290 is expressed in terms of taxable years beginning or ending with reference to a named date that is the first or last day of a month, a taxable year must be treated as beginning with the first day of the calendar month beginning nearest to the first day of that taxable year, or as ending with the last day of the calendar month ending nearest to the last day of that taxable year, as the case may be;

(3) A taxpayer who changes from one taxable year to another must make a return for the fractional parts of the year, under section 290.32.

Subd. 6. [RETURNS OF MARRIED PERSONS.] A husband and wife must file a joint Minnesota income tax return if they filed a joint federal income tax return. If the husband and wife have elected to file separate federal income tax returns, they must file separate Minnesota income tax returns. This election to file a joint or separate return must be changed if they change their election for federal purposes. In the event taxpayers desire to change their election, the change must be done in the manner and on the form prescribed by the commissioner.

The determination of whether an individual is married shall be made under the provisions of section 7703 of the Internal Revenue Code of 1986, as amended through December 31, 1989.

Subd. 7. [COMPOSITE INCOME TAX RETURNS FOR NONRESIDENT PARTNERS, SHAREHOLDERS, AND BENEFICIARIES.]

(a) The commissioner may allow a partnership with five or more nonresident partners to file a composite return and to pay the tax on behalf of nonresident partners who have no other Minnesota source income. This composite return must include the names, addresses, social security numbers, income allocation, and tax liability for the nonresident partners electing to be covered by the composite return.

(b) The computation of a partner's tax liability must be determined by multiplying the income allocated to that partner by the highest rate used to determine the tax liability for individuals under section 290.06, subdivision 2c. Nonbusiness deductions, standard deductions, or personal exemptions are not allowed.

(c) The partnership must submit a request to use this composite return filing method for nonresident partners on or before the due

date for filing the individual income tax returns. The request may be made a part of the return filed.

(d) The electing partner must not have any Minnesota source income other than the income from the partnership and other electing partnerships. If it is determined that the electing partner has other Minnesota source income, the inclusion of the income and tax liability for that partner under this provision will not constitute a return to satisfy the requirements of subdivision 1. The tax paid for the individual as part of the composite return is allowed as a payment of the tax by the individual on the date on which the composite return payment was made. If the electing nonresident partner has no other Minnesota source income, filing of the composite return is a return for purposes of subdivision 1.

(e) This subdivision does not negate the requirement that an individual pay estimated tax if the individual's liability would exceed the requirements set forth in section 289A.026. A composite estimate may, however, be filed in a manner similar to and containing the information required under paragraph (a).

(f) If an electing partner's share of the partnership's gross income from Minnesota sources is less than the filing requirements for a nonresident under this subdivision, the tax liability is zero. However, a statement showing the partner's share of gross income must be included as part of the composite return.

(g) The election provided in this subdivision is not available to any partner other than a full-year nonresident individual who has no other Minnesota source income.

(h) A corporation defined in section 290.9725 and its nonresident shareholders may make an election under this paragraph. The provisions covering the partnership apply to the corporation and the provisions applying to the partner apply to the shareholder.

(i) Estates and trusts distributing current income only and the nonresident individual beneficiaries of the estates or trusts may make an election under this paragraph. The provisions covering the partnership apply to the estate or trust. The provisions applying to the partner apply to the beneficiary.

Subd. 8. [RETURNS OF ENTERTAINMENT ENTITIES.] An entertainment entity subject to the tax imposed by section 290.9201 shall file an annual return for the calendar year with the commissioner.

Subd. 9. [VERIFICATION.] If a return is prepared for a taxpayer by an individual (or individuals) or a firm (including partnerships, corporations, etc.), the individual or firm responsible for the prepa-

ration must complete the statement of verification provided on the tax return forms in the following manner:

(1) If the individual (or individuals) responsible for the preparation of the return is an individual acting in a personal capacity, the statement of verification must be signed by the individual.

(2) If a firm is responsible for the preparation of the return, the statement of verification must be signed with the firm name. However, if the firm name is stamped or typed, it should be followed by the signature of an individual authorized to sign the verification on behalf of the firm. The firm may authorize an officer, member, or employee to sign the verification.

Verification is not required if the actual preparation of the return is a regular and usual incident of the employment of one regularly and continuously employed full time by the person for whom the return is made (such as a clerk, secretary, bookkeeper, etc.).

Subd. 10. [FILING OF PROPER RETURN.] The return must specifically set forth the items of gross income, deductions, credits against the tax, and any other data necessary for computing the amount of any item required for determining the amount of the net income tax liability. The return must be in the form the commissioner prescribes. The filing of a return required under this section is considered an assessment.

Subd. 11. [INFORMATION INCLUDED IN INCOME TAX RETURN.] The return must state the name of the taxpayer, or taxpayers, if the return is a joint return, and the address of the taxpayer in the same name or names and same address as the taxpayer has used in making the taxpayer's income tax return to the United States, and must state the social security number of the taxpayer, or taxpayers, if a social security number has been issued by the United States with respect to the taxpayers, and must state the amount of the taxable income of the taxpayer as it appears on the federal return for the taxable year to which the Minnesota state return applies. The taxpayer must attach to the taxpayer's Minnesota state income tax return a copy of the federal income tax return that the taxpayer has filed or is about to file for the period.

Subd. 12. [CONFESSION OF JUDGMENT.] The return must contain (1) a written declaration that it is correct and complete, and (2) language prescribed by the commissioner providing a confession of judgment for the amount of the tax shown due to the extent not timely paid.

Subd. 13. [LONG AND SHORT FORMS.] The commissioner shall provide a long form individual income tax return and may provide a short form individual income tax return. The returns shall be in a form that is consistent with the provisions of chapter 290, notwith-

standing any other law to the contrary. The nongame wildlife checkoff provided in section 290.431 and the dependent care credit provided in section 290.067 must be included on the short form.

Subd. 14. [VOTER REGISTRATION FORM.] The commissioner shall insert securely in the individual income tax return form or instruction booklet a voter registration form, returnable to the secretary of state. The form shall be designed according to rules adopted by the secretary of state.

Sec. 4. [289A.0212] [FILING REQUIREMENTS FOR TAXES WITHHELD FROM WAGES FROM COMPENSATION OF ENTERTAINERS AND FROM PAYMENTS TO OUT-OF-STATE CONTRACTORS; AND TAXES WITHHELD BY PARTNERSHIPS AND SMALL BUSINESS CORPORATIONS.]

Subdivision 1. [RETURNS.] (a) An employer who is required to deduct and withhold tax under section 290.92, subdivision 2a or 3, and a person required to deduct and withhold tax under section 290.923, subdivision 2, must file a return with the commissioner for each quarterly period unless otherwise prescribed by the commissioner.

(b) A person or corporation required to make deposits under section 290.9201, subdivision 8, must file an entertainer withholding tax return with the commissioner.

(c) A person required to withhold an amount under section 290.9705, subdivision 1, must file a return.

(d) A partnership required to deduct and withhold tax under section 290.92, subdivision 4b, must file a return.

(e) An S corporation required to deduct and withhold tax under section 290.92, subdivision 4c, must also file a return.

(f) Returns must be filed in the form and contain the information prescribed by the commissioner. Every return must contain a written declaration that it is correct and complete, and a confession of judgment for the amount of tax shown due, to the extent not timely paid.

Subd. 2. [WITHHOLDING STATEMENT TO EMPLOYEE OR PAYEE AND TO COMMISSIONER.] (a) A person required to deduct and withhold from an employee a tax under section 290.92, subdivision 2a or 3, or section 290.923, subdivision 2, or who would have been required to deduct and withhold a tax under section 290.92, subdivision 2a or 3, or persons required to withhold tax under section 290.923, subdivision 2, determined without regard to section 290.92, subdivision 19, if the employee or payee had claimed no

more than one withholding exemption, or who paid wages or made payments not subject to withholding under section 290.92, subdivision 2a or 3, or section 290.923, subdivision 2, to an employee or person receiving royalty payments in excess of \$600, or who has entered into a voluntary withholding agreement with a payee under section 290.92, subdivision 20, must give every employee or person receiving royalty payments in respect to the remuneration paid by the person to the employee or person receiving royalty payments during the calendar year, on or before January 31 of the succeeding year, or, if employment is terminated before the close of the calendar year, within 30 days after the date of receipt of a written request from the employee if the 30-day period ends before January 31, a written statement showing the following:

(1) name of the person;

(2) the name of the employee or payee and the employee's or payee's social security account number;

(3) the total amount of wages as that term is defined in section 290.92, subdivision 1(1), and/or the total amount of remuneration subject to withholding under section 290.92, subdivision 20, and the amount of sick pay as required under section 6051(f) of the Internal Revenue Code of 1986, as amended through December 31, 1989; and

(4) the total amount deducted and withheld as tax under section 290.92, subdivision 2a or 3, or 290.923, subdivision 2.

(b) The statement required to be furnished by this paragraph with respect to any remuneration must be furnished at those times, must contain the information required, and must be in the form the commissioner prescribes.

(c) The commissioner may prescribe rules providing for reasonable extensions of time, not in excess of 30 days, to employers or payers required to give the statements to their employees or payees under this subdivision.

(d) A duplicate of any statement made under this subdivision and in accordance with rules prescribed by the commissioner, along with a reconciliation in the form the commissioner prescribes of the statements for the calendar year, including a reconciliation of the quarterly returns required to be filed under subdivision 1, must be filed with the commissioner on or before February 28 of the year after the payments were made.

(e) The employer must submit the statements required to be sent to the commissioner on magnetic media, if the magnetic media was required to satisfy the federal reporting requirements of section

6011(e) of the Internal Revenue Code of 1986, as amended through December 31, 1989, and the regulations issued under it.

Sec. 5. [289A.0214] [FILING REQUIREMENTS FOR ESTATE TAX RETURNS.]

Subdivision 1. [RETURN REQUIRED.] In the case of a decedent who has an interest in property with a situs in Minnesota, the personal representative must submit a Minnesota estate tax return to the commissioner, on a form prescribed by the commissioner, in instances in which a federal estate tax return is required to be filed.

The return must be accompanied by a federal estate tax return, a schedule of the assets in the estate at their date of death values, and must contain a computation of the Minnesota estate tax due. The return must be signed by the personal representative.

Subd. 2. [DOCUMENTS REQUIRED.] The commissioner may designate on the return the documents that are required to be filed together with the return to determine the computation of tax.

Subd. 3. [DEFINITIONS.] For purposes of this section, the definitions contained in section 291.005 apply.

Sec. 6. [289A.0216] [FILING REQUIREMENTS FOR SALES AND USE TAX RETURNS.]

Subdivision 1. [RETURN REQUIRED.] Except as provided in section 289A.023, subdivision 4, for the month in which taxes imposed by sections 297A.01 to 297A.44 are payable, or for which a return is due, a return for the preceding reporting period must be filed with the commissioner in the form the commissioner prescribes. The return must be verified by a written declaration that it is made under the criminal penalties for making a false return, and in addition must contain a confession of judgment for the amount of the tax shown due to the extent not timely paid. A person making sales at retail at two or more places of business may file a consolidated return subject to rules prescribed by the commissioner.

Subd. 2. [LIQUOR SALES.] A person required to collect the tax imposed by section 297A.02, subdivision 3, on sales of intoxicating liquor and nonintoxicating malt liquor, shall report the total sales tax liability, including the sales tax on items other than intoxicating liquor and nonintoxicating malt liquor, on a distinct sales tax return prescribed by the commissioner.

Subd. 3. [WHO MUST FILE RETURN.] For purposes of the sales tax, a return must be filed by a retailer who is required to hold a permit. For the purposes of the use tax, a return must be filed by a retailer required to collect the tax and by a person buying any items,

the storage, use or other consumption of which is subject to the use tax, who has not paid the use tax to a retailer required to collect the tax. The returns must be signed by the person filing the return or by the person's agent duly authorized in writing.

Sec. 7. [289A.0218] [FILING REQUIREMENTS FOR INFORMATION RETURNS AND REPORTS.]

Subdivision 1. [REPORTS BY EXEMPT CORPORATIONS, ORGANIZATIONS, ESTATES, AND TRUSTS.] Corporations, estates, trusts, and organizations exempt from state income and franchise taxes under section 290.05, subdivision 2, must file with the commissioner of revenue an initial report and later annual reports as required by section 290.05, subdivision 4.

Subd. 2. [RETURNS REQUIRED OF BANKS; COMMON TRUST FUNDS.] A bank maintaining a common trust fund must make a return for a taxable year, stating specifically with respect to the fund, the items of gross income and deductions provided by section 290.281, subdivision 1. The return must include the names and addresses of the participants entitled to share the net income if distributed and the amount of the proportionate share of each participant.

Subd. 3. [RETURNS OR REPORTS BY PARTNERSHIPS, FIDUCIARIES, AND S CORPORATIONS.] (a) Partnerships must make a return for each taxable year. The return must conform to the requirements of section 290.31, and must include the names and addresses of the partners entitled to a distributive share in their taxable net income, gain, loss, or credit, and the amount of the distributive share to which each is entitled. The return must contain a written declaration that it is correct and complete. A partnership required to file a return for a partnership taxable year must furnish a copy of the information required to be shown on the return to a person who is a partner at any time during the taxable year, on or before the day on which the return for the taxable year was filed.

(b) The fiduciary of an estate or trust making the return required to be filed under subdivision 1 for a taxable year must give a beneficiary who receives a distribution from the estate or trust with respect to the taxable year or to whom any item with respect to the taxable year is allocated, a statement containing the information required to be shown on the return, on or before the date on which the return was filed.

(c) An S corporation must make a return for a taxable year during which an election under section 290.9725 is in effect, stating specifically the names and addresses of the persons owning stock in the corporation at any time during the taxable year, the number of shares of stock owned by a shareholder at all times during the taxable year, the shareholder's pro rata share of each item of the

corporation for the taxable year, and other information the commissioner requires. An S corporation required to file a return under this paragraph for any taxable year must furnish a copy of the information shown on the return to the person who is a shareholder at any time during the taxable year, on or before the day on which the return for the taxable year was filed.

Subd. 4. [RETURNS BY PERSONS, CORPORATIONS, COOPERATIVES, GOVERNMENTAL ENTITIES, OR SCHOOL DISTRICTS.] To the extent required by section 6041 of the Internal Revenue Code of 1986, as amended through December 31, 1989, a person, corporation, or cooperative, the state of Minnesota and its political subdivisions, and a city, county, and school district in Minnesota, making payments in the regular course of a trade or business during the taxable year to any person or corporation of \$600 or more on account of rents or royalties, or of \$10 or more on account of interest, or \$10 or more on account of dividends or patronage dividends, or \$600 or more on account of either wages, salaries, commissions, fees, prizes, awards, pensions, annuities, or any other fixed or determinable gains, profits or income, not otherwise reportable under section 289A.0212, subdivision 2, or on account of earnings of \$10 or more distributed to its members by savings, building and loan associations or credit unions chartered under the laws of this state or the United States, (1) must make a return (except in cases where a valid agreement to participate in the combined federal and state information reporting system has been entered into, and the return is filed only with the commissioner of internal revenue under the applicable filing and informational reporting requirements of the Internal Revenue Code of 1986, as amended through December 31, 1989) with respect to the payments in excess of the amounts named, giving the names and addresses of the persons to whom the payments were made, the amounts paid to each, and (2) must make a return with respect to the total number of payments and total amount of payments, for each category of income named, which were in excess of the amounts named. This subdivision does not apply to the payment of interest or dividends to a person who was a nonresident of Minnesota for the entire year.

A person, corporation, or cooperative required to file returns under this subdivision must file the returns on magnetic media if magnetic media was used to satisfy the federal reporting requirement under section 6011(e) of the Internal Revenue Code of 1986, as amended through December 31, 1989, unless the person establishes to the satisfaction of the commissioner that compliance with this requirement would be an undue hardship.

Subd. 5. [RETURNS BY BROKERS.] The commissioner may, within 30 days after notice and demand, require a person doing business as a broker to give the commissioner the names and addresses of customers for whom they have transacted business, and the details regarding gross proceeds and other information concern-

ing the transactions as will enable the commissioner to determine whether the income tax due on profits or gains of those customers has been paid. The provisions of section 6045 of the Internal Revenue Code of 1986, as amended through December 31, 1989, which define terms and require that a statement be furnished to the customer apply.

Subd. 6. [RETURNS BY AGENTS.] The commissioner may, within 30 days after notice and demand, require a person acting as agent for another to make a return furnishing the information reasonably necessary to properly assess and collect the tax imposed by chapter 290 upon the person for whom the agent acts.

Subd. 7. [RETURNS FOR REAL PROPERTY HOLDINGS OF ALIENS.] A person or corporation required to make a return under section 6039C (relating to information return on a foreign person holding a United States real property interest) of the Internal Revenue Code of 1986, as amended through December 31, 1989, must make a similar return for the commissioner for foreign persons holding a Minnesota real property interest.

Subd. 8. [RETURNS FOR UNEMPLOYMENT COMPENSATION.] A person who makes payments of unemployment compensation totaling \$10 or more to any individual during a calendar year and who is required to make and file a return under section 6050B of the Internal Revenue Code of 1986, as amended through December 31, 1989, must file a copy of the return with the commissioner.

Subd. 9. [RETURNS FOR PAYMENTS OF REMUNERATION FOR SERVICES AND DIRECT SALES.] A person who is required to make a return under section 6041A (relating to information returns regarding payments of remuneration for services and direct sales) of the Internal Revenue Code of 1986, as amended through December 31, 1989, must file a copy of the return containing the information required under that section with the commissioner. The provisions of that section govern the requirements of a statement that must be given to persons with respect to whom information is required to be given.

Subd. 10. [RETURNS RELATING TO SOCIAL SECURITY BENEFITS.] The appropriate federal official who is required to make a return under section 6050F (relating to social security benefits) of the Internal Revenue Code of 1986, as amended through December 31, 1989, shall file a copy of the return containing the information required under that section with the commissioner.

Subd. 11. [RETURNS BY TRUSTEES.] The trustee of an individual retirement account and the issuer of an endowment contract or an individual retirement annuity who is required to make a report under section 408(i) of the Internal Revenue Code of 1986, as amended through December 31, 1989, must file with the commis-

sioner a copy of that report containing the information required under that subsection. The provisions of that subsection govern when the reports are to be filed and the requirements of a statement that must be given to persons with respect to whom information must be given.

Subd. 12. [STATEMENTS TO PAYEES.] A person making a return under subdivisions 4 to 10 must furnish to a person whose name is set forth in the return a written statement showing the name and address of the person making the return, and the aggregate amount of payments to the person shown on the return.

This written statement must be given to the person on or before January 31 of the year following the calendar year for which the return was made. A duplicate of this written statement, along with a reconciliation of all the statements for the calendar year in the form the commissioner prescribes, must be furnished to the commissioner on or before February 28 of the year following the calendar year for which the return was made.

Subd. 13. [SUPPLYING OF SOCIAL SECURITY NUMBER.] An individual with respect to whom a return, statement, or other document is required under this section to be made by another person must furnish to that person the individual's social security account number. A person required under this section to make a return, statement, or other document with respect to another person who is an individual must request from that individual and must include in the return, statement, or other document, the individual's social security account number. A return of an estate or trust with respect to its liability for tax, and any statement or other document in its support, is considered a return, statement, or other document with respect to the individual beneficiary of the estate or trust; otherwise, a return of an individual with respect to the individual's liability for tax, or any statement or other document in its support, is not considered a return, statement, or other document with respect to another person.

Sec. 8. [289A.023] [DUE DATES FOR FILING OF RETURNS.]

Subdivision 1. [INDIVIDUAL INCOME, FIDUCIARY INCOME, CORPORATE FRANCHISE, AND ENTERTAINMENT TAXES; PARTNERSHIP AND S CORPORATION RETURNS; INFORMATION RETURNS.] The returns required to be made under sections 289A.021 and 289A.0218 must be filed at the following times:

(1) returns made on the basis of the calendar year must be filed on April 15 following the close of the calendar year, except that returns of corporations must be filed on March 15 following the close of the calendar year;

(2) returns made on the basis of the fiscal year must be filed on the

15th day of the fourth month following the close of the fiscal year, except that returns of corporations must be filed on the 15th day of the third month following the close of the fiscal year;

(3) returns for a fractional part of a year must be filed on the 15th day of the fourth month following the end of the month in which falls the last day of the period for which the return is made, except that the returns of corporations must be filed on the 15th day of the third month following the end of the month in which falls the last day of the period for which the return is made;

(4) in the case of a final return of a decedent for a fractional part of a year, the return must be filed on the 15th day of the fourth month following the close of the 12-month period that began with the first day of that fractional part of a year;

(5) in the case of the return of a cooperative association, returns must be filed on or before the 15th day of the ninth month following the close of the taxable year;

(6) if a corporation has been divested from a unitary group and files a return for a fractional part of a year in which it was a member of a unitary business that files a combined report under section 290.34, subdivision 2, the divested corporation's return must be filed on the 15th day of the third month following the close of the common accounting period that includes the fractional year; and

(7) returns of entertainment entities must be filed on April 15 following the close of the calendar year.

Subd. 2. [WITHHOLDING RETURNS, ENTERTAINER WITHHOLDING RETURNS, RETURNS FOR WITHHOLDING FROM PAYMENTS TO OUT-OF-STATE CONTRACTORS, AND WITHHOLDING RETURNS FROM PARTNERSHIPS AND SMALL BUSINESS CORPORATIONS.] Withholding returns are due on or before the last day of the month following the close of the quarterly period. However, if the return shows timely deposits in full payment of the taxes due for that period, the return may be filed on or before the tenth day of the second calendar month following the period. An employer, in preparing a quarterly return, may take credit for monthly deposits previously made for that quarter. Entertainer withholding tax returns are due within 30 days after each performance. Returns for withholding from payments to out-of-state contractors are due within 30 days after the payment to the contractor. Returns for withholding by partnerships are due on or before the due date specified for filing partnership returns. Returns for withholding by small business corporations are due on or before the due date specified for filing corporate franchise tax returns.

Subd. 3. [ESTATE TAX RETURNS.] An estate tax return must be

filed with the commissioner within nine months after the decedent's death.

Subd. 4. [SALES AND USE TAX RETURNS.] Sales and use tax returns must be filed on or before the 20th day of the month following the close of the preceding reporting period. In addition, on or before June 20 of a year, a retailer who has a May liability of \$1,500 or more must file a return with the commissioner for one-half of the estimated June liability, in addition to filing a return for the May liability. On or before August 20 of a year, the retailer must file a return showing the actual June liability.

Subd. 5. [PROPERTY TAX REFUND CLAIMS.] A claim for a refund based on property taxes payable must be filed with the commissioner on or before August 15 of the year in which the property taxes are due and payable. Any claim for refund based on rent paid must be filed on or before August 15 of the year following the year in which the rent was paid.

Sec. 9. [289A.024] [EXTENSIONS FOR FILING RETURNS.]

Subdivision 1. [INDIVIDUAL INCOME, FIDUCIARY INCOME, ENTERTAINMENT TAX, AND INFORMATION RETURNS.] When, in the commissioner's judgment, good cause exists, the commissioner may extend the time for filing individual and fiduciary income tax returns, entertainment tax returns, and information returns for not more than six months. If an extension to file the federal individual or fiduciary income tax return or information return has been granted under section 6081 of the Internal Revenue Code of 1986, as amended through December 31, 1989, the time for filing the state return is extended for that period. The commissioner may require the taxpayer to file a tentative return when the regularly required return is due, and to pay a tax on the basis of the tentative return at the times required for the payment of taxes on the basis of the regularly required return from the taxpayer.

Subd. 2. [CORPORATE FRANCHISE TAXES.] The commissioner may grant an extension of up to seven months for filing the return of a corporation subject to tax under chapter 290 if:

(1) the corporation files a tentative return when the regularly required return is due;

(2) the corporation pays the tax on the basis of the tentative return and the amount of tax, determined without regard to any prepayment of tax, shown on the tentative return, or the amount of tax paid on or before the regular due date of the return, is at least 90 percent of the amount shown on the corporation's regularly required return;

(3) the balance due shown on the regularly required return is paid on or before the extended due date of the return; and

(4) interest on any balance due is paid at the rate specified in section 270.75 from the regular due date of the return until the tax is paid.

Subd. 3. [WITHHOLDING RETURNS.] Where good cause exists, the commissioner may grant an extension of time of not more than 60 days for filing a withholding return.

Subd. 4. [ESTATE TAX RETURNS.] Where good cause exists, the commissioner may extend the time for filing an estate tax return for not more than six months. When an extension to file the federal estate tax return has been granted under section 6081 of the Internal Revenue Code of 1986, as amended through December 31, 1989, the time for filing the estate tax return is extended for that period.

Subd. 5. [SALES AND USE TAX RETURNS.] Where good cause exists, the commissioner may extend the time for filing sales and use tax returns for not more than 60 days.

Subd. 6. [PROPERTY TAX REFUND RETURNS.] Where good cause exists, the commissioner may extend the time for filing claims under chapter 290A for not more than six months.

Sec. 10. [289A.025] [DUE DATES FOR MAKING PAYMENTS OF TAX.]

Subdivision 1. [INDIVIDUAL INCOME, FIDUCIARY INCOME, CORPORATE FRANCHISE, AND ENTERTAINMENT TAXES.] (a) Individual income, fiduciary, and corporate franchise taxes must be paid to the commissioner on or before the date the return must be filed under section 289A.023, subdivision 1, or the extended due date as provided in section 289A.024, unless an earlier date for payment is provided.

Notwithstanding any other law, a taxpayer whose unpaid liability for income or corporate franchise taxes, as reflected upon the return, is \$1 or less need not pay the tax.

(b) Entertainment taxes must be paid on or before the date the return must be filed under section 289A.023, subdivision 1.

Subd. 2. [WITHHOLDING FROM WAGES, ENTERTAINER WITHHOLDING, WITHHOLDING FROM PAYMENTS TO OUT-OF-STATE CONTRACTORS, AND WITHHOLDING BY PARTNERSHIPS AND SMALL BUSINESS CORPORATIONS.] (a) A tax required to be deducted and withheld during the quarterly period

must be paid on or before the last day of the month following the close of the quarterly period, unless an earlier time for payment is provided. A tax required to be deducted and withheld from compensation of an entertainer, and from a payment to an out-of-state contractor must be paid on or before the date the return for such tax must be filed under section 289A.023, subdivision 2. Taxes required to be deducted and withheld by partnerships and S corporations must be paid on or before the date the return must be filed under section 289A.023, subdivision 2.

(b)(1) Unless clause (2) applies, if during any calendar month, other than the last month of the calendar quarter, the aggregate amount of the tax withheld during that quarter under section 290.92, subdivision 2a or 3, or under section 290.923, subdivision 2, exceeds \$500, the employer shall deposit the aggregate amount with the commissioner within 15 days after the close of the calendar month. (2) If at the close of any eighth-monthly period the aggregate amount of undeposited taxes is \$3,000 or more, the employer, or person withholding tax under section 290.92, subdivision 2a or 3, or section 290.923, subdivision 2, shall deposit the undeposited taxes with the commissioner within three banking days after the close of the eighth-monthly period. For purposes of this clause, the term "eighth-monthly period" means the first three days of a calendar month, the fourth day through the seventh day of a calendar month, the eighth day through the 11th day of a calendar month, the 12th day through the 15th day of a calendar month, the 16th day through the 19th day of a calendar month, the 20th day through the 22nd day of a calendar month, the 23rd day through the 25th day of a calendar month, or the part of a calendar month following the 25th day of the month.

(c) The commissioner may prescribe by rule other return periods or deposit requirements. In prescribing the reporting period, the commissioner may classify payors according to the amount of their tax liability and may adopt an appropriate reporting period for the class that the commissioner judges to be consistent with efficient tax collection. In no event will the duration of the reporting period be more than one year.

(d) If less than the correct amount of tax is paid to the commissioner, proper adjustments with respect to both the tax and the amount to be deducted must be made, without interest, in the manner and at the times the commissioner prescribes. If the underpayment cannot be adjusted, the amount of the underpayment will be assessed and collected in the manner and at the times the commissioner prescribes.

Subd. 3. [ESTATE TAX.] Taxes imposed by chapter 291 take effect at and upon the death of the person whose estate is subject to taxation and are due and payable on or before the expiration of nine months from that death.

Subd. 4. [SALES AND USE TAX.] (a) The taxes imposed by chapter 297A are due and payable to the commissioner monthly on or before the 20th day of the month following the month in which the taxable event occurred or following another reporting period as the commissioner prescribes.

(b) A vendor having a liability of \$1,500 or more in May of a year must remit the June liability in the following manner:

(1) On or before June 20 of the year, the vendor must remit the actual May liability and one-half of the estimated June liability to the commissioner.

(2) On or before August 20 of the year, the vendor must pay any additional amount of tax not remitted in June.

(c) When a retailer located outside of a city that imposes a local sales and use tax collects use tax to be remitted to that city, the retailer is not required to remit the tax until the amount collected reaches \$10.

Sec. 11. [289A.026] [PAYMENT OF ESTIMATED TAX BY INDIVIDUALS.]

Subdivision 1. [REQUIREMENTS TO PAY.] An individual must, when prescribed in subdivision 3, paragraph (b), make payments of estimated tax. The term "estimated tax" means the amount the individual estimates is the sum of the taxes imposed by chapter 290 for the taxable year. If the individual is an infant or incompetent person, the payments must be made by the individual's guardian. If joint payments on estimated tax are made but a joint return is not made for the taxable year, the estimated tax for that year may be treated as the estimated tax of either the husband or the wife or may be divided between them.

Notwithstanding the provisions of this section, no payments of estimated tax are required if the estimated tax (as defined in this subdivision), less the credits allowed against the tax, is less than \$500.

Subd. 2. [ADDITIONS TO TAX FOR UNDERPAYMENT.] (a) In the case of any underpayment of estimated tax by an individual, except as provided in subdivision 6 or 7, there must be added to and become a part of the taxes imposed by chapter 290, for the taxable year an amount determined at the rate specified in section 270.75 upon the amount of the underpayment for the period of the underpayment.

(b) For purposes of paragraph (a), the amount of underpayment shall be the excess of

(1) the amount of the installment required to be paid over

(2) the amount, if any, of the installment paid on or before the last day prescribed for the payment.

Subd. 3. [PERIOD OF UNDERPAYMENT.] (a) The period of the underpayment shall run from the date the installment was required to be paid to the earlier of the following dates:

(1) The 15th day of the fourth month following the close of the taxable year.

(2) With respect to any part of the underpayment, the date on which that part is paid. For purposes of this clause, a payment of estimated tax on any installment date is considered a payment of any unpaid required installments in the order in which the installments are required to be paid.

(b) For purposes of this subdivision, there shall be four required installments for a taxable year. The times for payment of installments shall be:

For the following
required installments:

1st
2nd
3rd
4th

The due date is:

April 15
June 15
September 15
January 15 of the following
taxable year

Subd. 4. [NO ADDITION TO TAX WHERE TAX IS SMALL.] No addition to tax is imposed under subdivision 2 for a taxable year if the tax shown on the return for the taxable year (or, if no return is filed, the tax), reduced by the credits allowable is less than \$500.

Subd. 5. [AMOUNT OF REQUIRED INSTALLMENT.] The amount of any installment required to be paid shall be 25 percent of the required annual payment except as provided in clause (3). The term "required annual payment" means the lesser of

(1) 90 percent of the tax shown on the return for the taxable year or 90 percent of the tax for the year if no return is filed, or

(2) The total tax liability shown on the return of the individual for the preceding taxable year, if a return showing a liability for the taxes was filed by the individual for the preceding taxable year of 12 months, or

(3) An amount equal to the applicable percentage of the tax for the taxable year computed by placing on an annualized basis the

taxable income and alternative minimum taxable income for the months in the taxable year ending before the month in which the installment is required to be paid. The applicable percentage of the tax is 22.5 percent in the case of the first installment, 45 percent for the second installment, 67.5 percent for the third installment, and 90 percent for the fourth installment. For purposes of this clause, the taxable income and alternative minimum taxable income shall be placed on an annualized basis by

(i) Multiplying by 12 (or in the case of a taxable year of less than 12 months, the number of months in the taxable year) the taxable income and alternative minimum taxable income computed for the months in the taxable year ending before the month in which the installment is required to be paid.

(ii) Dividing the resulting amount by the number of months in the taxable year ending before the month in which the installment date falls.

Subd. 6. [EXCEPTION TO ADDITION TO TAX.] No addition to the tax shall be imposed under this section for any taxable year if:

(1) the individual did not have liability for tax for the preceding taxable year,

(2) the preceding taxable year was a taxable year of 12 months, and

(3) the individual was a resident of Minnesota throughout the preceding taxable year.

Subd. 7. [WAIVER OF ADDITION TO TAX.] No addition to the tax is imposed under this section with respect to an underpayment to the extent the commissioner determines that the provisions of section 6654(e)(3) of the Internal Revenue Code of 1986, as amended through December 31, 1989, apply.

Subd. 8. [APPLICATION OF SECTION; TAX WITHHELD ON WAGES.] For purposes of this section, the estimated tax must be computed without reduction for the amount that the individual estimates as the individual's credit under section 290.92, subdivision 12 (relating to tax withheld at source on wages), and any other refundable credits allowed against income tax liability, and the amount of those credits for the taxable year is considered a payment of estimated tax, and an equal part of those amounts is considered paid on the installment date, determined under subdivision 3, paragraph (c), for that taxable year, unless the taxpayer establishes the dates on which the amounts were actually withheld, in which case the amounts so withheld are considered payments of estimated tax on the dates on which the amounts were actually withheld.

Subd. 9. [SPECIAL RULE FOR RETURN FILED ON OR BEFORE JANUARY 31.] If, on or before January 31 of the following taxable year, the taxpayer files a return for the taxable year and pays in full the amount computed on the return as payable, then no addition to tax is imposed under subdivision 2 with respect to any underpayment of the fourth required installment for the taxable year.

Subd. 10. [SPECIAL RULE FOR FARMERS AND FISHERMEN.] For purposes of this section, if an individual is a farmer or fisherman as defined in section 6654(f)(2) of the Internal Revenue Code of 1986, as amended through December 31, 1989, for a taxable year, only one installment is required for the taxable year, the due date of which is January 15 of the following taxable year, the amount of which is equal to the required annual payment determined under subdivision 5 by substituting "66 $\frac{2}{3}$ percent" for "90 percent," and subdivision 9 shall be applied by substituting "March 1" for "January 31," and by treating the required installment described as the fourth required installment.

Subd. 11. [FISCAL YEAR TAXPAYER.] The application of this section to taxable years beginning other than January 1, must be made by substituting, for the months named in this section, the months that correspond. This section must be applied to taxable years of less than 12 months, under rules issued by the commissioner.

Subd. 12. [TRUSTS AND ESTATES.] The provisions of this section do not apply to an estate or trust.

Subd. 13. [OVERPAYMENT OF ESTIMATED TAX INSTALLMENT.] If an installment payment of estimated tax exceeds the correct amount of the installment payment, the overpayment must be credited against the unpaid installments, if any.

Sec. 12. [289A.027] [PAYMENT OF ESTIMATED TAX BY CORPORATIONS.]

Subdivision 1. [MINIMUM LIABILITY.] A corporation subject to taxation under chapter 290 (excluding section 290.92) must make payment of estimated tax for the taxable year if its tax liability so computed can reasonably be expected to exceed \$500, or in accordance with rules prescribed by the commissioner for an affiliated group of corporations electing to file one return as permitted under section 289A.021, subdivision 3.

Subd. 2. [AMOUNT AND TIME FOR PAYMENT OF INSTALLMENTS.] The estimated tax payment required under subdivision 1 must be paid in four equal installments on or before the 15th day of the third, sixth, ninth, and 12th month of the taxable year.

Subd. 3. [SHORT TAXABLE YEAR.] (a) A corporation with a short taxable year of less than 12 months, but at least four months, must pay estimated tax in equal installments on or before the 15th day of the third, sixth, ninth, and final month of the short taxable year, to the extent applicable based on the number of months in the short taxable year.

(b) A corporation is not required to make estimated tax payments for a short taxable year unless its tax liability before the first day of the last month of the taxable year can reasonably be expected to exceed \$500.

(c) No payment is required for a short taxable year of less than four months.

Subd. 4. [UNDERPAYMENT OF ESTIMATED TAX.] If there is an underpayment of estimated tax by a corporation, there shall be added to the tax for the taxable year an amount determined at the rate in section 270.75 on the amount of the underpayment (determined under subdivision 5) for the period of the underpayment (determined under subdivision 6). This subdivision does not apply in the first taxable year that a corporation is subject to the tax imposed under section 290.02.

Subd. 5. [AMOUNT OF UNDERPAYMENT.] For purposes of subdivision 4, the amount of the underpayment is the excess of

(1) the required installment, over

(2) the amount, if any, of the installment paid on or before the last date prescribed for payment.

Subd. 6. [PERIOD OF UNDERPAYMENT.] The period of the underpayment runs from the date the installment was required to be paid to the earlier of the following dates:

(1) The 15th day of the third month following the close of the taxable year.

(2) With respect to any part of the underpayment, the date on which that part is paid. For purposes of this clause, a payment of estimated tax shall be credited against unpaid required installments in the order in which those installments are required to be paid.

Subd. 7. [REQUIRED INSTALLMENTS.] (a) Except as otherwise provided in this subdivision, the amount of a required installment is 25 percent of the required annual payment.

(b) Except as otherwise provided in this subdivision, the term "required annual payment" means the lesser of:

(1) 90 percent of the tax shown on the return for the taxable year, or if no return is filed, 90 percent of the tax for that year; or

(2) 100 percent of the tax shown on the return of the corporation for the preceding taxable year provided the return was for a full 12-month period, showed a liability, and was filed by the corporation.

(c) Except for determining the first required installment for any taxable year, paragraph (b), clause (2), does not apply in the case of a large corporation. The term "large corporation" means a corporation or any predecessor corporation that had taxable net income of \$1,000,000 or more for any taxable year during the testing period. The term "testing period" means the three taxable years immediately preceding the taxable year involved. A reduction allowed to a large corporation for the first installment that is allowed by applying paragraph (b), clause (2), must be recaptured by increasing the next required installment by the amount of the reduction.

(d) In the case of a required installment, if the corporation establishes that the annualized income installment is less than the amount determined in paragraph (a), the amount of the required installment is the annualized income installment and the recapture of previous quarters' reductions allowed by this paragraph must be recovered by increasing later required installments to the extent the reductions have not previously been recovered.

(e) The "annualized income installment" is the excess, if any, of:

(1) an amount equal to the applicable percentage of the tax for the taxable year computed by placing on an annualized basis the taxable income:

(i) for the first two months of the taxable year, in the case of the first required installment;

(ii) for the first two months or for the first five months of the taxable year, in the case of the second required installment;

(iii) for the first six months or for the first eight months of the taxable year, in the case of the third required installment; and

(iv) for the first nine months or for the first 11 months of the taxable year, in the case of the fourth required installment, over

(2) the aggregate amount of any prior required installments for the taxable year.

(3) For the purpose of this paragraph, the annualized income shall be computed by placing on an annualized basis the taxable income for the year up to the end of the month preceding the due date for the quarterly payment multiplied by 12 and dividing the resulting amount by the number of months in the taxable year (2, 5, 6, 8, 9, or 11 as the case may be) referred to in clause (1).

(4) The "applicable percentage" used in clause (1) is:

For the following
required installments:

1st

2nd

3rd

4th

The applicable
percentage is:

22.5

45

67.5

90

(f)(1) If this paragraph applies, the amount determined for any installment must be determined in the following manner:

(i) take the taxable income for the months during the taxable year preceding the filing month;

(ii) divide that amount by the base period percentage for the months during the taxable year preceding the filing month;

(iii) determine the tax on the amount determined under item (ii); and

(iv) multiply the tax computed under item (iii) by the base period percentage for the filing month and the months during the taxable year preceding the filing month.

(2) For purposes of this paragraph:

(i) the "base period percentage" for a period of months is the average percent that the taxable income for the corresponding months in each of the three preceding taxable years bears to the taxable income for the three preceding taxable years;

(ii) the term "filing month" means the month in which the installment is required to be paid;

(iii) this paragraph only applies if the base period percentage for any six consecutive months of the taxable year equals or exceeds 70 percent; and

(iv) the commissioner may provide by rule for the determination of the base period percentage in the case of reorganizations, new corporations, and other similar circumstances.

(3) In the case of a required installment determined under this paragraph, if the corporation determines that the installment is less than the amount determined in paragraph (a), the amount of the required installment is the amount determined under this paragraph and the recapture of previous quarters' reductions allowed by this paragraph must be recovered by increasing later required installments to the extent the reductions have not previously been recovered.

Subd. 8. [DEFINITION OF TAX.] The term "tax" as used in this section means the tax imposed by chapter 290.

Subd. 9. [FAILURE TO FILE AN ESTIMATE.] In the case of a corporation that fails to file an estimated tax for a taxable year when one is required, the period of the underpayment runs from the four installment dates in subdivision 2 or 3, whichever applies, to the earlier of the periods in subdivision 6, clauses (1) and (2).

Subd. 10. [PAYMENT ON ACCOUNT.] Payment of the estimated tax or any installment of it shall be considered payment on account of the taxes imposed by chapter 290, for the taxable year.

Subd. 11. [OVERPAYMENT OF ESTIMATED TAX INSTALLMENT.] If the amount of an installment payment of estimated tax exceeds the amount determined to be the correct amount of the installment payment, the overpayment must be credited against the unpaid installments, if any.

Sec. 13. [289A.028] [EXTENSIONS FOR PAYING TAX.]

Subdivision 1. [INDIVIDUAL AND FIDUCIARY INCOME TAX.] Where good cause exists, the commissioner may extend the time for payment of the amount determined as an individual or fiduciary income tax by the taxpayer, or an amount determined as a deficiency, for a period of not more than six months from the date prescribed for the payment of the tax.

Subd. 2. [ESTATE TAX.] Where good cause exists, the commissioner may extend the time for payment of estate tax for a period of not more than six months. If an extension to pay the federal estate tax has been granted under section 6161 of the Internal Revenue Code of 1986, as amended through December 31, 1989, the time for payment of the estate tax without penalty is extended for that period. A taxpayer who owes at least \$5,000 in taxes and who, under section 6161 or 6166 of the Internal Revenue Code of 1986, as amended through December 31, 1989, has been granted an extension for payment of the tax shown on the return, may elect to pay the tax due to the commissioner in equal amounts at the same time as required for federal purposes. A taxpayer electing to pay the tax in installments must notify the commissioner in writing no later than nine months after the death of the person whose estate is subject to

taxation. If the taxpayer fails to pay an installment on time, unless it is shown that the failure is due to reasonable cause, the election is revoked and the entire amount of unpaid tax plus accrued interest is due and payable 90 days after the date on which the installment was payable.

Sec. 14. [289A.029] [LIABILITY FOR PAYMENT OF TAX.]

Subdivision 1. [INDIVIDUAL INCOME, FIDUCIARY INCOME, CORPORATE FRANCHISE, AND ENTERTAINMENT TAXES.] (a) Individual income, fiduciary income, and corporate franchise taxes, and interest and penalties, must be paid by the taxpayer upon whom the tax is imposed, except in the following cases:

(1) The tax due from a decedent for that part of the taxable year in which the decedent died during which the decedent was alive and the taxes, interest, and penalty due for the prior years must be paid by the decedent's personal representative, if any. If there is no personal representative, the taxes, interest, and penalty must be paid by the transferees, as defined in section 289A.06, subdivision 13, to the extent they receive property from the decedent;

(2) The tax due from an infant or other incompetent person must be paid by the person's guardian or other person authorized or permitted by law to act for the person;

(3) The tax due from the estate of a decedent must be paid by the estate's personal representative;

(4) The tax due from a trust, including those within the definition of a corporation, as defined in section 290.01, subdivision 4, must be paid by a trustee; and

(5) The tax due from a taxpayer whose business or property is in charge of a receiver, trustee in bankruptcy, assignee, or other conservator, must be paid by the person in charge of the business or property so far as the tax is due to the income from the business or property.

(b) Entertainment taxes are the joint and several liability of the entertainer and the entertainment entity. The payor is liable to the state for the payment of the tax required to be deducted and withheld under section 290.9201, subdivision 7, and is not liable to the entertainer for the amount of the payment.

Subd. 2. [JOINT INCOME TAX RETURNS.] If a joint income tax return is made by a husband and wife, the liability for the tax is joint and several. A spouse who is relieved of a liability attributable to a substantial underpayment under section 6013(e) of the Internal Revenue Code of 1986, as amended through December 31, 1989, is

also relieved of the state income tax liability on the substantial underpayment.

In the case of individuals who were a husband and wife prior to the dissolution of their marriage, for tax liabilities reported on a joint or combined return, the liability of each person is limited to the proportion of the tax due on the return that equals that person's proportion of the total tax due if the husband and wife filed separate returns for the taxable year. This provision is effective only when the commissioner receives written notice of the marriage dissolution from the husband or wife. No refund may be claimed by an ex-spouse for any taxes paid before receipt by the commissioner of the written notice.

Subd. 3. [TRANSFEREES AND FIDUCIARIES.] The amounts of the following liabilities are, except as otherwise provided in section 289A.06, subdivision 13, assessed, collected, and paid in the same manner and subject to the same provisions and limitations as a deficiency in a tax imposed by chapter 290, including any provisions of law for the collection of taxes:

(1) The liability, at law or in equity, of a transferee of property of a taxpayer for tax, including interest, additional amounts, and additions to the tax provided by law, imposed upon the taxpayer by chapter 290.

(2) The liability of a fiduciary under subdivision 4 for the payment of tax from the estate of the taxpayer. The liability may reflect the amount of tax shown on the return or any deficiency in tax.

Subd. 4. [TAX AS A PERSONAL DEBT OF A FIDUCIARY.] The tax imposed by chapter 290, and interest and penalties, is a personal debt of the taxpayer from the time the liability arises, regardless of when the time for discharging the liability by payment occurs. The debt is, in the case of the personal representative of the estate of a decedent and in the case of any fiduciary, that of the individual in the individual's official or fiduciary capacity only unless the individual has voluntarily distributed the assets held in that capacity without reserving sufficient assets to pay the tax, interest, and penalties, in which event the individual is personally liable for the deficiency.

Subd. 5. [WITHHOLDING TAX, WITHHOLDING FROM PAYMENTS TO OUT-OF-STATE CONTRACTORS, AND WITHHOLDING BY PARTNERSHIPS AND SMALL BUSINESS CORPORATIONS.] (a) Except as provided in paragraph (b), an employer or person withholding tax under section 290.92 or 290.923, subdivision 2, who fails to pay to or deposit with the commissioner a sum or sums required by those sections to be deducted, withheld, and paid, is personally and individually liable to the state for the sum or sums (and added penalties and interest), and is not liable to

another person for that payment or payments. The sum or sums deducted and withheld under section 290.92, subdivision 2a or 3, or 290.923, subdivision 2, must be held as a special fund in trust for the state of Minnesota.

(b) If the employer or person withholding tax under section 290.92 or 290.923, subdivision 2, fails to deduct and withhold the tax in violation of those sections, and later the taxes against which the tax may be credited are paid, the tax required to be deducted and withheld will not be collected from the employer. This does not, however, relieve the employer from liability for any penalties and interest otherwise applicable for failure to deduct and withhold.

(c) Liability for payment of withholding taxes includes a responsible person or entity described in the personal liability provisions of section 270.101.

(d) Liability for payment of withholding taxes includes a third party lender or surety described in section 290.92, subdivision 22.

(e) A partnership or S corporation required to withhold and remit tax under section 290.92, subdivisions 4b and 4c, 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 in connection with the tax is personally liable for the tax due.

(f) A payor of sums required to be withheld under section 290.9705, subdivision 1, is liable to the state for the amount required to be deducted, and is not liable to an out-of-state contractor for the amount of the payment.

Subd. 6. [ESTATE TAX.] The personal representative and person to whom property that is subject to taxation under this chapter is transferred, other than a bona fide purchaser, mortgagee, or lessee, is personally liable for that tax, until its payment, to the extent of the value of the property at the time of the transfer. The exemption from personal liability extends to subsequent transferees from bona fide purchasers, mortgagees, and lessees.

Subd. 7. [SALES AND USE TAX.] (a) The sales and use tax required to be collected by the retailer under chapter 297A constitutes a debt owed by the retailer to Minnesota, and the sums collected must be held as a special fund in trust for the state of Minnesota.

A retailer who does not maintain a place of business within this state as defined by section 297A.21, subdivision 2, shall not be indebted to Minnesota for amounts of tax that it was required to

collect but did not collect unless the retailer knew or had been advised by the commissioner of its obligation to collect the tax.

(b) The use tax required to be paid by a purchaser is a debt owed by the purchaser to Minnesota.

(c) The tax imposed by sections 297A.01 to 297A.44, and interest and penalties, is a personal debt of the individual required to file a return from the time the liability arises, irrespective of when the time for payment of that liability occurs. The debt is, in the case of the executor or administrator of the estate of a decedent and in the case of a fiduciary, that of the individual in an official or fiduciary capacity unless the individual has voluntarily distributed the assets held in that capacity without reserving sufficient assets to pay the tax, interest, and penalties, in which case the individual is personally liable for the deficiency.

(d) Liability for payment of sales and use taxes includes any responsible person or entity described in the personal liability provisions of section 270.101.

Sec. 15. [289A.03] [ASSESSMENTS.]

The commissioner shall make determinations, corrections, and assessments with respect to state taxes (including interest, additions to taxes, and assessable penalties). The commissioner may audit and adjust the taxpayer's computation of federal taxable income to make it conform with the provisions of section 290.01, subdivisions 19 to 19g, or the items of federal tax preferences or federal credit amounts to make them conform with the provisions of chapter 290. If a taxpayer fails to file a required return, the commissioner, from information in the commissioner's possession or obtainable by the commissioner, may make a return for the taxpayer. The return will be prima facie correct and valid. If a return has been filed, the commissioner shall examine the return and make any audit or investigation that is considered necessary. The commissioner may use statistical or other sampling techniques consistent with generally accepted accounting principles in examining returns or records and making assessments.

Sec. 16. [289A.04] [EXAMINATIONS; AUDITS AND COLLECTIONS.]

Subdivision 1. [EXAMINATION OF TAXPAYER.] To determine the accuracy of a return or report, or in fixing liability under state tax law, or for the purpose of collection, the commissioner may make reasonable examinations or investigations of a taxpayer's place of business, tangible personal property, equipment, computer systems and facilities, pertinent books, records, papers, vouchers, computer printouts, accounts, and documents.

Subd. 2. [ACCESS TO RECORDS OF OTHER PERSONS IN CONNECTION WITH EXAMINATION OF TAXPAYER.] When conducting an investigation or an audit of a taxpayer, or for the purpose of collection, the commissioner may examine, except where privileged by law, the relevant records and files of any person, business, institution, financial institution, state agency, agency of the United States government, or agency of any other state where permitted by statute, agreement, or reciprocity. The commissioner may compel production of these records by subpoena. A subpoena may be served directly by the commissioner.

Subd. 3. [POWER TO COMPEL TESTIMONY.] In the administration of state tax law, the commissioner may:

(1) Administer oaths or affirmations and compel by subpoena the attendance of witnesses, testimony, and the production of a person's pertinent books, records, papers, or other data.

(2) Examine under oath or affirmation any person regarding the business of any taxpayer concerning any relevant matter incident to the administration of state tax law. The fees of witnesses required by the commissioner to attend a hearing are equal to those allowed to witnesses appearing before courts of this state. The fees must be paid in the manner provided for the payment of other expenses incident to the administration of state tax law.

(3) In addition to other remedies that may be available, bring an action in equity by the state against a taxpayer for an injunction ordering the taxpayer to file a complete and proper return or amended return. The district courts of this state have jurisdiction over the action and disobedience of an injunction issued under this clause will be punished as a contempt of district court.

Subd. 4. [THIRD PARTY SUBPOENA WHERE TAXPAYER'S IDENTITY IS KNOWN.] An investigation may extend to a person that the commissioner determines has access to information that may be relevant to the examination or investigation. When a subpoena requiring the production of records as described in subdivision 2 is served on a third-party recordkeeper, written notice of the subpoena must be mailed to the taxpayer and to any other person who is identified in the subpoena. The notices must be given within three days of the day on which the subpoena is served. Notice to the taxpayer required by this section is sufficient if it is mailed to the last address on record with the commissioner.

The provisions of this subdivision relating to notice to the taxpayer or other parties identified in the subpoena do not apply if there is reasonable cause to believe that the giving of notice may lead to attempts to conceal, destroy, or alter records relevant to the examination, to prevent the communication of information from

other persons through intimidation, bribery, or collusion, or to flee to avoid prosecution, testifying, or production of records.

Subd. 5. [THIRD PARTY SUBPOENA WHERE TAXPAYER'S IDENTITY IS NOT KNOWN.] A subpoena that does not identify the person or persons whose tax liability is being investigated may be served only if:

(1) the subpoena relates to the investigation of a particular person or ascertainable group or class of persons;

(2) there is a reasonable basis for believing that the person or group or class of persons may fail or may have failed to comply with tax laws administered by the commissioner;

(3) the information sought to be obtained from the examination of the records (and the identity of the person or persons with respect to whose liability the subpoena is issued) is not readily available from other sources;

(4) the subpoena is clear and specific concerning the information sought to be obtained; and

(5) the information sought to be obtained is limited solely to the scope of the investigation.

The party served with a subpoena that does not identify the person or persons with respect to whose tax liability the subpoena is issued may, within 20 days after service of the subpoena, petition the district court in the judicial district in which that party is located for a determination concerning whether the commissioner has complied with the requirements in clauses (1) to (5), and thus, whether the subpoena is enforceable. If no petition is made by the party served within the time prescribed, the subpoena has the effect of a court order.

Subd. 6. [REQUEST BY TAXPAYER FOR SUBPOENA.] When the commissioner has the power to issue a subpoena for investigative or auditing purposes, the commissioner shall honor a reasonable request by the taxpayer to issue a subpoena on the taxpayer's behalf, if in connection with the investigation or audit.

Subd. 7. [APPLICATION TO COURT FOR ENFORCEMENT OF SUBPOENA.] The commissioner or the taxpayer may apply to the district court of the county of the taxpayer's residence, place of business, or county where the subpoena can be served as with any other case at law, for an order compelling the appearance of the subpoenaed witness or the production of the subpoenaed records. If the subpoenaed party fails to comply with the order of the court, the party may be punished by the court as for contempt.

Subd. 8. [COST OF PRODUCTION OF RECORDS.] The cost of producing records of a third party required by a subpoena must be paid by the taxpayer, if the taxpayer requests the subpoena to be issued, or if the taxpayer has the records available but has refused to provide them to the commissioner. In other cases where the taxpayer cannot produce records and the commissioner then initiates a subpoena for third-party records, the commissioner shall pay the reasonable cost of producing the records. The commissioner may later assess the reasonable costs against the taxpayer if the records contribute to the determination of an assessment of tax against the taxpayer.

Sec. 17. [289A.05] [ORDER OF ASSESSMENT.]

Subdivision 1. [ORDER OF ASSESSMENT; NOTICE AND DEMAND TO TAXPAYER.] (a) When a return has been filed and the commissioner determines that the tax disclosed by the return is different than the tax determined by the examination, the commissioner shall send an order of assessment to the taxpayer. The order must explain the basis for the assessment and must explain the taxpayer's appeal rights. An order of assessment is final when made but may be reconsidered by the commissioner under section 289A.16.

(b) An amount of unpaid tax shown on the order must be paid to the commissioner: (1) within 60 days after notice of the amount and demand for its payment have been mailed to the taxpayer by the commissioner; or (2) if an administrative appeal is filed under section 289A.16, within 60 days following the determination of the appeal.

Subd. 2. [ERRONEOUS REFUNDS.] An erroneous refund is considered an underpayment of tax on the date made. An assessment of a deficiency arising out of an erroneous refund may be made at any time within two years from the making of the refund. If part of the refund was induced by fraud or misrepresentation of a material fact, the assessment may be made at any time.

Subd. 3. [ASSESSMENT PRESUMED VALID.] A return or assessment of tax made by the commissioner is prima facie correct and valid. The taxpayer has the burden of establishing its incorrectness or invalidity in any related action or proceeding.

Subd. 4. [AGGREGATE REFUND OR ASSESSMENT.] The commissioner, on examining returns of a taxpayer for more than one year or period, may issue one order covering the period under examination that reflects the aggregate refund or additional tax due.

Subd. 5. [SUFFICIENCY OF NOTICE.] An order of assessment, sent postage prepaid by United States mail, to the taxpayer at the

taxpayer's last known address, is sufficient even if the taxpayer is deceased or is under a legal disability, or, in the case of a corporation, has terminated its existence, unless the department has been provided with a new address by a party authorized to receive notices of assessment.

Subd. 6. [ORDER OF ASSESSMENT IF JOINT INCOME TAX RETURN.] If a joint income tax return is filed by a husband and wife, an order of assessment may be a single joint notice. If the commissioner has been notified by either spouse that that spouse's address has changed and if that spouse requests it, then a duplicate or original of the joint notice must be sent to the requesting spouse at the address designated by the requesting spouse. The other joint notice must be mailed to the other spouse at that spouse's last known address. An assessment is not invalid for failure to send it to a spouse if the spouse actually receives the notice in the same period as if it had been mailed to that spouse at the correct address or if the spouse has failed to provide an address to the commissioner other than the last known address.

Sec. 18. [289A.06] [LIMITATIONS ON TIME FOR ASSESSMENT OF TAX.]

Subdivision 1. [GENERAL RULE.] Except as otherwise provided in this section, the amount of taxes assessable must be assessed within 3½ years after the date the return is filed.

Subd. 2. [FILING DATE.] For purposes of this section, a tax return filed before the last day prescribed by law for filing is considered to be filed on the last day.

Subd. 3. [ESTATE TAXES.] Estate taxes must be assessed within 180 days after the return and the documents required under section 289A.0214, subdivision 2, have been filed.

Subd. 4. [PROPERTY TAX REFUND.] For purposes of computing the limitation under this section, the due date of the property tax refund return as provided for in chapter 290A is the due date for an income tax return covering the year in which the rent was paid or the year preceding the year in which the property taxes are payable.

Subd. 5. [FALSE OR FRAUDULENT RETURN; NO RETURN.] Notwithstanding the limitations under subdivisions 1 and 3, the tax may be assessed at any time if a false or fraudulent return is filed or when a taxpayer fails to file a return.

Subd. 6. [OMISSION IN EXCESS OF 25 PERCENT.] Additional taxes may be assessed within 6½ years after the due date of the return or the date the return was filed, whichever is later, if:

(1) the taxpayer omits from gross income an amount properly includable in it that is in excess of 25 percent of the amount of gross income stated in the return;

(2) the taxpayer omits from a sales or withholding tax return an amount in excess of 25 percent of the taxes reported in the return; or

(3) the taxpayer omits from the gross estate assets in excess of 25 percent of the gross estate reported in the return.

Subd. 7. [FEDERAL TAX CHANGES.] If the amount of income, items of tax preference, deductions, or credits for any year of a taxpayer as reported to the Internal Revenue Service is changed or corrected by the commissioner of Internal Revenue or other officer of the United States or other competent authority, or where a renegotiation of a contract or subcontract with the United States results in a change in income, items of tax preference, deductions, or credits, or, in the case of estate tax, where there are adjustments to the taxable estate resulting in a change to the credit for state death taxes, the taxpayer shall report the change or correction or renegotiation results in writing to the commissioner, in the form required by the commissioner. The report must be submitted within 90 days after the final determination and must concede the accuracy of the determination or state how it is wrong. A taxpayer filing an amended federal tax return must also file a copy of the amended return with the commissioner of revenue within 90 days after filing the amended return.

Subd. 8. [FAILURE TO REPORT CHANGE OR CORRECTION OF FEDERAL RETURN.] If a taxpayer fails to make a report as required by subdivision 7, the commissioner may recompute the tax, including a refund, based on information available to the commissioner. The tax may be recomputed within six years after the report should have been filed, notwithstanding any period of limitations to the contrary.

Subd. 9. [REPORT MADE OF CHANGE OR CORRECTION OF FEDERAL RETURN.] If a taxpayer is required to make a report under subdivision 7, and does report the change or files a copy of the amended return, the commissioner may recompute and reassess the tax due, including a refund (1) within one year after the report or amended return is filed with the commissioner, notwithstanding any period of limitations to the contrary, or (2) within any other applicable period stated in this section, whichever period is longer. The period provided for the carryback of any amount of loss or credit is also extended as provided in this subdivision, notwithstanding any law to the contrary.

Subd. 10. [INCORRECT DETERMINATION OF FEDERAL ADJUSTED GROSS INCOME.] Notwithstanding any other provision of this chapter, if a taxpayer whose gross income is determined

under section 290.01, subdivisions 20 and 20e, omits from income an amount that will under the Internal Revenue Code of 1986, as amended through December 31, 1989, extend the statute of limitations for the assessment of federal income taxes, or otherwise incorrectly determines the taxpayer's federal adjusted gross income resulting in adjustments by the Internal Revenue Service, then the period of assessment and determination of tax will be that under the Internal Revenue Code of 1986, as amended through December 31, 1989. When a change is made to federal income during the extended time provided under this subdivision, the provisions under subdivisions 7 to 9 regarding additional extensions apply.

Subd. 11. [NET OPERATING LOSS CARRYBACK.] If a deficiency of tax is attributable to a net operating loss carryback that has been disallowed in whole or in part, the deficiency may be assessed at any time that a deficiency for the taxable year of the loss may be assessed.

Subd. 12. [REQUEST FOR EARLY AUDIT FOR INDIVIDUAL INCOME, FIDUCIARY INCOME, AND CORPORATE FRANCHISE TAXES.] (a) Tax must be assessed within 18 months after written request for an assessment has been made in the case of income received (1) during the lifetime of a decedent, (2) by the decedent's estate during the period of administration, (3) by a trustee of a terminating trust or other fiduciary who, because of custody of assets, would be liable for the payment of tax under section 289A.029, subdivision 4, or (4) by a corporation. A proceeding in court for the collection of the tax must begin within two years after written request for the assessment (filed after the return is made and in the form the commissioner prescribes) by the personal representative or other fiduciary representing the estate of the decedent, or by the trustee of a terminating trust or other fiduciary who, because of custody of assets, would be liable for the payment of tax under section 289A.029, subdivision 4, or by the corporation. Except as provided in section 289A.10, subdivision 1, an assessment must not be made after the expiration of 3½ years after the return was filed, and an action must not be brought after the expiration of four years after the return was filed.

(b) Paragraph (a) only applies in the case of a corporation if:

(1) the written request notifies the commissioner that the corporation contemplates dissolution at or before the expiration of the 18-month period;

(2) the dissolution is begun in good faith before the expiration of the 18-month period; and

(3) the dissolution is completed within the 18-month period.

Subd. 13. [TIME LIMIT FOR ASSESSMENT AND COLLECTION

FOR TRANSFEREE OR FIDUCIARY.] The period of limitation for assessment and collection of any liability of a transferee or fiduciary is as follows:

(1) In the case of the liability of an initial transferee of the property of the taxpayer, the tax may be assessed within one year after the expiration of the period of limitation of assessment against the taxpayer. The tax may be collected by action brought within one year after the expiration of the period of limitation for the starting of an action against the taxpayer.

(2) In the case of the liability of the transferee of a transferee of the property of the taxpayer, the tax may be assessed within one year after the expiration of the period of limitation for assessment against the preceding transferee, but only if within 3½ years after the expiration of the period of limitation for assessment against the taxpayers. The tax may be collected by action brought within one year after the expiration of the period of limitation for the starting of an action against the preceding transferee, but only if within four years after the expiration of the period of limitation for bringing an action against the taxpayer; except that if before the liability of the transferee a court proceeding for the collection of the tax or liability has been begun against the taxpayer or last preceding transferee, liability of the transferee expires one year after the return of execution in the court proceeding and the period of limitation for collection by action will expire one year after the liability is assessed.

(3) In the case of the liability of a fiduciary, the tax may be assessed up to one year after the liability arises or not later than the expiration of the period for collection of the tax for which the liability arises, whichever is later, and may be collected by action brought within one year after assessment.

(4) For the purposes of this subdivision, if the taxpayer is deceased, or in the case of a corporation, has ended its existence, the period of limitation for assessment against the taxpayer will be the period that would be in effect had death or termination of existence not occurred.

As used in this subdivision, the term "transferee" includes heir, legatee, devisee, and distributee.

Subd. 14. [FAILURE TO TIMELY FILE WITHHOLDING RECONCILIATION.] If an employer fails to timely file the reconciliation required by section 289A.0212, subdivision 2, paragraph (d), withholding taxes may be assessed within the period prescribed in subdivision 1, or within one year from the date the reconciliation is filed with the commissioner, whichever is later.

Sec. 19. [289A.07] [LIMITATIONS; ARMED SERVICES.]

Subdivision 1. [EXTENSIONS FOR SERVICE MEMBERS.] The limitations of time provided by this chapter and chapter 290 relating to income taxes and chapter 271 relating to the tax court for filing returns, paying taxes, claiming refunds, commencing action thereon, appealing to the tax court from orders relating to income taxes, and appealing to the Supreme Court from decisions of the tax court relating to income taxes are extended, with respect to an individual, for the period during which the individual serves in the Armed Forces of the United States, or serves in support of the Armed Forces and as provided in section 7508 of the Internal Revenue Code of 1986, as amended through December 31, 1989, or serves in an area designated by the president as a combat zone or is hospitalized outside the United States as a result of injury received while serving in the combat during that time and for a further period of six months.

Subd. 2. [INTEREST AND PENALTIES.] Interest on income tax must not be assessed or collected from an individual, and interest must not be paid upon an income tax refund to any individual, with respect to whom, and for the period during which, the limitations or time are extended as provided in subdivision 1. A penalty will not be assessed or collected from an individual for failure during that period to perform an act required by the laws described in subdivision 1.

Subd. 3. [ASSESSMENTS; ACTIONS.] The time limitations provided for the assessment of a tax, penalty, or interest, are extended, with respect to those individuals and for the period provided in subdivision 1 and for a further period of six months; and the time limitations for the commencement of action to collect a tax, penalty, or interest from those individuals are extended for a period ending six months after the expiration of the time for assessment as provided in this section.

Subd. 4. [APPLICABILITY.] Nothing in this section reduces the time within which an act is required or permitted under this chapter.

Subd. 5. [EXTENSION LIMITATIONS.] This section does not extend the time for performing any of the acts set forth in this chapter beyond the expiration of three months after the appointment of a personal representative or guardian, in this state, for any individual described in this section, except as provided in subdivision 6.

Subd. 6. [DEATH WHILE SERVING IN ARMED FORCES.] If an individual dies while in active service as a member of the military or naval forces of the United States or of any of the United Nations, an income tax imposed under chapter 290 will not be imposed for the taxable year in which the individual dies. Income tax imposed for a prior taxable year that is unpaid at the date of death (including

additions to the tax, penalties) must not be assessed, and if assessed, the assessment must be abated. In addition, upon the filing of a claim for refund within seven years from the date the return was filed, the tax paid or collected with respect to any taxable year beginning after December 31, 1949, during which the decedent was in active service must be refunded.

Subd. 7. [DEATH OF CIVILIAN WHILE OUTSIDE UNITED STATES.] If an individual dies while a civilian employee of the United States as a result of wounds or injuries incurred while the individual was a civilian employee of the United States, and which were incurred outside the United States in a terroristic or military action, a tax imposed by chapter 290 does not apply with respect to the taxable year in which the death falls and with respect to any prior taxable years in the period beginning with the last taxable year ending before the taxable year in which the wounds or injury were incurred. Terroristic or military action has the meaning given it in section 692(c)(2) of the Internal Revenue Code of 1986, as amended through December 31, 1989.

Sec. 20. [289A.08] [LIMITATIONS ON CLAIMS FOR REFUND.]

Subdivision 1. [TIME LIMIT; GENERALLY.] Unless otherwise provided in this chapter, a claim for a refund of an overpayment of state tax must be filed within 3½ years from the date prescribed for filing the return (plus any extension of time granted for filing the return, but only if filed within the extended time) or two years from the time the tax is paid in full, whichever period expires later.

Subd. 2. [BAD DEBT LOSS.] If a claim relates to an overpayment because of a failure to deduct a loss due to a bad debt or to a security becoming worthless, the claim is considered timely if filed within seven years from the date prescribed for the filing of the return. The refund or credit is limited to the amount of overpayment attributable to the loss.

Subd. 3. [NET OPERATING LOSS; INDIVIDUALS.] A refund or credit must be allowed for a net operating loss carryback to any taxable year authorized by section 290.095, or section 172 of the Internal Revenue Code of 1986, as amended through December 31, 1989, but the refund or credit is limited to the amount of overpayment arising from the carryback.

Sec. 21. [289A.09] [BANKRUPTCY; SUSPENSION OF TIME.]

The running of the period during which a tax must be assessed or collection proceedings commenced is suspended during the period from the date of a filing of a petition in bankruptcy until 30 days after either notice to the commissioner of revenue that the bankruptcy proceedings have been closed or dismissed, or the automatic stay has been terminated or has expired, whichever occurs first.

The suspension of the statute of limitations under this section applies to the person the petition in bankruptcy is filed against and other persons who may also be wholly or partially liable for the tax.

Sec. 22. [289A.10] [CONSENT TO EXTEND STATUTE.]

Subdivision 1. [EXTENSION AGREEMENT.] If before the expiration of time prescribed in sections 289A.06 and 289A.08 for the assessment of tax or the filing of a claim for refund, both the commissioner and the taxpayer have consented in writing to the assessment or filing of a claim for refund after that time, the tax may be assessed or the claim for refund filed at any time before the expiration of the agreed upon period. The period may be extended by later agreements in writing before the expiration of the period previously agreed upon.

Subd. 2. [FEDERAL EXTENSIONS.] A taxpayer who consents to an extension of time for the assessment of federal income taxes must notify the commissioner within 90 days of the execution of the consent. The period in which the commissioner may recompute the tax is also extended, notwithstanding any period of limitations to the contrary, as follows:

(1) for the periods provided in section 289A.06, subdivisions 8 and 9;

(2) for six months following the expiration of the extended federal period of limitations when no change is made by the federal authority.

Sec. 23. [289A.11] [CLAIMS FOR REFUNDS.]

Subdivision 1. [GENERAL RIGHT TO REFUND.] (a) Subject to the requirements of this section and section 289A.08, a taxpayer who has paid a tax in excess of the taxes lawfully due and who files a written claim for refund will be refunded or credited the overpayment of the tax determined by the commissioner to be erroneously paid.

(b) The claim must specify the name of the taxpayer, the date when and the period for which the tax was paid, the kind of tax paid, the amount of the tax that the taxpayer claims was erroneously paid, the grounds on which a refund is claimed, and other information relative to the payment and in the form required by the commissioner. An income tax, estate tax, or corporate franchise tax return, or amended return claiming an overpayment constitutes a claim for refund.

(c) When, in the course of an examination, and within the time for requesting a refund, the commissioner determines that there has

been an overpayment of tax, the commissioner shall refund or credit the overpayment to the taxpayer and no demand is necessary. If the overpayment exceeds \$1, the amount of the overpayment must be refunded to the taxpayer. If the amount of the overpayment is less than \$1, the commissioner is not required to refund. In these situations, the commissioner does not have to make written findings or serve notice by mail to the taxpayer.

(d) If the amount allowable as a credit for withholding or estimated taxes exceeds the tax against which the credit is allowable, the amount of the excess is considered an overpayment.

(e) If the entertainment tax withheld at the source exceeds by \$1 or more the taxes, penalties, and interest reported in the return of the entertainment entity or imposed by section 290.9201, the excess must be refunded to the entertainment entity. If the excess is less than \$1, the commissioner need not refund that amount.

(f) If the surety deposit required for a construction contract exceeds the liability of the out-of-state contractor, the commissioner shall refund the difference to the contractor.

(g) An action of the commissioner in refunding the amount of the overpayment does not constitute a determination of the correctness of the return of the taxpayer.

(h) There is appropriated from the general fund to the commissioner of revenue the amount necessary to pay refunds allowed under this section.

Subd. 2. [REFUND OF SALES TAX TO VENDORS; LIMITATION.] If a vendor has collected from a purchaser and remitted to the state a tax on a transaction that is not subject to the tax imposed by chapter 297A, the tax is refundable to the vendor only if and to the extent that it is credited to amounts due to the vendor by the purchaser or returned to the purchaser by the vendor.

Subd. 3. [WITHHOLDING TAX AND ENTERTAINER WITHHOLDING TAX REFUNDS.] When there is an overpayment of withholding tax by an employer or a person making royalty payments, or an overpayment of entertainer withholding tax by the payor, a refund allowable under this section is limited to the amount of the overpayment that was not deducted and withheld from employee wages or from the royalty payments, or from the compensation of an entertainer.

Subd. 4. [NOTICE OF REFUND.] The commissioner shall determine the amount of refund, if any, that is due, and notify the taxpayer of the determination as soon as practicable after a claim has been filed.

Subd. 5. [WITHHOLDING OF REFUNDS FROM CHILD SUPPORT DEBTORS.] (a) If a court of this state finds that a person obligated to pay child support is delinquent in making payments, the amount of child support unpaid and owing, including attorneys fees and costs incurred in ascertaining or collecting child support, must be withheld from a refund due the person under chapter 290. The public agency responsible for child support enforcement or the parent or guardian of a child for whom the support, attorneys fees, and costs are owed may petition the district or county court for an order providing for the withholding of the amount of child support, attorneys fees, and costs unpaid and owing as determined by court order. The person from whom the refund may be withheld must be notified of the petition under the rules of civil procedure before the issuance of an order under this subdivision. The order may be granted on a showing to the court that required support payments, attorneys fees, and costs have not been paid when they were due.

(b) On order of the court and on payment of \$3 to the commissioner, the commissioner shall withhold the money from the refund due to the person obligated to pay the child support. The amount withheld shall be remitted to the public agency responsible for child support enforcement or to the parent or guardian petitioning on behalf of the child, after any delinquent tax obligations of the taxpayer owed to the revenue department have been satisfied. An amount received by the responsible public agency or the petitioning parent or guardian in excess of the amount of public assistance spent for the benefit of the child to be supported, or the amount of any support, attorneys fees, and costs that had been the subject of the claim under this subdivision that has been paid by the taxpayer before the diversion of the refund, must be paid to the person entitled to the money. If the refund is based on a joint return, the part of the refund that must be paid to the petitioner is the proportion of the total refund that equals the proportion of the total federal adjusted gross income of the spouses that is the federal adjusted gross income of the spouse who is delinquent in making the child support payments.

(c) A petition filed under this subdivision remains in effect with respect to any refunds due under this section until the support money, attorneys fees, and costs have been paid in full or the court orders the commissioner to discontinue withholding the money from the refund due the person obligated to pay the support, attorneys fees, and costs. If a petition is filed under this subdivision and a claim is made under chapter 270A with respect to the individual's refund and notices of both are received before the time when payment of the refund is made on either claim, the claim relating to the liability that accrued first in time must be paid first. The amount of the refund remaining must then be applied to the other claim.

Subd. 6. [OFFSETTING OF INCOME TAX REFUNDS.] Notwith-

standing any other law to the contrary, in the case of an overpayment, the commissioner, within the applicable period of limitations, may credit the amount of the overpayment against a liability with respect to Minnesota income tax on the part of the person who made the overpayment or against a liability with respect to Minnesota income tax on the part of either spouse who filed a joint return for the taxable year in which the overpayment was made and must refund a balance of more than \$1 to the person if the taxpayer so requests.

Subd. 7. [REMEDIES.] (a) If the taxpayer is notified by the commissioner that the refund claim is denied in whole or in part, the taxpayer may:

(1) file an administrative appeal as provided in section 289A.16, or an appeal with the tax court, within 60 days after issuance of the commissioner's notice of denial; or

(2) file an action in the district court to recover the refund.

(b) An action in the district court on a denied claim for refund must be brought within 18 months of the date of the denial of the claim by the commissioner.

(c) No action in the district court or the tax court shall be brought within six months of the filing of the refund claim unless the commissioner denies the claim within that period.

(d) If a taxpayer files a claim for refund and the commissioner has not issued a denial of the claim, the taxpayer may bring an action in the district court or the tax court at any time after the expiration of six months of the time the claim was filed, but within four years of the date that the claim was filed.

(e) The commissioner and the taxpayer may agree to extend the period for bringing an action in the district court.

(f) An action for refund of tax by the taxpayer must be brought in the district court of the district in which lies the county of the taxpayer's residence or principal place of business. In the case of an estate or trust, the action must be brought at the principal place of its administration. Any action may be brought in the district court for Ramsey county.

Subd. 8. [MISTAKE DISCOVERED BY COMMISSIONER.] If the commissioner determines that money has been erroneously collected from a taxpayer or other person, the commissioner shall, within the period named in section 289A.08 for filing a claim for refund, and subject to the provisions of section 270.07, subdivision 5, and chapter 270A, grant a refund to that taxpayer or other person.

Sec. 24. [289A.12] [INTEREST PAYABLE TO COMMISSIONER.]

Subdivision 1. [INTEREST RATE.] When interest is required under this section, interest is computed at the rate specified in section 270.75.

Subd. 2. [LATE PAYMENT.] If a tax is not paid within the time named by law for payment, the unpaid tax bears interest from the date the tax should have been paid until the date the tax is paid.

Subd. 3. [EXTENSIONS.] When an extension of time for payment has been granted, interest must be paid from the date the payment should have been made, if no extension had been granted, until the date the tax is paid.

Subd. 4. [ADDITIONAL ASSESSMENTS.] When a taxpayer is liable for additional taxes because of a redetermination by the commissioner, or for any other reason, the additional taxes bear interest from the time the tax should have been paid, without regard to an extension allowed, until the date the tax is paid.

Subd. 5. [EXCESSIVE CLAIMS FOR REFUNDS UNDER CHAPTER 290A.] When it is determined that a claim for a property tax refund was excessive, the amount that the taxpayer must repay bears interest from the date the claim was paid until the date of repayment.

Subd. 6. [ERRONEOUS REFUNDS.] In the case of an erroneous refund, interest begins to accrue from the date the refund was paid unless the erroneous refund results from a mistake of the department, in which case no interest or penalty will be imposed, unless the deficiency assessment is not satisfied within 60 days of the order.

Subd. 7. [INSTALLMENT PAYMENTS; ESTATE TAX.] Interest must be paid on unpaid installment payments of the tax authorized under section 289A.028, subdivision 2, beginning on the date the tax was due without regard to extensions allowed or extensions elected, at the rate of interest in effect under section 270.75, nine months following the date of death.

Subd. 8. [INTEREST ON JUDGMENTS.] Notwithstanding section 549.09, if judgment is entered in favor of the commissioner with regard to any tax, the judgment bears interest at the rate given in section 270.75 from the date the judgment is entered until the date of payment.

Subd. 9. [INTEREST ON PENALTIES.] (a) A penalty imposed under section 289A.14, subdivisions 1, 2, 3, 4, 5, or 6, bears interest

from the date the return or payment was required to be filed or paid (including any extensions), to the date of payment of the penalty.

(b) A penalty not included in paragraph (a) bears interest only if it is not paid within ten days from the date of notice. In that case interest is imposed from the date of notice to the date of payment.

Sec. 25. [289A.13] [INTEREST ON OVERPAYMENTS.]

Subdivision 1. [INTEREST RATE.] When interest is due on an overpayment under this section, it must be computed at the rate specified in section 270.76.

Subd. 2. [CORPORATE FRANCHISE, INDIVIDUAL AND FIDUCIARY INCOME, AND ENTERTAINER TAX OVERPAYMENTS.] Interest must be paid on an overpayment refunded or credited to the taxpayer from the date of payment of the tax until the date the refund is paid or credited. For purposes of this subdivision, the prepayment of tax made by withholding of tax at the source or payment of estimated tax before the due date is considered paid on the last day prescribed by law for the payment of the tax by the taxpayer. A return filed before the due date is considered as filed on the due date.

When the amount of tax withheld at the source or paid as estimated tax or allowable as other refundable credits, or withheld from compensation of entertainers, exceeds the tax shown on the original return by \$10, the amount refunded bears interest from 90 days after (1) the due date of the return of the taxpayer, or (2) the date on which the original return is filed, whichever is later, until the date the refund is paid to the taxpayer. Where the amount to be refunded is less than \$10, no interest is paid. However, to the extent that the basis for the refund is a net operating loss carryback, interest is computed only from the end of the taxable year in which the loss occurs.

Subd. 3. [WITHHOLDING TAX, ENTERTAINER WITHHOLDING TAX, WITHHOLDING FROM PAYMENTS TO OUT-OF-STATE CONTRACTORS, ESTATE TAX, AND SALES TAX OVERPAYMENTS.] When a refund is due for overpayments of withholding tax, entertainer withholding tax, withholding from payments to out-of-state contractors, estate tax, or sales tax, interest is computed from the date of payment to the date the refund is paid or credited. For purposes of this subdivision, the date of payment is the later of the date the tax was finally due or was paid.

Subd. 4. [CAPITAL EQUIPMENT REFUNDS.] Notwithstanding subdivision 3, for refunds payable under section 297A.15, subdivision 5, interest is computed from the date the refund claim is filed with the commissioner.

Subd. 5. [SALES OR MOTOR VEHICLE EXCISE TAX; RETAILERS.] In the case of a refund allowed under section 297A.211, subdivision 3, interest is allowed only from the date on which the person has both registered as a retailer and filed a claim for refund.

Subd. 6. [PROPERTY TAX REFUNDS UNDER CHAPTER 290A.] (a) When a renter is owed a property tax refund, an unpaid refund bears interest after August 14, or 60 days after the refund claim was made, whichever is later, until the date the refund is paid.

(b) When any other claimant is owed a property tax refund, the unpaid refund bears interest after September 29, or 60 days after the refund claim was made, whichever is later, until the date the refund is paid.

Sec. 26. [289A.14] [CIVIL PENALTIES.]

Subdivision 1. [PENALTY FOR FAILURE TO PAY TAX.] If a tax is not paid or amounts required to be withheld are not remitted within the time specified for payment, a penalty must be added to the amount required to be shown as tax. The penalty is three percent of the tax not paid on or before the date specified for payment of the tax if the failure is for not more than 30 days, with an additional penalty of three percent of the amount of tax remaining unpaid during each additional 30 days or fraction of 30 days during which the failure continues, not exceeding 24 percent in the aggregate.

Subd. 2. [PENALTY FOR FAILURE TO MAKE AND FILE RETURN.] If a taxpayer fails to make and file a return within the time prescribed or an extension, a penalty is added to the tax. The penalty is three percent of the amount of tax not paid on or before the date prescribed for payment of the tax including any extensions if the failure is for not more than 30 days, with an additional five percent of the amount of tax remaining unpaid during each additional 30 days or fraction of 30 days, during which the failure continues, not exceeding 23 percent in the aggregate.

If a taxpayer fails to file a return, other than an income tax return of an individual, within 60 days of the date prescribed for filing of the return (determined with regard to any extension of time for filing), the addition to tax under this subdivision must not be less than the lesser of: (1) \$200; or (2) the greater of (a) 25 percent of the amount required to be shown as tax on the return without reduction for any payments made or refundable credits allowable against the tax, or (b) \$50.

Subd. 3. [COMBINED PENALTIES.] When penalties are imposed under subdivisions 1 and 2, except for the minimum penalty under subdivision 2, the penalties imposed under both subdivisions combined must not exceed 38 percent.

Subd. 4. [SUBSTANTIAL UNDERSTATEMENT OF LIABILITY; PENALTY.] The commissioner of revenue shall impose a penalty for substantial understatement of any tax payable to the commissioner, except a tax imposed under chapter 297A.

There must be added to the tax an amount equal to 20 percent of the amount of any underpayment attributable to the understatement. There is a substantial understatement of tax for the period if the amount of the understatement for the period exceeds the greater of: (1) ten percent of the tax required to be shown on the return for the period; or (2)(a) \$10,000 in the case of a corporation other than an S corporation as defined in section 290.9725 when the tax is imposed by chapter 290, or (b) \$5,000 in the case of any other taxpayer, and in the case of a corporation any tax not imposed by chapter 290. The term "understatement" means the excess of the amount of the tax required to be shown on the return for the period, over the amount of the tax imposed that is shown on the return. The amount of the understatement shall be reduced by that part of the understatement that is attributable to the tax treatment of any item by the taxpayer if there is or was substantial authority for the treatment, or any item with respect to which the relevant facts affecting the item's tax treatment are adequately disclosed in the return or in a statement attached to the return. The special rules in cases involving tax shelters provided in section 6662(d)(2)(C) of the Internal Revenue Code of 1986, as amended through December 31, 1989, shall apply and shall apply to a tax shelter the principal purpose of which is the avoidance or evasion of state taxes. The commissioner may abate all or any part of the addition to the tax provided by this section on a showing by the taxpayer that there was reasonable cause for the understatement, or part of it, and that the taxpayer acted in good faith. The additional tax and penalty shall bear interest at the rate specified in section 270.75 from the time the tax should have been paid until paid.

Subd. 5. [PENALTY FOR INTENTIONAL DISREGARD OF LAW OR RULES.] If part of an additional assessment is due to negligence or intentional disregard of the provisions of the applicable tax laws or rules of the commissioner (but without intent to defraud), there must be added to the tax an amount equal to ten percent of the additional assessment.

Subd. 6. [PENALTY FOR FALSE OR FRAUDULENT RETURN, EVASION.] If a person files a false or fraudulent return, or attempts in any manner to evade or defeat a tax or payment of tax, there is imposed on the person a penalty equal to 50 percent of the tax (less amounts paid by the person on the basis of the false or fraudulent return) due for the period to which the return related.

Subd. 7. [PENALTY FOR FRIVOLOUS RETURN.] If an individual files what purports to be a tax return required by chapter 290 but which does not contain information on which the substantial

correctness of the assessment may be judged or contains information that on its face shows that the assessment is substantially incorrect and the conduct is due to a position that is frivolous or a desire that appears on the purported return to delay or impede the administration of Minnesota tax laws, then the individual shall pay a penalty of \$500. In a proceeding involving the issue of whether or not a person is liable for this penalty, the burden of proof is on the commissioner.

Subd. 8. [PENALTY FOR FAILURE TO FILE INFORMATIONAL RETURN.] In the case of a failure to file an informational return required by section 289A.0218 with the commissioner on the date prescribed (determined with regard to any extension of time for filing), the person failing to file the return shall pay a penalty of \$50 for each failure or in the case of a partnership, S corporation, or fiduciary return, \$50 for each partner, shareholder, or beneficiary; but the total amount imposed on the delinquent person for all failures during any calendar year must not exceed \$25,000. If a failure to file a return is due to intentional disregard of the filing requirement, then the penalty imposed under the preceding sentence must not be less than an amount equal to:

(1) in the case of a return not described in clause (2) or (3), ten percent of the aggregate amount of the items required to be reported;

(2) in the case of a return required to be filed under section 289A.0218, subdivision 5, five percent of the gross proceeds required to be reported; and

(3) in the case of a return required to be filed under section 289A.0218, subdivision 9, relating to direct sales, \$100 for each failure; however, the total amount imposed on the delinquent person for intentional failures during a calendar year must not exceed \$50,000. The penalty must be collected in the same manner as a delinquent income tax.

Subd. 9. [PENALTIES FOR FAILURE TO GIVE ANNUAL REPORT INFORMATION BY EXEMPT INDIVIDUALS, CORPORATIONS.] In the case of a failure to give annual report information as prescribed by section 290.05, subdivision 4, the exempt individual or corporation shall pay the commissioner a penalty of \$100 for each failure.

Subd. 10. [PENALTY FOR FAILURE TO PROVIDE SOCIAL SECURITY NUMBER AS REQUIRED.] A person who is required by law to: (1) give the person's social security account number to another person; or (2) include in a return, statement, or other document made with respect to another person that individual's social security account number, who fails to comply with the requirement when prescribed, must pay a penalty of \$50 for each

failure. The total amount imposed on a person for failures during a calendar year must not exceed \$25,000.

Subd. 11. [PENALTIES RELATING TO INFORMATION REPORTS, WITHHOLDING.] (a) When a person required under section 289A.0212, subdivision 2, to give a statement to an employee or payee and a duplicate statement to the commissioner, or to give a reconciliation of the statements and quarterly returns to the commissioner, gives a false or fraudulent statement to an employee or payee or a false or fraudulent duplicate statement or reconciliation of statements and quarterly returns to the commissioner; or fails to give a statement or the reconciliation in the manner, when due, and showing the information required by section 289A.0212, subdivision 2, or rules prescribed by the commissioner under that section, is liable for a penalty of \$50 for an act or failure to act. The total amount imposed on the delinquent person for failures during a calendar year must not exceed \$25,000.

(b) In addition to any other penalty provided by law, an employee who gives a withholding exemption certificate or a residency affidavit to an employer that the employee has reason to know contains a materially incorrect statement is liable to the commissioner of revenue for a penalty of \$500 for each instance.

(c) In addition to any other penalty provided by law, an employer who fails to submit a copy of a withholding exemption certificate or a residency affidavit required by section 290.92, subdivision 5a, clause (1)(a), (1)(b), or (2) is liable to the commissioner of revenue for a penalty of \$50 for each instance.

(d) An employer or payor who fails to file an application for a withholding account number, as required by section 290.92, subdivision 24, is liable to the commissioner for a penalty of \$100.

Subd. 12. [PENALTIES RELATING TO PROPERTY TAX REFUNDS.] (a) If the commissioner determines that a property tax refund claim is or was excessive and was filed with fraudulent intent, the claim must be disallowed in full. If the claim has been paid, the amount disallowed may be recovered by assessment and collection.

(b) If it is determined that a property tax refund claim is excessive and was negligently prepared, ten percent of the corrected claim must be disallowed. If the claim has been paid, the amount disallowed must be recovered by assessment and collection.

(c) An owner or managing agent who knowingly fails to give a certificate of rent constituting property tax to a renter, as required by section 290A.19, paragraph (a), is liable to the commissioner for a penalty of \$100 for each failure.

(d) If the owner or managing agent knowingly gives rent certificates that report total rent constituting property taxes in excess of the amount of actual property taxes paid on the rented part of a property, the owner or managing agent is liable for a penalty equal to the greater of (1) \$100 or (2) 50 percent of the excess that is reported.

(e) A claim filed after the original or extended due date will be reduced by five percent of the amount otherwise allowable, plus an additional five percent for each month of delinquency, not exceeding a total reduction of 25 percent, which may be canceled or reduced by the commissioner if the delinquency is due to reasonable cause. In any event, no claim is allowed if the initial claim is filed more than one year after the original due date for filing the claim.

Subd. 13. [PENALTIES FOR TAX RETURN PREPARERS.] (a) If an understatement of liability with respect to a return or claim for refund is due to a willful attempt in any manner to understate the liability for a tax by a person who is a tax return preparer with respect to the return or claim, the person shall pay to the commissioner a penalty of \$500. If a part of a property tax refund claim is excessive due to a willful attempt in any manner to overstate the claim for relief allowed under chapter 290A by a person who is a tax refund or return preparer, the person shall pay to the commissioner a penalty of \$500 with respect to the claim. These penalties may not be assessed against the employer of a tax return preparer unless the employer was actively involved in the willful attempt to understate the liability for a tax or to overstate the claim for refund. These penalties are income tax liabilities and may be assessed at any time as provided in section 289A.06, subdivision 5.

(b) A civil action in the name of the state of Minnesota may be commenced to enjoin any person who is a tax return preparer doing business in this state from further engaging in any conduct described in paragraph (c). An action under this paragraph must be brought by the attorney general in the district court for the judicial district of the tax return preparer's residence or principal place of business, or in which the taxpayer with respect to whose tax return the action is brought resides. The court may exercise its jurisdiction over the action separate and apart from any other action brought by the state of Minnesota against the tax return preparer or any taxpayer.

(c) In an action under paragraph (b), if the court finds that a tax return preparer has:

(1) engaged in any conduct subject to a civil penalty under section 289A.14 or a criminal penalty under section 289A.15;

(2) misrepresented the preparer's eligibility to practice before the department of revenue, or otherwise misrepresented the preparer's experience or education as a tax return preparer;

(3) guaranteed the payment of any tax refund or the allowance of any tax credit; or

(4) engaged in any other fraudulent or deceptive conduct that substantially interferes with the proper administration of state tax law, and injunctive relief is appropriate to prevent the recurrence of that conduct,

the court may enjoin the person from further engaging in that conduct.

(d) If the court finds that a tax return preparer has continually or repeatedly engaged in conduct described in paragraph (c), and that an injunction prohibiting that conduct would not be sufficient to prevent the person's interference with the proper administration of state tax laws, the court may enjoin the person from acting as a tax return preparer. The court may not enjoin the employer of a tax return preparer for conduct described in paragraph (c) engaged in by one or more of the employer's employees unless the employer was also actively involved in that conduct.

(e) For purposes of this subdivision, the term "understatement of liability" means an understatement of the net amount payable with respect to a tax imposed by state tax law, or an overstatement of the net amount creditable or refundable with respect to a tax. The determination of whether or not there is an understatement of liability must be made without regard to any administrative or judicial action involving the taxpayer. For purposes of this subdivision, the amount determined for underpayment of estimated tax under either section 289A.026 or 289A.027 is not considered an understatement of liability.

(f) For purposes of this subdivision, the term "overstatement of claim" means an overstatement of the net amount refundable with respect to a claim for property tax relief provided by chapter 290A. The determination of whether or not there is an overstatement of a claim must be made without regard to administrative or judicial action involving the claimant.

(g) For purposes of this section, the term "tax refund or return preparer" means an individual who prepares for compensation, or who employs one or more individuals to prepare for compensation, a return of tax, or a claim for refund of tax. The preparation of a substantial part of a return or claim for refund is treated as if it were the preparation of the entire return or claim for refund. An individual is not considered a tax return preparer merely because the individual:

(1) gives typing, reproducing, or other mechanical assistance;

(2) prepares a return or claim for refund of the employer, or an officer or employee of the employer, by whom the individual is regularly and continuously employed;

(3) prepares a return or claim for refund of any person as a fiduciary for that person; or

(4) prepares a claim for refund for a taxpayer in response to a tax order issued to the taxpayer.

Subd. 14. [PENALTY FOR USE OF SALES TAX EXEMPTION CERTIFICATES TO EVADE TAX.] A person who uses an exemption certificate to buy property that will be used for purposes other than the exemption claimed, with the intent to evade payment of sales tax to the seller, is subject to a penalty of \$100 for each transaction where that use of an exemption certificate has occurred.

Subd. 15. [ACCELERATED PAYMENT OF JUNE SALES TAX LIABILITY; PENALTY FOR UNDERPAYMENT.] If a vendor is required by law to submit an estimation of June sales tax liabilities and one-half payment by a certain date, and the vendor fails to remit the balance due by the date required, the vendor shall pay a penalty equal to ten percent of the amount of actual June liability required to be paid in June less the amount remitted in June. The penalty must not be imposed, however, if the amount remitted in June equals the lesser of: (1) 45 percent of the actual June liability, or (2) 50 percent of the preceding May's liability.

Subd. 16. [PENALTY FOR SALES AFTER REVOCATION.] A person who engages in the business of making retail sales after revocation of a permit under section 297A.07 is liable for a penalty of \$100 for each day the person continues to make taxable sales.

Subd. 17. [OPERATOR OF FLEA MARKETS; PENALTY.] A person who fails to comply with the provisions of section 297A.041 is subject to a penalty of \$100 for each day of each selling event that the operator fails to obtain evidence that a seller is the holder of a valid seller's permit issued under section 297A.04.

Subd. 18. [PAYMENT OF PENALTIES.] The penalties imposed by this section are collected and paid in the same manner as taxes.

Subd. 19. [PENALTIES ARE ADDITIONAL.] The civil penalties imposed by this section are in addition to the criminal penalties imposed by this chapter.

Sec. 27. [289A.15] [CRIMINAL PENALTIES.]

Subdivision 1. [PENALTIES FOR KNOWING FAILURE TO FILE OR PAY; WILLFUL EVASION.] (a) A person required to file a return, report, or other document with the commissioner, who knowingly, rather than accidentally, inadvertently, or negligently, fails to file it when required, is guilty of a gross misdemeanor. A person required to file a return, report, or other document who willfully attempts in any manner to evade or defeat a tax by failing to file it when required, is guilty of a felony.

(b) A person required to pay or to collect and remit a tax, who knowingly, rather than accidentally, inadvertently, or negligently, fails to do so when required, is guilty of a gross misdemeanor. A person required to pay or to collect and remit a tax, who willfully attempts to evade or defeat a tax law by failing to do so when required, is guilty of a felony.

Subd. 2. [FALSE OR FRAUDULENT RETURNS; PENALTIES.]

(a) A person who files with the commissioner a return, report, or other document, known by the person to be fraudulent or false concerning a material matter, is guilty of a felony.

(b) A person who knowingly aids or assists in, or advises in the preparation or presentation of a return, report, or other document that is fraudulent or false concerning a material matter, whether or not the falsity or fraud committed is with the knowledge or consent of the person authorized or required to present the return, report, or other document, is guilty of a felony.

Subd. 3. [SALES WITHOUT PERMIT; VIOLATIONS.] (a) A person who engages in the business of making retail sales in Minnesota without the permit or permits required under chapter 297A, or a responsible officer of a corporation who so engages in business, is guilty of a gross misdemeanor.

(b) A person who engages in the business of making retail sales in Minnesota after revocation of a permit under section 297A.07, when the commissioner has not issued a new permit, is guilty of a felony.

Subd. 4. [ADVERTISING NO SALES OR USE TAX; VIOLATION.] It is a misdemeanor for a person to broadcast or publish, or arrange to have broadcast or published, an advertisement in a publication or broadcast media, printed, distributed, broadcast, or intended to be received in this state, that states that no sales or use tax is due, when the person knows the advertisement is false.

Subd. 5. [EMPLOYEE GIVING EMPLOYER FALSE INFORMATION.] An employee required to supply information to an employer under section 290.92, subdivisions 4a and 5, who knowingly fails to

supply information or who knowingly supplies false or fraudulent information to an employer, is guilty of a gross misdemeanor.

Subd. 6. [COLLECTION OF TAX; PENALTY.] An agent, canvasser, or employee of a retailer, who is not authorized by permit from the commissioner, may not collect the sales tax as imposed by chapter 297A, nor sell, solicit orders for, nor deliver, any tangible personal property in this state. An agent, canvasser, or employee violating the provisions of sections 297A.14 to 297A.25, is guilty of a misdemeanor.

Subd. 7. [UNAUTHORIZED DISCLOSURE.] Any person disclosing any particulars of any tax return, without the written consent of the taxpayer making such return, in violation of the provisions of section 290.611, is guilty of a gross misdemeanor.

Subd. 8. [CRIMINAL PENALTIES.] Criminal penalties imposed by this section are in addition to any civil penalties imposed by this chapter.

Subd. 9. [STATUTE OF LIMITATIONS.] Notwithstanding section 628.26, or any other provision of the criminal laws of this state, an indictment may be found and filed, or a complaint filed, upon a criminal offense named in this section, in the proper court within six years after the offense is committed.

Subd. 10. [PERSON DEFINED.] The term "person" as used in this section includes any officer or employee of a corporation or a member or employee of a partnership who as an officer, member, or employee is under a duty to perform the act in respect to which the violation occurs.

Sec. 28. [289A.16] [ADMINISTRATIVE REVIEW.]

Subdivision 1. [TAXPAYER RIGHT TO RECONSIDERATION.] A taxpayer may obtain reconsideration by the commissioner of an order assessing tax, a denial of a request for abatement of penalty, or a denial of a claim for refund by filing an administrative appeal under subdivision 4. A taxpayer cannot obtain reconsideration under this section if the action taken by the commissioner is the outcome of an administrative appeal.

Subd. 2. [APPEAL BY TAXPAYER.] A taxpayer who wishes to seek administrative review must follow the procedures in subdivision 4.

Subd. 3. [NOTICE DATE.] For purposes of this section, the term "notice date" means the date of the order adjusting the tax or order denying a request for abatement, or, in the case of a denied refund, the date of the notice of denial.

Subd. 4. [TIME AND CONTENT FOR ADMINISTRATIVE APPEAL.] Within 60 days after the notice date, the taxpayer must file a written appeal with the commissioner. The appeal need not be in any particular form but must contain the following information:

- (1) name and address of the taxpayer;
- (2) if a corporation, the state of incorporation of the taxpayer, and the principal place of business of the corporation;
- (3) the Minnesota identification number or social security number of the taxpayer;
- (4) the type of tax involved;
- (5) the date;
- (6) the tax years or periods involved and the amount of tax involved for each year or period;
- (7) the findings in the notice that the taxpayer disputes;
- (8) a summary statement that the taxpayer relies on for each exception; and
- (9) the taxpayer's signature or signature of the taxpayer's duly authorized agent.

Subd. 5. [EXTENSIONS.] When requested in writing and within the time allowed for filing an administrative appeal, the commissioner may extend the time for filing an appeal for a period not more than 30 days from the expiration of the 60 days from the notice date.

Subd. 6. [DETERMINATION OF APPEAL.] On the basis of applicable law and available information, the commissioner shall determine the validity, if any, in whole or part of the appeal and notify the taxpayer of the decision. This notice must be in writing and contain the basis for the determination.

Subd. 7. [AGREEMENT DETERMINING TAX LIABILITY.] When it appears to be in the best interests of the state, the commissioner may settle any taxes, penalties, or interest that the commissioner has under consideration by virtue of an appeal filed under this section. An agreement must be in writing and signed by the commissioner and the taxpayer, or the taxpayer's representative authorized by the taxpayer to enter into an agreement. The agreement must be filed in the office of the commissioner.

Subd. 8. [APPEAL OF AN ADMINISTRATIVE DETERMINATION.] Following the determination or settlement of an appeal and

notwithstanding any period of limitations for making assessments or other determinations to the contrary, the commissioner must issue an order reflecting that disposition. If the statute of limitations for making assessments or other determinations would have expired before the issuance of this order, except for this section, the order is limited to issues or matters contained in the appealed determination. Except in the case of an agreement determining tax under this section, the order is appealable to the Minnesota tax court under section 271.06.

Subd. 9. [APPEAL WHERE NO DETERMINATION.] If the commissioner does not make a determination within six months of the filing of an administrative appeal, the taxpayer may elect to appeal to tax court.

Subd. 10. [EXEMPTION FROM ADMINISTRATIVE PROCEDURE ACT.] This section is not subject to chapter 14.

Sec. 29. Minnesota Statutes 1988, section 290.05, subdivision 4, is amended to read:

Subd. 4. (a) Corporations, individuals, estates, trusts or organizations claiming exemption under the provisions of subdivision 2 shall furnish information as to concerning their exempt status under the Internal Revenue Code.

(b) ~~Such~~ Corporations, individuals, estates, trusts, and organizations shall file with the commissioner of revenue a copy of any an annual report that is required to be filed with the Internal Revenue Service, no later than ten days after filing ~~the same~~ it with the Internal Revenue Service. ~~Any~~ An annual report required of a pension plan under sections 6057 to 6059 of the Internal Revenue Code of 1954, does not need to be filed with the commissioner.

Any person required to file a copy of a federal return pursuant to the preceding paragraph who willfully fails to file such return shall be guilty of a misdemeanor.

(c) ~~In the event that~~ If the Internal Revenue Service revokes, cancels or suspends, in whole or part, the exempt status of any corporation, individual, estate, trust or organization referred to in ~~clause paragraph~~ paragraph (a), or if the amount of gross income, deductions, credits, items of tax preference or taxable income is changed or corrected by either the taxpayer or the Internal Revenue Service, or if the taxpayer consents to any extension of time for assessment of federal income taxes such, the corporation, individual, estate, trust or organization shall notify the commissioner in writing of such the ~~the~~ action within 90 days thereafter after that date.

(d) The periods of limitations contained in section 290.56 shall 289A.10, subdivision 2, apply whenever when there has been any action referred to in clause paragraph (c), notwithstanding any period of limitations to the contrary.

Sec. 30. Minnesota Statutes Second 1989 Supplement, section 290.92, subdivision 4b, is amended 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 withheld under this subdivision if the partnership had reasonable cause to believe that no tax was due under this section.

(e) (d) 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; or

(4) the distributive shares of partnership income are attributable to:

(i) income required to be recognized because of discharge of indebtedness;

(ii) income recognized because of a sale, exchange, or other disposition of real estate, depreciable property, or property described in section 179 of the Internal Revenue Code of 1986, as amended through December 31, 1988; or

(iii) income recognized on the sale, exchange, or other disposition of any property that has been the subject of a basis reduction pursuant to section 108, 734, 743, 754, or 1017 of the Internal Revenue Code of 1986, as amended through December 31, 1988,

to the extent that the income does not include cash received or receivable or, if there is cash received or receivable, to the extent that the cash is required to be used to pay indebtedness by the partnership or a secured debt on partnership property.

~~(4)~~ (e) For purposes of ~~subdivisions 6, paragraph (1)(c), subdivision 6a, 7, 11, and 15, and sections 289A.0212, subdivision 2, 289A.025, subdivision 2, paragraph (c), 289A.11, 289A.13, 289A.14, and 289A.15,~~ a partnership is considered an employer.

(g) To the extent that income is exempt from withholding under paragraph (e), clause (4), the commissioner has a lien in an amount up to the amount that would be required to be withheld with respect to the income of the partner attributable to the partnership interest, but for the application of paragraph (e), clause (4). The lien arises under section 270.69 from the date of assessment of the tax against the partner, and attaches to that partner's share of the profits and any other money due or to become due to that partner in respect of the partnership. Notice of the lien may be sent by mail to the partnership, without the necessity for recording the lien. The notice has the force and effect of a levy under section 270.70, and is enforceable against the partnership in the manner provided by that section. Upon payment in full of the liability subsequent to the notice of lien, the partnership must be notified that the lien has been satisfied.

Sec. 31. Minnesota Statutes 1989 Supplement, section 290.92, subdivision 4c, is amended 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's 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) (d) For purposes of subdivisions 6, paragraph (1)(c), subdivision 6a, 7, 11, and 15, and sections 289A.0212, subdivision 2, 289A.025, subdivision 2, paragraph (c), 289A.11, 289A.13, 289A.14, and 289A.15, a corporation is considered an employer.

Sec. 32. Minnesota Statutes 1988, section 290.92, subdivision 6a, is amended to read:

Subd. 6a. [FAILURE TO COMPLY WITH WITHHOLDING PROVISIONS.] (a) ~~Whenever any~~ When a person who is required to deduct, withhold, pay over, or deposit any tax imposed by this

chapter, at the time and in the manner prescribed by law or rules fails to deduct, withhold, or pay over ~~such the~~ tax, or fails to make deposits or payments of ~~such the~~ tax and is notified of ~~any such the~~ failure by notice served upon the person in the manner prescribed for service of a summons in civil actions, then ~~all the~~ requirements of paragraph (b) shall be ~~complied with met~~. In the case of a corporation, partnership or trust, notice served upon an officer, partner or trustee shall, for purposes of this subdivision, be deemed to be considered notice served upon ~~such the~~ corporation, partnership, or trust and ~~all their~~ officers, partners, or trustees thereof.

(b) ~~Any A~~ person who is required to deduct, withhold, pay over, or deposit any a tax imposed by this chapter, if notice has been served upon ~~such that~~ person in accordance with paragraph (a), shall ~~thereafter after~~ that date deduct, withhold, and collect ~~such the~~ taxes and shall (not later than the end of the second banking day after any amount of such taxes is deducted, withheld or collected) deposit ~~such the~~ taxes in a separate account in a bank, savings bank or savings and loan association and shall keep the amount of ~~such the~~ taxes in ~~such that~~ account until payment ~~over paid~~ to the state of Minnesota. ~~Any such The~~ account shall ~~constitute constitutes~~ and must be designated as a special fund in trust for the state of Minnesota payable to the state of Minnesota by ~~such that~~ person as trustee. It shall be the duty of ~~such The~~ person upon whom ~~such~~ notice is served to shall notify the commissioner of revenue in writing of the name and address of the bank, savings bank or savings and loan association wherein ~~such the~~ account is kept, together with ~~such other~~ information as the commissioner may require. In lieu of the trust fund account, the commissioner may, when necessary in order to secure the withholding of the tax imposed by this chapter, require an employer to file with the department of revenue a bond in an amount determined by the commissioner, or in lieu thereof of it, security in a form and in an amount as the commissioner determines, not to exceed more than twice the estimated average liability for future monthly withholding tax periods.

(c) The commissioner of revenue, on being satisfied with respect to any notification made under paragraph (a) of ~~this subdivision that~~ all the requirements of law and rules with respect to the taxes imposed by this chapter have been and will ~~henceforth~~ be complied with, may cancel ~~such the~~ notification. ~~Such The~~ cancellation shall take effect at ~~such the~~ time as is specified in the notice of ~~such the~~ cancellation. All notices authorized or required under this subdivision shall must be in ~~such the~~ form as the commissioner may ~~determine determines~~.

(d) Any person who fails to comply with any provisions of this subdivision shall, in addition to any other penalties provided by law, be guilty of a gross misdemeanor, except that the provisions of this paragraph shall not apply

(1) to any person if such person shows that there was reasonable doubt as to (a) whether the law required deduction, withholding or payment of tax or (b) what person was required by law to deduct, withhold or pay; or

(2) to any person, if such person shows that the failure to comply with the provisions of paragraph (b) is due to circumstances beyond the person's control. A lack of funds existing immediately after the payment of wages (whether or not created by such payment) shall not be considered to be circumstances beyond the control of a person.

Sec. 33. Minnesota Statutes 1988, section 290.92, subdivision 24, is amended to read:

Subd. 24. [APPLICATION FOR ACCOUNT NUMBER.] An employer, or person withholding tax under section 290.923, desiring to engage in business in Minnesota shall file with the commissioner an application for a withholding account number on or before the due date of the first payment required to be made under the provisions of subdivision 6. An application for an account number shall must be made upon a form prescribed by the commissioner and shall set forth. It must give the name of the employer or payor, the location of the place or places of business, the names, addresses and social security numbers of the owners or partners, or if the employer or payor is a corporation of the officers, or if the employer or payor is a trust of the trustees, and such other information as the commissioner may require. The application shall must be filed by the owner if the employer or payor is a natural person; by a member or partner if the employer or payor is an association or partnership; by a trustee if the employer or payor be a trust, or by a person authorized to sign the application if the employer or payor is a corporation.

No fee shall be charged for the application.

The account number is not assignable.

An employer or payor who fails to file an application for a withholding account number shall be liable to the commissioner for a penalty of \$100. The penalty shall be collected in the same manner as delinquent withholding tax is collected. The commissioner may abate this penalty.

Sec. 34. Minnesota Statutes 1989 Supplement, section 290.9201, subdivision 7, is amended to read:

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, 3, or 28, except the provisions of ~~section~~ sections 290.92, subdivisions 6a, 7, 14, 15, and 18, 270.06, paragraph (16), 289A.0212, subdivision 2, 289A.14, and 289A.15 shall apply to withholding under this section as if the withholding were upon wages.

Sec. 35. Minnesota Statutes 1989 Supplement, section 290.9201, subdivision 8, is amended to read:

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.

Sec. 36. Minnesota Statutes 1989 Supplement, section 290.9705, subdivision 4, is amended to read:

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 subdivision 1 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. 37. Minnesota Statutes Second 1989 Supplement, section 290A.07, subdivision 2a, is amended to read:

Subd. 2a. A claimant who is a renter or a homeowner who occupies a manufactured home, as defined in section 274.19, subdivision 8, paragraph (c), shall receive full payment after August 1 and prior to before August 15 or 60 days after receipt of the application, whichever is later. Interest shall be added at the rate specified in section 270.76 from August 15 or 60 days after receipt of the application whichever is later.

Sec. 38. Minnesota Statutes 1988, section 290A.07, subdivision 3, is amended to read:

Subd. 3. Any A claimant not included in subdivision 2a shall receive full payment after September 15 and ~~prior to before~~ September 30. Interest shall be added at the rate specified in ~~section 270.76~~ from September 30 or 60 days after receipt of the application, whichever is later. Interest will be computed until the date the claim is paid.

Sec. 39. Minnesota Statutes 1988, section 290A.19, is amended to read:

290A.19 [OWNER OR MANAGING AGENT TO FURNISH RENT CERTIFICATE; PENALTY.]

(a) The owner or managing agent of any property for which rent is paid for occupancy as a homestead ~~shall must~~ furnish a certificate of rent constituting property tax to each a person who is a renter on December 31, in the form prescribed by the commissioner. If the renter moves ~~prior to before~~ December 31, the owner or managing agent ~~has the option to either provide~~ may give the certificate to the renter at the time of moving, or mail the certificate to the forwarding address if an address has been provided by the renter. The certificate ~~shall must~~ be made available to the renter not later than ~~January 31 before February 1~~ of the year following the year in which the rent was paid.

(b) ~~Any owner or managing agent who willfully fails to furnish a certificate to the renter and the commissioner as required by this section is liable to the commissioner for a penalty of \$100 for each act or failure to act. The penalty shall be assessed and collected in the manner provided in chapter 290 for the assessment and collection of income tax. If the owner or managing agent willfully furnishes certificates that report total rent constituting property taxes in excess of the amount of actual property taxes paid on the rented part of a property, as determined under this section, the owner or managing agent is liable for a penalty equal to the greater of (1) \$100 or (2) 50 percent of the excess that is reported. If the owner or managing agent reports a total amount of rent constituting property taxes that exceeds by ten percent or more the actual property taxes, the report is deemed to be willful.~~

(e) If the owner or managing agent elects to ~~provide~~ provides the renter with the certificate at the time of moving, rather than after December 31, the amount of rent constituting property taxes ~~shall must~~ be computed as follows:

(i) The net tax ~~shall must~~ be reduced by 1/12 for each month remaining in the calendar year.

(ii) In calculating the denominator of the fraction pursuant to under section 290A.03, subdivision 11, the gross rent paid through the last month of claimant's occupancy shall must be substituted for "the gross rent paid for the calendar year for the property in which the unit is located."

(d) (c) The certificate of rent constituting property taxes shall must include the address of the property, including the county, and the property tax parcel identification number and any additional information which that the commissioner determines is appropriate.

(e) (d) If the owner or managing agent fails to provide the renter with a certificate of rent constituting property taxes, the commissioner shall allocate the net tax on the building to the unit on a square footage basis or other appropriate basis as the commissioner determines. The renter shall supply the commissioner with a statement from the county treasurer which that gives the amount of property tax on the parcel, the address and property tax parcel identification number of the property, and the number of units in the building.

(f) The owner or managing agent must file a copy of the certificate of rent paid with the commissioner before April 15 of the year following the year in which the rent was paid. The commissioner may require that each owner or managing agent report on a single form the total property taxes for a property and the allocation of the property taxes as rent constituting property taxes among the renters of the property.

Sec. 40. Minnesota Statutes 1988, section 297A.03, subdivision 2, is amended to read:

Subd. 2. It shall be unlawful for any retailer to advertise or hold out or state to the public or any customer, directly or indirectly, that the tax or any part thereof will be assumed or absorbed by the retailer, or that it will not be added to the sales price or that, if added, it or any part thereof will be refunded except that In computing the tax to be collected as the result of any transaction amounts of tax less than one-half of one cent may be disregarded and amounts of tax if of one-half cent or more may be considered an additional cent. If the sales price of any sale at retail is eight cents or less, no tax shall be collected. Any person violating this provision shall be guilty of a misdemeanor.

Sec. 41. Minnesota Statutes 1988, section 297A.041, is amended to read:

297A.041 [OPERATOR OF FLEA MARKETS; SELLER'S PERMITS REQUIRED; PENALTY.]

The operator of a flea market, craft show, antique show, coin show, stamp show, comic book show, convention exhibit area, or similar selling event, as a prerequisite to renting or leasing space on the premises owned or controlled by the operator to a person desiring to engage in or conduct business as a seller, shall obtain evidence that the seller is the holder of a valid seller's permit issued pursuant to under section 297A.04, or a written statement from the seller that the seller is not offering for sale any item that is taxable under this chapter.

Flea market, craft show, antique show, coin show, stamp show, comic book show, convention exhibit area, or similar selling event, as used in this section, means an activity involving a series of sales sufficient in number, scope, and character to constitute a regular course of business, and ~~which~~ that would not qualify as an isolated or occasional sale pursuant to under section 297A.25, subdivision 12.

Any operator who fails or refuses to comply with the provisions of this section shall be subject to a penalty payable to the commissioner of revenue of \$100 for each day of each selling event that the operator fails to obtain evidence that the seller is the holder of a valid seller's permit issued pursuant to section 297A.04.

This section does not apply to an operator of a flea market, craft show, antique show, coin show, stamp show, comic book show, convention exhibit area, or similar selling event which that is: (1) held in conjunction with a community sponsored festival which that has a duration of four or fewer consecutive days no more than once a year; or (2) conducted by a nonprofit organization annually or less frequently.

Sec. 42. Minnesota Statutes 1989 Supplement, section 297A.17, is amended to read:

297A.17 [TAX TO BE COLLECTED; STATUS AS DEBT.]

The use tax required to be collected by the retailer constitutes a debt owed by the retailer to Minnesota and shall be a debt from the purchaser to the retailer recoverable at law in the same manner as other debts. A retailer who does not maintain a place of business within this state, as defined in section 297A.21, subdivision 1, shall not be indebted to Minnesota for amounts of use tax which it was required to collect but did not collect unless the retailer knew or had been advised by the commissioner of its obligation to collect the use tax.

Sec. 43. Minnesota Statutes 1988, section 297A.18, is amended to read:

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

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

It is unlawful for a person to broadcast or publish, or arrange to have broadcast or published, an advertisement in a publication or broadcast media, printed, distributed, broadcast, or intended to be received in this state, that states that no sales or use tax is due under this chapter, when the person knows the advertisement is false.

Sec. 44. Minnesota Statutes 1988, section 297A.211, subdivision 3, is amended to read:

Subd. 3. Any A person who pays the tax to the seller as provided in under section 297A.03 or pays the tax to the motor vehicle registrar as required by section 297B.02 and who meets the requirements of section 297A.211 at the time of the sale, except that the person has not registered as a retailer pursuant to under this section at the time of the sale, may register as a retailer, make a return, and file for a refund of the difference between the tax calculated under section 297A.02, 297A.14, or 297B.02 and the tax calculated under subdivision 2. The person must file for a refund within the time limitations provided in section 297A.35. Notwithstanding the provisions of section 297A.35, subdivision 1, interest shall be allowed for any refund allowed under this subdivision only from the date on which the person has both registered as a retailer and filed a claim for refund.

Sec. 45. [PURPOSE.]

It is the intent of the legislature to simplify Minnesota's tax laws by consolidating and recodifying tax administration and compliance provisions now contained in several chapters of Minnesota Statutes. Due to the complexity of the recodification, prior provisions are repealed on the effective date of the new provisions. The repealed provisions, however, continue to remain in effect until superseded by the analogous provision in the new law.

Sec. 46. [REPEALER.]

Minnesota Statutes 1988, sections 270.651; 290.05, subdivision 5; 290.067, subdivision 5; 290.281, subdivision 5; 290.29; 290.37, as amended by Laws 1989, First Special Session chapter 1, article 10, section 32; 290.39, as amended by Laws 1989, chapter 335, article 1, section 188; 290.391; 290.40; 290.41; 290.42; 290.43; 290.44; 290.45; 290.46; 290.47; 290.49; 290.50, as amended by Laws 1989, chapter 184, article 2, section 20; 290.521; 290.522; 290.523, as amended by Laws 1989, chapter 184, article 2, section 21; 290.53, subdivisions 1, 1a, 2, 2a, 3, 3a, 4, 7, 8, 9, 10, and 11; 290.54; 290.56; 290.57; 290.58; 290.59; 290.611, subdivision 5; 290.65; 290.92, subdivisions 6, 7, 8, 11, 13, 14, 15, and 18; 290.9201, subdivisions 4, 5, 9, and 10; 290.923, subdivision 7; 290.93; 290.931; 290.932; 290.933; 290.934, as amended by Laws 1989, First Special Session chapter 1, article 10, section 37; 290.935; 290.936; 290.9705, subdivision 2; 290.974; 290A.06; 290A.11, subdivisions 1, 2, 3, and 4; 290A.111; 290A.112, as amended by Laws 1989, chapter 184, article 2, section 26; 290A.12; 291.09; 291.11; 291.131; 291.14; 291.15, subdivisions 1 and 3; 291.215, subdivisions 2 and 3; 291.31, subdivision 1; 291.32; 297A.08; 297A.121; 297A.15, subdivision 3; 297A.26, subdivisions 1 and 4; 297A.27; 297A.275; 297A.30; 297A.31; 297A.32; 297A.33, subdivisions 1, 3, 4, and 5; 297A.34; 297A.35; 297A.39, subdivisions 1, 2, 2a, 3, 4, 7, and 8; 297A.40; 297A.41; 297A.42; and 297A.44, subdivision 2, are repealed. Minnesota Statutes 1989 Supplement, sections 290A.11, subdivision 1a; and 297A.20, are repealed. Minnesota Statutes Second 1989 Supplement, sections 270.77 and 290.38 are repealed. Minnesota Rules, parts 8052.0100, 8052.0200, and 8130.7800, are repealed.

Sec. 47. [INSTRUCTIONS TO REVISOR.]

(a) If a provision of a section of Minnesota Statutes repealed by section 46 is amended by the 1990 regular session, the revisor shall codify the amendment consistent with the recodification of the affected section by this act, notwithstanding any law to the contrary.

(b) In the next edition of Minnesota Statutes, in the sections referred to in column A, the revisor of statutes shall delete the reference in column B and insert the reference in column C. The revisor may change the references in column C to the sections of Minnesota Statutes in which the bill sections are compiled.

Column A	Column B	Column C
60A.15, subd. 6	290.53, subd. 1	289A.14, subd. 1
60A.15, subd. 9a	290.53, subd. 2	289A.14, subd. 2
60A.15, subd. 9b	290.53, subd. 3a	289A.14, subd. 6
60A.15, subd. 9c	290.53, subd. 3	289A.14, subd. 5
60A.15, subd. 9d	290.53, subd. 4	289A.15, subds. 1 and 3
60A.199, subd. 4	290.53, subd. 2	289A.14, subd. 2
60A.199, subd. 5	290.53, subd. 3a	289A.14, subd. 6

<u>60A.199, subd. 6</u>	<u>290.53, subd. 3</u>	<u>289A.14, subd. 5</u>
<u>69.59</u>	<u>290.53</u>	<u>289A.14</u>
<u>115B.24, subd. 4</u>	<u>290.936</u>	<u>289A.11</u>
<u>270.10, subd. 1</u>	<u>290.42, clause (6)</u>	<u>289A.024,</u> <u>subds. 1 and 2</u>
<u>270A.07, subd. 5</u>	<u>290.92, subd. 13,</u> <u>clause (1)</u>	<u>289A.13, subd. 2</u>
<u>290.01, subd. 10</u>	<u>290.40(2)</u>	<u>289A.021, subd. 5</u>
<u>290.05, subd. 4</u>	<u>290.56</u>	<u>289A.06,</u> <u>subds. 8 and 9</u>
<u>290.095, subd. 7</u>	<u>290.37, subd. 1</u>	<u>289A.021, subd. 9</u>
<u>290.095, subd. 9</u>	<u>290.46</u>	<u>289A.08</u>
<u>290.095, subd. 9</u>	<u>290.50</u>	<u>289A.11</u>
<u>290.30</u>	<u>290.29</u>	<u>289A.029, subd. 3</u>
<u>290.371, subd. 2</u>	<u>290.37</u>	<u>289A.021</u>
<u>290.923, subd. 3</u>	<u>290.92, subd. 6</u>	<u>289A.0212 and</u> <u>289A.025, subd. 2</u>
<u>290.923, subd. 4</u>	<u>290.92, subd. 7</u>	<u>289A.0212, subd. 2</u>
<u>290A.24</u>	<u>290.93</u>	<u>289A.026</u>
<u>291.09, subd. 3a</u>	<u>291.11</u>	<u>289A.10, subd. 1</u>
<u>297.09, subd. 1</u>	<u>Minnesota Statutes</u> <u>1945, 290.56 to</u> <u>290.58</u>	<u>270.06</u>
<u>297.37, subd. 1</u>	<u>290.56 to 290.58</u>	<u>270.06</u>
<u>297A.04</u>	<u>297A.27, subd. 2</u>	<u>289A.0216, subd. 3</u>
<u>297A.15, subd. 5</u>	<u>297A.34</u>	<u>289A.08</u>
<u>297A.211, subd. 2</u>	<u>297A.26 and</u> <u>297A.27</u>	<u>289A.025, subd. 4</u> <u>and 289A.0216</u>
<u>297A.211, subd. 3</u>	<u>297A.35</u>	<u>289A.08</u>
<u>299F.21, subd. 2</u>	<u>290.53, subd. 1</u>	<u>289A.14, subd. 1</u>
<u>299F.23, subd. 2</u>	<u>290.53, subd. 2</u>	<u>289A.14, subd. 2</u>
<u>299F.23, subd. 3</u>	<u>290.53, subd. 3a</u>	<u>289A.14, subd. 6</u>
<u>299F.23, subd. 4</u>	<u>290.53, subd. 3</u>	<u>289A.14, subd. 5</u>
<u>302A.821, subd. 1</u>	<u>290.37</u>	<u>289A.021</u>
<u>302A.821, subd. 1</u>	<u>290.974</u>	<u>289A.0218, subd. 3</u>
<u>349.2121, subd. 6</u>	<u>297A.39</u>	<u>289A.14</u>
<u>356.62</u>	<u>290.41</u>	<u>289A.0218</u>
<u>356.62</u>	<u>290.42</u>	<u>289A.0218</u>
<u>388.051, subd. 2</u>	<u>290.53, subds. 4</u> <u>and 11</u>	<u>289A.15, subds. 1,</u> <u>2, 4, and 6</u>
	<u>290.92, subd. 15</u>	
	<u>290A.11, subd. 2</u>	
	<u>297A.08</u>	
	<u>297A.39, subds. 4</u> <u>and 8</u>	
<u>469.171, subd. 10</u>	<u>290.50</u>	<u>289A.11</u>
<u>588.21</u>	<u>290.39, subd. 1</u>	<u>289A.04, subd. 3</u>

Sec. 48. [EFFECTIVE DATES.]

Sections 1, 2, and 45 are effective the day following final enactment.

Sections 15 and 16 are effective for audits or investigations initiated on or after August 1, 1990.

Sections 17 and 28 are effective for assessments or other determinations made on or after August 1, 1990.

Section 18 is effective for returns becoming due on or after August 1, 1990.

Sections 20 and 23 are effective for overpayments of taxes or other payments first becoming due on or after August 1, 1990.

Section 24 is effective for interest on amounts first becoming due to the commissioner on or after August 1, 1990.

Sections 3 to 14 and 25 are effective for returns, reports, taxes, or other payments first becoming due on or after August 1, 1990, except that the exclusion for foreign operating corporations from the filing requirements in section 3 is effective on the effective date of Minnesota Statutes, section 290.01, subdivision 6b.

Section 26 is effective for payments, returns, reports, or other documents first becoming due, or acts committed, on or after August 1, 1990.

Section 27 is effective for crimes committed on or after August 1, 1990.

Sections 19, 21, 22, 29 to 44, and 46 are effective August 1, 1990.

ARTICLE 8
COLLECTIONS

Section 1. Minnesota Statutes 1989 Supplement, section 270.06, is amended to read:

270.06 [POWERS AND DUTIES.]

The commissioner of revenue shall:

(1) have and exercise general supervision over the administration of the assessment and taxation laws of the state, over assessors, town, county, and city boards of review and equalization, and all

other assessing officers in the performance of their duties, to the end that all assessments of property be made relatively just and equal in compliance with the laws of the state;

(2) confer with, advise, and give the necessary instructions and directions to local assessors and local boards of review throughout the state as to their duties under the laws of the state;

(3) direct proceedings, actions, and prosecutions to be instituted to enforce the laws relating to the liability and punishment of public officers and officers and agents of corporations for failure or negligence to comply with the provisions of the laws of this state governing returns of assessment and taxation of property, and cause complaints to be made against local assessors, members of boards of equalization, members of boards of review, or any other assessing or taxing officer, to the proper authority, for their removal from office for misconduct or negligence of duty;

(4) require county attorneys to assist in the commencement of prosecutions in actions or proceedings for removal, forfeiture and punishment for violation of the laws of this state in respect to the assessment and taxation of property in their respective districts or counties;

(5) require town, city, county, and other public officers to report information as to the assessment of property, collection of taxes received from licenses and other sources, and such other information as may be needful in the work of the department of revenue, in such form and upon such blanks as the commissioner may prescribe;

(6) require individuals, copartnerships, companies, associations, and corporations to furnish information concerning their capital, funded or other debt, current assets and liabilities, earnings, operating expenses, taxes, as well as all other statements now required by law for taxation purposes;

(7) summon witnesses, at a time and place reasonable under the circumstances, to appear and give testimony, and to produce books, records, papers and documents relating to any tax matter which the commissioner may have authority to investigate or determine. Provided, that any summons which does not identify the person or persons with respect to whose tax liability the summons is issued may be served only if (a) the summons relates to the investigation of a particular person or ascertainable group or class of persons, (b) there is a reasonable basis for believing that such person or group or class of persons may fail or may have failed to comply with any tax law administered by the commissioner, (c) the information sought to be obtained from the examination of the records (and the identity of the person or persons with respect to whose liability the summons is issued) is not readily available from other sources, (d) the summons is clear and specific as to the information sought to be obtained, and

(e) the information sought to be obtained is limited solely to the scope of the investigation. Provided further that the party served with a summons which does not identify the person or persons with respect to whose tax liability the summons is issued shall have the right, within 20 days after service of the summons, to petition the district court for the judicial district in which lies the county in which that party is located for a determination as to whether the commissioner of revenue has complied with all the requirements in (a) to (e), and thus, whether the summons is enforceable. If no such petition is made by the party served within the time prescribed, the summons shall have the force and effect of a court order;

(8) cause the deposition of witnesses residing within or without the state, or absent therefrom, to be taken, upon notice to the interested party, if any, in like manner that depositions of witnesses are taken in civil actions in the district court, in any matter which the commissioner may have authority to investigate or determine;

(9) investigate the tax laws of other states and countries and to formulate and submit to the legislature such legislation as the commissioner may deem expedient to prevent evasions of assessment and taxing laws, and secure just and equal taxation and improvement in the system of assessment and taxation in this state;

(10) consult and confer with the governor upon the subject of taxation, the administration of the laws in regard thereto, and the progress of the work of the department of revenue, and furnish the governor, from time to time, such assistance and information as the governor may require relating to tax matters;

(11) transmit to the governor, on or before the third Monday in December of each even-numbered year, and to each member of the legislature, on or before November 15 of each even numbered year, the report of the department of revenue for the preceding years, showing all the taxable property in the state and the value of the same, in tabulated form;

(12) inquire into the methods of assessment and taxation and ascertain whether the assessors faithfully discharge their duties, particularly as to their compliance with the laws requiring the assessment of all property not exempt from taxation;

(13) exercise and perform such further powers and duties as may be required or imposed upon the commissioner of revenue by law; administer and enforce the assessment and collection of state taxes and, from time to time, make, publish, and distribute rules for the administration and enforcement of state tax laws. The rules have the force of law;

(14) promulgate rules having the force and effect of law, for the administration and enforcement of the property tax; prepare blank

forms for the returns required by state tax law and distribute them throughout the state, furnishing them subject to charge on application;

(15) execute and administer any agreement with the secretary of the treasury of the United States regarding the exchange of information and administration of the tax laws of both the United States and the state of Minnesota; prescribe rules governing the qualification and practice of agents, attorneys, or other persons representing taxpayers before the commissioner. The rules may require that those persons, agents, and attorneys show that they are of good character and in good repute, have the necessary qualifications to give taxpayers valuable services, and are otherwise competent to advise and assist taxpayers in the presentation of their case before being recognized as representatives of taxpayers. After due notice and opportunity for hearing, the commissioner may suspend and disbar from further practice before the commissioner any person, agent, or attorney who is shown to be incompetent or disreputable, who refuses to comply with the rules, or who with intent to defraud, willfully or knowingly deceives, misleads, or threatens a taxpayer or prospective taxpayer, by words, circular, letter, or by advertisement. This clause does not curtail the rights of individuals to appear in their own behalf or partners or corporations' officers to appear in behalf of their respective partnerships or corporations;

(16) appoint agents as the commissioner considers necessary to make examinations and determinations. The agents have the rights and powers conferred on the commissioner to examine books, records, papers, or memoranda, subpoena witnesses, administer oaths and affirmations, and take testimony. Upon demand of an agent, the clerk or court administrator of any court shall issue a subpoena for the attendance of a witness or the production of books, papers, records, or memoranda before the agent. The commissioner may also issue subpoenas. Disobedience of subpoenas issued under this chapter shall be punished by the district court of the district in which the subpoena is issued, or in the case of a subpoena issued by the commissioner, by the district court of the district in which the party served with the subpoena is located, in the same manner as contempt of the district court;

(17) appoint and employ additional help, purchase supplies or materials, or incur other expenditures in the enforcement of state tax laws as considered necessary. The salaries of all agents and employees provided for in this chapter shall be fixed by the appointing authority, subject to the approval of the commissioner of administration;

(18) execute and administer any agreement with the secretary of the treasury of the United States or a representative of another state regarding the exchange of information and administration of the tax laws;

~~(16)~~ (19) administer and enforce the provisions of sections 325D.30 to 325D.42, the Minnesota unfair cigarette sales act; ~~and~~

~~(17)~~ (20) authorize the use of unmarked motor vehicles to conduct seizures or criminal investigations pursuant to the commissioner's authority; and

(21) exercise other powers and perform other duties required of or imposed upon the commissioner of revenue by law.

Sec. 2. [270.101] [PERSONAL LIABILITY.]

Subdivision 1. [LIABILITY IMPOSED.] A person who, either singly or jointly with others, has the control of, supervision of, or responsibility for filing returns or reports, paying taxes, or collecting or withholding and remitting taxes and who fails to do so, or a person who is liable under any other law, is liable for the payment of taxes, penalties, and interest arising under chapters 296, 297, 297A, and 297C, or sections 290.92, 349.212, and 349.2121.

Subd. 2. [PERSON DEFINED.] The term "person" includes, but is not limited to, a corporation, estate, trust, organization, or association, whether organized for profit or not, an officer or director of a corporation, a member of a partnership, an employee, a third party (including, but not limited to, a financial institution, lender, or surety), and any other individual or entity.

Subd. 3. [PROCEDURE FOR ASSESSMENT.] The commissioner may assess liability for the taxes described in subdivision 1 against a person liable under this section. The assessment may be based upon information available to the commissioner. It must be made within the prescribed period of limitations for assessing the underlying tax. An order assessing personal liability under this section is reviewable under section 289A.16 and is appealable to tax court.

Sec. 3. Minnesota Statutes 1988, section 270.65, is amended to read:

270.65 [DATE OF ASSESSMENT; DEFINITION.]

For purposes of this chapter and chapters 290, 296, and 297A, taxes administered by the commissioner, the term "date of assessment" means the date a return was filed or the date a return should have been filed, whichever is later; or, in the case of taxes determined by the commissioner, "date of assessment" means the date of the order assessing taxes; or, in the case of an amended return filed by the taxpayer, the assessment date is the date the return was filed with the commissioner.

Sec. 4. [270.652] [ALLOCATION OF PAYMENT.]

In the discretion of the commissioner of revenue, payments received for taxes may be credited first to the oldest liability not secured by a judgment or lien. For liabilities to which payments are applied, the commissioner may credit payments first to penalties, next to interest, and then to the tax due.

Sec. 5. Minnesota Statutes 1988, section 270.67, subdivision 1, is amended to read:

Subdivision 1. [LIABILITY AGREEMENTS.] The commissioner of revenue, or any officer or employee of the department of revenue authorized in writing by the commissioner, is authorized to enter into an agreement in writing with any taxpayer, or duly authorized agent or representative of the taxpayer, relating to the liability of the taxpayer in respect of any state tax administered by the commissioner for any taxable period ending prior to the date of the agreement. ~~If the agreement is approved by the commissioner within the time stated in the agreement, or later agreed to,~~ The agreement shall be final and conclusive; and, except upon a showing of fraud or malfeasance, or misrepresentation of a material fact, the case shall not be reopened as to the matters agreed upon, or the agreement modified, by any officer, employee, or agent of the state; and, in any suit, action, or proceeding, the agreement, or any determination, assessment, collection, payment, abatement, refund, or credit made in accordance with the agreement, shall not be annulled, modified, set aside, or disregarded.

Sec. 6. Minnesota Statutes 1988, section 270.67, subdivision 2, is amended to read:

Subd. 2. [EXTENSION AGREEMENTS.] When any portion of any tax payable to the commissioner of revenue together with interest and penalty thereon, if any, has not been paid ~~six months from the date prescribed by law for its payment,~~ the commissioner may extend the time for payment for a further period ~~not to exceed 36 months.~~ When the authority of this section is invoked, the extension shall be evidenced by written agreement signed by the taxpayer and the commissioner, stating the amount of the tax with penalty and interest, if any, and providing for the payment of the amount in regular weekly, semimonthly or monthly installments. The agreement shall contain a confession of judgment for the amount and for any unpaid portion thereof and shall provide that the commissioner may forthwith enter judgment against the taxpayer in the district court of the county of residence as shown upon the taxpayer's tax return for the unpaid portion of the amount specified in the extension agreement. The commissioner may accept other collateral the commissioner considers appropriate to secure satisfaction of the tax liability. The principal sum specified in the agreement shall bear interest at the rate specified in section 270.75 on all unpaid portions thereof until the same has been fully paid or the unpaid portion thereof has been entered as a judgment. The judgment shall

bear interest at the rate specified in section 270.75. If it appears to the commissioner that the tax reported by the taxpayer is in excess of the amount actually owing by the taxpayer, the extension agreement or the judgment entered pursuant thereto shall be corrected. If after making the extension agreement or entering judgment with respect thereto, the commissioner determines that the tax as reported by the taxpayer is less than the amount actually due, the commissioner shall assess a further tax in accordance with the provisions of law applicable to the tax. The authority granted to the commissioner by this section is in addition to any other authority granted to the commissioner by law to extend the time of payment or the time for filing a return and shall not be construed in limitation thereof.

Sec. 7. Minnesota Statutes 1988, section 270.68, subdivision 1, is amended to read:

Subdivision 1. [LEGAL ACTION.] In addition to all other methods authorized by law for the collection of tax, if any tax payable to the commissioner of revenue or to the department of revenue, including penalties and interest thereon, is not paid within 60 days after it is required by law to be paid, the commissioner of revenue may, proceed under this subdivision. Within five years after the date of assessment of the tax, or, if the action is to renew a judgment, at any time before the judgment's expiration, the commissioner may bring an action at law against the person liable for the payment or collection of the tax, in the name of the state, for the recovery of the tax and interest and penalties due in respect thereof. The action shall be brought in the district court of the judicial district in which lies the county of the residence or principal place of business within this state of the taxpayer, or, in the case of an estate or trust, of the place of its principal administration, and for this purpose the place named as such in the return, if any, made by the taxpayer shall be conclusive against the taxpayer in this matter. If no place is named in the return, the action may be commenced in Ramsey county. The action shall be commenced by filing with the court administrator a statement showing the name and address of the taxpayer, if known, an itemized summary of the taxable periods and the type of tax, the tax due and unpaid and the interest and penalties due with respect thereto under the provisions of law applicable to the tax, and shall contain a prayer that the court adjudge the taxpayer to be indebted on account of the taxes, interest, and penalties in the amount specified in the statement; a copy of the statement shall be furnished to the court administrator therewith. The court administrator shall mail a copy of the statement by certified mail to the taxpayer at the address given in the return, if any; and, ~~if no address is given, then at~~ to the taxpayer's last known address, within five days after the same is filed, except that, if the taxpayer's address is not known, notice shall be made by posting a copy of the statement for ten days in the place in the courthouse where public notices are regularly posted. To litigate the claim, or any part ~~thereof of it~~, the taxpayer

shall file a verified serve an answer with the court administrator setting forth objections to the claim, or any part thereof; the answer shall be filed upon the commissioner on or before the 20th day after the date of mailing the statement; or, if notice has been given by posting, on or before the 20th day after the expiration of the period during which the notice was required to be posted. If no answer is filed served within the specified time, the court administrator, upon the filing of an affidavit of default, shall enter judgment for the state in the amount prayed for, plus costs of \$10. If an answer is filed, the issues raised shall stand for trial as soon as possible after the filing of the answer, and the court shall determine the issues and direct judgment accordingly; and, if the taxes, interest, or penalties are sustained to any extent over the amount rendered by the taxpayer, shall assess \$10 costs against the taxpayer. The court shall disregard all technicalities and matters of form not affecting the substantial merits. The commissioner may call upon the county attorney or the attorney general to conduct the proceedings on behalf of the state. Execution shall be issued upon the judgment at the request of the commissioner, and the execution shall, in all other respects, be governed by the laws applicable to executions issued on judgments. Only the homestead and household goods of the judgment debtor shall be exempt from seizure and sale upon the execution.

Sec. 8. Minnesota Statutes 1988, section 270.68, subdivision 3, is amended to read:

Subd. 3. [TAX PRESUMED VALID.] The tax, as assessed by the commissioner, with any penalties included therein, shall be presumed to be valid and correctly determined and assessed, and the burden shall be upon the taxpayer to show its incorrectness or invalidity. The A statement filed by the commissioner with the court administrator, as provided in subdivision 1, or any other certificate by the commissioner of showing the amount of the tax and penalties as determined or assessed by the commissioner, shall be is admissible in evidence and shall establish prima facie the facts set forth therein.

Sec. 9. Minnesota Statutes 1988, section 270.69, subdivision 2, is amended to read:

Subd. 2. [FILING OF LIENS NECESSARY FOR ENFORCEABILITY AGAINST CERTAIN PERSONS.] The lien imposed by subdivision 1 is not enforceable against any purchaser, mortgagee, pledgee, holder of a uniform commercial code security interest, mechanic's lienor, or judgment lien creditor whose interest has been duly perfected or is entitled to protection under applicable provisions of state law, until a notice of lien has been filed by the commissioner of revenue in the office of the county recorder of the county in which the real property is situated, or in the case of personal property belonging to an individual who is not a resident of this state, or which is to a corporation, partnership, or other

organization, in the office of the secretary of state, or in the case of personal property belonging to a resident individual, in the office of the county recorder of the county of residence of the individual. Notwithstanding any other law to the contrary, the department of revenue is exempt from the payment of fees at the time the lien is offered for filing or recording. The fee for filing or recording the lien must be paid at the time the release of lien is offered for filing or recording. Notwithstanding any law to the contrary, the fee for filing or recording the lien or the release of lien is \$15.

Sec. 10. Minnesota Statutes 1988, section 270.69, subdivision 3, is amended to read:

Subd. 3. [EXEMPT PROPERTY.] The lien imposed on personal property by this section, even though properly filed, is not enforceable: (1) against a purchaser with respect to tangible personal property purchased at retail; in the ordinary course of the seller's trade or business, unless at the time of purchase the purchaser intends the purchase to or knows the purchase will hinder, evade, or defeat the collection of a tax; or (2) against the personal property listed as exempt in sections 550.37, 550.38, and 550.39.

Sec. 11. Minnesota Statutes 1988, section 270.69, subdivision 7, is amended to read:

Subd. 7. [NOTICE OF MORTGAGE FORECLOSURE OR CONTRACT TERMINATION.] If a lien has been filed by the commissioner of revenue against real property pursuant to this section, and, subsequent to the recording of the lien, in the case of a mortgage foreclosure upon the real property is commenced under chapter 580, or a termination of contract of sale of the real property is commenced under section 559.21, if the commissioner has filed a lien under this section before the foreclosure sale or date of termination, notice of the mortgage foreclosure or termination of contract of sale shall be mailed to the commissioner not less than 25 days prior to the foreclosure sale or date of termination. Provided, notice need not be given pursuant to this subdivision if the lien of the commissioner has been filed within 30 days or less prior to the foreclosure sale or date of termination. The contents of the notice shall be as prescribed in section 7425(e)(1) of the Internal Revenue Code of 1954, as amended through December 31, 1982; must contain the following information: (1) the name and address of the taxpayer; (2) a copy of the notice of mortgage foreclosure or contract for deed cancellation; (3) a copy of the lien filed by the commissioner; (4) the total unpaid balance of the mortgage or contract for deed; (5) a legal description of the property; and (6) the fair market value of the property.

Sec. 12. Minnesota Statutes 1988, section 270.69, subdivision 8, is amended to read:

Subd. 8. [FILING ENTITLEMENT.] Execution of notices of liens

or of other notices affecting state tax liens by the original or facsimile signature of the commissioner of revenue or a delegate entitles them to be filed, and no other attestation, certification, or acknowledgment is necessary.

Sec. 13. Minnesota Statutes 1988, section 270.69, is amended by adding a subdivision to read:

Subd. 12. [LIEN RELEASE FEE.] A fee of \$25 must be paid to the commissioner of revenue for each duplicate of an original release of lien.

Sec. 14. Minnesota Statutes 1988, section 270.70, subdivision 1, is amended to read:

Subdivision 1. [AUTHORITY OF COMMISSIONER.] If any tax payable to the commissioner of revenue or to the department of revenue is not paid when due, such tax may be collected by the commissioner of revenue within five years after the date of assessment of the tax, or if a lien has been filed, during the period the lien is enforceable, or if the tax judgment has been filed, within the statutory period of enforcement of a valid tax judgment, by a levy upon all property and rights to property, including any property in the possession of law enforcement officials, of the person liable for the payment or collection of such tax (except that which is exempt from execution pursuant to section 550.37) or property on which there is a lien provided in section 270.69. For this purpose, the term "tax" shall include any penalty, interest and costs properly payable. The term "levy" includes the power of distraint and seizure by any means.

Sec. 15. Minnesota Statutes 1989 Supplement, section 270.73, subdivision 1, is amended to read:

Subdivision 1. [POSTING, NOTICE.] Pursuant to section 270B.12, subdivision 4, the commissioner shall, by the 15th of each month, submit to the commissioner of public safety a list of all taxpayers who are required to withhold or collect the tax imposed by section 290.92 or 297A.02, or local sales and use tax payable to the commissioner of revenue, and who are 30 days or more delinquent in either filing a tax return or paying the tax. At least ten days before notifying the commissioner of public safety, the commissioner of revenue shall notify the taxpayer of the intended action.

The commissioner of public safety shall post the list in the same manner as provided in section 340A.318, subdivision 3. The list will prominently show the date of posting. If a taxpayer previously listed cures the delinquency by filing all returns and paying all taxes, the commissioner shall notify the commissioner of public safety within two business days that the delinquency was cured.

Sec. 16. Minnesota Statutes 1988, section 290.92, subdivision 23, is amended to read:

Subd. 23. [WITHHOLDING BY EMPLOYER OF DELINQUENT TAXES.] (1) The commissioner may, within five years after the date of assessment of the tax, or if a lien has been filed under section 270.69, within the statutory period for enforcement of the lien, give notice to any employer deriving income which has a taxable situs in this state regardless of whether the income is exempt from taxation, that an employee of that employer is delinquent in a certain amount with respect to any state taxes, including penalties, interest and costs. The commissioner can proceed under this subdivision only if the tax is uncontested or if the time for appeal of the tax has expired. The commissioner shall not proceed under this subdivision until the expiration of 30 days after mailing to the taxpayer, at the taxpayer's last known address, a written notice of (a) the amount of taxes, interest, and penalties due from the taxpayer and demand for their payment, and (b) the commissioner's intention to require additional withholding by the taxpayer's employer pursuant to this subdivision. The effect of the notice shall expire 180 days after it has been mailed to the taxpayer provided that the notice may be renewed by mailing a new notice which is in accordance with this subdivision. The renewed notice shall have the effect of reinstating the priority of the original claim. The notice to the taxpayer shall be in substantially the same form as that provided in section 571.41. The notice shall further inform the taxpayer of the wage exemptions contained in section 550.37, subdivision 14. If no statement of exemption is received by the commissioner within 30 days from the mailing of the notice, the commissioner may proceed under this subdivision. The notice to the taxpayer's employer may be served by mail or by delivery by an employee of the department of revenue and shall be in substantially the same form as provided in section 571.495. Upon receipt of notice, the employer shall withhold from compensation due or to become due to the employee, the total amount shown by the notice, subject to the provisions of section 571.55. The employer shall continue to withhold each pay period until the total amount shown by the notice is paid in full released by the commissioner under section 270.709. Upon receipt of notice by the employer, the claim of the state of Minnesota shall have priority over any subsequent garnishments or wage assignments. The commissioner may arrange between the employer and the employee for withholding a portion of the total amount due the employee each pay period, until the total amount shown by the notice plus accrued interest has been withheld.

The "compensation due" any employee is defined in accordance with the provisions of section 571.55. The maximum withholding allowed under this subdivision for any one pay period shall be decreased by any amounts payable pursuant to a garnishment action with respect to which the employer was served prior to being served with the notice of delinquency and any amounts covered by any

irrevocable and previously effective assignment of wages; the employer shall give notice to the department of the amounts and the facts relating to such assignments within ten days after the service of the notice of delinquency on the form provided by the department of revenue as noted in this subdivision. ~~In crediting amounts withheld against delinquent taxes of an employee, the department shall apply amounts withheld in the following order: penalties, interest, tax and costs.~~

(2) If the employee ceases to be employed by the employer before the full amount set forth in a notice of delinquency plus accrued interest has been withheld, the employer shall immediately notify the commissioner in writing of the termination date of the employee and the total amount withheld. No employer may discharge any employee by reason of the fact that the commissioner has proceeded under this subdivision. If an employer discharges an employee in violation of this provision, the employee shall have the same remedy as provided in section 571.61, subdivision 2.

(3) Within ten days after the expiration of such pay period, the employer shall, by the date prescribed in subdivision 6, remit to the commissioner, on a form and in the manner prescribed by the commissioner, the amount withheld during the calendar quarter each pay period under this subdivision. Should any employer, after notice, willfully fail to withhold in accordance with the notice and this subdivision, or willfully fail to remit any amount withheld as required by this subdivision, the employer shall be liable for the total amount set forth in the notice together with accrued interest which may be collected by any means provided by law relating to taxation. No amount required to be paid by an employer by reason of the employer's failure to remit under this subdivision, may be deducted from the gross income of the employer, under sections 290.09, subdivision 4 or 290.01, subdivisions 20 to 20f. Any amount collected from the employer for failure to withhold or for failure to remit under this subdivision, shall be credited to the employee's account in the following manner: penalties, interest, tax and costs.

(4) Clauses (1), (2) and (3), except provisions imposing a liability on the employer for failure to withhold or remit, shall apply to cases in which the employer is the United States or any instrumentality thereof or this state or any municipality or other subordinate unit thereof.

(5) The commissioner shall refund to the employee excess amounts withheld from the employee under this subdivision. If any excess results from payments by the employer because of willful failure to withhold or remit as prescribed in clause (3) above, the excess attributable to the employer's payment shall be refunded to the employer.

(6) Employers required to withhold delinquent taxes, penalties,

interest and costs under this subdivision shall not be required to compute any additional interest, costs or other charges to be withheld.

(7) The collection remedy provided to the commissioner by this subdivision shall have the same legal effect as if it were a levy made pursuant to section 270.70.

Sec. 17. Minnesota Statutes 1988, section 524.3-1001, is amended to read:

524.3-1001 [FORMAL PROCEEDINGS TERMINATING ADMINISTRATION; TESTATE OR INTESTATE; ORDER OF DISTRIBUTION, DECREE, AND GENERAL PROTECTION.]

(a) (1) A personal representative or any interested person may petition for an order of complete settlement of the estate. The personal representative may petition at any time, and any other interested person may petition after one year from the appointment of the original personal representative except that no petition under this section may be entertained until the time for presenting claims which arose prior to the death of the decedent has expired. The petition may request the court to determine testacy, if not previously determined, to consider the final account or compel or approve an accounting and distribution, to construe any will or determine heirs and adjudicate the final settlement and distribution of the estate. After notice to all interested persons and hearing the court may enter an order or orders, on appropriate conditions, determining the persons entitled to distribution of the estate, and, as circumstances require, approving settlement and directing or approving distribution of the estate and discharging the personal representative from further claim or demand of any interested person.

(2) In such petition for complete settlement of the estate, the petitioner may apply for a decree. Upon the hearing, if in the best interests of interested persons, the court may issue its decree which shall determine the persons entitled to the estate and assign the same to them in lieu of ordering the assignment by the personal representative. The decree shall name the heirs and distributees, state their relationship to the decedent, describe the property, and state the proportions or part thereof to which each is entitled. In the estate of a testate decedent, no heirs shall be named in the decree unless all heirs be ascertained.

(3) In solvent estates, the hearing may be waived by written consent to the proposed account and decree of distribution or order of distribution by all heirs or distributees, and the court may then enter its order allowing the account and issue its decree or order of distribution.

(4) Where a decree or order for distribution is issued, the personal

representative shall not be discharged until all property is paid or transferred to the persons entitled thereto, and the personal representative has otherwise fully discharged the trust. If objections are an order assessing estate tax or request for documents is filed with the court by the commissioner of revenue, no discharge shall be issued until the objections are determined assessment is paid or the request is complied with. If no objection order assessing estate tax or request for documents is filed, the court shall have the power to settle and distribute the estate and discharge the personal representative without regard to tax obligations.

(b) If one or more heirs or devisees were omitted as parties in, or were not given notice of, a previous formal testacy proceeding, the court, on proper petition for an order of complete settlement of the estate under this section, and after notice to the omitted or unnotified persons and other interested parties determined to be interested on the assumption that the previous order concerning testacy is conclusive as to those given notice of the earlier proceeding, may determine testacy as it affects the omitted persons and confirm or alter the previous order of testacy as it affects all interested persons as appropriate in the light of the new proofs. In the absence of objection by an omitted or unnotified person, evidence received in the original testacy proceeding shall constitute prima facie proof of due execution of any will previously admitted to probate, or of the fact that the decedent left no valid will if the prior proceedings determined this fact.

Sec. 18. [REPEALER.]

(a) Minnesota Statutes 1988, section 270.10, subdivision 4, is repealed.

(b) Minnesota Statutes 1988, section 270.08 is repealed.

(c) Minnesota Statutes 1988, sections 290.53, subdivision 5 and 297A.39, subdivision 5, are repealed.

(d) Minnesota Statutes 1988, sections 290.52; 291.31, subdivision 2; 297A.29; and 297A.37, are repealed.

Sec. 19. [EFFECTIVE DATES.]

Sections 1, 3, 13, 15 to 17, and 18, paragraph (d), are effective August 1, 1990.

Sections 5 to 8, 14, and 18, paragraph (b), are effective the day following final enactment.

Sections 9 and 10 are effective for liens imposed on or after August 1, 1990.

Section 11 is effective for mortgage foreclosures or terminations of contracts of sale of real property commenced after August 1, 1990.

Section 12 is effective for notices executed on or after August 1, 1990.

Sections 4 and 18, paragraph (c), are effective for payments received on or after August 1, 1990.

Sections 2 and 18, paragraph (a), are effective for taxes becoming due on or after August 1, 1990.

ARTICLE 9

GASOLINE AND SPECIAL FUEL TAXES

Section 1. Minnesota Statutes 1988, section 296.18, subdivision 2, is amended to read:

Subd. 2. [FAILURE TO USE OR SELL GASOLINE OR SPECIAL FUEL FOR INTENDED PURPOSES; REPORTS REQUIRED.] (1) Any person who shall buy aviation gasoline or special fuel for aircraft use and who shall have paid the excise taxes due thereon directly or indirectly through the amount of the tax being included in the price thereof, or otherwise, and shall use said gasoline or special fuel in motor vehicles or shall knowingly sell it to any person for use in motor vehicles shall, on or before the twenty-third day of the month following that in which such gasoline or special fuel was so used or sold, report the fact of such use or sale to the commissioner in such form as the commissioner may prescribe.

(2) Any person who shall buy gasoline other than aviation gasoline and who shall have paid the motor vehicle gasoline excise tax directly or indirectly through the amount of the tax being included in the price of the gasoline, or otherwise, who shall knowingly sell such gasoline to any person to be used for the purpose of producing or generating power for propelling aircraft, or who shall receive, store, or withdraw from storage such gasoline to be used for that purpose, shall, on or before the 23rd day of the month following that in which such gasoline was so sold, stored, or withdrawn from storage, report the fact of such sale, storage, or withdrawal from storage to the commissioner in such form as the commissioner may prescribe.

(3) Any person who shall buy aviation gasoline or special fuel for aircraft use and who shall have paid the excise taxes directly or indirectly through the amount of the tax being included in the price thereof, or otherwise, who shall not use it in motor vehicles or receive, sell, store, or withdraw it from storage for the purpose of producing or generating power for propelling aircraft, shall be

reimbursed and repaid the amount of the tax paid upon filing with the commissioner a signed claim in writing in such form and containing such information as the commissioner shall require and accompanied by the original invoice thereof. By signing any such claim which is false or fraudulent, the applicant shall be subject to the penalties provided in this section 296.25 for knowingly or willfully making a false claim. The claim shall set forth the total amount of the aviation gasoline or special fuel for aircraft use so purchased and used by the applicant, and shall state when and for what purpose it was used. When a claim contains an error in computation or preparation, the commissioner is authorized to adjust the claim in accordance with the evidence shown on the claim or other information available to the commissioner. The commissioner, on being satisfied that the claimant is entitled to payment, shall approve the claim and transmit it to the commissioner of finance. No repayment shall be made unless the claim and invoice shall be filed with the commissioner within one year from the date of the purchase. The postmark on the envelope in which the claim is mailed shall determine the date of filing.

Sec. 2. Minnesota Statutes 1988, section 296.18, subdivision 3, is amended to read:

Subd. 3. [PENALTIES CIVIL PENALTY FOR FILING FALSE CLAIMS CLAIM.] Every person who shall make any false statement in any claim or invoice filed with the commissioner, or knowingly file with the commissioner any claim or invoice containing any false statement or collect or cause to be paid to the person or to another a refund without being entitled thereto, when acting pursuant to the provisions of subdivision 1 or 2, clause 3, shall forfeit the full amount of the claim and be guilty of a misdemeanor. Every A person who violates section 296.25, subdivision 1, paragraph (a) or (b), shall forfeit the full amount of the claim. In addition, a person who is convicted under the provisions of this subdivision shall section 296.25, subdivision 1, paragraph (a) or (b), for filing a false statement or claim shall, in addition to any criminal penalties imposed, be prohibited from filing with the commissioner any claim for refund upon gasoline purchased within six months after such conviction.

Sec. 3. Minnesota Statutes 1988, section 296.25, is amended to read:

296.25 [VIOLATIONS, CRIMINAL PENALTIES.]

Subdivision 1. [PENALTIES IMPOSED.] Any person who fails to comply with any provisions of sections 296.01 to 296.421, or who makes any false statement in any report, record, or sales ticket required by sections 296.12, 296.14, 296.17, subdivision 5, 296.18, subdivision 2, or 296.21, shall be guilty of a misdemeanor. A minimum fine of \$200 shall be imposed on a person who fails to

obtain a license or trip permit required under section 296.17, subdivisions 10 and 17.

Prosecutions commenced under this section may be brought in the county in which the defendant resides or in Ramsey county.

The county attorney of any county in which the action is commenced, shall on request of the commissioner of revenue, prosecute violations of this chapter. Costs, fees, and expenses incurred by any county attorney in litigation in connection with the action may be paid from appropriations to the commissioner of revenue for the administration of this chapter. (a) A person who fails to comply with a provision of sections 296.01 to 296.421, or who knowingly provides false information, including, but not limited to, false odometer readings, or who knowingly makes a false statement in a report, record, claim, or sales ticket required by sections 296.12; 296.14; 296.17, subdivisions 5, 7 to 22; 296.18, subdivision 2; or 296.21, is guilty of a gross misdemeanor.

(b) A person who willfully attempts in any manner to evade or defeat any tax imposed by sections 296.01 to 296.421, including, but not limited to, making and subscribing any false statement in any report, record, claim, or sales ticket required by sections 296.12; 296.14; 296.17, subdivisions 5, or 7 to 22; 296.18, subdivision 2; and 296.21; or making a false claim for a refund under section 296.18, subdivision 4, is guilty of a felony.

(c) It is a misdemeanor for a person to operate, or cause to be operated, a licensed motor vehicle on the public highways of this state on special fuel on which the excise tax provided by this chapter has not been paid or the liability therefore assumed by another person licensed under this chapter. A person who uses gasoline, delivered into an on-farm bulk storage tank and on which no tax has been collected, for propelling a motor vehicle on the public highways of this state is also guilty of a misdemeanor.

(d) An officer or employee of the state of Minnesota charged with the enforcement of a provision of sections 296.01 to 296.421 who is employed by or who engages in business as a distributor or dealer in petroleum products is guilty of a misdemeanor.

(e) The authorization in this chapter for the collection of the excise taxes by persons other than the commissioner for and in behalf of the state of Minnesota establishes a fiduciary relationship, for the violation of which, in failure to make payment when due and payable, the person so authorized to collect these excise taxes shall be deemed guilty of a violation of section 609.54, and punished accordingly.

(f) A minimum fine of \$200 shall be imposed on a person who fails

to obtain a license or trip permit required under section 296.17, subdivisions 10 and 17.

Subd. 2. [PROSECUTION OF VIOLATIONS.] It is a misdemeanor for any person to operate, or cause to be operated, a licensed motor vehicle on the public highways of this state on special fuel on which the excise tax provided by this chapter has not been paid or the liability therefor assumed by another person licensed under this chapter. Prosecutions under this section may be brought in the county in which the defendant resides or in Ramsey county. On request of the commissioner of revenue, the county attorney of a county in which the action is commenced shall prosecute violations of this chapter. Costs, fees, and expenses incurred by any county attorney in litigation in connection with the action may be paid from appropriations to the commissioner of revenue for the administration of this chapter.

Sec. 4. [REPEALER.]

Minnesota Statutes 1988, sections 296.027; 296.16, subdivision 3; 296.17, subdivision 13; 296.18, subdivisions 3a and 7; and 296.24, are repealed.

Sec. 5. [EFFECTIVE DATES.]

Section 1 is effective for sales occurring on or after August 1, 1990.

Section 2 is effective for statements or claims filed on or after August 1, 1990.

Section 3 is effective for acts or violations occurring on or after August 1, 1990.

Section 4 is effective August 1, 1990."

Delete the title and insert:

"A bill for an act

relating to taxation; making technical corrections and administrative changes to property, sales and use, motor vehicle excise, income, franchise, insurance, petroleum products, pull-tab and tipboard taxes, firefighter state aids, and property tax refunds; making technical corrections and administrative changes to certain aids to local government; including lottery prizes as refunds in the revenue recapture act; providing for posting of certain tax delinquencies; requiring a social security number on certain probate applications; imposing a tax on untaxed pull-tabs and tipboards; recodifying license inquiry provisions; providing for

payment and settlement of state elections campaign funds to political party state committees; transferring certain powers and duties; recodifying and providing for tax administrative, enforcement, and collection procedures; imposing penalties; amending Minnesota Statutes 1988, sections 60A.198, by adding a subdivision; 69.771, subdivision 3; 69.772, subdivision 2a; 69.774, subdivision 1; 116K.04, subdivision 4; 270.65; 270.67, subdivisions 1 and 2; 270.68, subdivisions 1 and 3; 270.69, subdivisions 2, 3, 7, 8, and by adding a subdivision; 270.70, subdivision 1; 270A.03, subdivision 7; 274.01, subdivision 1; 275.54; 287.21, subdivision 2; 290.05, subdivision 4; 290.17, subdivision 5; 290.39, subdivision 5; 290.49, subdivision 3; 290.92, subdivisions 6a, 12, 23, and 24; 290.93, subdivision 1; 290A.03, subdivision 3; 290A.04, subdivision 1; 290A.07, subdivision 3; 290A.19; 296.06, subdivision 2; 296.18, subdivisions 2 and 3; 296.25; 297A.01, subdivision 8; 297A.03, subdivision 2; 297A.041; 297A.14, subdivision 1; 297A.18; 297A.211, subdivision 3; 297A.25, subdivision 31; 297A.255, by adding a subdivision; 297B.035, subdivision 1; 299F.21, subdivision 1; 349.212, by adding a subdivision; 477A.011, by adding a subdivision; 524.3-1001; 524.3-301; Minnesota Statutes 1989 Supplement, sections 38.18; 50.14, subdivision 4; 69.021, subdivision 6; 110.70; 118.12; 163.04, subdivision 3; 163.06, subdivision 6; 165.10, subdivision 1; 168.013, subdivision 5; 168A.10, subdivision 1; 270.06; 270.73, subdivision 1; 270B.07, by adding a subdivision; 272.16; 273.01; 273.11, subdivision 1; 290.39, subdivision 4; 290.92, subdivision 4c; 290.9201, subdivisions 7 and 8; 290.9705, subdivision 4; 297A.17; 365.025, subdivision 4; 368.01, subdivision 23; 368.44; 368.47; 370.01; 383.06; 385.31; 386.34; 412.081, subdivision 1; 412.221, subdivision 2; 430.102, subdivision 2; 465.04; 469.177, subdivision 1a; 471.24; 471.73; 475.58, subdivision 2; 475.73, subdivision 1; 477A.011, subdivision 15; 505.173, subdivision 1; Minnesota Statutes Second 1989 Supplement, sections 10A.31, subdivision 5; 60A.15, subdivision 1; 273.13, subdivision 25; 273.1391, subdivision 2; 273.1398, subdivision 1, 2, 5a, and 6; 274.14; 274.175; 275.07, subdivision 3; 275.50, subdivision 5; 275.51, subdivisions 3f, 3h, and 6; 287.29, subdivision 1; 290.17, subdivision 2; 290A.04, subdivisions 2h and 2i; 290A.07, subdivision 2a; 349.212, subdivision 4; 373.40, subdivision 1; 473F.08, subdivision 8a; 477A.012, subdivision 3; 477A.013, subdivision 3; Laws 1989, chapter 28, section 24; and Laws 1989, First Special Session chapter 1, articles 3, section 35; and 9, section 86; proposing coding for new law in Minnesota Statutes, chapters 270 and 289A; repealing Minnesota Statutes 1988, sections 270.08; 270.10, subdivision 4; 270.651; 272.70; 290.05, subdivision 5; 290.067, subdivision 5; 290.23, subdivision 15; 290.281, subdivision 5; 290.29; 290.37, as amended; 290.39, as amended; 290.391; 290.40; 290.41; 290.42; 290.43; 290.44; 290.45; 290.46; 290.47; 290.49; 290.50, as amended; 290.52; 290.521; 290.522; 290.523, as amended; 290.53, subdivisions 1, 1a, 2, 2a, 3, 3a, 4, 5, 7, 8, 9, 10, and 11; 290.54; 290.56; 290.57; 290.58; 290.59; 290.611, subdivision 5; 290.612; 290.65; 290.92, subdivisions 6, 7, 8, 11, 13, 14, 15, and 18;

290.9201, subdivisions 4, 5, 9, and 10; 290.923, subdivision 7; 290.93; 290.931; 290.932; 290.933; 290.934, as amended; 290.935; 290.936; 290.9705, subdivision 2; 290.974; 290A.06; 290A.11, subdivisions 1, 2, 3, and 4; 290A.111; 290A.112, as amended; 290A.12; 291.09; 291.11; 291.131; 291.14; 291.15, subdivisions 1 and 3; 291.215, subdivisions 2 and 3; 291.31, subdivisions 1 and 2; 291.32; 296.027; 296.16, subdivision 3; 296.17, subdivision 13; 296.18, subdivisions 3a and 7; 296.24; 297A.08; 297A.121; 297A.15, subdivision 3; 297A.26, subdivisions 1 and 4; 297A.27; 297A.275; 297A.29; 297A.30; 297A.31; 297A.32; 297A.33, subdivisions 1, 3, 4, and 5; 297A.34; 297A.35; 297A.37; 297A.39, subdivisions 1, 2, 2a, 3, 4, 5, 7, and 8; 297A.40; 297A.41; 297A.42; 297A.431; 297A.44, subdivision 2; Minnesota Statutes 1989 Supplement, sections 290A.11, subdivision 1a; and 297A.20; Minnesota Statutes Second 1989 Supplement, sections 270.77 and 290.38; Minnesota Rules, parts 8052.0100; 8052.0200; and 8130.7800."

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 2575, A bill for an act relating to economic development; establishing a government procurement assistance program; appropriating money.

Reported the same back with the following amendments:

Page 1, line 7, after "of" insert "trade and"

Page 1, line 15, after "of" insert "trade and"

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

The report was adopted.

Wenzel from the Committee on Agriculture to which was referred:

H. F. No. 2652, A resolution memorializing the President and the Congress of the United States to design the 1990 federal farm bill so that it protects the family farm system.

Reported the same back with the following amendments:

Page 2, delete lines 2 and 3, and insert:

"1. Congress substantially increase the target price and loan rate, with payment limitations targeted to family farms, that will establish a floor price intended to provide a reasonable profit for family farms;"

Page 2, line 10, delete "subsidy" and insert "program"

Page 2, line 18, delete "and"

Page 2, line 20, delete "suitable" and insert "full"

Page 2, line 21, delete the period and insert a semicolon

Page 2, after line 21, insert:

"9. Congress direct additional federal research dollars toward agricultural utilization research;

10. Congress eliminate the requirement that 1988 deficiency payments must be repaid; and

11. the administration enforce federal antitrust laws to decrease vertical integration in the livestock industry."

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 2656, A bill for an act relating to state lands; authorizing the sale of certain tax-forfeited land in Koochiching and Lincoln counties; authorizing the private sale of certain state lands in Scott, Hubbard, and Fillmore counties; appropriating proceeds of the Scott county conveyance; authorizing the sale of certain surplus land in Lake county; authorizing the sale of certain trust fund land in St. Louis county; authorizing the sale of surplus land in Grant county for recreational purposes.

Reported the same back with the following amendments:

Page 1, after line 11, insert:

"Section 1. [SALE OF TAX-FORFEITED LAND; OTTER TAIL COUNTY.]

(a) Notwithstanding Minnesota Statutes, section 282.018, Otter Tail county may sell the tax-forfeited lands bordering public water and described in paragraph (c), under the remaining provisions of Minnesota Statutes, chapter 282.

(b) The conveyance must be in a form approved by the attorney general.

(c) The lands that may be conveyed are located in Otter Tail county and are described as:

(1) Lot 13, Sylvanus Crest, Clitherall Township;

(2) Lot 14, Sylvanus Crest, Clitherall Township;

(3) Government Lot 8, Section 32, Township 133, Range 43;

(4) Part of Government Lot 10, beginning 282.5 feet southwesterly of the northwest corner of Lot 71, Pleasure Park Beach; thence southeast 199.6 feet; thence southwest 75 feet on lake; thence northwest 214.14 feet; thence northeast 75 feet to beginning, Section 4, Township 134, Range 39;

(5) All of lot 1, Except North 10 feet, Quiram's Beach, Star Lake Township;

(6) Lot 1, Silent Acres, Dora Township.

(d) The county has determined that the county's land management interests would best be served if the lands were sold to the public."

Page 9, line 25, delete "9" and insert "10"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 3, delete "and" and insert a comma and after "Lincoln" insert ", and Otter Tail"

With the recommendation that when so amended the bill pass.

The report was adopted.

Wenzel from the Committee on Agriculture to which was referred:

H. F. No. 2658, A bill for an act relating to agriculture; providing for deficiency judgments relating to foreclosure and sale of mortgages on property used in agricultural production; requiring fair market value to be determined by the court; extending period for execution on judgment; amending Minnesota Statutes 1988, section 582.30, subdivisions 3, 4, 5, 6, and 7.

Reported the same back with the following amendments:

Page 1, after line 9, insert:

"Section 1. Minnesota Statutes 1988, section 500.24, subdivision 4, is amended to read:

Subd. 4. [REPORTS.] (a) The chief executive officer of every pension or investment fund, corporation, or limited partnership, except a family farm corporation or a family farm limited partnership, that holds any interest in agricultural land or land used for the breeding, feeding, pasturing, growing, or raising of livestock, dairy or poultry, or products thereof, or land used for the production of agricultural crops or fruit or other horticultural products, other than a bona fide encumbrance taken for purposes of security, or which is engaged in farming or proposing to commence farming in this state after May 20, 1973, shall file with the commissioner of agriculture a report containing the following information and documents:

(1) The name of the pension or investment fund, corporation, or limited partnership and its place of incorporation, certification, or registration;

(2) The address of the pension or investment plan headquarters or of the registered office of the corporation in this state, the name and address of its registered agent in this state and, in the case of a foreign corporation or limited partnership, the address of its principal office in its place of incorporation, certification, or registration;

(3) The acreage and location listed by quarter-quarter section, township and county of each lot or parcel of land in this state owned or leased by the pension or investment fund, limited partnership, or corporation and used for the growing of crops or the keeping or feeding of poultry or livestock;

(4) The names and addresses of the officers, administrators, directors or trustees of the pension or investment fund, or of the officers, shareholders owning more than ten percent of the stock, including the percent of stock owned by each such shareholder, and the members of the board of directors of the corporation, and the

general and limited partners and the percentage of interest in the partnership by each partner;

(5) The farm products which the pension or investment fund, limited partnership, or corporation produces or intends to produce on its agricultural land;

(6) With the first report, a copy of the title to the property where the farming operations are or will occur indicating the particular exception claimed under subdivision 3, clauses (a) to (r); and

(7) With the first or second report, a copy of the conservation plan proposed by the soil and water conservation district, and with subsequent reports a statement of whether the conservation plan was implemented.

The report of a corporation seeking to qualify hereunder as a family farm corporation, an authorized farm corporation, a family farm partnership, or authorized farm partnership shall contain the following additional information: The number of shares or the partnership interests owned by persons residing on the farm or actively engaged in farming, or their relatives within the third degree of kindred according to the rules of the civil law or their spouses; the name, address and number of shares owned by each shareholder or partnership interests owned by each partner; and a statement as to percentage of gross receipts of the corporation derived from rent, royalties, dividends, interest and annuities. No pension or investment fund, limited partnership, or corporation shall commence farming in this state until the commissioner of agriculture has inspected the report and certified that its proposed operations comply with the provisions of this section.

(b) Every pension or investment fund, limited partnership, or corporation as described in clause (a) shall, prior to April 15 of each year, file with the commissioner of agriculture a report containing the information required in clause (a), based on its operations in the preceding calendar year and its status at the end of the year. A pension or investment fund, limited partnership, or corporation that does not file the report by April 15 must pay a \$500 civil penalty. The penalty is a lien on the land being farmed under subdivision 3 until the penalty is paid.

(c) The commissioner or the commissioner's authorized representative may enter into a written agreement with a person required to file a report under this subdivision who, for good cause shown, has failed to make a timely filing. An agreement must be construed as a "no contest" pleading and may encompass a reduction or waiver of the civil penalty for late filing. The agreement is final and conclusive with respect to the civil penalty, except upon a showing of fraud or malfeasance or misrepresentation of a material fact. The matter

agreed upon in the agreement may not be reopened or modified by an officer, employee, or agent of the state.

(d) Failure to file a required report, or the willful filing of false information, shall constitute a gross misdemeanor."

Page 3, after line 25, insert:

"Sec. 7. [EFFECTIVE DATE.]

Section 1 is effective the day following final enactment but the provision allowing for an agreement concerning reduction or waiver of a civil penalty for late filing applies to a filing due April 15, 1989, or thereafter."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 6, after the second semicolon insert "authorizing agreements with persons who fail to file certain reports,"

Page 1, line 7, delete "section" and insert "sections 500.24, subdivision 4; and"

With the recommendation that when so amended the bill pass.

The report was adopted.

Ogren from the Committee on Taxes to which was referred:

H. F. No. 2666, A bill for an act relating to elections; limiting campaign expenditures by congressional candidates who choose to receive a public subsidy for their campaigns; clarifying and modifying certain exceptions to multicandidate political party expenditure limitations; modifying lobbyist reporting requirements; expanding certain reports by certain political committees and political funds; discontinuing the state ethical practices board's responsibility for developing and furnishing certain forms; providing an income tax credit for contributions to state candidates and political parties; limiting contributions and solicitations during a regular legislative session; providing a public subsidy for legislative candidates in special elections; requiring candidates to match funds received from the state elections campaign fund; requiring deer licenses to include an application for absentee ballots; requiring county auditors to provide a sample ballot for classroom use; specifying a time period for preparing a candidate's affidavit; providing penalties; amending Minnesota Statutes 1988, sections 10A.01, subdivisions 7 and 10b;

10A.04, subdivisions 2 and 4a; 10A.20, subdivision 3; 10A.24; 10A.25, subdivision 10, and by adding a subdivision; 10A.255, by adding a subdivision; 10A.27, subdivisions 1 and 4; 10A.275; 10A.28, subdivision 1; 10A.30, subdivision 2; 10A.33; 97A.485, by adding a subdivision; 204B.09, subdivision 1; 204D.03, subdivision 1; 290.06, by adding a subdivision; and 383B.055, subdivisions 1 and 2; proposing coding for new law in Minnesota Statutes, chapters 10A; and 204D; repealing Minnesota Statutes 1988, sections 10A.27, subdivision 5; 10A.32, subdivisions 1, 2, 3, and 4; and 211B.11, subdivision 2; Minnesota Statutes 1989 Supplement, section 10A.32, subdivision 3a.

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

The report was adopted.

Kelly from the Committee on Judiciary to which was referred:

H. F. No. 2678, A bill for an act relating to corporations; clarifying and modifying provisions relating to the organization and operation of nonprofit corporations; amending Minnesota Statutes 1989 Supplement, sections 317A.011, subdivision 15; 317A.021, subdivision 4; 317A.111, subdivision 3; 317A.115, subdivision 2; 317A.133, subdivisions 1, 2, 3, and 4; 317A.181, subdivision 2; 317A.201; 317A.205; 317A.207, subdivision 1; 317A.213; 317A.225; 317A.237; 317A.251, subdivision 3; 317A.301; 317A.311; 317A.321; 317A.341, subdivision 2; 317A.401, subdivision 4; 317A.403; 317A.431; 317A.435, subdivision 2; 317A.443, subdivision 1; 317A.453, subdivision 3; 317A.455, subdivision 3; 317A.615, subdivision 1; 317A.711, subdivision 2; 317A.735, subdivisions 1 and 2; 317A.811, subdivisions 1, 4, and 6; 317A.821, subdivision 2; 317A.823, subdivisions 2 and 3; and 354A.021, subdivision 2.

Reported the same back with the following amendments:

Page 1, after line 25, insert:

“Sec. 2. Minnesota Statutes 1989 Supplement, section 317A.021, subdivision 1, is amended to read:

Subdivision 1. [ELECTION BY CHAPTER 300, 309, OR 315 CORPORATIONS.] A corporation incorporated under or governed by chapter 300, 309, or 315 that has not later become governed by chapter 317 may elect to be governed by this chapter.

Sec. 3. Minnesota Statutes 1989 Supplement, section 317A.021, subdivision 2, is amended to read:

Subd. 2. [ELECTION BY CHAPTER 317 CORPORATIONS.] On or after August 1, 1989, and before January 1, 1991, a corporation incorporated under or governed by chapter 317 may elect to become governed by this chapter.

Sec. 4. Minnesota Statutes 1989 Supplement, section 317A.021, subdivision 7, is amended to read:

Subd. 7. [NONELECTING NONPROFIT CORPORATIONS SUBJECT TO THIS CHAPTER AS OF JANUARY 1, 1991.] (a) A corporation in existence on January 1, 1991, that is within the scope of this chapter and incorporated under another statute of this state, other than a corporation incorporated under chapter 300, 309, or 315 that has not later become governed by chapter 317, is governed by this chapter as of January 1, 1991, as though the corporation had been incorporated under this chapter. The provisions of the articles and bylaws of the corporation that may be included in the articles or bylaws under this chapter remain in effect. The provisions of the articles and bylaws of the corporation that are inconsistent with this chapter are not effective as of January 1, 1991. Provisions required by this chapter to be contained in the articles that do not appear in the articles are read into them as a matter of law.

(b) On and after January 1, 1991, a corporation that elected to reject Laws 1951, chapter 500, sections 1 to 25, that does not elect to be governed by this entire chapter is governed by sections 317A.131 to 317A.151; 317A.461; and 317A.601 to 317A.791.

Page 4, after line 13, insert:

"Sec. 7. Minnesota Statutes 1989 Supplement, section 317A.111, subdivision 4, is amended to read:

Subd. 4. [OPTIONAL PROVISIONS; SPECIFIC SUBJECTS.] The following provisions relating to the management or regulation of the affairs of a corporation may be included in the articles or, except for naming members of the first board or ~~fixing a greater than majority director or member vote~~, in the bylaws:

(1) the first board of directors may be named in the articles (section 317A.171);

(2) additional qualifications for directors may be imposed (section 317A.205);

(3) terms of directors may be staggered (section 317A.207);

(4) the day or date, time, and place of board meetings may be fixed (section 317A.231);

(5) in addition to the president, authority to sign and deliver certain documents may be delegated to an officer or agent of the corporation (section 317A.305);

(6) additional officers may be designated (section 317A.311);

(7) additional powers, rights, duties, and responsibilities may be given to officers (section 317A.311);

(8) a method for filling vacant offices may be specified (section 317A.341);

(9) membership criteria and procedures for admission may be established (section 317A.401);

(10) membership terms may be fixed (section 317A.401);

(11) a corporation may levy dues, assessments, or fees on members (section 317A.407);

(12) a corporation may buy memberships (section 317A.413);

(13) a corporation may have delegates with some or all the authority of members (section 317A.415);

(14) the day or date, time, and place of regular member meetings or the place of special meetings may be fixed (section 317A.431);

(15) certain persons may be authorized to call special meetings of members (section 317A.433);

(16) notices of special member meetings may be required to contain certain information (section 317A.433);

(17) a larger than majority vote may be required for member action (section 317A.443);

(18) members may vote by proxy (section 317A.453); and

(19) members may enter into voting agreements (section 317A.457)."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 6, delete "subdivision 4" and insert "subdivisions 1, 2,

4, and 7" and delete "subdivision 3" and insert "subdivisions 3 and 4"

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 2695, A bill for an act relating to the environment; changing the requirements for management plans; directing the commissioner of health to refund fees; amending Minnesota Statutes 1989 Supplement, sections 116.76, subdivision 8, and by adding a subdivision; 116.77; and 116.79, subdivisions 1 and 3.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1989 Supplement, section 116.76, is amended by adding a subdivision to read:

Subd. 7a. [EMPLOYEE.] "Employee" means an employee, either full or part time, involved in the delivery of health care or the generation of infectious or pathological waste. Volunteers involved in the generation of infectious or pathological waste are not employees.

Sec. 2. Minnesota Statutes 1989 Supplement, section 116.76, subdivision 8, is amended to read:

Subd. 8. [FACILITY.] "Facility" means a site where infectious or pathological waste is generated, stored, decontaminated, incinerated, or disposed-, except that each of the following is a single facility:

(1) a school district, including a nonpublic school within the district that is included in the district's management plan;

(2) a community health board;

(3) a college or a university campus, including a student health service, but not including a hospital or clinic; and

(4) a hospital or clinic, excluding a student health service, on a campus of a college or university.

Sec. 3. Minnesota Statutes 1989 Supplement, section 116.77, is amended to read:

116.77 [COVERAGE.]

Sections 116.75 to 116.83 and 609.671, subdivision 10, cover any person, including veterinarians in private practice, who generates, treats, stores, transports, or disposes of infectious or pathological waste except, but not including infectious or pathological waste generated by households, farm operations, or agricultural businesses. Except as specifically provided, sections 116.75 to 116.83 do not limit or alter treatment or disposal methods for infectious or pathological waste."

Delete the title and insert:

"A bill for an act relating to the environment; defining facility and employer for purposes of infectious and pathological waste regulations; clarifying persons subject to infectious and pathological waste requirements; amending Minnesota Statutes 1989 Supplement, sections 116.76, subdivision 8, and by adding a subdivision; and 116.77."

With the recommendation that when so amended the bill pass.

The report was adopted.

Kelly from the Committee on Judiciary to which was referred:

H. F. No. 2706, A bill for an act relating to crimes; requiring cemetery owners to report unlawful removal of bodies to law enforcement authorities and next of kin of the deceased person; prescribing penalties; amending Minnesota Statutes 1988, section 609.502.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1989 Supplement, section 13.82, subdivision 10, is amended to read:

Subd. 10. [PROTECTION OF IDENTITIES.] A law enforcement agency may withhold public access to data on individuals to protect the identity of individuals in the following circumstances:

(a) When access to the data would reveal the identity of an undercover law enforcement officer;

(b) When access to the data would reveal the identity of a victim of criminal sexual conduct or of a violation of section 617.246, subdivision 2;

(c) When access to the data would reveal the identity of a paid or unpaid informant being used by the agency if the agency reasonably determines that revealing the identity of the informant would threaten the personal safety of the informant; or

(d) When access to the data would reveal the identity of a victim of or witness to a crime if the victim or witness specifically requests not to be identified publicly, and the agency reasonably determines that revealing the identity of the victim or witness would threaten the personal safety or property of the individual; or

(e) when access to the data would reveal the identity of a deceased person whose body was unlawfully removed from a cemetery in which it was interred.

Sec. 2. Minnesota Statutes 1988, section 609.502, is amended to read:

609.502 [INTERFERENCE WITH DEAD BODY OR SCENE OF DEATH, PENALTY, REPORTING.]

Subdivision 1. [CONCEALING EVIDENCE.] Whoever interferes with the body or scene of death with intent to mislead the coroner or conceal evidence is guilty of a gross misdemeanor.

Subd. 2. [FAILURE TO REPORT.] (a) A person in charge of a cemetery who has knowledge that the body of a deceased person interred in the cemetery has been unlawfully removed shall:

(1) immediately report the occurrence to local law enforcement authorities; and

(2) inform the next of kin of the deceased person, if known, within three business days of the discovery of the body's removal unless the person making the report has been instructed in writing by law enforcement authorities that informing the next of kin would compromise an active law enforcement investigation.

(b) A person who violates either clause (1) or (2) is guilty of a misdemeanor.

Sec. 3. [EFFECTIVE DATE.]

Section 2 is effective August 1, 1990, and applies to crimes committed on or after that date."

Delete the title and insert:

"A bill for an act relating to crimes; requiring cemetery owners to report unlawful removal of bodies to law enforcement authorities and next of kin of the deceased person; prescribing penalties; amending Minnesota Statutes 1988, section 609.502; Minnesota Statutes 1989 Supplement, section 13.82, subdivision 10."

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

The report was adopted.

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

H. F. No. 2709, A bill for an act relating to natural resources; authorizing the enforcement of certain natural resource laws by conservation officers; amending Minnesota Statutes 1988, section 97A.205.

Reported the same back with the following amendments:

Page 2, after line 1, insert:

"Sec. 2. Minnesota Statutes 1988, section 97A.315, subdivision 1, is amended to read:

Subdivision 1. [CRIMINAL PENALTIES.] (a) A person that violates a provision of section 97B.001, relating to trespass is guilty of a misdemeanor except as provided in paragraph (b).

(b) A person is guilty of a gross misdemeanor if the person:

- (1) knowingly disregards signs prohibiting trespass;
- (2) destroys or removes lawfully placed signs prohibiting trespass;
- (3) trespasses after personally being notified by the landowner or lessee not to trespass; or
- ~~(3)~~ (4) is convicted of violating this section more than once in a three-year period.

Sec. 3. Minnesota Statutes 1988, section 97B.055, subdivision 1, is amended to read:

Subdivision 1. [RESTRICTIONS RELATED TO HIGHWAYS.] (a) A person may not discharge a firearm or an arrow from a bow on, over, or across an improved public highway at a big game animal. A person may not discharge a firearm or bow and arrow within the right-of-way of an improved public highway at a big game animal. The commissioner may by order extend the application of this subdivision to the taking of migratory waterfowl in designated locations.

(b) A person may not discharge a firearm or an arrow from a bow on, over, across, or within the right-of-way of an improved public highway at a decoy of a big game animal that has been set out by a licensed peace officer.

Sec. 4. Minnesota Statutes 1988, section 97B.325, is amended to read:

97B.325 [DEER STAND RESTRICTIONS.]

A person may not take deer from a constructed platform or other structure that is located within the right-of-way of an improved public highway or is higher than 16 feet above the ground. The height restriction does not apply to a portable stand that is chained, belted, clamped, or tied with rope."

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

Amend the title as follows:

Page 1, line 4, after the semicolon insert "increasing the penalty for wrongful destruction or removal of no trespassing signs; prohibiting shooting at decoys under certain circumstances; prohibiting deer stands on highway right-of-way;"

Page 1, line 5, delete "section" and insert "sections" and before the period insert "; 97A.315, subdivision 1; 97B.055, subdivision 1; and 97B.325"

With the recommendation that when so amended the bill pass.

The report was adopted.

Skoglund from the Committee on Insurance to which was referred:

H. F. No. 2735, A bill for an act relating to insurance; no-fault automobile; regulating uninsured and underinsured motorist coverages for motorcycles; amending Minnesota Statutes 1989 Supplement, section 65B.49, subdivision 3a.

Reported the same back with the following amendments:

Page 2, delete lines 23 to 36

With the recommendation that when so amended the bill pass.

The report was adopted.

Kelly from the Committee on Judiciary to which was referred:

H. F. No. 2751, A bill for an act relating to courts; staggering the elections of chief judges and assistant chief judges; amending Minnesota Statutes 1988, section 484.69, subdivision 1, and by adding a subdivision; repealing Minnesota Statutes 1988, section 484.69, subdivision 2.

Reported the same back with the following amendments:

Page 1, after line 7, insert:

"Section 1. Minnesota Statutes 1988, section 2.722, subdivision 1, is amended to read:

Subdivision 1. [DESCRIPTION.] Effective July 1, 1959, the state is divided into ten judicial districts composed of the following named counties, respectively, in each of which districts judges shall be chosen as hereinafter specified:

1. Goodhue, Dakota, Carver, Le Sueur, McLeod, Scott, and Sibley; ~~13~~ 28 judges; and four permanent chambers shall be maintained in Red Wing, Hastings, Shakopee, and Glencoe and one other shall be maintained at the place designated by the chief judge of the district;

2. Ramsey; ~~13~~ 26 judges;

3. Wabasha, Winona, Houston, Rice, Olmsted, Dodge, Steele, Waseca, Freeborn, Mower, and Fillmore; 22 judges; and permanent chambers shall be maintained in Faribault, Albert Lea, Austin, Rochester, and Winona;

4. Hennepin; 53 judges;

5. Blue Earth, Watonwan, Lyon, Redwood, Brown, Nicollet, Lincoln, Cottonwood, Murray, Nobles, Pipestone, Rock, Faribault, Martin, and Jackson; ~~five~~ 18 judges; and permanent chambers shall be maintained in Marshall, Windom, Fairmont, New Ulm, and Mankato;

6. Carlton, St. Louis, Lake, and Cook; 15 judges;

7. Benton, Douglas, Mille Lacs, Morrison, Otter Tail, Stearns, Todd, Clay, Becker, and Wadena; ~~20~~ 22 judges; and permanent chambers shall be maintained in Moorhead, Fergus Falls, Little Falls, and St. Cloud;

8. Chippewa, Kandiyohi, Lac qui Parle, Meeker, Renville, Swift, Yellow Medicine, Big Stone, Grant, Pope, Stevens, Traverse, and Wilkin; ~~three~~ 12 judges; and permanent chambers shall be maintained in Morris, Montevideo, and Willmar;

9. Norman, Polk, Marshall, Kittson, Red Lake, Roseau, Mah-nomen, Pennington, Aitkin, Itasca, Crow Wing, Hubbard, Beltrami, Lake of the Woods, Clearwater, Cass and Koochiching; ~~six~~ 20 judges; and permanent chambers shall be maintained in Crookston, Thief River Falls, Bemidji, Brainerd, Grand Rapids, and International Falls;

10. Anoka, Isanti, Wright, Sherburne, Kanabec, Pine, Chisago, and Washington; ~~30~~ 33 judges; and permanent chambers shall be maintained in Anoka, Stillwater, and other places designated by the chief judge of the district."

Page 2, after line 14, insert:

"Sec. 4. [487.195] [REORGANIZATION PLANS.]

Any provision of a reorganization plan filed pursuant to section 487.191 which allows any judges to decline assignment to particular cases because of their subject matter is void and of no effect.

Sec. 5. Minnesota Statutes 1988, section 593.19, is amended to read:

593.19 [MISCONDUCT OF OFFICER DRAWING JURY.]

~~Every~~ An officer or other person charged by law with the preparation of any jury list, or list of names from which ~~any~~ a jury is to be drawn, and ~~every~~ a person authorized by law to assist at the drawing or impaneling of a grand or petit jury to attend a court or term of court, or to try any cause or issue, who ~~shall~~:

(1) ~~Place~~ places on ~~any such~~ a list ~~any~~ a name at the request or solicitation, direct or indirect, of ~~any~~ a person;

(2) ~~Designedly put~~ purposely puts upon a list of jurors, as having been drawn, ~~any~~ a name ~~which~~ that was not lawfully drawn for that purpose;

(3) ~~Designedly omit~~ purposely omits to place on ~~such a~~ list ~~any a~~ name ~~which that~~ was lawfully drawn;

(4) ~~Designedly sign~~ purposely signs or certify certifies a list of ~~such~~ jurors as having been drawn, ~~which that~~ was not lawfully drawn;

(5) ~~Designedly withdraw~~ purposely withdraws from the box or other receptacle for the ballots containing the names of ~~such the~~ jurors any paper or ballot lawfully placed or belonging there, and containing the name of a juror, ~~or omit to place therein any name lawfully drawn or designated, or place therein a paper or ballot containing the name of a person not lawfully drawn and designated as a juror; or~~

(6) ~~Who, in drawing or impaneling such the jury, shall do any~~ does an act ~~which that is~~ unfair, partial, or improper in any other respect ~~shall be, is~~ guilty of a misdemeanor.

Sec. 6. Minnesota Statutes 1988, section 593.21, is amended to read:

593.21 [MISCONDUCT OF OFFICER IN CHARGE OF JURY.]

~~Every~~ An officer to whose charge a jury is committed by a court, who negligently or willfully, and without leave of the court, permits them, or any one of them, to receive ~~any a~~ communication from ~~any a~~ person, to make ~~any a~~ communication to ~~any a~~ person, to obtain or receive ~~any a~~ book, paper, or refreshment, or to leave the jury room, is guilty of a misdemeanor.

Sec. 7. Minnesota Statutes 1988, section 593.31, is amended to read:

593.31 [UNIFORM SELECTION AND SERVICE; DECLARATION OF POLICY.]

It is the policy of this state that all persons selected for jury service be selected at random from the broadest feasible cross section of the population of the area served by the court, and that all qualified citizens have the opportunity in accordance with ~~sections 593.31 to 593.50~~ this chapter and applicable court rules to be considered for jury service in this state, and that qualified citizens have an obligation to serve as jurors when summoned for that purpose.

Sec. 8. Minnesota Statutes 1988, section 593.37, subdivision 2a, is amended to read:

Subd. 2a. The department of public safety shall, upon request and

for a reasonable fee, provide drivers' license lists to the jury commissioner. The lists shall be used solely as a supplementary source for selection of prospective jurors.

Sec. 9. Minnesota Statutes 1988, section 593.40, subdivision 4, is amended to read:

Subd. 4. A prospective juror who fails to return a completed juror qualification form questionnaire as instructed may be ordered by the court to appear and show cause for failure to complete and submit the questionnaire. A prospective juror who fails to pursuant to the court's order or to show good cause for the failure to appear or who fails to show good cause for failure to complete and submit the questionnaire is guilty of a misdemeanor.

Sec. 10. Minnesota Statutes 1988, section 593.40, subdivision 5, is amended to read:

Subd. 5. A person who willfully misrepresents a material fact on a juror qualification form questionnaire for the purpose of avoiding or securing service as a juror is guilty of a misdemeanor.

Sec. 11. Minnesota Statutes 1988, section 593.40, is amended by adding a subdivision to read:

Subd. 6. [FAILURE TO APPEAR.] A person summoned for jury service who fails to appear as directed shall be ordered by the court to appear and show cause for failure to comply with the summons. Absent a showing of good cause for noncompliance with the summons, the juror is guilty of a misdemeanor.

Sec. 12. [593.51] [COURT RULES.]

The supreme court shall promulgate rules governing jury administration in accordance with this chapter by July 31, 1990.

Sec. 13. [ELECTION DISTRICTS STUDY.]

The conference of chief judges shall study the issue of election districts for district judges and shall make recommendations to the chairs of the judiciary committees in the house of representatives and the senate on or before February 1, 1991."

Page 2, line 16, delete "section" and insert "sections" and delete "is" and insert "593.01; 593.08; 593.131; 593.135; 593.16; 593.32; 593.33; 593.34; 593.35; 593.36; 593.37, subdivisions 1, 2, and 3; 593.38; 593.39; 593.40, subdivisions 1, 2, and 3; 593.41; 593.42, subdivisions 1, 2, 3, and 5; 593.43; 593.44; 593.45; 593.46; 593.47; and 593.49 are"

Page 2, after line 17, insert:

"Sec. 15. [EFFECTIVE DATE.]

The additional judgeships authorized for judicial districts in section 1 are effective on July 1, 1991, if an appropriation is made funding those offices."

ReNUMBER the sections in sequence.

Amend the title as follows:

Page 1, line 3, after the semicolon insert "authorizing additional judgeships in certain judicial districts; nullifying any provision of a reorganization plan that allows a judge to decline assignment to particular cases because of their subject matter; requiring a study of the issue of election districts for judges; providing for the adoption of rules by the supreme court governing jury administration; imposing penalties;"

Page 1, line 4, delete "section" and insert "sections 2.722, subdivision 1;"

Page 1, line 5, after the semicolon insert "593.19; 593.21; 593.31; 593.37, subdivision 2a; 593.40, subdivisions 4 and 5 and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 487 and 593;"

Page 1, line 6, delete "section" and insert "sections" and before the period insert "; 593.01; 593.08; 593.131; 593.135; 593.16; 593.32; 593.33; 593.34; 593.35; 593.36; 593.37, subdivisions 1, 2, and 3; 593.38; 593.39; 593.40, subdivisions 1, 2, and 3; 593.41; 593.42, subdivisions 1, 2, 3, and 5; 593.43; 593.44; 593.45; 593.46; 593.47; and 593.49"

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

The report was adopted.

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

H. F. No. 2765, A bill for an act relating to health; eliminating the office of social work and mental health boards; modifying the duties of the board of unlicensed mental health service providers; requiring all mental health service providers to file with the board; amending Minnesota Statutes 1988, sections 148B.01, subdivision 7; 148B.07;

148B.41, subdivision 1; 148B.42, subdivision 2, and by adding a subdivision; 148B.43; and 148B.46, subdivision 1; Minnesota Statutes 1989 Supplement, sections 148B.17; 148B.40, subdivision 3; and 148B.42, subdivision 6; proposing coding for new law in Minnesota Statutes, chapter 148B; repealing Minnesota Statutes 1988, sections 148B.01, subdivision 2; 148B.02; and 148B.171.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1988, section 148B.23, is amended by adding a subdivision to read:

Subd. 1a. [EXTENSION OF TRANSITION PERIOD ALLOWED.] The board may issue a graduate social worker license without examination, after the transition period that ends June 30, 1989, to an applicant:

(1) who met the criteria in subdivision 1, clause (2), before the transition period ended; and

(2) who was unable to submit an application for licensure before the transition period ended because the person was in another country performing social work training to complete the requirements for a master's degree in social work.

Sec. 2. [REPORT ON METHODS OF COORDINATING SOCIAL WORK AND MENTAL HEALTH BOARDS.]

(a) The commissioner of health shall convene an interagency task force consisting of health department staff and representatives from the commissioner of human services and the boards of social work, marriage and family therapy, unlicensed mental health service providers, medical examiners, nursing, and psychology to study the current system of monitoring and regulating both licensed and unlicensed individuals who practice mental health counseling, psychotherapy, psychiatry, psychiatric nursing, social work, professional counseling, chemical dependency counseling, and similar activities. The task force shall make recommendations for improving coordination, administrative efficiency, and effectiveness of the activities of the department of health and the boards that monitor and regulate these social work and mental health occupations and professions. The task force shall solicit and consider the comments and recommendations of affected individuals, associations, and government agencies. In developing its recommendations, the task force shall consider:

(1) methods of monitoring or regulating unlicensed practitioners and whether this activity should be administered by the health

department, an independent administrative agency, a board, or another entity;

(2) a surcharge on license fees of all social work and mental health boards to finance the monitoring or regulation of unlicensed practitioners;

(3) methods of coordinating the various systems for accepting and investigating complaints;

(4) coordinated information systems to identify individuals who have been denied a license or have been subject to disciplinary action by another licensing board or agency; and

(5) other relevant issues identified by the task force.

(b) The commissioner of health shall report to the legislature by December 1, 1990, with the results of the study and the recommendations of the task force.

Sec. 3. [EXEMPTION.]

For the biennium ending June 30, 1991, the board of unlicensed mental health service providers is exempt from Minnesota Statutes, sections 16A.128, subdivision 1, and 214.06, subdivision 1."

Delete the title and insert:

"A bill for an act relating to health; extending the transition period for graduate social worker license under certain circumstances; requiring a study of methods of improving systems for regulating social work and mental health occupations and professions; exempting the board of unlicensed mental health service providers from certain license fee requirements; amending Minnesota Statutes 1988, section 148B.23, by adding a subdivision."

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

The report was adopted.

Kelly from the Committee on Judiciary to which was referred:

S. F. No. 1366, A bill for an act relating to human rights; making harassment in certain cases an unfair discriminatory practice; amending Minnesota Statutes 1988, section 363.03, by adding a subdivision.

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

The report was adopted.

Jacobs from the Committee on Regulated Industries to which was referred:

S. F. No. 1680, A bill for an act relating to cooperatives; providing absentee ballots are secret ballots; amending Minnesota Statutes 1989 Supplement, section 308A.635, subdivision 6.

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

The report was adopted.

Kelly from the Committee on Judiciary to which was referred:

S. F. No. 1691, A bill for an act relating to children; establishing procedures for the placement and removal of children in foster homes; proposing coding for new law in Minnesota Statutes, chapter 257.

Reported the same back with the following amendments:

Page 1, line 22, delete "Except as provided in paragraph (c),"

Page 2, line 1, delete "30 days" and insert "at least 48 hours"

Page 2, line 2, delete everything after "notice" and insert a comma

Page 2, delete line 3

Page 2, after line 5, insert:

"Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective June 1, 1990."

Delete page 2, line 6, to page 4, line 8

With the recommendation that when so amended the bill pass.

The report was adopted.

Kostohryz from the Committee on General Legislation, Veterans Affairs and Gaming to which was referred:

S. F. No. 1692, A bill for an act relating to public safety; conforming definition of "family or group family day care home" for purposes of fire code enforcement; abolishing nominal reimbursements for local fire chiefs; abolishing certain regulation of fire extinguishers now regulated under state fire code; abolishing regulation regarding "no smoking" signs which are regulated by state fire code; abolishing regulations relating to fire alarm deactivation requests and notices; abolishing state licensing of, and certain regulation regarding, dry cleaning and dyeing establishments, which are also regulated by state fire code; abolishing certain state licensing and inspection regulations for theaters and halls, which are regulated by the state fire code; amending Minnesota Statutes 1988, section 299F.011, subdivision 4a; repealing Minnesota Statutes 1988, sections 299F.34; 299F.36; 299F.38; 299F.453; 299F.454; 299H.211; 299H.22 to 299H.28; and 299I.01 to 299I.24.

Reported the same back with the following amendments:

Page 2, after line 14, insert:

"Sec. 2. Minnesota Statutes 1989 Supplement, section 299K.10, subdivision 6, is amended to read:

Subd. 6. [CIVIL PENALTIES.] (a) A violation of the federal act is a violation of state law.

(b) An owner or operator of a facility is liable to the state for civil penalties in the same manner and amount as the owner or operator is liable to the United States under section 11045, subpart (a) and, subpart (b), paragraphs (1), (2), and (3), and subpart (c), paragraphs (1) and (2), of the federal act.

(c) The commission may enforce the penalties in state district court in the same manner as the administrator of the United States Environmental Protection Agency may enforce the civil penalties in federal district court under the federal act.

(d) For purposes of this subdivision, each day of continued violation constitutes a separate violation."

Page 2, line 15, delete "2" and insert "3"

Page 2, after line 21, insert:

"Sec. 4. [EFFECTIVE DATE.]

Section 2 is effective the day following final enactment for violations committed on and after that date.

Amend the title as follows:

Page 1, line 4, after the semicolon insert "providing for civil penalty for violation of the federal Emergency Planning and Community Right To Know Act;"

Page 1, line 17, after the semicolon insert "Minnesota Statutes 1989 Supplement, section 299K.10, subdivision 6;"

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

The report was adopted.

Kostohryz from the Committee on General Legislation, Veterans Affairs and Gaming to which was referred:

S. F. No. 1727, A bill for an act relating to education; repealing the requirement that the Minnesota state high school league conduct a two-class high school hockey championship; clarifying the status and effect of certain law; removing surplus language; amending Minnesota Statutes 1989 Supplement, section 129.121, subdivision 7.

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

The report was adopted.

Kelly from the Committee on Judiciary to which was referred:

S. F. No. 1852, A bill for an act relating to judges; providing for the manner of filling vacancies in the office of judge; proposing coding for new law as Minnesota Statutes, chapter 480B.

Reported the same back with the following amendments:

Page 1, line 21, delete "six-member" and insert "six"

Page 2, line 1, delete "two-member" and insert "two"

Page 2, line 5, delete "two-member" and insert "two"

Page 2, delete lines 6 to 10 and insert:

"(d) The supreme court shall administer the election of two individuals residing in each judicial district elected by the attorneys residing in the district to a four-year term, which shall end on the same day the governor's term of office ends."

Page 2, line 12, after "minorities" insert "in proportion to their per capita share of the state population"

Page 2, lines 35 and 36, delete "court of appeals" and insert "appellate courts"

Page 3, line 8, after "health," insert "if job related,"

Page 4, line 4, after "appeals" insert "in a seat which is not designated for a particular congressional district"

Page 4, line 6, after the period insert "If the vacancy has occurred or will occur on the court of appeals in a seat which is designated for a particular congressional district, the notice must be made available to all attorney associations within the congressional district and to at least one newspaper of general circulation in each county in the congressional district."

With the recommendation that when so amended the bill pass.

The report was adopted.

Kelly from the Committee on Judiciary to which was referred:

S. F. No. 1943, A bill for an act relating to human rights; lengthening the statute of limitations for human rights act violations; amending Minnesota Statutes 1989 Supplement, section 363.06, subdivision 3.

Reported the same back with the following amendments:

Page 2, after line 8, insert:

"Sec. 2. Minnesota Statutes 1988, section 363.116, is amended to read:

363.116 [TRANSFER TO COMMISSIONER.]

A local commission may refer a matter under its jurisdiction to the commissioner.

The charging party has the option of filing a charge either with a local commission or the department. Notwithstanding the provisions of any ordinance or resolution to the contrary, a charge may be filed with a local commission within 300 days two years after the occurrence of the practice. The exercise of such choice in filing a charge with one agency shall preclude the option of filing the same charge with the other agency. At the time a charge comes to the attention of a local agency, the agency or its representative shall inform the charging party of this option, and of the party's rights under Laws 1967, chapter 897.

Where this chapter provides additional protections and remedies not provided for under a local antidiscrimination ordinance, the local commission shall advise a party bringing a charge under a local ordinance of those additional protections and remedies and of the option to file a charge under this chapter.

The term "local commission" as used in this section has the same meaning given the term in section 363.115."

Page 2, line 9, delete "2" and insert "3"

Amend the title as follows:

Page 1, line 3, after "amending" insert "Minnesota Statutes 1988, section 363.116; and"

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

The report was adopted.

Kostohryz from the Committee on General Legislation, Veterans Affairs and Gaming reported on the following appointment which had been referred to the committee by the Speaker:

ETHICAL PRACTICES BOARD

VANNE HAYES

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

Kostohryz moved that the report of the Committee on General Legislation, Veterans Affairs and Gaming relating to the appoint-

ment of Vanne Hayes to the Ethical Practices Board be adopted. The motion prevailed and the report was adopted.

CONFIRMATION

Kostohryz moved that the House, having advised, do now consent to and confirm the appointment of Vanne Hayes, 869 Carroll Avenue, St. Paul, Ramsey County, effective January 24, 1990, for a term expiring the first Monday in January, 1994. The motion prevailed and the appointment of Vanne Hayes was confirmed by the House.

Kostohryz from the Committee on General Legislation, Veterans Affairs and Gaming reported on the following appointment which had been referred to the committee by the Speaker:

ETHICAL PRACTICES BOARD

BRUCE WILLIS

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

Kostohryz moved that the report of the Committee on General Legislation, Veterans Affairs and Gaming relating to the appointment of Bruce Willis to the Ethical Practices Board be adopted. The motion prevailed and the report was adopted.

CONFIRMATION

Kostohryz moved that the House, having advised, do now consent to and confirm the appointment of Bruce Willis, 2940 Walnut Grove Lane, Plymouth, Hennepin County, effective March 14, 1990, for a term expiring the first Monday in January, 1992. The motion prevailed and the appointment of Bruce Willis was confirmed by the House.

SECOND READING OF HOUSE BILLS

H. F. Nos. 274, 596, 1025, 1463, 1860, 1890, 1908, 2027, 2064, 2099, 2118, 2218, 2351, 2367, 2373, 2382, 2457, 2480, 2652, 2656, 2658, 2678, 2695, 2706, 2709 and 2735 were read for the second time.

SECOND READING OF SENATE BILLS

S. F. Nos. 1789, 2130, 1366, 1691, 1692, 1727, and 1852 were read for the second time.

**INTRODUCTION AND FIRST READING
OF HOUSE BILLS**

The following House Files were introduced:

Carlson, D., introduced:

H. F. No. 2793, A bill for an act relating to education; approving a capital loan to the Finlayson school district.

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

Steensma, Bertram and Nelson, C., introduced:

H. F. No. 2794, A bill for an act relating to agriculture; providing for an agronomist grazing specialist in Minnesota extension; establishing the Minnesota forage task force; appropriating money.

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

Kalis; Steensma; Lieder; Carlson, D., and Hausman introduced:

H. F. No. 2795, A resolution memorializing the congressional delegation from Minnesota to advocate certain positions regarding the development of the next Federal Highway Program.

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

Orenstein, by request, and Carruthers, by request, introduced:

H. F. No. 2796, A bill for an act relating to taxation; providing an exemption from the withholding tax requirement on royalties upon ore; amending Minnesota Statutes 1988, section 290.923, by adding a subdivision.

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

Milbert; Quinn; Blatz; Johnson, A., and Pelowski introduced:

H. F. No. 2797, A bill for an act relating to taxation; property; providing for valuation of manufactured home parks; classifying manufactured home parks; limiting valuation increases for manufactured home parks; requiring a notice to park residents; amending Minnesota Statutes 1988, section 273.11, by adding subdivisions; Minnesota Statutes 1989 Supplement, section 273.11, subdivision 1; Minnesota Statutes Second 1989 Supplement, sections 273.13, subdivision 23; and 273.1398, subdivision 1.

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

Boo, Munger and Jaros introduced:

H. F. No. 2798, A bill for an act relating to the city of Duluth; providing for certain city tax revenues; amending Laws 1980, chapter 511, section 1, subdivision 2.

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

MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Mr. Speaker:

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

H. F. No. 1895, A bill for an act relating to courts; providing an alternative dispute resolution pilot project in the second judicial district; amending Minnesota Statutes 1989 Supplement, section 484.74, subdivision 4.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 2188, A bill for an act relating to local government; permitting towns to publish collections of town ordinances, resolutions, rules, and laws; amending Minnesota Statutes 1988, sections 415.021 and 599.13.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce the adoption by the Senate of the following House Concurrent Resolution, herewith returned:

House Concurrent Resolution No. 5, A house concurrent resolution congratulating the 1990 International Trans-Antarctica Expedition Team on its successful continental crossing.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

S. F. Nos. 838, 1851, 1897, 2046, 1670, 1698, 1879, 1927, 1980 and 2092.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

S. F. Nos. 2090, 2172, 1920, 1983, 2039, 772, 2079, 1162, 2267, 2381 and 2424.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

S. F. Nos. 2119, 2373, 2383, 2216, 2224, 2302, 1686 and 1752.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

S. F. Nos. 1822, 2115, 2159, 2354, 1726, 1739, 1768, 2179, 2127, 2208 and 2281.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

S. F. Nos. 1150, 1968, 2229, 1729, 1886, 2048 and 1870.

PATRICK E. FLAHAVEN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 838, A bill for an act relating to motor vehicles; providing for special license plates for disabled persons; setting fee for duplicate personalized license plates; amending Minnesota Statutes 1988, sections 168.012, subdivision 3a; 168.021, as amended; 168.12, subdivision 2a; 168.125, subdivision 2; 168.27, subdivision 2; 168.29; 169.01, subdivision 24a; 169.215; and 169.346; Minnesota Statutes 1989 Supplement, sections 168.011, subdivision 4; 168.012, subdivision 1; and 169.345; repealing Minnesota Statutes 1988, section 168.12, subdivisions 3 and 4.

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

S. F. No. 1851, A bill for an act relating to the military; authorizing appointment of an executive director of the department of military affairs; amending Minnesota Statutes 1988, section 190.08, by adding a subdivision.

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

S. F. No. 1897, A bill for an act relating to taxation; property; clarifying employment terms of city and town assessors; amending Minnesota Statutes 1988, section 273.05, subdivision 1.

The bill was read for the first time.

Bauerly moved that S. F. No. 1897 and H. F. No. 2189, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2046, A bill for an act relating to crime victims; providing for a notice for victims of sexual assault concerning their risk of developing sexually transmitted diseases; proposing coding for new law in Minnesota Statutes, chapter 611A.

The bill was read for the first time.

Pappas moved that S. F. No. 2046 and H. F. No. 2277, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1670, A bill for an act relating to natural resources; prohibiting transportation of Eurasian water milfoil; providing exceptions; providing penalties for not removing Eurasian water milfoil from watercraft; providing penalties; amending Minnesota Statutes 1988, section 361.03, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 18.

The bill was read for the first time.

Skoglund moved that S. F. No. 1670 and H. F. No. 2092, now on Special Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1698, A bill for an act relating to health; codifying existing law restricting construction of new hospitals; repealing a sunset; proposing coding for new law in Minnesota Statutes, chapter 144; repealing Laws 1984, chapter 654, article 5, section 57, as amended.

The bill was read for the first time.

Greenfield moved that S. F. No. 1698 and H. F. No. 2168, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1879, A bill for an act relating to natural resources; amending a certain requirement relating to the sale of state timber; amending Minnesota Statutes 1988, section 90.101, subdivision 1.

The bill was read for the first time.

Kinkel moved that S. F. No. 1879 and H. F. No. 1939, now on Special Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1927, A bill for an act relating to education; changing state board of vocational technical education powers; amending Minnesota Statutes 1988, section 136C.04, subdivision 12.

The bill was read for the first time.

Price moved that S. F. No. 1927 and H. F. No. 2011, now on Special Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1980, A bill for an act relating to local government; requiring additional notice of various vacation proceedings; amending Minnesota Statutes 1988, section 368.01, subdivision 25; and Minnesota Statutes 1989 Supplement, section 412.851.

The bill was read for the first time.

Lieder moved that S. F. No. 1980 and H. F. No. 2187, now on Special Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2092, A bill for an act relating to cities; regulating financial operations of municipal hospitals of statutory cities; changing the method of selection of the hospital board for St. Louis and Koochiching counties from election at large to appointment by the county boards; amending Minnesota Statutes 1988, section 412.221, subdivision 16; and Laws 1988, chapter 645, section 2.

The bill was read for the first time.

Uphus moved that S. F. No. 2092 and H. F. No. 2318, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2090, A bill for an act relating to towns; regulating town meetings; providing for town deputy treasurer; amending Minnesota Statutes 1988, sections 365.51, subdivision 1; and 365.58; proposing coding for new law in Minnesota Statutes, chapter 367.

The bill was read for the first time.

Jennings moved that S. F. No. 2090 and H. F. No. 2266, now on

General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2172, A bill for an act relating to waters; requiring the commissioner of natural resources to establish a plan for drought emergencies; changing the completion date for the metropolitan council's long-term water supply plan; amending Minnesota Statutes 1989 Supplement, section 473.156, subdivisions 1 and 2; proposing coding for new law in Minnesota Statutes, chapter 105.

The bill was read for the first time.

Solberg moved that S. F. No. 2172 and H. F. No. 2299, now on Special Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1920, A bill for an act relating to elections; making various changes in laws applicable to school district elections; amending Minnesota Statutes 1988, sections 201.071, subdivision 3; 203B.08, subdivision 3; 204B.08, subdivision 3; 204B.14, subdivision 5; 204B.17; 204B.44; 204C.22, subdivisions 9, 10, 15, and by adding a subdivision; 204D.04, subdivision 2; 205A.05, subdivision 1; 205A.07, by adding a subdivision; 205A.09, subdivision 2; 205A.11; 209.02, subdivision 1; 209.03; 209.09, subdivision 1; and 211A.01, subdivision 6; and Minnesota Statutes 1989 Supplement, sections 205A.10, subdivisions 2 and 3; and 209.021, subdivision 1.

The bill was read for the first time.

McEachern moved that S. F. No. 1920 and H. F. No. 1870, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1983, A bill for an act relating to liquor; authorizing the metropolitan airports commission to issue off-sale liquor licenses for the sale of Minnesota wine; amending Minnesota Statutes 1988, section 340A.405, by adding a subdivision.

The bill was read for the first time.

Omann moved that S. F. No. 1983 and H. F. No. 2313, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2039, A bill for an act relating to motor vehicles; exempting certain water well drilling equipment and vehicles from registration and taxation requirements; amending Minnesota Stat-

utes 1988, section 168.012, subdivision 5; Minnesota Statutes 1989 Supplement, section 168.011, subdivision 22.

The bill was read for the first time.

Kalis moved that S. F. No. 2039 and H. F. No. 2621, now on the Consent Calendar, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 772, A bill for an act relating to traffic regulations; providing that signs for handicapped parking spaces state penalty imposed for unlawful use; amending Minnesota Statutes 1988, section 169.346, subdivision 2.

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

S. F. No. 2079, A bill for an act relating to state parks; renaming Helmer Myre and Nerstrand Woods state parks; amending Minnesota Statutes 1988, section 85.012, subdivisions 27 and 45.

The bill was read for the first time.

Rodosovich moved that S. F. No. 2079 and H. F. No. 2219, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1162, A bill for an act relating to drivers' licenses; setting deadline for court administrators to forward driver's license or permit applications and fees to the department of public safety; amending Minnesota Statutes 1988, section 171.06, subdivision 4.

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

S. F. No. 2267, A bill for an act relating to law enforcement; barring traffic citation quotas; proposing coding for new law in Minnesota Statutes, chapter 169.

The bill was read for the first time.

Kelly moved that S. F. No. 2267 and H. F. No. 2397, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2381, A bill for an act relating to highways; substituting new Legislative Route No. 298 in the trunk highway system.

The bill was read for the first time.

Rodosovich moved that S. F. No. 2381 and H. F. No. 2608, now on the Consent Calendar, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2424, A bill for an act relating to insurance; life; regulating policies with accelerated benefits; modifying the application of certain provisions; prescribing a penalty; amending Minnesota Statutes 1989 Supplement, section 61A.072, subdivision 3, and by adding a subdivision.

The bill was read for the first time.

Skoglund moved that S. F. No. 2424 and H. F. No. 2572, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2119, A bill for an act relating to Blue Earth county; permitting the appointment of the auditor, recorder, and treasurer; authorizing the reorganization of county offices.

The bill was read for the first time.

Dorn moved that S. F. No. 2119 and H. F. No. 2078, now on Special Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2373, A bill for an act relating to Olmsted county; permitting the consolidation of the offices of auditor and treasurer.

The bill was read for the first time.

Bishop moved that S. F. No. 2373 and H. F. No. 2448, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2383, A bill for an act relating to cities; permitting the establishment of boundary commissions; proposing coding for new law in Minnesota Statutes, chapter 465.

The bill was read for the first time.

Bertram moved that S. F. No. 2383 and H. F. No. 2683, now on the

Consent Calendar, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2216, A bill for an act relating to occupations and professions; specifying requirements for membership of the board of medical examiners; containing procedural requirements for disciplinary actions; applying reporting requirements to other entities that provide professional liability coverage to physicians; amending Minnesota Statutes 1988, sections 147.01, subdivisions 1, 3, and 4; 147.09; 147.111, subdivision 5; repealing Minnesota Statutes 1988, sections 147.171; 147.24; 147.25; 147.26; 147.27; 147.28; 147.29; 147.30; 147.31; 147.32; 147.33; and Laws 1988, chapter 557, section 6.

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

S. F. No. 2224, A bill for an act relating to health; granting an exception to the nursing home moratorium; amending Minnesota Statutes 1989 Supplement, section 144A.071, subdivision 3.

The bill was read for the first time.

Trimble moved that S. F. No. 2224 and H. F. No. 2346, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2302, A bill for an act relating to telephone services; requiring local location identification data bases for 911 systems; classifying data provided for data bases; amending Minnesota Statutes 1988, sections 403.02, by adding a subdivision; and 403.07, by adding subdivisions; Minnesota Statutes 1989 Supplement, section 403.11, subdivision 1.

The bill was read for the first time.

Tunheim moved that S. F. No. 2302 and H. F. No. 2528, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1686, A bill for an act relating to education; allowing school boards to hold school on Saturdays; amending Minnesota Statutes 1988, section 126.12, subdivision 2.

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

S. F. No. 1752, A bill for an act relating to railroads; establishing standard for abandonment of tracks; clarifying standard for abandonment of shops, terminals, and stations; amending Minnesota Statutes 1988, sections 219.681; 219.71; and 219.85.

The bill was read for the first time.

Brown moved that S. F. No. 1752 and H. F. No. 2064, now on Technical General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1822, A bill for an act relating to housing; providing for the administration of section 8 existing housing and low-rent public housing programs; clarifying and limiting local approval requirements; removing the exemption for special assessments for housing and redevelopment authorities; providing for the transfer of housing and housing development projects to an economic development authority; authorizing the metropolitan council to plan and administer a section 8 program in the metropolitan area without approval of local units of government; amending Minnesota Statutes 1988, sections 469.002, subdivision 10, and by adding a subdivision; 469.004, subdivision 5; 469.005, subdivision 1; 469.012, subdivision 3; 469.016; 469.040, subdivisions 1 and 3; 469.094, subdivisions 1 and 2; and 473.195, subdivision 1; and Minnesota Statutes 1989 Supplement, section 469.012, subdivision 1.

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

S. F. No. 2115, A bill for an act relating to peace officers; authorizing licensed peace officers to operate motor vehicles and watercraft without lights under certain circumstances; providing exemption from tort liability; amending Minnesota Statutes 1988, sections 169.48; and 361.15; proposing coding for new law in Minnesota Statutes, chapter 169.

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

S. F. No. 2159, A bill for an act relating to education; delaying the date by which the regent candidate advisory council must submit recommendations to the legislature; amending Minnesota Statutes 1988, section 137.0245, subdivision 4.

The bill was read for the first time.

Otis moved that S. F. No. 2159 and H. F. No. 2418, now on the

Consent Calendar, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2354, A bill for an act relating to education; allowing pupils of at least age 16 a greater range of programs to attend under the high school graduation incentives and private alternative school programs; amending Minnesota Statutes 1989 Supplement, section 126.22, subdivision 3.

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

S. F. No. 1726, A bill for an act relating to child care funding; authorizing the commissioner of human services to promulgate rules directing county boards to establish certain payment policies; amending Minnesota Statutes 1989 Supplement, section 256H.02.

The bill was read for the first time.

Greenfield moved that S. F. No. 1726 and H. F. No. 2132, now on Special Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1739, A bill for an act relating to metropolitan government; clarifying provisions for compensation; amending Minnesota Statutes 1988, sections 473.123, subdivision 5; and 473.141, subdivision 7; Minnesota Statutes 1989 Supplement, sections 473.605, subdivision 2; and 473.704, subdivision 6.

The bill was read for the first time.

Skoglund moved that S. F. No. 1739 and H. F. No. 2083, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1768, A bill for an act relating to financial institutions; regulating electronic fund transfer facilities; providing for access by other transmission facilities; amending Minnesota Statutes 1988, sections 47.61, by adding a subdivision; and 47.65, by adding a subdivision.

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

S. F. No. 2179, A bill for an act relating to local government in Ramsey county; eliminating certain performance bonds; permitting

fees for inspections by the county surveyor; amending Minnesota Statutes 1988, section 383A.32, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 383A.

The bill was read for the first time.

Hausman moved that S. F. No. 2179 and H. F. No. 2250, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2127, A bill for an act relating to forestry; implementing a statewide program to encourage maintenance and expansion of community and urban forests; assigning responsibilities to various state agencies and municipalities; proposing coding for new law in Minnesota Statutes, chapter 17.

The bill was read for the first time.

Lasley moved that S. F. No. 2127 and H. F. No. 2382, now on Technical General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2208, A bill for an act relating to crimes; providing that it is a prima facie case for reference for prosecution as an adult if a child is alleged to have committed a felony offense as part of, or subsequent to, the delinquent act of escape from confinement to a local juvenile correctional facility; making it a crime for an alleged or adjudicated juvenile delinquent who is 18 years old to escape from a local juvenile correctional facility; amending Minnesota Statutes 1988, sections 260.015, subdivision 5; and 609.485, subdivisions 2 and 4; and Minnesota Statutes 1989 Supplement, section 260.125, subdivision 3.

The bill was read for the first time.

Greenfield moved that S. F. No. 2208 and H. F. No. 2367, now on Technical General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2281, A bill for an act relating to port authorities; allowing a port authority to use foreign trade zone powers, if granted, outside its port district; amending Minnesota Statutes 1988, section 469.059, subdivision 14.

The bill was read for the first time.

Rice moved that S. F. No. 2281 and H. F. No. 2384, now on General

Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1150, A bill for an act relating to creditors remedies; regulating executions and garnishments; amending Minnesota Statutes 1988, section 550.142; proposing coding for new law in Minnesota Statutes, chapters 550 and 557; proposing coding for new law as Minnesota Statutes, chapter 551; repealing Minnesota Statutes 1988, sections 550.041; 550.05; 550.14; 550.141; 571.41; 571.42; 571.43; 571.44; 571.45; 571.46; 571.471; 571.495; 571.50; 571.51; 571.52; 571.53; 571.54; 571.55; 571.56; 571.57; 571.58; 571.59; 571.60; 571.61; 571.62; 571.63; 571.64; 571.65; 571.66; 571.67; 571.68; and 571.69.

The bill was read for the first time.

Pugh moved that S. F. No. 1150 and H. F. No. 1439, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1968, A bill for an act relating to pet or companion animals; permitting restrictions to be imposed on persons convicted of mistreating animals; amending Minnesota Statutes 1988, section 343.21, by adding a subdivision.

The bill was read for the first time.

Simoneau moved that S. F. No. 1968 and H. F. No. 2099, now on the Technical Consent Calendar, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2229, A bill for an act relating to elections; clarifying language and changing procedures for voter registration, absentee voters, and polling place rosters; defining certain terms; changing certain time limits; providing for certain services to disabled persons at state political party conventions; providing for persons who are permanently ill or disabled to automatically receive absentee ballot applications before each election; modifying election procedures for town supervisors; requiring a report; amending Minnesota Statutes 1988, sections 200.02, by adding a subdivision; 201.022; 201.023; 201.054, subdivision 1; 201.061, subdivision 1; 201.071, subdivisions 3 and 4; 201.081; 201.091; 201.12, subdivision 2; 201.121, subdivisions 1 and 2; 201.171; 201.211; 201.221; 201.27, subdivision 1; 203B.04, by adding a subdivision; 203B.09; 203B.12, subdivisions 2 and 3; 204B.28, subdivision 2; 204B.45, subdivision 2; 204C.10; 204C.12, subdivision 4; 204C.27; 367.03, subdivision 1; 367.33, subdivision 4; Minnesota Statutes 1989 Supplement, sections 202A.13; 203B.13, subdivision 3a; proposing coding for new law in

Minnesota Statutes, chapter 201; and repealing Minnesota Statutes 1988, sections 201.061, subdivision 2; 201.071, subdivisions 5 and 6; and 201.091, subdivision 3.

The bill was read for the first time.

Scheid moved that S. F. No. 2229 and H. F. No. 2041, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1729, A bill for an act relating to traffic regulations; requiring motorists to activate vehicle lights during inclement weather conditions; amending Minnesota Statutes 1988, section 169.48.

The bill was read for the first time.

Sviggum moved that S. F. No. 1729 and H. F. No. 1860, now on Technical General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1886, A bill for an act relating to agriculture; establishing the Minnesota forage task force.

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

S. F. No. 2048, A bill for an act relating to education; clarifying legislative intent concerning corporal punishment; amending Minnesota Statutes 1989 Supplement, section 127.45.

The bill was read for the first time.

Pelowski moved that S. F. No. 2048 and H. F. No. 2685, now on the Consent Calendar, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1870, A bill for an act relating to horse racing; increasing per diem rate for racing commissioners; requiring licenses for pari-mutuel clerks at county fairs; apportioning money for promotion of the breeding and racing industry; allowing supervision of administration of certain medications by designated persons; prohibiting acceptance of bets by telephone; reducing state tax withholding on pari-mutuel winnings; amending Minnesota Statutes 1988, sections 240.02, subdivision 3; 240.09, subdivision 2; 240.13, subdivision 8; 240.18; 240.24, subdivision 2; and 290.92, subdivision 27.

The bill was read for the first time.

Price moved that S. F. No. 1870 and H. F. No. 2171, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

CONSENT CALENDAR

H. F. No. 1673, A bill for an act relating to occupations and professions; regulating the practice of pharmacy; amending Minnesota Statutes 1988, sections 151.01, subdivisions 3 and 11; 151.13, subdivision 1; and 151.34.

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

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

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

H. F. No. 1879 was reported to the House.

Tunheim moved that H. F. No. 1879 be placed on General Orders. The motion prevailed.

H. F. No. 2133 was reported to the House.

Greenfield moved that H. F. No. 2133 be continued on the Consent Calendar. The motion prevailed.

H. F. No. 2500, A bill for an act relating to insurance; modifying the effective date of the statutory notice requirement for cancellation or nonrenewal of individual life policies; amending Laws 1989, chapter 330, section 38.

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

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

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

S. F. No. 1663, A bill for an act relating to Redwood and Lyon counties; abandoning judicial ditch number 37.

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

The question was taken on the passage of the bill and the roll was called. There were 126 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

REPORT FROM THE COMMITTEE ON RULES AND LEGISLATIVE ADMINISTRATION

Long, from the Committee on Rules and Legislative Administration, pursuant to House Rule No. 1.9, designated the following bills as Special Orders to be acted upon immediately following Special Orders pending for today, Wednesday, March 21, 1990:

H. F. Nos. 1913, 2156, 1918, 2189, 2277, 1928, 2374, 2131, 2056, 2163, 2219, 2050, 2393 and 2448.

SPECIAL ORDERS

H. F. No. 2162 was reported to the House.

Williams moved that H. F. No. 2162 be continued on Special Orders. The motion prevailed.

H. F. No. 1897 was reported to the House.

Winter moved that H. F. No. 1897 be continued on Special Orders. The motion prevailed.

H. F. No. 2084, A bill for an act relating to statutes; revising the text of certain laws to remove redundant and obsolete language, to simplify grammar and syntax, and to improve the style of language without causing changes in the meaning of the laws; amending Minnesota Statutes 1988, chapters 367, as amended; and 368, as amended.

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

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

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

H. F. No. 2343 was reported to the House.

Haukoos and Skoglund moved to amend H. F. No. 2343, the first engrossment, as follows:

Page 3, line 2, after the period insert:

"Sec. 4. Minnesota Statutes 1988, section 62E.14, is amended by adding a subdivision to read:

Subd. 5a. [DEPENDENTS OF TERMINATED EMPLOYEES.] A dependent of a terminated employee shall be able to enroll within 60 days of termination of coverage with a waiver of the preexisting condition limitation set forth in subdivision 3 and a waiver of the evidence of rejection set forth in subdivision 1, paragraph (c).

Sec. 5. [EFFECTIVE DATE.]

Section 4 is effective the day following final enactment."

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Gutknecht moved to amend H. F. No. 2343, the first engrossment, as amended, as follows:

Page 3, after line 2, insert:

"Sec. 4. Minnesota Statutes 1988, section 62E.15, subdivision 4, is amended to read:

Subd. 4. Every insurer which rejects or applies underwriting restrictions to an applicant for accident and health insurance shall: (1) provide the applicant with a written notice of rejection or the underwriting restrictions applied to the applicant; (2) notify the applicant of the existence of the state plan, the requirements for being accepted in it, and the procedure for applying to it; and (3) provide the applicant with written materials explaining the state plan in greater detail. This written material shall be provided by the association to every insurer at no charge."

Amend the title as follows:

Page 1, line 5, after the semicolon insert "requiring insurers to provide written materials on the Minnesota comprehensive health insurance plan,"

Page 1, line 7, delete "and"

Page 1, line 8, after "subdivision" insert "; and 62E.15, subdivision 4"

The motion prevailed and the amendment was adopted.

H. F. No. 2343, A bill for an act relating to insurance; accident and health; providing for the classification and disclosure of certain comprehensive health insurance data; regulating the Minnesota comprehensive health insurance plan; requiring insurers to provide written materials on the Minnesota comprehensive health insurance plan; amending Minnesota Statutes 1988, sections 13.71, by adding a subdivision; 62E.10, subdivision 9; 62E.14, by adding subdivisions; and 62E.15, subdivision 4.

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

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

Those who voted in the affirmative were:

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

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

H. F. No. 2381 was reported to the House.

Nelson, K., moved that H. F. No. 2381 be continued on Special Orders. The motion prevailed.

S. F. No. 2353, A bill for an act relating to vocational rehabilitation; providing for supported employment programs; amending Minnesota Statutes 1988, section 129A.01, subdivisions 11, 12, and by adding a subdivision.

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

The question was taken on the passage of the bill and the roll was called. There were 124 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

H. F. No. 1960, A bill for an act relating to natural resources; amending certain provisions concerned with the management of wildlife; amending Minnesota Statutes 1988, sections 97A.135, by adding a subdivision; and 97A.445, by adding a subdivision; and Minnesota Statutes 1989 Supplement, section 97B.603.

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

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

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

S. F. No. 1922, A bill for an act relating to commerce; exempting credit unions from certain requirements for closing agents; amending Minnesota Statutes 1989 Supplement, section 82.20, subdivision 15.

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

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

Those who voted in the affirmative were:

Abrams	Carruthers	Haukoos	Kinkel	Milbert
Anderson, G.	Clark	Hausman	Knickerbocker	Morrison
Anderson, R.	Cooper	Heap	Kostohryz	Munger
Battaglia	Dauner	Henry	Krueger	Murphy
Bauerly	Dawkins	Himle	Lasley	Nelson, C.
Beard	Dempsey	Hugoson	Lieder	Nelson, K.
Begich	Dorn	Jacobs	Limmer	Neuenschwander
Bennett	Forsythe	Janezich	Long	O'Connor
Bertram	Frederick	Jaros	Lynch	Ogren
Bishop	Frerichs	Jefferson	Macklin	Olsen, S.
Blatz	Girard	Jennings	Marsh	Olson, E.
Boo	Greenfield	Johnson, A.	McDonald	Olson, K.
Brown	Gruenes	Johnson, R.	McEachern	Omann
Burger	Gutknecht	Johnson, V.	McGuire	Onnen
Carlson, D.	Hartle	Kahn	McLaughlin	Orenstein
Carlson, L.	Hasskamp	Kelly	McPherson	Osthoff

Ostrom	Pugh	Schafer	Steensma	Wagenius
Otis	Quinn	Scheid	Sviggun	Waltman
Ozment	Redalen	Schreiber	Swenson	Weaver
Pappas	Reding	Seaberg	Tjornhom	Welle
Pauly	Rest	Segal	Tompkins	Wenzel
Pellow	Richter	Simoneau	Trimble	Williams
Pelowski	Rodosovich	Skoglund	Tunheim	Winter
Peterson	Rukavina	Solberg	Uphus	Spk. Vanasek.
Poppenhagen	Runbeck	Sparby	Valento	
Price	Sarna	Stanius	Vellenga	

The bill was passed and its title agreed to.

H. F. No. 1913 was reported to the House.

Scheid and Dawkins moved to amend H. F. No. 1913, the first engrossment, as follows:

Pages 1 to 5, delete sections 2 and 3

Page 6, lines 7 and 8, delete "\$1,000" and insert "\$800"

Page 10, delete section 6

Page 12, delete section 8 and insert:

"Sec. 5. Minnesota Statutes 1988, section 325G.22, is amended by adding a subdivision to read:

Subd. 1a. [ADJUSTMENT OF DOLLAR AMOUNTS.] The dollar amount in subdivision 1 shall change periodically as provided in section 550.37, subdivision 4a.

Page 13, line 1, delete "8" and insert "5"

Renumber the sections in sequence

Correct internal references

Amend the title as follows:

Page 1, line 3, delete everything after the semicolon

Page 1, line 4, delete everything before the second "regulating"

Page 1, line 8, delete everything after the first semicolon

Page 1, line 9, delete "56.12;" and delete "2, and 6; and" and insert "and 2;"

Page 1, line 9, after "56.14;" insert "and 325G.22, by adding a subdivision."

Page 1, delete lines 10 and 11

The motion prevailed and the amendment was adopted.

H. F. No. 1913, A bill for an act relating to commerce; regulating dividends on claims in liquidation proceedings; regulating the lending practices of regulated lenders; specifying the loan fees and charges that may be imposed by regulated lenders; amending Minnesota Statutes 1988, sections 49.24, subdivision 9; 56.131, subdivisions 1 and 2; 56.14; and 325G.22, by adding a subdivision,

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

The question was taken on the passage of the bill and the roll was called. There were 76 yeas and 39 nays as follows:

Those who voted in the affirmative were:

Abrams	Frerichs	Limmer	Osthoff	Stanis
Anderson, R.	Girard	Lynch	Ozment	Steensma
Bennett	Gruenes	Macklin	Pauly	Sviggum
Bertram	Gutknecht	Marsh	Pellow	Swenson
Bishop	Hartle	McDonald	Pelowski	Tunheim
Boo	Haukoos	McGuire	Peterson	Valento
Burger	Heap	McPherson	Poppenhagen	Vellenga
Carlson, D.	Himle	Morrison	Pugh	Waltman
Carlson, L.	Hugoson	Munger	Redalen	Weaver
Carruthers	Janezich	Murphy	Rest	Welle
Cooper	Jennings	Nelson, C.	Rodosovich	Wenzel
Dawkins	Johnson, V.	Neuenschwander	Runbeck	Spk. Vanasek
Dempsey	Kinkel	O'Connor	Schafer	
Dorn	Knickerbocker	Olsen, S.	Scheid	
Forsythe	Kostohryz	Olson, E.	Schreiber	
Frederick	Lieder	Omann	Seaberg	

Those who voted in the negative were:

Battaglia	Hasskamp	Krueger	Orenstein	Simoneau
Bauerly	Hausman	Lasley	Ostrom	Skoglund
Beard	Henry	McEachern	Price	Sparby
Begich	Jacobs	McLaughlin	Quinn	Tjornhom
Blatz	Jaros	Nelson, K.	Reding	Trimble
Clark	Jefferson	Ogren	Rukavina	Wagenius
Dauner	Johnson, A.	Olson, K.	Sarna	Winter
Greenfield	Johnson, R.	Onnen	Segal	

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

H. F. No. 2156, A bill for an act relating to counties; regulating performance bonds; amending Minnesota Statutes 1988, section 375.21, subdivision 1.

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

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

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

H. F. No. 1918, A bill for an act relating to waste; providing for criminal and civil penalties for violations of pretreatment standards and requirements in the metropolitan area and for violations in the Western Lake Superior Sanitary District; amending Laws 1971, chapter 478, section 17, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 473.

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 124 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Beard	Blatz	Carlson, L.	Dawkins
Anderson, G.	Begich	Boo	Carruthers	Dempsey
Anderson, R.	Bennett	Brown	Clark	Dorn
Battaglia	Bertram	Burger	Cooper	Forsythe
Bauerly	Bishop	Carlson, D.	Dauner	Frederick

Frerichs	Johnson, V.	Murphy	Poppenhagen	Stanisus
Girard	Kahn	Nelson, C.	Price	Steensma
Greenfield	Kelly	Nelson, K.	Pugh	Sviggum
Gruenes	Kinkel	Neuenschwander	Quinn	Swenson
Gutknecht	Knickerbocker	O'Connor	Redalen	Tjornhom
Hartle	Kostohryz	Ogren	Reding	Tompkins
Hasskamp	Krueger	Olsen, S.	Rest	Trimble
Haukoos	Lasley	Olson, E.	Richter	Tunheim
Hausman	Lieder	Olson, K.	Rodosovich	Uphus
Heap	Limmer	Omann	Rukavina	Valento
Henry	Long	Onnen	Runbeck	Vellenga
Himle	Lynch	Orenstein	Sarna	Wagenius
Hugoson	Macklin	Ostrom	Schafer	Waltman
Jacobs	Marsh	Otis	Schreiber	Weaver
Janezich	McDonald	Ozment	Seaberg	Welle
Jaros	McGuire	Pappas	Segal	Wenzel
Jefferson	McLaughlin	Pauly	Simoneau	Williams
Jennings	McPherson	Pellow	Skoglund	Winter
Johnson, A.	Morrison	Pelowski	Solberg	Spk. Vanasek
Johnson, R.	Munger	Peterson	Sparby	

The bill was passed and its title agreed to.

H. F. No. 1928 was reported to the House.

Bishop, Hasskamp and Kelly moved to amend H. F. No. 1928, the first engrossment, as follows:

Page 1, after line 8, insert:

"Section 1. Minnesota Statutes 1988, section 326.32, is amended by adding a subdivision to read:

Subd. 8a. [ARMED EMPLOYEE.] "Armed employee" means an employee of a private detective or protective agent who at any time in the performance of the employee's duties wears, carries, possesses, or has access to a firearm.

Sec. 2. [326.3361] [TRAINING.]

Subdivision 1. [RULES.] The board shall, by rule, prescribe the requirements, duration, contents, and standards for successful completion of training programs for employees, including:

(1) first aid and firearms training required for armed employees, including training in the legal limitations on the justifiable use of force and deadly force as specified in sections 609.06 and 609.065;

(2) training in the use of weapons other than firearms, including bludgeons, nightsticks, batons, chemical weapons, and electronic incapacitation devices, and in the use of restraint or immobilization techniques, including the carotid neck restraint;

(3) standards for weapons and equipment issued to or carried or used by employees;

(4) preassignment or on-the-job training, or its equivalent, required before applicants may be issued identification cards; and

(5) continuing training for employees and armed employees.

Subd. 2. [REQUIRED CONTENTS.] The rules adopted by the board must require:

(1) 12 hours of preassignment or on-the-job training within the first 21 days of employment, or evidence that the employee has successfully completed equivalent training before the start of employment;

(2) standards for certification of an employee, by the board, as qualified to carry or use a firearm, a weapon other than a firearm, or an immobilizing or restraint technique; and

(3) six hours a year of continuing training for all employees, and an additional six hours a year for armed employees, which must include annual certification of the armed employee.

Subd. 3. [USE OF WEAPONS; CERTIFICATION REQUIRED.] The rules must provide that no employee may carry or use a weapon or immobilizing or restraint technique without being certified by the board as qualified to do so.

Subd. 4. [FULL-TIME PEACE OFFICERS.] A person certified as a full-time peace officer by the board of peace officer standards and training meets the training requirements of this section."

Renumber the remaining sections

Amend the title as follows:

Page 1, line 2, after the semicolon, insert "providing for training for armed employees of private detectives and protective agents;"

Page 1, line 5, delete "section" and insert "sections 326.32, by adding a subdivision; and"

Page 1, line 7, before the period, insert "; proposing coding for new law in Minnesota Statutes, chapter 326"

A roll call was requested and properly seconded.

The question was taken on the Bishop et al amendment and the roll was called. There were 126 yeas and 1 nay as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Marsh

The motion prevailed and the amendment was adopted.

Gruenes was excused for the remainder of today's session.

Neuenschwander moved to amend H. F. No. 1928, the first engrossment, as amended, as follows:

Page 1, line 23, after "when" insert "neither" and after "person" insert "nor the photographer" and delete "not"

Page 2, line 3, after the comma, insert "when neither the participant nor the person conducting the surveillance is on the premises being protected by the person described in paragraph (a), or of"

Page 2, line 6, delete "or" and insert "and"

Page 2, line 11, strike "license holder" and insert "person"

Page 2, line 12, strike "subdivision 1 or 1a" and insert "this section"

Page 2, lines 15 and 18, delete "violates" and insert "is convicted of a violation of"

A roll call was requested and properly seconded.

The question was taken on the Neuenschwander amendment and the roll was called. There were 66 yeas and 56 nays as follows:

Those who voted in the affirmative were:

Abrams	Frederick	Limmer	Pauly	Tjornhom
Anderson, G.	Frerichs	Lynch	Pellow	Tompkins
Bauerly	Girard	Macklin	Peterson	Tunheim
Bennett	Gutknecht	Marsh	Poppenhagen	Uphus
Bertram	Hartle	McDonald	Redalen	Valento
Blatz	Haukoos	McPherson	Richter	Waltman
Boo	Heap	Morrison	Runbeck	Weaver
Burger	Henry	Neuenschwander	Schafer	Welle
Carlson, D.	Hugoson	Olsen, S.	Schreiber	Williams
Cooper	Jennings	Olson, E.	Seaberg	Winter
Dauner	Johnson, V.	Omann	Stanis	
Dempsey	Knickerbocker	Onnen	Steensma	
Dorn	Krueger	Ostrom	Sviggum	
Forsythe	Lieder	Ozment	Swenson	

Those who voted in the negative were:

Anderson, R.	Jacobs	McEachern	Osthoff	Scheid
Battaglia	Janezich	McGuire	Otis	Skoglund
Beard	Jaros	McLaughlin	Pappas	Solberg
Begich	Jefferson	Milbert	Pelowski	Trimble
Brown	Johnson, A.	Munger	Price	Vellenga
Carlson, L.	Johnson, R.	Murphy	Pugh	Wagenius
Carruthers	Kahn	Nelson, C.	Quinn	Wenzel
Clark	Kelly	Nelson, K.	Reding	Spk. Vanasek
Dawkins	Kinkel	O'Connor	Rest	
Greenfield	Kostohryz	Ogren	Rodosevich	
Hasskamp	Lasley	Olson, K.	Rukavina	
Hausman	Long	Orenstein	Sarna	

The motion prevailed and the amendment was adopted.

Sviggum offered an amendment to H. F. No. 1928, the first engrossment, as amended.

POINT OF ORDER

Begich raised a point of order pursuant to rule 3.9 that the Sviggum amendment was not in order. The Speaker ruled the point of order well taken and the amendment out of order.

H. F. No. 1928, A bill for an act relating to occupations and professions; providing for training for armed employees of private detectives and protective agents; prohibiting certain acts by protective agents and security guards during a labor dispute; amending Minnesota Statutes 1988, sections 326.32, by adding a subdivision; and 326.3384, by adding a subdivision; and amending Minnesota Statutes 1989 Supplement, section 326.3384, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 326.

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

The question was taken on the passage of the bill and the roll was called. There were 68 yeas and 54 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Dorn	Lasley	Osthoff	Sarna
Anderson, R.	Hasskamp	Long	Ostrom	Scheid
Battaglia	Hausman	McEachern	Otis	Skoglund
Bauerly	Jacobs	McGuire	Ozment	Solberg
Beard	Janezich	McLaughlin	Pappas	Trimble
Begich	Jaros	Milbert	Pelowski	Tunheim
Bishop	Jefferson	Munger	Peterson	Vellenga
Brown	Johnson, A.	Murphy	Price	Wagenius
Carlson, D.	Johnson, R.	Nelson, C.	Pugh	Wenzel
Carlson, L.	Kahn	Nelson, K.	Quinn	Williams
Carruthers	Kelly	O'Connor	Reding	Winter
Clark	Kinkel	Ogren	Rest	Spk. Vanasek
Cooper	Kostohryz	Olson, K.	Rodosovich	
Dawkins	Krueger	Orenstein	Rukavina	

Those who voted in the negative were:

Abrams	Girard	Lieder	Omann	Stanis
Bennett	Gutknecht	Limmer	Onnen	Svigum
Bertram	Hartle	Lynch	Pauly	Swenson
Blatz	Haukoos	Macklin	Pellow	Tjornhom
Boo	Heap	Marsh	Poppenhagen	Tompkins
Burger	Henry	McDonald	Redalen	Uphus
Dauner	Himle	McPherson	Richter	Valento
Dempsey	Hugoson	Morrison	Runbeck	Waltman
Forsythe	Jennings	Neuenschwander	Schafer	Weaver
Frederick	Johnson, V.	Olsen, S.	Schreiber	Welle
Frerichs	Knickerbocker	Olson, E.	Seaberg	

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

H. F. No. 2374 was reported to the House.

Bauerly moved to amend H. F. No. 2374, as follows:

Page 1, line 15, strike "Hubbard," and insert "and" and strike "and Ottertail"

Page 2, after line 7, insert:

"Sec. 2. [EFFECTIVE DATE.]

Section 1 relating to the removal of Hubbard and Ottertail counties from area one is effective July 1, 1991."

The motion prevailed and the amendment was adopted.

Haukoos moved to amend H. F. No. 2374, as amended, as follows:

Page 2, after line 7, insert:

"Sec. 2. [21.1196] ["GROWER'S OWN" SEED POTATOES.]

Subdivision 1. [CERTIFICATION OF SEED POTATOES AND PLOT.] A potato grower in Freeborn, Steele, or Mower county may seek certification of seed potatoes grown by the potato grower exclusively for the grower's own use and not for sale.

A seed plot used to produce potatoes under this subdivision must pass all the requirements for certification of seed potatoes under section 21.1195 and rules adopted by the commissioner.

Subd. 2. ["GROWER'S OWN."] Seed potatoes produced on seed plots certified under subdivision 1 are "grower's own" seed potatoes and must not be sold or exchanged as seed.

Subd. 3. [LIMITATION.] "Grower's own" seed potatoes may not represent more than 15 percent of the acreage a grower plants in potatoes in a year. "Grower's own" seed potatoes may be used to plant all of the grower's potato crop the following year except the following year's "grower's own" seed potato plot."

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Haukoos amendment and the roll was called. There were 67 yeas and 54 nays as follows:

Those who voted in the affirmative were:

Abrams	Frederick	Lasley	Onnen	Seaberg
Anderson, G.	Frerichs	Limmer	Orenstein	Stanius
Anderson, R.	Girard	Lynch	Ozment	Swiggum
Beard	Gutknecht	Macklin	Pauly	Swenson
Bennett	Hartle	Marsh	Pellow	Tjornhom
Bishop	Haukoos	McDonald	Poppenhagen	Tompkins
Blatz	Heap	McPherson	Redalen	Valento
Boo	Henry	Milbert	Reding	Waltman
Brown	Himle	Morrison	Richter	Weaver
Burger	Hugoson	O'Connor	Runbeck	Welle
Carlson, D.	Jacobs	Ogren	Sarna	Winter
Dempsey	Jennings	Olsen, S.	Schafer	
Dorn	Johnson, V.	Olson, K.	Scheid	
Forsythe	Knickerbocker	Omann	Schreiber	

Those who voted in the negative were:

Battaglia	Hausman	Lieder	Ostrom	Solberg
Bauerly	Janezich	Long	Pappas	Sparby
Begich	Jaros	McEachern	Pelowski	Steensma
Bertram	Jefferson	McGuire	Peterson	Trimble
Carlson, L.	Johnson, A.	McLaughlin	Price	Tunheim
Carruthers	Johnson, R.	Munger	Quinn	Vellenga
Cooper	Kahn	Murphy	Rest	Wagenius
Dauner	Kelly	Nelson, C.	Rukavina	Wenzel
Dawkins	Kinkel	Nelson, K.	Segal	Williams
Greenfield	Kostohryz	Olson, E.	Simoneau	Spk. Vanasek
Hasskamp	Krueger	Osthoff	Skoglund	

The motion prevailed and the amendment was adopted.

H. F. No. 2374, A bill for an act relating to agriculture; changing the makeup of potato research and promotion councils; providing for the certification of seed potatoes; amending Minnesota Statutes 1988, section 17.54, subdivision 9; proposing coding for new law in Minnesota Statutes, chapter 21.

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

The question was taken on the passage of the bill and the roll was called. There were 126 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Carlson, D.	Gutknecht	Johnson, A.	Macklin
Anderson, G.	Carlson, L.	Hartle	Johnson, R.	Marsh
Anderson, R.	Carruthers	Hasskamp	Johnson, V.	McDonald
Battaglia	Clark	Haukoos	Kahn	McEachern
Bauerly	Cooper	Hausman	Kelly	McGuire
Beard	Dauner	Heap	Kinkel	McLaughlin
Begich	Dawkins	Henry	Knickerbocker	McPherson
Bennett	Dempsey	Himle	Kostohryz	Milbert
Bertram	Dorn	Hugoson	Krueger	Morrison
Bishop	Forsythe	Jacobs	Lasley	Munger
Blatz	Frederick	Janezich	Lieder	Murphy
Boo	Frerichs	Jaros	Limmer	Nelson, C.
Brown	Girard	Jefferson	Long	Nelson, K.
Burger	Greenfield	Jennings	Lynch	O'Connor

Ogren	Pauly	Rodosovich	Sparby	Wagenius
Olsen, S.	Pellow	Rukavina	Stanis	Waltman
Olson, E.	Pelowski	Runbeck	Steensma	Weaver
Olson, K.	Peterson	Sarna	Sviggum	Welle
Omann	Poppenhagen	Schafer	Swenson	Wenzel
Onnen	Price	Scheid	Tjornhom	Williams
Orenstein	Pugh	Schreiber	Tompkins	Winter
Osthoff	Quinn	Seaberg	Trimble	Spk. Vanasek
Ostrom	Redalen	Segal	Tunheim	
Otis	Reding	Simoneau	Uphus	
Ozment	Rest	Skoglund	Valento	
Pappas	Richter	Solberg	Vellenga	

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

H. F. No. 2131, A bill for an act relating to crimes; prohibiting wild land arson fires; providing penalties; proposing coding for new law in Minnesota Statutes, chapter 609.

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

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

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

H. F. No. 2056, A bill for an act relating to public safety; making it a crime for a driver to flee a peace officer from another state into

Minnesota; authorizing a peace officer of another state to enter Minnesota in fresh pursuit for traffic and misdemeanor offenses; authorizing the admissibility of relevant evidence obtained in another state into evidence at Minnesota civil and criminal trials; granting peace officers of other states the authority to transport persons in legal custody under certain circumstances; amending Minnesota Statutes 1988, section 609.487, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 626 and 634.

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

The question was taken on the passage of the bill and the roll was called. There were 126 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

H. F. No. 2163, A bill for an act relating to minimum wages; defining the term "employee" to exclude certain seasonal children's resident or day camp employees; amending Minnesota Statutes 1988, section 177.23, subdivision 7.

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 109 yeas and 17 nays as follows:

Those who voted in the affirmative were:

Abrams	Greenfield	Limmer	Otis	Skoglund
Anderson, G.	Gutknecht	Long	Ozment	Sparby
Anderson, R.	Hartle	Lynch	Pappas	Stanius
Battaglia	Hasskamp	Macklin	Pauly	Steensma
Bauerly	Haukoos	Marsh	Pellow	Swiggum
Begich	Hausman	McDonald	Pelowski	Swenson
Bennett	Heap	McGuire	Peterson	Tjornhom
Bertram	Henry	McPherson	Poppenhagen	Tompkins
Blatz	Himle	Milbert	Price	Trimble
Boo	Hugoson	Morrison	Pugh	Tunheim
Brown	Jacobs	Munger	Redalen	Uphus
Burger	Janezich	Murphy	Reding	Valento
Carlson, D.	Jefferson	Nelson, C.	Rest	Vellenga
Carlson, L.	Jennings	Nelson, K.	Richter	Wagenius
Cooper	Johnson, A.	Neuenschwander	Rodosovich	Waltman
Dauner	Johnson, R.	Olsen, S.	Rukavina	Weaver
Dempsey	Johnson, V.	Olson, E.	Runbeck	Welle
Dorn	Kinkel	Olson, K.	Schafer	Wenzel
Forsythe	Knickerbocker	Omann	Schreiber	Williams
Frederick	Kostohryz	Onnen	Seaberg	Winter
Frerichs	Krueger	Orenstein	Segal	Spk. Vanasek
Girard	Lieder	Ostrom	Simoneau	

Those who voted in the negative were:

Beard	Dawkins	Lasley	Osthoff	Solberg
Bishop	Jaros	McLaughlin	Quinn	
Carruthers	Kahn	O'Connor	Sarna	
Clark	Kelly	Ogren	Scheid	

The bill was passed and its title agreed to.

H. F. No. 2050, A bill for an act relating to human services; authorizing the lease of property to provide state-operated, community-based programs; proposing coding for new law in Minnesota Statutes, chapter 245.

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 97 yeas and 28 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Carlson, L.	Heap	Kinkel	Milbert
Anderson, R.	Carruthers	Himle	Knickerbocker	Morrison
Battaglia	Clark	Jacobs	Kostohryz	Munger
Bauerly	Cooper	Janezich	Krueger	Murphy
Beard	Dauner	Jaros	Lasley	Nelson, C.
Begich	Dawkins	Jefferson	Lieder	Nelson, K.
Bertram	Dorn	Jennings	Long	Neuenschwander
Bishop	Forsythe	Johnson, A.	Lynch	O'Connor
Blatz	Greenfield	Johnson, R.	Macklin	Ogren
Boo	Hartle	Johnson, V.	McEachern	Olsen, S.
Brown	Hasskamp	Kahn	McGuire	Olson, E.
Carlson, D.	Hausman	Kelly	McLaughlin	Olson, K.

Omamn	Peterson	Rukavina	Sparby	Welle
Orenstein	Poppenhagen	Runbeck	Steensma	Wenzel
Osthoff	Price	Sarna	Swenson	Williams
Ostrom	Pugh	Scheid	Tjornhom	Winter
Otis	Quinn	Segal	Trimble	Spk. Vanasek
Ozment	Reding	Simoneau	Tunheim	
Pappas	Rest	Skoglund	Vellenga	
Pelowski	Rodosovich	Solberg	Wagenius	

Those who voted in the negative were:

Abrams	Girard	McDonald	Richter	Tompkins
Bennett	Gutknecht	McPherson	Schafer	Valento
Burger	Haukoos	Onnen	Schreiber	Waltman
Dempsey	Henry	Pauly	Seaberg	Weaver
Frederick	Limmer	Pellow	Stanisus	
Frerichs	Marsh	Redalen	Svigum	

The bill was passed and its title agreed to.

H. F. No. 2393 was reported to the House.

Milbert moved that H. F. No. 2393 be continued on Special Orders. The motion prevailed.

Long moved that the remaining bills on Special Orders for today be continued. The motion prevailed.

GENERAL ORDERS

Long moved that the bills on General Orders for today be continued. The motion prevailed.

MOTIONS AND RESOLUTIONS

Girard moved that the name of Kalis be added as an author on H. F. No. 1792. The motion prevailed.

Schreiber moved that the name of McLaughlin be added as an author on H. F. No. 1877. The motion prevailed.

Lasley moved that the name of Steensma be stricken and the name of McPherson be added as an author on H. F. No. 1898. The motion prevailed.

Reding moved that the name of Tjornhom be added as an author on H. F. No. 1918. The motion prevailed.

Skoglund moved that the names of Wagenius and Johnson, A., be added as authors on H. F. No. 1983. The motion prevailed.

Kelly moved that the name of Tjornhom be added as an author on H. F. No. 2086. The motion prevailed.

Lieder moved that the name of Knickerbocker be added as an author on H. F. No. 2614. The motion prevailed.

Kinkel moved that the name of Johnson, R., be added as an author on H. F. No. 2748. The motion prevailed.

Kalis moved that the name of Dille be added as an author on H. F. No. 2769. The motion prevailed.

Peterson moved that S. F. No. 1813 be recalled from the Committee on Health and Human Services and be re-referred to the Committee on Appropriations. The motion prevailed.

Long moved that H. F. No. 1970, now on General Orders, be re-referred to the Committee on Rules and Legislative Administration. The motion prevailed.

Janezich moved that H. F. No. 2786 be recalled from the Committee on Environment and Natural Resources and be re-referred to the Committee on Taxes. The motion prevailed.

Olson, E., moved that H. F. No. 984 be returned to its author. The motion prevailed.

Knickerbocker moved that H. F. No. 1015 be returned to its author. The motion prevailed.

Reding moved that H. F. No. 1328 be returned to its author. The motion prevailed.

Quinn moved that H. F. No. 2122 be returned to its author. The motion prevailed.

Quinn moved that H. F. No. 2123 be returned to its author. The motion prevailed.

Otis moved that H. F. No. 2590 be returned to its author. The motion prevailed.

ANNOUNCEMENT BY THE SPEAKER

It is the policy of the House that any proposal, whether bill or amendment to a bill, which establishes or renews a board, commission, task force, advisory committee or council, or any other such entity on which members of the House are represented, shall have a specific, separate appropriation relating to the expenses to be incurred by that entity. If such appropriation is not provided, the House will charge per diem, mileage and any other expenses incurred by any such entity to the House committee in which the bill or amendment originated.

ADJOURNMENT

Long moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 2:30 p.m., Thursday, March 22, 1990.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

