

FIFTY-EIGHTH DAY

St. Paul, Minnesota, Friday, May 11, 1973.

The Senate met at 10:00 o'clock a. m. and was called to order by the President.

CALL OF THE SENATE

Mr. Pillsbury imposed a call of the Senate. The following Senators answered to their names:

Arnold	Coleman	Hanson, R.	Milton	Pillsbury
Ashbach	Conzemius	Josefson	Moe	Purfeerst
Berg	Davies	Keefe, S.	Ogdahl	Renneke
Bernhagen	Doty	Kirchner	Olhoft	Schrom
Blatz	Fitzsimons	Kleinbaum	Olson, A. G.	Stokowski
Borden	Frederick	Knutson	Olson, J. L.	Tennessee
Brown	Gearty	Larson	Patton	Thorup
Chenoweth	Hansen, Baldy	Laufenburger	Perpich, A. J.	Wegener
Chmielewski	Hansen, Mel	McCutcheon	Perpich, G.	Willet

The Sergeant-at-Arms was instructed to bring in the absent members.

Prayer by the Chaplain.

The roll being called, the following Senators answered to their names:

Anderson	Doty	Kirchner	Novak	Schrom
Arnold	Dunn	Kleinbaum	Ogdahl	Sillers
Ashbach	Fitzsimons	Knutson	Olhoft	Solon
Bang	Frederick	Kowalczyk	Olson, A. G.	Spear
Berg	Gearty	Krieger	Olson, H. D.	Stassen
Bernhagen	Hansen, Baldy	Larson	Olson, J. L.	Stokowski
Blatz	Hansen, Mel	Laufenburger	O'Neill	Tennessee
Borden	Hanson, R.	Lewis	Patton	Thorup
Brown	Hughes	Lord	Perpich, A. J.	Ueland
Chenoweth	Humphrey	McCutcheon	Perpich, G.	Wegener
Chmielewski	Jensen	Milton	Pillsbury	Willet
Coleman	Josefson	Moe	Purfeerst	
Conzemius	Keefe, J.	Nelson	Renneke	
Davies	Keefe, S.	North	Schaaf	

Quorum present.

The reading of the Journal was dispensed with and the Journal, as printed and corrected, was approved.

MEMBERS EXCUSED

Mr. Purfeerst was excused from today's Session, beginning at 12:30 o'clock p.m. Mr. Kowalczyk was excused from the first hour of today's Session.

INTRODUCTION OF BILLS

Messrs. Hanson, R.; Ogdahl and Thorup introduced—

S. F. No. 2480: A bill for an act relating to foreign corporations; limitation on area of operations of certain foreign corporations and associations; providing exceptions under certain conditions; amending Minnesota Statutes 1971, Section 303.04.

Which was read the first time and referred to the Committee on Labor and Commerce.

Messrs. Thorup, McCutcheon and North introduced—

S. F. No. 2481: A bill for an act relating to labor; regulating the powers, duties and procedures of certain state agencies and others; regulating the divisions of the department of labor and industry; providing penalties; amending Minnesota Statutes 1971, Sections 175.08; 175.10; 175.16; 175.17; 175.171; 175.20; 175.24; 175.27; and 175.32; repealing Minnesota Statutes 1971, Sections 175.12; 175.13; 175.18; 175.19; 175.21; 175.22; 175.23; 175.28; and 175.29.

Which was read the first time and referred to the Committee on Labor and Commerce.

Messrs. Borden, Gearty and Ogdahl introduced—

S. F. No. 2482: A bill for an act relating to the operation of state government; changing the salary setting authority of certain unclassified positions in the executive branch of government; repealing Minnesota Statutes 1971, Sections 15A.021; 15A.031; 15A.041; and 15A.081.

Which was read the first time and referred to the Committee on Governmental Operations.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following Senate Files, herewith returned: S. F. Nos. 1030, 1233, 1724, 1943, 753, 695 and 1376.

Edward A. Burdick, Chief Clerk, House of Representatives.

Returned May 9, 1973

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S. F. No. 736: A bill for an act relating to elections; providing

that certain officers in cities of the first class be elected with party designation; amending Minnesota Statutes 1971, Sections 202.09, Subdivision 1; and 205.17.

Senate File No. 736 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives.

Returned May 9, 1973

Mr. Keefe, S. moved that S. F. No. 736 be laid on the table. Which motion prevailed.

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S. F. No. 523: A bill for an act relating to hearing aids; permitting sales only upon the recommendation of persons licensed to practice medicine; providing a penalty.

Senate File No. 523 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives.

Returned May 9, 1973

CONCURRENCE AND REPASSAGE

Mr. Conzemius moved that the Senate do now concur in the amendments by the House to S. F. No. 523 and that the bill be placed on its repassage as amended. Which motion prevailed.

S. F. No. 523 was read the third time, as amended by the House, and placed on its repassage.

The question being taken on the repassage of the bill, as amended,

And the roll being called, there were yeas 50 and nays 12, as follows:

Those who voted in the affirmative were:

Arnold	Doty	Keefe, S.	North	Schaaf
Ashbach	Dunn	Kirchner	Novak	Schrom
Berg	Fitzsimons	Kleinbaum	Ogdahl	Solon
Borden	Gearty	Larson	Olhott	Spear
Brown	Hansen, Baldy	Laufenburger	Olson, A. G.	Stassen
Chenoweth	Hansen, Mel	Lewis	Olson, J. L.	Stokowski
Chmielewski	Hanson, R.	Lord	O'Neill	Tennessen
Coleman	Hughes	Milton	Perpich, A. J.	Thorup
Conzemius	Humphrey	Moe	Perpich, G.	Wegener
Davies	Josefson	Nelson	Purfeerst	Willet

Those who voted in the negative were:

Bernhagen	Jensen	McCutcheon	Pillsbury	Sillers
Blatz	Knutson	Patton	Renneke	Ueland
Frederick	Krieger			

So the bill, as amended, was repassed and its title was agreed to.

MESSAGE FROM THE HOUSE—CONTINUED

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S. F. No. 507: A bill for an act relating to water pollution; pollution control agency; providing financial assistance to municipalities for the construction of waste disposal systems; amending Minnesota Statutes 1971, Sections 116.16, Subdivisions 2, 3, 4, 6, 7 and 9; 116.17, Subdivision 5; 116.18, Subdivisions 1 and 2; repealing Minnesota Statutes 1971, Sections 116.15; 116.18, Subdivision 3, and cancelling an appropriation.

Senate File No. 507 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives.

Returned May 10, 1973

CONCURRENCE AND REPASSAGE

Mr. Moe moved that the Senate do now concur in the amendments by the House to S. F. No. 507 and that the bill be placed on its repassage as amended.

The question being taken on adoption of the motion,

And the roll being called, there were yeas 37 and nays 28, as follows:

Those who voted in the affirmative were:

Anderson	Doty	Lewis	Olson, A. G.	Stokowski
Arnold	Gearty	Lord	Perpich, A. J.	Tennessen
Borden	Hansen, Baldy	McCutcheon	Perpich, G.	Thorup
Chenoweth	Hughes	Milton	Purfeerst	Wegener
Chmielewski	Humphrey	Moe	Schaaf	Willet
Coleman	Keefe, S.	North	Schrom	
Conzemius	Kleinbaum	Novak	Solon	
Davies	Laufenburger	Olhoff	Spear	

Those who voted in the negative were:

Ashbach	Dunn	Josefson	Nelson	Renneke
Bang	Fitzsimons	Keefe, J.	Ogdahl	Sillers
Berg	Frederick	Kirchner	Olson, J. L.	Stassen
Bernhagen	Hansen, Mel	Knutson	O'Neill	Ueland
Blatz	Hanson, R.	Krieger	Patton	
Brown	Jensen	Larson	Pillsbury	

Which motion prevailed.

S. F. No. 507 was read the third time, as amended by the House, and placed on its repassage.

The question being taken on the repassage of the bill, as amended.

And the roll being called, there were yeas 61 and nays 2, as follows:

Those who voted in the affirmative were:

Anderson	Dunn	Kleinbaum	Ogdahl	Solon
Arnold	Fitzsimons	Knutson	Olhoff	Spear
Ashbach	Gearty	Krieger	Olson, A. G.	Stassen
Bang	Hansen, Baldy	Larson	O'Neill	Stokowski
Berg	Hansen, Mel	Laufenburger	Patton	Tennessee
Blatz	Hanson, R.	Lewis	Perpich, A. J.	Thorup
Borden	Hughes	Lord	Perpich, G.	Ueland
Chenoweth	Humphrey	McCutcheon	Pillsbury	Wegener
Chmielewski	Jensen	Milton	Purfeerst	Willet
Coleman	Josefson	Moe	Renneke	
Conzemius	Keefe, J.	Nelson	Schaaf	
Davies	Keefe, S.	North	Schrom	
Doty	Kirchner	Novak	Sillers	

Messrs. Bernhagen and Brown voted in the negative.

So the bill, as amended, was repassed and its title was agreed to.

MESSAGE FROM THE HOUSE—CONTINUED

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S. F. No. 1388: A bill for an act relating to taxation; assessment of low income real property; amending Minnesota Statutes 1971, Section 273.13, Subdivision 17; repealing Minnesota Statutes 1971, Section 273.13, Subdivision 17b.

Senate File No. 1388 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives.

Returned May 10, 1973

CONCURRENCE AND REPASSAGE

Mr. Chenoweth moved that the Senate do now concur in the amendments by the House to S. F. No. 1388 and that the bill be placed on its repassage as amended. Which motion prevailed.

S. F. No. 1388 was read the third time, as amended by the House, and placed on its repassage.

The question being taken on the repassage of the bill, as amended,

And the roll being called, there were yeas 64 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Davies	Keefe, S.	Novak	Schaaf
Arnold	Doty	Kirchner	Ogdahl	Schrom
Ashbach	Dunn	Kleinbaum	Olhoff	Sillers
Bang	Fitzsimons	Knutson	Olson, A. G.	Solon
Berg	Frederick	Krieger	Olson, H. D.	Spear
Bernhagen	Gearty	Larson	Olson, J. L.	Stassen
Blatz	Hansen, Baldy	Lewis	O'Neill	Stokowski
Borden	Hansen, Mel	Lord	Patton	Tennessee
Brown	Hanson, R.	McCutcheon	Perpich, A. J.	Thorup
Chenoweth	Hughes	Milton	Perpich, G.	Ueland
Chmielewski	Humphrey	Moe	Pillsbury	Wegener
Coleman	Jensen	Nelson	Purfeerst	Willet
Conzemius	Josefson	North	Renneke	

So the bill, as amended, passed and its title was agreed to.

MESSAGES FROM THE HOUSE—CONTINUED

Mr. President:

I have the honor to announce that the House has acceded to the request of the Senate for the appointment of a Conference Committee, consisting of five members of the House, on the amendments adopted by the House to the following Senate File:

S. F. No. 1626: A bill for an act relating to education; school aids and levies; authorizing the issuance of bonds by independent school district No. 625; appropriating money; amending Minnesota Statutes 1971, Chapter 124, by adding sections; Sections 120.17, Subdivision 7, and by adding a subdivision; 124.17, by adding a subdivision; 124.212, Subdivision 8, and by adding subdivisions; 124.32, Subdivisions 1 and 5, and by adding a subdivision; and 275.125, by adding subdivisions; repealing Minnesota Statutes 1971, Sections 120.17, Subdivision 8; 124.04; 124.17, Subdivision 1; 124.212, Subdivisions 3, 4, 6, and 7; 124.22, Subdivisions 1, 3, 4 and 6; 124.31; 124.32, Subdivision 3; and 275.125, Subdivisions 2 and 3.

There has been appointed as such committee on the part of the House:

Graba; Berg; Johnson, D.; Adams, S. and Esau.

Senate File No. 1626 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives.

Returned May 10, 1973

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 1772:

H. F. No. 1772: A bill for an act relating to the Minnesota historical society; commissioning a painting concerning Indian life; appropriating money.

And the House respectfully requests that a Conference Committee of three members be appointed thereon:

Connors, Berglin and DeGroat have been appointed as such committee on the part of the House.

House File No. 1772 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives.

Transmitted May 10, 1973

Mr. Keefe, J. moved that the Senate accede to the request of the House for a Conference Committee on H. F. No. 1772 and that a Conference Committee of 3 members be appointed by the Committee on Committees, on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. Which motion prevailed.

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 835.

H. F. No. 835: A bill for an act relating to divorce; abolishing the action and substituting proceedings for dissolution; amending Minnesota Statutes 1971, Sections 518.001; 518.01; 518.03; 518.06; 518.07; 518.09; 518.10; 518.11; 518.12; 518.13; 518.14; 518.15; 518.16; 518.17; 518.175, Subdivision 1; 518.25; 518.27; 518.54; 518.55; 518.551; 518.57; 518.58; 518.59; 518.62; 518.63; 518.64 and 518.66; repealing Minnesota Statutes 1971, Sections 518.08; 518.26 and 518.28.

And the House respectfully requests that a Conference Committee of three members be appointed thereon:

Kahn, Weaver and Bell have been appointed as such committee on the part of the House.

House File No. 835 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives.

Transmitted May 10, 1973

Mr. Spear moved that the Senate accede to the request of the House for a Conference Committee on H. F. No. 835 and that a Conference Committee of 3 members be appointed by the Committee on Committees, on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. Which motion prevailed.

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 1053:

H. F. No. 1053: A bill for an act relating to workmen's compensation; raising minimum weekly benefits; coordinating the payment of workmen's compensation death benefits with governmental death benefits; extending coverage to occupational diseases; amending Minnesota Statutes 1971, Sections 176.101, Subdivisions 1, 2, and 3; 176.111, Subdivisions 19, 20, and by adding a subdivision; 176.131, Subdivision 7; 176.132, Subdivision 2; 176.151; 176.66, Subdivision 1; and repealing Minnesota Statutes 1971, Sections 176.66, Subdivisions 2, 3, 4, 5, 6, 7, 8 and 9; 176.661 to 176.668.

And the House respectfully requests that a Conference Committee of three members be appointed thereon:

Vento; Sieben, H. and Kvam have been appointed as such committee on the part of the House.

House File No. 1053 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives.

Transmitted May 10, 1973

Mr. Thorup moved that the Senate accede to the request of the House for a Conference Committee on H. F. No. 1053 and that a Conference Committee of 3 members be appointed by the Committee on Committees, on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. Which motion prevailed.

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 295:

H. F. No. 295: A bill for an act relating to public employees; giving public employees and employers certain rights and obligations; defining unfair practices; amending the public employment labor relations act of 1971; amending Minnesota Statutes 1971, Sections 179.63, Subdivisions 6, 8, 9, 13, and 18, and by adding a subdivision; 179.64, Subdivisions 1 and 7; 179.65, Subdivisions 2, 3, 5, 6 and 7; 179.66, Subdivisions 4 and 5; 179.66, by adding a subdivision; 179.67, Subdivisions 7, 11, and 12; 179.68; 179.69, Subdivisions 3, 5, and 6; 179.70, Subdivision 1; 179.71, Subdivision 3; 179.72, Subdivisions 1, 7, 9, and 10; 179.73, Subdivision 2; 179.74, Subdivisions 2, 4 and 5; 179.75, Subdivision 8; repealing Minnesota Statutes 1971, Sections 179.69, Subdivision 7; 179.72, Subdivisions 11 and 13; 179.73, Subdivisions 3, 4, and 5; 179.75, Subdivisions 1, 2, 3, 4, 5, 6, 7, and 9; and 179.77.

And the House respectfully requests that a Conference Committee of five members be appointed thereon:

LaVoy; Quirin; Enebo; Sieben, H. and Bell have been appointed as such committee on the part of the House.

House File No. 295 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives.
Transmitted May 9, 1973

Mr. Thorup moved that the Senate accede to the request of the House for a Conference Committee on H. F. No. 295 and that a Conference Committee of 5 members be appointed by the Committee on Committees, on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. Which motion prevailed.

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H. F. Nos. 1146, 731, 1606 and 2247.

Edward A. Burdick, Chief Clerk, House of Representatives.
Transmitted May 10, 1973

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 1642.

H. F. No. 1642: A bill for an act relating to Otter Tail county; authorizing a levy for county extension work.

And the House respectfully requests that a Conference Committee of three members be appointed thereon:

Larson, Graba and Eken have been appointed as such committee on the part of the House.

House File No. 1642 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives.
Transmitted May 9, 1973

Mr. Olhoft moved that the Senate accede to the request of the House for a Conference Committee on H. F. No. 1642 and that a Conference Committee of 3 members be appointed by the Committee on Committees, on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. Which motion prevailed.

FIRST READING OF HOUSE BILLS

H. F. No. 1146: A bill for an act relating to the city of Bloomington; appropriating funds for special assessments levied by the city against property of the Normandale state junior college.

H. F. No. 731: A bill for an act relating to appointments by the mayor and the city council of the city of Minneapolis.

H. F. No. 1606: A bill for an act relating to the term of office of the comptroller and of the treasurer of the city of Minneapolis.

H. F. No. 2247: A bill for an act authorizing the city of Saint Paul to create development districts within its corporate boundaries; to acquire, construct, reconstruct, improve, alter, extend, operate, maintain and promote development programs to be carried out in each of the districts created; to authorize the city to issue bonds to carry out such development programs; to authorize the city and the county auditor to use the tax increment created in the development districts to pay off the principal and interest on such bonds; to authorize the city to operate pedestrian systems and special lighting and similar systems; to authorize the city to assess the cost of operations against the development districts; to authorize the city to lease space in structures and to lease or sell air rights over structures and to lease or sell property for private development.

Which were read the first time and referred to the Committee on Rules and Administration.

REPORTS OF COMMITTEES

Mr. Coleman moved that the Committee Reports at the Desk be now adopted. Which motion prevailed.

Mr. Coleman from the Committee on Rules and Administration, to which was re-referred under Rule 35 and Joint Rule 20,

S. F. No. 2097, together with the committee report thereon: A bill for an act relating to the city of Duluth, authorizing the city of Duluth

to create development districts within the city boundaries; to acquire, construct, reconstruct, improve, alter, extend, operate, maintain, and promote development programs to be carried out in each of the districts created; to authorize the city to issue bonds to carry out such development programs; to authorize the city and the county auditor to use the tax increment created in the development districts to pay off the principal and interest on such bonds; to authorize the city to operate pedestrian systems and special lighting and similar systems; to authorize the city to assess the cost of operations against the development districts; to authorize the city to lease space in structures and to lease or sell air rights over structures and to lease or sell property for private development.

Reports the same back with the recommendation that the bill receive the action of the previous referring committee. Report adopted.

Mr. Coleman from the Committee on Rules and Administration, to which was re-referred under Rule 35 and Joint Rule 20,

S. F. No. 2182, together with the committee report thereon: A bill for an act authorizing the city of Saint Paul to create development districts within its corporate boundaries; to acquire, construct, reconstruct, improve, alter, extend, operate, maintain and promote development programs to be carried out in each of the districts created; to authorize the city to issue bonds to carry out such development programs; to authorize the city and the county auditor to use the tax increment created in the development districts to pay off the principal and interest on such bonds; to authorize the city to operate pedestrian systems and special lighting and similar systems; to authorize the city to assess the cost of operations against the development districts; to authorize the city to lease space in structures and to lease or sell air rights over structures and to lease or sell property for private development.

Reports the same back with the recommendation that the bill receive the action of the previous referring committee. Report adopted.

Mr. Coleman from the Committee on Rules and Administration, to which was referred

H. F. No. 1473: A bill for an act abolishing the legislative buildings commission; transferring the commission's functions, powers and duties to the legislative advisory committee; repealing Minnesota Statutes 1971, Sections 3.421 to 3.471.

Reports the same back with the recommendation that the bill be re-referred to the Committee on Finance. Report adopted.

Mr. Coleman from the Committee on Rules and Administration, to which was referred

H. F. No. 565: A bill for an act relating to a tax study commission; amending Extra Session Laws 1971, Chapter 31, Article 13, Section 1.

Reports the same back with the recommendation that the bill be re-referred to the Committee on Finance. Report adopted.

Mr. Coleman from the Committee on Rules and Administration, to which was referred

S. F. No. 510: A bill for an act establishing an energy policy study commission; appropriating money.

Reports the same back with the recommendation that the bill be re-referred to the Committee on Finance. Report adopted.

Mr. Novak from the Committee on Finance, to which was re-referred

S. F. No. 767: A bill for an act relating to public health; authorizing the state board of health to prescribe fees for certain services provided by the board; amending Minnesota Statutes 1971, Chapter 144, by adding a section.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 13, strike "the"

Page 1, line 14, strike "administrative procedures act" and insert "Minnesota Statutes, Chapter 15"

Page 1, after line 27, add:

"Sec. 2. [APPROPRIATION.] *Subdivision 1. There is hereby appropriated \$3,500,000 to the state board of health for the biennium ending June 30, 1975, for the purpose of continuing services which are the subject of federal fund cutbacks.*

Subd. 2. This appropriation will be available only to the extent of fee income to the general fund under provisions of section 1. The state board of health shall notify the legislative advisory committee and the standing committee on finance of the senate and appropriations of the house of representatives, prior to expenditure of any funds in this appropriation."

Renumber the remaining section

Amend the title as follows:

Page 1, line 5, after the semicolon insert "appropriating money;"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Novak from the Committee on Finance, to which was re-referred

S. F. No. 1448: A bill for an act relating to parole and probation; creating a single authority; transferring the powers and duties of the adult corrections commission and the youth conservation commission to the Minnesota corrections authority established hereby; abolishing the adult corrections commission and the youth conservation commission as now constituted; amending Minnesota Statutes 1971, Sections 242.03; 242.09; 242.10; 242.18; 242.19; 242.20; 242.21; 242.25; 242.27; 242.29; 242.32; 243.09; repealing Minnesota Statutes 1971, Sections 241.03; 241.04; 242.04; 242.05; 242.06; 242.07; 242.08; 242.11; 242.265; 242.54; 243.02; 243.03; and 243.04.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Novak from the Committee on Finance, to which was re-referred

S. F. No. 1421: A bill for an act relating to education; community school program; continuing and increasing certain reimbursements to participating school districts; appropriating money therefor; amending Minnesota Statutes 1971, Section 121.89.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, strike lines 7 through 12

Further amend the title as follows:

Page 1, line 5, strike "appropriating money"

Page 1, line 6, strike "therefor;"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Novak from the Committee on Finance, to which was re-referred

S. F. No. 1315: A bill for an act relating to the city of Bloomington; providing reimbursement to the city for the cost of platting land for the Normandale state junior college; and appropriating funds for special assessments levied by the city against property of the college.

Reports the same back with the recommendation that the bill be amended as follows:

Strike everything after the enacting clause and insert in lieu thereof the following:

"Section 1. [APPROPRIATION FOR SPECIAL ASSESSMENTS.] The sum of \$102,557.23 is appropriated from the general fund to the city of Bloomington to pay special assessments levied against those certain properties in the said city upon which is located the Normandale state junior college."

Further amend the title by striking it in its entirety and inserting in lieu thereof the following:

"A bill for an act relating to the city of Bloomington; appropriating funds for special assessments levied by the city against property of the Normandale state junior college."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Novak from the Committee on Finance, to which was re-referred

H. F. No. 223: A bill for an act relating to courts; increasing the number of associate justices on the supreme court; appropriating moneys; amending Minnesota Statutes 1971, Section 480.01.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Novak from the Committee on Finance, to which was referred

S. F. No. 2426: A bill for an act authorizing conveyance of certain state lands in Lyon county to the Southwest Minnesota College Foundation.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Novak from the Committee on Finance, to which was referred

H. F. No. 1486: A bill for an act relating to corrections; industrial enterprises conducted at the state prison and the state reformatory; appropriating money; amending Minnesota Statutes 1971, Sections 243.66 and 243.67; and repealing Minnesota Statutes 1971, Sections 243.65; 243.69; 243.81; 243.82; and 243.86.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Novak from the Committee on Finance, to which was referred

S. F. No. 1617: A bill for an act relating to public welfare; increasing amounts of income disregarded in computing aid to disabled persons; amending Minnesota Statutes 1971, Section 256.455, Subdivision 5.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Novak from the Committee on Finance, to which was referred

S. F. No. 1897: A bill for an act relating to handicapped persons; establishing and prescribing duties of the Minnesota commission for the handicapped; transferring certain powers and duties to the commission; appropriating money; repealing Minnesota Statutes 1971, Sections 4.08 and 121.34.

Reports the same back with the recommendation that the bill be amended as follows:

Page 6, line 26, after "\$" insert "97,000"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Hansen, Baldy from the Committee on Labor and Commerce, to which was re-referred

H. F. No. 1410: A bill for an act relating to workmen's compensation for farm laborers; amending Minnesota Statutes 1971, Sections 176.011, by adding a subdivision; 176.041, Subdivision 1; and 176.051.

Reports the same back with the recommendation that the printed bill be amended as follows:

Page 1, line 9, after "to" insert "*persons employed by*"

Page 1, line 10, after "servants," insert "*persons employed by*"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Hansen, Baldy from the Committee on Labor and Commerce, to which was re-referred

H. F. No. 2098: A bill for an act relating to St. Louis county; authorizing the issuance of seasonal on-sale intoxicating liquor licenses.

Reports the same back with the recommendation that the printed bill be amended as follows:

Page 1, line 3, after "issue" insert "not more than five additional"

Page 1, line 4, strike "number of and"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Hansen, Baldy from the Committee on Labor and Commerce, to which was re-referred

H. F. No. 2004: A bill for an act relating to Cass county; authorizing issuance of additional on-sale intoxicating liquor licenses.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Hansen, Baldy from the Committee on Labor and Commerce, to which was re-referred

H. F. No. 2050: A bill for an act relating to Aitkin county; authorizing issuance of additional on-sale intoxicating liquor licenses.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Hansen, Baldy from the Committee on Labor and Commerce, to which was re-referred

H. F. No. 2207: A bill for an act relating to intoxicating liquor; authorizing one additional on-sale license within Todd county.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Hansen, Baldy from the Committee on Labor and Commerce, to which was re-referred

H. F. No. 2244: A bill for an act relating to the city of Winona; authorizing the issuance of two additional on-sale liquor licenses.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Hansen, Baldy from the Committee on Labor and Commerce, to which was re-referred

H. F. No. 1271: A bill for an act relating to labor; employment of minors; providing that prohibitions do not apply to employment of farm children on the family farm; amending Minnesota Statutes 1971, Sections 181.40 and 182.09.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Hansen, Baldy from the Committee on Labor and Commerce, to which was re-referred

H. F. No. 140: A bill for an act relating to accident and health insurance; policies to provide for reimbursement for services of osteopath, optometrist or chiropractor; amending Minnesota Statutes 1971, Section 62A.03, Subdivision 1.

Reports the same back with the recommendation that the bill do pass. Reported adopted.

Mr. Hansen, Baldy from the Committee on Labor and Commerce, to which was re-referred

H. F. No. 2197: A bill for an act relating to the department of public service; authorizing the public service commission to investigate inadequate telephone service; providing for hearings thereon; authorizing the commission to make reasonable orders in connection therewith; amending Minnesota Statutes 1971, Chapter 237, by adding a section.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Coleman from the Committee on Rules and Administration, to which were referred H. F. Nos. 731, 1581, 1575, 1293, 1478 and 1436 for comparison to companion Senate Files, reports the following House File was found to have no companion Senate File on Senate Calendars and is recommended to be re-referred to its respective Committee as follows:

H. F. No. 731 to the Committee on Metropolitan and Urban Affairs.

The following House File was found identical and recommends the House File be given its Second Reading and substituted for its companion Senate File as follows:

CALENDAR OF

GENERAL ORDERS		ORDINARY MATTERS		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
1581	1387				

And that the above Senate File be indefinitely postponed.

The following House Files were found not identical with their companion Senate Files as follows:

CALENDAR OF

GENERAL ORDERS		ORDINARY MATTERS		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
1575	1379				
1293	1750				
1478	878				
1436	1632				

Pursuant to Rule 49 the Committee recommends that H. F. No. 1575 be amended as follows:

Page 5, line 24, delete "*for issuance in*" and insert in lieu thereof "*or issued before July 1, 1974,*"

Page 5, line 25, delete "*Minnesota or issued in Minnesota before March 1, 1974,*"

And when so amended, H. F. No. 1575 will be identical to S. F. No. 1379 and further recommends that H. F. No. 1575 be given its second reading and substituted for S. F. No. 1379 and S. F. No. 1379 be indefinitely postponed. Amendments adopted.

Pursuant to Rule 49 the Committee recommends that H. F. No. 1293 be amended as follows:

Page 1, line 13, after "provided that" strike the remainder of the line.

Page 1, lines 14 through 28, strike all the old language and delete all the new language.

Page 1, line 29, strike "shall be eligible for parole; provided further,"

Page 2, line 1, strike "unanimous"

Page 2, line 1, after "unanimous" insert "*the*"

Page 2, line 1, after "consent of" insert "*the majority of*"

And when so amended, H. F. No. 1293 will be identical to S. F. No. 1750 and further recommends that H. F. No. 1293 be given its second reading and substituted for S. F. No. 1750 and S. F. No. 1750 be indefinitely postponed. Amendments adopted.

Pursuant to Rule 49 the Committee recommends that H. F. No. 1478 be amended as follows:

Page 1, line 11, in the headnote after "RECREATIONAL" insert "VEHICLE"

Further, amend the title in line 5, after the semicolon, by deleting "and"

And when so amended, H. F. No. 1478 will be identical to S. F. No. 878 and further recommends that H. F. No. 1478 be given its second reading and substituted for S. F. No. 878 and S. F. No. 878 be indefinitely postponed. Amendments adopted.

Pursuant to Rule 49 the Committee recommends that H. F. No. 1436 be amended as follows:

Strike everything after the enacting clause and insert in lieu thereof the following:

"Section 1. [BROOKLYN CENTER HOUSING AND REDEVELOPMENT AUTHORITY.] Notwithstanding the provisions of Minnesota Statutes, Section 462.425, or any other law or charter provision to the contrary, the city councils of Brooklyn Center and Brooklyn Park by ordinance may provide that the members of the city council shall constitute the housing and redevelopment authority of their respective cities, or may provide that members of the city council may serve on said authority.

The commissioners shall hold office as long as they are members of the governing body of the city. When a commissioner is no longer a member of the governing body of the city, his term as commissioner shall terminate and the position will be filled by the member of the council appointed or elected to fill the council vacancy.

Sec. 2. [PURPOSE, SCOPE AND AUTHORITY.] The purpose, scope and authority of the housing and redevelopment authority established pursuant to this act shall be the same as that provided for under Minnesota Statutes, Sections 462.415 to 462.716.

Sec. 3. This act shall become effective as to the city of Brooklyn Center only after its approval by a majority of the governing body of the city of Brooklyn Center and upon compliance with Minnesota Statutes, Section 645.021.

Sec. 4. This act shall become effective as to the city of Brooklyn Park only after its approval by a majority of the governing body of the city of Brooklyn Park and upon compliance with Minnesota Statutes, Section 645.021."

Further, amend the title by striking it in its entirety and inserting in lieu thereof:

"A bill for an act relating to the cities of Brooklyn Center and Brooklyn Park; creating housing and redevelopment authorities."

And when so amended, H. F. No. 1436 will be identical to S. F. No. 1632 and further recommends that H. F. No. 1436 be given its second reading and substituted for S. F. No. 1632 and S. F. No. 1632 be indefinitely postponed. Amendments adopted.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Report adopted.

Mr. Perpich, A. J. from the Committee on Taxes and Tax Laws, to which was referred

H. F. No. 2121: A bill for an act relating to taxation; providing for imposition of certain excise and ad valorem taxes; distribution of revenue derived; appropriating money; amending Minnesota Statutes 1971, Chapters 272, by adding a section; 273; 275; and 290, by adding sections; and Sections 93.52, Subdivision 2; 93.55; 93.58; 124.03, Subdivision 3; 124.212, Subdivision 3; 272.03, Subdivisions 1, 2 and 3, and by adding subdivisions; 272.04, Subdivision 1; 273.13, Subdivisions 6 and 7, and by adding a subdivision; 273.17, Subdivision 1; 273.41; 275.50, Subdivisions 2, 4 and 5; 275.51, Subdivisions 1, 2, 3 and 4, and by adding a subdivision; 275.52, Subdivisions 2 and 3; 275.53, Subdivisions 1 and 3; 275.55; 287.12; 290.06, Subdivision 1; 290.0601, Subdivisions 6 and 9; 290.0604; 290.061; 290.081; 290.17; 290.19, Subdivision 1, and by adding a subdivision; 290.361, Subdivision 2; 290.982; 290.983, Subdivision 1; 290.99; 291.33, Subdivision 2; 297A.-25, Subdivision 1; 297.13, Subdivision 1; 340.60, Subdivision 1; 414.01, by adding a subdivision; 477A.01, Subdivisions 1, 2, 3, 4, 5, 7, 8, 9, 10, 11, 13, 14, 16 and 17; repealing Minnesota Statutes 1971, Sections 93.53; 93.54; 93.56; 93.57; 124.28; 124.281; 124.29; 290.0607; 290.0617; 290.361, Subdivision 4; 297.13, Subdivisions 2, 3, 4, 5, 6, 7 and 8; 297.15; 297.16; 297A.252; 340.60, Subdivisions 2, 3, 4, 5, 6 and 7; and 477A.01, Subdivisions 12 and 15.

Reports the same back with the recommendation that the bill be amended as follows:

Strike everything after the enacting clause and insert:

"ARTICLE I

Section 1. Minnesota Statutes 1971, Section 273.13, Subdivision 6, is amended to read:

Subd. 6. [CLASS 3b,] Agricultural land, except as provided by class 1 hereof, and which is used for the purposes of a homestead, shall constitute class 3b and shall be valued and assessed at 20 percent of the market value thereof. The property tax to be paid on class 3b property as otherwise determined by law not exceeding 80 acres, regardless of whether or not the market value is in excess of \$12,000, for all purposes ~~except the payment of principal and interest on bonded indebtedness~~, shall be reduced by ~~35~~ 40 percent of the tax; provided that the amount of said reduction shall not exceed \$250. Valuation subject to relief shall be limited to 80 acres of land, most contiguous surrounding, or bordering the house occupied by the owner as his dwelling place, and, such other structures as may be included thereon utilized by the owner in an agricultural pursuit. If the market value is in excess of the sum of \$12,000, the amount in excess of that sum shall be valued and assessed as provided for by class 3. The first \$12,000 market value of each tract of real estate which is rural in character and devoted or adaptable to rural but not necessarily agricultural use, used for the purpose of a homestead shall be exempt from taxation for state purposes; except as specifically provided otherwise by law.

Agricultural land as used herein, and in section 124.03, shall mean contiguous acreage of ten acres or more, primarily used

during the preceding year for agricultural purposes. Agricultural use may include pasture, timber, waste, unusable wild land and land included in federal farm programs.

Real estate of less than ten acres used principally for raising poultry, livestock, fruit, vegetables or other agricultural products, shall be considered as agricultural land, if it is not used primarily for residential purposes.

Sec. 2. Minnesota Statutes 1971, Section 273.13, Subdivision 7, is amended to read:

Subd. 7. [CLASS 3c, 3cc.] All other real estate and class 2a property, except as provided by classes 1 and 3cc, which is used for the purposes of a homestead, shall constitute class 3c, and shall be valued and assessed at 25 percent of the market value thereof. The property tax to be paid on class 3c property as otherwise determined by law, regardless of whether or not the market value is in excess of \$12,000, for all purposes except the payment of principal or interest on bonded indebtedness *on projects in which the bonded indebtedness exceeds fifteen million dollars*, shall be reduced by 35 40 percent of the amount of such tax; provided that the amount of said reduction shall not exceed \$250. If the market value is in excess of the sum of \$12,000, the amount in excess of that sum shall be valued and assessed at 40 percent of market value. The first \$12,000 market value of each tract of such real estate used for the purposes of a homestead shall be exempt from taxation for state purposes; except as specifically provided otherwise by law. All real estate which is used for the purposes of a homestead by any blind person, as defined by section 256.12; or by any person (hereinafter referred to as veteran) who served in the active military or naval service of the United States and who is entitled to compensation under the laws and regulations of the United States for permanent and total service-connected disability due to the loss, or loss of use, by reason of amputation, ankylosis, progressive muscular dystrophies, or paralysis, of both lower extremities, such as to preclude motion without the aid of braces, crutches, canes, or a wheel chair, and who with assistance by the administration of veterans affairs has acquired a special housing unit with special fixtures or movable facilities made necessary by the nature of the veteran's disability, shall constitute class 3cc and shall be valued and assessed at five percent of the market value thereof. The property tax to be paid on class 3cc property as otherwise determined by law, regardless of whether or not the market value is in excess of \$12,000, for all purposes ~~except the payment of principal or interest on bonded indebtedness~~, shall be reduced by 35 40 percent of the amount of such tax; provided that the amount of said reduction shall not exceed \$250. If the market value is in excess of the sum of \$24,000, the amount in excess of that sum shall be valued and assessed at 33 1/3 percent in the case of agricultural land used for a homestead and 40 percent in the case of all other real estate used for a homestead.

Sec. 3. *This article is effective for taxes assessed in 1973 and payable in 1974 and thereafter.*

ARTICLE II

Section 1. Minnesota Statutes 1971, Section 290.982, is amended to read:

290.982 [CLAIMANT.] Claimant means a person who has filed a claim under sections 290.981 to 290.992, who was domiciled in this state during the entire calendar year preceding the year in which he files claim for relief, who resided in a rented or leased ~~private commercial unit on which ad valorem taxes are accrued operated for profit, or in a rented or leased unit owned temporarily due to foreclosure by the federal housing administration,~~ for not less than the last six months of the calendar year covered by the claim. When a unit is occupied by two or more individuals and more than one such individual is able to qualify as a claimant, such individuals may determine between them as to who the claimant shall be, and all amounts paid for the unit during the selected claimant's occupancy shall be considered as paid by him. If they are unable to agree, the matter shall be referred to the commissioner of taxation and his decision shall be final.

Sec. 2. Minnesota Statutes 1971, Section 290.983, Subdivision 1, is amended to read:

290.983 [AMOUNT OF CREDIT; OFFSET AGAINST TAX.] Subdivision 1. The credit allowed by section 290.981 shall be $7\frac{1}{2}$ 10 percent of the total amount paid by the claimant during the taxable year as rent for the occupancy of real property used as the place of residence of his household. The credit shall not exceed \$90 \$120 in any taxable year. For purposes of sections 290.981 to 290.992 "rent" does not include payments attributable to heat, light, or other utilities.

Sec. 3. Minnesota Statutes 1971, Section 290.99, is amended to read:

290.99 [NO RELIEF ALLOWED IN CERTAIN CASES.] No claim for relief under sections 290.981 to 290.992 shall be allowed to any person who is a recipient of public funds for the payment of rent during the period for which the claim is filed. ~~No claim for relief under sections 290.981 to 290.992 shall be allowed to any person residing in a rental unit the rental of which is subject to regulations of a governmental agency, federal, state or local.~~

Sec. 4. *The provisions of this article shall be effective for all years beginning after December 31, 1972.*

ARTICLE III

Section 1. Minnesota Statutes 1971, Section 290.081, is amended to read:

290.081 [INCOME OF NONRESIDENTS, RECIPROCITY.] (a) The compensation received for the performance of personal

or professional services within this state by an individual who resides and has his place of abode and place to which he customarily returns at least once a month in another state, shall be excluded from gross income to the extent such compensation is subject to an income tax imposed by the state of his residence, provided that such state allows a similar exclusion of compensation received by residents of Minnesota for services performed therein, or

(b) Whenever a nonresident taxpayer has become liable for income taxes to the state where he resides upon his net income for the taxable year derived from the performance of personal or professional services within this state and subject to taxation under chapter 200, there shall be allowed as a credit against the amount of income tax payable by him under this chapter, such proportion of the tax so paid by him to the state where he resides as his gross income subject to taxation under this chapter bears to his entire gross income upon which the tax so paid to such other state has imposed, provided, that such credit shall be allowed only if the laws of such state grant a substantially similar credit to residents of this state subject to income tax under laws, or

(c) If any taxpayer who is a resident of this state, or a domestic corporation or corporation commercially domiciled therein, has become liable for taxes on or measured by net income to another state upon income derived from the performance of personal or professional services within such other state and subject to taxation under this chapter he or it shall be entitled to a credit against the amount of taxes payable under this chapter, of such proportion thereof, as such gross income subject to taxation in such state bears to his entire gross income subject to taxation under this chapter, *plus an additional credit of \$20*; provided (1) that such credit shall in no event exceed by \$20 the amount of tax so paid to such other state on the gross income earned within such other state and subject to taxation under this chapter, and (2) that such credit shall not be allowed if such other state allows residents of this state a credit against the taxes imposed by such state for taxes payable under this chapter substantially similar to the credit provided for by the paragraph (b) of this section, and (3) the allowance of such credit shall not operate to reduce the taxes payable under this chapter to an amount less than would have been payable if the gross income earned in such other state had been excluded in computing net income under this chapter.

(d) The commissioner shall by regulation determine with respect to gross income earned in any other state the applicable clause of this section.

(e) "Tax So Paid" as used in this section means taxes on or measured by net income payable to another state on income earned within the taxable year for which the credit is claimed, provided that such tax is actually paid in that taxable year, or subsequent taxable years.

Sec. 2. This article is effective for taxable years beginning after December 31, 1972.

ARTICLE IV

Section 1. Minnesota Statutes 1971, Section 297A.25, Subdivision 1, is amended to read:

297A.25 [EXEMPTIONS.] Subdivision 1. The following are specifically exempted from the taxes imposed by sections 297A.01 to 297A.44:

(a) The gross receipts from the sale of food products including but not limited to cereal and cereal products, butter, cheese, milk and milk products, oleomargarine, meat and meat products, fish and fish products, eggs and egg products, vegetables and vegetable products, fruit and fruit products, spices and salt, sugar and sugar products, coffee and coffee substitutes, tea, cocoa and cocoa products;

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

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

(d) The gross receipts from the sale of tangible personal property, the ultimate destination of which is outside the state of Minnesota and which is not thereafter returned to a point within Minnesota except in the course of interstate commerce;

(f) The gross receipts from the sale of and storage, use or consumption of petroleum products upon which a tax has been imposed under the provisions of Chapter 296, whether or not any part of said tax may be subsequently refunded;

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

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

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

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

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

(h) The gross receipts from the sale of and the storage, use, or consumption of all materials, including chemicals, fuels, petroleum products, lubricants, packaging materials, *including returnable containers used in packaging food and beverage products*, feeds, seeds, fertilizers, electricity, gas and steam, used or consumed in agricultural or industrial production of personal property intended to be sold ultimately at retail, whether or not the item so used becomes an ingredient or constituent part of the property produced. Such production shall include, but is not limited to, *research, development, design or production of any tangible personal property, manufacturing, processing (other than by restaurants and consumers) of agricultural products whether vegetable or animal, commercial fishing, refining, smelting, reducing, brewing, distilling, printing, mining, quarrying, lumbering, generating electricity and road building.* Such production shall not include painting, cleaning, repairing or similar processing of property except as part of the original manufacturing process. Machinery, equipment, implements, tools, accessories, appliances, contrivances, *are not included within this exemption. The terms of the preceding sentence shall include the basic machine itself and all of its component parts, such as belts, pulleys, shafts, moving parts and operating structures as well as any accessory tools or equipment such as litho plates and other short lived items which are separate detachable units used in producing a direct effect upon the product, and shall further include equipment or devices used to control, regulate or operate the machine.* Furniture and fixtures used in such production and fuel, electricity, gas or steam used for space heating or lighting, are not included within this exemption;

(i) The gross receipts from the sale of and storage, use or other consumption in Minnesota of tangible personal property (except paper or ink products) which is used or consumed in producing any publication regularly issued at average intervals not exceeding three months, *and any such publication.* For purposes of this subsection, "publication" as used herein shall include, without limiting the foregoing, a legal newspaper as defined by Minnesota Statutes 1965, Section 331.02, and any supplements or enclosures with or part of said newspaper; and the gross receipts of any advertising contained therein or therewith shall be exempt. For this purpose, advertising in any such publication shall be deemed to be a service and not tangible personal property, and persons or their agents who publish or sell such newspapers shall

be deemed to be engaging in a service with respect to gross receipts realized from such newsgathering or publishing activities by them, including the sale of advertising. Machinery, equipment, implements, tools, accessories, appliances, contrivances, furniture and fixtures used in such publication and fuel, electricity, gas or steam used for space heating or lighting, are not exempt;

(j) The gross receipts from all sales of tangible personal property to, and all storage, use or consumption of such property by, the United States and its agencies and instrumentalities or a state and its agencies, instrumentalities and political subdivisions;

(k) The gross receipts from the isolated or occasional sale of tangible personal property in Minnesota not made in the normal course of business of selling that kind of property, and the storage, use, or consumption of property acquired as a result of such a sale;

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

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

(n) The gross receipts from the sale of telephone central office telephone equipment used in furnishing intrastate and interstate telephone service to the public.

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

(p) The gross receipts from the sale of tangible personal property to, and the storage, use or other consumption of such property by, any corporation, society, association, foundation, or institution organized and operated exclusively for charitable, religious or educational purposes;

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

(r) The gross receipts from the sale of cigarettes.

(s) The gross receipts from the sale of an automobile or other conveyance if the purchaser is assisted by a grant from the United States in accordance with 38 United States Code, Section 1901, as amended.

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

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

(v) *The gross receipts from the sale of textbooks which are prescribed for use in conjunction with a course of study in a public or private school, college, university and business or trade school to students who are regularly enrolled at such institutions. For purposes of this clause a "public school" is defined as one that furnishes course of study, enrollment and staff that meets the standards of the state board of education and a private school is one which under the standards of the state board of education, provides an education substantially equivalent to that furnished at a public school. Business and trade schools shall mean such schools licensed pursuant to Minnesota Statutes, Section 141.25.*

(w) *The gross receipts from the sale of and the storage of material designed to advertise and promote the sale of merchandise or services, which material is purchased and stored for the purpose of subsequently shipping or otherwise transferring outside the state by the purchaser for use thereafter solely outside the state of Minnesota.*

Sec. 2. [297A.253] *Notwithstanding the provisions of Chapter 297A, there shall be taxable hereunder the sale of and storage, use or other consumption in Minnesota of beverage containers (whether "returnable" or "non-returnable") when purchased by a person who utilizes such containers as containers for merchandising beverages. For purposes of this section, "beverage" shall include all liquids intended for drinking, other than milk or water.*

Sec. 3. *Minnesota Statutes 1971, Section 297A.252, is repealed.*

Sec. 4. *The provisions of this article shall be effective after December 31, 1973.*

ARTICLE V

Section 1. Minnesota Statutes 1971, Section 290.361, Subdivision 4, is amended to read:

Subd. 4. [DISPOSITION OF TAX.] (a) The revenues derived from the excise tax on banks shall be paid into the state treasury and credited to the general fund, from which shall be paid all refunds of taxes erroneously collected from banks as certified by the commissioner. ~~Forty-five percent of the balance of~~

such tax so collected shall be transmitted, on the last days of May and November of each year, to the respective counties in which are located the banks paying the tax. The county auditor shall apportion and distribute 45 percent of the respective amounts paid by each bank in his county, less 45 percent of the refunds paid to that bank, in the same manner and on the same basis as he distributes taxes on personal property in the taxing district in which that bank is located, provided that the governing body of any political subdivision receiving such apportionment may place all such amounts to the credit of its general fund.

There is hereby appropriated to the persons or banks entitled to such refunds, from the general fund, an amount sufficient to make the refunds.

(b) For purposes of the apportionment and distribution required to be made to the county auditor under clause (a) of this subdivision, the tax so collected shall be deemed to have been paid to the commissioner on the last date prescribed by law for the filing of the excise tax return, or date when such excise tax was received by the commissioner, whichever date occurs later.

(c) There is hereby annually appropriated from the general fund to the taxing districts entitled to such payments as are authorized under this section, sufficient moneys to make such payments.

Sec. 2. After November 30, 1973 no adjustments shall be made to the November 30, 1973 distributions or prior distributions required to be made to the several county auditors pursuant to Minnesota Statutes, Section 290.361, Subdivision 4. Any amounts appropriated for this purpose shall lapse after November 30, 1973 and shall revert to the general fund.

Sec. 3. The provisions of this article shall be effective for all payments required to be made after November 30, 1973.

ARTICLE VI

Section 1. Minnesota Statutes 1971, Section 297.13, Subdivision 1, is amended to read:

297.13 [REVENUE, DISPOSAL.] Subdivision 1. [CIGARETTE TAX APPORTIONMENT FUND.] Notwithstanding any other provisions of law, for all periods beginning after the date of final enactment of this act, the provisions of this section shall be applicable. Five and one-half percent of the revenues received from taxes, penalties and interest under sections 297.01 to 297.13 shall be deposited by the commissioner of taxation in the general fund and credited to a special account to be known as the "natural resources account," which is hereby created. Expenditures shall be made from said account only as may be authorized by law to carry out the provisions of this act and in conformance with the provisions of chapter 16. Five and one-half percent shall be deposited in the general fund and credited

to the "natural resources acceleration" account for the purposes provided in Laws 1969, Chapter 879, Section 4. Until January 1, 1972, an additional 5.5 percent of the revenues received from taxes, penalties and interest under sections 297.01 to 297.13 shall be deposited by the commissioner of taxation in the general fund and said amount shall be considered for the purposes of section 297A.51 as if the tax were imposed by sections 297A.01 to 297A.44. The balance of the revenues derived from taxes, penalties, and interest under sections 297.01 to 297.13 and from license fees and miscellaneous sources of revenue shall be deposited by the commissioner in the general fund and credited 11.0 percent to a special account to be known as the "cigarette tax apportionment account," which account is hereby created, but in no event shall the amount credited to the account be less than that credited to such account in the fiscal year beginning July 1, 1968 and ending June 30, 1969, and the balance to the general fund. The revenues in the apportionment account shall be apportioned as provided in subdivision 2 to the several counties, cities, villages and boroughs in this state, and the term "village" as used herein shall include those towns which have village powers as defined in section 368.01. In computing the population of counties, cities, villages and boroughs the state auditor shall add increases in population disclosed by reason of any special census conducted under subdivision 7 to the population of the political subdivision conducting the census and to the population of the county in which the political subdivision is located. Each county, city, village, and borough shall receive from the apportionment account an amount bearing the same relation to the total amount to be apportioned as its population bears to the total population of all the counties, cities, villages and boroughs in this state; except, that for the purposes of sections 297.01 to 297.13, the population of a county shall be that part of its population exclusive of the population of the several cities, villages and boroughs within the county.

Sec. 2. Minnesota Statutes 1971, Sections 297.13, Subdivisions 2, 3, 4, 5, 6, 7 and 8; 297.15, and 297.16 are repealed.

Sec. 3. After August 15, 1973 no adjustments shall be made to the August 15, 1973 payments or prior payments made to the treasurers of the several counties, cities, villages and boroughs pursuant to Minnesota Statutes, Section 297.13, Subdivision 2. Any amounts appropriated for this purpose shall lapse after August 15, 1973 and shall revert to the general fund.

Sec. 4. The provisions of this article shall be effective for all payments required to be made after December 31, 1973.

ARTICLE VII

Section 1. Minnesota Statutes 1971, Section 340.60, Subdivision 1, is amended to read:

340.60 [LIQUOR RECEIPTS.] Subdivision 1. [PAID INTO STATE TREASURY.] Except as provided in the following subdivisions; All taxes, penalties, license fees, and receipts of every

kind, character, and description provided for and payable to the state under the terms and provisions of the intoxicating liquor act and sections 340.44 to 340.56, including all moneys collected by the liquor control commissioner under rules and regulations established by him such as certificate labels, truck labels, case labels, and any other form that he may establish, shall be paid into the state treasury the same as other departmental receipts, and are to be credited to the ~~revenue~~ general fund of the state.

Sec. 2. Minnesota Statutes 1971, Section 340.60, Subdivisions 2, 3, 4, 5, 6 and 7 are repealed.

Sec. 3. After August 15, 1973 no adjustments shall be made to the August 15, 1973 payments or prior payments made to the treasurers of the several counties, cities, villages and boroughs pursuant to Minnesota Statutes, Section 340.60, Subdivision 3. Any amounts appropriated for this purpose shall lapse after August 15, 1973 and shall revert to the general fund.

Sec. 4. The provisions of this article shall be effective for all payments required to be made after August 15, 1973.

ARTICLE VIII

Section 1. Minnesota Statutes 1971, Section 273.41, is amended to read:

273.41 [AMOUNT OF TAX; DISTRIBUTION.] There is hereby imposed upon each such cooperative association on December 31 of each year a tax of \$10 for each 100 members, or fraction thereof, of such association. The tax, when paid, shall be in lieu of all personal property taxes, state, county, or local, upon distribution lines and the attachments and appurtenances thereto of such associations located in rural areas. The tax shall be payable on or before March 1 of the next succeeding year, to the commissioner of taxation. If the tax, or any portion thereof, is not paid within the time herein specified for the payment thereof, there shall be added thereto a specific penalty equal to five percent of the amount so remaining unpaid. Such penalty shall be collected as part of said tax, and the amount of said tax not timely paid, together with said penalty, shall bear interest at the rate of four percent per annum from the time such tax should have been paid until paid. The commissioner shall retain five percent of the proceeds of such tax, penalty and interest for expenses of administration and shall distribute the balance thereof, on or before July 1 of each year to the treasurers of the respective counties of the state in proportion to the number of members of such associations in the several counties as of December 31 of the preceding year, as determined by reports of such associations made and verified in such manner and on such terms as may be prescribed by the commissioner of taxation. The moneys so distributed to the respective counties shall be credited by the treasurer thereof to the general revenue fund of the county deposit the amount so received in the general fund of the state treasury.

There is hereby appropriated to the counties entitled to such payments, from the fund or account in the state treasury to which the money was credited, an amount sufficient to make such payment as is authorized herein.

Sec. 2. *The provisions of this article shall be effective for all payments required to be made after December 31, 1973.*

ARTICLE IX

Section 1. Minnesota Statutes 1971, Section 287.12, is amended to read:

287.12 [TAXES, HOW APPORTIONED.] All taxes paid to the county treasurers under the provisions of sections 287.01 to 287.12 shall be apportioned, ~~one sixth~~ 95 percent to the general fund of the state, ~~one sixth and five percent~~ to the county revenue fund, and the balance to be divided equally between the school district and the city, village, or town in which the real estate described in the mortgage is situated. Where the amount determined to be apportionable in any instance to any given school district, city, village or town is less than six such amount shall be retained in the county revenue fund.

Sec. 2. *The provisions of this article shall be effective for all payments required to be made after December 31, 1973.*

ARTICLE X

Section 1. Minnesota Statutes 1971, Section 291.33, Subdivision 2, is amended to read:

Subd. 2. ~~Twenty~~ Ten percent of the amount as determined under the provisions of subdivision 1 shall be paid to each of such counties.

Said payments shall be transmitted to the county auditor of each county, to be placed to the credit of the county revenue fund. It shall be the duty of the state treasurer to pay warrants therefor out of any funds in the state treasury not otherwise appropriated. The moneys necessary to pay such warrants are hereby appropriated out of any moneys in the state treasury not otherwise appropriated.

Sec. 2. *The provisions of this article shall be effective for all payments required to be made in 1973 and years thereafter.*

ARTICLE XI

Section 1. Minnesota Statutes 1971, Section 124.03, Subdivision 3, is amended to read:

Subd. 3. (a) The county auditor shall compute the tax levy that would be produced by applying a rate of 25 mills to the valuation determined on the January 2, 1971 assessment and 8.3 mills on the January 2, 1972 assessment and subsequent assessments

on all the agricultural lands and all real estate devoted to temporary and seasonal residential occupancy for recreational purposes, but not devoted to commercial purposes, within the several school districts for which the tax levy is required to be certified to him. The amounts so computed by the county auditor shall be submitted to the commissioner of taxation by November 15 of each year for verification.

(b) If the commissioner of taxation agrees with the computation, he shall deliver to the state auditor his certificate to that effect. In the event that the commissioner deems the computation to be erroneous, he may make the necessary corrections and deliver to the state auditor his certificate reflecting the amounts he deems to be correct. The county auditor or any school district aggrieved thereby may appeal the commissioner's revised certification to the Minnesota tax court in accordance with Chapter 271.

(c) On or before May 31, 1972, the state auditor shall issue his warrant upon the state treasurer in favor of the school district in an amount equal to one half the amount certified by the commissioner shown to be due to the district. On or before October 31, 1972, the state auditor shall issue his warrant upon the state treasurer in favor of the school district distributing the remainder of the amount certified by the commissioner shown to be due to the school district for the year 1972. The state auditor in the same manner shall make distribution in subsequent years for the year 1973 in the same manner with respect to amounts shown to be due in accordance with the commissioner's certification. *For the year 1974 and subsequent years, the state auditor shall issue his warrant in an amount equal to one-half the amount certified on or before July 15, but no earlier than July 1. The remainder shall be distributed as provided herein.*

(d) In the event that a final judicial determination is not in agreement with the amount certified by the commissioner, the state auditor shall either increase or decrease the amount of the following payment required to be made to the school district in accordance with such judicial determination.

(e) There is hereby appropriated to the school districts entitled to such payments from the general fund, an amount sufficient to make the payments.

(f) The county auditor shall reduce the dollars levied for school maintenance by each district by the amount determined in (a) and (b). The amounts paid to the county treasurer pursuant to (c) shall be transmitted by the county treasurer to the school district at the same time the real estate settlement is made.

Sec. 2. The provisions of this article shall be effective the day following its final passage.

ARTICLE XII

Section 1. Minnesota Statutes 1971, Section 290.17, is amended to read:

290.17 [GROSS INCOME, ALLOCATION TO STATE.] Items of gross income shall be assigned to this state or other states or countries in accordance with the following principles:

(1) The entire income of all resident or domestic taxpayers from compensation for labor or personal services, or from a business consisting principally of the performance of personal or professional services, shall be assigned to this state, and the income of non-resident taxpayers from such sources shall be assigned to this state if, and to the extent that, the labor or services are performed within it; all other income from such sources shall be treated as income from sources without this state;

(2) 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. Income and gains received from tangible property not employed in the business of the recipient of such income or gains, and from tangible property employed in the business of such recipient if such business consists principally of the holding of such property and the collection of the income and gains therefrom, shall be assigned to this state if such property has a situs within it, and to other states only if it has no situs in this state. Income or gains from intangible personal property not employed in the business of the recipient of such income or gains, and from intangible personal property employed in the business of such recipient if such business consists principally of the holding of such property and the collection of the income and gains therefrom, wherever held, whether in trust, or otherwise, shall be assigned to this state if the recipient thereof is domiciled within this state; income or gains from intangible personal property wherever held, whether in trust or otherwise shall be assigned to this state if the recipient of such income or gains is domiciled within this state, or if the grantor of any trust is domiciled within this state and such income or gains would be taxable to such grantor under sections 290.28 or 290.29;

(3) Income derived from carrying on a trade or business, including in the case of a business owned by natural persons the income imputable to the owner for his services and the use of his property therein, shall be assigned to this state if the trade or business is conducted wholly within this state, and to other states if conducted wholly without this state. This provision shall not apply to business income subject to the provisions of clause (1);

(4) When a trade or business is carried on partly within and partly without this state, the entire income derived from such trade or business, including income from intangible property employed in such business and including, in the case of a business owned by natural persons, the income imputable to the owner for his services and the use of his property therein, shall be governed, except as otherwise provided in sections 290.35 and 290.36, by the provisions of section 290.19, notwithstanding any provisions of this section to the contrary. This shall not apply to business income subject to the provisions of clause (1).

For the purposes of this clause, a trade or business located in Minnesota is carried on partly within and partly without this state if tangible personal property is sold by such trade or business and delivered or shipped to a purchaser located outside the state of Minnesota.

In determining whether or not intangible property is employed in a unitary business carried on partly within and partly without this state so that income derived therefrom is subject to apportionment under section 290.19 the following rules and guidelines shall apply.

(a) Intangible property is employed in a business if the business entity owning intangible property holds it as a means of furthering the business operation of which a part is located within the territorial confines of this state.

(b) Where a business operation conducted in Minnesota, is owned by a business entity which carries on business activity outside of the state different in kind from that conducted within this state, and such other business is conducted entirely outside the state, it will be presumed that the two business operations are unitary in nature, interrelated, connected and interdependent unless it can be shown to the contrary.

(5) All other items of gross income shall be assigned to the taxpayer's domicile.

Sec. 2. Minnesota Statutes 1971, Section 290.19, Subdivision 1, is amended to read:

290.19 [NET INCOME; ALLOCATION TO STATE, METHODS.] Subdivision 1. [COMPUTATION, BUSINESS CONDUCTED PARTLY WITHIN STATE; APPORTIONMENT.] The taxable net income from a trade or business carried on partly within and partly without this state shall be computed by deducting from the gross income of such business, wherever derived, deductions of the kind permitted by section 290.09, so far as connected with or allocable against the production or receipt of such income. The remaining net income shall be apportioned to Minnesota as follows:

(1) If the business consists of the mining, producing, smelting, refining, or any combination of these activities of copper and nickel ores, or of the manufacture of personal property and the sale of said property within and without the state, the remainder shall be apportioned to Minnesota on the basis of the percentage obtained by taking the arithmetical average of the following three percentages:

(a) The percentage which the sales made within this state ~~and through, from or by offices, agencies, branches or stores within this state~~ is of the total sales wherever made;

(b) The percentage which the total tangible property, real, personal, and mixed, owned or rented, and used by the taxpayer in this state during the tax period in connection with such trade or business is of the total tangible property, real, personal, or mixed,

wherever located, owned or rented and, used by the taxpayer in connection with such trade or business during the tax period; and,

(c) The percentage which the taxpayer's total pay-rolls paid or incurred in this state or paid in respect to labor performed in this state in connection with such trade or business is of the taxpayer's total pay-rolls paid or incurred in connection with such entire trade or business;

(d) The percentage of such remainder to be assigned to this state shall not be in excess of the sum of the following percentages: 70 percent of the percentage determined under clause (1) (a), 15 percent of the percentage determined under clause (1) (b), and 15 percent of the percentage determined under clause (1) (c);

(2) (a) In all other cases the remainder shall be apportioned to Minnesota on the basis of the percentage obtained by taking the arithmetical average of the following three percentages:

(1) The percentage which the sales, gross earnings, or receipts from business operations, in whole or in part, within this state bear to the total sales, gross earnings, or receipts from business operations wherever conducted;

(2) The percentage which the total tangible property, real, personal, and mixed, owned or rented, and used by the taxpayer in this state during the tax period in connection with such trade or business is of the total tangible property, real, personal, or mixed, wherever located, owned, or rented, and used by the taxpayer in connection with such trade or business during the tax period; and

(3) The percentage which the taxpayer's total pay-rolls paid or incurred in this state or paid in respect to labor performed in this state in connection with such trade or business is of the taxpayer's total pay-rolls paid or incurred in connection with such entire trade or business;

(4) The percentage of such remainder to be assigned to this state shall not be in excess of the sum of the following percentages: 70 percent of the percentage determined under clause (2) (a) (1), 15 percent of the percentage determined under clause (2) (a) (2), and 15 percent of the percentage determined under clause (2) (a) (3);

(b) If the methods prescribed under clause (2) (a) will not properly reflect taxable net income assignable to the state, there may be used, if practicable and if such use will properly and fairly reflect such income, the percentage which the sales, gross earnings, or receipts from business operations, in whole or in part, within this state bear to the total sales, gross earnings, or receipts from business operations wherever conducted; or the separate or segregated accounting method;

(3) The sales, pay-rolls, earnings, and receipts referred to in this section shall be those for the taxable year in respect of

which the tax is being computed. The property referred to in this section shall be the average of the property owned or used by the taxpayer during the taxable year in respect of which the tax is being computed ;

(4) For the purposes of this section, in determining the amount of sales made within Minnesota, there shall be excluded therefrom sales negotiated or affected in behalf of the taxpayer by agents or agencies chiefly situated at, connected with, or sent out from premises for the transaction of business owned or rented by the taxpayer or by his agents or agencies outside the state and sales otherwise determined by the commissioner to be attributable to the business conducted on such premises. If the commissioner finds that the taxpayer maintains an office, warehouse or other places of business outside the state for the purpose of reducing its tax under this section it shall in determining the amount of taxable net income include therein the proceeds of sales attributed by the taxpayer to the business conducted at such place outside the state.

Sec. 3. Minnesota Statutes 1971, Section 290.19, is amended by adding a subdivision to read:

Subd. 1a. [DETERMINATION OF SALES MADE WITHIN THIS STATE.] For purposes of this section the following rules shall apply in determining whether or not sales are made within this state.

Sales of tangible personal property are made within this state if the property is delivered or shipped to a purchaser within this state, and the taxpayer is taxable in this state, regardless of the f.o.b. point or other conditions of the sale.

Sales made by or through a corporation which is qualified as a domestic international sales corporation under section 992 of the Internal Revenue Code of 1954, as amended through December 31, 1972, shall not be considered to have been made within this state.

Sec. 4. This article is effective for taxable years beginning after December 31, 1973.

ARTICLE XIII

Section 1. Minnesota Statutes 1971, Section 272.03, Subdivision 1, is amended to read:

272.03 [DEFINITIONS.] Subdivision 1. [REAL PROPERTY.]

For the purposes of taxation, "real property" includes the land itself and all buildings, structures, and improvements or other fixtures on it, and all rights and privileges belonging or appertaining to it, and all mines, minerals, quarries, fossils, and trees on or under it.

A building or structure shall include the building or structure itself, together with all improvements or fixtures annexed to the building or structure, which are integrated with and of permanent benefit to the building or structure, regardless of the present use of

the building, and which cannot be removed without substantial damage to itself or to the building or structure.

For purposes of this section, huge and ponderous machinery or equipment, whether or not located in a structure, shall be considered a fixture to real estate if it is installed or affixed to a structure in such a manner as to create a permanent or semi-permanent installation, or is installed with the intention of remaining on the real estate for the useful life of the machinery or equipment.

ARTICLE XIV

Section 1. Minnesota Statutes 1971, Chapter 290, is amended by adding a section to read:

[290.0618] [LIMITS.] *The amount of any claim pursuant to section 1 of this act and sections 290.0601 to 290.0617 shall be determined in accordance with the following schedule:*

Property Tax		Total Household Income				
At Least:						
		0	1,500	2,000	2,500	3,000
But Less Than:						
		1,499	1,999	2,499	2,999	3,499
At Least	But Less Than	Your Senior Citizens Tax Credit Is:				
0	25	\$ 22	\$ 21	\$ 19	\$ 16	\$ 12
25	50	45	42	38	32	25
50	75	68	64	56	49	38
75	100	90	85	75	65	50
100	125	112	106	94	81	62
125	150	135	128	112	98	75
150	175	158	149	131	114	88
175	200	180	170	150	130	100
200	225	202	191	169	146	112
225	250	225	212	188	162	125
250	275	248	234	206	179	139
275	300	270	255	225	195	150
300	325	292	276	244	211	162
325	350	315	298	262	228	175
350	375	338	319	281	244	188
375	400	360	340	300	260	200
400	425	382	361	319	276	212
425	450	405	382	338	292	225
450	475	428	404	356	309	238
475	500	450	425	375	325	250
500	525	472	446	394	341	262
525	550	495	468	412	358	275
550	575	518	489	431	374	288

575	600	540	510	450	390	300
600	625	562	531	469	406	312
625	650	585	552	488	422	325
650	675	608	574	506	439	338
675	700	630	595	525	455	350
700	725	652	616	544	471	362
725	750	675	638	562	488	375
750	775	698	659	581	504	388
775	800	720	680	600	520	400

*Property Tax**Total Household Income**At Least:*

3,500 4,000 4,500 5,000 5,500

But Less Than:

3,999 4,499 4,999 5,499 5,999

<i>At Least</i>	<i>But Less Than</i>	<i>Your Senior Citizens Tax Credit Is:</i>				
0	25	\$ 9	\$ 5	\$ 4	\$ 2	\$ 1
25	50	18	10	8	5	2
50	75	26	15	11	8	4
75	100	35	20	15	10	5
100	125	44	25	19	12	6
125	150	52	30	22	15	8
150	175	61	35	26	18	9
175	200	70	40	30	20	10
200	225	79	45	34	22	11
225	250	88	50	38	25	12
250	275	96	55	41	28	14
275	300	105	60	45	30	15
300	325	114	65	49	32	16
325	350	122	70	52	35	18
350	375	131	75	56	38	19
375	400	140	80	60	40	20
400	425	149	85	64	42	21
425	450	158	90	68	45	22
450	475	166	95	71	48	24
475	500	175	100	75	50	25
500	525	184	105	79	52	26
525	550	192	110	82	55	28
550	575	201	115	86	58	29
575	600	210	120	90	60	30
600	625	219	125	94	62	31
625	650	228	130	98	65	32
650	675	236	135	101	68	34
675	700	245	140	105	70	35
700	725	254	145	109	72	36
725	750	262	150	112	75	38
750	775	271	155	116	78	39
775	800	280	160	120	80	40

In no event shall the claim allowed pursuant to the above schedule exceed the amount of property tax accrued.

Sec. 2. Minnesota Statutes 1971, Section 290.0604, is amended to read:

290.0604 [FILING TIME LIMIT, LATE FILING.] No claim in respect of property taxes accrued in 1969 or in respect of 1969 rent constituting property taxes accrued shall be paid or allowed unless such claim is actually filed with and in the possession of the department of taxation on or before June 30, 1970. Thereafter, subject to the same conditions and limitations, claims must be filed on or before June 30 of each succeeding year for which the property taxes accrued or rent constituting property taxes have accrued. Any claim for property taxes accrued shall be filed with the department of taxation on or before June 30 of the year in which such property taxes are due and payable. Any claim for rent constituting property taxes accrued shall be filed on or before June 30 of the year following the year in which such rent was paid. The commissioner may extend the time for filing these claims, as provided in section 290.0615.

A claim filed after the original or extended due date shall be allowed, however the amount of credit shall 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. In any event no claim shall be allowed if the claim is not filed on or before two years after the original or extended due date for the filing of the claim.

Sec. 3. This act is effective for all claims filed on or after January 1, 1974 based on property taxes due and payable in 1974 and thereafter for each succeeding year, and for rent constituting property taxes accrued for 1973 and thereafter for each succeeding year.

Sec. 4. Minnesota Statutes 1971, Sections 290.0607 and 290.0617 are repealed.

ARTICLE XV

Section 1. Minnesota Statutes 1971, Chapter 273, is amended by adding a section to read:

[273.011] [DEFINITIONS.] Subdivision 1. [WORDS, TERMS, PHRASES.] Unless the language or context clearly indicates that a different meaning is intended, the following words, terms, and phrases, for the purposes of sections 1 to 3 shall have the meanings given to them.

Subd. 2. [QUALIFIED HOME OWNER.] The term "qualified home owner" means:

- (a) (i) A person 65 years of age or older; or
- (ii) The surviving spouse of a decedent, if such decedent was 65 years of age or older at his death, and such spouse has not remarried; and
- (b) Who owns property as his homestead, and title to the property so used is held;
 - (i) In his name as owner of the fee; or

(ii) *Only in his name and that of his spouse as joint tenants or tenants in common; or*

(iii) *Only in his name, or his name and that of his spouse as owner of an estate for life or an estate for years.*

Subd. 3. [QUALIFIED PROPERTY.] *The term "qualified property" means property which meets all of the following conditions:*

(i) *Is a single family dwelling, or is part of a multifamily dwelling, or is a portion of a multipurpose structure, or is a mobile home as defined in section 168.011 which is used for the purposes described in section 273.13, subdivision 7, together with one acre of land most contiguous to the structure or mobile home, provided title to such land is held by the person who owns the title to the property described herein; and*

(ii) *Is the homestead of a "qualified home owner."*

Subd. 4. [BASE TAX.] *The term "base tax" means the ad valorem tax legally due with respect to "qualified property" in the year preceding the year in which the "qualified home owner" thereof attains such status prior to June 1, unless such "qualified home owner" qualified for such status at an earlier date by reason of subdivision 2, clause (a) (ii) of this section; provided that where such status is attained on or after June 1, except as provided in the preceding sentence, the "base tax," notwithstanding the provisions of subdivision 5, shall be the "ad valorem tax" legally due in such year.*

Subd. 5. [CURRENT TAX.] *The term "current tax" means the ad valorem tax legally due and payable on "qualified property" in the year following the year of assessment.*

Subd. 6. [AD VALOREM TAX.] *The term "ad valorem tax" means the tax on "qualified property" exclusive of all special taxes payable thereon.*

Subd. 7. *The masculine gender shall include the feminine and the single shall include the plural.*

Subd. 8. *Where "qualified property" is part of a multidwelling or multipurpose structure, the valuation of the "qualified property" area shall be determined by apportionment.*

Sec. 2. *Minnesota Statutes, Chapter 273, is amended by adding a section to read:*

[273.012] [QUALIFIED PROPERTY TAX CREDIT.] *Subdivision 1. When used in this section, words and phrases defined in section 1 shall have the meanings given to them unless the language or context clearly indicates that a different meaning is intended.*

Subd. 2. *Where the "current tax" on "qualified property" is in excess of the "base tax" on such property, there shall be allowed to the "qualified home owner" thereof a credit an equal amount to the excess of current tax over base tax as hereinafter provided under Minnesota Statutes, Chapter 290. In the event that a "qualified home owner"*

entitled to the credit provided herein dies prior to the receipt thereof, his surviving spouse shall be entitled to such credit. If there be no spouse surviving him, the right to such credit shall lapse.

Sec. 3. Minnesota Statutes, Chapter 290, is amended by adding a section to read:

[290.066] [SPECIAL PROPERTY TAX CREDIT.] *Subdivision 1. A person entitled to an amount equal to the qualified property tax credit allowed by section 2 shall file a claim with the department of taxation on or before June 30. The department of taxation shall make available suitable forms with instructions for the claimant, including a form which may be included with or as a part of the individual income tax blank. The claim shall be in such form as the commissioner may prescribe.*

Subd. 2. Such claim shall be subject to the provisions of sections 290.0604, 290.0605, 290.061, 290.0611, 290.0612, 290.0614, and 290.0615, where applicable.

Subd. 3. In the event that a "qualified home owner," in addition to the credit provided in this section, is entitled to a credit under section 290.0607, he shall not include the amount of taxes refunded under this section in the amount of property tax on which the credit allowed by section 290.0607 is calculated.

Subd. 4. There is hereby appropriated from the general fund the necessary amounts to pay the claims allowed by this section.

Sec. 4. *The provisions of this article shall only apply to homesteads with a market value of less than \$25,000 on the effective date of this article.*

This act is effective for all "base taxes" due and payable after December 31, 1972, and is effective for all "current taxes" due and payable after December 31, 1973.

ARTICLE XVI

Section 1. Minnesota Statutes 1971, Section 290.06, Subdivision 1, is amended to read:

290.06 [RATES OF TAX; CREDITS AGAINST TAX.] *Subdivision 1. [COMPUTATION, CORPORATIONS.] The privilege and income taxes imposed by this chapter upon corporations shall be computed by applying to their taxable net income in excess of the applicable credits allowed under section 290.21 the rate of 12 percent. The amount of tax payable by a corporation required to file a return shall not be less than \$10 \$25 .*

Sec. 2. The provisions of this article shall be effective for taxable years beginning after December 31, 1972.

ARTICLE XVII

Section 1. Minnesota Statutes 1971, Section 477A.01, Subdivision 1, is amended to read:

477A.01 [LOCAL GOVERNMENT AID.] Subdivision 1. Except in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott and Washington, the state shall distribute ~~\$25~~ \$35 for each person residing in the territory comprising each county for the calendar year ~~1972~~ 1974 and ~~\$27~~ \$36 for the calendar year ~~1973~~ 1975 to the several taxing authorities, except school districts, with authority to impose taxes on property located in the county's territory.

Sec. 2. Minnesota Statutes 1971, Section 477A.01, Subdivision 2, is amended to read:

Subd. 2. The county government shall receive *85 percent of the same percentage of the distributions pursuant to subdivision 1, that it was entitled to receive in 1971 of the total distributions to the several taxing authorities in the county's territory pursuant to Minnesota Statutes 1969, Sections 273.69 and 297A.51 to 297A.60, except that distributions to school districts under those laws shall be disregarded in making the calculation.*

Sec. 3. Minnesota Statutes 1971, Section 477A.01, Subdivision 3, is amended to read:

Subd. 3. Each taxing authority in each county, other than the county, the school districts and the cities, villages and towns, shall receive in ~~1972~~ 1974 and ~~1973~~ 1975 a distribution equal to the distribution it was entitled to receive in 1971 pursuant to Minnesota Statutes 1969, Section 273.69.

Sec. 4. Minnesota Statutes 1971, Section 477A.01, Subdivision 4, is amended to read:

Subd. 4. The balance of the distributions *in 1974* pursuant to subdivision 1, shall be divided among the several cities, villages and towns in the county's territory in the proportion that the dollar amount of the levy of each city, village and town payable in ~~1971~~ 1973 bears to the total dollar amount of the levies of all the cities, villages and towns *payable in 1973*.

The balance of the distribution in 1975 pursuant to Subdivision 1, shall be divided among the several cities, villages and towns in the county's territory in the proportion that the dollar amount of the levy of each city, village and town payable in 1974 bears to the total dollar amount of the levies of all cities, villages and towns payable in 1974.

For the purpose of this subdivision, the levy of a city, village or town payable in 1973 and 1974 shall include the amount of federal revenue sharing funds used to reduce the dollar amount of the levy each year, but shall exclude that portion of the levy of such city, village and town which was subject to the penalty provisions of Minnesota Statutes, Section 275.51, Subdivision 4, as amended and shall be before the reduction pursuant to Minnesota Statutes 1971, Section 477A.02, Clause (c).

Sec. 5. Minnesota Statutes 1971, Section 477A.01, Subdivision 5, is amended to read:

Subd. 5. ~~If the total amount distributed to the several tax-~~

ing authorities within a county pursuant to subdivision 1 is less than the total amount the several taxing authorities within the county, except school districts, were entitled to receive in 1971 pursuant to Minnesota Statutes 1969, Sections 273.69 and 297A.51 to 297A.60, the state shall supply and distribute the difference from the general fund which shall be distributed as part of the distribution pursuant to subdivision 1.

(a) The department of taxation shall calculate the aggregate of the following aids (before adjustments for prior year aid payments) for each city, village, town, and county government within each county subject to the provisions of subdivision 1 or within the territory specified in subdivision 7:

(1) 1973 local government aids pursuant to Extra Session Laws 1971, Chapter 31, Article 21;

(2) 1973 cigarette tax distribution aids pursuant to Minnesota Statutes 1971, Section 297.13;

(3) 1973 liquor tax distribution aids pursuant to Minnesota Statutes 1971, Section 340.60;

(4) The November 30, 1972 and May 31, 1973 distributions of bank excise tax aids pursuant to Minnesota Statutes 1971, Section 290.361;

(5) Fifty percent of the 1973 inheritance tax distribution to counties pursuant to Minnesota Statutes 1971, Section 291.33;

(6) Seventy percent of the amount county governments were entitled to receive and 100 percent of the amount city, village, and town governments were entitled to receive in 1973 pursuant to Minnesota Statutes 1971, Section 287.12.

(b) If the total amount distributed to the several taxing authorities within a county pursuant to subdivision 1 or to the territory specified in subdivision 7 is less than the aggregate of aids to the several taxing authorities within such county or territory, except school districts, as calculated by the department of taxation pursuant to clause (a), the state shall supply and distribute the difference from the general fund which shall be distributed as part of the distribution to the several taxing authorities within the territory specified in subdivision 7.

Sec. 6. Minnesota Statutes 1971, Section 477A.01, Subdivision 6, is amended to read:

Subd. 6. If the amount distributed to a city, village or town pursuant to subdivision 4, is less than it was entitled to receive in 1971 pursuant to Minnesota Statutes 1969, Sections 273.69 and 297A.51 to 297A.60, the amount distributed to it shall be raised to the amount distributed in 1971 and the distributions to each of the other cities, villages and towns and the county, shall be proportionately reduced as necessary to supply the difference.

(a) The department of taxation shall calculate the aggregate of the following aids (before adjustments for prior year aid payments) for each city, village, town and county government within each county subject to the provisions of subdivision 1:

(1) 1973 local government aids pursuant to Extra Session Laws 1971, Chapter 31, Article 21;

(2) 1973 cigarette tax distribution aids pursuant to Minnesota Statutes 1971, Section 297.13;

(3) 1973 liquor tax distribution aids pursuant to Minnesota Statutes 1971, Section 340.60;

(4) The November 30, 1972 and May 31, 1973 distribution of bank excise tax aids pursuant to Minnesota Statutes 1971, Section 290.361;

(5) Fifty percent of the 1973 inheritance tax distribution to counties pursuant to Minnesota Statutes 1971, Section 291.33;

(6) Seventy percent of the amount county governments were entitled to receive and 100 percent of the amount city, village, and town governments were entitled to receive in 1973 pursuant to Minnesota Statutes 1971, Section 287.12.

(b) If the amount distributed to a city, village, borough, town or county government pursuant to subdivision 2 or subdivision 4 is less than the aggregate of aids for such county government, city, village, borough, or town as calculated by the department of taxation pursuant to clause (a), the amount distributed to it shall be raised to the amount for such county, city, village, borough or township as calculated by the department of taxation pursuant to clause (a), and the distributions to each of the other cities, villages, boroughs and towns and the county government shall be proportionately reduced as necessary to supply the difference.

Sec. 7. Minnesota Statutes 1971, Section 477A.01, Subdivision 7, is amended to read:

Subd. 7. In the territory comprising the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott and Washington, the state shall distribute \$27 \$35 for each person residing in the territory for the calendar year ~~1972~~ 1974 and \$29 \$36 for the calendar year ~~1973~~ 1975 to the several taxing authorities, except school districts, with authority to impose taxes on property located in the territory.

Sec. 8. Minnesota Statutes 1971, Section 477A.01, Subdivision 8, is amended to read:

Subd. 8. The seven county governments shall receive in total, in ~~1972~~ 1974 , ~~10.5~~ 16 percent of ~~\$20~~ \$35 times the population of the seven counties, and, in ~~1973~~ 1975 , ~~17.5~~ 16 percent of ~~\$28~~ \$36 times the population of the seven counties. That distribution in 1974 shall be divided among the seven county governments in the proportion that the levy of each payable in ~~1971~~ 1973 bears to the total levy of the seven. *That distribution in 1975 shall be divided among the seven county governments in the proportion that the levy of each payable in 1974 bears to the total levy of the seven. For the purposes of this subdivision the levy of a county payable in 1973 and 1974 shall exclude that portion of the levy which was subject to the penalty provisions of Minnesota Statutes,*

Section 275.51, Subdivision 4, as amended, and shall be before the reduction pursuant to Minnesota Statutes 1971, Section 477A.02, Clause (c). If any county government would receive less pursuant to this subdivision than it was entitled to receive in 1971 pursuant to Minnesota Statutes 1969, Sections 273.69 and 297A.-51 to 297A.60 it shall receive an amount equal to the amount to which it was entitled in 1971 and the distribution to other counties shall be proportionately reduced.

Sec. 9. Minnesota Statutes 1971, Section 477A.01, Subdivision 9, is amended to read:

Subd. 9. Each taxing authority in the counties named in subdivision 7, other than the counties, the school districts and the cities, villages, boroughs and towns, shall receive in 1972 1974 and 1973 1975 , a distribution equal to the distribution to which it was entitled in 1971 pursuant to Minnesota Statutes 1969, Section 273.69.

Sec. 10. Minnesota Statutes 1971, Section 477A.01, Subdivision 10, is amended to read:

Subd. 10. In 1972 1974 ~~\$26~~ \$35 shall be multiplied times the population of the seven counties named in subdivision 7. The distributions pursuant to subdivisions 8 and 9 shall be subtracted from the product of that calculation.

Sec. 11. Minnesota Statutes 1971, Section 477A.01, Subdivision 11, is amended to read:

Subd. 11. ~~The city of Minneapolis and the city of St. Paul shall receive a distribution of the~~ balance remaining after the calculation provided by subdivision 10 *shall be divided among the cities, villages, boroughs and towns in the proportion that the dollar amount of the levy of each payable in 1971 1973 bears to the dollar amount of the levies of all cities, villages, boroughs and towns in the seven named counties. For the purposes of this subdivision the levy of a city, village, borough or town payable in 1973 shall exclude that portion of the levy which was subject to the penalty provisions of Minnesota Statutes, Section 275.51, Subdivision 4, as amended, and shall be before the reduction pursuant to Minnesota Statutes 1971, Section 477A.02, Clause (c).*

Sec. 12. Minnesota Statutes 1971, Section 477A.01, Subdivision 13, is amended to read:

Subd. 13. In 1973 1975 ~~\$28~~ \$36 shall be multiplied times the population of the seven counties named in subdivision 7. The distribution pursuant to subdivisions 8 and 9 shall be subtracted from the product of that calculation.

Sec. 13. Minnesota Statutes 1971, Section 477A.01, Subdivision 14, is amended to read:

Subd. 14. ~~The city of Minneapolis and the city of St. Paul shall receive a distribution of the~~ balance remaining after the calculation provided by subdivision 13 *shall be divided among the cities, villages, boroughs and towns in the proportion that the*

dollar amount of the levy of each payable in 1971 1974 bears to the dollar amount of the levies of all cities, villages, boroughs and towns in the seven named counties. *For purposes of this subdivision the levy of a city, village, borough, or town payable in 1974 shall exclude that portion which was subject to the provisions of Minnesota Statutes, Section 275.51, Subdivision 4, as amended, and shall be before the reduction pursuant to Minnesota Statutes 1971, Section 477A.02, Clause (c).*

Sec. 14. Minnesota Statutes 1971, Section 477A.01, Subdivision 16, is amended to read:

Subd. 16. *If the amount distributed to a city, village, borough or town in 1972 or 1973 in the seven named counties pursuant to this section, is less than it was entitled to receive in 1971 pursuant to Minnesota Statutes 1969, Sections 270.00 and 297A.51 to 297A.69, the amount shall be raised to the amount distributed in 1971 and the distributions to each of the other cities, villages, boroughs and towns shall be proportionately reduced as necessary to supply the difference.*

(a) The department of taxation shall calculate the aggregate of the following aids (before adjustments for prior year aid payments) for each city, village, borough, town, and county government within the territory specified in subdivision 7:

(1) 1973 local government aids pursuant to Extra Session Laws 1971, Chapter 31, Article 21;

(2) 1973 cigarette tax distribution aids pursuant to Minnesota Statutes 1971, Section 297.13;

(3) 1973 liquor tax distribution aids pursuant to Minnesota Statutes 1971, Section 340.60;

(4) The November 30, 1972 and May 31, 1973 distribution of bank excise tax aids pursuant to Minnesota Statutes 1971, Section 290.361;

(5) Fifty percent of the 1973 inheritance tax distribution to counties pursuant to Minnesota Statutes 1971, Section 291.33;

(6) Seventy percent of the amount county governments were entitled to receive and 100 percent of the amount city, village, borough and town governments were entitled to receive in 1973 pursuant to Minnesota Statutes 1971, Section 287.12.

(b) If the amount distributed to a city, village, borough, town, or county in 1974 or 1975 in the seven named counties pursuant to this section is less than the aggregate of aids for such county, city, village, borough, or town as calculated by the department of taxation pursuant to clause (a), the amount distributed to it shall be raised to the amount for such county, city, village, borough or town as calculated by the department of taxation pursuant to clause (a), and the distribution to each of the other counties, cities, villages, boroughs and towns shall be proportionately reduced as necessary to supply the difference.

Sec. 15. Minnesota Statutes 1971, Section 477A.01, Subdivision 17, is amended to read:

Subd. 17. The commissioner of taxation shall make all necessary calculations based on the 1970 federal census and make payments directly to the affected taxing authorities in ~~four~~ two equal parts on ~~March 15~~, July 15, ~~September 15~~, and November 15 in ~~1972~~ 1974 and ~~1973~~ 1975.

Sec. 16. *An amount sufficient to make payments provided by this article is appropriated for 1974 and 1975 to the commissioner of taxation from the general fund for distributions provided by this article. Notwithstanding Minnesota Statutes, Section 16.17, or any other law to the contrary, the appropriations made by this section shall not lapse but shall continue until January 1, 1976.*

Sec. 17. *Minnesota Statutes 1971, Section 477A.01, Subdivisions 12 and 15, are repealed, for payments required to be made to political subdivisions after December 31, 1973.*

ARTICLE XVIII

Section 1. *The significant increase in ad valorem taxes in recent years is a major concern of the legislature in view of the impact of such increases upon all economic groups within the state, but with particular emphasis upon certain home owners, renters and farmers. The legislature attributes this steadily increasing property tax burden to the rising costs of local government, increased school and welfare expenditures, and a continuing and strong inflationary effect on real property values.*

In Extra Session Laws 1971, Chapter 31, Article XIII, the legislature created a tax study commission to examine Minnesota's total tax structure as its equity and distribution methods relate to the general economic needs and development of the state, the special needs of employment and job opportunity and the revenue needs and sources of revenue available to the state and to its political subdivisions.

The tax study commission is herewith directed to focus particular attention on the process of assessing and classifying real and personal property for ad valorem tax purposes, in order that the legislature may be able to achieve a reasonable balance between the total revenue requirements of the state and its political subdivisions and that portion of such revenues that should be raised by property taxes.

No appropriation is made for the purposes of this article, as funds are being made available to the tax study commission in other sections of the law.

ARTICLE XIX

Section 1. Minnesota Statutes 1971, Section 290.0601, Subdivision 6, is amended to read:

Subd. 6. [CLAIMANT.] Claimant means a person who has filed a claim under sections 290.0601 to ~~290.0617~~ 290.0618, has attained either the age of 65 or was a recipient of "supplementary security income for the aged, blind, and disabled" provided under the social security amendments of 1972 (P.L. 92-603) during the calendar year for which the claim is filed, and was domiciled in this state during the entire calendar year for which the claim for relief under sections 290.0601 to

~~290.0617~~ 290.0618 was filed. In the case of claim for rent constituting property taxes accrued the claimant shall have rented property during any part of the calendar year for which he files claim for relief under sections 290.0601 to ~~290.0617~~ 290.0618. When two individuals are able to meet the qualifications for a claimant and are husband and wife, they may determine between them as to which of the two the claimant shall be. If they are unable to agree the matter shall be referred to the commissioner of taxation and his decision shall be final. When a homestead is occupied by two or more individuals and more than one such individual is able to qualify as a claimant, and some or all such qualified individuals are not related as determined under subdivision 3, each such individual may be a claimant, provided he meets the requirements therefor. Each such claimant shall use only the rent constituting property taxes or property taxes accrued paid by him.

Sec. 2. Minnesota Statutes 1971, Section 290.0601, Subdivision 9, is amended to read:

Subd. 9. [PROPERTY TAXES ACCRUED.] Property taxes accrued means the net property tax after deducting the credit allowed by Minnesota Statutes 1967, Section 273.13, Subdivisions 6 and 7, (exclusive of special assessments, delinquent interest and charges for service) levied on a claimant's homestead in 1967 or any calendar year thereafter pursuant to Minnesota Statutes 1965, Chapters 272 and 273. When a homestead is owned by two or more persons or entities as joint tenants or tenants in common and one or more persons or entities is not a member of claimant's household, "property taxes accrued" is that part of property taxes levied on such homestead as reflects the ownership percentage of the claimant and his household. For purposes of this paragraph property taxes are "levied" when the tax roll is delivered to the local treasurer for collection. The local treasurer will include with the tax bill a statement that if the owner of the property is 65 years of age or over, *or was a recipient of "supplementary security income for the aged, blind, and disabled" under the social security amendments of 1972 (P.L. 92-603)*, he may be eligible for the credit allowed by sections 290.0601 to ~~290.0617~~ 290.0618. When a claimant and his household own their homestead part of the preceding calendar year and rent the same or a different homestead for part of the same year "property taxes accrued" means only taxes levied on the homestead when both owned and occupied as such by claimant and his household at the time of the levy, multiplied by the percentage of 12 months that such property was owned and occupied by such household as its homestead during the preceding year. When a household owns and occupies two or more different homesteads in the same calendar year, property taxes accrued shall relate only to that property occupied by the household as a homestead on the levy date. Whenever a homestead is an integral part of a farm, the claimant may use the total property taxes accrued for the larger unit, but not exceeding 80 acres of land, as described in section 273.13, subdivision 6, except as the limitations of section 290.0608 apply. For the purpose of sections 290.0601 to ~~290.0617~~ 290.0618, the "unit" refers to that parcel of property covered by a single tax statement of which the homestead is a part.

Sec. 3. Minnesota Statutes 1971, Section 290.061, is amended to read:

290.061 [PROOF OF CLAIM.] Every claimant under sections 290.-0601 to ~~290.0617~~ 290.0618, shall supply to the department of taxation, in support of his claim, reasonable proof of age, *proof of "supplementary security income for the aged, blind, and disabled" received*, rent paid, name and address of owner or managing agent of property rented, property taxes accrued, changes of homestead, household membership, household income, size and nature of property claimed as the homestead and a statement that the property taxes accrued, used for purposes of sections 290.0601 to ~~290.0617~~ 290.0618 have been or will be paid by him and that there are no delinquent property taxes on the homestead.

Sec. 4. *This article is effective January 1, 1974, and shall apply to property taxes and rent constituting property taxes accrued in 1973 and subsequent years.*

ARTICLE XX

Section 1. Minnesota Statutes 1971, Section 275.50, Subdivision 2, is amended to read:

Subd. 2. "Governmental subdivision" means any county, city, village, borough, or town having the powers of a village pursuant to ~~section sections~~ 368.01 or 368.61, or by special law ; ~~or any board or commission thereof authorized by law or charter to levy property taxes.~~ The term does not include school districts , *towns without village powers, or special taxing districts determined by the department of taxation .*

Sec. 2. Minnesota Statutes 1971, Section 275.50, Subdivision 4, is amended to read:

Subd. 4. "Special assessments" means assessments made against real property for purposes of financing, wholly or in part, only those types of improvements enumerated in ~~section sections~~ 429.021, subdivision 1 and 429.101, *whether imposed pursuant to such sections or pursuant to home rule charter provisions .* General tax levies spread upon real estate not specifically benefitted by the improvements , *and on the benefitted real estate as part of the taxable valuation of the governmental subdivision, are not considered special assessments.*

Sec. 3. Minnesota Statutes 1971, Section 275.50, Subdivision 5, is amended to read:

Subd. 5. "Special levies" means those portions of ad valorem taxes levied by governmental subdivisions to:

(a) satisfy judgments rendered against the governmental subdivision by a court of competent jurisdiction in any action other than an action on an ~~express~~ *express contract or default on an express contract*, or to pay the costs of settlements out of court against the governmental subdivision in any action other than an action on an express contract 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, but only to the extent

of the increase in levy for such judgments and out of court settlements over levy year 1970, taxes payable in 1971 ;

(b) pay the costs of complying with any written lawful order issued by the state of Minnesota, or the United States, or any agency or subdivision thereof, or any law enacted by the 1971 legislature which specifically requires an activity which results in increased expenditures of expanded county court systems not in full operation during the entire year 1971 which is authorized by law, statute, special act or ordinance and is enforceable in a court of competent jurisdiction, or any stipulation agreement or permit for treatment works or disposal system for pollution abatement in lieu of a lawful order signed by the governmental subdivision and the state of Minnesota, or the United States, or any agency or subdivision thereof which is enforceable in a court of competent jurisdiction. The commissioner of taxation shall in consultation with other state departments and agencies, develop a suggested form for use by the state of Minnesota, its agencies and subdivisions in issuing orders pursuant to this subdivision ;

(c) pay the costs of complying with any law enacted by the 1971 legislature or a prior or subsequent year's legislature which specifically and directly requires a new or altered activity after levy year 1970, taxes payable in 1971, but only to the extent of the increased cost for such activity after levy year 1970, taxes payable in 1971 ;

(d) pay the costs of an expanded county court system to the extent of the increase in costs over the amount levied in support of a county court or a probate court in levy year 1970, taxes payable in 1971 ;

(e) (e) pay amounts required by any public pension plan to the extent that operation of the laws enacted before July 1, 1971, of the state of Minnesota or the United States governing such fund directly causes the level of governmental financial support to exceed the level of such support prior to July 1, 1971, provided that such increases are not the result of amendment by any means to the benefit plan after July 1, 1971 which required the approval of the governing body of the governmental subdivision ;

(d) (f) pay amounts required by to be levied in support of a volunteer firemen's relief association if resulting from the operation of sections sections 69.772 and 69.773 ;

(e) (g) pay the costs to a governmental subdivision for their share of any program otherwise authorized by law , including the administrative costs of social services and of county welfare systems, for which matching funds have been appropriated by the state of Minnesota or the United States, but only to the extent that the costs to the governmental subdivision for the program exceed these expended in calendar year 1970 minimum required local share for the program exceeds the levy for the minimum required local share of the same program in levy year 1970, taxes payable in 1971 ;

(f) (h) pay expenses reasonably and necessarily incurred in preventing, preparing for or repairing the effects of natural dis-

aster. "Natural disaster" as used herein means the occurrence or threat of widespread or severe damage, injury or loss of life or property resulting from natural causes, including and limited to fire, flood, earthquake, wind storm, wave action, oil spill, or other water contamination requiring action to avert danger or damage, volcanic activity, drought or air contamination. The civil defense division of the state department of public safety shall formulate standards by which an occurrence of any of the aforementioned natural phenomena would be deemed a natural disaster by reason of the level of damage, injury or loss of life or property that has occurred or would occur if preventative action was not taken ;

~~(g)~~ (i) pay the costs minimum required local share, not reimbursed by the state or federal government , of payments made to or on behalf of recipients of aid under sections 245.21 to 245.43 (Aid to the Disabled), sections 256.11 to 256.43 (Old Age Assistance), sections 256.49 to 256.71 (Aid to the Blind), sections 256.72 to 256.87 (Aid to Families with Dependent Children), chapter 256B (Medical Assistance), and chapters 261, 262 and 263 (Poor Relief);

~~(h)~~ (j) pay the costs of principal and interest on bonded indebtedness ;

(k) 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;

(l) 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;

(m) provide for the bonded indebtedness portion of payments made to another political subdivision of the state of Minnesota;

(n) pay the amounts required to compensate for a decrease in revenues from public service enterprises, municipal liquor stores, licenses, permits, fines and forfeits and no other, to the extent that the aggregate of revenues from these sources in the calendar year preceding the year of levy are less than the aggregate of revenues from these sources in calendar year 1971. "Revenues" from a public service enterprise or a municipal liquor store shall mean the net income or loss of such public service enterprise or municipal liquor store, determined by subtracting total expenses from total revenues, and before any contribution to or from the governmental subdivision. "Fines" for a municipal court means the net amount remaining after subtracting total municipal court expenses from total collections of municipal court fines. A governmental subdivision shall qualify for this special levy only if the decrease in aggregate revenues as computed herein and divided by the population of the governmental subdivision in the preceding levy year is equal to or greater than two percent of the per capita levy limitation for the preceding levy year;

(o) pay the amounts required to compensate for a decrease in mobile homes property tax receipts to the extent that the governmental subdivision's portion of the total levy in the current levy year, pursuant to section 273.13, subdivision 3, as amended, is less than the distribution of the mobile homes tax to the governmental subdivision pursuant to section 273.13, subdivision 3, in calendar year 1971;

(p) pay the amounts required to compensate for a decrease in gross earnings tax aids pursuant to sections 276.15 to 276.18, or 368.39 to 368.42, or 373.20 to 373.24, to the extent that the distribution of these aids to the governmental subdivision in the calendar year immediately preceding the current levy year is less than the distribution of these aids to the governmental subdivision in calendar year 1971;

(q) pay the amounts required, in accordance with section 275.075, to correct for a county auditor's error of omission in levy year 1971 or a subsequent 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 275.66 in the preceding levy year;

(r) 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, village, borough or town with village powers in levy year 1971 or a subsequent 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;

(s) pay the increased cost of municipal services as the result of an annexation or consolidation ordered by the Minnesota municipal commission in levy year 1971 or a subsequent levy year, but only to the extent and for the levy years as provided by the commission in its order pursuant to section 414.01, subdivision 15;

(t) pay the increased costs of municipal services provided to new private industrial and nonresidential commercial development, to the extent that the extension of such services are not paid for through bonded indebtedness or special assessments, and not to exceed the amount determined as follows. The governmental subdivision may calculate the aggregate of:

(1) The increased expenditures necessary in preparation for the delivering of municipal services to new private industrial and nonresidential commercial development, but limited to one year's expenditures one time for each such development;

(2) The amount determined by dividing the overall levy limitation established pursuant to sections 275.50 to 275.56, and exclusive of special levies and special assessments, by the total taxable value of the governmental subdivision, and then multiplying this quotient times the total increase in assessed value of private industrial and nonresidential commercial development within the governmental subdivision. For the purpose of this clause, the increase in the assessed value of private industrial and nonresidential commercial development is calculated as the in-

crease in assessed value over the assessed value of the real estate parcels subject to such private development as most recently determined before the building permit was issued. In the fourth levy year subsequent to the levy year in which the building permit was issued, the increase in assessed value of the real estate parcels subject to such private development shall no longer be included in determining the special levy.

The aggregate of the foregoing amounts, less any costs of extending municipal services to new private industrial and nonresidential commercial development which are paid by bonded indebtedness or special assessments, equals the maximum amount that may be levied as a "special levy" for the increased costs of municipal services provided to new private industrial and nonresidential commercial development.

Sec. 4. Minnesota Statutes 1971, Section 275.51, Subdivision 1, is amended to read:

275.51 [LEVY LIMITS.] Subdivision 1. Notwithstanding any provisions of law or municipal charter to the contrary which authorize *ad valorem* levies in excess of the limitations established by sections 275.50 to 275.56, but subject to section 275.56, the provisions of this section shall apply to the levies by governmental subdivisions in the years 1971, 1972 and subsequent years for all purposes other than those for which special levies and special assessments are made.

Sec. 5. Minnesota Statutes 1971, Section 275.51, Subdivision 2, is amended to read:

Subd. 2. The property tax levy limitation for governmental subdivisions in 1971 is calculated as follows. There shall be calculated the aggregate of receipts by each governmental subdivision from:

(a) the total amount of property taxes levied before any reduction prescribed by sections 273.13 and 273.135 in respect to homestead property, by or for each governmental subdivision in 1970, or in the most recent preceding year when such taxes were levied for a period of 12 months if the governmental subdivision levied such taxes for a shorter period in 1970, for all purposes, except for special assessments and special levies;

(b) exempt property tax reimbursement payments, if any, estimated by the department of taxation to be due and payable for the year 1971 from the state pursuant to section 273.69, *minus the allocation of these payments on a percentage distribution basis to the welfare aids and bonded indebtedness special levies in taxes payable year 1971*;

(c) per capita aid payments estimated by the department of taxation to be due and payable for the year 1971 from the state pursuant to sections 297A.51 to 297A.60, *minus the allocation of these payments on a percentage distribution basis to the welfare aids special levy in taxes payable year 1971*.

The aggregate of the foregoing receipts shall be divided by the 1970 population of the governmental subdivision established pursuant to section 275.53. The resulting quotient (~~aggregate 1971 receipts per capita~~) *is the per capita limitation and may be adjusted (1970 payable 1971 levy limit base per capita) shall be increased pursuant to section 275.52, subdivision 2, to derive the*

1971 payable 1972 levy limit base per capita . The *adjusted quotient 1971 payable 1972 levy limit base per capita* shall then be multiplied by the 1971 population of the governmental subdivision established pursuant to section 275.53. From the resulting figure (*1971 payable 1972 levy limit base*) shall be deducted the amount (estimated by the department of taxation) of state formula aids to be paid pursuant to *Extra Session Laws 1971, Chapter 31, Article 21 section 477A.01, as amended* and the taconite production tax municipal and county aids to be paid pursuant to *Extra Session Laws 1971, Chapter 31, Article 30 section 298.282, as amended* , to the governmental subdivision during the calendar year 1972. The resulting figure is the amount of property taxes which the governmental subdivision may levy in 1971 for all purposes other than those for which special levies and special assessments are made.

Sec. 6. Minnesota Statutes 1971, Section 275.51, Subdivision 3, is amended to read:

Subd. 3. The property tax levy limitation for governmental subdivisions in 1972 and subsequent *levy* years is calculated as follows. There shall be calculated the aggregate of receipts by each governmental subdivision from:

(a) the total amount of property taxes levied pursuant to subdivision 1 in 1971 and succeeding years respectively;

(b) state formula and taconite production tax, municipal and county aid payments estimated by the department of taxation to be due and payable for the year 1972 and succeeding years, respectively, from the state pursuant to *Extra Session Laws 1971, Chapter 31, Articles 21 and 30*.

The aggregate of the foregoing receipts shall be divided by the 1971 or subsequent year's population of the governmental subdivision established as above for the preceding year. The resulting quotient (aggregate receipts per capita) is the per capita limitation and may be adjusted pursuant to section 275.52. *The governmental subdivision's levy limit base per capita for the immediately preceding levy year shall be increased pursuant to section 275.52, subdivision 2. The adjusted quotient shall then be multiplied by the 1972 or subsequent resulting current levy year's levy limit base per capita shall then be multiplied by the current levy year's population of the governmental subdivision established pursuant to section 275.53. From the resulting figure (current levy year's levy limit base) shall be deducted the amount of state formula aids estimated by the department of taxation to be paid pursuant to Extra Session Laws 1971, Chapter 31, Article 21 section 477A.01, as amended , and the taconite production tax , municipal and county aids paid pursuant to Extra Session Laws 1971, Chapter 31, Article 30 section 298.282, as amended , to the governmental subdivision during the calendar year 1973, or subsequent year, as the case may be tax collection year to which the current levy year's levy limit base applies . The resulting figure is the amount of property taxes which the governmental subdivision may levy in 1972 and the current levy year for all purposes other than those for which special levies and special assessments are made.*

For the purpose of determining the amount of property taxes that a governmental subdivision may levy, in 1973 and thereafter, taxes payable in 1974 and thereafter, for all purposes except special levies and special assessments, the following amounts (increased by 12.36 percent and divided by the 1973 population of the governmental subdivision established pursuant to section 275.53) shall be added to the governmental subdivision's 1972 payable 1973 levy limit base per capita and adjusted pursuant to section 275.52, subdivision 2:

(1) The amount of a county auditor's error of omission in the ad valorem taxes extended in levy year 1970, taxes payable in 1971, but only to the extent that when included in the governmental subdivision's levy in 1970, taxes payable in 1971, such amount is not in excess of any applicable statutory, special law or charter limitation imposed on the governmental subdivision in levy year 1970.

(2) The amount of an error of omission in the levy certified to the appropriate county auditor or auditors by the governing body of a city, village, borough or town with village powers in levy year 1970, taxes payable in 1971, but only to the extent that when included in the governmental subdivision's levy in 1970, taxes payable in 1971, such amount is not in excess of any applicable statutory, special law or charter limitation imposed on the governmental subdivision in levy year 1970.

The foregoing addition shall not be construed to alter in any way the amount of state formula aids estimated by the department of taxation to be paid a governmental subdivision pursuant to section 477A.01 in calendar years 1972 and 1973.

For levy year 1973 and thereafter, taxes payable in 1974 and thereafter, the current levy year's levy limit base for the governmental subdivision shall be increased by:

(a) the amount of aids (estimated by the department of taxation) that the governmental subdivision was entitled to receive from the state, pursuant to sections 297.13 and 340.60, seventy percent of the amount of county government was entitled to receive pursuant to section 287.12 and 100 percent of the amount a city, village or town government was entitled to receive pursuant to section 287.12, in calendar year 1973, before any adjustments for payments made in preceding calendar years;

(b) the amount of aids (estimated by the department of taxation) that the governmental subdivision was entitled to receive from the state, pursuant to section 290.361, on November 30, 1972 and May 31, 1973, before any adjustments for prior payments.

The foregoing addition shall be made after the per capita adjustment pursuant to section 275.52, subdivision 2, and after the multiplication of the current levy year's levy limit base per capita by the current levy year's population of the governmental subdivision, but before the deduction of the aids estimated by the department of taxation to be paid to the governmental subdivision pursuant to sections 477A.01 and 298.-282, as amended, during the tax collection year to which the current levy year's levy limit base applies.

Sec. 7. Minnesota Statutes 1971, Section 275.51, is amended by adding a subdivision to read:

Subd. 3a. Notwithstanding the provisions of subdivision 3, but subject to any other law or charter limitation, each governmental subdivision is entitled, in levy year 1973 and subsequent levy years, to a minimum property tax levy limitation of six percent of its state aids estimated by the department of taxation to be paid, pursuant to Extra Session Laws 1971, Chapter 31, Articles XXI and XXX, to the governmental subdivision during the tax collection year to which the property tax levy limitation applies.

A governmental subdivision which would maximize its property tax levy limitation under this subdivision shall qualify for this subdivision and subdivision 3 shall not apply to such governmental subdivision. In any levy year (qualifying levy year) that a governmental subdivision qualifies for this subdivision, its property tax levy limitation shall be determined as follows.

The state aids estimated by the department of taxation to be paid, pursuant to Extra Session Laws 1971, Chapter 31, Articles XXI and XXX, to the governmental subdivision in the taxes payable year to which such qualifying levy year applies shall be divided by the population of the governmental subdivision in such qualifying levy year as determined pursuant to section 275.53.

The resulting quotient shall be increased pursuant to section 275.52, subdivision 2, to derive the levy limit base per capita for the governmental subdivision for the qualifying levy year. The levy limit base per capita for the qualifying levy year shall be multiplied by the population of the governmental subdivision in the qualifying levy year as determined pursuant to section 275.53. From the resulting figure (levy limit base for the qualifying levy year) shall be deducted the amount (estimated by the department of taxation) of state formula aids to be paid pursuant to Extra Session Laws 1971, Chapter 31, Article XXI, and the taconite production tax municipal aids to be paid pursuant to Extra Session Laws 1971, Chapter 31, Article XXX, to the governmental subdivision during the tax collection year to which the qualifying levy year applies. The resulting figure is the amount of property taxes which the governmental subdivision may levy in the qualifying levy year for all purposes other than those for which special levies and special assessments are made.

In any levy year that a governmental subdivision would maximize its property tax levy limitation under subdivision 3 instead of this subdivision, the levy limit base per capita for the last qualifying levy year constituting the preceding year's levy limit base per capita for the provisions of subdivision 3, the governmental subdivision shall no longer qualify for this subdivision and shall presume to have its property tax levy limitation calculated pursuant to subdivision 3.

Sec. 8. Minnesota Statutes 1971, Section 275.51, Subdivision 4, is amended to read:

Subd. 4. If in 1971 the levy made by any governmental subdivision exceeds the limitation provided in this section, except when such excess levy is due to the rounding of the mill rates of the governmental subdivision in accordance with section 275.28, subsequent distributions of formula aids pursuant to Extra Session Laws 1971, Chapter 31 sections 298.282 and 477A.01, as

amended, shall be reduced 10 cents for each full dollar that the levy exceeds the limitation imposed by this section. If in any year subsequent to 1971 the levy made by a governmental subdivision exceeds the limitation provided in sections 275.50 to 275.56, *except when such excess levy is due to the rounding of the mill rates of the governmental subdivision in accordance with section 275.28*, subsequent distributions required to be made by the state auditor from any formula aids pursuant to *Extra Session Laws 1971, Chapter 31 sections 298.282 and 477A.01, as amended*, shall be reduced 10 cents for each full dollar the levy exceeds the limitation up to five percent, and 33 cents for each full dollar the levy exceeds the limitation by more than five percent; provided that a governmental subdivision may determine to levy in excess of the limitation provided in sections 275.50 to 275.56 by not to exceed ten percent by passing a resolution setting forth the amount by which the levy limit is proposed to be exceeded. Thereafter the resolution shall be published for two successive weeks in the official newspaper of the governmental subdivision or if there be no official newspaper, in a newspaper of general circulation therein, together with a notice fixing a date for a public hearing on the proposed increase which hearing shall be held not less than two weeks nor more than four weeks after the first publication of the resolution. Following the public hearing, the governing body may determine to take no further action, or in the alternative, adopt a resolution authorizing the levy as originally proposed, or adopt a resolution approving a levy in such lesser amount as it so determines. The resolution authorizing a levy in excess of the limitation imposed by sections 275.50 to 275.56 shall be published in the official newspaper of the governmental subdivision or if there be no official newspaper, in a newspaper of general circulation therein. If within 15 days thereafter, a petition signed by voters equal in number to five percent of the votes cast in the governmental subdivision in the last general election or 2,000 voters, whichever is less, requesting a referendum on the proposed resolution is filed with the clerk or recorder of the governmental subdivision if the governmental subdivision is a city, village, borough, or town, or with the county auditor if the governmental subdivision is a county, the resolution shall not be effective until it has been submitted to the voters at a general or special election and a majority of votes cast on the question of approving the resolution are in the affirmative. The commissioner of taxation is directed to prepare a suggested form of question to be presented at any such referendum. A levy approved at any such referendum held at a special or general election held prior to October 1 in any levy year increases the allowable levy in that same levy year and provides a permanent adjustment to the levy limit base per capita of the governmental subdivision for future levy years, and there shall be no reduction in distributions of formula aids to the governmental subdivision as a result of such levy. If no referendum is requested, the excess levy authorized by the resolution, if the resolution is adopted prior to October 1 in any year, may be levied in that same levy year and subsequent distributions required to be made by the state auditor from any formula aids pursuant to *Extra Session Laws 1971, Chapter 31*,

shall be reduced 15 cents for each full dollar the levy exceeds the limitation. A levy made in 1971 prior to the effective date of Extra Session Laws 1971, Chapter 31 shall be reviewed and may be modified by the appropriate authority of the governmental subdivision for the purpose of reducing such levy to conform to the limitations imposed by this section. Any reduction in such levy made prior to December 15, 1971, shall be given the same effect as though such reduction had been made prior to the expiration of the time allowed by law for making the levy. The provisions of this subdivision shall apply to the levy of a metropolitan county before the reduction required pursuant to section 163.051, subdivision 5.

Sec. 9. Minnesota Statutes 1971, Section 275.52, Subdivision 2, is amended to read:

Subd. 2. The ~~per capita limitation levy limit base per capita~~ , as adjusted for previous increases pursuant to this section, may be increased each year by the governing body of the governmental subdivision affected thereby in the amount not to exceed six percent of the previous year's ~~per capita limitation levy limit base per capita~~ .

Sec. 10. Minnesota Statutes 1971, Section 275.52, Subdivision 3, is amended to read:

Subd. 3. If the population of any governmental subdivision decreases from one year to the next, the *current levy year's* population shall, for purposes of sections 275.50 to 275.56, be increased by an amount equal to one half of the decrease in population from the prior *levy year*, such increase to be effective for the said one *levy year* only. ~~This subdivision shall not apply to decreases in population resulting from a change or change in the boundaries of a governmental subdivision.~~

Sec. 11. Minnesota Statutes 1971, Section 275.53, Subdivision 1, is amended to read:

275.53 [GOVERNING CENSUS.] Subdivision 1. For the purpose of determining the amount of tax that a governmental subdivision may levy in accordance with a per capita limitation established by this chapter, the population of the governmental subdivision shall be that established by the last state or federal census, or by a special census taken within the entire governmental subdivision pursuant to sections 275.50 to 275.56 or to any other law, by a census taken pursuant to subdivision 2, or by a population estimate made ~~by the state health department, by the metropolitan council by a regional development commission~~ , by an order of the Minnesota municipal commission pursuant to section 414.01, subdivision 14, or by an estimate made pursuant to subdivision 3, whichever is the most recent *as to the stated date of count or estimate* .

Sec. 12. Minnesota Statutes 1971, Section 275.53, Subdivision 3, is amended to read:

Subd. 3. (a) In lieu of passing a resolution pursuant to subdivision 2, the governing body of a ~~municipality or town~~ govern-

mental subdivision may pass by June 1 of any year a resolution containing an estimate of the current population of the subdivision. The resolution shall describe with specificity the criteria upon which the estimate is based, and shall state that the estimate is made for purposes of increasing that subdivision's tax levy pursuant to sections 275.50 to 275.56.

(b) The resolution shall then be submitted to the ~~vital statistics section of the state department of health~~ *state planning agency*. The ~~section~~ *agency* shall determine, and so inform the subdivision in writing within 30 days of receipt of the resolution, whether the criteria described therein do or do not provide a reasonable basis for the population estimate. No determination by the ~~section~~ *agency* made pursuant to this subdivision shall constitute, nor shall it be represented as constituting, a determination of actual population.

(c) If the ~~section~~ *agency* determines that the criteria do not provide a reasonable basis for the population estimate, the resolution shall be of no effect. If the ~~section~~ *agency* determines that the criteria do provide a reasonable basis for the population estimate, the resolution shall be published at least once in a legal newspaper of general circulation in said subdivision. Said estimate may be used for computing the amount of ad valorem taxes the subdivision may levy, unless within 30 days following the publication of the resolution, 10 percent or more of the registered voters of the subdivision, or if the subdivision does not require voter registration, then 10 percent or more of its voters, who voted at the subdivision's last election, sign a petition demanding a special census, and submit the petition to the governing body of the subdivision.

(d) Attached to the petition shall be an affidavit executed by the circulator or circulators thereof, stating that he or they personally circulated the petition, the number of signatures thereon, that all signatures were affixed in his or their presence and that he or they believe them to be genuine signatures of the persons whose names they purport to be. Each signature need not be notarized.

(e) Upon the receipt of a petition conforming to this subdivision, the governing body shall pass a resolution requesting the secretary of state to take a special census of the governmental subdivision. The census shall be taken and financed pursuant to the provisions of subdivision 2. Any population estimate made by the governing body of any governmental subdivision shall be superseded by any subsequent state or federal census taken pursuant to sections 275.50 to 275.56 or any other law, or by a population estimate made by the ~~state health department, the metropolitan council or a regional development commission~~. The governing body of a governmental subdivision may not avail itself of the provisions of this subdivision during any year for which any state or federal census has been taken or for which ~~the state health department, the metropolitan council or a regional development commission~~ has made a population estimate of the subdivision.

(f) In the event of any variance in population certified, the governmental subdivision by resolution shall choose from among the population estimates the figure which shall be governing for purposes of sections 275.50 to 275.56.

Sec. 13. Minnesota Statutes 1971, Section 275.55, is amended to read:

275.55 [STATE REVIEW AND REGULATION OF LEVIES.] The state auditor and the commissioner of taxation, or their designees, shall establish procedures by which levies of all governmental units shall be periodically reviewed. The commissioner shall be empowered to order withholding of state aids where such penalties are authorized by law, to order the reduction of current or future levies where levy limitations have been exceeded, to issue, in accordance with chapter 15, rulings interpreting sections 275.50 to 275.56, and to take such other administrative actions as he deems necessary in order to carry out the provisions of sections 275.50 to 275.56. If the commissioner of taxation takes administrative action or any other action authorized by this section to enforce the provisions of sections 275.50 to 275.56, he shall give written notice of such action to the governmental subdivision affected. Such notice shall specify the actual or impending violations by the governmental subdivision of sections 275.50 to 275.56 or the rules and regulations of the department of taxation pertaining thereto, describe the corrective action required, including, in the case of an excess levy, reduction of the governmental subdivision's levy in the next succeeding levy year in an amount equal to the amount of the excess levy, set a reasonable period of time within which the governmental subdivision shall correct the specified actual or impending violations and caution the governmental subdivision that if the specified correction is not made within the time allowed, the state aids to the governmental subdivision pursuant to sections 477A.01 and 298.282, as amended, will be reduced as provided in section 275.51, subdivision 4. The time period first allowed for correction may be extended by the commissioner if he finds a reasonable basis for delay. County auditors, in addition to duties otherwise provided by law, shall cooperate with the commissioner and auditor in establishing such procedures and enforcing the provisions of sections 275.50 to 275.56.

Sec. 14. Minnesota Statutes 1971, Chapter 275, is amended by adding a section to read:

[275.551] [LEVY LIMITATIONS REVIEW BOARD.] A levy limitations review board is hereby created to resolve questions concerning administrative interpretation of sections 275.50 to 275.56 that require review and to hear appeals by governing bodies of governmental subdivisions who disagree with the administrative rulings issued by the commissioner of taxation pursuant to section 275.55.

The members of the review board shall be the commissioner of taxation, the chairman of the municipal commission and one public member appointed by the governor, by and with the approval of the senate, for a four year term which shall begin February 15 and continue until his successor is duly appointed and qualifies. The

first public member, however, shall be appointed for a term ending February 15, 1975. A vacancy in the office of the public member of the board shall be filled by the governor, with the advice and consent of the senate, for the unexpired term. The governor may remove the public member at any time for good cause shown, after notice and hearing.

The public member shall be a citizen of the state who is knowledgeable in finance and local government. The public member shall not, at the time he is a member of the board, hold any other public office, or be employed by or represent a governmental subdivision, or have any personal financial interest in any contract with a governmental subdivision, or serve in any capacity where a conflict of interest could arise. The public member shall receive as compensation for his services the amount of \$35 for each day or fraction thereof spent in attending meetings of the board or in performing other duties required by law, and shall be reimbursed for actual and necessary expenses incurred in the performance of his duties.

Sec. 15. Minnesota Statutes 1971, Chapter 275, is amended by adding a section to read:

[275.552] [CONTESTED CASES; HEARING, NOTICE, EVIDENCE, DECISIONS, ORDERS.] *The governing body of a governmental subdivision to whom a notice pursuant to section 275.55 is given may by a majority vote of the whole governing body decide to dispute the commissioner's administrative action. Notice of such decision must be given the commissioner within 30 days of the issuance of the commissioner's notice, or else the commissioner's decision is final and not subject to the review of the levy limitations review board. Upon receipt of a notice from a governmental subdivision within the time allowed, disputing the commissioner's administrative action, the commissioner shall conduct further investigation of the disputed issues of fact as he deems necessary. If the commissioner continues to adhere to his previous notice, the governing body of the governmental subdivision shall be entitled to a hearing before the levy limitations review board. The board shall set a time and place for the hearing and notice shall be given by mail to the governing body of the governmental subdivision. The board shall adopt rules governing the proceedings for hearings which shall afford all interested parties the opportunity to present evidence and arguments with respect to the contested issues of fact. The decision of the board shall be in writing, and shall state in detail the basis and reason for each conclusion upon each contested issue of fact. A copy of the decision and order together with the detailed reasons shall be delivered or mailed to the governmental subdivision or its attorney of record. The decision of the levy limitations review board under this section may be reviewed on certiorari by the district court of the county wherein the governmental subdivision, or any part thereof, is located.*

Sec. 16. Minnesota Statutes 1971, Chapter 275, is amended by adding a section to read:

[275.58] [ELECTIONS TO INCREASE LEVY.] *Subdivision 1. Notwithstanding the provisions of sections 275.50 to 275.56, but sub-*

ject to other law or charter provisions establishing per capita, mill or other limitations on the amount of taxes that may be levied, the levy of a governmental subdivision, as defined by section 275.50, subdivision 1, may be increased above the limitation imposed by sections 275.50 to 275.56 in any per capita or dollar amount which is approved by the majority of voters of the governmental subdivision voting on the question at a general or special election. When the governing body of the governmental subdivision resolves to increase the levy of the governmental subdivision pursuant to this section, it shall provide for submission of the proposition of an increase in the levy limit base per capita or the proposition of an additional levy, as the case may be, at a general or special election. Notice of such election shall be given in the manner required by law. If the proposition is for an adjustment to the governmental subdivision's levy limit base per capita, increasing the levy limit base per capita over the per capita amount established pursuant to section 275.51, subdivision 3, such notice shall state the purpose of such per capita adjustment and the per capita amount of such adjustment. If the proposition is for an additional levy, such notice shall state the purpose and maximum yearly amount of such additional levy.

Subd. 2. A levy limit base per capita adjustment approved pursuant to subdivision 1 at a general or special election held prior to October 1 in any levy year increases the levy limit base per capita in that same levy year by the approved per capita amount and provides a permanent adjustment to the levy limit base per capita of the governmental subdivision for future levy years. A levy limit base per capita adjustment approved pursuant to subdivision 1 at a general or special election held after September 30 in any levy year shall not increase the levy limit base per capita in that same levy year but shall provide a permanent adjustment to the levy limit base per capita of the governmental subdivision for future levy years.

Subd. 3. An additional levy approved pursuant to subdivision 1 at a general or special election held prior to October 1 in any levy year may be levied in that same levy year and in any levy years thereafter. An additional levy approved pursuant to subdivision 1 at a general or special election held after September 30 in any levy year shall not be levied in that same levy year, but may be levied in the subsequent levy year and in levy years thereafter.

Subd. 4. An additional levy approved by the majority of the voters of the governmental subdivision pursuant to subdivision 1 is over and above the limitation imposed on the governmental subdivision by sections 275.50 to 275.56 and shall not be subject to the penalty provisions of section 275.51, subdivision 4. A levy limit base per capita adjustment approved by the majority of the voters of the governmental subdivision pursuant to subdivision 1 is a permanent adjustment to the levy limit base per capita established pursuant to section 275.51, subdivision 3, and shall not be subject to the penalty provisions of section 275.51, subdivision 4.

Subd. 5. Notwithstanding any statute, special law, ordinance or charter provision to the contrary, it shall require approval of a majority of those voting on the question to pass a referendum pursuant to subdivision 1.

Subd. 6. Notwithstanding any statute, special law, ordinance or charter provision to the contrary, the governing body of a governmental subdivision may call and hold special elections pursuant to this section.

Sec. 17. Minnesota Statutes 1971, Chapter 275, is amended by adding a section to read:

[275.59] [GOVERNMENTAL SUBDIVISIONS UNDER 500 POPULATION; EXEMPTION FROM LEVY LIMITS.] *Commencing with levy year 1973 and thereafter, taxes payable in 1974 and thereafter, the provisions of sections 275.50 to 275.56 shall not apply to any city, village, borough or town with village powers whose population according to the latest state or federal census is under 500.*

Sec. 18. Minnesota Statutes 1971, Section 414.01, is amended by adding a subdivision to read:

Subd. 15. When a commission order enlarges an existing municipality or creates a new municipality, the commission shall indicate in its order the estimated increased costs to such municipality as the result of such annexation or consolidation, and the time period that such municipality would be allowed a special levy for these increased costs pursuant to section 275.50, subdivision 5, clause (s). This subdivision shall apply to annexations or consolidations of municipalities in levy year 1971 or a subsequent levy year.

ARTICLE XXI

Section 1. Minnesota Statutes 1971, Section 124.212, Subdivision 3, is amended to read:

Subd. 3. Notwithstanding any of the other provisions of this section, for the year ending June 30, 1972, the sum of foundation aid, sales tax per capita payments pursuant to sections 297A.55 and 297A.57, exempt personal property replacement payments pursuant to section 273.69 and state payment of agricultural property mill rate differential shall not be less than the sum of the payments from the same sources for the year ending June 30, 1971. For the year ending June 30, 1973, the sum of the payments from the same sources shall not be less than the sum of the payments from those sources for the year ending June 30, 1971, or June 30, 1972, whichever is higher. For the years ending June 30, 1974 and June 30, 1975, the sum of the payments from the sources enumerated heretofore, and the payments of the bank excise tax pursuant to section 290.361, subdivision 4, shall not be less than the sum of the payments from those sources for the year ending June 30, 1973, whichever is higher.

ARTICLE XXII

Section 1. Minnesota Statutes 1971, Chapter 272, is amended by adding a section to read:

[272.039] [LEGISLATIVE FINDINGS AND CONCLUSIONS RELATED TO THE TAXATION OF MINERALS OWNED SEPARATELY FROM THE SURFACE.] *The legislature finds, for the reasons stated below, that a class of real property has been created which, although not exempt from taxation, is not assessed for tax*

purposes and does not, therefore, contribute anything toward the cost of supporting the governments which protect and preserve the continued existence of the property. These reasons are as follows: (1) In the case of *Washburn V. Gregory*, 1914, 125 Minn. 491, 147 N.W. 706, the Minnesota Supreme Court determined that where mineral interests are owned separately from the surface interests in real estate, the mineral interest is a separate interest in land, separately taxable, and does not forfeit if the overlying surface interest forfeits for nonpayment of taxes due on the surface interest; (2) Since this 1914 decision, mineral interests owned separately from the surface have been valued and assessed for tax purposes, as a practical matter, only if the value of the minerals has been determined through drilling and drill core analysis; and (3) The absence of any taxation of mineral interests owned separately from the surface, except where drilling analysis is available, has encouraged the separation of ownership of surface and mineral estates and resulted in the creation of hundreds of thousands of acres of untaxed mineral estate lands which thus are immune from tax forfeiture. The legislature also finds that the province of Ontario in Canada, which has land ownership patterns and mineral characteristics similar to that of Minnesota, has imposed a tax of \$.50 an acre on minerals owned separately from the surface since 1968, and \$.10 an acre before that. The legislature further finds that the identification of separately owned mineral interests by taxing authorities requires title searches which are extremely burdensome and, where no public tract index is available, prohibitively expensive. This result is caused in part by the decision in *Wichelman v. Messner*, 1957, 250 Minn. 88, 83 N.W. (2d) 800, where the so called "40 year law" was held inapplicable to mineral interests owned separately from surface interests. On the basis of the above findings, and for the purpose of requiring mineral interests owned separately from surface interests to contribute to the cost of government at a time when other interests in real property are heavily burdened with real property taxes, the legislature concludes that the taxation of severed mineral interests as provided in section 3 of this act is necessary and in the public interest, and provides fair taxation of a class of real property which has escaped taxation for many years. The legislature further concludes that such a tax is not prohibited by Minnesota Constitution, Article 18. The legislature concludes finally that the amendments and repeals made by this act to Minnesota Statutes, Sections 93.52 to 93.58, are necessary to provide adequate identification of mineral interests owned separately from the surface and to prevent the continued escape from taxation of obscure and fractionalized severed mineral interests.

Sec. 2. Minnesota Statutes 1971, Section 272.04, Subdivision 1, is amended to read:

272.04 [MINERAL, GAS, COAL, AND OIL OWNED APART FROM LAND; SPACE ABOVE AND BELOW SURFACE.] Subdivision 1. When any mineral, gas, coal, oil, or other similar interests in real estate are owned separately and apart from and independently of the rights and interests owned in the surface of such real estate, such mineral, gas, coal, oil, or other similar interests may be assessed and taxed separately from such surface rights and interests in such real estate, including but not limited to the taxation provided

in section 3 of this act, and may be sold for taxes in the same manner and with the same effect as other interests in real estate are sold for taxes.

Sec. 3. Minnesota Statutes 1971, Section 273.13, is amended by adding a subdivision to read:

Subd. 2a. [CLASS 1b.] "Mineral interest", for the purpose of this subdivision, means an interest in any minerals, including but not limited to gas, coal, oil, or other similar interest in real estate, which is owned separately and apart from the fee title to the surface of such real property. Mineral interests which are filed for record in the offices of either the register of deeds or registrar of titles pursuant to Minnesota Statutes, Sections 93.52 to 93.58 constitute class 1b, and shall be taxed as provided in this subdivision unless specifically excluded by this subdivision. A tax of \$.15 per acre or portion of an acre of mineral interest is hereby imposed and is due and payable annually. If an interest filed pursuant to sections 93.52 to 93.58 is a fractional undivided interest in an area, the tax due on the interest per acre or portion of an acre is equal to the product obtained by multiplying the fractional interest times \$.15, computed to the nearest cent. However, the minimum annual tax on any mineral interest is \$2. No such tax on mineral interests is due and payable on the following: (a) Mineral interests valued and taxed under other laws relating to the taxation of minerals, gas, coal, oil, or other similar interests; (b) Mineral interests which are exempt from taxation pursuant to constitutional or related statutory provisions. Tax money received under this subdivision shall be apportioned to the taxing districts included in the area taxed in the same proportion as the surface interest mill rate of a taxing district bears to the total mill rate applicable to surface interests in the area taxed. The tax imposed by this subdivision is not included within any limitations as to rate or amount of taxes which may be imposed in an area to which the tax imposed by this subdivision applies. The tax imposed by this subdivision shall not cause the amount of other taxes levied or to be levied in the area, which are subject to any such limitation, to be reduced in any amount whatsoever. The tax imposed by this section is effective for taxing years beginning January 1, 1975.

Sec. 4. Minnesota Statutes 1971, Section 93.52, Subdivision 2, is amended to read:

Subd. 2. Except as provided in subdivision 3, from and after January 1, 1970, every owner of a fee simple interest in minerals, hereafter referred to as a mineral interest, in lands in this state, which interest is owned separately from the fee title to the surface of the property upon or beneath which the mineral interest exists, shall file for record in the register of deeds office or, if registered properly, in the registrar of titles office in the county where the mineral interest is located a verified statement citing sections 93.52 to 93.58 and setting forth his address, his interest in the minerals, and either both (1) the legal description of the property upon or beneath which the interest exists, or and (2) the book and page number or the document number, in the records of the register of deeds or registrar of titles, of the instrument by which the mineral interest is created or acquired. Every five years thereafter the owner, or his successor in interest, shall

~~renew the filing of a verified statement which shall contain the information as above required. No statement may be filed for record which contains mineral interest from more than one government section unless the instrument by which the mineral interest is created or acquired includes mineral interest from more than one government section.~~

Sec. 5. Minnesota Statutes 1971, Section 93.55, is amended to read:

93.55 [FAILURE TO FILE OR RE-FILE.] If the owner of a mineral interest fails to file the verified statement required by section 93.52, before January 1, 1975, as to any interests owned on or before ~~September 30, 1974~~ December 31, 1973, or within ~~90 days~~ one year after acquiring such interests as to interests acquired after ~~September 30, 1974~~ December 31, 1973, and ~~not previously filed under section 93.52, or if the owner fails to re-file such verified statements within five years after the last filing, the mineral may be leased by the commissioner of natural resources as agent for the owner, his successor, and assigns, in the manner provided hereafter may be sold as though for delinquent taxes in the same manner and with the same effect as other interests in real estate are sold for taxes. The owner's failure to file the verified statement is deemed consent by the owner to such leasing.~~

Sec. 6. Minnesota Statutes 1971, Section 93.58, is amended to read:

93.58 [PUBLICATION OF ACT.] Sections 93.52 to 93.58, as ~~amended or repealed by this act, together with the other sections of this 1973 act,~~ shall be published once during the first week of each month in a legal newspaper in each county in the months of October, November, and December of the year ~~1969~~ 1973 by the commissioner of natural resources at county expense. Sections 93.52 to 93.58 also shall be published by the commissioner of natural resources at least once in ~~1969~~ 1973 in two publications related to mining activities which have nationwide circulation. Failure to publish as herein provided shall not affect the validity of sections 93.52 to 93.58 ~~or the other sections of this act.~~

Sec. 7. [SEVERABILITY.] *If any provision of sections 1 through 7 of this article or the application thereof to any person, agency, department or circumstance is held invalid, the invalidity does not affect other provisions or applications of the act which can be given effect without the invalid provision or application, and to this end the provisions of sections 1 through 7 are severable.*

Sec. 8. [REPEALER.] *Minnesota Statutes 1971, Sections 93.53, 93.54, 93.56, and 93.57 are repealed.*

Sec. 9. [EFFECTIVE DATE.] *Except for section 6, which is effective upon final enactment, this act is effective as of January 1, 1974.*

ARTICLE XXIII

Section 1. Minnesota Statutes 1971, Section 60A.15, Subdivision 1, is amended to read:

60A.15. [TAXATION OF INSURANCE COMPANIES.] Subdivision 1. [DOMESTIC AND FOREIGN COMPANIES, INCLUDING NONPROFIT HEALTH SERVICE PLAN CORPORATIONS, OTHER THAN TOWN AND FARMERS' MUTUAL AND DOMESTIC MUTUALS OTHER THAN LIFE.] On or before April 15, June 15, September 15 and December 15 of each year following December 31, 1971, every domestic and foreign company, *including nonprofit health service plan corporations organized or operating pursuant to Minnesota Statutes, Chapter 62C*, except town and farmers' mutual insurance companies and domestic mutual insurance companies other than life, shall pay to the state treasurer through the commissioner of insurance quarterly installments of the insurer's total estimated tax for the current year based on a sum equal to two percent of the gross premiums less return premiums on all direct business received by it 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. If unpaid by such dates penalties of ten percent shall accrue thereon, and thereafter such sum and penalties shall draw interest at the rate of one percent per month until paid. Failure of a company to make quarterly payments of at least one fourth of either (a) the total tax paid during the previous calendar year or (b) 80 percent of the actual tax for the current calendar year shall subject the company to the penalty and interest provided in this subdivision.

Sec. 2. *This act is effective as to contracts issued or renewed after December 31, 1973.*

ARTICLE XXIV

Section 1. Subdivision 1. *As used in this act the term "person" shall include any individual, firm, trust, estate, partnership, association, joint stock company, or corporation, or any representative appointed by order of any court.*

Subd. 2. *As used in this act the term "commissioner" shall mean the commissioner of taxation of the state of Minnesota.*

Sec. 2. *There is hereby imposed an excise tax of five percent of the gross proceeds or gross receipts from the sale or rental of outdoor advertising space situated within this state.*

Sec. 3. *The tax herein imposed shall be in addition to all other taxes provided for by law, but shall be in lieu of personal property on real estate tax on signboards owned by such companies.*

Sec. 4. *Every person selling or renting outdoor advertising space situated within this state shall report its gross proceeds or gross receipts from such source to the commissioner on such form as the commissioner may prescribe, on or before April 15 of the year following the year in which the gross proceeds or gross receipts were realized.*

Sec. 5. *At the time of filing such report and on or before April 15 of the year following the year in which the gross proceeds or gross receipts are realized, the person filing such report shall pay to the commissioner a tax equal to five percent of such gross proceeds or gross receipts.*

Sec. 6. *As soon as practicable after receiving such report, the commissioner shall examine the same to determine its correctness or validity.*

If the commissioner shall determine that the tax as paid by such person is less than that properly due and owing he shall immediately notify such person of the amount of tax he has found due and owing. The tax as found due and owing shall be paid by the person so notified within 30 days of the date of the mailing of the notice by the commissioner. If the commissioner shall find that the tax as paid by such person is in excess of that properly due and owing, such excess shall be a credit against any future liability incurred under this act.

Sec. 7. If any person required to file a report under this act and pay a tax under this act shall fail to do so within the time prescribed, the commissioner shall notify such person of such failure and such person shall, within 30 days of the mailing of the notice by the commissioner, file such report and pay such tax. If such person, after such notification, shall fail to make such report and pay such tax the commissioner shall, from such information as he may possess, make a report for such person and assess a tax on the basis of such report. The tax as assessed by the commissioner under this section shall be paid within 30 days after mailing of a notice of the amount due by the commissioner to such person.

Sec. 8. Subdivision 1. Any person who fails to file a report required by this act and pay the tax imposed by this act at the time prescribed, shall be subject to a specific penalty of ten percent of the tax found to be due.

Subd. 2. Any person who fails to pay the tax imposed by this act on or before April 15 of the year following the year in which the gross proceeds or gross receipts are realized shall be subject to a penalty of one percent per month until such tax is paid.

Subd. 3. Any person who willfully fails to file a report required by this act shall be guilty of a gross misdemeanor.

Sec. 9. The commissioner shall administer and enforce the assessment and collection of this tax. He may from time to time publish and distribute rules and regulations in enforcing its provisions. The commissioner shall have authority and power to prescribe for all persons liable for tax under this act a uniform method of accounting their gross receipts and gross proceeds subject to tax herein. Every person liable for tax imposed by this act shall keep such records, render such statements, make such returns, and comply with such regulations, as the commissioner may from time to time prescribe. Any such report or statement shall include therein the information required by such regulations and by the forms prescribed by the commissioner. For the purpose of determining compliance with the provisions of this act, the commissioner shall have power to examine, or cause to be examined, any books, papers, records, or memoranda relevant to making such determination, whether such books, papers, records, or memoranda are the property of or in the possession of such person or any other person or corporation. The commissioner shall further have power to require the attendance of any persons having knowledge or information in the premises, to compel the production of books, papers, records, or memoranda by persons so required to attend, to take testimony on matters material to such determination, and to administer oaths or affirmations.

Sec. 10. *Any tax or any penalty imposed by this act may be collected by an ordinary action at law which shall be brought in the name of the state. Any report made by the commissioner pursuant to this act, or any modification of tax made by the commissioner pursuant to this act, shall, in all courts of this state for all purposes be prima facie evidence of the correctness and validity of the gross receipts or gross proceeds reflected therein and of such tax and penalties and the liability of the person notified therefor.*

Sec. 11. *The proceeds of the tax imposed by this act shall be deposited in the general fund of this state.*

Sec. 12. *This act shall apply to all gross receipts or gross proceeds realized after December 31, 1973.*

ARTICLE XXV

Section 1. [GENERAL ASSISTANCE ACT; DECLARATION OF POLICY; CITATION.] *Subdivision 1. The objectives of sections 1 to 30 are to provide a sound administrative structure for public assistance programs; to maximize the use of federal funds for public assistance purposes; to provide property tax relief; and to provide an integrated public assistance program for all persons in the state without adequate income or resources to maintain a subsistence reasonably compatible with decency and health.*

It is hereby declared to be the policy of this state that persons unable to provide for themselves and not otherwise provided for by law, who meet the eligibility requirements of this act and do not refuse suitable employment, shall be entitled to receive such grants of general assistance and such services as may be necessary to maintain a subsistence reasonably compatible with decency and health. The furnishing of such assistance and services is a matter of public concern and a necessity in promoting the public health and welfare.

A principal objective in providing general assistance and services shall be to aid those persons who can be helped to become self-supporting or to attain self-care. To achieve this aim, the commissioner shall establish minimum standards of assistance for general assistance. The standard for cash payments to recipients shall be, as to shelter, 100 percent, and as to other budgetary items, 50 percent, of those established for the federally aided assistance programs; provided, however, that no general assistance payment shall exceed an amount, which when computed for the time period for which it is made, exceeds the equivalent on a weekly basis of 40 times the hourly federal minimum wage prevailing when the payment is made; and provided further that persons receiving general relief on the effective date of this act shall continue to be eligible therefor. In order to maximize the use of federal funds, the commissioner shall promulgate regulations, to the extent permitted by federal law for eligibility for the emergency assistance program, under the terms of this act for general assistance. The commissioner shall provide by regulation for the eligibility for general assistance of persons with seasonal income, and may attribute seasonal income to other periods not in excess of one year from receipt by an applicant or recipient. The strengthening and preservation of the family unit shall be a principal consideration in the administration

of this act and all general assistance policies shall be formulated and administered so as to further this objective.

Subd. 2. Sections 1 to 30 may be cited as the general assistance act.

Sec. 2. [DEFINITIONS.] Subdivision 1. The terms defined in this section shall have the meanings given them unless otherwise provided or indicated by the context.

Subd. 2. "Commissioner" means the commissioner of public welfare or his designee.

Subd. 3. "Department" means the department of public welfare.

Subd. 4. "General assistance" means cash payments to persons unable to provide themselves with a reasonable subsistence compatible with decency and health and who are not otherwise provided for under the laws of this state or the United States. It shall include cash payments for goods, shelter, fuel, food, clothing, light, necessary household supplies, and personal need items. General assistance shall not include payments for foster care, child welfare services, medical, dental, hospitalization, nursing care, drugs, or medical supplies. It is the intent of this act that these items be provided by local agencies in accordance with programs in effect at the time of the passage of this act. Vendor payments may be made only as provided for in sections 9 and 11.

Subd. 5. "Family" means two or more individuals who are related by blood, marriage or adoption, who are living in a place of residence maintained by one or more of them as his or their own home, and at least one of whom is a child who is not married to another of such individuals and is in the care of or dependent upon another of such individuals.

Subd. 6. "Child" means an individual who is under the age of 18, or under the age of 19 and a student regularly attending a school, college, or university or a course of vocational or technical training designed to prepare him for gainful employment.

Subd. 7. "Childless couple" means two individuals who are related by marriage and who are living in a place of residence maintained by them as their own home.

Subd. 8. "Income" means earned and unearned income reduced by amounts paid or withheld for federal and state personal income taxes and federal social security taxes.

Subd. 9. "Earned income" means remuneration for services performed as an employee, and net earnings from self-employment.

Subd. 10. "Unearned income" means all other income including any payments received as an annuity, retirement or disability benefit, including veteran's or workmen's compensation; old age, survivors and disability insurance; railroad retirement benefits; unemployment benefits; and benefits under any federally aided categorical assistance program, supplementary security income, or family assistance program; rents, dividends, interest and royalties; and support and alimony payments except that such payments may not be considered as available to meet the needs of any person other than the person for whose benefit

they are received, unless that person is under a legal duty to support another family member.

Subd. 11. "State aid" means state aid to local agencies for general assistance expenditures as provided for in this act.

Subd. 12. "Local agency" means the county welfare boards in the several counties of the state except that it may also include any multi-county welfare boards or departments where those have been established in accordance with law.

Sec. 3. [RESPONSIBILITY TO PROVIDE GENERAL ASSISTANCE.] *Subdivision 1. Every local agency shall provide general assistance to persons residing within its jurisdiction who meet the need requirements of this act. General assistance shall be administered according to law and rules and regulations promulgated by the commissioner pursuant to the provisions of this act.*

Subd. 2. State aid shall be paid to local agencies for 50 percent of all general assistance grants up to the standards of section 1, subdivision 1, according to procedures established by the commissioner. Any local agency may, from its own resources, make payments of general assistance, at a standard higher than that established by the commissioner, without reference to the standards of section 1, subdivision 1.

Sec. 4. [DUTIES OF THE COMMISSIONER.] *In addition to any other duties imposed by law the commissioner shall:*

(1) Supervise the administration of general assistance by local agencies as provided in this act;

(2) Promulgate uniform rules and regulations consistent with law for carrying out and enforcing the provisions of this act to the end that general assistance may be administered as uniformly as possible throughout the state; rules and regulations shall be furnished immediately to all local agencies and other interested persons; in promulgating rules and regulations, the provisions of Minnesota Statutes, Chapter 15, shall apply;

(3) Allocate moneys appropriated for general assistance to local agencies as provided in this act;

(4) Accept and supervise the disbursement of any funds that may be provided by the federal government or from other sources for use in this state for general assistance;

(5) Cooperate with other agencies including any agency of the United States or of another state in all matters concerning the powers and duties of the commissioner under this act;

(6) Cooperate to the fullest extent with other public agencies empowered by law to provide vocational training, rehabilitation, or similar services;

(7) Gather and study current information and report at least annually to the governor and legislature on the nature and need for general assistance, the amounts expended under the supervision of each local agency, and the activities of each local agency and publish such reports for the information of the public;

(8) Report at least annually to the governor and legislature the cost of living in the various counties and metropolitan areas as related to the standards of assistance and the amounts expended for assistance, and make this information available to the public.

Sec. 5. [ELIGIBILITY FOR GENERAL ASSISTANCE.] Each person or family whose income and resources are less than the standard of assistance established by the commissioner shall be eligible for and entitled to general assistance; provided that no individual shall be eligible for general assistance if he is eligible for any of the following federally aided assistance programs: emergency assistance, aid to families with dependent children, supplemental security income for the aged, blind, or disabled; or any successor to the above.

Sec. 6. [AMOUNT OF ASSISTANCE.] Subdivision 1. General assistance shall be granted in such an amount that when added to the nonexempt income actually available to the individual or family, the total amount equals the applicable standard of assistance established by the commissioner for general assistance.

Subd. 2. Notwithstanding the provisions of subdivision 1 of this section, a grant of general assistance may be made to an eligible individual or family for one or more items encompassed within the definition of general assistance where the applicant or recipient requests temporary assistance not exceeding 30 days and an emergency situation appears to exist if the individual is ineligible for the federally aided program of emergency assistance.

Sec. 7. [TIME OF PAYMENT OF ASSISTANCE.] An applicant for general assistance shall be deemed presumptively eligible if his sworn application on its face demonstrates that he is within the eligibility criteria established by this act and any applicable rules and regulations of the commissioner. General assistance shall be immediately granted to such presumptively eligible applicant without the necessity of first securing action by the board of the local agency.

If upon verification and due investigation it appears that the applicant swore falsely and such false information materially affected his eligibility for general assistance or the amount of his general assistance grant, the local agency shall refer the matter to the county attorney. The county attorney may commence a criminal prosecution or a civil action for the recovery of any general assistance wrongfully received, or both.

Sec. 8. [EXCLUSION FROM RESOURCES.] Subdivision 1. In determining eligibility of a family or individual there shall be excluded the following resources:

(1) Property which does not exceed that permitted under the federally aided assistance program known as aid to families with dependent children; provided, however, that the commissioner may provide by rule and regulation more restrictive eligibility standards and levels of payment for general assistance if it is determined that funds available are not adequate to meet projected need; and

(2) Other property, including real or personal property used as a home, which has been determined, in accordance with and subject

to limitations contained in rules and regulations promulgated by the commissioner, to be essential to the family or individual as a means of self-support or self-care or which is producing income that is being used for the support of the individual or family. The commissioner shall further provide by rule and regulation for those situations in which property may be retained by the family or individual where there is a reasonable probability that in the foreseeable future the property will be used for the self-support of the individual or family.

Subd. 2. Notwithstanding any other provision of this act, the commissioner shall provide by rule and regulation for the exclusion of property from the determination of eligibility for general assistance when it appears likely that the need for general assistance will not exceed 30 days and an undue hardship would be imposed on an individual or family by the forced disposal of such property.

Sec. 9. [FORM OF PAYMENT; VENDOR PAYMENTS.] Subdivision 1. All grants of general assistance shall be paid in cash and with such frequency as the commissioner shall determine. The commissioner may provide by rule and regulation for the making of general assistance payments in different time periods for various reasonable classifications of recipients.

Subd. 2. Notwithstanding the provisions of subdivision 1, the commissioner shall provide by rule and regulation for situations in which vendor payments may be made by local agencies because of the inability of the recipient to manage his general assistance grant for his own or family's benefit.

Sec. 10. [HEARINGS PRIOR TO REDUCTION; TERMINATION; SUSPENSION OF GENERAL ASSISTANCE GRANTS.] No grant of general assistance except one made pursuant to section 6, subdivision 2 or section 8, subdivision 2, shall be reduced, terminated or suspended unless the recipient receives notice and is afforded an opportunity to be heard prior to any action by the local agency.

Nothing herein shall deprive a recipient of his right to full administrative and judicial review of an order or determination of a local agency as provided for in section 12 subsequent to any action taken by a local agency after a prior hearing.

Sec. 11. [WORK INCENTIVE AND REGISTRATION.] Subdivision 1. Every person who is a recipient of general assistance and not employed shall be required, unless exempt by subdivision 6, to register with the state employment service of the department of manpower services and the local agency and accept any suitable employment that is offered him.

Subd. 2. The local agency shall provide a general assistance work program for persons who qualify for assistance but who are unable to gain employment through the state employment service of the department of manpower services. Local agencies shall adopt a list of work priorities to be met through the employment of eligible recipients when such recipients are unable to gain employment through the state employment service or through their own initiative. The local agency may assign the recipient such work as he is able to perform but which is

not that ordinarily performed and which would supplement but not replace projects which are ordinarily performed by regular employees of the county.

Subd. 3. General assistance work program recipients shall be paid at the same wage rates as county employees doing similar work, and the number of hours of work assigned to a recipient shall be determined by the needs of himself and his family including expenses incidental to his employment.

Subd. 4. A local agency may contract with the federal government, or with any department, agency, subdivision or instrumentality of the state, for the services of general assistance work program recipients on such terms and conditions as may be agreed upon, with or without consideration paid to the local agency.

Subd. 5. General assistance work program recipients are employees of the local agencies within the meaning of workmen's compensation laws, but not retirement or civil service laws.

Subd. 6. No person shall be required to register with the commissioner or state employment service if he is:

(1) A person with illness, incapacity, or advanced age;

(2) A child attending a school or college full time;

(3) A person whose presence in the home on a substantially continuous basis is required because of the illness or incapacity of another member of the household;

(4) A person who has been referred to or applied for a work training, work experience, vocational rehabilitation or other such similar program; provided that the period of time such person is exempted from the registration requirements of subdivision 1, while awaiting acceptance into such program, does not exceed 30 days; or

(5) An adult member of a household with children in which another adult is employed full time or has registered with the state employment service or been accepted in a work training program.

Subd. 7. Any person who objects to being required to register with the commissioner or state employment service, shall be entitled to a prior hearing in accord with the provisions of section 10 on the issue of whether such person comes within the exemptions contained in subdivision 6, clauses (1), (2), (3), or (4).

Subd. 8. (1) Any person who refuses to accept suitable employment when offered him shall lose his eligibility for general assistance and, if a member of a family receiving general assistance, that portion of the grant attributable to said person shall not be paid.

The commissioner may further provide by rule and regulation that vendor payments may be made with respect to any family in which a person who is obligated to accept suitable employment has refused to do so.

(2) The provisions of section 10 providing for notice and opportunity to be heard prior to a decision to reduce, suspend or terminate benefits

shall be applicable to determinations made under clause (1) of this subdivision.

Subd. 9. The commissioner shall establish procedures to insure that any recipient of general assistance desiring to improve his ability to support himself and his family shall be promptly referred to the department of manpower services or any other agency, public or private, operating a work training, work experience, vocational rehabilitation or other similar program.

Sec. 12. [ADMINISTRATIVE AND JUDICIAL REVIEW.] *Subdivision 1. Any applicant or recipient aggrieved by any order or determination of a local agency may appeal from such order or determination to the commissioner of public welfare. The aggrieved applicant or recipient shall file with the local agency a notice of appeal within 30 days of the receipt by him of the order or determination of the local agency, provided that the order or determination is in writing and contains a statement advising the applicant or recipient of his right to appeal and the procedures for perfecting same.*

If the order or determination of the local agency is not in writing or does not contain the appeal procedure statement referred to above, the 30-day period shall not be tolled until the applicant or recipient is properly notified in accordance with the provisions of this subdivision.

Notwithstanding the absence of proper notice or order or determination, the applicant or recipient may appeal to the commissioner by filing with the local agency any writing which states with reasonable clarity his dissatisfaction with or desire to obtain review of the determination or order of the local agency.

Subd. 2. Upon receipt the local agency shall immediately forward the notice of appeal to the commissioner. Within 30 days of the receipt of the notice of appeal, the commissioner shall provide the applicant or recipient with the opportunity for a hearing before the commissioner or his legal representative. The local agency shall be a party to the proceeding before the commissioner.

Subd. 3. The commissioner may, upon his own motion, review any decision made by a local agency and may make such additional investigation as he deems necessary.

Subd. 4. Within 30 days from the date of the hearing before the commissioner or his legal representative, a decision in writing making findings of fact and conclusions of law shall be rendered.

Subd. 5. Any applicant or recipient aggrieved by the determination by the commissioner may, within 30 days after notice of such decision is mailed, appeal from the decision or determination of the commissioner to the district court of the county in which the application was filed by serving a written notice of such appeal upon the commissioner and all other parties to the administrative hearing and by filing the original of such notice together with proof of service with the clerk of the district court of the county. No filing fee or other fees normally exacted by the clerk of district court upon the filing of a case shall be required.

A summary of the issues involved, a copy of all supporting papers, a transcript of any testimony, and a copy of the decision of the commissioner shall be filed with the court. The court shall summarily, upon ten days' written notice, try and determine the appeal upon the record of the commissioner as certified by the commissioner and in the determination thereof shall be governed by the standard of review applicable to contested proceedings under Minnesota Statutes, Chapter 15. No new or additional evidence shall be taken on such appeal or introduced by any party to such hearing or appeal in a district court unless such new or additional evidence in the sound discretion of the court is necessary to a more equitable disposition of the appeal. If the court shall find that the order of the commissioner is not sustained by substantial evidence or is not in accord with applicable legal principles, the court shall make an order declaring the order of the commissioner null and void, giving the reasons therefor, and shall order the commissioner to take further action in the matter not inconsistent with the determination of the court. During the pendency of any appeal, if the commissioner has awarded general assistance, it shall be paid pending the determination of the appeal.

Subd. 6. Any party aggrieved by the determination of the district court may appeal to the supreme court in like manner as appeals are taken in civil actions, except that no filing fee shall be required by the clerk of the district court or supreme court.

The determination of the district court shall remain in effect during the pendency of any appeal to the supreme court.

Sec. 13. [MANDAMUS TO COMPEL PAYMENT OF GENERAL ASSISTANCE.] *Subdivision 1. Notwithstanding the provisions of section 12 providing for administrative and judicial review of local agency determinations, a person denied general assistance by the local agency may apply to the district court of the county in which his application was filed and the district court shall order the payment of general assistance if the person establishes:*

(1) The substantial likelihood that he is eligible for and entitled to general assistance, and

(2) The person or family will suffer irreparable injury if general assistance is not granted without delay.

Subd. 2. The denial by a district court of a writ of mandamus shall not affect the right or scope of administrative or judicial review as set forth in section 16 of this act.

Sec. 14. [VIOLATIONS; MISDEMEANOR.] *Whoever obtains or attempts to obtain, or aids or abets any person to obtain by means of a willfully false statement or representation, or by impersonation, or other fraudulent device:*

(1) Assistance to which he is not entitled; or

(2) Assistance greater than that to which he is reasonably entitled; is guilty of a misdemeanor.

Sec. 15. [RELATIVE'S RESPONSIBILITY.] *The financial responsibility of a relative for an applicant or recipient of general assistance shall not extend beyond the relationship of a spouse, or a parent of an applicant or recipient who is a child.*

Sec. 16. [GENERAL ASSISTANCE TO BE ALLOWED AS CLAIM IN PROBATE COURT.] *On the death of any person who received any general assistance under this act, or on the death of the survivor of a married couple, either or both of whom received general assistance, the total amount paid as general assistance to either or both, without interest, shall be allowed as a claim against the estate of such person or persons by the court having jurisdiction to probate the estate.*

Sec. 17. [DATA PROCESSING PROCEDURES.] *The local agency shall, to the extent permitted by federal law or regulation, in addition to any other necessary records and procedures, provide for the inclusion of all general assistance records in any data processing system established for the medical assistance program, in accordance with procedures established by the commissioner.*

Sec. 18. [RESIDENCE; COUNTY OF FINANCIAL RESPONSIBILITY.] *Subdivision 1. In determining the county of financial responsibility, in all matters concerning legal settlement of the poor, the definitions and rules of this section shall apply.*

Subd. 2. "County of financial responsibility" means (a) the county in which an individual resides; or (b) if an individual is a patient in a hospital, nursing home, or boarding care home, as defined in Minnesota Statutes, Section 144.50, at the time of making application, and immediately prior thereto resided in another county, then that other county; or (c) the above provisions notwithstanding, if an individual is a recipient of medical assistance, the county from which he is receiving medical assistance.

Subd. 3. [PROCEDURE WHEN COUNTY OF FINANCIAL RESPONSIBILITY IS IN QUESTION.] *If upon the investigation the local agency decides that the application was not filed in the county of financial responsibility as defined by this section, but that the applicant is otherwise eligible for assistance, it shall, while providing assistance to the applicant, transmit a copy of the application, together with the record of any investigation made by it and a copy of its decision, to the state agency, and to the agency of the county which it has decided is the county of financial responsibility. The state agency shall thereupon promptly decide any question of financial responsibility and make an order referring the application to the local agency of the proper county for further action, including reimbursement by such county of any assistance which another county has provided to the applicant in accordance with this subdivision. The state agency may make such investigation as it deems proper before making its decision. It shall prescribe rules and regulations for carrying into effect this subdivision. The order of the state agency shall be binding upon the local agency involved and the applicant or recipient, shall be complied with by that agency unless reversed on appeal as provided in this act, and shall be so complied with pending any such appeal.*

Sec. 19. [ABOLITION OF TOWNSHIP SYSTEM OF POOR RELIEF.] *Subdivision 1. The town system for caring for the poor in each of the counties in which it is in effect is hereby abolished. The county welfare board of each county shall administer general assistance under the provisions of this article.*

Subd. 2. All county welfare boards affected by this act are hereby authorized to take over for the county as of the effective date of this section, the ownership of all case records relating to the administration of poor relief.

Sec. 20. [TRANSFER OF TOWN EMPLOYEES.] *Subdivision 1. The term "merit system" as used herein shall mean the rules for a merit system of personnel administration for employees of county welfare boards adopted by the commissioner of public welfare in accordance with the provisions of Minnesota Statutes, Section 393.07, including the merit system established for Hennepin county pursuant to Laws 1965, Chapter 855, as amended, the federal social security act as amended, and merit system standards and regulations issued by the federal social security board and the United States children's bureau.*

Subd. 2. All employees of any municipality or town who are engaged full time in poor relief work therein on the effective date of this section shall be retained as employees of the county and placed under the jurisdiction of its welfare board.

All transferred employees shall be blanketed into the merit system with comparable status, classification, longevity, and seniority, and subject to the administrative requirements of the county welfare board. Employees with permanent status under any civil service provision on the effective date of this act shall be granted permanent status under the merit system at comparable classifications and in accordance with work assignments made under the authority of the county welfare board as provided by the merit system rules.

The determination of proper job allocation shall be the responsibility of the personnel officer or director as provided under merit system rules applicable to the county involved with the right of appeal of allocation to the merit system council or personnel board by any employee affected by this transfer.

All transferred employees shall receive salaries for the classification to which they are allocated in accordance with the schedule in effect for county welfare board employees and at a salary step which they normally would have received had they been employed by the county welfare board for the same period of service they had previously served under the civil service provisions of any municipality or town; provided, however, that no salary shall be reduced as a result of the transfer.

All accumulated sick leave of transferred employees in the amount of 60 days or less shall be transferred to the records of the county welfare board and such accumulated sick leave shall be the legal liability of the county welfare board. All accumulated sick leave in excess of 60 days shall be paid in cash to transferred employees by the municipality or town by which they were employed prior to their transfer, at the time of transfer. In lieu of the cash payment, the municipality or

town shall, at the option of the employee concerned, allow a leave of absence with pay, prior to transfer, for all or part of the accumulated sick leave.

Subd. 3. Employees of municipalities and towns engaged in the work of administering poor relief who are not covered by civil service provisions shall be blanketed into the merit system subject to a qualifying examination. Employees with one year or more service shall be subject to a qualifying examination and those with less than one year's service shall be subject to an open competitive examination.

Subd. 4. All vacation leave of employees referred to in subdivision 2 of this section, accumulated prior to their transfer to county employment shall be paid in cash to them by the municipality or town by which they were employed prior to their transfer, and at the time of their transfer. In lieu of the cash payment, the municipality or town shall, at the option of the employee concerned, allow a leave of absence with pay, prior to such transfer, for all or part of the accumulated vacation time.

Sec. 21. [CONTINUATION OF RETIREMENT SYSTEM FOR FORMER MINNEAPOLIS EMPLOYEES.] *Subdivision 1. Each employee of the city of Minneapolis who is transferred to and employed by the county under the provisions of section 20 and who is a contributing member of a retirement system organized under the provisions of Minnesota Statutes, Chapter 422, shall continue to be a member of that system and entitled to all of the benefits conferred thereby and subject to all the restrictions of chapter 422, unless he applies to cancel his membership within six months after the effective date of this act.*

Subd. 2. The cost to the public of that portion of the retirement allowances or other benefits accrued while any such employee was in the service of the city of Minneapolis shall remain an obligation of the city and a tax shall be levied and collected by it to discharge its obligation as provided by Minnesota Statutes, Chapter 422.

Subd. 3. The cost to the public of the retirement allowances or other benefits accruing to employees so transferred to and employed by the county shall be the obligation of and paid by the county at such time as the retirement board shall fix and determine in accordance with chapter 422. The county shall pay to the municipal retirement fund an amount certified to the county auditor of the county by the retirement board as the cost of the retirement allowances and other benefits accruing and owing to such county employees. The cost to the public of the retirement allowances as herein provided shall be paid from the county revenue fund by the county auditor upon receipt of certification from the retirement board as herein provided, and the county board is authorized to levy and collect such taxes as may be necessary to pay such costs.

Sec. 22. Minnesota Statutes 1971, Section 245.77, is amended to read:

245.77 [LEGAL SETTLEMENT OF PERSONS RECEIVING ASSISTANCE; ACCEPTANCE OF FEDERAL FUNDS.] In the event federal funds become available to the state for purposes of reimbursing the several local agencies of the state for costs incurred in providing financial relief to poor persons under the lia-

bility imposed by section 261.03, or for reimbursing the state and counties for categorical aid assistance furnished to persons who are eligible for such assistance only because of the United States Supreme Court decision invalidating state residence requirements the commissioner of public welfare is hereby designated the state agent for receipt of such funds. Upon receipt of any federal funds the commissioner shall in a uniform and equitable manner use such funds to reimburse counties, ~~towns, cities and villages~~ for expenditures made in providing financial relief to poor persons. The commissioner is further authorized to promulgate rules and regulations, consistent with the rules and regulations promulgated by the Secretary of Health, Education and Welfare, governing the reimbursement provided for by this provision.

Sec. 23. Minnesota Statutes 1971, Section 261.04, Subdivision 1, is amended to read:

261.04 [LIABILITY OF ESTATE.] Subdivision 1. [SUPPORT, MAINTENANCE, CARE, OR BURIAL.] When any person is furnished or provided with support, maintenance, care, including care at the University of Minnesota hospitals, or burial as a poor person by ~~any county, city, town, village, or borough~~ the ~~municipality~~ county so furnishing such aid shall have a claim therefor against the person or his estate for the reasonable value thereof, which claim may be presented and prosecuted by such ~~municipality~~ county at its option upon discovery of any property belonging to the poor person or to his estate.

Sec. 24. Minnesota Statutes 1971, Section 261.063, is amended to read:

261.063 [TAX LEVY FOR SOCIAL SECURITY MEASURES; DUTIES OF COUNTY BOARD.] The board of county commissioners of each county shall annually levy taxes and fix a rate sufficient to produce the full amount required for *general assistance*, old age assistance, aid to dependent children, and any other social security measures wherein there is now or may hereafter be county participation, sufficient to produce the full amount necessary for each such item, including administrative expenses, for the ensuing year, within the time fixed by law in addition to all other tax levies and tax rates, however fixed or determined, and any commissioner who shall fail to comply herewith shall be guilty of a gross misdemeanor and shall be immediately removed from office by the governor.

Sec. 25. Minnesota Statutes 1971, Section 275.09, Subdivision 3, is amended to read:

Subd. 3. [TOWN PURPOSES.] There shall be levied annually on each dollar of taxable property, except such as is by law otherwise taxable, as assessed and entered on the tax lists for town purposes, such amount as is voted at any legal town meeting, the rate of which tax shall not exceed, exclusive of such sums as are voted at the annual town meeting for road and bridge purposes ~~and for the support of the poor~~, ten mills in any town having a population of more than 7,000, excluding the population of any cities or villages therein, five mills in any town having a

taxable valuation of \$100,000 or more, and the amount of which shall not exceed \$350 in any town having a taxable valuation of less than \$100,000, and the rate of which shall not exceed one percent in any town. The rate of tax for road and bridge purposes in any town shall not exceed the rate provided by section 164.04, and the tax for poor purposes shall not exceed five mills. In any town in which the amount levied within the above limitations is not sufficient to enable the town to carry on its necessary governmental functions, the electors, during the business hours, after disposing of the annual report, may make an additional levy of not to exceed five mills to enable the town to carry on such necessary governmental functions.

Sec. 26. Minnesota Statutes 1971, Section 376.424, is amended to read:

376.424 [CHARGES; PAYMENT.] The county sanatorium commission shall fix the amount to be charged for the care, treatment and maintenance of any such nontuberculous patient, which charge shall equal all costs of such hospitalization of such patient. Any person who is afflicted with a malady, deformity or ailment, other than tuberculosis, which can probably be remedied by hospital care, service and treatment, and who is unable to pay the charges, may be admitted to the sanatorium for care, treatment and maintenance upon application of the county ; ~~town,~~ village, ~~berough,~~ or city responsible for the care of such person under the provisions of the statutes governing the relief of the poor, and such charges shall be paid by the county ; ~~town,~~ village, ~~berough,~~ or city making such application.

Sec. 27. Minnesota Statutes 1971, Section 393.01, Subdivision 3, is amended to read:

Subd. 3. [COUNTY BOARD TO BE WELFARE BOARD IN CERTAIN COUNTIES.] In any county containing a city of the first class operating under a home rule charter, wherein there is established in such city a board of public welfare for administration of poor relief in such city only, *In the county of Hennepin* the board of county commissioners shall be the county welfare board. In such ~~counties~~ *county* the members shall be reimbursed by the county for expenses actually incurred in the performance of their official duties under the provisions of this chapter. In such ~~counties~~ *county* the county auditor shall be ex officio secretary of the board, but shall have no voice in its proceedings. In such ~~counties~~ the system of caring for the poor in effect at the time of the passage of this chapter shall be continued, subject to all provisions of law relating thereto, except that, if such county is operating under the township system of caring for the poor, such towns, villages, and cities of the second, third and fourth classes therein may, by resolution of its governing body, agree with the county welfare board that the latter shall supervise and administer the poor relief fund in such town, village, or city, or contract with any one or more of the public subdivisions of the county for the purpose of jointly supervising and administering the poor relief funds in such towns, villages or cities. In any such county the powers and duties of such board of public welfare shall not be

~~affected by the provisions of this chapter. Such board of public welfare, in administering poor relief funds granted by any state agency authorized so to do by law, shall comply with all standards of administration and procedure prescribed by such agency.~~

Sec. 28. Minnesota Statutes 1971, Section 393.07, Subdivision 2, is amended to read:

Subd. 2. [ADMINISTRATION OF PUBLIC WELFARE.] The county welfare board, ~~except as provided in section 393.01, subdivision 3; and~~ subject to the supervision of the commissioner of public welfare, shall administer all forms of public welfare, both for children and adults, responsibility for which now or hereafter may be imposed on the commissioner of public welfare by law, including *general assistance*, aid to dependent children, old age assistance, aid to the blind, child welfare services, mental health services, and other public assistance or public welfare services. The duties of the county welfare board shall be performed in accordance with the standards, rules and regulations which may be promulgated by the commissioner of public welfare to achieve the purposes intended by law and in order to comply with the requirements of the federal social security act in respect to public assistance and child welfare services, so that the state may qualify for grants-in-aid available under that act. The county welfare board shall supervise wards of the commissioner and, when so designated, act as agent of the commissioner of public welfare in the placement of his wards in adoptive homes or in other foster care facilities.

Sec. 29. Minnesota Statutes 1971, Section 393.08, Subdivision 1, is amended to read:

393.08 [ESTIMATES FURNISHED TO COUNTY BOARD.] Subdivision 1. On or before the first day of July each year the county welfare board, except any such board referred to in section 393.01, ~~subdivisions subdivision 3 and 4~~, shall submit to the county board of commissioners an estimate of the amount needed by it to perform its duties, including expenses of administration, and the county board of commissioners shall consider the estimates so submitted and, if approved, shall levy a tax as provided by law for the purposes. In the event the estimate is not approved, the county board of commissioners shall confer with the county welfare board and adjust a budget in accordance with the facts and levy a tax for the amount required.

In counties referred to in section 393.01, subdivision 3, the estimate required shall not include ~~poor relief in such counties or~~ institutional requirements in any city of the first class located therein. The tax levy by the county board of commissioners in such counties shall be such as is required for *public assistance and* categories of aid under the federal social security act, and shall be separate and distinct from other levies made by it. The governing body of any such city of the first class may annually levy a tax for ~~poor relief institutional requirements~~ as authorized by such home rule charter, on the real and personal property within the corporate limits of such city. Such tax levy and the

proceeds thereof shall be subject to the same control and supervision as is imposed on any existing public welfare tax levy.

On the 25th day of July of each year the county welfare board referred to in section 393.01, subdivision 4, shall present its estimate of the amount needed by it to perform its duties, including expense of administration, to the board of county commissioners of any such county and the council of the city of the first class located in such county. Said board and said council may appoint a welfare budget advisory committee to study said budget provided that said welfare budget advisory committee must report its recommendation to said board and said council not later than September 1 of each year. The board of county commissioners of such county and the city council of such city shall jointly adopt a budget for such county welfare board and such action of such board of county commissioners and such city council in so adopting such budget shall be taken not later than September 20th of each year. The cost of all such relief, including the maintenance of any almshouse, sanatorium, or hospital maintained by such county and city shall be paid 72-1/2 percent by such county and 27-1/2 percent by such city.

In counties referred to in section 393.01, subdivision 7, the estimate required to fund the public welfare programs of the single welfare department, including expense of administration, shall be submitted to the boards of county commissioners who are parties to the agreement. Each board of county commissioners shall consider the estimate so submitted and shall confer with the board of county commissioners from the other counties who are a party to the agreement in determining the amount of funds to be assessed against each county for purposes of funding the welfare program.

Sec. 30. To the extent of appropriations available therefor, the department of public welfare shall reimburse counties up to 50 percent of all salary expenses, approved by the commissioner, incurred and paid by the counties, for which no payment or reimbursement is made by the United States or any subdivision thereof, in administering, and salary administrative costs in providing services in connection with, all public assistance programs. Claims for reimbursement for expenditures made by the county shall be presented to the department by the respective counties at least four times per year in such manner as the commissioner shall prescribe. The commissioner shall, pursuant to the administrative procedures act, prior to making any payments, promulgate rules to implement this section.

Sec. 31. There is appropriated to the department of public welfare from the general fund the sum of \$15,500,000 for the biennium ending June 30, 1975, to enable the department to pay claims made pursuant to section 30 for reimbursement for the salary cost of administering, and salary administrative costs in providing services in connection with, public assistance programs.

Sec. 32. There is hereby appropriated to the commissioner of public welfare, for the biennium ending June 30, 1975, the sum of \$10,700,000 for the purpose of state aid for general assistance.

Sec. 33. Minnesota Statutes 1971, Sections 245.46, 261.01, 261.02, 261.03, 261.05, 261.06, 261.061, 261.064, 261.065, 261.066, 261.067, 261.07, 261.08, 261.10, 261.11, 261.123, 261.124, 261.125, 261.126, 261.14, 261.141, 261.142, 261.143, 261.26 and 393.08, Subdivision 2, are repealed.

Sec. 34. This article is effective January 1, 1974.

ARTICLE XXVI

Section 1. Minnesota Statutes 1971, Section 273.134, is amended to read:

273.134 [TACONITE AND IRON ORE AREAS; TAX RELIEF AREA; DEFINITIONS.] For purposes of this section and section 273.135, "municipality" means a city, village or town, and the applicable assessment date is the date as of which property is listed and assessed for the tax in question.

For the purposes of section 273.135 "tax relief area" means the geographic area contained, within the boundaries of a school district which contains a municipality which meets the following qualifications:

(1) it is a municipality in which the assessed valuation of unmined iron ore on May 1, 1941, was not less than 40 percent of the assessed valuation of all real property and in which, as of the applicable assessment date, the assessed valuation of unmined iron ore is not more than 66 60 percent of the assessed valuation of all real property; or

(2) it is a municipality in which, as of the applicable assessment date, there is a taconite concentrating plant or where taconite is mined or quarried or where there is located an electric generating plant which qualifies as a taconite facility.

Sec. 2. *This article shall be effective with respect to taxes levied in 1972 and thereafter and payable in 1973 and thereafter.*

Amend the title by striking it in its entirety and inserting in lieu thereof:

"A bill for an act relating to taxation; providing for imposition of certain excise and ad valorem taxes; distribution of revenue derived; appropriating money; amending Minnesota Statutes 1971, Sections 273.13, Subdivisions 6 and 7; 290.982; 290.983, Subdivision 1; 290.99; 290.081; 297A.25, Subdivision 1; 290.361, Subdivision 4; 297.13, Subdivision 1; 340.60, Subdivision 1; 273.41; 287.12; 291.33, Subdivision 2; 124.03, Subdivision 3; 290.17; 290.19, Subdivision 1 and by adding a subdivision; 272.03, Subdivision 1; 290.0604; 290.06, Subdivision 1; 477A.01, Subdivisions 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 13, 14, 16, and 17; 290.0601; Subdivisions 6 and 9; 290.061; 275.50 Subdivisions 2, 4, and 5; 275.51, Subdivisions 1, 2, 3, 4, and by adding a subdivision; 275.52, Subdivisions 2, and 3; 275.53, Subdivisions 1, and 3; 275.55; 414.01, by adding a subdivision; 124.212, Subdivision 3; 272.04, Subdivision 1; 273.13, by adding a subdivision; 93.52, Subdivision 2; 93.55; 93.58; 60A.15, Subdivision 1; 273.134; 245.77; 261.04, Subdivision 1; 261.063; 275.09, Subdivision 3; 376.424; 393.01, Subdivision 3; 393.07, Subdivision 2; 393.08, Subdivision 1; Chapters 272, by adding a section; 273, 275, and 290, by adding sections; repealing Minnesota Stat-

utes 1971, Sections 93.53; 93.54; 93.56; 93.57; 245.46; 261.01; 261.02; 261.03; 261.05; 261.06; 261.061; 261.064; 261.065; 261.066; 261.067; 261.07; 261.08; 261.10; 261.11; 261.123; 261.124; 261.125; 261.126; 261.14; 261.141; 261.142; 261.143; 261.26; 290.0607; 290.0617; 297A.252; 297.13, Subdivisions 2, 3, 4, 5, 6, 7, and 8; 297.15; 297.16; 340.60, Subdivisions 2, 3, 4, 5, 6, and 7; and 393.08, Subdivision 2."

Pursuant to Rule 56, a roll call was taken on the motion of Mr. Coleman to amend H. F. No. 2121 as amended, as follows:

The amendment made by the Committee to page 16, after line 17, add a new section to read:

"Sec. 2. [297A.253] Notwithstanding the provisions of Chapter 297A, there shall be taxable hereunder the sale of and storage, use or other consumption in Minnesota of beverage containers (whether "returnable" or "non-returnable") when purchased by a person who utilizes such containers as containers for merchandising beverages. For purposes of this section, "beverage" shall include all liquids intended for drinking, other than milk or water."

Page 16, renumber Sec. 2. to Sec. 3.

Page 16, renumber Sec. 3 to Sec. 4.

There were yeas 9 and nays 8 as follows:

Those who voted in the affirmative were:

Anderson	Coleman	Laufenburger	Perpich, A. J.	Wegener
Borden	Conzemius	Olson, A.	Schrom	

Those who voted in the negative were:

Bang	Frederick	Jensen	O'Neill	Pillsbury
Blatz	Hansen, Baldy	Larson		

The motion prevailed.

Pursuant to Rule 56, a roll call was taken on the motion of Mr. Hansen, Baldy to amend H. F. No. 2121 as amended, as follows:

The amendment made by the Committee to add a new Article to the bill as follows:

"ARTICLE XXIV

Section 1. *Subdivision 1. As used in this act the term "person" shall include any individual, firm, trust, estate, partnership, association, joint stock company, or corporation, or any representative appointed by order of any court.*

Subd. 2. *As used in this act the term "commissioner" shall mean the commissioner of taxation of the state of Minnesota.*

Sec. 2. *There is hereby imposed an excise tax of five percent of the gross proceeds or gross receipts from the sale or rental of outdoor advertising space situated within this state.*

Sec. 3. *The tax herein imposed shall be in addition to all other taxes provided for by law, but shall be in lieu of personal property on real estate tax on signboards owned by such companies.*

Sec. 4. *Every person selling or renting outdoor advertising space situated within this state shall report its gross proceeds or gross receipts from such source to the commissioner on such form as the commissioner may prescribe, on or before April 15 of the year following the year in which the gross proceeds or gross receipts were realized.*

Sec. 5. *At the time of filing such report and on or before April 15 of the year following the year in which the gross proceeds or gross receipts are realized, the person filing such report shall pay to the commissioner a tax equal to five percent of such gross proceeds or gross receipts.*

Sec. 6. *As soon as practicable after receiving such report, the commissioner shall examine the same to determine its correctness or validity. If the commissioner shall determine that the tax as paid by such person is less than that properly due and owing he shall immediately notify such person of the amount of tax he has found due and owing. The tax as found due and owing shall be paid by the person so notified within 30 days of the date of the mailing of the notice by the commissioner. If the commissioner shall find that the tax as paid by such person is in excess of that properly due and owing, such excess shall be a credit against any future liability incurred under this act.*

Sec. 7. *If any person required to file a report under this act and pay a tax under this act shall fail to do so within the time prescribed, the commissioner shall notify such person of such failure and such person shall, within 30 days of the mailing of the notice by the commissioner, file such report and pay such tax. If such person, after such notification, shall fail to make such report and pay such tax the commissioner shall, from such information as he may possess, make a report for such person and assess a tax on the basis of such report. The tax as assessed by the commissioner under this section shall be paid within 30 days after mailing of a notice of the amount due by the commissioner to such person.*

Sec. 8. *Subdivision 1. Any person who fails to file a report required by this act and pay the tax imposed by this act at the time prescribed, shall be subject to a specific penalty of ten percent of the tax found to be due.*

Subd. 2. Any person who fails to pay the tax imposed by this act on or before April 15 of the year following the year in which the gross proceeds or gross receipts are realized shall be subject to a penalty of one percent per month until such tax is paid.

Subd. 3. Any person who willfully fails to file a report required by this act shall be guilty of a gross misdemeanor.

Sec. 9. *The commissioner shall administer and enforce the assessment and collection of this tax. He may from time to time publish and distribute rules and regulations in enforcing its provisions. The*

commissioner shall have authority and power to prescribe for all persons liable for tax under this act a uniform method of accounting their gross receipts and gross proceeds subject to tax herein. Every person liable for tax imposed by this act shall keep such records, render such statements, make such returns, and comply with such regulations, as the commissioner may from time to time prescribe. Any such report or statement shall include therein the information required by such regulations and by the forms prescribed by the commissioner. For the purpose of determining compliance with the provisions of this act, the commissioner shall have power to examine, or cause to be examined, any books, papers, records, or memoranda relevant to making such determination, whether such books, papers, records, or memoranda are the property of or in the possession of such person or any other person or corporation. The commissioner shall further have power to require the attendance of any persons having knowledge or information in the premises, to compel the production of books, papers, records, or memoranda by persons so required to attend, to take testimony on matters material to such determination, and to administer oaths or affirmations.

Sec. 10. Any tax or any penalty imposed by this act may be collected by an ordinary action at law which shall be brought in the name of the state. Any report made by the commissioner pursuant to this act, or any modification of tax made by the commissioner pursuant to this act, shall, in all courts of this state for all purposes be prima facie evidence of the correctness and validity of the gross receipts or gross proceeds reflected therein and of such tax and penalties and the liability of the person notified therefor.

Sec. 11. The proceeds of the tax imposed by this act shall be deposited in the general fund of this state.

Sec. 12. This act shall apply to all gross receipts or gross proceeds realized after December 31, 1973."

There were yeas 8 and nays 5 as follows:

Those who voted in the affirmative were:

Anderson	Coleman	Hansen, Baldy	Perpich, A. J.	Wegner
Chmielewski	Conzemius	Olson, A.		

Those who voted in the negative were:

Bang	Blatz	Jensen	Larson	O'Neill
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The motion prevailed.

Pursuant to Rule 56, a roll call was taken on the motion of Mr. Perpich, A. J., that H. F. No. 2121, as amended, be recommended to pass.

There were yeas 11 and nays 6.

Those who voted in the affirmative were:

Anderson	Coleman	Hansen, Baldy	Olson, A.	Schrom
Borden	Conzemius	Laufenburger	Perpich, A. J.	Wegener
Chmielewski				

Those who voted in the negative were:

Bang	Frederick	Jensen	O'Neill	Pillsbury
Blatz				

The motion prevailed.

And when so amended the bill do pass. Amendments adopted. Report adopted.

Pursuant to Rule 56, a roll call was taken on the motion of Mr. Larson to amend H. F. No. 2121 as amended, as follows:

Page 98, after line 8, insert a new article to read as follows:

"Section 1. Minnesota Statutes 1971, Chapter 340.47, Subdivision 1, is amended to read:

340.47 [EXCISE TAX.] Subdivision 1. [ON INTOXICATING LIQUORS.] There shall be levied and collected on all intoxicating liquors manufactured, imported, sold or in possession of any person in this state, except as herein provided by sections 340.50 and 340.601, and except the natural fermentation of fruit juices in the home for family use the following excise tax:

(1) On all unfortified wines, the sum of ~~27~~ 20 cents per gallon;

(2) On all fortified wines from 14 to 21 percent of alcohol by volume, the sum of ~~79~~ 60 cents per gallon;

(3) On all fortified wines from 21 to 24 percent of alcohol by volume, the sum of ~~\$1.58~~ \$1.20 per gallon;

(4) On all fortified wines containing more than 24 percent of alcohol by volume, the sum of ~~\$3.88~~ \$2.50 per gallon;

(5) On all natural and artificial sparkling wines containing alcohol, the sum of ~~\$3.99~~ \$2.50 per gallon;

(6) On all other distilled spirituous liquors, liqueurs, cordials, and liquors designated as specialties regardless of alcoholic content, the sum of ~~\$4.58~~ \$2.50 per gallon, but not including ethyl alcohol; provided, that in computing the tax on any package of spirits a proportional tax at a like rate on all fractional parts of a gallon shall be paid except that all fractional parts of a gallon less than one-sixteenth shall be taxed at the same rate as shall be taxed for one-sixteenth of a gallon; provided, however, that the contents of miniatures containing two fluid ounces or less shall be taxed at ~~12~~ 6½ cents."

There were yeas 5 and nays 13 as follows:

Those who voted in the affirmative were:

Bang	Blatz	Frederick	Larson	O'Neill
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Those who voted in the negative were:

Anderson	Coleman	Hansen, Baldy	Olson, A.	Wegener
Borden	Conzemius	Jensen	Perpich, A. J.	
Chmielewski	Gearty	Laufenburger	Pillsbury	

The motion did not prevail.

Pursuant to Rule 56, a roll call was taken on the motion of Mr. Larson to amend H. F. No. 2121 as amended, as follows:

The amendment made by the committee to pages 7, 8 and 9, to strike all of Article IV.

There were yeas 6 and nays 10 as follows:

Those who voted in the affirmative were:

Bang	Frederick	Larson	O'Neill	Pillsbury
Blatz				

Those who voted in the negative were:

Anderson	Chmielewski	Gearty	Jensen	Perpich, A. J.
Borden	Coleman	Hansen, Baldy	Olson, A.	Wegener

The motion did not prevail.

Pursuant to Rule 56, a roll call was taken on the motion of Mr. O'Neill to amend H. F. No. 2121 as amended, as follows:

The amendment made by the committee as follows:

Strike Articles VI, VII, VIII, IX, X, XI and XXIII and renumber articles accordingly.

There were yeas 6 and nays 12 as follows:

Those who voted in the affirmative were:

Bang	Frederick	Larson	O'Neill	Pillsbury
Blatz				

Those who voted in the negative were:

Anderson	Coleman	Hansen, Baldy	Perpich A. J.
Borden	Conzemius	Laufenburger	Schrom
Chmielewski	Gearty	Olson, A.	Wegener

The motion did not prevail.

Pursuant to Rule 56, a roll call was taken on the motion of Mr. O'Neill to amend H. F. No. 2121 as amended, as follows:

The amendment made by the committee to page 98, after line 8, add an additional article to read as follows:

"Section 1. An amendment to the Minnesota Constitution adding a new article is proposed to the people. If the amendment is adopted the article will read as follows:

Subdivision 1. The people may approve or reject by referendum any tax or appropriation made by law. A referendum shall be held either upon order by the legislature or upon petition signed by at least five percent of the qualified electors in each of at least one third of the legislative representative districts. The total number of signers must be at least five percent of the qualified electors of the state. A referendum petition shall be filed with the secretary of state no later than six months after adjournment of the legislature which passed the act.

Subd. 2. An act referred to the people is in effect until suspended by petitions signed by at least 15 percent of the qualified electors in a majority of the legislative representative districts. If suspended the act shall become operative only after it is approved at an election, the result of which has been determined and declared as provided by law.

Sec. 2. The proposed amendment shall be submitted to the people at the 1974 general election. The question submitted shall be:

'Shall the Minnesota Constitution be amended to provide for approval of taxes and appropriations by referenda?'

Yes

No

Further, amend the title in Line 5, after "derived;" and before "appropriating" by inserting "proposing an amendment to the Minnesota Constitution permitting referenda on taxes and appropriations;"

There were yeas 6 and nays 12 as follows:

Those who voted in the affirmative were:

Bang	Frederick	Larson	O'Neill	Pillsbury
Blatz				

Those who voted in the negative were:

Anderson	Coleman	Hansen, Baldy	Olson, A.
Borden	Conzemius	Jensen	Perpich, A. J.
Chmielewski	Gearty	Laufenburger	Wegener

The motion did not prevail.

Pursuant to Rule 56, a roll call was taken on the motion of Mr. Bang to amend H. F. No. 2121 as amended, as follows:

The amendment made by the committee to page 98, after line 8, insert an additional article to read as follows:

"Section 1. Minnesota Statutes, Section 33.10 is amended to read:

33.10 [TAX ON OLEOMARGARINE.] There is hereby imposed, levied, and assessed an inspection fee and excise tax of ten cents upon each pound of oleomargarine which: (1) is artificially colored to a shade of yellow which has a tint containing more than one and six tenths degrees of yellow, or of yellow and red collectively, but with an excess of yellow over red, as measured in terms of the Lovibond tintometer scale; and (2) is sold, offered or exposed for sale, or given or delivered to a consumer. Such fee and tax shall be paid to the commissioner of taxation prior to any such sale, gift, or delivery, except where otherwise provided in cases where tax metering devices are used.

Subd. 2. The tax upon any blend of oleomargarine and butter sold for manufacturing purposes in containers of 50 pounds or larger shall be prorated based upon the percentage of oleomargarine contained in the blend computed according to regulations of the commissioner of taxation.

Sec. 2. The effective date of this article is January 1, 1974."

There were yeas 7 and nays 11 as follows:

Those who voted in the affirmative were:

Bang	Frederick	Larson	O'Neill	Pillsbury
Blatz	Jensen			

Those who voted in the negative were:

Anderson	Conzemius	Hansen, Baldy	Olson, A.	Schrom
Borden	Gearty	Laufenburger	Perpich, A. J.	Wegener
Coleman				

The motion did not prevail.

Pursuant to Rule 56, a roll call was taken on the motion of Mr. Blatz to amend H. F. No. 2121 as amended, as follows:

The amendment made by the Committee as follows:

Add a new article to read as follows:

"Section 1. Minnesota Statutes 1971, Section 273.13, Subdivision 7 is amended to read:

Subd. 7. [CLASS 3c, 3cc.] All other real estate and class 2a property, except as provided by classes 1 and 3cc, which is used for the purpose of a homestead, shall constitute class 3c, and shall be valued and assessed at 25 percent of the market value thereof. The property tax to be paid on class 3c property as otherwise determined by law, regardless of whether or not the market value is in excess of \$12,000, for all purposes except the payment of principal or interest on bonded indebtedness, shall be reduced by 35 percent of the amount of such tax; provided that the amount of said reduction shall not exceed \$250. If the market value is in excess of the sum of \$12,000, the amount in excess of that sum shall be valued and assessed at ~~40~~ 33 1/3 percent of market value. The first \$12,000 market value of each tract of such real estate used for the purposes of a homestead shall be exempt from taxation for state purposes; except as specifically provided otherwise by law. All real estate which is used for the purposes of a homestead by any blind person, as defined by section 256.12; or by any person (hereinafter referred to as veteran) who served in the active military or naval service of the United States and who is entitled to compensation under the laws and regulations of the United States for permanent and total service-connected disability due to the loss, or loss of use, by reason of amputation, ankylosis, progressive muscular dystrophies, or paralysis, of both lower extremities, such as to preclude motion without the aid of braces, crutches, canes, or wheel chair, and who with assistance by the administration of veterans affairs has acquired a special housing unit with special fixtures or movable facilities made necessary by the nature of the veteran's disability, shall constitute class 3cc and shall be valued and assessed at five percent of the market value thereof. The property tax to be paid on class 3cc property as otherwise determined by law, regardless of whether

or not the market value is in excess of \$12,000, for all purposes except the payment of principal or interest on bonded indebtedness, shall be reduced by 35 percent of the amount of such tax; provided that the amount of said reduction shall not exceed \$250. If the market value is in excess of the sum of \$24,000, the amount in excess of that sum shall be valued and assessed at 33 $\frac{1}{3}$ percent in the case of agricultural land used for a homestead and 40 $\frac{1}{3}$ percent in the case of all other real estate used for a homestead."

There were yeas 5 and nays 12 as follows:

Those who voted in the affirmative were:

Bang	Blatz	Frederick	O'Neill	Pillsbury
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Those who voted in the negative were:

Anderson	Coleman	Jensen	Perpich, A. J.
Borden	Conzemius	Laufenburger	Schrom
Chmielewski	Hansen, Baldy	Olson, A.	Wegener

The motion did not prevail.

SECOND READING OF SENATE BILLS

S. F. Nos. 2097, 2182, 767, 1448, 1421, 1315, 2426, 1617 and 1897 were read the second time.

SECOND READING OF HOUSE BILLS

H. F. Nos. 2121, 2098, 223, 1486, 2004, 2050, 2207, 2244, 1271, 140, 2197, 1581, 1478, 1293, 1575, 1436, and 1410 were read the second time.

MOTIONS AND RESOLUTIONS

Mr. Keefe, S. moved that S. F. No. 736 be taken from the table. Which motion prevailed.

CALL OF THE SENATE

Mr. Keefe, S. imposed a call of the Senate.

The following Senators answered to their names:

Anderson	Fitzsimons	Kleinbaum	Olhoff	Solon
Arnold	Frederick	Knutson	Olson, A. G.	Spear
Ashbach	Gearty	Krieger	Olson, H. D.	Stassen
Bang	Hansen, Baldy	Larson	Olson, J. L.	Stokowski
Berg	Hansen, Mel	Laufenburger	O'Neill	Tennessee
Bernhagen	Hanson, R.	Lewis	Patton	Thorup
Borden	Hughes	McCutcheon	Perpich, A. J.	Ueland
Chenoweth	Humphrey	Milton	Perpich, G.	Wegener
Coleman	Jensen	Moe	Pillsbury	Willet
Conzemius	Josefson	Nelson	Purfeerst	
Davies	Keefe, J.	North	Schaaf	
Doty	Keefe, S.	Novak	Schrom	
Dunn	Kirchner	Ogdahl	Sillers	

The Sergeant-at-Arms was instructed to bring in the absent members.

Mr. Keefe, S. moved that the Senate do now concur in the amendments by the House to S. F. No. 736 and that the bill be placed on its repassage as amended.

The question being taken on the adoption of the motion,

Mr. Keefe, S. moved that those not voting be excused from voting. Which motion prevailed.

And the roll being called, there were yeas 34 and nays 31, as follows:

Those who voted in the affirmative were:

Anderson	Doty	Laufenburger	Olhoff	Solon
Arnold	Gearty	Lewis	Olson, A. G.	Spear
Borden	Hansen, Baldy	Lord	Olson, H. D.	Stokowski
Chenoweth	Hughes	Milton	Perpich, A. J.	Tennessee
Coleman	Humphrey	Moe	Perpich, G.	Thorup
Conzemius	Keefe, S.	North	Purfeerst	Wegener
Davies	Kleinbaum	Novak	Schaaf	

Those who voted in the negative were:

Ashbach	Dunn	Keefe, J.	Olson, J. L.	Stassen
Bang	Fitzsimons	Kirchner	O'Neill	Ueland
Berg	Frederick	Knutson	Patton	Willet
Bernhagen	Hansen, Mel	Krieger	Pillsbury	
Blatz	Hanson, R.	Larson	Renneke	
Brown	Jensen	Nelson	Schrom	
Chmielewski	Josefson	Ogdahl	Sillers	

Which motion prevailed.

CALL OF THE SENATE

Mr. Keefe, S. imposed a call of the Senate on S. F. No. 736.

The following Senators answered to their names:

Anderson	Davies	Keefe, J.	Nelson	Renneke
Arnold	Doty	Keefe, S.	North	Schrom
Ashbach	Dunn	Kirchner	Novak	Sillers
Bang	Fitzsimons	Kleinbaum	Ogdahl	Solon
Berg	Frederick	Knutson	Olhoff	Spear
Bernhagen	Gearty	Krieger	Olson, A. G.	Stassen
Blatz	Hansen, Baldy	Larson	Olson, H. D.	Stokowski
Borden	Hansen, Mel	Laufenburger	Olson, J. L.	Tennessee
Brown	Hanson, R.	Lewis	O'Neill	Ueland
Chenoweth	Hughes	Lord	Patton	Wegener
Chmielewski	Humphrey	McCutcheon	Perpich, A. J.	Willet
Coleman	Jensen	Milton	Perpich, G.	
Conzemius	Josefson	Moe	Pillsbury	

The Sergeant-at-Arms was instructed to bring in the absent members.

S. F. No. 736: A bill for an act relating to elections; providing that certain officers in cities of the first class be elected with party designation; amending Minnesota Statutes 1971, Sections 202.09, Subdivision 1; and 205.17.

Was read the third time, as amended by the House, and placed on its repassage.

The question being taken on the repassage of the bill, as amended,

And the roll being called, there were yeas 34 and nays 31, as follows:

Those who voted in the affirmative were:

Anderson	Doty	Laufenburger	Olhoff	Solon
Arnold	Gearty	Lewis	Olson, A. G.	Spear
Borden	Hansen, Baldy	Lord	Olson, H. D.	Stokowski
Chenoweth	Hughes	Milton	Perpich, A. J.	Tennessee
Coleman	Humphrey	Moe	Perpich, G.	Thorup
Conzemius	Keefe, S.	North	Purfeerst	Wegener
Davies	Kleinbaum	Novak	Schaaf	

Those who voted in the negative were:

Ashbach	Dunn	Keefe, J.	Olson, J. L.	Stassen
Bang	Fitzsimons	Kirchner	O'Neill	Ueland
Berg	Frederick	Knutson	Patton	Willet
Bernhagen	Hansen, Mel	Krieger	Pillsbury	
Blatz	Hanson, R.	Larson	Renneke	
Brown	Jensen	Nelson	Schrom	
Chmielewski	Josefson	Ogdahl	Sillers	

So the bill, as amended, was repassed and its title was agreed to.

RECONSIDERATION

Mr. Keefe, S. moved that the vote whereby S. F. No. 736 was repassed by the Senate on May 11, 1973 be now reconsidered.

The question being taken on adoption of the motion,

And the roll being called, there were yeas 26 and nays 36, as follows:

Those who voted in the affirmative were:

Bang	Fitzsimons	Keefe, J.	Ogdahl	Stassen
Berg	Frederick	Kirchner	Olson, J. L.	Ueland
Bernhagen	Hansen, Mel	Knutson	Patton	
Blatz	Hanson, R.	Krieger	Pillsbury	
Brown	Jensen	Larson	Renneke	
Dunn	Josefson	Nelson	Sillers	

Those who voted in the negative were:

Anderson	Doty	Lord	Perpich, A. J.	Tennessee
Arnold	Gearty	Milton	Perpich, G.	Thorup
Borden	Hughes	Moe	Purfeerst	Wegener
Chenoweth	Humphrey	North	Schaaf	Willet
Chmielewski	Keefe, S.	Novak	Schrom	
Coleman	Kleinbaum	Olhoff	Solon	
Conzemius	Laufenburger	Olson, A. G.	Spear	
Davies	Lewis	Olson, H. D.	Stokowski	

Which motion did not prevail. So the vote was not reconsidered.

MOTIONS AND RESOLUTIONS—CONTINUED

Mr. Coleman, from the Committee on Rules and Administration, offered the following resolution:

BE IT RESOLVED, by the Senate, that the following named persons be and are hereby appointed to the positions hereinafter stated and at the salaries heretofore fixed.

Ronald Drassal substituted for Rueben Contreras in the Sergeant classification, effective May 3, 1973.

Rev. Bruce Westphal, Chaplain, effective May 1, 1973.

Rev. Milton Lintz, Chaplain, effective May 7, 1973.

Virginia Brenna, in the Page classification, effective May 4, 1973.

Mr. Coleman moved the adoption of the foregoing resolution. Which motion prevailed. So the resolution was adopted.

Mr. Coleman introduced—

Senate Resolution No. 29: A senate resolution providing for additional postage for members of the Senate.

BE IT RESOLVED, by the Senate of the state of Minnesota, that each member of the Senate be allowed an additional postage allotment of \$50 for the remainder of the first session of the 68th legislature; and

BE IT FURTHER RESOLVED, that the Secretary of the Senate be authorized to purchase said additional postage from funds available for such purpose; and

BE IT FURTHER RESOLVED, that each member of the Senate shall receipt to the Secretary of the Senate for postage so received.

The question being taken on adoption of the resolution,

And the roll being called, there were yeas 56 and nays 7, as follows:

Those who voted in the affirmative were:

Anderson	Dunn	Kirchner	Novak	Schrom
Arnold	Fitzsimons	Kleinbaum	Ogdahl	Sillers
Ashbach	Frederick	Knutson	Olhoft	Solon
Bang	Gearty	Krieger	Olson, A. G.	Spear
Blatz	Hansen, Baldy	Larson	Olson, H. D.	Tennessen
Borden	Hansen, Mel	Lewis	O'Neill	Thorup
Brown	Hanson, R.	Lord	Perpich, A. J.	Wegener
Chenoweth	Hughes	McCutcheon	Perpich, G.	Willet
Chmielewski	Humphrey	Milton	Pillsbury	
Coleman	Jensen	Moe	Purfeerst	
Conzemius	Keefe, J.	Nelson	Renneke	
Davies	Keefe, S.	North	Schaaf	

Those who voted in the negative were:

Berg	Josefson	Patton	Stassen	Ucland
Bernhagen	Olson, J. L.			

Which motion prevailed. So the resolution was adopted.

Mr. Coleman introduced—

Senate Resolution No. 30: A senate resolution providing for

the payment of expenses of a member of the Minnesota State Senate attending an executive meeting of the National Society of State Legislators at Williamsburg, Virginia.

WHEREAS, the executive board of the National Society of State Legislators met at Williamsburg, Virginia, March 29 through March 31, 1973, and

WHEREAS, Senator Joseph T. O'Neill is a member of the executive board and was authorized to attend said meeting, now, therefore,

BE IT RESOLVED, that expenses incurred by Senator Joseph T. O'Neill in attending such meeting be paid out of the Senate Legislative Expense fund, and that the Secretary of the Senate is hereby authorized and directed to issue warrants in payment of such expenses.

The question being taken on adoption of the resolution,

And the roll being called, there were yeas 61 and nays 1, as follows:

Those who voted in the affirmative were:

Anderson	Davies	Knutson	Olson, A. G.	Solon
Arnold	Dunn	Kowalczyk	Olson, H. D.	Spear
Ashbach	Fitzsimons	Krieger	Olson, J. L.	Stassen
Bang	Gearty	Larson	O'Neill	Stokowski
Berg	Hansen, Baldy	Lewis	Patton	Tennessen
Bernhagen	Hanson, R.	Lord	Perpich, A. J.	Thorup
Blatz	Hughes	McCutcheon	Perpich, G.	Ueland
Borden	Humphrey	Moe	Pillsbury	Wegener
Brown	Jensen	Nelson	Purfeerst	Willet
Chenoweth	Keefe, J.	North	Renneke	
Chmielewski	Keefe, S.	Novak	Schaaf	
Coleman	Kirchner	Ogdahl	Schrom	
Conzemius	Kleinbaum	Olhoft	Sillers	

Mr. Josefson voted in the negative.

Which motion prevailed. So the resolution was adopted.

SPECIAL ORDER

Pursuant to Rule 10, Mr. Novak moved that H. F. No. 248, No. 144 on the General Orders Calendar be designated as a special order to be heard immediately. Which motion prevailed.

H. F. No. 248: A bill for an act relating to agriculture; soy-bean promotion board; promotion and financing; amending Minnesota Statutes 1971, Sections 21A.03; 21A.06; 21A.10; 21A.16, Subdivision 2; and 21A.18.

Was read the third time and placed on its final passage.

The question being taken on the passage of the bill,

And the roll being called, there were yeas 51 and nays 8, as follows:

Those who voted in the affirmative were:

Anderson	Fitzsimons	Kleinbaum	North	Solon
Arnold	Frederick	Knutson	Novak	Stassen
Berg	Gearty	Kowalczyk	Olhoft	Tennessen
Bernhagen	Hansen, Baldy	Krieger	Olson, J. L.	Thorup
Blatz	Hanson, R.	Larson	O'Neill	Ueland
Brown	Hughes	Laufenburger	Patton	Wegener
Chenoweth	Humphrey	Lewis	Perpich, A. J.	Willet
Chmielewski	Jensen	Lord	Purfeerst	
Conzemius	Josefson	Milton	Renneke	
Davies	Keefe, J.	Moe	Schaaf	
Dunn	Keefe, S.	Nelson	Sillers	

Those who voted in the negative were:

Bang	Hansen, Mel	Olson, A. G.	Pillsbury	Spear
Coleman	McCutcheon	Perpich, G.		

So the bill was passed and its title was agreed to.

SPECIAL ORDER

Pursuant to Rule 10, Mr. Novak moved that H. F. No. 443, No. 170 on the General Orders Calendar be designated as a special order to be heard immediately. Which motion prevailed.

H. F. No. 443: A bill for an act relating to public welfare; appropriating money for The Rochester State Hospital Religious Activity Center, Inc.

Was read the third time and placed on its final passage.

The question being taken on the passage of the bill,

And the roll being called, there were yeas 59 and nays 1, as follows:

Those who voted in the affirmative were:

Anderson	Dunn	Keefe, S.	Novak	Schaaf
Arnold	Fitzsimons	Kirchner	Ogdahl	Sillers
Ashbach	Frederick	Kleinbaum	Olhoft	Solon
Bang	Gearty	Kowalczyk	Olson, A. G.	Spear
Berg	Hansen, Baldy	Krieger	Olson, J. L.	Stassen
Bernhagen	Hansen, Mel	Larson	O'Neill	Stokowski
Blatz	Hanson, R.	Lewis	Patton	Tennessen
Brown	Hughes	Lord	Perpich, A. J.	Thorup
Chenoweth	Humphrey	McCutcheon	Perpich, G.	Ueland
Chmielewski	Jensen	Milton	Pillsbury	Wegener
Coleman	Josefson	Moe	Purfeerst	Willet
Conzemius	Keefe, J.	Nelson	Renneke	

Mr. North voted in the negative.

So the bill was passed and its title was agreed to.

SPECIAL ORDER

Pursuant to Rule 10, Mr. Novak moved that H. F. No. 1355, No. 193 on the General Orders Calendar be designated as a special order to be heard immediately. Which motion prevailed.

H. F. No. 1355: A bill for an act relating to the operation of the state government; prescribing compensation, retirement and related benefits for certain state officers and employees, and

establishing certain compulsory retirement requirements; amending Minnesota Statutes 1971, Sections 43.01, Subdivision 9, and by adding subdivisions; 43.03, Subdivision 3; 43.051; 43.111; 43.12, Subdivisions 2, 2a, 2b and 3; 43.121, Subdivision 2; 43.122; 43.126, Subdivision 1; 43.24, Subdivision 1; 43.50, Subdivision 1; 299D.03, Subdivision 2; 352.03, Subdivisions 1 and 3; 352.04, Subdivisions 2 and 3; 352.115, Subdivisions 2 and 3, and by adding a subdivision; 352.116, Subdivision 1; 352.118; 352.119, Subdivision 2; 352.12, Subdivision 1; 352.22, Subdivisions 1 and 2; 352.23; 352.27; and Chapter 352, by adding sections; repealing Minnesota Statutes 1971, Section 16.02, Subdivision 20a.

Mr. Novak moved that the amendment made to H. F. No. 1355 by the Committee on Rules and Administration in the report adopted May 10, 1973 pursuant to Rule 49 be stricken. Which motion prevailed. So the amendment was stricken.

Mr. Novak moved to amend H. F. No. 1355, the typewritten bill, as follows:

Strike everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1971, Section 43. 01, Subdivision 9, is amended to read:

Subd. 9. [RATE OF PAY.] "*Rate of pay*" means rate of pay for a work month, and "*salary*" means compensation for a work month regular work hour, "*monthly rate of pay*" means compensation for 174 regular hours of work and "*annual rate of pay*" means compensation for 2,088 regular hours of work .

Sec. 2. Minnesota Statutes 1971, Section 43.01, is amended by adding a subdivision to read:

Subd. 15. [TOTAL COMPENSATION.] "*Total compensation*" means salary, paid time off, group insurance benefits, the retirement plan, and other direct and indirect items of compensation.

Sec. 3. Minnesota Statutes 1971, Section 43.01, is amended by adding a subdivision to read:

Subd. 16. [COMPETITIVE.] "*Competitive*" means a level which is generally equal to the total compensation paid for similar types of work.

Sec. 4. Minnesota Statutes 1971, Section 43.03, subdivision 3, is amended to read:

Subd. 3. Each member of the board shall be paid \$35 per day for each day actually devoted to duties as a member of the board, but in no case shall any member be paid more than ~~\$1,050~~ \$1,200 in any one year; provided, that this limitation shall not apply to payments on account of expenses. Members of the board shall be paid for expenses in travel to and from meetings and for necessary expenses incurred during meetings of the board.

Sec. 5. Minnesota Statutes 1971, Section 43.051, is amended to read:

43.051 [AGE FOR RETIREMENT.] Subdivision 1. Notwithstanding the provisions of Minnesota Statutes, Sections 197.45, 197.46, 197.47, 43.30, ~~or any other law to the contrary effective July 1, 1974~~, an officer or employee of the state of Minnesota in the classified or unclassified service of the state civil service and who is subject to the provisions of the Minnesota state retirement system must retire from his employment by the state if such officer or employee has reached the age of 68 prior to July 1, 1974, or upon reaching the age of 70 68. Effective July 1, 1975, an officer or employee of the state of Minnesota in the classified or unclassified service of the state civil service and who is subject to the provisions of the Minnesota state retirement system must retire from his employment by the state if such officer or employee has reached the age of 65 prior to July 1, 1975, or upon reaching the age of 65. The mandatory retirement age for all other classified officers and employees of the state, if not otherwise provided for by law, shall be 70.

Subd. 2. Notwithstanding any provision to the contrary, a physician in the classified or unclassified state service may upon reaching the maximum retirement age of 70 years specified in subdivision 1, continue to be employed in the department of public welfare or one of its institutions subject to annual certification by the commissioner upon the recommendation of the medical policy directional committee on mental health appointing authority of the department in which the physician is employed to the director that the employee is physically and mentally competent to fulfill the duties of his position.

Subd. 3. Notwithstanding the provisions of subdivision 1, any employee of the state of Minnesota in a covered classification as defined in the special retirement program for correctional personnel defined in Minnesota Statutes, Chapter 352, must retire from such covered classification upon having reached or upon reaching the mandatory retirement age as of the effective dates established herein:

Effective Date	Mandatory Retirement Age
July 1, 1974	65
January 1, 1975	62
July 1, 1975	59
January 1, 1976	57
July 1, 1976	55

Sec. 6. Minnesota Statutes 1971, Section 43.111, is amended to read:

43.111 [POLICY.] It is the public policy of the state of Minnesota that an efficient and well trained work force be maintained to carry out the work ordained by the legislature. It is further directed that modern methods of selection, training and salary admin-

istration be established and maintained. The standards of selection shall be of such a nature as to provide the proper level of preparation and experience. Recognizing the cost of excessive employee turnover, it is directed that priority be given to the maintenance of a steady work force. To this end, training, by way of in-service programs and stipend allowances shall be encouraged. It is also established as the policy of the state of Minnesota that employees be paid ~~on the same level as their counterparts in other private and public employment a total compensation which is competitive with that paid for like positions in other private and public employment.~~ Proper attention will also be given to equitable internal pay relationships between related job classes and among the various levels within the same job family or department. Continuing analysis of pay rates and supplementary pay practices shall be carried on, as well as analyses of jobs to determine comparability of job content.

Sec. 7. Minnesota Statutes 1971, Section 43.12, Subdivision 2, is amended to read:

Subd. 2. [SALARY RANGES.] (1) The following procedure will be used in establishing rates of pay for all employees in the state classified service ~~except as provided elsewhere in chapter 43.~~ Classes will be assigned salary ranges within an area of compensation beginning at a prescribed monthly base rate and extending upward by a maximum of 60 additional four percent increments rounded to the nearest dollar. Salary range assignments for each class of work will include no more than ten salary steps. Effective November 17, 1971, the prescribed monthly base rate will be \$208 per month.

In assigning classes of work to this schedule the board shall give consideration to the reduction of supervisory levels and separate classifications state employees in the classified service whose positions are assigned to classes in the administrative, management, and professional salary schedule, hereinafter referred to as schedule "A". Classes shall be assigned salary ranges within an area of compensation beginning at a prescribed minimum monthly rate of pay and extending upward by a maximum of 30 additional salary increments. Salary range assignments for each class of employment in this schedule shall include no more than ten salary steps. Effective July 11, 1973, the prescribed minimum monthly rate of pay shall be \$708. The maximum monthly rate of pay shall be \$2,294.

(2) All employees whose rates of pay are established according to the salary schedule cited in section 43.12, subdivision 2 clause (1), effective November 17, 1971, shall be advanced in salary to the new minimum rate for their class or two and one half salary steps, whichever is greater. salary schedule "A" as cited in section 43.12, subdivision 2, clause (1), effective July 11, 1973, shall be advanced in salary from their rate of pay and step in salary range immediately preceding that date to the comparable step in the new salary range for their class or to the new minimum rate of pay for their class, whichever rate is greater provided that all em-

ployees shall receive at least a one step salary increase so long as that increase does not cause the employee's compensation to exceed the new range maximum.

(3) Effective the beginning of the first payroll period in fiscal year 1972-1973, all employees compensated according to the salary schedule cited in 43.12, subdivision 2(1), shall be advanced by one salary step within their respective salary ranges to the next higher step. The one salary step advancement will also apply to those employees whose rates of pay are at or above the maximum rate for their class as a result of the adjustment provided for in section 43.12, subdivision 2 clause (2). However, any person serving his initial probationary period at the time of the fiscal year 1972-1973 adjustment, shall not receive the one salary step advancement within his salary range until he satisfactorily completes his initial probationary period. Employees compensated according to salary schedule "A" as cited in section 43.12, subdivision 2, clause (1), whose monthly rate of pay immediately preceding July 11, 1973, equals or exceeds the new maximum monthly rate of pay for their class shall be advanced in salary by an amount equal to one half the difference between the new maximum monthly rate of pay for their class and the next lowest monthly rate of pay in their salary range, rounded to the next highest dollar, effective July 11, 1973.

(4) The following schedule of hourly rates is procedure shall be used to established as the establish rates of pay for all state employees in the classified service employed in skilled, semi-skilled, and whose positions are assigned to classes in the maintenance classes and related trades schedule, hereinafter referred to as schedule "B". Classes shall be assigned an orientation and base rate, one consecutive wage step apart. The orientation rate shall be paid during the probationary period, and the base rate thereafter. In assigning rates of pay to classes of work covered by this schedule, the board shall give primary consideration to the most commonly median of rates paid rates by other public and private employers for each class similar types of work. Supplementary pay practices shall be evaluated and costs considered in comparing the rates to be private being paid by other employment employers. The board is authorized to establish a percentage differential based upon full annual employment and tenure where such advantages are not common in employment outside of the state service.

Range	Orientation	Base
1b	3.33	3.47
2b	3.47	3.61
3b	3.61	3.76
4b	3.76	3.91
5b	3.91	4.07
6b	4.07	4.23
7b	4.23	4.40
8b	4.40	4.50
9b	4.50	4.76
10b	4.76	4.95
11b	4.95	5.15

12b	5.15	5.35
13b	5.35	5.57
14b	5.57	5.79
15b	5.79	6.03

Effective July 11, 1973, the minimum hourly rate of pay in the maintenance and related trades schedule shall be \$3.69. The schedule shall provide for 13 additional wage steps with a maximum rate of \$6.19 per hour.

Notwithstanding any provision of chapter 43 to the contrary, the board is authorized to establish (a) hourly equipment rates to provide appropriate compensation to employees intermittently engaged in operating maintenance equipment and (b) an hourly rate to provide appropriate compensation to employees intermittently assigned to first level highway foreman work. The director of civil service shall establish regulations and procedures to equitably implement such hourly differential rates.

(5) All permanent employees whose rates of pay are established according to the wage schedule cited in section 43.12, subdivision 2 clause (4), effective November 17, 1971, shall be advanced in salary to the established base rate for their class or two and one half wage steps, whichever is greater. To receive the two and one half wage step advancement, an employee shall be permitted to be paid at a rate higher than the established base rate for his class. Probationary employees, effective November 17, 1971, shall be advanced in salary to the orientation rate for their class except, if they have permanent status in another class they shall be advanced in salary by one and one half wage steps. The civil service board is directed to prepare and adopt a supplemental schedule of hourly wage rates to implement the provisions of this clause. schedule "B" as cited in section 43.12, subdivision 2, clause (4), effective July 11, 1973, shall be advanced in salary to the established base rate for their class or receive one half the difference between the monthly equivalence of the base rate for their class and the orientation rate for their class, rounded to the next highest dollar, whichever is greater.

Probationary employees, effective July 11, 1973, shall be advanced in salary to the established orientation rate for their class.

(6) Effective the beginning of the first payroll period for the fiscal year 1972-1973, the hourly orientation and base rates cited in section 43.12, subdivision 2, clause (4) shall be adjusted upward by four percent. Concurrent with this adjustment of the hourly orientation and base rates, all wage assignments and individual wage rates will be adjusted upward by four percent. The civil service board is directed to prepare and adopt a supplemental schedule of hourly wage rates to implement the provisions of this clause. The following procedure shall be used to establish rates of pay for all state employees in the classified service whose positions are assigned to classes in the clerical, technical, service and related salary schedule, hereinafter referred to as schedule "C". Classes shall be assigned salary ranges within an area of compensation beginning at a prescribed monthly rate of pay and extending up-

ward 27 additional fixed salary increments. Salary range assignments for each class of employment in this schedule shall not include more than seven salary steps. Effective July 11, 1973, the prescribed minimum monthly rate of pay shall be \$340. The maximum monthly rate of pay shall be \$1,100.

(7) All employees whose rates of pay are established according to salary schedule "C" as cited in section 43.12, subdivision 2, clause (6), effective July 11, 1973, shall be advanced in salary from their rate of pay and step in salary range immediately preceding that date, to the comparable step in the new salary range for their class unless otherwise provided in procedures established by the board.

(8) Employees compensated according to salary schedule "C" as cited in section 43.12, subdivision 2, clause (6), whose monthly rate of pay immediately preceding July 11, 1973, equals or exceeds the new maximum monthly rate of pay for their class shall be advanced in salary by an amount equal to one half the difference between the new maximum monthly rate of pay for their class and the next lowest monthly rate of pay in their salary range, rounded to the next highest dollar, effective July 11, 1973.

(9) For each full four tenths point increase in the consumers price index for Minneapolis-St. Paul, as published by the Bureau of Labor Statistics for the months of July, 1973, and April, 1974, using 1967 as the base period (1967=100), all monthly rates of pay in the "A" and special teacher salary schedules as cited in sections 43.12, subdivision 2, clause (1), and 43.121, subdivision 3, shall be increased by two tenths of one percent, rounded to the nearest dollar. All hourly rates of pay in the "B" and "C" schedules as cited in section 43.12, subdivision 2, clauses (4) and (6), shall be increased by one cent per hour.

The increase, if any, in wages and salaries generated by this formula shall be effective with the first full payroll period after July 1, 1974, and shall continue in effect until the first full payroll period after January 1, 1975.

A redetermination of the cost of living allowance shall be made in October, 1974. For each full four tenths point increase in the consumer price index for Minneapolis-St. Paul, as published by the Bureau of Labor Statistics for the months of July, 1973, through October, 1974, all monthly rates of pay in the "A" and special teacher salary schedules as cited in sections 43.12, subdivision 2, clause (1), and 43.121, subdivision 3, shall be increased by two tenths of one percent, rounded to the nearest dollar. All hourly rates in the "B" and "C" schedules as cited in section 43.12, subdivision 2, clauses (4) and (6), shall be increased by one cent per hour. The increase, if any, in wages and salaries generated by this redetermination shall be effective with the first full payroll period after January 1, 1975.

During periods when such cost of living allowance is in effect, it shall be added to the applicable basic hourly and monthly rates of pay of each employee, including those that are above the maximum step of their range, and treated as a part thereof in all calculations involving employees' pay.

(10) *The commissioner of administration may direct the state auditor to transfer to the various departments and agencies the necessary amounts to finance clause (9) into effect. These transfers shall be from such accounts and funds from which each department or agency receives its revenue, including appropriations from the general fund and from any other fund, now or hereafter existing for the payment of salaries and in the same proportion as it pays therefrom the amounts of such salaries. Such sums of money as are necessary for such purposes are hereby appropriated to such departments or agencies from such account and fund in the state treasury. The accounts and funds referred to from which agencies receive appropriations under the terms of this section are hereby declared to be a source of revenue for the purposes of any other law or statutory enactment.*

(7) (11) Overtime worked shall be compensated for either by cash payment or compensatory time off as provided for in overtime schedules approved under the provisions of the civil service rules.

(8) (12) None of the provisions of sections 43.12, subdivision 2, to 43.122, shall apply to employees in the classified service under the state civil service act who are paid on a fee basis, or to such employees who are department heads.

(9) An employee appointed on or subsequent to July 14, 1971, and prior to November 17, 1971, may receive the prescribed salary and wage increases set forth in section 43.12, subdivision 2, clauses (2) and (5) with the approval of his appointing authority. However, so that all employees are compensated at an established rate of pay, an employee who is not granted the prescribed salary or wage increase provided under the provisions of this clause shall have his rate of pay advanced to the next higher salary or wage step established for his class or the new minimum salary rate or probationary wage rate for his class, whichever is greater.

(10) (13) Except as otherwise provided in section 43.12, subdivision 2, no class will be reassigned to a higher salary range by the civil service board during the 1971-1973 1973-1975 biennium.

(11) Notwithstanding the provisions of any other law to the contrary, the civil service board is directed to reduce all adopted salary assignments by two percent for classes of work compensated according to the salary schedules cited in section 43.12, subdivision 2, clauses (1) and (4) and section 43.121, subdivision 3, except in no instance shall the minimum rate of a salary assignment be less than the prescribed monthly base rate. The civil service board is directed to prepare and adopt a supplemental schedule of salary rates to implement the provisions of the clause rounded off to the nearest dollar.

(12) If the Minneapolis-St. Paul Consumers' Price Index increases at least one and one half percent between October, 1971, and April, 1972, all salary and wage rates cited in section 43.12, subdivision 2 clauses (1) and (4) shall be increased in value by two percent effective at the beginning of the first payroll period for

fiscal year 1972-1973. Concurrent with this adjustment, all salary and wage assignments shall be increased by two percent and employees shall be advanced to the comparable step of the revised schedule of rates. In the event this increase should occur, the civil service board is directed to establish supplemental salary schedules with steps two percent higher than the schedules then in effect. Where necessary to receive this advancement, an employee shall be permitted to be paid at a rate higher than the established maximum rate for his class.

(13) The commissioner of administration is hereby authorized to direct the state auditor to transfer to the various departments and agencies the necessary amounts to finance clause (12) into effect. These transfers shall be from such accounts and funds from which each department or agency receives its revenue, including appropriations from the general fund and from any other fund, now or hereafter existing for the payment of salaries and in the same proportion as it pays therefrom the amounts of such salaries. Such sums of money as are necessary for such purposes are hereby appropriated to such departments or agencies from such account and fund in the state treasury. The accounts and funds referred to from which agencies receive appropriations under the terms of this section are hereby declared to be a source of revenue for the purposes of any other law or statutory enactment.

(14) Notwithstanding the provisions of any other law to the contrary, when making an appointment to the unclassified service of the executive branch and judicial branches of government, the appointing authority shall provide the director of civil service with a personal resume of the appointee and a detailed job description outlining the duties and responsibilities of the position which the appointee will occupy in such form as the director may prescribe. Any changes in work assignment shall be reported in writing to the director. If, in the judgment of the director, additional information is required in order to establish comparability with positions in the classified service, the director shall review the duties of the position in the same manner as a position in the classified service would be investigated. All persons in the unclassified service of the executive branch and judicial branches of government, except those whose salary is set specifically by statute, may, with the approval of the appointing authority, be granted salary increases on the same effective dates as all employees of the classified state civil service, but in no event may these salary increases exceed the salary increases authorized for personnel in the classified service nor shall be paid according to the compensation provisions applicable to employees performing comparable work in the classified service, but in no event shall unclassified personnel receive rates of pay which exceed the maximum rate of the salary range established for comparable work in the classified service.

(15) Notwithstanding the provisions of any other law to the contrary, all non-academic employees of the University of Minnesota and the University of Minnesota department of civil service personnel shall be subject to all of the preceding clauses as if they were classified employees of the Minnesota civil service and the Minnesota civil service board.

(15) Effective July 1, 1974, employees whose positions are assigned to classes in the A, B and C compensation schedules working an assigned shift that begins before 6:00 a.m. or which ends on or after 7:00 p.m. shall receive a shift differential of ten cents per hour for all hours worked on that shift in addition to their regular rate of pay. Such differential shall be included in all payroll computations for hours worked but shall not apply during periods of paid leave.

Employees working the regular day schedule who are required to work overtime or who are called back to work for special projects shall not be eligible for the shift differential.

(16) Effective July 1, 1973, any permanent employee who is separated from the state classified service by reason of death, mandatory retirement, layoff, excluding seasonal layoffs, or who is separated after completing 20 years of state service shall be entitled upon such separation, to pay in an amount equal to ten percent of the employee's regular accumulated but unused sick leave balance at the time of separation. Effective July 1, 1974, severance pay shall be computed upon 20 percent of the employee's regular accumulated but unused sick leave balance. The provisions of this clause shall apply to unclassified employees in the same manner as they apply to employees in the classified service.

Should any employee who has received severance pay be subsequently reappointed to state service, eligibility for future severance pay shall be computed upon the difference between the amount of accumulated but unused sick leave to the employee's credit at the time the employee was separated and the amount of accumulated but unused sick leave balance at the time of the employee's subsequent eligibility for severance pay.

The base for computing the severance pay provided for in this clause shall not exceed 800 hours, nor shall said base include lapsed sick leave hours as defined by departmental rules and regulations.

(17) The board is hereby empowered to establish by rule an injured on duty compensation plan for certain classes of state employees in hazardous or dangerous classes of employment. Said plan shall not be subject to the limitations contained in Minnesota Statutes, Section 176.021, Subdivision 5.

Sec. 8. Minnesota Statutes 1971, Section 43.12, Subdivision 2a, is amended to read:

Subd. 2a. [CAREER EXECUTIVE SERVICE.] (a) There is established a career executive service within the Minnesota state service.

The purpose of the career executive service is to foster managerial and high level professional identification, development, utilization, mobility and responsiveness in the state service.

(a) (b) The director of civil service, with the approval of the board, shall designate classes positions in the classified service of

the state as eligible for ~~assignment to inclusion~~ in the career executive ~~compensation schedule service~~. Such ~~classes positions~~ shall include those which carry basic responsibilities for high level professional or scientific competence, policy determination, leadership, or the internal management and administration of the department or other major unit.

The incumbents of such ~~classes positions~~ shall be selected from among the employees of the state, or its political subdivisions, as set forth in *this* subdivision 2a, ~~clauses (b), (c), and (d)~~.

~~(b)~~ (c) Eligibility for appointment to ~~assignment in~~ the career executive ~~compensation schedule service~~ shall be established as a result of an examination of persons who first meet such qualifications in accordance with regulations and procedures as the board director shall determine. The board shall select individuals knowledgeable in the field of administrative management who shall serve in an examining capacity to review in detail the applicants' qualifications. The review shall include but not be limited to the following matters: (1) Educational qualifications; (2) Pertinent work experience; (3) Evidence of continuing academic development; (4) Membership in professional organizations; and (5) Estimate of continuing professional growth in a particular discipline. Assignments will be made only after the nominee has achieved permanent or probationary civil service status in the class occupied at the time nomination is made and after meeting requirements as determined by the director.

~~(c)~~ (d) The provisions of chapter 43, and sections 197.45 to 197.48 insofar as they relate to the selection, classification, preference, transfer, tenure and other conditions of employment shall not apply in the selection and assignment of personnel in the career executive ~~compensation schedule service~~. Assignments Appointments may be terminated by the appointing authority, provided, however, that a written report relative to such the termination is first submitted to the board not based on reasons of politics, religion, race, age, sex, or disability.

~~(d)~~ (e) The director shall certify the names of those persons passing a screening examination meeting requirements established elsewhere in *this* subdivision to the appointing authority in the order of their performance in said examination, and the appointing authority shall be limited in his appointment to such list.

~~(e)~~ (f) No person assigned appointed to the career executive ~~compensation schedule service~~ shall be deemed to acquire any vested rights or tenure to such ~~assignment appointment~~, provided however, that the time served in such ~~assignment appointment~~ shall be credited to his the employee's seniority, sick leave, vacation, and retirement rights. Upon the termination of his assignment to the career executive ~~compensation schedule~~, if the employee was appointed to the career executive service from the classified service. An employee may be reassigned to another career executive service position at the same or lower level at the discretion of his appointing authority. An employee removed from the career executive service who was appointed from the classified

state service shall be reinstated to his former grade in the same or similar position under the civil service laws and his compensation shall be at the level formerly received plus any annual increments he would have received had he remained in the schedule provided in subdivision 2, clause (1).

(g) The director may establish and enforce regulations and procedures with respect to the career executive service to ensure compliance with the purposes and intent of this subdivision.

(h) Notwithstanding any provision to the contrary, persons appointed to the career executive service shall be subject to the retirement requirements set forth in section 43.051.

Sec. 9. Minnesota Statutes 1971, Section 43.12 Subdivision 2b, is amended to read:

Subd. 2b. [CAREER EXECUTIVE SERVICE.] The following schedule of rates is established as the annual rates of pay for the employees selected under subdivision 2a:

CES-I	13,000	13,500	to	18,000	21,500
CES-II	15,000	15,500	to	21,000	24,500
CES-III	18,000	18,500	to	24,000	28,000
CES-IV	22,000	23,000	to	28,000	32,000

The salary rate to be paid an employee, within the range assigned by the director, shall be determined by the appointing authority. The beginning salary rate and any subsequent changes shall be reported to the director by the appointing authority.

Sec. 10. Minnesota Statutes 1971, Section 43.12, Subdivision 3, is amended to read:

Subd. 3. [ALLOCATIONS.] (1) The director shall allocate each position in the classified civil service to one of the classes within the classification plan, subject to review of the board if an application is made in writing to the board upon one of the grounds set forth in clause (7) by the appointing authority immediately affected at any time within 30 days following notice to him of that allocation, or within 30 days from the date of notice of the final action of the director in case of an application for reconsideration, as hereinafter provided for, and thereafter all salary rates, schedules, or compensation policies shall apply uniformly to all positions within each class, in accordance with rules and regulations established by the board, except those positions for which special provision is made in clause (6) below. When a position which has not been allocated to one of the classes within the classification plan is established, the appointing authority shall notify the director, who shall allocate that new position to its appropriate class, subject to the same right of review by the board as heretofore provided in this clause.

(2) After the director makes an allocation under clause (1), he shall notify the appointing authority affected, in writing, of that allocation. The allocation shall become immediately effective, but the appointing authority may within ten days file with the director an application for reconsideration, together

with any written evidence by way of affidavits, statements or exhibits which that appointing authority may desire considered by him. The director shall act upon that application within ten days after receiving it, and notify the appointing authority of his final action. In case of the filing of such application for reconsideration, the time for asking a review by the board shall commence to run from the date of notice to the appointing authority of the director's final action.

(3) Whenever, because of changes in the organizational structure of an agency, in the duties of a position, or for some other reason, a position appears to be improperly allocated, the director shall, upon his own initiative, or upon the written request of a permanent employee or an appointing authority, investigate the duties of the affected position. Following that investigation he may reallocate it to an appropriate class. If the director makes a reallocation or denies an application for reallocation, under this clause, he shall notify the appointing authority and the employee affected of his action. A permanent employee or appointing authority affected by any such action shall have the same right to make an application for reconsideration as is granted an appointing authority in the case of an original allocation by clause (2), and the procedure set out in clause (2) shall apply to such application. Except as provided in clause (6) below, any reallocation granted by the director shall become effective upon the expiration of the time fixed for making an application for reconsideration, if none is made, or if one is made, at the date of notice by the director of this final action. A permanent employee or appointing authority shall have the same right of review by the board of a reallocation which changes the class of a position as is granted an appointing authority in the case of an original allocation. Application for such a review must be made within 30 days from the date of notice by the director of his original action, or, if a reconsideration has been asked, within 30 days from the date of the director's final action upon that application.

(4) In case of any allocation under clause (1), or any reallocation under clause (3), no examination of witnesses nor any trial or hearing shall be required, but the director may act upon such matters as are submitted to him in writing by the employee whose position will be affected by a reallocation or by the appointing authority who will be affected by an allocation or a reallocation, and reports and records of investigators of the department, and may take official notice of the records of the department and of allocations of other comparable positions. The matters of which he takes official notice shall be set out by him in a memorandum to be filed with his order or report of investigation and made a part of his record. In all cases of applications for reallocation, the burden of proof shall be upon the person requesting the reallocation.

(5) Except as provided in clause (6) below, the incumbent of a position which has been reallocated shall continue in the position only if he is eligible for and actually is appointed to the position of the new class in accordance with the rules of the board governing promotion, transfer, and demotion. In any case in which the incumbent is ineligible to continue in the position and he is not trans-

ferred, promoted or demoted, the layoff provisions of this chapter and the rules of the board shall apply. Personnel changes required by the reallocation of positions shall be completed within a period of 60 days following the date of reallocation notice to an appointing authority. Any employee with permanent or probationary status whose position is reallocated shall be considered eligible to compete in any promotional examination held to fill the reallocated position, as provided in the rules of the board.

(6) When a position is reallocated by the director to a class in a lower salary range, *or when an employee is demoted to a position in a lower salary range*, the director and the commissioner of administration may give consideration to the employee's long or outstanding service, exceptional or technical qualifications, age, health, *or substantial changes in work assignment or operational changes* in state government which eliminate positions held by classified employees with permanent status. When, as a result of such consideration, the director and the commissioner determine that the best interests of the state will be served by such action, the position shall be reallocated but the employee shall continue at the same rate of pay. Thereafter, as long as he remains in the same position, such employee shall not be eligible to receive any salary increases, *except those economic adjustment increases based on the consumer's price index authorized by law*, until such time as his salary once again may be within the range of the class to which his position has been reallocated.

(7) A review by the board as provided for in this subdivision may be had when the employee or appointing authority affected files an application for review in writing on the ground:

(a) That the action of the director was not in accordance with the civil service act;

(b) That the action of the director was unwarranted by the evidence before him, or was procured by fraud, coercion or other improper conduct of any party in interest.

The board after receiving any application for review shall order the director to submit to it the record upon which he acted and thereafter, upon that record, may sustain, reverse or modify the action of the director or, in its discretion, may order that further evidence be taken by him to be submitted to the board and considered by it upon its review.

Sec. 11. Minnesota Statutes 1971, Section 43.121, Subdivision 2, is amended to read:

Subd. 2. When an additional class is added to the classification plan, it shall be assigned to one of the salary range schedules set forth in section 43.12, subdivision 2; and, ~~if the duties and responsibilities of a class in the plan are substantially changed, or if an apparent inequity exists in the assignment of a class to a salary range, that class shall be reassigned to another salary range by the director of civil service.~~ Such assignment or reassignment to a salary range schedule when approved by the civil service board after public hearing shall be submitted to the commissioner of administration who shall determine whether funds are available for such purposes. The commissioner of administration may approve or reject such schedules. These schedules shall become ef-

fective when approved by the commissioner and shall be used by him in connection with all payrolls and accounting records and with all budget estimates for all departments or agencies of the state government. Upon his approval, the commissioner shall file such new schedules in the office of the secretary of state.

Sec. 12. Minnesota Statutes 1971, Section 43.122, is amended to read:

43.122 [SALARY INCREASES.] Subdivision 1. Appointing authorities are authorized to grant achievement awards in the amount of one salary step for employees assigned to the schedule A, as set forth in section 43.12, subdivision 2 clause (1), who have demonstrated outstanding performance. Justification to the director must be in writing setting forth qualitative and quantitative criteria on which the determination was made. In no instance shall such awards be granted in excess of 20 percent of employees authorized at the beginning of each fiscal year, nor to employees whose rates of pay are at or above the maximum rate of pay established for their class. Appointing authorities shall make every effort to distribute achievement awards equitably among and within all classifications to eligible employees. To insure conformance to legislative intent, appointing authorities shall submit quarterly reports to the chairman of the senate civil administration and house governmental operations committee indicating the name and classification of each employee granted an achievement award, and the salary step at which the employee is being compensated within his salary range. A copy of each such report must be filed with the civil service director. The first quarterly report is due April 1, 1972.

Subd. 2. Within the limits of available appropriations an appointing authority may propose salary increases *within the range* of more than one step or more frequently than provided in this section upon detailed written statements to the director specifying the unusual employment conditions that make such action necessary. The director shall review each such proposal giving due consideration to the salary rates paid other employees in the same class and agency and may deny any request which in his judgment is contrary to the best interest of the service.

Subd. 3. (a) *Employees in classes assigned to the "A" schedule as cited in section 43.12, subdivision 2, clause (1), may receive a one step salary increase annually, on their anniversary date, to the position rate in their salary range, provided performance is satisfactory as indicated by their appointing authority.*

The position rate shall be as follows:

9 step salary range—5th step
8 step salary range—5th step
7 step salary range—4th step
6 step salary range—4th step
5 step salary range—4th step
4 step salary range—3rd step
3 step salary range—3rd step

Beyond the position rate, employees may receive one step satisfactory performance increases biennially, on their anniversary date, upon the recommendation of their appointing authority, up

to and including the maximum rate of the salary range for their class.

No increases authorized by this subdivision shall be granted by the appointing authority until an appropriate employee evaluation program is filed with the director. Authorized increases shall be recommended in the context of performance measured against specific performance standards or objectives.

Appointing authorities shall not recommend increases for those employees in this schedule who have not met, or only marginally attained, performance standards or objectives. Increases withheld may subsequently be granted by the appointing authority upon certification to the director that the employee is achieving performance standards or objectives.

(b) Employees in classes assigned to the "C" schedule as cited in section 43.12, subdivision 2, clause (6), shall progress through the salary range for their class according to the following procedure:

Employees compensated at the first step in their salary range shall be advanced to the second step following the completion of 1,044 hours of satisfactory service subsequent to the implementation of the provisions of section 43.12, subdivision 2, clause (7). Employees compensated at the second step in their salary range shall be advanced to the third step following the completion of 1,044 hours of satisfactory service subsequent to the implementation of the provisions of section 43.12, subdivision 2, clause (7).

Employees compensated at or beyond the third step in their salary range shall advance to the next highest rate in their salary range at the completion of each increment of 2,088 hours of satisfactory service subsequent to the implementation of the provisions of section 43.12, subdivision 2, clause (7), until the maximum rate of pay is attained.

Employees compensated at the maximum step in their range or above shall receive no salary adjustments under the provisions of this subdivision.

(c) Appointing authorities may withhold increases authorized in section 43.122, subdivision 3, clause (b). Those employees who will be denied an increase because of unsatisfactory service must be notified in writing. Increases withheld may subsequently be granted by the appointing authority upon certification to the director that the employee has achieved a satisfactory level of performance.

(d) All salary increase provisions for the "A" schedule cited in section 43.122, subdivision 3, shall be effective beginning with the payroll period following the employee's anniversary date but in no instance prior to the first full payroll period subsequent to May 30, 1974.

Subd. 4. [ANNIVERSARY DATES.] To determine anniversary dates for the purposes of this section, the following procedure shall be used. For all persons employed on or before May 30, 1973, annual anniversary dates shall be computed from that date. For those employed subsequent to May 30, 1973, the anniversary date shall be computed from the date of employment. For those promoted, reinstated, reemployed, or returned from leave of absence

subsequent to May 30, 1973, the anniversary date shall be computed from the date of the action. Anniversary dates shall not be affected by the withholding of increases authorized in section 43.122, subdivision 3, clause (1).

Sec. 13. Minnesota Statutes 1971, Section 43.126, Subdivision 1, is amended to read:

43.126 [SPECIAL RATES OF PAY.] Subdivision 1. Notwithstanding the provisions of sections 43.12 and 43.121 to 43.123, the following salary ranges are established with annual salaries as shown:

Range A ~~\$19,500~~ \$23,000 to ~~\$28,000~~ \$32,000

Range B ~~\$23,500~~ \$28,000 to ~~\$32,000~~ \$38,000

Range C ~~\$27,500~~ \$30,000 to ~~\$37,000~~ \$45,000

Sec. 14. Minnesota Statutes 1971, Section 43.24, Subdivision 1, is amended to read:

43.24 [REMOVAL.] Subdivision 1. [WRITTEN STATEMENT.] No permanent employee in the classified service, under the provisions of this chapter or the rules made pursuant thereto, shall be removed, discharged, suspended without pay for more than 30 days, or reduced in pay or position, except for just cause, which shall not be religious or political, *or because of the employee's race, sex, disability or age, subject however to the mandatory retirement ages specified by law.* In case of any disciplinary action, as enumerated in this section, the employee shall, before the action is taken, be furnished with a statement, in writing, setting forth the reasons for the disciplinary action, be permitted five days time to reply thereto, in writing, or upon his request, to appear personally and reply to the head of the department. A copy of the statement and the employee's reply, if any, shall be filed with the director of civil service prior to the effective date thereof.

Sec. 15. Minnesota Statutes 1971, Section 43.50, Subdivision 1, is amended to read:

43.50 [PAYMENT OF PREMIUMS.] Subdivision 1. Each department or agency of the state government shall pay the amounts due for basic life insurance and basic health benefits coverage authorized for eligible state employees as provided by Laws 1967, Chapter 103. *Additionally, and notwithstanding any law to the contrary, effective July 1, 1974, each department or agency of the state government shall contribute \$10 per month toward the cost of dependent insurance coverage premiums for their eligible employees who have eligible dependents. To enable employees to receive benefit from this provision, an open enrollment period of not less than one month, commencing May 1, 1974, is established. During said open enrollment period employees may enroll their dependents without proof of insurability.* Each of such departments and agencies shall pay such amounts from such accounts and funds from which each department or agency receives its revenues, including appropriations from the general fund and from any other fund, now or hereafter existing for the payment of salaries and in the same proportion as it pays therefrom the amounts of such salaries. Such sums of money as are necessary for such purposes are hereby appropriated to such departments and agencies from such account and funds in the state treasury. In

order to enable the state auditor to maintain proper records covering the appropriations made by this section, he may require such certifications in connection therewith as he may deem necessary from any state department or agency whose officers and employees receive benefits pursuant to Laws 1967, Chapter 103. The accounts and funds referred to from which departments and agencies receive appropriations under the terms of this section are hereby declared to be a source of revenue for the purposes of any other law or statutory enactment.

Sec. 16. Minnesota Statutes 1971, Section 299D.03, Subdivision 2, is amended to read:

Subd. 2. [SALARIES.] (1) Each such employee other than the chief supervisor, lieutenant colonel, majors, captains, and sergeants hereinafter designated shall be known as patrol officers.

(2) There may be appointed one lieutenant colonel; and such majors, captains, sergeants and officers as the commissioner deems necessary to carry out the duties and functions of the highway patrol. Persons in above named positions shall be appointed by law and have such duties as the commissioner may direct and, except for officers, shall be selected from the patrol officers, sergeants, captains, and majors who shall have had at least five years' experience as either patrol officers, sergeants, or supervisors. The total number of supervisors shall not exceed one for each ten patrol officers, but no supervisor shall be demoted in order to obtain this ratio. Vacancies in supervisory positions, however, shall not be filled until the ratio provided for herein is reached.

(3) Commencing November 17, 1971 July 11, 1973, the salaries for all members of the highway patrol, except for the chief supervisor and these members subject to the provisions of clause (7), shall be as shown in the following table:

TIME IN RANK

	Base	1	2	3	4	5 & 6	7 thru 11	12 Years and Over
Salary	Year	Years	Years	Years	Years	Years	Years	Years
Officer	\$ 736	766	797	820	861	896	931	969
Sergeant	1000	1000	1000	1040	1040	1000	1090	1090
Captain	1134	1134	1134	1170	1170	1226	1226	1226
Major	1275	1275	1275	1326	1326	1370	1370	1370
Lt. Col.	1434	1434	1434	1491	1491	1550	1550	1550

(4) Beginning with the first payroll period in fiscal year 1972-73, the salaries for all members of the highway patrol, except for the chief supervisor, and those members subject to the provisions of clause (7), shall be as shown in the following table:

TIME IN RANK

	Base Salary	1 Year		2 Years		3 Years		
Officer	\$ 766	808	797	851	828	894	861	938
Sergeant	1040	1113	1040	1113	1040	1158	1090	1158

Captain	1170	1252	1170	1252	1170	1302	1226	1302
Major	1326	1408	1326	1408	1326	1464	1379	1464
Lt. Col.	1491	1584	1491	1584	1491	1647	1550	1647

	4 thru 6 Years		5 & 6 Years		7 thru 11 Years		12 Years and Over	
Officer	896	982	931		960	1026	1000	1070
Sergeant	1090	1204	1134		1134	1204	1134	1204
Captain	1226	1354	1275		1275	1354	1275	1354
Major	1379	1523	1434		1434	1523	1434	1523
Lt. Col.	1550	1713	1613		1613	1713	1613	1713

Commencing July 10, 1974, the salary rates for all highway patrol officers and sergeants as cited in section 299D.03, subdivision 2, clause (3), shall be increased by \$10 per month in lieu of receiving any salary differential for working evening and night hours.

The salary figures shown in the table above shall be increased in value by two percent, effective at the beginning of the first payroll period in fiscal year 1972-73, if the classified civil service receives a two percent cost of living increase pursuant to other law.

In addition to the rates of pay provided above, all employees compensated according to the above salary table shall be paid a cost of living allowance to be determined and redetermined in the following manner:

The difference, if any, between the consumers price index for the city of Minneapolis-St. Paul, Minnesota (new series index 1967=100) as published for the months July, 1973, and April 1974, by the Bureau of Labor Statistics of the United States Department of Labor shall be computed. For each full four tenths point increase so computed, one cent per hour shall be added to the hourly rate of pay of each highway patrol officer; and two tenths of one percent rounded to the nearest dollar shall be added to the monthly rate of pay of each sergeant, captain, major, and lieutenant colonel. Such cost of living allowance shall become effective the first full payroll period after July 1, 1974, and shall continue in effect until the first full payroll period after January 1, 1975. A redetermination of the cost of living allowance shall be made in October, 1974, and will involve computation of the difference, if any, between the aforementioned index as published for the base month of July, 1973, and the month of October, 1974. For each full four tenths point increase so computed one cent per hour shall be added to the hourly rate of pay of each officer; and two tenths of one percent rounded to the nearest dollar shall be added to the monthly rate of pay of each sergeant, captain, major and lieutenant colonel as a cost of living allowance. Such cost of living allowance shall become effective the first full payroll after January 1, 1975.

During periods when such cost of living allowance is in effect, it shall be added to the applicable basic hourly and monthly rates of pay for highway patrol officer, sergeant, captain, major and lieutenant colonel, and treated as a part thereof in all calculations involving employees' pay.

~~(5)~~ (4) Upon promotion, the person will be paid at the base salary rate of pay in effect for that rank, and, ~~if initially appointed to the highway patrol on or before the effective date of this act,~~ shall subsequently be eligible for the time in rank increases calculated from the effective date of promotion.

~~(6)~~ (5) Any time in rank increases in salary provided for in the tables in *clauses clause* (3) and ~~(4)~~, shall be effective for the payroll period nearest the employee's anniversary date of employment.

~~(7) Patrol officers appointed on or after the effective date of this act, shall be paid the base salary assigned to the rank of patrol officer. In lieu of time in rank increases, 20 percent of such officers shall be eligible for achievement awards contemplated by Minnesota Statutes, Section 43.122, Subdivision 1.~~

~~(8) No time in rank increases shall be granted after June 30, 1973.~~

The salary rates for all highway patrol officers and sergeants as cited in section 299D.03, subdivision 2, clause (3) shall be deemed to include reimbursement for meal and business expenses incurred by highway patrol officers and sergeants in the performance of their assigned duties in their patrol areas; business expenses include, but are not limited to: uniform costs, home garaging of squad cars and maintenance of home office.

Sec. 17. Minnesota Statutes 1971, Section 352.03, Subdivision 1, is amended to read:

352.03 [BOARD OF DIRECTORS, COMPOSITION, EXECUTIVE DIRECTOR; DUTIES, POWERS.] Subdivision 1. [MEMBERSHIP OF BOARD; ELECTION; TERM.] The policy making function of the system is hereby vested in a board of seven members, who shall be known as the board of directors, hereinafter called the board. This board shall consist of ~~the state auditor, the state treasurer, the insurance commissioner,~~ *three public members appointed by the governor* and four state employees who shall be elected by state employees covered by the system at a time and in a manner to be fixed by the board. Two board members, whose terms of office shall begin on the first Monday in March next succeeding their election, shall be elected biennially. The term of the two board members whose terms expire in 1968 shall terminate on the first Monday in March, 1968, and the terms of the two board members whose terms expire in 1970 shall terminate on the first Monday in March, 1970. The members of the board so elected shall hold office for a term of four years and until their successors are elected, and have qualified. A state employee on leave of absence shall not be eligible for election or re-election to membership on the board of directors; and the term of any board member who is on leave for more than six months shall automatically terminate upon the expiration of such period.

Sec. 18. Minnesota Statutes 1971, Section 352.03, Subdivision 3, is amended to read:

Subd. 3. [DIRECTORS SERVE WITHOUT COMPENSATION.] The members of the board *employed by the state* shall serve without compensation, but shall be reimbursed out of the

retirement fund for expenses actually and necessarily paid or incurred in the performance of their duties, and shall suffer no loss of salary or wages through service on the board. *The public members of the board shall be paid \$35 per day for each day actually devoted to duties as a member of the board. Members of the board shall be paid for expenses in travel to and from meetings and for necessary expenses incurred during meetings of the board.*

Sec. 19. Minnesota Statutes 1971, Section 352.04, Subdivision 2, is amended to read:

Subd. 2. [EMPLOYEE CONTRIBUTIONS.] The employee contribution to the fund ~~(a) by those employees whose state service is covered by the federal social security act shall be an amount equal to three and one-half percent of salary, and (b) by those employees whose state service is not covered by the federal social security act shall be an amount equal to six percent of salary beginning with the first full pay period after June 30, 1973 . These contributions shall be made by deduction from salary in the manner provided in subdivision 4.~~

Sec. 20. Minnesota Statutes 1971, Section 352.04, Subdivision 3, is amended to read:

Subd. 3. [EMPLOYER CONTRIBUTIONS.] The employer contribution to the fund shall be ~~(1) an amount equal to the total amount deducted from the salaries of employees on each payroll abstract ; plus (2) (a) an additional one-half of the amount of such deductions beginning with the first full pay period after June 30, 1969, for employees paying three percent contributions, such amount to be reduced to one-third of such deductions beginning with the first full pay period after June 30, 1970; or (b) an additional one-sixth of the amount of such deductions for employees paying six percent contributions . The employer contribution shall be made in the manner provided in subdivisions 5 and 6.~~

Sec. 21. Minnesota Statutes 1971, Section 352.115, Subdivision 2, is amended to read:

Subd. 2. [AVERAGE SALARY.] The retirement annuity hereunder payable at age 65 or thereafter shall be computed in accordance with the applicable provisions of the formula stated in subdivision 3 hereof, on the basis of the employee's average salary for the period of his allowable service. Such retirement annuity is known as the "normal" retirement annuity.

~~(a) For years prior to July 1, 1957, "average salary" for the purpose of determining an employee's retirement annuity means the average of his highest salary upon which deductions were based for any five consecutive years prior to that date.~~

~~(b) For each year of allowable service subsequent to June 30, 1957 , "average salary" of an employee for the purpose of determining his retirement annuity means the average of his the highest five successive years of salary upon which he has made contributions to the retirement fund by payroll deductions.~~

Sec. 22. Minnesota Statutes 1971, Section 352.115, Subdivision 3, is amended to read:

Subd. 3. [RETIREMENT ANNUITY FORMULA.] The employee's average salary, as defined in subdivision 2 multiplied by the applicable percentages indicated below 1 percent per year of allowable service for the first ten years and 1.5 percent for each subsequent year of allowable service and pro rata for completed months less than a full year shall determine the amount of the retirement annuity to which the employee qualifying therefor is entitled*.

(1) For Year of Allowable Service Rendered Prior to July 1, 1969	Percentages at the Rate of :
(a) First ten years	1 percent per year of service
(b) Second ten years or completed months of service less than such period	1.1 percent per year of service
(c) Third ten years or completed months of service less than such period	1.7 percent per year of service
(d) Subsequent years or completed months of service less than such period	2 percent per year of service
(2) For years of Allowable Service Rendered Subsequent to June 30, 1969	Percentage at the Rate of
(a) First ten years	1 percent per year of service
(b) Second ten years of completed months of service less than such period	1.3 percent per year of service
(c) Third ten years of completed months of service less than such period	2 percent per year of service
(d) Subsequent years of completed months of service less than such period	2.5 percent per year of service

(3) If a combination of the above formulas is used, the formula percentages used shall be these percentages in each formula as

continued for the respective years of allowable service from one formula to the next.

Sec. 23. Minnesota Statutes 1971, Section 352.115, is amended by adding a subdivision to read:

Subd. 13. [PROPORTIONATE ANNUITY IN CERTAIN CASES.] Any employee who prior to July 1, 1973, was less than 60 years of age when entering covered state service who, due to the lowering of the mandatory retirement age, does not qualify for an annuity at the time he is required to retire, shall be entitled upon application to a proportionate annuity based upon his allowable service credit at time of mandatory retirement.

Sec. 24. Minnesota Statutes 1971, Section 352.116, Subdivision 1, is amended to read:

352.116 [ANNUITIES UPON RETIREMENT.] Subdivision 1. [REDUCED ANNUITY BEFORE AGE 65.] Any employee who retires prior to age 65 shall be paid the normal retirement annuity provided in sections 352.115, subdivisions 2 and 3, or 352.715, subdivision 2, as the case may be, reduced by one-half of one percent for each month that the employee is under age 65 on the last day for which he is entitled to service credit as provided in section 352.01, subdivision 11, clause (3), or the date state service terminated, or the date the application for the annuity is filed with the director, whichever is later, *provided however that if an employee is entitled to credit for not less than 30 years allowable service, such reduction shall be applied only for each month the employee is under age 62.*

Sec. 25. Minnesota Statutes 1971, Section 352.118, is amended to read:

352.118 [INCREASE IN BENEFITS.] The retirement annuities and disability benefits authorized and in effect on June 30, ~~1969~~ 1973 shall be increased in the same ratio that the actuarially computed reserve for such benefits determined by using an interest assumption of three *and one-half* percent bears to the actuarially computed reserve for such benefits determined by using an interest assumption of ~~three and one-half~~ *five* percent. The reserves upon which such increase shall be based shall be the actuarially determined reserve for benefits in effect at ~~December 31, 1968~~ *June 30, 1972*, in accordance with the mortality assumptions then in effect and at interest assumptions of three *and one-half* percent and ~~three and one-half~~ *five* percent. Such ratio of increase computed to the last full one one-hundredth of one percent shall be applied to benefits in effect on June 30, ~~1969~~ 1973 and shall begin to accrue July 1, ~~1969~~ 1973. Notwithstanding section 356.18, increases in benefit payments pursuant to this section will be made automatically unless the intended recipient files written notice with the Minnesota state retirement system requesting that the increase shall not be made.

Sec. 26. Minnesota Statutes 1971, Chapter 352, is amended by adding a section to read:

[352.1182] [INCREASE IN ANNUITIES AND BENEFITS.]

Any person who was receiving an annuity or benefit as of July 1, 1973, shall be entitled to an increase in such monthly annuity or benefit effective July 1, 1973, in an amount that, when added to amounts received under sections 352.118 and 352.119 equals 30 percent of the annuity or benefit in effect on December 31, 1971 or first authorized thereafter. Said increase shall be made and the transfer of required assets to the adjustable fixed benefit fund in the same manner and at the same time retirement annuities and other benefits are paid and shall be included in each warrant on which each annuity or benefit is so paid. Notwithstanding the provisions of section 356.18, increases in payments pursuant to this section will be made automatically unless the intended recipient files written notice with the Minnesota state retirement system requesting that the increase shall not be made.

Sec. 27. Minnesota Statutes 1971, Section 352.119, Subdivision 2, is amended to read:

Subd. 2. [VALUATION OF ASSETS; ADJUSTMENT OF BENEFITS.] (1) ~~As of June 30, 1969, the present value of all annuities in force as of June 30, 1969 and as amended in accordance with Laws 1969, Chapter 893, shall be determined in accordance with the 1937 standard annuity table of mortality, calculated separately as to sex, with an interest assumption of three and one-half percent and assets representing the required reserves for these annuities shall be transferred to the Minnesota adjustable fixed benefit fund; during a period of one year in accordance with the procedures specified by law for the Minnesota adjustable fixed benefit fund.~~

(2) (1) Effective July 1, 1969, for those employees commencing to receive benefits pursuant to chapter 352, and acts amendatory thereof, the required reserves as determined in accordance with ~~this section~~ *the interest assumption then in effect and appropriate mortality table based on experience of the fund as recommended by the system's actuary* shall be transferred to the Minnesota adjustable fixed benefit fund as of the date benefits begin to accrue.

(3) (2) Annuity payments shall be adjusted in accordance with the provisions of section 11.25, subdivisions 12 and 13.

Sec. 28. Minnesota Statutes 1971, Section 352.12, Subdivision 1, is amended to read:

352.12 [REFUNDMENT AFTER DEATH OF EMPLOYEE OR FORMER EMPLOYEE.] Subdivision 1. [DEATH BEFORE TERMINATION OF SERVICE.] If an employee dies before his state service has terminated and neither a survivor annuity nor a reversionary annuity is payable or if an employee who has filed a valid application for an annuity or disability benefit prior to the termination of his state service dies before the benefit has become payable, the director shall make a refundment to his last designated beneficiary or, if there be none, to his surviving spouse or, if none, to the representative of his estate in an amount equal to his accumulated contributions plus interest thereon *after the first year of coverage* to the date of death at the rate of ~~three and one~~

~~half five~~ percent per annum compounded annually. In the event an employee dies who has received a refundment which he had subsequently repaid in full, interest shall be paid on such repaid refundment only from the date of repayment. If the repayment was made in installments, interest shall be paid only from the date installment payments began. The designated beneficiary, surviving spouse or representative of the estate of an employee who had received a disability benefit shall not be entitled to interest upon any balance remaining to his credit in the fund at the time of death.

Sec. 29. Minnesota Statutes 1971, Section 352.22, Subdivision 1, is amended to read:

352.22 [REFUNDMENTS OR DEFERRED ANNUITIES.] Subdivision 1. [SERVICE TERMINATION.] Any employee who ceases to be a state employee by reason of termination of state service, shall be entitled to a refundment provided in subdivision 2 or a deferred retirement annuity as provided in subdivision 3. Application for a refundment may be made 60 or more days after the termination of state service if the applicant has not again become a state employee required to be covered by the system; except that employees of the University of Minnesota, having attained the age of 68 years or more, and employees of other departments and agencies of the state having attained the age of 70 years or more, whose state service is terminated by operation of the law, or by direction of the appointing authority, who attain mandatory retirement age and are required to retire and who are not eligible to receive an annuity under sections 352.115 or 352.72, may apply for refundment without any waiting period.

Sec. 30. Minnesota Statutes 1971, Section 352.22, Subdivision 2, is amended to read:

Subd. 2. [AMOUNT OF REFUNDMENT.] Except as provided in subdivision 3, any person who ceased to be a state employee after June 30, 1973, by reason of termination of state service shall receive a refundment in an amount equal to his accumulated contributions without interest, except that an employee terminating state service at the age of 65 or more shall receive a refundment in an amount equal to his accumulated contributions plus interest thereon to the date of termination at the rate of three and one-half percent per annum compounded annually if the employee due to age could not qualify for an annuity upon reaching compulsory retirement age had he continued in covered employment after one year of coverage to the date of termination of state service at the rate of five percent per annum compounded annually. Interest shall not be paid on any contributions for service rendered prior to age 58.

Sec. 31. Minnesota Statutes 1971, Section 352.23, is amended to read:

352.23 [TERMINATION OF RIGHTS.] When any employee accepts a refundment as provided in section 352.22, all existing service credits and all rights and benefits to which the employee was entitled prior to the acceptance of such refundment shall

terminate and shall not again be restored until the former employee acquires not less than one year's allowable service credit subsequent to taking his last refundment. In that event, he may repay all refundments which he had taken from the retirement fund. Repayment of refundments will entitle the employee only to credit for service covered by (a) salary deductions, (b) payments made in lieu of salary deductions, and (c) payments made to obtain credit for service as permitted by laws in effect at the time payment was made. If an employee before taking one or more refundments had credit for prior service or for military service without payment in either case, he may obtain credit for such forfeited service prior to July 1, 1929, and for such forfeited military service by making payments at a contribution rate of three percent of his average salary upon which deductions for the retirement fund were based, for the three year period immediately preceding repayment of refundment for service credit prior to July 1, 1929, and on the salary received by him at the time of entering military service to restore his military service credit. All such payments and repayment of refundments are to be paid with interest at ~~four~~ six percent per annum compounded annually.

Sec. 32. Minnesota Statutes 1971, Section 352.27, is amended to read:

352.27 [CREDIT FOR MILITARY SERVICE.] Any employee given a leave of absence to enter military service who returns to state service upon discharge from military service as provided in section 192.262, may obtain credit for his period of military service but he shall not be entitled to credit for any voluntary extension of military service at the instance of the employee beyond the initial period of enlistment, induction or call to active duty, nor to credit for any period of service following a voluntary return to military service. Such employee may obtain such credit by paying into the fund an employee contribution based upon his salary at the date of return from military service. The amount of this contribution shall be the applicable amounts required in section 352.04, subdivision 2, plus interest at ~~four~~ six percent per annum compounded annually. In such cases the matching employer contribution and additional contribution provided in section 352.04 shall be paid by the department employing such employee upon his return to state service from funds available to such department at the time and in the manner provided in section 352.04.

Sec. 33. Minnesota Statutes 1971, Chapter 352, is amended by adding a section to read:

[352.90] [CORRECTIONAL EMPLOYEES.] *It is the policy of the legislature to provide special retirement benefits and contributions for certain correctional employees who, because of the nature of their employment, are required to retire at an early age. For the purpose of Minnesota Statutes, Chapter 356, the actuary shall make separate reports with respect to these employees. Except as otherwise provided, the provisions of Minnesota Statutes, Chapter 352, apply to covered correctional employees.*

Sec. 34. Minnesota Statutes 1971, Chapter 352, is amended by adding a section to read:

[352.91] [COVERED CORRECTIONAL SERVICE.] *Covered correctional service means: (a) services performed before or after July 1, 1973, by a state employee, as defined in section 352.01, as an attendant guard, attendant guard supervisor, correctional captain, correctional counselor I, correctional counselor II, correctional counselor III, correctional counselor IV, correctional lieutenant, correctional officer, correctional sergeant, director of attendant guards and guard farmer garden, provided the employee was employed in such position on July 1, 1973 or thereafter; (b) services performed before July 1, 1973 by an employee covered under clause (a) in a position classified as a houseparent or guard instructor; and (c) services performed before July 1, 1973 in a position listed in clause (a) and positions classified as houseparent, guard instructor and guard farmer dairy, by a person employed on July 1, 1973 in a position classified as a license plant manager, prison industry foreman (general, metal fabricating and foundry), prison industry supervisor, food service manager, prison farmer supervisor, prison farmer assistant supervisor or rehabilitation therapist employed at the Minnesota security hospital.*

Sec. 35. Minnesota Statutes 1971, Chapter 352, is amended by adding a section to read:

[352.92] [CORRECTIONAL EMPLOYEE CONTRIBUTIONS.] *Subdivision 1. [EMPLOYEE CONTRIBUTIONS.] Beginning with the first full pay period after June 30, 1973, in lieu of employee contributions payable under section 352.04, subdivision 2, contributions by covered correctional employees shall be in an amount equal to six percent of salary.*

Subd. 2. [EMPLOYER CONTRIBUTIONS.] Beginning with the first full pay period after June 30, 1973, in lieu of employer contributions payable under section 352.04, subdivision 3, the employer shall contribute for covered correctional employees (1) an amount equal to 1½ times the deduction from salaries of covered correctional employees on each payroll abstract, plus (2) an additional amount of five percent of salaries of covered correctional employees on each payroll abstract.

Sec. 36. Minnesota Statutes 1971, Chapter 352, is amended by adding a section to read:

[352.93] [RETIREMENT ANNUITY.] *Subdivision 1. After separation from state service an employee covered under section 34 of this act who has attained the age of at least 55 years and has credit for not less than a total of ten years of covered correctional service and regular Minnesota state retirement system service shall be entitled upon application to a retirement annuity under this section based only on covered correctional employees' service.*

For the purpose of this section, average salary means the average of the monthly salary during the employee's highest five successive years of salary as a correctional employee.

Subd. 2. The monthly annuity under this section shall be determined by multiplying the average monthly salary by the number of years, or completed months, of covered correctional service by

2.5 percent for the first 20 years of correctional service and two percent for each year thereafter; provided however, the monthly annuity shall not exceed 75 percent of the average monthly salary.

Subd. 3. The annuity under this section shall begin to accrue as provided in section 352.115, subdivision 8, and shall be paid for an additional 84 full calendar months and then be reduced to the amount as calculated under section 352.115, except that if this amount, when added to the social security benefit based on state service the employee is eligible to receive at such time, is less than the benefit payable under subdivision 2, the retired employee shall receive an amount that when added to such social security benefit will equal the amount payable under subdivision 2. When an annuity is reduced under this subdivision, the percentage adjustments, if any, that have been applied to the original annuity under Minnesota Statutes, Section 11.25, prior to the reduction, shall be compounded and applied to the reduced annuity.

Subd. 4. A former employee who has both regular and correctional service shall, if qualified, receive an annuity based on both periods of service under applicable sections of law but no period of service shall be used more than once in calculating the annuity.

Subd. 5. Notwithstanding the provisions of subdivision 1 an employee who was in a covered correctional position on July 1, 1973; was employed in a position covered by Minnesota Statutes, Chapter 352, prior to reaching age 60; and was required to retire because of the lowering of the mandatory age, shall be entitled to an annuity under this section even though he does not have ten years of covered service under Minnesota Statutes, Chapter 352.

Subd. 6. This section shall apply to qualified employees who retire on or after July 1, 1973, but the annuity payable hereunder shall not begin to accrue until July 1, 1974.

Sec. 37. Minnesota Statutes 1971, Chapter 352, is amended by adding a section to read:

[352.94] [AUGMENTATION.] *Subdivision 1. An employee who becomes a correctional employee after serving as a regular employee shall be covered under section 352.72, subdivision 2, with respect to the regular service.*

Subd. 2. An employee who becomes a regular employee after serving as a correctional employee shall be covered under section 352.72, subdivision 2, with respect to his correctional service.

Sec. 38. Minnesota Statutes 1971, Chapter 352, is amended by adding a section to read:

[352.95] [DISABILITY BENEFITS.] *An employee who becomes totally and permanently disabled while in a covered correctional position shall have his disability benefit rights determined under section 352.113 except that when such person becomes 55 years of age he shall be deemed to be retired and shall be entitled to receive the benefit provided under section 352.113, subdivision 3, whether or not disabled at such age. An employee who receives a disability benefit shall not be entitled to an annuity under section*

36 of this act, even though otherwise qualified, until reemployed in a covered correctional position for a period of at least one year.

Sec. 39. *Minnesota Statutes 1971, Section 16.02, Subdivision 20a is repealed.*

Sec. 40. *Except as otherwise specifically provided, the effective date of this act is July 1, 1973.*

Further, amend the title by striking it and inserting:

"A bill for an act relating to the operation of the state government; prescribing compensation, retirement and related benefits for certain state officers and employees, and establishing certain compulsory retirement requirements; amending Minnesota Statutes 1971, Sections 43.01, Subdivision 9, and by adding subdivisions; 43.03, Subdivision 3; 43.051; 43.111; 43.12, Subdivisions 2, 2a, 2b, and 3; 43.121, Subdivision 2; 43.122; 43.126, Subdivision 1; 43.24, Subdivision 1; 43.50, Subdivision 1; 299D.03, Subdivision 2; 352.03, Subdivisions 1 and 3; 352.04, Subdivisions 2 and 3; 352.115, Subdivisions 2 and 3, and by adding a subdivision; 352.116, Subdivision 1; 352.118; 352.119, Subdivision 2; 352.12, Subdivision 1; 352.22, Subdivisions 1 and 2; 352.23; 352.27; and Chapter 352, by adding sections; repealing Minnesota Statutes 1971, Section 16.02, Subdivision 20a."

Which motion prevailed. So the amendment was adopted.

Mr. Chenoweth moved to amend H. F. No. 1355, the typewritten bill as amended, as follows:

Page 54, after line 6, insert:

"Sec. 39. Minnesota Statutes 1971, Section 3A.02, Subdivision 1, is amended to read:

3A.02 [RETIREMENT ALLOWANCE.] Subdivision 1. [QUALIFICATIONS.] Any member of the legislature:

(1) Who has served at least eight years or who has served during all or part of four regular sessions as such member of the legislature, which service need not be continuous, but must have been after January 1, 1965 except as hereinafter provided; and

(2) Who attains the age of ~~55~~ 60 years; and

(3) Who has retired as a member of the legislature; and

(4) Who has made all contributions provided for in sections 3A.01 to 3A.10, or who has made payments in lieu of all contributions provided for in sections 3A.01 to 3A.10 as provided for in subdivision 2; shall be entitled upon written application to the state auditor to receive a retirement allowance monthly of 40 percent of his average monthly salary during the period of his service as a member of the legislature since January 1, 1967, beginning with the first day of the month following receipt of such application and for the remainder of his life, provided he is not serving as a member of the legislature or as a constitutional officer or commissioner.

In addition to the amount provided above, the retired member

who meets the qualifications of paragraphs (1), (2), (3), and (4) of this subdivision shall receive for every year of service over 8 years a monthly allowance which equals two and one half percent of the average monthly salary determined pursuant to paragraph (4).

~~This subdivision is applicable to members of the legislature who retire after January 1, 1971, and to any widow or dependent child of any such member who retires after January 1, 1971.~~

"Average salary" means an amount equivalent to the average of the highest legislative salary upon which legislative contributions were paid for any five successive years of legislative service prior to separation from such service.

Sec. 40. Minnesota Statutes 1971, Section 3A.02, Subdivision 1a, is amended to read:

Subd. 1a. [RETIEMENT BEFORE AGE 65.] A member of the legislature who meets the requirements of clauses (1), (3), and (4) of section 3A.02, subdivision 1, may elect to receive a retirement allowance after reaching the age of 60 and before reaching the age of 65 by making application therefor to the state auditor. ~~A retirement allowance to a member of the legislature in accordance with this subdivision shall be discounted at the rate of one-half of one percent per month for each month below the age of 65.~~

Sec. 41. Minnesota Statutes 1971, Section 3A.03, Subdivision 2, is amended to read:

Subd. 2. [REFUNDMENT.] (1) Any person who has made contributions pursuant to subdivision 1 who is no longer a member of the legislature and has less than eight years service as a member of the legislature and is not receiving, has not received, or is not entitled to receive any allowance or benefit under sections 3A.01 to 3A.10 is entitled to receive upon application to the state auditor a refundment of all contributions credited to his account by the state treasurer ~~without~~ *plus interest thereon at the rate of five percent per annum compounded annually from the date the contributions were credited.* The moneys required for such refundments are appropriated annually to the state auditor from the general fund in the state treasury.

(2) The refundment of contributions as provided in clause (1) above terminates all rights of a former member of the legislature or his survivors under sections 3A.01 to 3A.10. Should the former member of the legislature again be a member of the legislature after having taken a refundment as provided above, he shall be considered a new member. However, such new member may receive credit for the services rendered as a prior member of the legislature providing he complies with the requirements of section 3A.02, subdivision 2, and in addition thereto, pays interest at the rate of five percent per annum on the amount of his prior refundment, which he repays.

Sec. 42. Minnesota Statutes 1971, Chapter 3A is amended by adding a section to read:

[3A.11] [PARTICIPATION IN MINNESOTA ADJUSTABLE FIXED BENEFIT FUND.]

Subdivision 1. The reserves necessary to fund the benefits granted under this chapter to retired legislators and legislators retiring in the future, shall be transferred by the state auditor to the Minnesota adjustable fixed benefit fund as of June 30, 1973, or as of the date benefits begin to accrue, whichever is later, in accord with section 11.25 as amended. The amount of the transfer made hereunder shall be determined by an approved actuary as defined in section 352.01, subdivision 15, in accord with appropriate mortality table using an interest assumption of five percent.

Subd. 2. Annuities and benefits shall be adjusted in accord with the provisions of section 11.25 as amended.

Subd. 3. There is herein appropriated from general revenue monies sufficient to fund the reserves required by this section.

Subd. 4. Notwithstanding section 356.18 increases in benefit payments pursuant to this section will be made automatically unless the intended recipient files written notice with the auditor requesting that the increase shall not be made."

Renumber the sections in sequence

Amend the title as follows:

Line 8, after "Sections" insert 3A.02, Subdivision 1 and 1a; 3A.03, Subdivision 2;"

Line 22, after "352.27;" insert "Chapter 3A, by adding a section;"

Which motion prevailed. So the amendment was adopted.

H. F. No. 1355 was read the third time, as amended, and placed on its final passage.

The question being taken on the passage of the bill, as amended,

And the roll being called, there were yeas 65 and nays 1, as follows:

Those who voted in the affirmative were:

Anderson	Davies	Keefe, S.	Nelson	Purfeerst
Arnold	Doty	Kirchner	North	Renneke
Ashbach	Dunn	Kleinbaum	Novak	Schaaf
Bang	Fitzsimons	Knutson	Ogdahl	Schrom
Berg	Frederick	Kowalczyk	Olhoff	Solon
Bernhagen	Gearly	Krieger	Olson, A. G.	Spear
Blatz	Hansen, Baldy	Larson	Olson, H. D.	Stassen
Borden	Hanson, R.	Laufenburger	Olson, J. L.	Stokowski
Brown	Hughes	Lewis	O'Neill	Tennessen
Chenoweth	Humphrey	Lord	Patton	Thorup
Chmielewski	Jensen	McCutcheon	Perpich, A. J.	Ueland
Coleman	Josefson	Milton	Perpich, G.	Wegener
Conzemius	Keefe, J.	Moe	Pillsbury	Willet

Mr. Hansen, Mel voted in the negative.

So the bill, as amended, passed and its title was agreed to.

SPECIAL ORDER

Pursuant to Rule 10, Mr. Novak moved that S. F. No. 2115, No. 199 on the General Orders Calendar be designated as a special order to be heard immediately. Which motion prevailed.

S. F. No. 2115: A bill for an act relating to the establishment of a power plant site and transmission line route selection authority in the environmental quality council; appropriating money; providing penalties.

Mr. Lewis moved to amend S. F. No. 2115, as follows:

Page 4, line 20, strike "A transmission line corridor"

Page 4, line 21, strike "shall not be less than one mile in width."

Which motion prevailed. So the amendment was adopted.

Mr. Nelson moved to amend S. F. No. 2115, the printed bill, as follows:

On page 12, line 18, after "time." add "The council shall also be subject to section 471.705."

Which motion prevailed. So the amendment was adopted.

S. F. No. 2115 was read the third time, as amended, and placed on its final passage.

The question being taken on the passage of the bill, as amended,

And the roll being called, there were yeas 59 and nays 1, as follows:

Those who voted in the affirmative were:

Anderson	Doty	Kirchner	North	Schaaf
Arnold	Dunn	Kleinbaum	Ogdahl	Schrom
Ashbach	Fitzsimons	Kowalczyk	Olhoft	Sillers
Bang	Frederick	Krieger	Olson, A. G.	Solon
Berg	Gearty	Larson	Olson, H. D.	Spear
Bernhagen	Hansen, Baldy	Laufenburger	Olson, J. L.	Stassen
Blatz	Hansen, Mel	Lewis	O'Neill	Stokowski
Borden	Hughes	Lord	Patton	Tennessen
Brown	Humphrey	McCutcheon	Perpich, A. J.	Thorup
Chenoweth	Jensen	Milton	Perpich, G.	Wegener
Coleman	Keefe, J.	Moe	Pillsbury	Willett
Conzemius	Keefe, S.	Nelson	Purfeerst	

Mr. Renneke voted in the negative.

So the bill, as amended, passed and its title was agreed to.

SPECIAL ORDER

Pursuant to Rule 10, Mr. Novak moved that S. F. No. 2047, No. 227 on the General Orders Calendar be designated as a special order to be heard immediately. Which motion prevailed.

S. F. No. 2047: A bill for an act relating to state government; establishing salaries for certain unclassified employees in the executive and judicial branch of government; amending Minnesota Statutes 1971, Sections 15A.081; 15A.083; 15A.084; 15A.085; and 15A.101.

Mr. Keefe, J. moved to amend S. F. No. 2047 as follows:

Page 3, line 20, reinstate the stricken language and strike the new language, and in the second column insert "49,000"

CALL OF THE SENATE

Mr. Gearty imposed a call of the Senate. The following Senators answered to their names:

Anderson	Fitzsimons	Kleinbaum	Olhoft	Spear
Bang	Frederick	Knutson	Olson, H. D.	Stassen
Berg	Gearty	Kowalczyk	O'Neill	Stokowski
Bernhagen	Hansen, Baldy	Larson	Patton	Tennessen
Blatz	Hansen, Mel	Lewis	Perpich, A. J.	Thorup
Borden	Hanson, R.	Lord	Perpich, G.	Ueland
Brown	Humphrey	McCutcheon	Pillsbury	Wegener
Chenoweth	Jensen	Milton	Renneke	Willet
Chmielewski	Josefson	Moe	Schaaf	
Coleman	Keefe, J.	Nelson	Schrom	
Doty	Keefe, S.	North	Sillers	
Dunn	Kirchner	Novak	Solon	

The Sergeant-at-Arms was instructed to bring in the absent members.

Mr. Gearty moved that those not voting be excused from voting. Which motion prevailed.

The question being taken on adoption of the amendment,

And the roll being called, there were yeas 8 and nays 53, as follows:

Those who voted in the affirmative were:

Bang	Brown	Hansen, Mel	Kowalczyk	Nelson
Bernhagen	Hansen, Baldy	Keefe, J.		

Those who voted in the negative were:

Anderson	Dunn	Krieger	Olson, H. D.	Solon
Arnold	Fitzsimons	Larson	Olson, J. L.	Spear
Ashbach	Frederick	Laufenburger	O'Neill	Stassen
Berg	Gearty	Lewis	Patton	Stokowski
Blatz	Hughes	McCutcheon	Perpich, A. J.	Tennessen
Borden	Humphrey	Milton	Perpich, G.	Thorup
Chenoweth	Josefson	Moe	Pillsbury	Ueland
Chmielewski	Keefe, S.	North	Renneke	Wegener
Coleman	Kirchner	Novak	Schaaf	Willet
Conzemius	Kleinbaum	Ogdahl	Schrom	
Davies	Knutson	Olhoft	Sillers	

Which motion did not prevail. So the amendment was not adopted.

Mr. Willet moved to amend S. F. No. 2047, as follows:

Page 3, line 20, strike the new language and reinstate the old language

The question being taken on adoption of the amendment,

And the roll being called, there were yeas 18 and nays 37, as follows:

Those who voted in the affirmative were:

Bang	Frederick	Keefe, J.	Nelson	Schrom
Bernhagen	Hansen, Baldy	Kirchner	O'Neill	Willet
Brown	Hanson, R.	Knutson	Patton	
Dunn	Josefson	Kowalczyk	Renneke	

Those who voted in the negative were:

Anderson	Blatz	Coleman	Fitzsimons	Humphrey
Ashbach	Borden	Conzemius	Gearty	Keefe, S.
Berg	Chenoweth	Doty	Hansen, Mel	Kleinbaum

Larson	North	Perpich, G.	Spear	Ueland
Laufenburger	Novak	Pillsbury	Stassen	Wegener
Lewis	Ogdahl	Schaaf	Stokowski	
Lord	Olhoft	Sillers	Tennessen	
McCutcheon	Perpich, A. J.	Solon	Thorup	

Which motion did not prevail. So the amendment was not adopted.

Mr. Ashbach moved to amend S. F. No. 2047, as follows:

Page 2, line 23, strike "20,700 22,800" and insert "23,500 25,900"

Page 2, line 24, strike "20,700 22,800" and insert "23,500 25,900"

Which motion prevailed. So the amendment was adopted.

Mr. Ashbach then moved to amend S. F. No. 2047, as follows:

Page 2, line 14, strike "23,500" and insert "25,000"

Page 6, line 24, strike "21,000" and insert "25,000"

Page 8, line 3, strike "21,000" and insert "25,000"

Which motion prevailed. So the amendment was adopted.

Mr. Nelson moved to amend S. F. No. 2047, as follows:

Page 6, line 16, strike "23,100"

Page 6, strike lines 17 and 18

The question being taken on adoption of the amendment,

And the roll being called, there were yeas 13 and nays 39, as follows:

Those who voted in the affirmative were:

Bang	Brown	Knutson	O'Neill	Ueland
Bernhagen	Hansen, Mel	Kowalczyk	Pillsbury	
Blatz	Josefson	Nelson	Sillers	

Those who voted in the negative were:

Anderson	Dunn	Larson	Olson, A. G.	Solon
Berg	Fitzsimons	Laufenburger	Olson, H. D.	Spear
Borden	Gearty	Lewis	Patton	Stokowski
Chenoweth	Hansen, Baldy	Lord	Perpich, A. J.	Tennessen
Chmielewski	Hanson, R.	Milton	Perpich, G.	Thorup
Coleman	Humphrey	North	Renneke	Wegener
Conzemius	Keefe, S.	Novak	Schaaf	Willett
Doty	Kleinbaum	Olhoft	Schrom	

Which motion did not prevail. So the amendment was not adopted.

Mr. Nelson moved to amend S. F. No. 2047, as follows:

Page 6, line 16, strike "21,000" and insert "23,000"

Page 6, lines 16 through 18, strike the new language

The question being taken on adoption of the amendment,

And the roll being called, there were yeas 21 and nays 31, as follows:

Those who voted in the affirmative were:

Bang	Frederick	Knutson	Patton	Ueland
Bernhagen	Hansen, Mel	Kowalczyk	Pillsbury	
Blatz	Jensen	Krieger	Renneke	
Brown	Keefe, J.	Nelson	Sillers	
Fitzsimons	Kirchner	O'Neill	Stassen	

Those who voted in the negative were:

Anderson	Hansen, Baldy	Lord	Perpich, A. J.	Thorup
Berg	Hanson, R.	Milton	Perpich, G.	Wegener
Borden	Humphrey	North	Schaaf	Willet
Chmielewski	Keefe, S.	Novak	Solon	
Coleman	Kleinbaum	Olhoff	Spear	
Conzemius	Laufenburger	Olson, A. G.	Stokowski	
Gearty	Lewis	Olson, H. D.	Tennessen	

Which motion did not prevail. So the amendment was not adopted.

S. F. No. 2047 was read the third time, as amended, and placed on its final passage.

The question being taken on the passage of the bill, as amended,

Mr. Coleman moved that those not voting be excused from voting. Which motion prevailed.

And the roll being called, there were yeas 41 and nays 24, as follows:

Those who voted in the affirmative were:

Anderson	Doty	Laufenburger	O'Neill	Stokowski
Arnold	Fitzsimons	Lewis	Perpich, A. J.	Tennessen
Ashbach	Gearty	Lord	Perpich, G.	Thorup
Blatz	Hansen, Mel	McCutcheon	Pillsbury	Ueland
Borden	Hughes	Milton	Schaaf	Wegener
Chenoweth	Humphrey	Moe	Sillers	
Coleman	Keefe, S.	North	Solon	
Conzemius	Kirchner	Novak	Spear	
Davies	Kleinbaum	Ogdahl	Stassen	

Those who voted in the negative were:

Bang	Dunn	Josefson	Nelson	Patton
Berg	Frederick	Keefe, J.	Olhoff	Renneke
Bernhagen	Hansen, Baldy	Knutson	Olson, A. G.	Schrom
Brown	Hanson, R.	Kowalczyk	Olson, H. D.	Willet
Chmielewski	Jensen	Larson	Olson, J. L.	

So the bill, as amended, passed and its title was agreed to.

Mr. Ogdahl moved that the vote whereby S. F. No. 1246 was passed by the Senate on May 10, 1973 be now reconsidered.

CALL OF THE SENATE

Mr. Brown imposed a call of the Senate. The following Senators answered to their names:

Anderson	Borden	Dunn	Hughes	Knutson
Arnold	Brown	Fitzsimons	Humphrey	Kowalczyk
Ashbach	Chmielewski	Frederick	Jensen	Krieger
Bang	Coleman	Gearty	Keefe, J.	Larson
Berg	Conzemius	Hansen, Baldy	Keefe, S.	Laufenburger
Bernhagen	Davies	Hansen, Mel	Kirchner	Lewis
Blatz	Doty	Hanson, R.	Kleinbaum	Lord

McCutcheon	Ogdahl	Patton	Schrom	Tennessen
Milton	Olhoft	Perpich, A. J.	Sillers	Thorup
Moe	Olson, A. G.	Perpich, G.	Solon	Ueland
Nelson	Olson, H. D.	Pillsbury	Spear	Wegener
North	Olson, J. L.	Renneke	Stassen	Willet
Novak	O'Neill	Schaaf	Stokowski	

The Sergeant-at-Arms was instructed to bring in the absent members.

The question being taken on adoption of the motion of Mr. Ogdahl,

Mr. Coleman moved that those not voting be excused from voting. Which motion prevailed.

And the roll being called, there were yeas 31 and nays 35, as follows:

Those who voted in the affirmative were:

Ashbach	Fitzsimons	Keefe, J.	Nelson	Sillers
Bang	Frederick	Kirchner	Ogdahl	Stassen
Berg	Hansen, Baldy	Knutson	Olson, J. L.	Ueland
Bernhagen	Hansen, Mel	Kowalczyk	O'Neill	
Blatz	Hanson, R.	Krieger	Patton	
Brown	Jensen	Larson	Pillsbury	
Dunn	Josefson	McCutcheon	Renneke	

Those who voted in the negative were:

Anderson	Davies	Laufenburger	Olhoft	Solon
Arnold	Doty	Lewis	Olson, A. G.	Spear
Borden	Gearty	Lord	Olson, H. D.	Stokowski
Chenoweth	Hughes	Milton	Perpich, A. J.	Tennessen
Chmielewski	Humphrey	Moe	Perpich, G.	Thorup
Coleman	Keefe, S.	North	Schaaf	Wegener
Conzemius	Kleinbaum	Novak	Schrom	Willet

Which motion did not prevail. So the vote was not reconsidered.

RECESS

Mr. Coleman moved that the Senate do now recess until 2:30 o'clock p. m. Which motion prevailed.

The hour of 2:30 o'clock p. m. having arrived, the President called the Senate to order.

CALL OF THE SENATE

Mr. Coleman imposed a call of the Senate. The following Senators answered to their names:

Anderson	Gearty	Larson	Olson, A. G.	Spear
Berg	Hansen, Baldy	Lewis	Olson, H. D.	Stassen
Blatz	Hansen, Mel	Lord	Patton	Stokowski
Borden	Humphrey	McCutcheon	Perpich, A. J.	Tennessen
Chenoweth	Keefe, S.	Moe	Perpich, G.	Thorup
Coleman	Kirchner	North	Pillsbury	Wegener
Conzemius	Kleinbaum	Novak	Renneke	Willet
Doty	Kowalczyk	Olhoft	Schaaf	

The Sergeant-at-Arms was instructed to bring in the absent members.

SUSPENSION OF RULES

Mr. Coleman moved that an urgency be declared within the meaning of Article IV, Section 20, of the Constitution of Minnesota, with respect to H. F. No. 2121 and that the rules of the Senate be so far suspended as to give H. F. No. 2121 now on General Orders its third reading and placed on final passage. Which motion prevailed.

RECESS

Mr. Coleman moved that the Senate do now recess subject to the call of the President. Which motion prevailed.

After a brief recess, the President called the Senate to order.

The question recurred on H. F. No. 2121

H. F. No. 2121: A bill for an act relating to taxation; providing for imposition of certain excise and ad valorem taxes; distribution of revenue derived; appropriating money; amending Minnesota Statutes 1971, Sections 273.13, Subdivisions 6 and 7; 290.982; 290.983, Subdivision 1; 290.99; 290.081; 297A.25, Subdivision 1; 290.361, Subdivision 4; 297.13, Subdivision 1; 340.60, Subdivision 1; 273.41; 287.12; 291.33, Subdivision 2; 124.03, Subdivision 3; 290.17; 290.19, Subdivision 1 and by adding a subdivision; 272.03, Subdivision 1; 290.0604; 290.06, Subdivision 1; 477A.01, Subdivisions 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 13, 14, 16, and 17; 290.0601, Subdivisions 6 and 9; 290.061; 275.50, Subdivisions 2, 4, and 5; 275.51, Subdivisions 1, 2, 3, 4, and by adding a subdivision; 275.52, Subdivisions 2 and 3; 275.53, Subdivisions 1, and 3; 275.55; 414.01, by adding a subdivision; 124.212, Subdivision 3; 272.04, Subdivision 1; 273.13, by adding a subdivision; 93.52, Subdivision 2; 93.55; 93.58; 60A.15, Subdivision 1; 273.134; 245.77; 261.04, Subdivision 1; 261.063; 275.09, Subdivision 3; 376.424; 393.01, Subdivision 3; 393.07, Subdivision 2; 393.08, Subdivision 1; Chapters 272, by adding a section; 273, 275, and 290, by adding sections; repealing Minnesota Statutes 1971, Sections 93.53; 93.54; 93.56; 93.57; 245.46; 261.01; 261.02; 261.03; 261.05; 261.06; 261.061; 261.064; 261.065; 261.066; 261.067; 261.07; 261.08; 261.10; 261.11; 261.123; 261.124; 261.125; 261.126; 261.14; 261.141; 261.142; 261.143; 261.26; 290.0607; 290.0617; 297A.252; 297.13, Subdivisions 2, 3, 4, 5, 6, 7, and 8; 297.15; 297.16; 340.60, Subdivisions 2, 3, 4, 5, 6, and 7; and 393.08, Subdivision 2.

Mr. Perpich A. J., moved to amend H. F. No. 2121, the Senate unofficial engrossment, as follows:

On page 16, Article IV, line 4, after “*“non-returnable”*”)” and before “*when*” insert the following: “*except beverage containers of a type, determined by the commissioner of taxation, to be used for packaging or bottling beverage utilized principally by babies*”

CALL OF THE SENATE

Mr. Coleman imposed a call of the Senate on H. F. No. 2121.

The following Senators answered to their names:

Anderson	Dunn	Kleinbaum	Olhoff	Schaaf
Bang	Hansen, Baldy	Kowalczyk	Olson, A. G.	Schrom
Berg	Hansen, Mel	Krieger	O'Neill	Sillers
Bernhagen	Hanson, R.	Larson	Patton	Stassen
Blatz	Humphrey	Lewis	Perpich, A. J.	Stokowski
Brown	Jensen	Lord	Perpich, G.	Tennessen
Chmielewski	Keefe, J.	McCutcheon	Pillsbury	Thorup
Coleman	Keefe, S.	Nelson	Purfeerst	Ueland
Conzemius	Kirchner	Ogdahl	Renneke	Wegener

The Sergeant-at-Arms was instructed to bring in the absent members.

The question recurred on the adoption of the amendment,

Which motion prevailed. So the amendment was adopted.

Mr. O'Neill moved to amend H. F. No. 2121, the unofficial engrossment, as follows:

Page 49, line 26, after the word "*before*" strike the balance of the line; strike all of lines 27 and 28 and insert in lieu thereof the following:

"any reduction in tax levy enacted by the governing body of such county pursuant to Public Law 92-512 as certified to the commissioner of taxation by said county and before the reduction pursuant to Minnesota Statutes 1971, 477A.02, clause (c)."

Which motion prevailed. So the amendment was adopted.

Mr. Blatz moved to amend H. F. No. 2121, the Senate unofficial engrossment, as follows:

Strike Articles I, II, III, V, VI, VII, VIII, IX, X, XXIII, XXIV and XXV.

Further, amend Article XVII as follows:

Page 42, line 25, strike "\$35" and insert in lieu thereof "\$45"

Page 42, line 27, strike "\$36" and insert in lieu thereof "\$46"

Page 47, line 24, strike "\$35" and insert in lieu thereof "\$45"

Page 47, line 26, strike "\$36" and insert in lieu thereof "\$46"

Page 48, line 5, strike "\$35" and insert in lieu thereof "\$45"

Page 48, line 7, strike "\$36" and insert in lieu thereof "\$46"

Page 49, line 8, strike "\$35" and insert in lieu thereof "\$45"

Page 50, line 3, strike "\$36" and insert in lieu thereof "\$46"

Further amend by adding a new article to read as follows:

"Section 1. Minnesota Statutes 1971, Section 273.13, Subdivision 7 is amended to read:

Subd. 7. [CLASS 3c, 3cc.] All other real estate and class 2a property, except as provided by classes 1 and 3cc, which is used for the purpose of a homestead, shall constitute class 3c, and shall be valued and assessed at 25 percent of the market value thereof. The property tax to be paid on class 3c property as otherwise determined by law, regardless

of whether or not the market value is in excess of \$12,000, for all purposes except the payment of principal or interest on bonded indebtedness, shall be reduced by 35 percent of the amount of such tax; provided that the amount of said reduction shall not exceed \$250. If the market value is in excess of the sum of \$12,000, the amount in excess of that sum shall be valued and assessed at $40\frac{33}{100}$ percent of market value. The first \$12,000 market value of each tract of such real estate used for the purposes of a homestead shall be exempt from taxation for state purposes; except as specifically provided otherwise by law. All real estate which is used for the purposes of a homestead by any blind person, as defined by section 256.12; or by any person (hereinafter referred to as veteran) who served in the active military or naval service of the United States and who is entitled to compensation under the laws and regulations of the United States for permanent and total service-connected disability due to the loss, or loss of use, by reason of amputation, ankylosis, progressive muscular dystrophies, or paralysis, of both lower extremities, such as to preclude motion without the aid of braces, crutches, canes, or wheel chair, and who with assistance by the administration of veterans affairs has acquired a special housing unit with special fixtures or movable facilities made necessary by the nature of the veteran's disability, shall constitute class 3cc property and shall be valued and assessed at five percent of the market value thereof. The property tax to be paid on class 3cc property as otherwise determined by law, regardless of whether or not the market value is in excess of \$12,000, for all purposes except the payment of principal or interest on bonded indebtedness, shall be reduced by 35 percent of the amount of such tax; provided that the amount of said reduction shall not exceed \$250. If the market value is in excess of the sum of \$24,000, the amount in excess of that sum shall be valued and assessed at $33\frac{1}{3}$ percent in the case of agricultural land used for a homestead and $40\frac{33}{100}$ percent in the case of all other real estate used for a homestead.

Sec. 2. Minnesota Statutes 1971, Section 273.13, Subdivision 19 is amended to read:

Subd. 19. [CLASS 3d.] Residential real estate, other than seasonal residential, recreational and homesteads shall be classified as class 3d property and shall have a taxable value equal to $40\frac{33}{100}$ percent of market value. Residential real estate as used herein means real property used or held for use by the owner thereof, or by his tenants or lessees as a residence for rental periods of 30 days or more, but shall not include homesteads, or real estate devoted to temporary or seasonal residential occupancy for recreational purposes. Where a portion of a parcel of property qualified for class 3d and a portion does not qualify for class 3d the valuation shall be apportioned according to the respective uses.

Sec. 3. Minnesota Statutes 1971, Section 273.13, Subdivision 6, is amended to read:

Subd. 6. [CLASS 3b.] Agricultural land, except as provided by class 1 hereof, and which is used for the purposes of a homestead, shall constitute class 3b and shall be valued and assessed at 20 percent of the market value thereof. The property tax to be paid on class 3b property as otherwise determined by law not exceeding 80 160 acres, regardless of whether or not the market value is in excess of \$12,000, for all purposes except the payment of principal and interest on bonded indebt-

edness, shall be reduced by 35 percent of the tax; provided that the amount of said reduction shall not exceed \$250. Valuation subject to relief shall be limited to 30 160 acres of land, most contiguous surrounding, or bordering the house occupied by the owner as his dwelling place, and, such other structures as may be included thereon utilized by the owner in an agricultural pursuit. If the market value is in excess of the sum of \$12,000, the amount in excess of that sum shall be valued and assessed as provided for by class 3. The first \$12,000 market value of each tract of real estate which is rural in character and devoted or adaptable to rural but not necessarily agricultural use used for the purpose of a homestead shall be exempt from taxation for state purposes; except as specifically provided otherwise by law.

Agricultural land as used herein, and in section 124.03, shall mean contiguous acreage of ten acres or more, primarily used during the preceding year for agricultural purposes. Agricultural use may include pasture, timber, waste, unuseable wild land and land included in federal farm programs.

Real estate of less than ten acres used principally for raising poultry, livestock, fruit, vegetables or other agricultural products, shall be considered as agricultural land, if it is not used primarily for residential purposes.

Sec. 4. This article is effective for taxes assessed in the year 1973 and payable in 1974 and subsequent years."

Further amend by renumbering the articles and amending the title accordingly.

The question being taken on the adoption of the amendment,

Mr. Coleman moved that those not voting be excused from voting.

And the roll being called, there were yeas 28 and nays 36, as follows:

Those who voted in the affirmative were:

Ashbach	Dunn	Josefson	Larson	Renneke
Bang	Fitzsimons	Keefe, J.	Nelson	Sillers
Berg	Frederick	Kirchner	Ogdahl	Stassen
Bernhagen	Hansen, Mel	Knutson	Olson, J. L.	Ueland
Blatz	Hanson, R.	Kowalczyk	O'Neill	
Brown	Jensen	Krieger	Pillsbury	

Those who voted in the negative were:

Anderson	Doty	Lord	Perpich, A. J.	Tennessen
Arnold	Gearty	McCutcheon	Perpich, G.	Thorup
Borden	Hughes	Milton	Purfeerst	Wegener
Chenoweth	Humphrey	Moe	Schaaf	Willet
Chmielewski	Keefe, S.	North	Schrom	
Coleman	Kleinbaum	Novak	Solon	
Conzemius	Laufenburger	Olhoff	Spear	
Davies	Lewis	Olson, A. G.	Stokowski	

Which motion did not prevail. So the amendment was not adopted.

Mr. Sillers moved to amend H. F. No. 2121, the Senate unofficial engrossment, as follows:

Pages 6 through 8, delete all of Article III

Renumber the Articles

Amend the title as follows:

Line 8, strike "290.081;"

The question being taken on the adoption of the amendment,

Mr. Coleman moved that those not voting be excused from voting.

The question being taken on the adoption of the motion of Mr. Coleman,

And the roll being called, there were yeas 37 and nays 27, as follows:

Those who voted in the affirmative were:

Anderson	Gearty	Lewis	Olson, H. D.	Stokowski
Arnold	Hansen, Baldy	Lord	Perpich, A. J.	Tennessen
Borden	Hughes	McCutcheon	Perpich, G.	Thorup
Chenoweth	Humphrey	Milton	Purfeerst	Wegener
Chmielewski	Jensen	North	Schaaf	Willet
Coleman	Keefe, S.	Novak	Schrom	
Conzemius	Kleinbaum	Olhoft	Solon	
Davies	Laufenburger	Olson, A. G.	Spear	

Those who voted in the negative were:

Ashbach	Dunn	Kirchner	Ogdahl	Sillers
Bang	Fitzsimons	Knutson	Olson, J. L.	Stassen
Berg	Frederick	Kowalczyk	O'Neill	Ueland
Bernhagen	Hansen, Mel	Krieger	Patton	
Blatz	Hanson, R.	Larson	Pillsbury	
Brown	Keefe, J.	Nelson	Renneke	

Which motion prevailed.

The question recurring on the adoption of the amendment of Mr. Sillers,

And the roll being called, there were yeas 28 and nays 34, as follows:

Those who voted in the affirmative were:

Ashbach	Dunn	Kirchner	Nelson	Renneke
Bang	Fitzsimons	Knutson	Ogdahl	Sillers
Berg	Frederick	Kowalczyk	Olson, J. L.	Stassen
Bernhagen	Hansen, Mel	Krieger	O'Neill	Ueland
Blatz	Hanson, R.	Larson	Patton	
Brown	Keefe, J.	McCutcheon	Pillsbury	

Those who voted in the negative were:

Anderson	Davies	Lewis	Olson, H. D.	Spear
Arnold	Gearty	Lord	Perpich, A. J.	Stokowski
Borden	Hansen, Baldy	Milton	Perpich, G.	Tennessen
Chenoweth	Hughes	North	Purfeerst	Thorup
Chmielewski	Humphrey	Novak	Schaaf	Wegener
Coleman	Keefe, S.	Olhoft	Schrom	Willet
Conzemius	Kleinbaum	Olson, A. G.	Solon	

Which motion did not prevail. So the amendment was not adopted.

Mr. Bang moved to amend H. F. No. 2121, the Senate unofficial engrossment, as follows:

Page 129, after line 28, insert:

"ARTICLE XXVII

Section 1. Minnesota Statutes 1971, Section 33.10, is repealed, effective January 1, 1974."

The question being taken on adoption of the amendment,

And the roll being called, there were yeas 27 and nays 34, as follows:

Those who voted in the affirmative were:

Ashbach	Hansen, Baldy	Knutson	Ogdahl	Sillers
Bang	Hansen, Mel	Kowalczyk	O'Neill	Stassen
Bernhagen	Hanson, R.	Krieger	Patton	Ueland
Blatz	Jensen	Larson	Pillsbury	
Brown	Keefe, J.	McCutcheon	Purfeerst	
Frederick	Kirchner	Nelson	Renneke	

Those who voted in the negative were:

Anderson	Davies	Kleinbaum	Olhoft	Solon
Arnold	Doty	Laufenburger	Olson, A. G.	Spear
Berg	Dunn	Lewis	Olson, H. D.	Stokowski
Borden	Gearty	Lord	Perpich, A. J.	Tennessen
Chmielewski	Hughes	Milton	Perpich, G.	Thorup
Coleman	Humphrey	Moe	Schaaf	Wegener
Conzemius	Keefe, S.	Novak	Schrom	

Which motion did not prevail. So the amendment was not adopted.

Mr. Kowalczyk moved to amend H. F. No. 2121, the Senate unofficial engrossment, as follows:

Page 52, line 16, after "census" insert:

" , except that in the territory referred to in subdivisions 7 and 8, the population used will be based on the population estimate of said territory made by the metropolitan council for the most current year,"

The question being taken on adoption of the amendment,

And the roll being called, there were yeas 21 and nays 37, as follows:

Those who voted in the affirmative were:

Ashbach	Frederick	Kowalczyk	Patton	Ueland
Bang	Hanson, R.	Krieger	Pillsbury	
Bernhagen	Jensen	Larson	Renneke	
Blatz	Keefe, J.	Nelson	Sillers	
Brown	Knutson	Olson, J. L.	Stassen	

Those who voted in the negative were:

Arnold	Dunn	Lewis	Olson, H. D.	Spear
Berg	Gearty	Lord	O'Neill	Stokowski
Borden	Hansen, Baldy	McCutcheon	Perpich, A. J.	Tennessen
Chmielewski	Hughes	Milton	Perpich, G.	Thorup
Coleman	Humphrey	Moe	Purfeerst	Wegener
Conzemius	Keefe, S.	Novak	Schaaf	
Davies	Kleinbaum	Olhoft	Schrom	
Doty	Laufenburger	Olson, A. G.	Solon	

Which motion did not prevail. So the amendment was not adopted.

Mr. Larson moved to amend H. F. No. 2121, the Senate unofficial engrossment, as follows:

Page 129, after line 28, insert a new article to read as follows:

“ARTICLE XXVII

Section 1. Minnesota Statutes 1971, Chapter 340.47, Subdivision 1, is amended, to read:

340.47 [EXCISE TAX.] Subdivision 1. [ON INTOXICATING LIQUORS.] There shall be levied and collected on all intoxicating liquors manufactured, imported, sold or in possession of any person in this state, except as herein provided by sections 340.50 and 340.601, and except the natural fermentation of fruit juices in the home for family use the following excise tax:

- (1) On all unfortified wines, the sum of 27 cents per gallon;
- (2) On all fortified wines from 14 to 21 percent of alcohol by volume, the sum of ~~70~~ 60 cents per gallon;
- (3) On all fortified wines from 21 to 24 percent of alcohol by volume, the sum of ~~\$1.58~~ \$1.40 per gallon;
- (4) On all fortified wines containing more than 24 percent of alcohol by volume, the sum of ~~\$3.08~~ \$2.75 per gallon;
- (5) On all natural and artificial sparkling wines containing alcohol, the sum of ~~\$3.08~~ \$2.75 per gallon;
- (6) On all other distilled spirituous liquors, liqueurs, cordials, and liquors designated as specialties regardless of alcoholic content, the sum of ~~\$4.63~~ \$4.10 per gallon, but not including ethyl alcohol; provided, that in computing the tax on any package of spirits a proportional tax at a like rate on all fractional parts of a gallon shall be paid except that all fractional parts of a gallon less than one-sixteenth shall be taxed at the same rate as shall be taxed for one-sixteenth of a gallon; provided, however, that the contents of miniatures containing two fluid ounces or less shall be taxed ~~12~~ 10 cents.”

The question being taken on adoption of the amendment,

And the roll being called, there were yeas 21 and nays 34, as follows:

Those who voted in the affirmative were:

Ashbach	Frederick	Krieger	O'Neill	Ueland
Bang	Hansen, Mel	Larson	Patton	
Berg	Hanson, R.	McCutcheon	Pillsbury	
Blatz	Knutson	Nelson	Purfeerst	
Brown	Kowalczyk	Ogdahl	Sillers	

Those who voted in the negative were:

Anderson	Davies	Keefe, S.	Olhoft	Solon
Arnold	Doty	Kirchner	Olson, A. G.	Spear
Bernhagen	Dunn	Laufenburger	Olson, H. D.	Stokowski
Borden	Gearty	Lord	Perpich, A. J.	Tennessen
Chmielewski	Hansen, Baldy	Milton	Perpich, G.	Thorup
Coleman	Hughes	Moe	Renneke	Wegener
Conzemius	Humphrey	North	Schaaf	

Which motion did not prevail. So the amendment was not adopted.

Mr. O'Neill moved to amend H. F. No. 2121, the unofficial engrossment, as follows:

Strike Article XXIV in its entirety and renumber the remaining articles accordingly.

The question being taken on the adoption of the amendment,

Mr. O'Neill moved that those not voting be excused from voting. Which motion prevailed.

And the roll being called, there were yeas 29 and nays 31, as follows:

Those who voted in the affirmative were:

Ashbach	Chmielewski	Jensen	McCutcheon	Pillsbury
Bang	Doty	Keefe, J.	Nelson	Renneke
Berg	Dunn	Knutson	Ogdahl	Sillers
Bernhagen	Frederick	Kowalczyk	Olson, J. L.	Stassen
Blatz	Hansen, Mel	Krieger	O'Neill	Ueland
Brown	Hanson, R.	Larson	Patton	

Those who voted in the negative were:

Anderson	Hansen, Baldy	Lord	Perpich, A. J.	Stokowski
Arnold	Hughes	Milton	Perpich, G.	Thorup
Borden	Humphrey	Moe	Purfeerst	Wegener
Coleman	Keefe, S.	North	SchAAF	
Conzemius	Kirchner	Olhoff	Schrom	
Davies	Laufenburger	Olson, A. G.	Solon	
Gearty	Lewis	Olson, H. D.	Spear	

Which motion did not prevail. So the amendment was not adopted.

Mr. Bang moved to amend H. F. No. 2121, the Senate unofficial engrossment, as follows:

Page 129, after line 28, insert an additional article to read as follows:

"ARTICLE XXVII

Section 1. Minnesota Statutes, Section 33.10 is amended to read:

33.10 [TAX ON OLEOMARGARINE.] There is hereby imposed, levied, and assessed an inspection fee and excise tax of ten cents upon each pound of oleomargarine which: (1) is artificially colored to a shade of yellow which has a tint containing more than one and six-tenths degrees of yellow, or of yellow and red collectively, but with an excess of yellow over red, as measured in terms of the Lovibond tintometer scale, and (2) is sold, offered or exposed for sale, or given or delivered to a consumer. Such fee and tax shall be paid to the commissioner of taxation prior to any such sale, gift, or delivery, except where otherwise provided in cases where tax metering devices are used. *Provided that this fee and excise tax shall be reduced as follows: to eight cents per pound in 1974, to six cents per pound in 1975, to four cents per pound in 1976, to two cents per pound in 1977, and in 1978 and thereafter there shall be no tax levied or assessed under this section upon oleomargarine.*

Sec. 2. *The effective date of this article is January 1, 1974."*

The question being taken on adoption of the amendment,

And the roll being called, there were yeas 29 and nays 33, as follows:

Those who voted in the affirmative were:

Ashbach	Frederick	Kirchner	Nelson	Renneke
Bang	Hansen, Baldy	Knutson	Ogdahl	Sillers
Bernhagen	Hansen, Mel	Kowalczyk	O'Neill	Solon
Blatz	Hanson, R.	Krieger	Patton	Stassen
Brown	Jensen	Larson	Pillsbury	Ueland
Dunn	Keefe, J.	McCutcheon	Purfeerst	

Those who voted in the negative were:

Anderson	Davies	Laufenburger	Olson, A. G.	Spear
Arnold	Doty	Lewis	Olson, H. D.	Stokowski
Berg	Gearty	Lord	Olson, J. L.	Tennessee
Borden	Hughes	Milton	Perpich, A. J.	Thorup
Chmielewski	Humphrey	Moe	Perpich, G.	Wegener
Coleman	Keefe, S.	North	Schaaf	
Conzemius	Kleinbaum	Olhoff	Schrom	

Which motion did not prevail. So the amendment was not adopted.

Mr. O'Neill moved to amend H. F. No. 2121, the Senate unofficial engrossment, as follows:

Pages 16 through 24, strike Articles V, VI, VII, VIII, IX, and X

Pages 44 through 47, strike all of Sections 5 and 6

Page 47, line 24, strike "\$35" and insert "\$32"

Page 47, line 26, strike "\$36" and insert "\$33"

Page 48, line 5, strike "\$35" and insert "\$32"

Page 48, line 7, strike "\$36" and insert "\$33"

Page 49, line 8, strike "\$35" and insert "\$32"

Pages 50 through 52, strike all of Section 14

Pages 86 and 87, strike Article XXI

Amend the title as follows:

Line 9, strike "290.361,"

Strike lines 10 and 11

Line 12, strike everything before "124.03,"

Line 17, strike "5, 6,"

Line 18, strike "16,"

Lines 25 and 26, strike "124.212, Subdivision 3"

Line 43, strike "297.13,"

Strike line 44

Line 45, strike "297.15; 297.16;"

The question being taken on adoption of the amendment,

And the roll being called, there were yeas 30 and nays 37, as follows:

Those who voted in the affirmative were:

Ashbach	Dunn	Josefson	Larson	Patton
Bang	Fitzsimons	Keefe, J.	McCutcheon	Pillsbury
Berg	Frederick	Kirchner	Nelson	Renneke
Bernhagen	Hansen, Mel	Knutson	Ogdahl	Sillers
Blatz	Hanson, R.	Kowalczyk	Olson, J. L.	Stassen
Brown	Jensen	Krieger	O'Neill	Ueland

Those who voted in the negative were:

Anderson	Doty	Lewis	Olson, H. D.	Stokowski
Arnold	Gearty	Lord	Perpich, A. J.	Tennessee
Borden	Hansen, Baldy	Milton	Perpich, G.	Thorup
Chenoweth	Hughes	Moe	Purfeerst	Wegener
Chmielewski	Humphrey	North	Schaaf	Willet
Coleman	Keefe, S.	Novak	Schrom	
Conzemius	Kleinbaum	Olhoff	Solon	
Davies	Laufenburger	Olson, A. G.	Spear	

Which motion did not prevail. So the amendment was not adopted.

Mr. Frederick moved to amend H. F. No. 2121, the unofficial engrossment, as follows:

Page 2, line 6, strike "80" and insert in lieu thereof "160"

Page 2, line 12, strike "80" and insert in lieu thereof "160"

The question being taken on adoption of the amendment,

And the roll being called, there were yeas 29 and nays 31, as follows:

Those who voted in the affirmative were:

Ashbach	Chmielewski	Kirchner	Nelson	Pillsbury
Bang	Dunn	Knutson	Ogdahl	Renneke
Berg	Frederick	Kowalczyk	Olson, H. D.	Sillers
Bernhagen	Hanson, R.	Krieger	Olson, J. L.	Stassen
Blatz	Jensen	Larson	O'Neill	Ueland
Brown	Keefe, J.	Lord	Patton	

Those who voted in the negative were:

Arnold	Hansen, Baldy	McCutcheon	Perpich, G.	Tennessee
Borden	Hughes	Milton	Purfeerst	Thorup
Coleman	Humphrey	Moe	Schaaf	Wegener
Conzemius	Keefe, S.	North	Schrom	
Davies	Kleinbaum	Olhoff	Solon	
Doty	Laufenburger	Olson, A. G.	Spear	
Gearty	Lewis	Perpich, A. J.	Stokowski	

Which motion did not prevail. So the amendment was not adopted.

Mr. Frederick moved to amend H. F. No. 2121, the Senate unofficial engrossment, as follows:

Page 11, lines 21 through 28, strike the new language

Page 12, line 1, strike the new language and insert:

"but shall not include any accessory tools or equipment such as

litho plates and other short lived items which are separate detachable units used in producing a direct effect upon the product."

The question being taken on adoption of the amendment,

And the roll being called, there were yeas 27 and nays 34, as follows:

Those who voted in the affirmative were:

Ashbach	Dunn	Knutson	Ogdahl	Sillers
Bang	Frederick	Kowalczyk	Olson, J. L.	Stassen
Berg	Hansen, Mel	Krieger	O'Neill	Ueland
Bernhagen	Hanson, R.	Larson	Patton	
Blatz	Jensen	McCutcheon	Pillsbury	
Brown	Kirchner	Nelson	Renneke	

Those who voted in the negative were:

Anderson	Gearty	Laufenburger	Olson, A. G.	Solon
Borden	Hansen, Baldy	Lewis	Olson, H. D.	Spear
Chmielewski	Hughes	Lord	Perpich, A. J.	Stokowski
Coleman	Humphrey	Milton	Perpich, G.	Tennessen
Conzemius	Keefe, J.	Moe	Purfeerst	Thorup
Davies	Keefe, S.	North	Schaaf	Wegener
Doty	Kleinbaum	Olhoff	Schrom	

Which motion did not prevail. So the amendment was not adopted.

Mr. Frederick moved to amend H. F. No. 2121, the Senate unofficial engrossment, as follows:

Page 12, line 7, strike "(except paper or ink products)"

The question being taken on adoption of the amendment,

And the roll being called, there were yeas 29 and nays 32, as follows:

Those who voted in the affirmative were:

Ashbach	Chmielewski	Kirchner	Nelson	Renneke
Bang	Dunn	Knutson	Ogdahl	Schrom
Berg	Frederick	Kowalczyk	Olson, J. L.	Sillers
Bernhagen	Hansen, Mel	Krieger	O'Neill	Stassen
Blatz	Hanson, R.	Larson	Patton	Ueland
Brown	Jensen	McCutcheon	Pillsbury	

Those who voted in the negative were:

Arnold	Hansen, Baldy	Lewis	Olson, H. D.	Stokowski
Borden	Hughes	Lord	Perpich, A. J.	Tennessen
Coleman	Humphrey	Milton	Perpich, G.	Thorup
Conzemius	Keefe, J.	Moe	Purfeerst	Wegener
Davies	Keefe, S.	North	Schaaf	
Doty	Kleinbaum	Olhoff	Solon	
Gearty	Laufenburger	Olson, A. G.	Spear	

Which motion did not prevail. So the amendment was not adopted.

Mr. Brown moved to amend H. F. 2121, the unofficial engrossment, as follows:

Page 2, line 10, strike "40" and insert in lieu thereof "45"

Page 2, line 11, strike "\$250" and insert in lieu thereof "\$350"

Page 3, line 18, strike "40" and insert in lieu thereof "45"

Page 3, line 20, strike "\$250" and insert in lieu thereof "\$350"

Page 4, line 18, strike "40" and insert in lieu thereof "45"

Page 4, line 20, strike "250" and insert in lieu thereof "\$350"

Pages 98 through 129, strike Article XXV in its entirety.

Renumber the remaining articles accordingly

Amend the title as follows:

Line 29, strike "245.77; 261.04,"

Strike lines 30 through 32

Line 33, strike everything through the semicolon

The question being taken on the adoption of the amendment,

And the roll being called, there were yeas 26 and nays 34, as follows:

Those who voted in the affirmative were:

Ashbach	Chmielewski	Kirchner	Ogdahl	Staasen
Bang	Doty	Knutson	Olson, H. D.	Ueland
Berg	Dunn	Kowalczyk	Olson, J. L.	
Bernhagen	Frederick	Krieger	Patton	
Blatz	Hanson, R.	Larson	Schrom	
Brown	Keefe, J.	Nelson	Sillers	

Those who voted in the negative were:

Anderson	Hansen, Baldy	Lewis	Olson, A. G.	Solon
Arnold	Hansen, Mel	Lord	O'Neill	Spear
Borden	Hughes	McCutcheon	Perpich, A. J.	Stokowski
Coleman	Humphrey	Milton	Perpich, G.	Tennessen
Conzemius	Keefe, S.	Moe	Pillsbury	Thorup
Davies	Kleinbaum	North	Purfeerst	Wegener
Gearty	Laufenburger	Olhoft	Schaaf	

Which motion did not prevail. So the amendment was not adopted.

Mr. Frederick moved to amend H. F. 2121, the unofficial engrossment, as follows:

Strike Article XIII in its entirety and insert in lieu thereof the following:

"Section 1. Minnesota Statutes 1971, Section 272.03, Subdivision 1, is amended to read:

272.03 [DEFINITIONS.] Subdivision 1. [REAL PROPERTY.] For the purposes of taxation, "real property" includes the land itself and all buildings, structures, and improvements or other fixtures on it, and all rights and privileges belonging or appertaining to it, and all mines, minerals, quarries, fossils and trees on or under it.

A building or structure shall include the building or structure itself, together with all improvements or fixtures annexed to the building or structure, which are integrated with and of permanent benefit to the building or structure, regardless of the present use of the building,

including machinery and equipment provided the same was installed primarily to provide services to the building or the structure, and which cannot be removed without substantial damage to itself or to the building or structure.

Other machinery and equipment shall be considered personal property and not fixtures.

Sec. 2. *This article is effective for taxes assessed in 1973 and payable in 1974 and thereafter."*

The question being taken on adoption of the amendment,

And the roll being called, there were yeas 28 and nays 32, as follows:

Those who voted in the affirmative were:

Ashbach	Dunn	Kirchner	Nelson	Renneke
Bang	Frederick	Knutson	Ogdahl	Sillers
Berg	Hansen, Mel	Kowalczyk	Olson, J. L.	Stassen
Bernhagen	Hanson, R.	Krieger	O'Neill	Ueland
Blatz	Jensen	Larson	Patton	
Brown	Keefe, J.	McCutcheon	Pillsbury	

Those who voted in the negative were:

Anderson	Doty	Laufenburger	Olson, A. G.	Stokowski
Arnold	Gearty	Lewis	Olson, H. D.	Tennessen
Borden	Hansen, Baldy	Lord	Perpich, A. J.	Thorup
Chmielewski	Hughes	Milton	Perpich, G.	Wegener
Coleman	Humphrey	Moe	Schrom	
Conzemius	Keefe, S.	North	Solon	
Davies	Kleinbaum	Olhoff	Spear	

Which motion did not prevail. So the amendment was not adopted.

Mr. Krieger moved to amend H. F. No. 2121, the Senate unofficial engrossment as follows:

Pages 93 and 94, strike Article XXIII in its entirety

Renumber the articles accordingly.

Amend the title as follows:

Lines 28 & 29, strike "60A.15, Subdivision 1;"

The question being taken on adoption of the amendment,

And the roll being called, there were yeas 26 and nays 28, as follows:

Those who voted in the affirmative were:

Ashbach	Dunn	Knutson	Olson, J. L.	Solon
Berg	Frederick	Kowalczyk	O'Neill	Ueland
Bernhagen	Hanson, R.	Krieger	Patton	
Blatz	Jensen	Larson	Pillsbury	
Brown	Keefe, J.	Nelson	Renneke	
Chmielewski	Kirchner	Ogdahl	Sillers	

Those who voted in the negative were:

Arnold	Gearty	Lewis	Olson, A. G.	Stokowski
Borden	Hansen, Baldy	Lord	Olson, H. D.	Tennessen
Coleman	Hughes	McCutcheon	Perpich, A. J.	Thorup
Conzemius	Humphrey	Milton	Perpich, G.	Wegener
Davies	Keefe, S.	Moe	Spear	
Doty	Kleinbaum	Olhoff	Stassen	

Which motion did not prevail. So the amendment was not adopted.

Mr. Frederick moved to amend H. F. No. 2121, the Senate unofficial engrossment, as follows:

Page 2, line 8, reinstate the stricken language

Page 2, line 9, reinstate the stricken language before the comma

Page 3, lines 16 and 17, strike the new language

Page 4, line 17, reinstate the stricken language

Page 4, line 18, reinstate the stricken word "indebtedness"

The question being taken on adoption of the amendment,

And the roll being called, there were yeas 24 and nays 36, as follows:

Those who voted in the affirmative were:

Ashbach	Brown	Kirchner	Ogdahl	Renneke
Bang	Frederick	Knutson	Olson, J. L.	Sillers
Berg	Hansen, Mel	Kowalczyk	O'Neill	Stassen
Bernhagen	Hanson, R.	Krieger	Patton	Ueland
Blatz	Jensen	Larson	Pillsbury	

Those who voted in the negative were:

Anderson	Dunn	Laufenburger	Olhoff	Stokowski
Arnold	Gearty	Lewis	Olson, A. G.	Tennessen
Borden	Hansen, Baldy	Lord	Perpich, A. J.	Thorup
Chmielewski	Hughes	McCutcheon	Perpich, G.	Wegener
Coleman	Humphrey	Milton	Purfeerst	
Conzemiis	Keefe, J.	Moe	Schaaf	
Davies	Keefe, S.	Nelson	Solon	
Doty	Kleinbaum	North	Spear	

Which motion did not prevail. So the amendment was not adopted.

Mr. Brown moved to amend H. F. No. 2121, the Senate unofficial engrossment, as follows:

Page 2, line 4, strike "20" and insert "16"

Page 2, line 8, strike "\$12,000" and insert "\$15,000"

Page 2, line 18, strike "\$12,000" and insert "\$15,000"

Page 3, line 11, strike "25" and insert "20"

Page 3, line 15, strike "\$12,000" and insert "\$15,000"

Page 3, line 21, strike "\$12,000" and insert "\$15,000"

Page 3, line 23, strike "\$12,000" and insert "\$15,000"

Page 4, line 16, strike "\$12,000" and insert "\$15,000"

The question being taken on adoption of the amendment,

And the roll being called, there were yeas 26 and nays 35, as follows:

Those who voted in the affirmative were:

Ashbach	Dunn	Kowalczyk	Olson, J. L.	Stassen
Bang	Frederick	Krieger	O'Neill	Ueland
Berg	Hanson, R.	Larson	Patton	
Bernhagen	Keefe, J.	McCutcheon	Pillsbury	
Blatz	Kirchner	Nelson	Renneke	
Brown	Knutson	Ogdahl	Sillers	

Those who voted in the negative were:

Anderson	Doty	Kleinbaum	Olhoff	Schrom
Arnold	Gearty	Laufenburger	Olson, A. G.	Solon
Borden	Hansen, Baldy	Lewis	Olson, H. D.	Spear
Chmielewski	Hansen, Mel	Lord	Perpich, A. J.	Stokowski
Coleman	Hughes	Milton	Perpich, G.	Tennessen
Conzemius	Humphrey	Moe	Purfeerst	Thorup
Davies	Keefe, S.	North	Schaaf	Wegener

Which motion did not prevail. So the amendment was not adopted.

H. F. No. 2121 was read the third time, as amended, and placed on its final passage.

The question being taken on the passage of the bill, as amended,

And the roll being called, there were yeas 38 and nays 29, as follows:

Those who voted in the affirmative were:

Anderson	Doty	Lewis	Olson, A. G.	Spear
Arnold	Gearty	Lord	Olson, H. D.	Stokowski
Borden	Hansen, Baldy	McCutcheon	Perpich, A. J.	Tennessen
Chenoweth	Hughes	Milton	Perpich, G.	Thorup
Chmielewski	Humphrey	Moe	Purfeerst	Wegener
Coleman	Keefe, S.	North	Schaaf	Willet
Conzemius	Kleinbaum	Novak	Schrom	
Davies	Laufenburger	Olhoff	Solon	

Those who voted in the negative were:

Ashbach	Dunn	Josefson	Larson	Pillsbury
Bang	Fitzsimons	Keefe, J.	Nelson	Renneke
Berg	Frederick	Kirchner	Ogdahl	Sillers
Bernhagen	Hansen, Mel	Knutson	Olson, J. L.	Stassen
Blatz	Hanson, R.	Kowalczyk	O'Neill	Ueland
Brown	Jensen	Krieger	Patton	

So the bill, as amended, passed and its title was agreed to.

MOTIONS AND RESOLUTIONS—CONTINUED

Mr. Jensen moved to amend the permanent rules of the Senate by adding a new rule to read:

“Cameras Prohibited

“77 A. Cameras shall not be permitted on the floor of the Senate chamber during any session.”

Mr. Jensen moved that the rules of the Senate be so far suspended as to act on the foregoing motion to amend immediately. Which motion did not prevail. So the proposed amendment was referred to the Committee on Rules and Administration, pursuant to Rule 17.

SUSPENSION OF RULES

Mr. Coleman moved that the rules of the Senate be so far suspended as to revert to Reports of Committees, remaining on the Order of Business of Motions and Resolutions. Which motion prevailed.

REPORTS OF COMMITTEES**APPOINTMENTS**

Mr. Davies, from the Committee on Committees, recommends that the following named Senators be and they hereby are appointed as a Conference Committee on H. F. No. 1772, pursuant to the request of the House,

Messrs. Keefe, J., Hanson, R. and Arnold.

Mr. Davies moved that the foregoing appointments be approved. Which motion prevailed.

Mr. Davies, from the Committee on Committees, recommends that the following named Senators be and they hereby are appointed as a Conference Committee on H. F. No. 1642, pursuant to the request of the House,

Messrs. Olhoft, Hanson, R. and Wegener.

Mr. Davies moved that the foregoing appointments be approved. Which motion prevailed.

Mr. Davies, from the Committee on Committees, recommends that the following named Senators be and they hereby are appointed as a Conference Committee on H. F. No. 1053 pursuant to the request of the House,

Messrs. Thorup, Kowalczyk and Spear.

Mr. Davies moved that the foregoing appointments be approved. Which motion prevailed.

Mr. Davies, from the Committee on Committees, recommends that the following named Senators be and they hereby are appointed as a Conference Committee on H. F. No. 835, pursuant to the request of the House,

Messrs. Spear, Tennesen and Keefe, J.

Mr. Davies moved that the foregoing appointments be approved. Which motion prevailed.

MOTIONS AND RESOLUTIONS—CONTINUED

Mr. Schaaf moved that S. F. No. 2274 be withdrawn from the Committee on Labor and Commerce and re-referred to the Committee on Finance. Which motion prevailed.

Mr. Coleman moved that S. F. No. 253 be stricken from General Orders and returned to its author. Which motion prevailed.

RECONSIDERATION

Mr. Coleman moved that the vote whereby H. F. No. 2121 was passed by the Senate on May 11, 1973 be now reconsidered.

The question being taken on the adoption of the motion,

And the roll being called, there were yeas 25 and nays 41, as follows:

Those who voted in the affirmative were:

Ashbach	Dunn	Jensen	Kowalczyk	Patton
Bang	Fitzsimons	Josefson	Krieger	Pillsbury
Bernhagen	Frederick	Keefe, J.	Larson	Renneke
Blatz	Hansen, Mel	Kirchner	Ogdahl	Stassen
Brown	Hanson, R.	Knutson	O'Neill	Ueland

Those who voted in the negative were:

Anderson	Gearty	McCutcheon	Olson, J. L.	Stokowski
Arnold	Hansen, Baldy	Milton	Perpich, A. J.	Tennesen
Berg	Hughes	Moe	Perpich, G.	Thorup
Borden	Humphrey	Nelson	Purfeerst	Wegener
Chenoweth	Keefe, S.	North	Schaaf	Willet
Coleman	Kleinbaum	Novak	Schrom	
Conzemius	Laufenburger	Olhoft	Sillers	
Davies	Lewis	Olson, A. G.	Solon	
Doty	Lord	Olson, H. D.	Spear	

Which motion did not prevail.

SUSPENSION OF RULES

Mr. Coleman moved that the rules of the Senate be so far suspended as to revert to Messages From the House, and First Reading of House Bills, remaining on the Order of Business of Motions and Resolutions. Which motion prevailed.

MESSAGE FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

Senate File No. 410: A bill for an act relating to public welfare; abolishing the town system of poor relief and placing responsibility for poor relief in the county; fixing responsibility for welfare in the counties; providing a penalty; amending Minnesota Statutes 1971, Sections 245.77; 261.01; 261.03; 261.04, Subdivision 1; 261.063; 261.07, Subdivision 1; 261.08; 261.10; 275.09, Subdivision 3; 376.424; 393.01, Subdivision 3; and 393.07, Subdivision 2; 393.08, Subdivision 1; repealing Minnesota Statutes 1971, Sections 261.02; 261.05; 261.06; 261.061; 261.064; 261.065; 261.066; 261.067; 261.14; 261.141; 261.142; 261.143; and 393.08, Subdivision 2.

Senate File No. 410 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives.

Returned May 11, 1973

CONCURRENCE AND REPASSAGE

Mr. Olson, A. G. moved that the Senate do now concur in the amendments by the House to S. F. No. 410 and that the bill be placed on its repassage as amended. Which motion prevailed.

S. F. No. 410 was read the third time, as amended by the House, and placed on its repassage.

The question being taken on the repassage of the bill, as amended,

And the roll being called, there were yeas 37 and nays 22, as follows:

Those who voted in the affirmative were:

Arnold	Gearty	McCutcheon	O'Neill	Stokowski
Borden	Hansen, Mel	Milton	Perpich, A. J.	Tennessen
Chenoweth	Hanson, R.	Moe	Perpich, G.	Thorup
Coleman	Keefe, S.	North	Schaaf	Wegner
Conzemius	Kleinbaum	Novak	Sillers	Willet
Davies	Knutson	Ogdahl	Solon	
Doty	Larson	Olhoft	Spear	
Dunn	Lord	Olson, A. G.	Stassen	

Those who voted in the negative were:

Anderson	Brown	Humphrey	Nelson	Renneke
Ashbach	Fitzsimons	Keefe, J.	Olson, J. L.	Schrom
Bang	Frederick	Kirchner	Patton	
Bernhagen	Hansen, Baldy	Kowalczyk	Pillsbury	
Blatz	Hughes	Laufenburger	Purfeerst	

So the bill, as amended, was repassed and its title was agreed to.

MESSAGE FROM THE HOUSE—CONTINUED

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 2121:

H. F. No. 2121: A bill for an act relating to taxation; providing for imposition of certain excise and ad valorem taxes; distribution of revenue derived; appropriating money; amending Minnesota Statutes 1971, Sections 273.13, Subdivisions 6 and 7; 290.982; 290.983, Subdivision 1; 290.99; 290.081; 297A.25, Subdivision 1; 290.361, Subdivision 4; 297.13, Subdivision 1; 340.60, Subdivision 1; 273.41; 287.12; 291.33, Subdivision 2; 124.03, Subdivision 3; 290.17; 290.19, Subdivision 1 and by adding a subdivision; 272.03, Subdivision 1; 290.0604; 290.06, Subdivision 1; 477A.01, Subdivisions 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 13, 14, 16, and 17; 290.0601, Subdivisions 6 and 9; 290.061; 275.50, Subdivisions 2, 4, and 5; 275.51, Subdivisions 1, 2, 3, 4, and by adding a subdivision; 275.52, Subdivisions 2, and 3; 275.53, Subdivisions 1, and 3; 275.55; 414.01, by adding a subdivision; 124.212, Subdivision 3; 272.04, Subdivision 1; 273.13, by adding a subdivision; 93.52, Subdivision 2; 93.55; 93.58; 60A.15, Subdivision 1; 273.134; 245.77; 261.04, Subdivision 1; 261.063; 275.09, Subdivision 3; 376.-424; 393.01, Subdivision 3; 393.07, Subdivision 2; 393.08, Subdivision 1; Chapters 272, by adding a section; 273, 275, and 290, by adding sections; repealing Minnesota Statutes 1971, Sections 93.53; 93.54; 93.56; 93.57; 245.46; 261.01; 261.02; 261.03; 261.05; 261.06; 261.061; 261.064; 261.065; 261.066; 261.067; 261.07; 261.08; 261.10;

261.11; 261.123; 261.124; 261.125; 261.126; 261.14; 261.141; 261.142; 261.143; 261.26; 290.0607; 290.0617; 297A.252; 297.13, Subdivisions 2, 3, 4, 5, 6, 7, and 8; 297.15; 297.16; 340.60, Subdivisions 2, 3, 4, 5, 6, and 7; and 393.03, Subdivision 2.

And the House respectfully requests that a Conference Committee of five members be appointed thereon:

Pavlak, R.; Anderson, I.; Johnson, C.; DeGroat and Sabo have been appointed as such committee on the part of the House.

House File No. 2121 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives.
Transmitted May 11, 1973.

Mr. Perpich, A. J. moved that the Senate accede to the request of the House for a Conference Committee on H. F. No. 2121 and that a Conference Committee of 5 members be appointed by the Committee on Committees, on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. Which motion prevailed.

Mr. President:

I have the honor to announce the passage by the House of the following House File, herewith transmitted: H. F. No. 371.

Edward A. Burdick, Chief Clerk, House of Representatives.
Transmitted May 11, 1973.

FIRST READING OF HOUSE BILL

H. F. No. 371: A bill for an act relating to crimes and criminals; providing minimum sentences for certain felonies; amending Minnesota Statutes 1971, Section 609.11.

Which was read the first time and referred to the Committee on Rules and Administration.

RECESS

Mr. Coleman moved that the Senate do now recess until 10:00 o'clock p.m. Which motion prevailed.

The hour of 10:00 o'clock p.m., having arrived, the President called the Senate to order.

MEMBERS EXCUSED

Mr. Gearty was excused from this evening's Session, beginning at 9:00 o'clock p.m. Mr. Larson was excused from the Session of this evening, beginning at 11:00 o'clock p.m. Mr. Olson, J. L. was excused from the Session of this evening, beginning at 12:00 o'clock p.m.

CALL OF THE SENATE

Mr. Coleman imposed a call of the Senate. The following Senators answered to their names:

Anderson	Doty	Kleinbaum	Olhoff	Stassen
Arnold	Dunn	Kowalczyk	Olson, A. G.	Stokowski
Ashbach	Hansen, Baldy	Larson	Olson, H. D.	Tennezen
Bang	Hansen, Mel	Laufenburger	Olson, J. L.	Ueland
Berg	Hanson, R.	Lewis	Patton	Wegener
Bernhagen	Hughes	Lord	Pillsbury	
Borden	Humphrey	McCutcheon	Purfeerst	
Coleman	Jensen	Moe	Schrom	
Conzemius	Kirchner	North	Solon	

The Sergeant-at-Arms was instructed to bring in the absent members.

SUSPENSION OF RULES

Mr. Coleman moved that the rules of the Senate be so far suspended as to make S. F. No. 985 and H. F. No. 309 Special Orders to be heard immediately, remaining on the Order of Business of Motions and Resolutions. Which motion prevailed.

SPECIAL ORDER

S. F. No. 985: A bill for an act relating to health; authorizing the establishment of health maintenance organizations and prescribing powers and duties; providing for financial assistance to certain health maintenance organizations; providing for open enrollment in certain health plans; appropriating money; and providing penalties.

Mr. Conzemius moved to amend S. F. No. 985 as follows:

Page 2, line 25, after "into" and before "a" insert ", or is covered by,"

Page 2, line 25, strike ", or on whose behalf such" and insert a period

Page 2, strike lines 26 through 28

Page 3, strike lines 1 and 2

Page 3, line 10, strike ", or its"

Page 3, line 11, strike "representative,"

Page 3, line 23, after "licensed" insert "health"

Page 3, line 24, after "a" and before "financial" insert "direct, substantial"

Page 3, line 24, after "financial" insert "or managerial"

Page 4, line 13, after "Every" and before "operating" strike "group" and insert "person"

Page 5, line 15, strike "and employees"

Page 5, line 18, strike "or, as" and insert ", including a full disclosure of any financial arrangements between them and any provider or other person concerning any financial relationship with the health maintenance organization;"

Page 5, strike lines 19 through 21

Page 7, line 22, after "consider" and before the colon insert "either the standards of clauses (1) and (2), or the standards of clauses (3) and (4), whichever the applicant shall elect"

Page 8, line 4, strike the period and insert a semicolon

Page 8, after line 4, insert:

“(f) Demonstrated that it will assume full financial risk on a prospective basis for the provision of comprehensive health maintenance services, including hospital care; provided, however, that the requirement in this paragraph shall not prohibit a health maintenance organization from obtaining insurance or making other arrangements (i) for the cost of providing to any enrollee comprehensive health maintenance services, the aggregate value of which exceeds \$5,000.00 in any year, (ii) for the cost of providing comprehensive health care services to its members on a non-elective emergency basis, or while they are outside the area served by the organization, or (iii) for not more than 95% of the amount by which the health maintenance organization's costs for any of its fiscal years exceed 105% of its income for such fiscal years; and”

Page 8, line 5, strike “(f)” and insert “(g)”

Page 8, strike line 23 and insert “act on its behalf”

Page 8, line 25, after “denoting” and before “their” insert “or explaining”

Page 9, line 17, after “contracts,” and before “may” strike “and”

Page 9, line 17, after “may” and before “contract” insert “, subject to the limitations of section 3, subdivision 4, clause (f),”

Page 9, line 19, after “reimbursement” and before “cost” strike “against the” and insert “of its”

Page 9, line 19, after “cost of” insert “providing”

Page 9, line 20, strike “provided”

Page 9, line 21, after “organization” and before the period insert “and may contract with insurance companies and non-profit health service plan corporations to insure or cover the enrollees’ costs and expenses in the health maintenance organization, including the customary prepayment amount and any co-payment obligations”

Page 10, line 9, after “may” and before “join” insert “make application to”

Page 10, line 15, after “that” and before “at” insert “after a health maintenance organization has been authorized under this act for one year,”

Page 12, line 24, after “providers,” strike “other persons,” and insert “by classes or groups of providers,”

Page 13, line 14, after “individuals” and before the comma insert “for services to the health maintenance organization”

Page 17, line 15, strike “upon termination of coverage” and insert “by or on behalf of an enrollee”

Page 18, line 10, after “rebate” and before the period insert “; provided, however, that authorized expenses of a health maintenance organization shall include:

(a) cash rebates to enrollees, or to persons who have made payments on behalf of enrollees;

(b) free or reduced cost health service to enrollees; or

(c) payments to providers or other persons based upon the efficient provision of services or as incentives to provide quality care"

Page 18, line 13, strike "The inability of a health"

Page 18, strike lines 14 through 19

Page 19, line 9, after "rendered" insert ", or to be rendered,"

Page 19, line 10, after the period insert "Any insurer, or non-profit health service plan corporation, licensed to do business in this state, is authorized to provide the types of coverages described in section 5, subdivision 3."

Page 27, line 15, after "145.83" and before the period insert "on the same basis as other persons"

Page 27, line 24, after "60A.17," and before "and" insert "concerning the licensure of health insurance agents, solicitors, and brokers,"

Page 28, line 1, after "subdivision," and before "the" insert "and for the purposes of sections 145.61 to 145.67,"

Which motion prevailed. So the amendment was adopted.

Mr. Kirchner moved to amend S. F. 985 as follows:

Page 12, line 16 after "board" and before "covering" insert "and to the commissioner"

Page 25, after line 25 insert the following:

"Sec. 19. [UNREASONABLE EXPENSES.] No health maintenance organization shall incur or pay for any expense of any nature which is unreasonably high in relation to the value of the service or good provided. The commissioner shall, pursuant to the administrative procedures act, promulgate rules to implement and enforce this section."

Renumber subsequent sections accordingly

Which motion prevailed. So the amendment was adopted.

Mr. North moved to amend S. F. No. 985, as follows:

Page 27, line 25, after the period insert: "Minnesota Statutes, Section 60A.17, Subdivision 2, clause (2) shall not apply except as to provide for an examination of an applicant's knowledge of the operations and benefits of health maintenance organizations."

Which motion prevailed. So the amendment was adopted.

S. F. No. 985 was read the third time, as amended, and placed on its final passage.

The question being taken on the passage of the bill, as amended,

And the roll being called, there were yeas 50 and nays 3, as follows:

Those who voted in the affirmative were:

Anderson	Dunn	Kleinbaum	Olhoft	Schrom
Ashbach	Hansen, Baldy	Knutson	Olson, A. G.	Sillers
Berg	Hansen, Mel	Kowalczyk	Olson, H. D.	Solon
Bernhagen	Hansen, R.	Krieger	Olson, J. L.	Spear
Blatz	Hughes	Lewis	O'Neill	Stassen
Borden	Humphrey	Lord	Perpich, A. J.	Stokowski
Coleman	Jensen	McCutcheon	Perpich, G.	Tennessee
Conzemius	Keefe, J.	Moe	Purfeerst	Thorup
Davies	Keefe, S.	Nelson	Renneke	Ueland
Doty	Kirchner	North	Schaaf	Wegener

Messrs. Bang, Brown and Larson voted in the negative.

So the bill, as amended, passed and its title was agreed to.

SPECIAL ORDER

H. F. No. 309: A bill for an act relating to manpower services; unemployment compensation; benefits; amending Minnesota Statutes 1971, Sections 268.04, Subdivision 12; 268.06, Subdivisions 8, 22 and 27; 268.07, Subdivision 2; 268.08, Subdivisions 1, 3 and 5; and 268.09, Subdivision 1, as amended.

Was read the third time and placed on its final passage.

The question being taken on the passage of the bill,

And the roll being called, there were yeas 49 and nays 2, as follows:

Those who voted in the affirmative were:

Anderson	Hansen, Baldy	Kowalczyk	Olson, H. D.	Sillers
Ashbach	Hansen, Mel	Lewis	Olson, J. L.	Solon
Berg	Hughes	Lord	O'Neill	Spear
Blatz	Humphrey	McCutcheon	Patton	Stassen
Borden	Jensen	Moe	Perpich, A. J.	Stokowski
Brown	Keefe, J.	Nelson	Perpich, G.	Tennessee
Conzemius	Keefe, S.	North	Pillsbury	Thorup
Davies	Kirchner	Novak	Renneke	Ueland
Doty	Kleinbaum	Olhoft	Schaaf	Wegener
Dunn	Knutson	Olson, A. G.	Schrom	

Messrs. Bernhagen and Hansen, R. voted in the negative.

So the bill passed and its title was agreed to.

SPECIAL ORDER

Pursuant to Rule 10, Mr. Novak moved that H. F. No. 178, No. 219 on the General Orders calendar be designated as a special order to be heard immediately. Which motion prevailed.

H. F. No. 178: A bill for an act relating to peace officers; providing benefits to survivors of peace officers killed in the line of duty; establishing a peace officers' benefit account in the state treasury; providing an appropriation.

Was read the third time and placed on its final passage.

The question being taken on the passage of the bill,

And the roll being called, there were yeas 52 and nays 2, as follows:

Those who voted in the affirmative were:

Anderson	Frederick	Knutson	Ogdahl	Sillers
Arnold	Hansen, Baldy	Kowalczyk	Olhoft	Solon
Ashbach	Hansen, Mel	Krieger	Olson, A. G.	Spear
Berg	Hanson, R.	Lewis	Olson, H. D.	Stassen
Bernhagen	Hughes	Lord	Olson, J. L.	Stokowski
Borden	Humphrey	McCutcheon	O'Neill	Thorup
Brown	Jensen	Milton	Patton	Ueland
Coleman	Keefe, J.	Moe	Perpich, G.	Wegener
Conzemius	Keefe, S.	Nelson	Pillsbury	
Doty	Kirchner	North	Renneke	
Dunn	Kleinbaum	Novak	Schrom	

Messrs. Schaaf and Tennesen voted in the negative.

So the bill passed and its title was agreed to.

MOTIONS AND RESOLUTIONS—CONTINUED

Pursuant to Rule 21, Mr. Novak moved that the following members be excused for a Conference Committee on S. F. No. 1626:

Messrs. Doty, Anderson, Sillers, Borden and O'Neill. Which motion prevailed.

Pursuant to Rule 21, Mr. Novak moved that the following members be excused for a Conference Committee on S. F. No. 2417:

Messrs. Novak, Chenoweth, Willet, Fitzsimons and Josefson. Which motion prevailed.

Mr. Coleman moved that the rules of the Senate be so far suspended as to make the following bills a Special Orders Calendar, remaining on the Order of Business of Motions and Resolutions. Which motion prevailed.

H. F. Nos. 2072, 1729, 9, 588, 627, 1515, 704, 906, 1282, 1333, 490, 294, 1558, 1626, 1625, 833, 606, 1825, 1203 and 2029. S. F. Nos. 506, 1387, 968, 734, 1379, 1806, 1543, 1895, 944, 951 and 926.

SPECIAL ORDER

H. F. No. 2072: A bill for an act relating to insurance; reinsurance by life insurance companies of aircraft risk; amending Minnesota Statutes 1971, Section 60A.09, Subdivision 5.

Was read the third time and placed on its final passage.

The question being taken on the passage of the bill,

And the roll being called, there were yeas 52 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Hansen, Baldy	Krieger	Olson, H. D.	Solon
Arnold	Hansen, Mel	Lord	Olson, J. L.	Spear
Ashbach	Hansen, R.	McCutcheon	O'Neill	Stassen
Berg	Hughes	Milton	Patton	Stokowski
Bernhagen	Humphrey	Moe	Perpich, A. J.	Tennessen
Blatz	Jensen	Nelson	Perpich, G.	Thorup
Brown	Keefe, J.	North	Pillsbury	Ueland
Davies	Keefe, S.	Novak	Renneke	Wegener
Doty	Kirchner	Ogdahl	Schaaf	
Dunn	Kleinbaum	Olhoft	Schrom	
Gearty	Kowalczyk	Olson, A. G.	Sillers	

So the bill passed and its title was agreed to.

SPECIAL ORDER

H. F. No. 1729: A bill for an act relating to the executive council; providing that the lieutenant governor be a member thereof; amending Minnesota Statutes 1971, Section 9.011, Subdivision 1.

Was read the third time and placed on its final passage.

The question being taken on the passage of the bill,

And the roll being called, there were yeas 46 and nays 7, as follows:

Those who voted in the affirmative were:

Anderson	Hanson, R.	Lewis	Olson, A. G.	Spear
Arnold	Hughes	Lord	Olson, H. D.	Stokowski
Blatz	Humphrey	McCutcheon	O'Neill	Tennessen
Brown	Jensen	Milton	Perpich, G.	Thorup
Davies	Keefe, J.	Moe	Pillsbury	Ueland
Doty	Keefe, S.	Nelson	Renneke	Wegener
Dunn	Kirchner	North	Schaaf	
Gearty	Kleinbaum	Novak	Schrom	
Hansen, Baldy	Knutson	Ogdahl	Sillers	
Hansen, Mel	Kowalczyk	Olhoft	Solon	

Those who voted in the negative were:

Ashbach	Bernhagen	Olson, J. L.	Patton	Stassen
Berg	Krieger			

So the bill passed and its title was agreed to.

SPECIAL ORDER

S. F. No. 951: A bill for an act relating to food; providing for the regulation and control of its manufacture, distribution and sale; prescribing penalties; amending Minnesota Statutes 1971, Chapter 31, by adding sections; Sections 31.01, Subdivisions 2, 3, and 4, and by adding subdivisions; 31.02; 31.04; 31.05; 31.14; and 32.021, Subdivision 2; and repealing Minnesota Statutes 1971, Section 31.01, Subdivisions 5 and 19.

Was read the third time and placed on its final passage.

The question being taken on the passage of the bill,

And the roll being called, there were yeas 51 and nays 2, as follows:

Those who voted in the affirmative were:

Anderson	Dunn	Kleinbaum	Olson, A. G.	Spear
Bang	Frederick	Knutson	Olson, H. D.	Stassen
Berg	Gearty	Kowalczyk	O'Neill	Stokowski
Bernhagen	Hansen, Baldy	Lewis	Patton	Tennessen
Blatz	Hansen, Mel	Lord	Perpich, A. J.	Thorup
Borden	Hanson, R.	Milton	Perpich, G.	Ueland
Brown	Hughes	Moe	Purfeerst	Wegener
Coleman	Humphrey	Nelson	Renneke	
Conzemius	Jensen	North	Schaaf	
Davies	Keefe, S.	Ogdahl	Schrom	
Doty	Kirchner	Olhoft	Solon	

Messrs. McCutcheon and Sillers voted in the negative.

So the bill passed and its title was agreed to.

SPECIAL ORDER

H. F. No. 627: A bill for an act relating to probate proceedings; inventory and appraisal of estates in probate court; amending Minnesota Statutes 1971, Sections 525.33 and 525.331.

Was read the third time and placed on its final passage.

The question being taken on the passage of the bill,

And the roll being called, there were yeas 49 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Dunn	Kirchner	North	Schrom
Ashbach	Frederick	Kleinbaum	Ogdahl	Sillers
Bang	Gearty	Knutson	Olhoft	Solon
Berg	Hansen, Baldy	Kowalczyk	Olson, A. G.	Stassen
Bernhagen	Hansen, Mel	Lewis	O'Neill	Stokowski
Borden	Hanson, R.	Lord	Patton	Tennessen
Brown	Hughes	McCutcheon	Perpich, A. J.	Thorup
Coleman	Humphrey	Milton	Perpich, G.	Ueland
Davies	Jensen	Moe	Purfeerst	Wegener
Doty	Keefe, S.	Nelson	Renneke	

So the bill passed and its title was agreed to.

SPECIAL ORDER

H. F. No. 1515: A bill for an act relating to decedents' estates; revising a spouse's power to elect against a will; amending Minnesota Statutes 1971, Section 525.215.

Was read the third time and placed on its final passage.

The question being taken on the passage of the bill,

And the roll being called, there were yeas 53 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Doty	Kirchner	Ogdahl	Schrom
Ashbach	Dunn	Kleinbaum	Olhoft	Sillers
Bang	Frederick	Knutson	Olson, A. G.	Solon
Berg	Gearty	Kowalczyk	Olson, H. D.	Stassen
Bernhagen	Hansen, Baldy	Lewis	O'Neill	Stokowski
Blatz	Hansen, Mel	Lord	Patton	Tennessen
Borden	Hanson, R.	McCutcheon	Perpich, A. J.	Thorup
Brown	Hughes	Milton	Perpich, G.	Ueland
Coleman	Humphrey	Moe	Purfeerst	Wegener
Conzemius	Jensen	Nelson	Renneke	
Davies	Keefe, S.	North	Schaaf	

So the bill passed and its title was agreed to.

SPECIAL ORDER

H. F. No. 704: A bill for an act relating to probate proceedings; sales, leases, and mortgages in connection with probate matters; amending Minnesota Statutes 1971, Section 525.64.

Was read the third time and placed on its final passage.

The question being taken on the passage of the bill,

And the roll being called, there were yeas 53 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Doty	Keefe, S.	North	Schrom
Ashbach	Dunn	Kirchner	Ogdahl	Sillers
Bang	Frederick	Kleinbaum	Olhoft	Solon
Berg	Gearty	Knutson	Olson, A. G.	Stassen
Bernhagen	Hansen, Baldy	Kowalczyk	Olson, H. D.	Stokowski
Blatz	Hansen, Mel	Lewis	O'Neill	Tennessen
Borden	Hanson, R.	Lord	Patton	Thorup
Brown	Hughes	McCutcheon	Perpich, A. J.	Ueland
Coleman	Humphrey	Milton	Perpich, G.	Wegener
Conzemius	Jensen	Moe	Renneke	
Davies	Keefe, J.	Nelson	Schaaf	

So the bill passed and its title was agreed to.

SPECIAL ORDER

S. F. No. 734: A bill for an act relating to water resources; imposing certain duties in relation thereto on the commissioner of natural resources, counties, and municipalities; providing standards for permits for appropriation and use of public waters, and for changing the course, current, or cross-section of public waters; amending Minnesota Statutes 1971, Sections 105.41, Subdivision 1; 105.42; 105.44, by adding a subdivision; and 105.49; repealing Minnesota Statutes 1971, Sections 113.01 to 113.06.

Was read the third time and placed on its final passage.

The question being taken on the passage of the bill,

And the roll being called, there were yeas 53 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Doty	Keefe, S.	North	Schrom
Ashbach	Dunn	Kirchner	Ogdahl	Sillers
Bang	Frederick	Kleinbaum	Olhoft	Solon
Berg	Gearty	Knutson	Olson, A. G.	Stassen
Bernhagen	Hansen, Baldy	Kowalczyk	Olson, H. D.	Stokowski
Blatz	Hansen, Mel	Lewis	O'Neill	Tennessee
Borden	Hanson, R.	Lord	Patton	Thorup
Brown	Hughes	McCutcheon	Perpich, A. J.	Ueland
Coleman	Humphrey	Milton	Perpich, G.	Wegener
Conzemius	Jensen	Moe	Purfeerst	
Davies	Keefe, J.	Nelson	Renneke	

So the bill passed and its title was agreed to.

SPECIAL ORDER

H. F. No. 906: A bill for an act relating to probate proceedings; liability of a representative or his surety for mismanagement or other misconduct; amending Minnesota Statutes 1971, Section 525.501.

Was read the third time and placed on its final passage.

The question being taken on the passage of the bill,

And the roll being called, there were yeas 52 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Dunn	Kleinbaum	Olhoft	Solon
Ashbach	Frederick	Knutson	Olson, A. G.	Spear
Bang	Gearty	Kowalczyk	Olson, H. D.	Stassen
Berg	Hansen, Baldy	Lewis	O'Neill	Stokowski
Bernhagen	Hansen, Mel	Lord	Patton	Tennessee
Blatz	Hughes	McCutcheon	Perpich, A. J.	Thorup
Borden	Humphrey	Milton	Perpich, G.	Ueland
Brown	Jensen	Moe	Purfeerst	Wegener
Coleman	Keefe, J.	Nelson	Renneke	
Davies	Keefe, S.	North	SchAAF	
Doty	Kirchner	Ogdahl	Schrom	

So the bill passed and its title was agreed to.

SPECIAL ORDER

H. F. No. 1282: A bill for an act relating to probate; establishing conservatorships; prescribing and regulating powers, duties and procedures in conservatorships and guardianships; amending Minnesota Statutes 1971, Sections 525.54; 525.541; 525.542; 525.543; 525.55; 525.551; 525.56; 525.57; 525.58; 525.581; 525.582; 525.59; 525.591; 525.60; 525.61; 525.611; 525.612; and amending Minnesota Statutes 1971, Chapter 525, by adding sections.

Was read the third time and placed on its final passage.

The question being taken on the passage of the bill,

And the roll being called, there were yeas 53 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Doty	Kirchner	Ogdahl	Schrom
Ashbach	Dunn	Kleinbaum	Olhoft	Solon
Bang	Frederick	Knutson	Olson, A. G.	Spear
Berg	Gearty	Kowalczyk	Olson, H. D.	Stassen
Bernhagen	Hansen, Baldy	Lewis	O'Neill	Stokowski
Blatz	Hansen, Mel	Lord	Patton	Tennessen
Borden	Hughes	McCutcheon	Perpich, A. J.	Thorup
Brown	Humphrey	Milton	Perpich, G.	Ueland
Coleman	Jensen	Moe	Purfeerst	Wegener
Conzemius	Keefe, J.	Nelson	Renneke	
Davies	Keefe, S.	North	SchAAF	

So the bill passed and its title was agreed to.

SPECIAL ORDER

H. F. No. 1333: A bill for an act relating to the affairs of decedents; providing for the validity and effect of certain nontestamentary and testamentary transfers, contracts and deposits which relate to death and appear to have testamentary effect, and powers of attorney over accounts.

Was read the third time and placed on its final passage.

The question being taken on the passage of the bill,

And the roll being called, there were yeas 52 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Doty	Kirchner	Ogdahl	Schrom
Ashbach	Dunn	Kleinbaum	Olhoft	Solon
Bang	Frederick	Knutson	Olson, A. G.	Spear
Berg	Gearty	Kowalczyk	Olson, H. D.	Stassen
Bernhagen	Hansen, Baldy	Lewis	O'Neill	Stokowski
Blatz	Hansen, Mel	Lord	Patton	Tennessen
Borden	Hughes	McCutcheon	Perpich, A. J.	Thorup
Brown	Humphrey	Milton	Perpich, G.	Ueland
Coleman	Jensen	Moe	Purfeerst	
Conzemius	Keefe, J.	Nelson	Renneke	
Davies	Keefe, S.	North	SchAAF	

So the bill passed and its title was agreed to.

SPECIAL ORDER

H. F. No. 1558: A bill for an act relating to commerce; clarifying rule making power of the consumer services section, department of commerce; amending Minnesota Statutes 1971, Section 45.16, Subdivision 2.

Was read the third time and placed on its final passage.

The question being taken on the passage of the bill,

And the roll being called, there were yeas 51 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Berg	Borden	Conzemius	Dunn
Ashbach	Bernhagen	Brown	Davies	Frederick
Bang	Blatz	Coleman	Doty	Gearty

Hansen, Baldy	Kleinbaum	Nelson	Purfeerst	Tennessen
Hansen, Mel	Knutson	North	Renneke	Thorup
Hughes	Kowalczyk	Ogdahl	Schaaf	Ueland
Humphrey	Lewis	Olhoff	Schrom	Wegener
Jensen	Lord	Olson, H. D.	Solon	
Keefe, J.	McCutcheon	O'Neill	Spear	
Keefe, S.	Milton	Perpich, A. J.	Stassen	
Kirchner	Moe	Perpich, G.	Stokowski	

So the bill passed and its title was agreed to.

SPECIAL ORDER

H. F. No. 833: A bill for an act relating to decedent's estates; requiring mailing of notice to a foreign consul in certain circumstances; amending Minnesota Statutes 1971, Section 525.83.

Was read the third time and placed on its final passage.

The question being taken on the passage of the bill,

And the roll being called, there were yeas 53 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Doty	Kirchner	Ogdahl	Schrom
Ashbach	Dunn	Kleinbaum	Olhoff	Solon
Bang	Frederick	Knutson	Olson, A. G.	Spear
Berg	Gearty	Kowalczyk	Olson, H. D.	Stassen
Bernhagen	Hansen, Baldy	Lewis	O'Neill	Stokowski
Blatz	Hansen, Mel	Lord	Patton	Tennessen
Borden	Hughes	McCutcheon	Perpich, A. J.	Thorup
Brown	Humphrey	Milton	Perpich, G.	Ueland
Coleman	Jensen	Moe	Purfeerst	Wegener
Conzemius	Keefe, J.	Nelson	Renneke	
Davies	Keefe, S.	North	Schaaf	

So the bill passed and its title was agreed to.

MOTIONS AND RESOLUTIONS—CONTINUED

Mr. Coleman moved that the Senate do now adjourn until 10:00 o'clock a.m., Saturday, May 12, 1973. Which motion prevailed.

Patrick E. Flahaven, Secretary of the Senate.