

NINETY-THIRD DAY

St. Paul, Minnesota, Thursday, March 18, 1976

The Senate met at 9:00 o'clock a.m. and was called to order by the President.

CALL OF THE SENATE

Mr. Coleman imposed a call of the Senate for the balance of today's proceedings. The following Senators answered to their names:

Anderson	Conzemius	Humphrey	Ogdahl	Schmitz
Arnold	Davies	Jensen	Olhoft	Schrom
Ashbach	Doty	Keefe, S.	Olson, A. G.	Sillers
Bang	Dunn	Kirchner	Olson, H. D.	Solon
Berg	Fitzsimons	Kleinbaum	Olson, J. L.	Spear
Bernhagen	Frederick	Laufenburger	O'Neill	Stassen
Borden	Gerty	Lewis	Patton	Stumpf
Brataas	Hansen, Baldy	McCutcheon	Perpich, A. J.	Tennessen
Brown	Hansen, Mel	Merriam	Perpich, G.	Ueland
Chenoweth	Hanson, R.	Milton	Pillsbury	Wegener
Coleman	Hughes	Moe	Purfeerst	Willet

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

Prayer was offered by the Chaplain, Rev. William D. Young.

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

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

The President declared a quorum present.

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

MEMBERS EXCUSED

Mr. Knutson was excused from the Session of today. Mr. Keefe, J., was excused from the Session of today until 10:00 o'clock a.m.

EXECUTIVE AND OFFICIAL COMMUNICATIONS

March 17, 1976

The Honorable Alec Olson
President of the Senate
State of Minnesota

Dear Sir:

The following appointment is hereby respectfully submitted to the Senate for confirmation as required by law:

Jack Fena, 2530 West Third Avenue, Hibbing, St. Louis County, has been appointed by me to the Occupational Safety and Health Review Board, effective March 17, 1976, for a term expiring August 29, 1977.

Sincerely,
Wendell R. Anderson, Governor

Referred to the Committee on Labor and Commerce.

March 17, 1976

The Honorable Alec Olson
President of the Senate
State of Minnesota

Dear Sir:

The following appointment is hereby respectfully submitted to the Senate for confirmation as required by law:

Duane Ekman, Route 2, Argyle, Marshall County, has been appointed by me to the Water Resources Board, effective March 17, 1976, for a term expiring October 5, 1981.

Sincerely,
Wendell R. Anderson, Governor

Referred to the Committee on Natural Resources and Agriculture.

INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bills were read the first time and referred to the committees indicated.

Messrs. Humphrey, Gearty and Ogdahl introduced—

S. F. No. 2575: A bill for an act relating to the operation of state government; establishing a system of periodic review of

certain agencies; providing a hearing; creating guidelines; setting termination dates.

Referred to the Committee on Governmental Operations.

Mr. Schmitz introduced—

S. F. No. 2576: A bill for an act relating to game and fish; providing for the sale by the department of natural resources of orphaned or abandoned fawns; amending Minnesota Statutes 1974, Section 98.48, Subdivision 3.

Referred to the Committee on Natural Resources and Agriculture.

Mr. Schmitz introduced—

S. F. No. 2577: A bill for an act relating to game and fish; providing for special permits for the acquisition of wild animals for propagation purposes; amending Minnesota Statutes 1974, Section 98.48, Subdivision 3.

Referred to the Committee on Natural Resources and Agriculture.

Messrs. Olson, A. G.; Wegener and Willet introduced—

S. F. No. 2578: A bill for an act relating to watercraft; providing for county licensing; amending Minnesota Statutes 1974, Sections 361.02, by adding a subdivision; 361.03, Subdivisions 2, 5, 6, 7, 8, and 11; 361.25; repealing Minnesota Statutes 1974, Sections 361.03, Subdivision 3; 361.24, Subdivision 2; and Minnesota Statutes, 1975 Supplement, Section 361.27, Subdivision 1.

Referred to the Committee on Natural Resources and Agriculture.

Mr. O'Neill introduced—

S. F. No. 2579: A bill for an act relating to counties; repealing the authority of a county board to require that the office of the county attorney shall be a full time position; repealing Minnesota Statutes 1974, Section 388.21.

Referred to the Committee on Local Government.

Mr. Arnold, for the Committee on Finance, introduced—

S. F. No. 2580: A bill for an act relating to claims against the state; appropriating moneys for the payment thereof.

Under the rules of the Senate, laid over one day.

MESSAGES 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:

S. F. No. 2174: A bill for an act relating to intoxicating liquor; importation of limited quantities without payment of tax; amending Minnesota Statutes 1974, Section 340.601.

Senate File No. 2174 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives
Returned March 17, 1976

CONCURRENCE AND REPASSAGE

Mr. Solon moved that the Senate concur in the amendments by the House to S. F. No. 2174 and that the bill be placed on its repassage as amended. The motion prevailed.

S. F. No. 2174 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 48 and nays 2, as follows:

Those who voted in the affirmative were:

Anderson	Conzemius	Hughes	Ogdahl	Sillers
Arnold	Davies	Humphrey	Olson, A. G.	Solon
Ashbach	Doty	Kleinbaum	Olson, H. D.	Spear
Bang	Dunn	Larson	O'Neill	Stassen
Berg	Fitzsimons	Laufenburger	Patton	Stokowski
Bernhagen	Frederick	Lewis	Perpich, A. J.	Stumpf
Borden	Gearly	McCutcheon	Perpich, G.	Tennessen
Brataas	Hansen, Baldy	Merriam	Pillsbury	Willet
Chenoweth	Hansen, Mel	Milton	Schmitz	
Chmielewski	Hanson, R.	North	Schrom	

Messrs. Brown and Renneke voted in the negative.

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

MESSAGES 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. 109:

H. F. No. 109: A bill for an act relating to the organization of state government; providing that heads of certain departments and other governmental units of the state shall serve at the pleasure of the governor; eliminating obsolete language; amending Minnesota Statutes 1974, Sections 16.01; 16A.01, Subdivision 2; 17.01; 45.02; 45.15; 84.01, Subdivision 2; 116.03, Subdivision 1; 161.03, Subdivision 1; 175.001, Subdivision 1; 179.02; 196.02, Subdivision 1;

216A.06; 241.01, Subdivision 1; 245.03; 268.12, Subdivision 1; 270.-02, Subdivision 2; 298.22, Subdivision 1; 299A.01, Subdivision 1; 360.014, Subdivision 2; 362.09, Subdivision 1; and 363.04, Subdivision 1.

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

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

House File No. 109 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 March 17, 1976

Mr. Coleman for Mr. Schaaf moved that the Senate accede to the request of the House for a Conference Committee on H. F. No. 109, 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. The motion prevailed.

Mr. President:

I have the honor to announce that the House has acceded to the request of the Senate for the appointment of a new Conference Committee on House File No. 1137.

H. F. No. 1137: A bill for an act relating to housing; increasing range of eligibility for assistance from housing finance agency; providing for revolving loan funds and direct subsidies; appropriating money; amending Minnesota Statutes 1974, Sections 462A.03, Subdivision 13; 462A.05, Subdivisions 2 and 14; 462A.07, by adding a subdivision; 462A.19, Subdivision 1; 462A.21, by adding subdivisions; and 462A.22, Subdivision 9.

The Committee on the part of the House consists of:

Knoll, Norton, Lindstrom, Kroening and Ewald.

Edward A. Burdick, Chief Clerk, House of Representatives
Transmitted March 17, 1976

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 three members of the House, on the amendments adopted by the House of the following Senate File:

S. F. No. 1383: A bill for an act relating to metropolitan government; regulating solid waste; amending Laws 1975, Chapter 13, Sections 1, by adding subdivisions; 11, Subdivision 1; 139; 140,

Subdivision 1; 141; 142; 143; and 144; and by adding sections; repealing Laws 1975, Chapter 13, Section 140, Subdivision 2.

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

Cassery, Berg and Schreiber.

Senate File No. 1383 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives
Returned March 17, 1976

Mr. President:

I have the honor to announce the passage by the House of the following House Files herewith transmitted: H. F. Nos. 1997 and 2072.

Edward A. Burdick, Chief Clerk, House of Representatives
Transmitted March 17, 1976

FIRST READING OF HOUSE BILLS

The following bills were read the first time and referred to the Committees indicated.

H. F. No. 1997: A bill for an act relating to the operation of state government; providing for aids to education, tax levies and the distribution of tax revenues; changing the funding of special education, adult vocational education and secondary vocational education to a current funding basis; granting certain powers and duties to school districts, the commissioner of education, and the state board of education; establishing a uniform financial accounting and reporting system for Minnesota school districts; requiring the provision of special education on a shared time basis to nonpublic school pupils; appropriating money; amending Minnesota Statutes 1974, Sections 120.17, by adding a subdivision; 120.73, Subdivision 1; 120.74, Subdivision 1; 121.21, by adding a subdivision; 122.45, Subdivisions 2 and 3a; 124.212, by adding a subdivision; 124.32, as amended; Chapter 124, by adding sections; Minnesota Statutes, 1975 Supplement, Sections 122.23, Subdivision 15; 122.45, Subdivision 1; 124.04; 124.17, Subdivisions 1 and 2; 124.212, Subdivision 8a; 124.271, Subdivision 2; 124.43, Subdivision 1; 124.561, Subdivision 3, and by adding a subdivision; 124.562, Subdivision 2; 124.563, Subdivision 3, and by adding a subdivision; 124.564; 124.565, Subdivision 2; 124.611, Subdivisions 1 and 2; 275.125, Subdivisions 2a, 4, 5, 8, 9, and 14; repealing Minnesota Statutes 1974, Sections 122.54 and 275.39.

Mr. Anderson moved that H. F. No. 1997 be laid on the table. The motion prevailed.

H. F. No. 2072: A bill for an act relating to taxes on or measured by net income and on the sale of intoxicating liquors and to assessment of ad valorem taxes; appropriating funds; amending Minne-

sota Statutes 1974, Sections 4.12, Subdivision 4; 270.13; 273.138, Subdivisions 2 and 5; 276.05; 276.06; 290.06, Subdivision 9a; 290.066, Subdivision 1; 340.51; 340.55; and Chapters 256 and 273, by adding sections; Minnesota Statutes, 1975 Supplement, Sections 270.16, Subdivision 2; 273.012, Subdivision 3; 273.11, Subdivision 2; 273.122, Subdivision 1; 273.13, Subdivisions 6, 7, and 14a; 273.17, Subdivision 1; 274.14; 276.04; 281.17; 290.01, Subdivision 20; 290.012, Subdivision 4; 290.21, Subdivision 4; 290A.03, Subdivisions 3, 7, 8, 12, and 13 and by adding a subdivision; 290A.04, Subdivisions 2 and 3; 290A.05; 290A.06; 290A.07, Subdivisions 1 and 2; 290A.14; 290A.19; and Chapter 290A, by adding a section; and Laws 1975, Chapter 349, Section 32; and Laws 1976, Chapter 5, Sections 2, Subdivision 1; and 3; repealing Minnesota Statutes 1974, Section 273.11, Subdivision 4, and Minnesota Statutes, 1975 Supplement, Section 124.03.

Referred to the Committee on Taxes and Tax Laws.

REPORTS OF COMMITTEES

Mr. Coleman moved that the Committee Reports at the Desk be now adopted, with the exception of S. F. Nos. 2071, 1898, 2484 and 2402. The motion prevailed.

Mr. Davies from the Committee on Judiciary, to which was referred

S. F. No. 2071: A bill for an act relating to the tax court; establishing the tax court as a full time court; creating a small claims division; providing penalties; appropriating money; amending Minnesota Statutes 1974, Sections 15A.083, Subdivision 4; 271.01, Subdivisions 1 and 4a, and by adding a subdivision; 271.02; 271.03; 271.04; 271.06, Subdivisions 1, 2, 3, 4, 6, and by adding a subdivision; 271.07; 271.08; 271.09, Subdivisions 1, 2, and 3; 271.10, Subdivisions 1 and 2; 271.12; 271.13; 271.14; 271.15; 271.17; 271.18; 271.20; and 490.121, Subdivision 2; and Chapter 271, by adding sections; and Minnesota Statutes, 1975 Supplement, Section 124.212, Subdivision 11; repealing Minnesota Statutes 1974, Sections 271.001; 271.01, Subdivisions 2 and 3; 271.06, Subdivision 5; 271.11; and 271.16.

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

Page 2, lines 9 to 12, reinstate the stricken language

Page 2, line 13, reinstate "organization."

Page 3, line 10, strike "receive compensation for time"

Page 3, strike line 11

Page 3, line 22, strike "courts have" and insert "court has"

Page 3, line 27, after "property" insert "or in any case that is under the jurisdiction of the probate court"

Page 3, line 31, after the period insert "The tax court shall have no jurisdiction in any case involving an order of the state board of equalization unless a taxpayer contests the valuation of his property."

Page 3, line 32, after "*taxes*" insert "*, aids and related matters*"

Page 3, line 32, after "*Chapters*" insert "*60A,*"

Page 5, line 21, strike "*The*" and insert "*Each*"

Page 5, line 24, after the period insert "*When an appeal is taken by a resident taxpayer from an order of the commissioner, venue for the case shall be in Ramsey county or in the county in which the taxpayer resides. Venue shall be in Ramsey county for an appeal taken by a nonresident taxpayer from an order of the commissioner.*"

Page 5, line 24, after "*for*" insert "*all other*"

Page 6, line 2, strike "*taxes*" and insert "*tax laws*"

Page 6, line 17, strike "*tax*" and insert "*matter concerning the tax laws*"

Page 6, line 24, after the period insert "*In Ramsey county, notice of appeal may be filed with the tax court clerk or with the administrator.*"

Page 8, line 2, reinstate "*any*"

Page 8, line 2, strike "*the*"

Page 8, line 32, after "*empanel*" strike "*a*" and insert "*an advisory*"

Page 8, line 32, after "*upon*" strike "*a*" and insert "*his own*"

Page 9, line 1, strike "*of the court*"

Page 9, line 11, strike "*in equity*"

Page 9, line 11, after "*aside*" insert "*or modify*"

Page 9, line 21, after the period insert "*The tax court shall be exempt from the provisions of Minnesota Statutes, Chapter 15.*"

Page 10, line 28, strike "*within six*"

Page 10, line 29, strike "*months after such other has become final,*"

Page 11, line 5, strike "*sections*" and insert "*section*"

Page 11, line 26, strike "*3*" and insert "*4*"

Page 16, line 15, after "*of*" insert "*an order of the tax court or*"

Page 16, line 16, strike "*such*"

Page 16, line 20, after "*the*" and before "*subpoena*" insert "*order or*"

Page 16, line 21, after "*the*" and before "*subpoena*" insert "*order was made or the*"

Page 16, strike line 26

Page 16, line 27, strike "*commissioner or*"

Page 16, strike lines 31 and 32

Page 17, strike lines 1 to 8

Page 17, line 13, strike "*secretary of the department, the*"

Page 17, line 26, strike "secretary" and insert "commissioner"

Page 17, line 30, strike "secretary" and insert "commissioner"

Page 18, line 2, strike "The"

Page 18, line 3, strike "commissioner of revenue, his deputy, and"

Page 18, line 21, strike "member,"

Page 20, line 3, strike "of tax"

Page 20, line 4, strike "liability in controversy or amount of refund"

Page 21, line 9, strike "and equitable"

Page 22, line 9, after the period insert "Each referee shall have authority to hear and decide the cases that he hears as small claims referee."

Page 24, line 16, after "271.11;" insert "271.14;"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 12, strike "271.14;"

Page 1, line 18, after "271.11;" insert "271.14;"

And when so amended the bill do pass and be re-referred to the Committee on Taxes and Tax Laws. Pursuant to Joint Rule 20 the bill and report were referred to the Committee on Rules and Administration.

Mr. Davies from the Committee on Judiciary, to which was referred

H. F. No. 424: A bill for an act relating to tort liability of cities, counties, towns, public authorities, certain public corporations, school districts and political subdivisions of the state; amending Minnesota Statutes 1974, Section 466.05, Subdivision 1.

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

Mr. Davies from the Committee on Judiciary, to which was referred

H. F. No. 1866: A bill for an act relating to tort liability; raising the liability limits of political subdivisions; limiting the liability of individuals employed by political subdivisions; amending Minnesota Statutes 1974, Sections 466.04, Subdivision 1, and by adding subdivisions; and 466.05, Subdivision 2.

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

Mr. Davies from the Committee on Judiciary, to which was referred

H. F. No. 81: A bill for an act relating to real property; termination of contract for sale; providing differing times of notice in

accordance with percentage of purchase price paid; amending Minnesota Statutes 1974, Section 559.21.

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

Page 1, lines 20 and 23, after the comma, insert "*and any mortgages or prior contracts for deed which are assumed by the purchaser,*"

Page 2, line 2, after the comma, insert "*and any mortgages or prior contracts for deed which are assumed by the purchaser,*"

Page 2, line 4, after the comma, insert "*the mortgage registration tax, if actually paid by the vendor,*"

Page 2, line 5, strike "\$50" and insert "\$75"

Page 2, line 26, after "first" insert "*date of*"

Page 3, line 3, after "the" insert "*first date of publication of the*"

Page 3, line 4, strike "service of such"

Page 3, line 8, strike "service" and insert "*first date of publication*"

Page 3, line 8, strike "such" and insert "*the*"

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

Mr. Davies from the Committee on Judiciary, to which was referred

H. F. No. 790: A bill for an act relating to public welfare; providing visitation rights to unmarried minor children for grandparents in certain cases.

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

Page 2, strike lines 14 to 18

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

Mr. Davies from the Committee on Judiciary, to which was referred

H. F. No. 955: A bill for an act relating to mobile homes; providing certain procedures for repossession of mobile homes; amending Minnesota Statutes 1974, Section 336.9-104.

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

Page 2, line 10, strike "*and*" and insert "*or*"

Page 3, line 11, strike "*may forceably*" and insert "*shall*"

Page 3, line 32, after "*party*" insert "*, except in cases of voluntary repossession*"

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

Mr. Davies from the Committee on Judiciary, to which was referred

H. F. No. 1087: A bill for an act relating to privacy of communications; authorization for interception of wire or oral communications; amending Minnesota Statutes 1974, Section 626A.05.

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

Page 2, after line 16, insert:

"Sec. 2. This act is effective on the day following its final enactment."

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

Mr. Davies from the Committee on Judiciary, to which was referred

H. F. No. 1865: A bill for an act relating to crimes; providing increased sentences for persons convicted of certain second or subsequent violations of theft; prescribing penalties; amending Minnesota Statutes 1974, Section 609.52, Subdivision 3.

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

Page 1, line 17, strike "\$100" and insert "\$300"

Page 1, line 22, strike "\$100" and insert "\$300"

Page 2, line 19, strike "\$100" and insert "\$300"

Page 3, line 2, strike "\$100" and insert "\$300"

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

Mr. Davies from the Committee on Judiciary, to which was referred

H. F. No. 2107: A bill for an act relating to public employees; providing for payment of attorney's fees necessary to obtain benefits for survivors of peace officers killed in line of duty; amending Minnesota Statutes 1974, Chapter 352E, by adding a section.

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

Page 1, line 13, strike "an"

Page 1, strike lines 14 and 15

Page 1, line 16, strike "in any other respect"

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

Mr. Moe from the Committee on Natural Resources and Agriculture, to which was referred

H. F. No. 2263: A bill for an act relating to game and fish; clothing required during certain seasons; amending Minnesota Statutes 1974, Section 100.29, Subdivision 8; repealing Minnesota Statutes 1974, Section 98.52, Subdivision 5.

Reports the same back with the recommendation that the bill do pass and be placed on the Calendar of Ordinary Matters. Report adopted.

Mr. Moe from the Committee on Natural Resources and Agriculture, to which was referred

S. F. No. 1898: A bill for an act relating to pollution control; authorizing the hiring of county environmental officers; providing grants-in-aid; appropriating money.

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

Strike everything after the enacting clause and insert:

"Section 1. [116.51] [STATE AID TO COUNTY BOARDS.] The pollution control agency shall, in the name of the state and in accordance with sections 1 to 4, make grants-in-aid to a county board to provide assistance to the county for implementation of the provisions of environmental statutes, ordinances, standards, rules and orders. The pollution control agency may employ a program administrator and necessary clerical assistance to administer the provisions of sections 1 to 4.

Sec. 2. [116.52] [ELIGIBILITY.] All Minnesota counties shall be eligible to apply for a grant-in-aid pursuant to section 3.

Sec. 3. [116.53] [APPLICATION PROCEDURE.] Subdivision 1. The pollution control agency shall, in accordance with Minnesota Statutes, Chapter 15, promulgate rules to be followed by each eligible county in applying for a grant-in-aid. The rules shall include, but not be limited to, the criteria to be used by the agency in determining whether a grant-in-aid should be awarded.

Subd. 2. Each eligible county board may apply each year for up to \$20,000 per year in grants-in-aid under this section. Grant funds may be used for salary, fringe benefits and reasonable travel expenses for county environmental programs.

Sec. 4. The implementation of any approved county environmental work program shall in no way affect the statutory responsibilities and administrative prerogatives of the pollution control agency in carrying out its duties and programs.

Sec. 5. [APPROPRIATION.] There is appropriated to the Minnesota pollution control agency from the general fund the sum of \$920,000 for a period beginning on July 1, 1976 and ending June 30, 1977. Expenses of the pollution control agency in administering the provisions of this act are payable from this ap-

propriation. Not less than \$870,000 of the money appropriated by this section shall be made available for grants-in-aid. Any unspent funds shall be returned to the general fund.

Sec. 6. [EFFECTIVE DATE.] This act is effective on July 1, 1976. No grants-in-aid may be awarded to an eligible county prior to January 1, 1977, although applications for grants-in-aid may be received and reviewed by the pollution control agency."

Amend the title as follows:

Line 2, strike "authorizing the"

Line 3, strike "hiring of county environmental officers;"

Line 4, before the semicolon insert "to counties for implementation of environmental regulations"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Pursuant to Joint Rule 20 the bill and report were referred to the Committee on Rules and Administration.

Mr. Moe from the Committee on Natural Resources and Agriculture, to which was referred

S. F. No. 2484: A bill for an act relating to outdoor recreation, creating the citizen's advisory sportsmen's council on Minnesota's outdoor recreational resources; prescribing its powers and duties; providing for a surcharge on fish and game licenses to fund the council.

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

Page 1, line 10, strike "sportsmen's"

Page 1, line 11, strike "outdoor recreational" and insert "fish, game and wildlife"

Page 1, line 13, strike "outdoor recreation" and insert "fish, game and wildlife"

Page 1, line 18, strike "state legislators from that district in the same" and insert "commissioner of natural resources."

Page 1, strike lines 19 to 22 and insert "The commissioner shall appoint the other ten members from nominations submitted by organizations of persons interested in fish, game and wildlife resources in the state."

Page 1, line 23, strike "organization."

Page 1, line 24, before the period, strike "committee" and insert "council"

Page 1, line 24, strike "The committee shall select six state-wide"

Page 2, strike lines 1 and 2

Page 2, line 4, strike "designated to serve two year terms" and

insert "appointed to terms expiring the first Monday in January 1979,"

Page 2, line 5, strike "serve four year terms" and insert "be appointed to terms expiring the first Monday in January 1980"

Page 2, strike lines 7 to 24, and insert:

"Subd. 3. The council shall be governed by the provisions of Minnesota Statutes, 1975 Supplement, Section 15.059.

Sec. 3. [STAFF; SERVICES.] The commissioner of natural resources shall supply office space, staff and administrative services to the council."

Page 2, line 32, strike "made available to the council to pay its" and insert "deposited in the general fund of the state treasury and reappropriated to the commissioner of natural resources to pay the expenses of the council."

Page 3, line 1, strike "expenses." and insert:

"Sec. 6. Sections 1 to 4 are effective the day following final enactment. Section 5 applies only to licenses issued for the calendar year 1977 and thereafter."

Amend the title as follows:

Page 1, line 3, strike "sportsmen's"

Page 1, line 4, strike "outdoor recreational" and insert "fish, game and wildlife"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Pursuant to Joint Rule 20 the bill and report were referred to the Committee on Rules and Administration.

Mr. Moe from the Committee on Natural Resources and Agriculture, to which was referred

S. F. No. 2402: A bill for an act relating to historic sites; designating additional historic sites; amending Minnesota Statutes 1974, Sections 138.081, by adding a subdivision; 138.53, Subdivisions 7, 38, and by adding subdivisions; 138.58, by adding subdivisions; and 138.73, Subdivision 17.

Reports the same back with the recommendation that the bill do pass. Pursuant to Joint Rule 20 the bill and report were referred to the Committee on Rules and Administration.

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

S. F. No. 2148: A bill for an act relating to taxation; including cost of water filtration equipment in medical expense deduction; amending Minnesota Statutes 1974, Section 290.09, Subdivision 10.

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

Page 2, line 5, strike "contaminated"

Page 2, line 6, after "water" insert "*, which if consumed may be injurious to human health because of asbestiform fibers content,*"

Page 2, line 10, strike "1975" and insert "1974"

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

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

H. F. No. 374: A bill for an act relating to local government; local improvements; establishing procedures for deferment of special assessments against homesteads of senior citizens; imposing certain duties on county auditors; amending Minnesota Statutes 1974, Sections 429.021, Subdivision 3; 429.061, Subdivision 1; 435.193; and 435.194.

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

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

H. F. No. 980: A bill for an act relating to taxation; providing for taxation of certain types of air commerce; amending Minnesota Statutes 1974, Sections 270.071, Subdivision 6; and 270.072, Subdivisions 2 and 3.

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

Page 2, line 27, strike "1974" and insert "1976"

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

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

H. F. Nos. 1615 and 2560 for comparison to companion Senate Files, reports 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.
1615	1965				
2560	2459				

Pursuant to Rule 49 the Committee on Rules and Administration recommends that H. F. No. 1615 be amended as follows:

Strike everything after the enacting clause and insert:

"Section 1. [ABORTION; LIVE BIRTHS.] Subdivision 1. A live child born as a result of an abortion who is capable of living independently of the mother, with or without artificial aid, shall be fully recognized as a human person, and all reasonable measures consistent

with good medical practice, including the compilation of appropriate medical records, shall be taken to preserve the life and health of the child.

Subd. 2. An abortion performed after the eighteenth week of pregnancy shall be performed only in a hospital licensed under Minnesota Statutes, Sections 144.50 to 144.56. When an abortion is performed during the period of fetal viability, a physician trained in fetal resuscitation, other than the physician performing the abortion, shall be immediately accessible to take all reasonable measures consistent with good medical practice, including the compilation of appropriate medical records, to preserve the life and health of any live birth that is the result of the abortion. The period of fetal viability shall be determined by the physician attending the women.

Subd. 3. If a child described in subdivision 1 dies after birth, the body shall be disposed of in accordance with the provisions of Minnesota Statutes, Sections 145.14 to 145.163."

And when so amended, H. F. No. 1615 will be identical to S. F. No. 1965 and further recommends that H. F. No. 1615 be given its second reading and substituted for S. F. No. 1965 and that the Senate File be indefinitely postponed.

Pursuant to Rule 49 the Committee on Rules and Administration recommends that H. F. No. 2560 be amended as follows:

Page 1, lines 11 and 12, delete "*or farm field fertilizer applicator*" and after "*vehicle*" insert "*owned by a political subdivision and*"

Page 1, lines 13 and 14, delete "*or fertilizer from the supply*" and insert "*sewage treatment*"

Page 1, delete lines 18 and 19

Page 1, line 20, delete "*a vehicle shall not*" and insert "*farm fields shall not be operated outside a 15 mile radius of the supply facilities, nor shall it*"

Page 1, line 21, delete "*nor*" and insert "*or*"

And when so amended, H. F. No. 2560 will be identical to S. F. No. 2459 and further recommends that H. F. No. 2560 be given its second reading and substituted for S. F. No. 2459 and that the Senate File be indefinitely postponed.

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. Amendments adopted. Report adopted.

Mr. Coleman from the Committee on Rules and Administration, to which was referred H. F. No. 101 for comparison to companion Senate Files, reports the following House File was found not identical with 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.
101	465				

Pursuant to Rule 49 the Committee on Rules and Administration recommends that H. F. No. 101 be amended as follows:

Page 3, delete lines 12 to 14 and insert

"policy with limits of not less than \$100,000 per passenger seat liability for both passenger bodily injury and property damage, and not less than \$100,000 per person for bodily injury to non-passengers, and not less than \$300,000 per occurrence for bodily injury to non-passengers. The"

Page 3, delete lines 24 to 30

Page 4, line 31, after the period insert *"Whoever violates or fails to comply with this section is guilty of a misdemeanor."*

Page 5, line 1, delete the period and insert *", except section 3 which shall be effective January 1, 1977."*

Renumber the sections in order

Further, amend the title as follows

Page 1, lines 3 and 4, delete "providing penalties;"

Page 1, line 6, delete "360.91;"

And when so amended, H. F. No. 101 will be identical to S. F. No. 465 and further recommends that H. F. No. 101 be given its second reading and substituted for S. F. No. 465 and that the Senate File be indefinitely postponed.

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. Amendments adopted. Report adopted.

Mr. Coleman from the Committee on Rules and Administration, to which was referred H. F. No. 2117 for comparison to companion Senate Files, reports the following House File was found not identical with 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.
2117	2334				

Pursuant to Rule 49 the Committee on Rules and Administration recommends that H. F. No. 2117 be amended as follows:

Page 1, line 9, delete ", 1975 Supplement" and insert "1974"

Page 1, line 10, delete "Subdivision 9," and after "amended" insert "by adding a subdivision"

Page 1, delete lines 11 to 14 and insert:

"Subd. 10. "Automobile accident coverage" means any plan, or that portion of a plan, regulated under chapter 65B, which provides benefits for medical expenses incurred in an automobile accident."

Page 2, line 32, after "application" strike the parenthesis and insert a comma

Page 3, line 1, strike the parenthesis and insert a new comma

Page 3, line 3, strike "such"

Page 3, line 18, after "from" insert "*automobile*"

Page 3, line 19, delete "*insurance policies*" and insert "*coverage*"

Page 3, line 26, after "under" insert "*automobile*" and after "*accident*" insert "*coverage and*"

Page 3, line 27, delete "*or*" and delete "*and accident*"

Further amend the title as follows:

Page 1, line 4, after "amending" insert "Minnesota Statutes 1974, Section 256B.02, by adding a subdivision;"

Page 1, line 6, delete "256B.02, Subdivision 9;"

And when so amended, H. F. No. 2117 will be identical to S. F. No. 2334 and further recommends that H. F. No. 2117 be given its second reading and substituted for S. F. No. 2334 and that the Senate File be indefinitely postponed.

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. Amendments adopted. Report adopted.

Mr. Coleman from the Committee on Rules and Administration, to which was referred H. F. No. 2068 for comparison to companion Senate Files, reports 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.
2068	1979				

And that the above Senate File be indefinitely postponed.

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.

SECOND READING OF SENATE BILLS

S. F. No. 2148 was read the second time.

SECOND READING OF HOUSE BILLS

H. F. Nos. 424, 1866, 81, 790, 955, 1087, 1865, 2107, 2263, 374, 980, 1615, 2560, 101, 2117 and 2068 were read the second time.

MOTIONS AND RESOLUTIONS

Mr. Gearty moved that the name of Mr. Brown be added as co-author to S. F. No. 1965. The motion prevailed.

SUSPENSION OF RULES

Remaining on the Order of Business of Motions and Resolutions, Mr. Coleman moved that the rules of the Senate be so far suspended as to make General Orders a Special Orders Calendar for immediate consideration. The motion prevailed.

SPECIAL ORDER

S. F. No. 252: A bill for an act relating to the legislature; providing for part of the apportionment of representative districts 19A and 19B.

Mr. Anderson moved to amend S. F. No. 252 as follows:

Page 1, after line 14, insert:

"Sec. 4. This act shall not be construed to constitute a reapportionment of the legislature within the meaning of Article IV, Section 4 of the Minnesota Constitution; if it is so construed, it shall be void from the date of enactment."

The motion prevailed. So the amendment was adopted.

S. F. No. 252 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 58 and nays 0, as follows:

Those who voted in the affirmative were:

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

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

SPECIAL ORDER

S. F. No. 2053: A bill for an act relating to elections; providing for nonpartisan municipal elections in Duluth and St. Paul; amending Minnesota Statutes 1974, Section 205.17.

Mr. Hansen, Mel moved to amend S. F. No. 2053 as follows:

Page 1, line 9, strike "city" and insert "cities"

Page 1, line 9, after "and" insert "Minneapolis, and"

Page 2, line 2, strike "city" and insert "cities"

Page 2, line 2, after "Duluth" insert "and Minneapolis"

Page 2, line 25, strike "city"

Page 2, line 26, after "and" insert "Minneapolis, and"

Amend the title as follows:

Line 3, after "Duluth" insert "and Minneapolis"

The question being taken on the adoption of the amendment,

And the roll being called, there were yeas 31 and nays 33, as follows:

Those who voted in the affirmative were:

Ashbach	Dunn	Josefson	O'Neill	Stassen
Bang	Fitzsimons	Kirchner	Patton	Ueland
Berg	Frederick	Kowalczyk	Perpich, A. J.	Willet
Bernhagen	Hansen, Baldy	Larson	Perpich, G.	
Blatz	Hansen, Mel	Nelson	Pillsbury	
Brataas	Hanson, R.	Ogdahl	Renneke	
Brown	Jensen	Olson, J. L.	Sillers	

Those who voted in the negative were:

Anderson	Davies	Laufenburger	Olhoft	Spear
Arnold	Doty	Lewis	Olson, A. G.	Stokowski
Borden	Gearty	McCutcheon	Olson, H. D.	Stumpf
Chenoweth	Hughes	Merriam	Purleerst	Tennessen
Chmielewski	Humphrey	Milton	Schaaf	Wegener
Coleman	Keefe, S.	Moe	Schmitz	
Conzenius	Kleinbaum	North	Solon	

The motion did not prevail. So the amendment was not adopted.

Mr. Berg moved to amend S. F. No. 2053 as follows:

Page 3 after line 21, insert a new section to read:

"Sec. 2. Minnesota Statutes, 1975 Supplement, Section 203A.21, Subdivision 1, is amended to read:

203A.21 [NONPARTISAN NOMINATION.] Subdivision 1. The chief justice and the associate justices of the supreme court, judges of the district, probate and county courts, *all members of the state legislature*, and all elective county officers shall be nominated upon separate nonpartisan ballots, as hereinafter provided. The ballot shall be designated "ballot of candidates to be nominated without party designation."

Amend the title as follows:

Page 1, line 3, after the semicolon, insert:

"providing for nonpartisan election for members of the legislature;"

Page 1, line 4, before the period insert

"; Minnesota Statutes, 1975 Supplement, Section 203A.21, Subdivision 1"

Mr. Jensen moved to amend the Berg amendment to S. F. No. 2053 as follows:

At the end of section 203A.21 after "designation." insert

"Candidates for the Legislature may add a party designation to their names on the ballot."

The question being taken on the adoption of the Jensen amendment to the Berg amendment,

And the roll being called, there were yeas 27 and nays 34, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Anderson	Davies	Laufenburger	Perpich, A. J.	Spear
Arnold	Doty	Lewis	Perpich, G.	Stokowski
Borden	Gearty	Merriam	Purfeerst	Stumpf
Chenoweth	Hansen, Baldy	Milton	Schaaf	Tennessen
Chmielewski	Hughes	North	Schmitz	Wegener
Coleman	Humphrey	Olson, A. G.	Schrom	Willet
Conzemius	Keefe, S.	Olson, H. D.	Solon	

The motion did not prevail. So the Jensen amendment to the Berg amendment was not adopted.

The question recurred on the Berg amendment.

The question being taken on the adoption of the amendment,

And the roll being called, there were yeas 22 and nays 38, as follows:

Those who voted in the affirmative were:

Ashbach	Brataas	Hanson, R.	Nelson	Stassen
Bang	Dunn	Josefson	Olson, J. L.	Ueland
Berg	Fitzsimons	Kirchner	Patton	
Bernhagen	Frederick	Kowalczyk	Renneke	
Blatz	Hansen, Mel	Larson	Sillers	

Those who voted in the negative were:

Anderson	Doty	Laufenburger	Perpich, A. J.	Spear
Arnold	Gearty	Lewis	Perpich, G.	Stokowski
Borden	Hansen, Baldy	McCutcheon	Pillsbury	Stumpf
Brown	Hughes	Merriam	Purfeerst	Tennessen
Chenoweth	Humphrey	North	Schaaf	Wegener
Chmielewski	Keefe, J.	Olhott	Schmitz	Willet
Coleman	Keefe, S.	Olson, A. G.	Schrom	
Conzemius	Kleinbaum	Olson, H. D.	Solon	

The motion did not prevail. So the amendment was not adopted.

S. F. No. 2053: A bill for an act relating to elections; providing for nonpartisan municipal elections in Duluth and St. Paul; amending Minnesota Statutes 1974, Section 205.17.

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 40 and nays 20, as follows:

Those who voted in the affirmative were:

Ashbach	Conzemius	Hughes	Milton	Perpich, G.
Bang	Doty	Jensen	Nelson	Pillsbury
Berg	Dunn	Josefson	North	Renneke
Bernhagen	Fitzsimons	Keefe, J.	Ogdahl	Schmitz
Brataas	Frederick	Kirchner	Olson, H. D.	Schrom
Brown	Hansen, Baldy	Kowalczyk	Olson, J. L.	Solon
Chenoweth	Hansen, Mel	Larson	Patton	Stassen
Chmielewski	Hanson, R.	McCutcheon	Perpich, A. J.	Ueland

Those who voted in the negative were:

Borden	Humphrey	Lewis	Olson, A. G.	Spear
Coleman	Keefe, S.	Merriam	Purfeerst	Stumpf
Davies	Kleinbaum	Moe	Schaaf	Tennessee
Gearty	Laufenburger	Olhoft	Sillers	Wegener

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

SPECIAL ORDER

S. F. No. 2226: A bill for an act relating to counties; authorizing inclusion of cities in sewer and water districts; allowing certain special assessments; providing a flexible accounting system for multi-county projects; amending Minnesota Statutes 1974, Sections 116A.01, Subdivisions 1 and 2, and by adding a subdivision; 116A.16; 116A.17, Subdivision 2; and 116A.24, Subdivision 3; and Minnesota Statutes, 1975 Supplement, Sections 116A.01, Subdivisions 1a and 4; and 116A.20, Subdivisions 2 and 6.

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:

Ashbach	Doty	Larson	Olson, A. G.	Schrom
Bang	Dunn	Laufenburger	Olson, H. D.	Solon
Berg	Fitzsimons	Lewis	Olson, J. L.	Spear
Bernhagen	Frederick	McCutcheon	Patton	Stassen
Borden	Gearty	Merriam	Perpich, A. J.	Stokowski
Brataas	Hansen, Mel	Milton	Perpich, G.	Stumpf
Brown	Jensen	Moe	Pillsbury	Tennessee
Chenoweth	Josefson	Nelson	Purfeerst	Willet
Chmielewski	Keefe, J.	North	Renneke	
Coleman	Keefe, S.	Ogdahl	Schaaf	
Conzemius	Kirchner	Olhoft	Schmitz	

So the bill passed and its title was agreed to.

SPECIAL ORDER

S. F. No. 2210: A bill for an act relating to Red River watershed; authorizing watershed districts which are members of the lower Red River watershed management board to levy a tax; authorizing the management board to institute certain projects; allowing the board to enter certain intergovernmental agreements.

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 55 and nays 1, as follows:

Those who voted in the affirmative were:

Arnold	Conzemius	Josefson	Nelson	Renneke
Ashbach	Davies	Keefe, J.	North	Schaaf
Bang	Dunn	Kirchner	Ogdahl	Schmitz
Berg	Fitzsimons	Kleinbaum	Olhoff	Schrom
Bernhagen	Frederick	Kowalczyk	Olson, A. G.	Solon
Borden	Gearty	Larson	Olson, H. D.	Stassen
Brataas	Hansen, Baldy	Laufenburger	Olson, J. L.	Stokowski
Brown	Hansen, Mel	Lewis	Patton	Stumpf
Chenoweth	Hanson, R.	McCutcheon	Perpich, G.	Tennessee
Chmielewski	Hughes	Milton	Pillsbury	Ueland
Coleman	Jensen	Moe	Purfeerst	Willet

Mr. Merriam voted in the negative.

So the bill passed and its title was agreed to.

SPECIAL ORDER

S. F. No. 1675: A bill for an act relating to public indebtedness; revising and clarifying provisions as to manner of sale and execution of obligations; designation of paying agents; cremation of obligations; payment of grant anticipation certificates; use of investment income from proceeds; administration of debt service funds; refunding; method of payment and interest rate on special assessments and obligations payable from special assessments; amending Minnesota Statutes 1974, Sections 48.15, by adding a subdivision; 124.05, Subdivisions 3 and 4; 138.17, Subdivision 1; 429.061, Subdivision 2; 429.091, Subdivisions 1, 3, and 4; 471.56, Subdivisions 1 and 3; 475.51, Subdivision 6, and adding a subdivision; 475.52, Subdivision 1; 475.55; 475.553, Subdivisions 1, 2, 3, and 5; 475.60, Subdivisions 2 and 3; 475.61, Subdivision 5; 475.65; 475.66; and 475.67, Subdivisions 7 and 12; and repealing Minnesota Statutes 1974, Section 475.553, Subdivision 4; and Minnesota Statutes, 1975 Supplement, Section 471.561.

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 56 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Fitzsimons	Kowalczyk	Olson, J. L.	Solon
Arnold	Frederick	Larson	O'Neill	Spear
Bang	Gearty	Laufenburger	Patton	Stassen
Berg	Hansen, Baldy	McCutcheon	Perpich, A. J.	Stokowski
Bernhagen	Hanson, R.	Merriam	Perpich, G.	Stumpf
Blatz	Hughes	Moe	Pillsbury	Tennessee
Brataas	Humphrey	Nelson	Purfeerst	Ueland
Brown	Jensen	North	Renneke	Wegener
Conzemius	Keefe, J.	Ogdahl	Schaaf	
Davies	Keefe, S.	Olhoff	Schmitz	
Doty	Kirchner	Olson, A. G.	Schrom	
Dunn	Kleinbaum	Olson, H. D.	Sillers	

So the bill passed and its title was agreed to.

SPECIAL ORDER

S. F. No. 1935: A bill for an act relating to education; environmental curriculum; providing for the inclusion of food production studies as part of environmental education; amending Minnesota Statutes 1974, Section 126.111.

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 54 and nays 3, as follows:

Those who voted in the affirmative were:

Anderson	Davies	Keefe, J.	Olson, A. G.	Schrom
Arnold	Doty	Keefe, S.	Olson, H. D.	Sillers
Berg	Dunn	Kirchner	Olson, J. L.	Spear
Bernhagen	Fitzsimons	Kleinbaum	O'Neill	Stassen
Blatz	Frederick	Larson	Patton	Stokowski
Borden	Gearty	Laufenburger	Perpich, A. J.	Stumpf
Brataas	Hansen, Baldy	Lewis	Perpich, G.	Tennessee
Brown	Hanson, R.	McCutcheon	Pillsbury	Ueland
Chmielewski	Hughes	Moe	Purfeerst	Wegener
Coleman	Humphrey	Nelson	Renneke	Willet
Conzemius	Jensen	Olhoft	Schmitz	

Messrs. Merriam, North and Schaaf voted in the negative.

So the bill passed and its title was agreed to.

MOTIONS AND RESOLUTIONS—CONTINUED

Mr. Anderson moved that H. F. No. 1997 be taken from the table. The motion prevailed.

SUSPENSION OF RULES

Mr. Anderson moved that an urgency be declared within the meaning of Article IV, Section 19, of the Constitution of Minnesota, with respect to H. F. No. 1997 and that the rules of the Senate be so far suspended as to give H. F. No. 1997 its second and third reading and place it on its final passage. The motion prevailed.

H. F. No. 1997 was read the second time.

H. F. No. 1997: A bill for an act relating to the operation of state government; providing for aids to education, tax levies and the distribution of tax revenues; changing the funding of special education, adult vocational education and secondary vocational education to a current funding basis; granting certain powers and duties to school districts, the commissioner of education, and the state board of education; establishing a uniform financial accounting and reporting system for Minnesota school districts; requiring the provision of special education on a shared time basis to nonpublic school pupils; appropriating money; amending Minnesota Statutes 1974, Sections 120.17, by adding a subdivision; 120.73, Subdivision 1; 120.74, Subdivision 1; 121.21, by adding a subdivision; 122.45, Subdivisions 2 and 3a; 124.212, by adding a subdivision; 124.32, as amended; Chapter 124, by adding sections; Minnesota Statutes, 1975 Supple-

ment, Sections 122.23, Subdivision 15; 122.45, Subdivision 1; 124.04; 124.17, Subdivisions 1 and 2; 124.212, Subdivision 8a; 124.271, Subdivision 2; 124.43, Subdivision 1; 124.561, Subdivision 3, and by adding a subdivision; 124.562, Subdivision 2; 124.563, Subdivision 3, and by adding a subdivision; 124.564; 124.565, Subdivision 2; 124.611, Subdivisions 1 and 2; 275.125, Subdivisions 2a, 4, 5, 8, 9, and 14; repealing Minnesota Statutes 1974, Sections 122.54 and 275.39.

Mr. Anderson moved to amend H. F. No. 1997 as follows:

Strike everything after the enacting clause and insert:

"Section 1. Subdivision 1. Any school district which has been or will be providing educational services to Southeast Asian refugee children from Vietnam, Cambodia, Laos, or Thailand for whom English is a second language may apply before July 1, 1976 to the commissioner of education for state categorical aid. The commissioner shall review the petition by September 1, 1976 to determine whether the district has incurred or will incur additional and uncompensated costs because of the provision of these services. If the commissioner determines that the district has incurred or will incur an additional and uncompensated cost, he shall pay to the district an amount not to exceed \$40 for each Southeast Asian child served.

Subd. 2. All aid distributed pursuant to this section shall be utilized by a school district for the purpose of paying additional and uncompensated costs which have been or will be incurred in the provision of these services.

Subd. 3. Prior to January 15, 1977, the commissioner shall report to the education committees of the senate and the house of representatives on the distribution of these aids. The report shall include (a) the recipients of the aid; (b) the amounts distributed, and (c) the reasons for these distributions.

Sec. 2. For the 1975-76 school year, if a district provides post-secondary vocational-technical education to pupils who are not residents of that district, it shall receive foundation aid for any such pupils who qualify to attend a post-secondary vocational-technical school without tuition pursuant to section 124.565, subdivision 1 or 2.

Sec. 3. [3.9276] [EDUCATIONAL ALTERNATIVE PROGRAMS.] Subdivision 1. For the 1976-77 school year, the council on quality education shall make grants to not less than six pilot alternative educational programs. At least three pilot programs shall be outside the cities of the first class and the seven county metropolitan area, and at least one of those outside these areas shall be a cooperative effort among several school districts. Grants for any program shall not exceed \$3,000 per year per pupil enrolled in that program less the amount earned by that pupil for that district as foundation aid. Educational alternative programs are programs which are voluntary alternatives to mainstream educational programs and which are designed for pupils who are identified as having such learning and behavioral problems as to have little or no interest in participating in the regular school programs. At least 60 percent of the students enrolled in any such program shall have a history of appearances before a juvenile court, as

defined in section 260.021, or contact with other agencies exercising similar corrective functions, or a verified history of serious behavioral problems. All referrals to educational alternative programs shall be made by pupil referral committees to be established by each building principal within a district receiving grants under this section. Members of these committees shall include, but not be limited to, the principal, assistant principal, counselors, school psychologists, school social worker, and other appropriate faculty and professional representatives.

Subd. 2. Notwithstanding section 3.926, subdivision 2, every educational alternative program proposal shall be submitted to the council on quality education not less than six weeks before the planned commencement of the program. The council shall prescribe the form and manner of application and shall determine the participating pilot programs. In making this determination, the council shall give preference to those programs which appear most able to coordinate their services with existing programs and other governmental agencies. The council shall report on the programs annually to the committees on education of the senate and house of representatives.

Subd. 3. Each district providing pilot programs shall establish and maintain an account separate from all other district accounts for the receipt and disbursement of all funds related to these educational alternative programs. All foundation aid or other special state aid earned for a district by a student enrolled in an educational alternative program shall be deposited by the district in the educational alternative program account and shall be used solely for the purposes of that program.

Subd. 4. A school district providing educational alternative programs shall be eligible to receive funds for these programs from other government agencies and from private sources when such funds are available.

Subd. 5. Educational alternative programs established and operational prior to the effective date of this section shall be eligible for grants under this section.

Subd. 6. The state board of education shall provide service to the pilot programs by:

(a) Applying for funds which are, or may become available under federal programs, including funds for administration, demonstration projects, training, technical assistance, planning, and evaluation;

(b) Providing professional and technical assistance.

Subd. 7. The council on quality education shall appoint an advisory council of nine members on educational alternative programs. Appointed members shall represent at least the following disciplines: corrections; juvenile justice; education; special learning and behavior problems; mental health; career counseling; and vocational education; provided that not more than five council members shall be professionally or occupationally affiliated in these disciplines. This advisory council shall expire, and the membership terms, compensation, and removal of members shall be as provided in section 15.059.

Sec. 4. Minnesota Statutes, 1975 Supplement, Section 120.17, Subdivision 1, is amended to read:

120.17 [HANDICAPPED CHILDREN.] Subdivision 1. [SPECIAL INSTRUCTION FOR HANDICAPPED CHILDREN OF SCHOOL AGE.] Every district shall provide special instruction and services, either within the district or in another district, for handicapped children of school age who are residents of the district and who are handicapped as set forth in section 120.03. When the provision of instruction, training, and services may result in hardship or injury to the child, the school board may appeal the mandatory provisions of Laws 1971, Chapter 689 to the commissioner of education who shall determine what provisions shall be made by the district for the education of the child. School age means the ages of four years to 21 years for children who are ~~deaf, blind, crippled or have speech defects, and five years to 21 years for mentally retarded children,~~ *handicapped as defined in section 120.03* and shall not extend beyond secondary school or its equivalent. Every district may provide special instruction and services for handicapped children who have not attained school age. Districts with less than the minimum number of eligible handicapped children as determined by the state board shall cooperate with other districts to maintain a full sequence of programs for education, training and services for handicapped children as defined in section 120.03, subdivisions 1 to 3. A district that decides to maintain programs for trainable handicapped children is encouraged to cooperate with other districts to maintain a full sequence of programs.

Sec. 5. Minnesota Statutes 1974, Section 120.17, Subdivision 2, is amended to read:

Subd. 2. [METHOD OF SPECIAL INSTRUCTION.] Special instruction or training and services for handicapped children may be provided by one or more of the following methods:

(a) Special instruction and services in connection with attending regular elementary and secondary school classes;

(b) The establishment of special classes;

(c) Instruction and services at the home or bedside of the child;

(d) Instruction and services in other districts;

(e) Instruction and services in a state college laboratory school or a University of Minnesota laboratory school;

(f) Instruction and services in a state residential school or a school department of a state institution approved by the commissioner; or by any other method approved by him;

(g) Instruction and services in other states;

(h) Contract with public, private or voluntary agencies.

The primary responsibility for the education of a handicapped child shall remain with the district of the child's residence regardless of which method of providing special instruction or training and services is used.

Sec. 6. Minnesota Statutes 1974, Section 120.17, Subdivision 5, is amended to read:

Subd. 5. [SCHOOL OF PARENTS' CHOICE.] Nothing in this chapter shall be construed as preventing parents of a handicapped educable child from sending such child to a school of their choice, if they so elect, subject to admission standards and policies to be adopted pursuant to the provisions of *Minnesota Statutes, Chapter 249 sections 38 to 46 of this act*, and all other provisions of *Chapter 71, Extra Session Laws 1959 chapters 120 to 129*.

Sec. 7. Minnesota Statutes 1974, Section 120.17, is amended by adding a subdivision to read:

Subd. 7a. [ATTENDANCE AT SCHOOL FOR THE DEAF OR BRAILLE AND SIGHT-SAVING SCHOOL.] *Responsibility for special instruction and services for a visually disabled or hearing impaired child attending the Minnesota school for the deaf or the Minnesota braille and sight-saving school shall be determined in the following manner:*

(a) *The legal residence of the child shall be the school district in which his parent or guardian resides;*

(b) *When it is determined pursuant to section 42, subdivision 1 or 2 of this act that the child is entitled to attend either school, the state board shall provide the appropriate educational program for the child at that school. The state board shall make a tuition charge to the child's district of residence for the actual cost of providing the program; provided, however, that the amount of tuition charged shall not exceed \$2,000 for any school year. The district of the child's residence shall pay the tuition and may claim foundation aid for the child;*

(c) *When it is determined that the child can benefit from public school enrollment but that the child should also remain in attendance at the applicable school, provision for this instruction shall be made in the following manner:*

(1) *Determination of eligibility for special instruction and services shall be made by the admissions and discharge committee. This decision shall be subject to the rules relating to due process promulgated by the state board, and shall be made only after consultation with the parents and the school district of residence;*

(2) *The school district where the institution is located shall provide an appropriate educational program for the child and shall make a tuition charge to the child's district of residence for the actual cost of providing the program, less any amount of aid received pursuant to section 124.32;*

(3) *The district of the child's residence shall pay the tuition and other program costs including the unreimbursed transportation costs and may claim foundation aid for the child. Aids for handicapped children shall be paid to the district providing the special instruction and services. Special transportation shall be provided by the district providing the education program and the state shall reimburse such district within the limits provided by law;*

(4) *If a school district pays tuition under the provisions of this clause, it shall not be charged by the state board under clause (b).*

(d) The state board shall provide free billing services for the district where the institution is located for tuition charges to be made pursuant to clause (b), if agreeable to that district.

Sec. 8. Minnesota Statutes 1974, Section 120.17, is amended by adding a subdivision to read:

Subd. 9. No resident of a district who is eligible for special instruction and services pursuant to this section shall be denied provision of this instruction and service on a shared time basis because of attendance at a nonpublic school defined in section 123.932, subdivision 3.

Sec. 9. Minnesota Statutes 1974, Section 120.17, is amended by adding a subdivision to read:

Subd. 10. All tuition billing for the education of nonresident children pursuant to this section shall be done on uniform forms prescribed by the commissioner. The billing shall contain an itemized statement of costs which are being charged to the district of residence. One copy of each such billing shall be filed with the commissioner.

Sec. 10. Minnesota Statutes 1974, Section 120.74, Subdivision 1, is amended to read:

120.74 [PROHIBITED FEES.] Subdivision 1. A school board is not authorized to charge fees in the following areas:

- (a) Textbooks, workbooks, art materials, laboratory supplies, towels;
- (b) Supplies necessary for participation in any instructional course except as authorized in sections 120.73 and 120.75;
- (c) Field trips which are required as a part of a basic education program or course;
- (d) Graduation caps, gowns, any specific form of dress necessary for any educational program, and diplomas;
- (e) Instructional costs for necessary school personnel employed in any course or educational program required for graduation;
- (f) Library books required to be utilized for any educational course or program;
- (g) Admission fees, dues, or fees for any activity the pupil is required to attend;
- (h) Any admission or examination cost for any required educational course or program;
- (i) Locker rentals;
- (j) *School transportation and related services for which the district is authorized to receive transportation aid pursuant to section 124.223 or for hazardous transportation for which a district may levy pursuant to section 275.125, subdivision 5.*

Sec. 11. Minnesota Statutes 1974, Section 121.21, is amended by adding a subdivision to read:

Subd. 4a. No district shall expend funds from any source for construction of, additions to or expansion of facilities of an area voca-

tional-technical school without the approval of the state board if the construction, addition or expansion requires the expenditure of an amount equal to or greater than \$75 per pupil unit in average daily membership in the school or changes the perimeter walls of an existing facility. No construction, addition or expansion which requires the expenditure of less than \$75 per pupil unit and does not change a perimeter wall shall be carried out without the approval of the commissioner of education.

Sec. 12. [121.90] [DEFINITIONS.] "Receivables", "liabilities", "fund balances", "revenues" and "expenditures" have the meanings specified in the Uniform Financial Accounting and Reporting system for Minnesota School districts unless otherwise provided by law.

Sec. 13. [121.91] [ADVISORY COUNCIL ON UNIFORM FINANCIAL ACCOUNTING AND REPORTING STANDARDS.] Subdivision 1. There is created an advisory council on uniform financial accounting and reporting standards, composed of 13 members appointed as follows:

(1) Two employees of the state department of education appointed by the commissioner of education;

(2) An employee of the office of state auditor appointed by the state auditor;

(3) One licensed certified public accountant appointed by the state board of education;

(4) Nine persons who are representative of the various size school districts in the state and who are public school employees whose positions involve activities related to school financing and accounting, appointed by the state board.

Professional associations composed of persons eligible to be appointed under clauses (3) and (4) may recommend nominees from their associations to the state board.

Subd. 2. The council shall expire, and the terms, compensation and removal of members shall be as provided in section 15.059. The state board shall determine the length of terms of the initial members consistent with section 15.059.

Subd. 3. The council shall annually select a chairman and secretary from its membership. Meetings shall be held at the call of the chairman.

Sec. 14. [121.92] [UNIFORM FINANCIAL ACCOUNTING AND REPORTING STANDARDS.] Subdivision 1. The council shall recommend to the state board uniform financial accounting and reporting standards for school districts. Prior to October 1, 1976, the state board shall adopt uniform financial accounting and reporting standards which are consistent with this act and with generally accepted accounting principles and practices. The standards so adopted shall be known as the Uniform Financial Accounting and Reporting System for Minnesota School Districts.

Subd. 2. The state board shall meet the requirements of chapter 15 in the adoption and revision of these standards. All substantive inter-

pretations of these standards by the department shall be published in the state register.

Sec. 15. [121.93] [REVENUE RECOGNITION.] *Subdivision 1. School district revenues shall be recognized and reported on the district books of account in accordance with this section.*

Subd. 2. Revenues shall be recorded in a manner which clearly indicates that they are applicable to a specific accounting period and fund.

Subd. 3. Receivables shall be recorded in a manner which clearly reflects amounts of money due to a particular fund from public and private sources at the date of each accounting statement.

Subd. 4. All current levies of local taxes, including portions assumed by the state, shall be recognized as receivable at the beginning of the calendar year during which collection normally takes place. Such receivables shall be reserved for use in the subsequent fiscal year. Payments of current taxes including but not limited to March personal property tax settlements, received prior to July 1, shall be recorded as revenue to be earned as of July 1 with appropriate adjustments to the receivables and the reserves for such taxes. All current taxes received prior to July 1 plus the balance of the reserves shall be recognized as revenue on July 1.

Subd. 5. Foundation aid, endowment fund apportionment, and guarantee aid shall be recognized as revenue of the fiscal year for which the aids are designated by statute.

Subd. 6. Transportation aids, including depreciation aid, and any categorical aids not otherwise provided for in this section shall be recognized as revenue of the fiscal year for which these aids are designated by statute.

Subd. 7. Summer school aids shall be recognized as revenues and recorded as receivables during the fiscal year in which the summer school session ends; provided that nothing in this subdivision shall be construed to provide for a different rate of aid than that provided in section 124.20.

Subd. 8. "Categorical reimbursement" aids are those aids for which the expenditures of the prior fiscal year are used only for determination of the amount. These aids shall be recognized as revenues and recorded as receivables in the fiscal year designated for payment.

Subd. 9. Interest shall be recognized in the fiscal year during which earned, and shall be allocated proportionately to the funds from which the resources were invested.

Subd. 10. Federal aids or grants shall be recognized as revenues and recorded as receivables in the fiscal year during which the eligible expenditures are recognized.

Subd. 11. State aids or grants, that are paid as a matching of an expenditure, shall be recognized as revenues and recorded as receivables in the fiscal year during which the eligible expenditure is recognized.

Subd. 12. Other revenues not specified in this section shall be recognized as revenues and shall be recorded in the fiscal year earned.

Subd. 13. Deviations from the principles set forth in this section shall be evaluated and explained in footnotes to audited financial statements.

Subd. 14. The state board shall specify the fiscal year or years to which the revenue from any aid or tax levy is applicable if Minnesota Statutes do not so specify.

Sec. 16. [121.94] [EXPENDITURE RECOGNITION.] *Subdivision 1. School district expenditures shall be recognized and reported on the district books of account in accordance with this section.*

Subd. 2. There shall be fiscal year-end recognition of expenditures and the related offsetting liabilities recorded in each fund in accordance with the Uniform Financial Accounting and Reporting System for Minnesota School Districts.

Subd. 3. Purchase orders, itemized in detail, for other than inventory supply items, which are issued to outside vendors and based on firm prices shall be recorded as expenditures in the fiscal year designated at the time of the issuance of the order.

Subd. 4. Inventory supply items may be recorded as expenditures at the time of the issuance of the purchase order or at the time of delivery to the school district's subordinate unit or other consumer of the item.

Subd. 5. Salaries and wages shall be recorded as expenditures in the fiscal year in which the personal services are performed.

Subd. 6. Other payable items shall be recorded in the fiscal year in which the liability is incurred.

Subd. 7. Deviations from the principles set forth in this section shall be evaluated and explained in footnotes to audited financial statements.

Sec. 17. [121.95] [REQUIREMENT FOR ACCOUNTING, BUDGETING AND REPORTING.] *Subdivision 1. On or before June 30, 1977, each Minnesota school district shall adopt the Uniform Financial Accounting and Reporting System for Minnesota School Districts provided for in section 14 of this act.*

Subd. 2. [UNAUDITED FINANCIAL STATEMENTS.] Each Minnesota school district shall submit to the commissioner by August 15, 1977 and August 15 of each year thereafter, an unaudited financial statement for the preceding fiscal year. This statement shall be submitted on forms prescribed by the commissioner after consultation with the advisory council on uniform financial accounting and reporting standards.

Subd. 3. [AUDITED FINANCIAL STATEMENTS.] Prior to June 30 of the calendar year following the submission of the unaudited financial statement, the school district shall provide to the commissioner and state auditor an audited financial statement prepared in a form which will allow comparison with and correction of the unaudited statement.

Subd. 4. [BUDGET REPORTING.] Each Minnesota school district shall submit to the department by August 15, 1977, and by August

15 of each year thereafter, on forms prescribed by the commissioner, the revenue and expenditure budgets adopted for that fiscal year.

Subd. 5. All governmental units formed by joint powers agreements entered into by school districts pursuant to Minnesota Statutes, Sections 120.17, 123.351, 471.59, or any other law shall be subject to the provisions of this section.

Sec. 18. [121.96] [CASH FLOW; SCHOOL DISTRICT REVENUES; BORROWING FOR CURRENT OPERATING COSTS.]

Subdivision 1. The commissioner of finance shall remit all payments of state aids to school districts in conformance with the dates provided by law or, when not so provided, with a schedule of aid payments to be established by the commissioner of education in consultation with other affected state agencies.

Subd. 2. The auditors or finance officers of Minnesota counties shall remit all payments of taxes to the school districts in conformance with the provisions of section 276.11. School districts which have need for tax remittance advances may secure them from the counties by making formal requests in conformance with section 276.11.

Subd. 3. Minnesota school districts may issue tax and aid anticipation certificates in conformance with the provisions of sections 124.71 to 124.781, with the additional provision that the proceeds of such borrowing or any other method of borrowing shall be recorded as liabilities of funds for which the taxes were levied, or for which the aids are receivable. Nothing in this subdivision shall provide authority for borrowing against the tax levies and aids of one school district fund for the purpose of increasing the available cash balance of another fund.

Subd. 4. Unless otherwise provided by law, no district shall, for the purpose of increasing the available cash balance of another fund, borrow or transfer funds from the building construction fund, debt redemption fund, trust and agency fund, or from any sinking fund for outstanding bonds issued for any purpose. However, if the contemplated use for which funds were originally placed in the building construction fund or a sinking fund is afterwards abandoned or if a balance remains after the use is accomplished, a district may devote these funds as provided in section 475.65. For the purpose of insuring fund integrity, separate bank accounts shall be maintained for building construction funds, debt redemption funds, trust and agency funds, and sinking funds for outstanding bonds. Nothing in this subdivision shall be construed to prohibit the use of common bank accounts for other funds unless prohibited by law.

Sec. 19. [121.97] [STATUTORY OPERATING DEBT.] *Subdivision 1. The "statutory operating debt" of a school district means the net negative fund balance in all school district funds, other than capital expenditure, building construction, debt service, trust and agency, and post-secondary vocational-technical education funds, calculated as of June 30 of each year in accordance with the Uniform Financial Accounting and Reporting System for Minnesota School Districts.*

Subd. 2. The commissioner shall establish a uniform auditing or other verification procedure for school districts to determine whether

a statutory operating debt exists in any Minnesota school district as of June 30, 1977. The standards for this uniform auditing or verification procedure shall be promulgated by the state board pursuant to chapter 15. If a school district applies to the commissioner for a statutory operating debt verification or if the unaudited financial statement for the school year ending June 30, 1977 reveals that a statutory operating debt might exist, the commissioner shall require a verification of the amount of the statutory operating debt which actually does exist.

Subd. 3. If an audit or other verification procedure conducted pursuant to subdivision 2 determines that a statutory operating debt exists and does not come within the provisions of subdivision 4, a district shall follow the procedures set forth in section 56 of this act to eliminate this operating debt.

Subd. 4. If the amount of the statutory operating debt verified pursuant to subdivision 2 is less than three percent of the most recent fiscal year's expenditure amount for the funds considered under subdivision 1, the net negative fund balance shall not qualify as statutory operating debt for the purposes of this section and sections 20 and 56 of this act.

Subd. 5. The commissioner of education shall certify the amount of statutory operating debt for each school district. Prior to June 30, 1979, the commissioner may, on the basis of corrected figures, adjust the total amount of statutory operating debt certified for any district.

Subd. 6. On January 15, 1998, the commissioner of education shall report to the legislature on the districts for which the levy allowable under section 56 of this act has been insufficient to eliminate the statutory operating debt of the district, determined as of June 30, 1977.

Subd. 7. This section and the provisions of section 56 of this act shall be applicable only to common, independent, and special school districts and districts formed pursuant to Laws 1967, Chapter 822, as amended, and Laws 1969, Chapters 775 and 1060, as amended. This section and the provisions of section 56 of this act shall not apply to Independent School District No. 625.

Subd. 8. Any district eligible to receive any amounts pursuant to section 56 of this act shall disclose its statutory operating debt retirement plan by footnote to the audited financial statement.

Sec. 20. [121.98] [EXPENDITURE LIMITATIONS.] Subdivision 1. (a) Beginning in fiscal year 1978 and each year thereafter, a district which had statutory operating debt on June 30, 1977 pursuant to section 19 of this act shall limit its expenditures in each fiscal year to the amount of revenue recognized in the same fiscal year in accordance with the Uniform Financial Accounting and Reporting System for Minnesota School Districts.

(b) The expenditures of a district for each fiscal year shall be limited so that the amount of its statutory operating debt calculated for that fiscal year pursuant to section 19 of this act is not greater than the amount of the district's statutory operating debt as of June 30, 1977, as certified and adjusted by the commissioner;

(1) reduced by an amount equal to the cumulative entries to that district's "Reserve Account for Reducing Operating Debt";

(2) increased by an amount equal to two and one half percent of that district's operating expenditures for the fiscal year immediately preceding the fiscal year for which the statutory operating debt calculation is being made.

(c) When a district is no longer required to levy pursuant to section 56 of this act, subdivision 2 of this section shall be applicable.

Subd. 2. Beginning in fiscal year 1978 and each year thereafter, any district not subject to subdivision 1 shall limit its expenditures so that its appropriate fund balances shall not constitute statutory operating debt as defined and limited in section 19 of this act.

Subd. 3. If a school district does not limit its expenditures in accordance with this section, the commissioner shall so notify the appropriate committees of the legislature by no later than January 1 of the year following the end of that fiscal year.

Sec. 21. [121.99] [PARTICIPATION IN COMPUTER SYSTEMS.] Subdivision 1. On or before July 1, 1980, all Minnesota school districts shall convert financial accounting and reporting operations to a computer based financial management accounting and reporting system utilizing regional or other computing facilities and utilizing accounts and records defined in accordance with the Uniform Financial Accounting and Reporting System for Minnesota School Districts.

Subd. 2. After July 1, 1980, participation in a computer based financial management accounting and reporting system shall be mandatory. The form of this participation shall be appealable to the commissioner.

Sec. 22. Minnesota Statutes 1974, Section 123.37, Subdivision 1, is amended to read:

123.37 [INDEPENDENT SCHOOL DISTRICTS, CONTRACTS.] Subdivision 1. No contract for work or labor, or for the purchase of furniture, fixtures, or other property, except books registered under the copyright laws, or for the construction or repair of school houses, the estimated cost or value of which shall exceed ~~÷ (a) \$3,000 for school districts with an enrollment of students in grades 1 to 12 of less than 10,000, or (b) \$5,000 for all other school districts that specified in section 471.345, subdivision 3,~~ shall be made by the school board without first advertising for bids or proposals by two weeks' published notice in the official newspaper. Such notice shall state the time and place of receiving bids and contain a brief description of the subject matter.

Such additional publication in the official newspaper or elsewhere may be made as the board shall deem necessary.

After taking into consideration conformity with the specifications, terms of delivery, and other conditions imposed in the call for bids, every such contract shall be awarded to the lowest responsible bidder, duly executed in writing, and the person to whom the same is awarded shall give a sufficient bond to the board for its faithful performance, and otherwise conditioned as required by

law. A record shall be kept of all bids, with names of bidders and amount of bids, and with the successful bid indicated thereon. A bid containing an alteration or erasure of any price contained in the bid which is used in determining the lowest responsible bid shall be rejected unless the alteration or erasure is corrected as herein provided. An alteration or erasure may be crossed out and the correction thereof printed in ink or typewritten adjacent thereto and initialed in ink by the person signing the bid. In the case of identical low bids from two or more bidders, the board may, at its discretion, utilize negotiated procurement methods with the tied low bidders for that particular transaction, so long as the price paid does not exceed the low tied bid price. In the case where only a single bid is received, the board may, at its discretion, negotiate a mutually agreeable contract with the bidder so long as the price paid does not exceed the original bid. If no satisfactory bid is received, the board may readvertise. Standard requirement price contracts established for supplies or services to be purchased by the district shall be established by competitive bids. Such standard requirement price contracts may contain escalation clauses and may provide for a negotiated price increase or decrease based upon a demonstrable industrywide or regional increase or decrease in the vendor's costs. Either party to the contract may request that the other party demonstrate such increase or decrease. The term of such contracts shall not exceed two years with an option on the part of the district to renew for an additional two years. Provided that in the case of purchase of perishable food items except milk for school lunches and vocational training programs a contract of any amount may be made by direct negotiation by obtaining two or more written quotations for the purchase or sale, when possible, without advertising for bids or otherwise complying with the requirements of this section or section 471.345, subdivision 3. All quotations obtained shall be kept on file for a period of at least one year after receipt thereof.

Every contract made without compliance with the provisions of this section shall be void. Provided, that in case of the destruction of buildings or injury thereto, where the public interest would suffer by delay, contracts for repairs may be made without advertising for bids.

Firm bid contracts for the purchase of milk and ice cream renegotiated between August 25, 1973 and July 1, 1974 which provide for a price increase or decrease based upon a demonstrable industrywide or regional increase in the vendor's costs are valid and not void under this subdivision; provided that the adjustment shall not exceed the increase or decrease authorized in the applicable federal marketing order for raw milk; and provided further that a school district which did not renegotiate its contract before February 1, 1974, shall not adjust its contract to provide for price increases or decreases for purchases made before February 1, 1974.

Sec. 23. Minnesota Statutes 1974, Section 123.37, Subdivision 1b, is amended to read:

Subd. 1b. Notwithstanding the provisions of subdivision 1 or

section 471.345 , a contract for the transportation of school children may be made either by direct negotiation , by obtaining two or more written quotations for the service , when possible, or upon sealed bids. At least 30 days before awarding a directly negotiated contract, the school district shall, by published notice, request quotations for the service to be provided. All quotations obtained shall be kept on file for a period of at least one year after receipt thereof. If a contract is made by direct negotiation, negotiations shall be carried on at a meeting of the school board open to the public. If a contract is made upon sealed bids, the procedure for advertising and awarding bids shall conform to the provisions of subdivision 1.

Sec. 24. Minnesota Statutes, 1975 Supplement, Section 124.04, is amended to read:

124.04 [CAPITAL EXPENDITURE TAXING AUTHORITY.] In addition to the tax levy prescribed by law for general and special school purposes, the board of any district may levy annually an amount such that the sum of the levy and attached machinery aid for capital outlay purposes calculated pursuant to section 273.138, subdivision 3, clause (1), shall not exceed the greater of \$70 per pupil unit or, in 1976 and 1977, \$70 per 1975-76 pupil unit or, in districts where the pupil unit count is increased pursuant to section 124.17, subdivision 1, clause (7), \$75 per pupil unit. No levy under this section shall exceed 10 mills on each dollar of assessed valuation of the taxable property in the district as adjusted for the preceding year by the equalization aid review committee notwithstanding the provisions of sections 272.64 and 275.49 ; provided that said levy may not exceed by more than two mills ~~(three mills if the district adds units pursuant to section 124.17, subdivision 1 clause (7))~~ the levy under this section in the previous year and provided further that any district which did not levy pursuant to this section in 1972 may certify a maximum levy of six mills not to exceed \$65 per pupil unit in 1974 . The tax so levied shall be collected in the manner provided by law for the collection of school taxes. The proceeds of the tax may be used only to acquire land, improve and repair school sites, to equip, re-equip, repair and improve buildings and permanent attached fixtures, and to pay leasing fees for computers and computer services. Subject to the commissioner's approval, the tax proceeds may also be used to rent or lease buildings for school purposes and to acquire or construct buildings. The board shall establish a fund in which the proceeds of this tax shall be accumulated until expended.

The proceeds of the tax shall not be used for custodial or other maintenance services.

Sec. 25. Minnesota Statutes, 1975 Supplement, Section 124.17, Subdivision 2, is amended to read:

Subd. 2. Membership for pupils in grades kindergarten through twelve and for handicapped prekindergarten pupils shall mean the number of pupils on the current roll of the school, counted from the date of entry until withdrawal. The date of withdrawal shall

mean the day the pupil permanently leaves the school or the date it is officially known that the pupil has left or has been legally excused; provided that any pupil, regardless of age, who has been absent from school without a legally justifiable excuse for 15 consecutive school days shall be dropped from the roll and classified as withdrawn. Nothing in Extra Session Laws 1971, Chapter 31, shall be construed as waiving the compulsory attendance provisions cited in section 120.10. Average daily membership shall equal the sum for all pupils of the number of days of the school year each pupil is enrolled in the district's schools divided by the number of days said schools are in session. For districts operating 12 months schools, days schools are in session shall mean the number of session days required by section 124.19, subdivision 1. The average daily membership of a pupil enrolled on a shared time basis shall equal the ratio of the total minutes for which such pupil is enrolled and the minimum minutes required during the year for a regularly enrolled public school pupil. Foundation aid for shared time pupils shall equal the amount which would accrue if shared time pupil units, counted pursuant to *subdivision 1, clauses (1) and (2) of this section*, were added to the district's total pupil units used in determining its foundation aid. *Foundation aid for shared time pupils shall be in addition to any other aid to which the district is otherwise entitled and shared time pupil units shall not be used for any other computation under subdivision 1 or for any computation under section 124.04.* A district shall not be entitled to transportation aid under section ~~124.22~~ 124.222 for pupils enrolled on a shared time basis unless the statutes specifically provide for transportation aid to such student. This subdivision shall be effective July 1, 1975 as applied to shared time foundation aid and July 1, 1976 as applied to pupils in area vocational-technical schools.

Sec. 26. Minnesota Statutes, 1975 Supplement, Section 124.212, Subdivision 8a, is amended to read:

Subd. 8a. (1) Notwithstanding any provisions of any other law to the contrary, the adjusted assessed valuation used in calculating foundation aid shall include only that property which is currently taxable in the district. For districts which received payments under sections 124.215, subdivision 2a; 124.25; 124.30; ~~360.133~~ 473.633 ; ~~369.135~~ 473.635 ; and 124.28; the foundation aid shall be reduced by: The previous year's payment to the district pursuant to said sections times the ratio of the maximum levy allowed the district under section 275.125, subdivision 2a, to the total levy allowed by section 275.125, but not to exceed 45 percent in 1975-1976 and 50 percent in 1976-1977 of the previous year's payment.

(2) For districts which received payments under sections 294.21 to 294.28; 298.23 to 298.28; 298.32; 298.34 to 298.39; 298.391 to 298.396; 298.405; 298.51 to 298.67; any law imposing a tax upon severed mineral values, or under any other distributing proceeds in lieu of ad valorem tax assessments on copper or nickel properties; the foundation aid shall be reduced in the August adjustment payment by the previous fiscal year's payment to the

district pursuant to said sections times the ratio of the maximum levy allowed the district under section 275.125, subdivision 2a, to the total levy allowed by section 275.125 for collection in the calendar year ending during the aforementioned fiscal year, but not to exceed 40 percent in the August 1975 adjustment, 45 percent in the August 1976 adjustment, and 50 percent in the August 1977 adjustment of the previous fiscal year's payment.

Sec. 27. Minnesota Statutes 1974, Section 124.222, is amended by adding a subdivision to read:

Subd. 6. No district may charge a fee for school transportation and related services for which the district is authorized to receive transportation aid pursuant to section 124.223 or for hazardous transportation for which the district may levy pursuant to section 275.125, subdivision 5.

Sec. 28. Minnesota Statutes, 1975 Supplement, Section 124.223, is amended to read:

124.223 [TRANSPORTATION AID AUTHORIZATION.] For the 1974-1975 school year and thereafter, school transportation and related services for which state transportation aid is authorized are:

(1) Transportation or board of resident pupils who reside one mile or more from the public schools which they could attend, or transportation to, from, or between the schools they attend pursuant to a program approved by the commissioner of education, or who reside one mile or more from a private school actually attended, but only to the extent permitted by sections 123.76 to 123.79 with respect to private school pupils;

(2) Transportation to and from or board and lodging in another district, of resident pupils of a district without a secondary school; the pupils may attend a classified secondary school in another district and shall receive board and lodging in or transportation to and from a district having a classified secondary school at the expense of the district of the pupil's residence;

(3) Transportation for residents to and from a state board approved secondary vocational center;

(4) Transportation or board and lodging of a handicapped pupil when he cannot be transported on a regular school bus, and the conveying of handicapped pupils between home and school and within the school plant;

(5) When necessary, board and lodging for nonresident handicapped pupils in a district maintaining special classes;

(6) Transportation for resident pupils to and from an instructional community-based employment station which is part of an approved occupational experience secondary vocational program;

(7) Transportation from one educational facility to another within the district for resident pupils enrolled on a shared time basis in educational programs approved by the commissioner of education;

(8) *Transportation for residents to and from the Minnesota school for the deaf or the Minnesota braille and sight-saving school;*

~~(8)~~ (9) Services described in clauses (1) to ~~(7)~~ (8) when provided in conjunction with a state board approved summer school program.

Sec. 29. Minnesota Statutes, 1975 Supplement, Section 124.26, is amended by adding a subdivision to read:

Subd. 4. [PAYMENT SCHEDULE.] The state shall pay to each school district 30 percent of its estimated adult education aid entitlement for the fiscal year on or before each of the following dates: September 30, December 31, and March 31. The actual balance due the district shall be paid on or before August 31 of the following fiscal year.

Sec. 30. Minnesota Statutes, 1975 Supplement, Section 124.271, Subdivision 2, is amended to read:

Subd. 2. In fiscal year 1977 and each year thereafter, the state shall pay 50 cents per capita to each school district which is operating a community school program in compliance with the rules and regulations established by the state board and which has levied ~~at least~~ *lesser of the \$1 per capita or the maximum permissible certified levy* for community services pursuant to section 275.125, subdivision 8, for use in that year.

Sec. 31. Minnesota Statutes 1974, Section 124.32, as amended by Laws 1975, Chapter 432, Sections 48 to 50, is amended to read:

124.32 [HANDICAPPED CHILDREN.] Subdivision 1. The state shall pay to any school district ~~and unorganized territory;~~ ~~(a) for the employment in its educational program for handicapped children, 65 percent of the salary of essential personnel employed by the district in that school year in its educational programs for handicapped children,~~ but this amount shall not exceed \$10,000 for the normal school year for each full time person employed, or a pro rata amount for a part time person or a person employed for a limited time, including but not limited to summer school; ~~(b) for the employment of an individual jointly with another district or districts or unorganized territory in its educational program for handicapped children, 65 percent of the salary of essential personnel, but this amount shall not exceed \$10,000 for the normal school year for each full time person employed, or a pro rata amount for a part time person or a person employed for a limited time including but not limited to summer school. This provision shall apply whether the essential personnel are employed by a district alone or jointly with another district or districts.~~

Subd. 2. The state shall reimburse each district or unorganized territory for supplies and equipment purchased or rented for use in the instruction of handicapped children in the amount of one-half of the sum actually expended by the district or unorganized territory but not to exceed an average of \$50 in any one school

year for each handicapped child receiving instruction. The state shall pay to any school district providing educational programs for handicapped children 50 percent of the sum actually expended by the district in that school year for the purchase or rental of supplies and equipment exclusively used in these educational programs, but this amount shall not exceed an amount equal to \$50 per school year for each handicapped child receiving special instruction and services.

Upon following such procedure as requested by the commissioner of education and the filing of an estimated budget, a district may bill the state for its entitlement under this subdivision. If the aid paid exceeds this entitlement, the excess amount shall be deducted from the August payment, or the aid payment of any future school year in which the fact that this excess payment was made is discovered.

Subd. 3a. The purpose of this subdivision is to change the method of funding of educational programs for handicapped children from reimbursement based on past expenditures to a current funding basis. Beginning July 1, 1976, the state shall not reimburse expenditures from the 1975-1976 school year programs, including 1976 summer school programs, but shall pay aids for the 1976-1977 school year programs and for each year thereafter on a current funding basis.

Subd. 4. The aids provided for handicapped children shall be paid to the district providing the special instruction and services. Foundation aid shall be paid to the district ~~or unorganized territory~~ of the pupils' residence. The total amount of aid paid may not exceed the amount expended for handicapped children ~~for~~ in the school year for which the aid is paid. *If the aid paid does exceed the amount expended, the excess amount shall be deducted from the August payment, or the aid payment of any future school year in which the fact that this excess payment was made is discovered.*

Subd. 5. When a handicapped child is placed in a residential facility approved by the commissioner and established primarily to serve handicapped children and when the child's educational program is approved by the commissioner, the state shall pay to the resident district not to exceed 65 percent of instructional costs charged to the resident district, less the foundation aid per pupil unit payable to the resident district. Not more than \$400,000 shall be spent annually for purposes of implementing this subdivision. If that amount does not suffice, the aid shall be pro rated among all qualifying districts.

The following types of facilities may be approved by the commissioner:

(a) A residential facility operated by a public school district and designed to serve the low incidence handicapped, the multiple handicapped, or the most severely handicapped children, either within or outside of the state, or, a state residential school outside of the state.

(b) A private, nonsectarian residential facility designed to provide educational services for handicapped children either within or outside of the state.

(c) A state hospital or private nonsectarian residential center designed to provide care and treatment for handicapped children.

Subd. 6. The state shall ~~reimburse~~ pay each district or ~~unorganized territory~~ the actual cost incurred in providing instruction and services for a handicapped child whose district of residence has been determined by sections 120.17, subdivisions 7 or 8a, and who is temporarily placed in a state institution or a licensed residential facility for care and treatment. This section does not apply for a child placed in a foster home or a foster group home.

Upon following such procedure as requested by the commissioner of education *and the filing of an estimated budget*, a district or ~~unorganized territory~~ providing instruction and services for such handicapped child may bill the state the actual cost incurred in providing said services including transportation costs and a proportionate amount of capital outlay and debt service, minus the amount of foundation aid, special education aid, transportation aid, and any other aid earned in behalf of such child ; ~~such action pursuant.~~ *The total amount of aid paid shall be subject to the limits set forth in section 124.32, subdivision 4.*

Subd. 7. [PAYMENT SCHEDULE.] *Except as may be otherwise authorized by the commissioner to accommodate a flexible school year program, the state shall pay to each school district ten percent of the estimated aids to handicapped children in each of the months from September through May based on information available and the final distribution shall be made in August of the following year.*

Sec. 32. Minnesota Statutes, 1975 Supplement, Section 124.561, Subdivision 3, is amended to read:

Subd. 3. [BUDGETS.] Before January 1, 1976, and before January 1 of each year thereafter post-secondary vocational-technical school budgets for the following fiscal year shall be submitted to the state board for vocational education. The state board for vocational education shall approve the budgets for each district *at prior to June 1 of each year after a consolidated public hearing held pursuant to chapter 15, which shall be held prior to June 1 of each year and which shall continue until all interested persons, representatives, and organizations have had an opportunity to be heard* ~~subdivision 3a of this section.~~ The total amount of reimbursement payments approved for fiscal year 1975 payable in fiscal year 1976 shall not exceed by more than 14 percent the amount appropriated for post-secondary vocational-technical education for payment in fiscal year 1975. No district shall increase its operating deficit during fiscal year 1976 unless authorized to do so by the state board for vocational education. The state board for vocational education shall before September 1, 1975 promulgate rules and regulations which establish the approval criteria for budgets, including responsiveness to current and projected manpower needs of population groups to be served in the various geographic areas and communities of the state, particularly disadvantaged and handicapped persons; adequacy of evaluation of programs; and other criteria set forth in the state plan for vocational education. The commissioner, in cooperation with the

department of finance, shall establish program budget standards by which area vocational-technical institutes shall submit financial requests.

Sec. 33. Minnesota Statutes, 1975 Supplement, Section 124.561, is amended by adding a subdivision to read:

Subd. 3a. The consolidated public hearing held by the state board pursuant to subdivision 3 of this section shall take place with at least six board members present and shall continue until all interested persons, representatives, and organizations have had an opportunity to be heard. Notice of intention to hold the hearing shall be given at least 20 days prior to the date set for the hearing by United States mail to each district submitting a post-secondary vocational school budget, to other interested persons, representatives, and organizations who register their names with the commissioner of education for that purpose, and in the state register. The department of education shall make available at least one free copy of the proposed disposition of budgets to any person requesting it. Unless the commissioner determines that the use of an audio magnetic recording device is more appropriate, a court reporter shall keep a record at every hearing. A transcript of the hearing record shall be made available upon the request of any person, provided that the request is in writing and the cost of preparing the transcript is borne by the requesting person. After allowing written material to be submitted and added to the hearing record for five days after the public hearing ends, the commissioner of education shall proceed as promptly as possible to write a report containing the proposed final disposition of budgets. This report shall contain findings and conclusions based on substantial evidence from the hearing record to support the proposed final disposition. The report shall be available to all affected school districts upon request for at least 15 days before the state board takes final action on the budgets. Any district which is adversely affected by the proposed final disposition of budgets may demand and shall be given an opportunity to be heard in support of modification of the proposed disposition at the meeting at which the state board takes final action on the budgets; provided, the state board may place reasonable restrictions on the length of time allowed for testimony.

Sec. 34. Minnesota Statutes, 1975 Supplement, Section 124.562, Subdivision 2, is amended to read:

Subd. 2. Membership for pupils in post-secondary vocational-technical schools shall mean the number of pupils on the current roll of the school, counted from the date of entry until withdrawal. The date of withdrawal shall mean the day the pupil permanently leaves the school or the date it is officially known that he has left or has been legally excused; provided that any pupil, regardless of age, who has been absent from school without a legally justifiable excuse for 15 consecutive school days shall be dropped from the roll and classified as withdrawn. No pupil who is counted in average daily membership pursuant to this section shall be counted in average daily membership in any district pursuant to section 124.17, subdivision 2. Average daily member-

ship shall equal the sum for all pupils of the number of days of the school year each pupil is enrolled in a post-secondary vocational-technical school in a district divided by 175 , unless he is eligible to earn foundation aid pursuant to section 120.80 or is attending a post-secondary vocational-technical school course on a part time basis in addition to spending six hours per day in a secondary program . Average daily membership for pupils who are enrolled on a part time basis in post-secondary vocational-technical schools , but not including adult vocational pupils, shall equal (a) the sum for all pupils of the number of days of the school year each pupil is enrolled in a post-secondary vocational-technical school in the district times the number of hours per day each student is enrolled divided by the number of hours the school is in session per day six (b) divided by 175 ; provided the number of hours which are counted for average daily membership for any pupil in any one program shall in no event exceed the number of hours approved by the state board for completion of the program . For a post-secondary vocational-technical school, the normal school year shall be at least the number of session days required by section 124.19, subdivision 1. In all post-secondary vocational-technical schools, the minimum length of the school day for each pupil, exclusive of the noon intermission, shall be six hours. Exceptions may be made by the local school administration for approved programs to meet individual student needs.

Sec. 35. Minnesota Statutes, 1975 Supplement, Section 124.563, Subdivision 3, is amended to read:

Subd. 3. Post-secondary vocational categorical and capital expenditure aid shall be apportioned by the state board for vocational education at the consolidated public hearing held pursuant to section 124.561, subdivision 3. All post-secondary vocational categorical and capital expenditure aid approved at this public hearing shall be distributed to the districts on or before August 1, December 1, March 1 and June 1 of each year. Additional post-secondary vocational categorical and capital expenditure aid may be distributed on or before March 1 and June 1 of each year if it is apportioned at a consolidated public hearing held in before February pursuant to chapter 15 15 of that year in the manner specified in section 124.561, subdivision 3a . On the date of each post-secondary vocational categorical and capital expenditure aid payment, the state board shall report to the appropriate committees of the legislature on the distribution of post-secondary vocational categorical and capital expenditure aid. The report shall include (a) the recipients of the aid; (b) the amounts distributed, and (c) the reasons for these distributions.

Sec. 36. Minnesota Statutes, 1975 Supplement, Section 124.565, Subdivision 2, is amended to read:

Subd. 2. Any person who has attained his 21st birthday and who would, but for that fact, qualify under subdivision 1 to attend a post-secondary vocational-technical school without tuition, may attend the school without tuition subject to the other provisions of this subdivision , if he entered active military service

in any branch of the armed forces of the United States before his 21st birthday, *was a Minnesota resident at the time of induction into the armed forces and had been a Minnesota resident during the six months immediately preceding induction, and who has then been separated or discharged from active military service under conditions other than dishonorable, and if he applies for admission to the school before his 29th birthday. Time after separation or discharge from military service spent as an in-patient in a hospital or similar institution for treatment of an illness or disability or in recovery from an illness or disability that prevents gainful occupation or study shall be added to the time allowed for application.*

Sec. 37. Minnesota Statutes 1974, Chapter 124, is amended by adding a section to read:

[124.566] *The state board for vocational education may transfer unused post-secondary vocational categorical aid to the post-secondary vocational foundation aid account should an increase in average daily membership cause a deficiency in post-secondary vocational foundation aid in the 1976-77 school year. This section shall expire June 30, 1977.*

Sec. 38. [128A.01] [LOCATION.] *The Minnesota school for the deaf and the Minnesota braille and sight-saving school shall be continued at Faribault, and shall be grouped and classed with the educational institutions of the state.*

Sec. 39. [128A.02] [TRANSFER OF AUTHORITY.] *Subdivision 1. The state board of education shall be responsible for the control, management and administration of the Minnesota school for the deaf and the Minnesota braille and sight-saving school, and all the property real or personal appertaining thereto.*

Subd. 2. The state board shall promulgate rules regarding the maintenance and conduct of both schools and the individuals in attendance, and shall perform all duties necessary to provide the most beneficial and least restrictive program of education for each child handicapped by visual disability or hearing impairment.

Subd. 3. The state board may employ central administrative staffs and other personnel as necessary to provide and support programs and services in each school. The state board may discharge staff and personnel pursuant to provisions of law applicable to independent school districts. These schools shall be deemed to be public schools for the purposes of sections 125.03 and 125.04, and all teachers as defined in those sections who are employed at these schools shall be subject to the standards of the board of teacher standards and certification and the state board of education; provided that any teacher who does not meet these standards as of the effective date of this section shall be required to meet these standards by September 15, 1978 in order to continue in employment.

Subd. 4. The state board may enter into contracts with other public and private agencies and institutions to provide residential

and building maintenance services if it determines that these services could thus be provided in a more efficient and less expensive manner.

Sec. 40. [128A.03] [ADVISORY COUNCILS.] Subdivision 1. The state board of education shall appoint an advisory council on the Minnesota school for the deaf and an advisory council on the Minnesota braille and sight-saving school. These councils shall advise the state board in all matters pertaining to the control, management, and administration of these schools.

Subd. 2. Each advisory council shall consist of seven members. The members shall be representative of the various geographic regions of the state, shall include parents or guardians of visually disabled or hearing impaired children, and shall include two representatives from groups representing the interests of visually disabled or hearing impaired individuals, as applicable. All members shall have knowledge, experience and interest in the problems of visually disabled or hearing impaired children.

Subd. 3. The councils shall expire and the terms, compensation and removal of members shall be as provided in section 15.059.

Subd. 4. The advisory council of each school shall audit all expenses incurred by each school and shall oversee the development of the annual budget request which shall be submitted to the state board. Each respective council shall make recommendations pertaining to the employment of all staff at each school including hiring, salaries, fringe benefits, and personnel policies. Each council shall also make recommendation for rules and regulations regarding the maintenance of each school and the children in attendance.

Sec. 41. [128A.04] [GIFTS AND CONVEYANCES.] The state board of education shall take and hold in trust all lands or other property granted, given, devised, or conveyed to the schools, or to either of them. All moneys and securities so received and all income from this property shall be deposited in the state treasury in compliance with section 16.18, subject to the order of the state board.

Sec. 42. [128A.05] [ATTENDANCE.] Subdivision 1. [SCHOOL FOR THE DEAF.] Any individual who is between four and 21 years of age who is deaf or hearing impaired shall be entitled to attend the school for the deaf if it is determined pursuant to the rules relating to due process promulgated by the state board that the nature or severity of the hearing impairment is such that education in regular or special education classes provided by the school district cannot be achieved satisfactorily and that attendance at the school would be the least restrictive alternative for that individual. ~~Nothing in this subdivision shall be construed as a limitation on the attendance at this school of children who have other handicaps in addition to being deaf or hearing impaired.~~

Subd. 2. [BRAILLE AND SIGHT-SAVING SCHOOL.] Any individual who is between four and 21 years of age who is blind or visually disabled shall be entitled to attend the braille and sight-saving school if it is determined pursuant to the rules relating to due process promulgated by the state board that the nature or severity of the visual

impairment is such that education in regular or special education classes provided by the school district cannot be achieved satisfactorily and that attendance at the school would be the least restrictive alternative for that individual. Nothing in this subdivision shall be construed as a limitation on the attendance at this school of children who have other handicaps in addition to being blind or visually disabled.

Subd. 3. Attendance at the school for the deaf and the braille and sight-saving schools shall be subject to the compulsory attendance provisions of section 120.10 except that attendance may be excused pursuant to that section by the commissioner of education or his designee. Any person failing to comply with the provisions of section 120.10 shall be subject to the provisions of section 120.12. The superintendent of the applicable school shall exercise the duties imposed by section 120.12. Attendance at the school for the deaf or the braille and sight-saving school shall fulfill the mandatory requirements of section 120.17.

Sec. 43. [128A.06] [ADMITTANCE AND DISCHARGE.] Subdivision 1. The admissions and discharge committee of each school shall include the field consultant of the applicable school and four members who are knowledgeable in the fields of hearing impairment or visual disability, as applicable, to be appointed by the state board.

Subd. 2. Preliminary application for admission shall be made by June 1 upon the appropriate forms provided by the field consultant or the district superintendent. The admissions and discharge committee shall make its recommendations by July 1. An admittance shall be provisional until it is determined that that individual comes within the provisions of section 42, subdivisions 1 or 2 of this act.

Subd. 3. An individual in attendance at either school prior to the effective date of this section shall be entitled to continue in attendance without reapplication provided that it is determined by September 1, 1977 that that individual comes within the provisions of section 42, subdivision 1 or 2 of this act.

Subd. 4. The progress of an individual in attendance at either school shall be evaluated monthly by the professional staff of that school. The individual shall be returned to the district of residence when deemed appropriate by the admissions and discharge committee. This decision shall be subject to the rules relating to due process promulgated by the state board, and shall be made only after consultation with the parents and the school district of residence.

Sec. 44. [128A.07] [EXPENSE OF PUPILS.] Any individual attending the school for the deaf or the braille and sight-saving school shall be provided, by the person legally liable for his support, with sufficient funds to furnish him with proper clothing, postage, and necessary incidental expenses. If the person legally liable for his support is unable to make these provisions for him, the county welfare board of the county of which he is a resident shall pay to the superintendent of the school in which he is a pupil a sum to be fixed by the commissioner of education pursuant to rules promulgated by the state board. In addition, the school district of residence shall be liable for the actual transportation of the pupil to and from the school in which he is a pupil.

Applicants from other states who can benefit by being enrolled may be accepted so long as acceptance does not preclude acceptance of an eligible Minnesota resident. The commissioner of education shall obtain reimbursement from other states for the costs incurred in connection with nonresidents accepted and may contract with the appropriate authorities of other states to effect reimbursement. All money received from other states shall be paid to the state treasurer and placed in the general fund subject to the order of the state board.

Sec. 45. [128A.08] [BLIND STUDENT TO RECEIVE EXPENSES WHILE AT CERTAIN SCHOOLS.] *Any blind person who is, and for five years immediately preceding the making of his application for aid under sections 38 to 46 of this act has been, a resident of this state, who is a regularly enrolled student pursuing any course of study, profession, art, or science in any university, college, or conservatory of music approved by the state board, in the discretion and under direction of the board, may receive a sum or sums of money, not exceeding \$300 in any one year, for the purpose of defraying his necessary expenses, including those of a reader, while in attendance upon such university, college, or conservatory, such expenditures to be made from the appropriations for the current expenses of the Minnesota braille and sight-saving school. Not more than ten such blind persons shall receive this aid in any one year.*

Sec. 46. [128A.09] [FIELD CONSULTANTS.] *The state board of education shall employ a field consultant for each of these schools. The duties of the field consultant shall include visiting all visually disabled or hearing impaired children residing in the state and assisting them and their parents in any and all matters relating to their educations. The field consultant shall have knowledge of the problems of visually disabled or hearing impaired persons, shall be learned and experienced in counseling and shall possess such other educational qualifications as may be determined by the state board. He shall have an office and secretarial staff in his respective school. He shall have access to reports and statistics of all schools and social agencies in the state to the extent consistent with state and federal law and shall attempt to identify all visually disabled and hearing impaired children, their abilities and educational status, and shall provide this information to the state board. He shall meet with parents and guardians of visually disabled or hearing impaired children and assist them in making decisions as to the types of education most beneficial to their children. He shall also make arrangements for the education of their children in either of these schools.*

Sec. 47. *Minnesota Statutes 1974, Chapter 137, is amended by adding a section to read:*

[137.22] *Any resident of the state graduated from the Minnesota braille and sight-saving school or the Minnesota school for the deaf, upon compliance with all other admission requirements, shall be entitled to pursue any course of study at the university of Minnesota without expense for tuition; and the board of regents shall receive him into any department thereof.*

Sec. 48. [EFFECT OF TRANSFER TO STATE BOARD OF EDUCATION.] Subdivision 1. [TRANSFER OF FUNCTIONS.] *The powers, duties and functions of the commissioner of public welfare*

relating to the Minnesota school for the deaf and the Minnesota braille and sight-saving school are transferred to the state board of education which shall be the successor to the commissioner of public welfare as to all powers and duties heretofore vested in and imposed upon the commissioner of public welfare relating to these schools.

Subd. 2. [TRANSFER NOT TO CONSTITUTE NEW AUTHORITY.] *Except as provided herein, the transfer of powers, duties and functions under sections 38 to 48 shall not constitute the creation of a new authority, but shall constitute a continuation of the powers, duties and functions. For the purpose of succession, all rights, authorities, powers, duties, functions and obligations existing at the time of transfer shall continue with the same force and effect as if no transfer had been made.*

Subd. 3. [CONTINUATION OF RULES AND REGULATIONS.] *Any order, rule or regulation issued or existing and in force at the time of the transfer of powers, duties and functions under sections 38 to 48, and not otherwise inconsistent with these sections shall continue in full force and effect as an order, rule, or regulation of the state board, or program under the control of the state board, until the order, rule or regulation is amended, repealed or superseded, or the program terminated.*

Subd. 4. [TRANSFER NOT TO AFFECT LEGAL ACTION.] *The transfer of powers, duties and functions as provided in sections 38 to 48 shall not affect any action or proceeding whether of an administrative, civil or criminal nature pending at the time of the transfer, but the action shall be prosecuted or defended in the name of the state board, and the state board, upon application to the appropriate court, shall be substituted as a party to the action or proceeding. No contract entered into according to law shall be affected by the transfer, but shall be performed as if the transfer had not occurred.*

Subd. 5. [TRANSFER OF STATUTORY REFERENCE.] *Whenever a person or authority whose powers, duties and functions are transferred hereunder is referred to in any statute, contract or document, the reference or designation shall be deemed to refer to the board, department or officer to which the powers, duties and functions have been transferred.*

Subd. 6. [CONTINUATION OF RIGHTS OF EMPLOYMENT.] *All employees in the classified or unclassified service, pursuant to the provisions of the state personnel act, of the department of public welfare employed at these schools on the effective date of this section are transferred to the department of education, and the employees shall not lose any rights or benefits now accorded them by law.*

Subd. 7. [TRANSFER OF PROPERTY.] *All books, maps, plans, papers, records and property of every description within the jurisdiction and control of the commissioner of public welfare relating to these schools and necessary for their operation shall be delivered and turned over to the state board of education, and it is authorized to take possession thereof.*

Subd. 8. [TRANSFER OF FUNDS.] *The unencumbered and unexpended balance of all funds appropriated to the commissioner of public*

welfare for the Minnesota school for the deaf and the Minnesota braille and sight-saving school are transferred and reappropriated to the department of education. All state and federal aids from any source which have heretofore been available to the commissioner of public welfare for the use of these schools are hereby granted to the department of education.

Sec. 49. Minnesota Statutes 1974, Section 246.01, is amended to read:

246.01 [POWERS AND DUTIES.] The commissioner of public welfare is hereby specifically constituted the guardian of both the estate and person of all feeble-minded or epileptic persons, the guardianship of whom has heretofore been vested in the state board of control or in the director of social welfare whether by operation of law or by an order of court without any further act or proceeding, and all the powers and duties vested in or imposed upon the state board of control or the director of social welfare, with reference to mental testing of persons mentally deficient or epileptic, and with reference to the institutions of the state of Minnesota except correctional institutions administered and managed by the commissioner of corrections, are hereby transferred to, vested in, and imposed upon the commissioner of public welfare, and in relation thereto he is hereby charged with and shall have the exclusive power of administration and management of all of the following state institutions: The schools and hospitals for the mentally retarded and epileptic, state hospitals for the mentally ill, the Minnesota braille and sight-saving school, the state school for the deaf, and the state hospital for inebriates. He shall have power and authority to determine all matters relating to the unified and continuous development of all of the foregoing institutions and of such other institutions, the supervision of which may, from time to time, be vested in him. It is intended that there be vested in him all of the powers, functions, and authority heretofore vested in the state board of control relative to such state institutions. He shall have the power and authority to accept, in behalf of the state, contributions and gifts of money and personal property for the use and benefit of the inmates of the public institutions under his control, and all moneys and securities so received shall be deposited in the state treasury subject to the order of the commissioner of public welfare. If the gift or contribution is designated by the donor for a certain institution or purpose, the commissioner of public welfare shall expend or use the same as nearly as may be in accordance with the conditions of the gift or contribution, compatible with the best interests of the inmates and the state. The commissioner of public welfare is hereby constituted the "state agency" as defined by the social security act of the United States and the laws of this state for all purposes relating to mental health and mental hygiene.

For the purpose of carrying out his duties, the commissioner of public welfare shall accept from mentally deficient wards for whom he is specifically appointed guardian a signed application for his consent to the marriage of said ward. Upon receipt of such application he shall promptly conduct such investigation as he deems proper and determine if the contemplated marriage is for

the best interest of the ward and the public. A signed copy of the commissioner's determination shall be mailed to the ward and to the clerk of the district court of the county where the application for such marriage license was made.

There is hereby appropriated to such persons or institutions as are entitled to such sums as are provided for in this section, from the fund or account in the state treasury to which the money was credited, an amount sufficient to make such payment.

Sec. 50. Minnesota Statutes 1974, Section 248.07, Subdivision 3, is amended to read:

Subd. 3. [SPECIAL ATTENTION.] The commissioner of public welfare shall give special attention to the cases of ~~such blind handicapped~~ youth as ~~who~~ are eligible to ~~attendance at attend~~ the Minnesota Braille and sight-saving school, ~~the Minnesota school for the deaf~~, or the public school classes for ~~the blind handicapped children~~, but are not in attendance thereat, or are not receiving adequate instruction elsewhere and ~~seek to secure such attendance by all practicable means~~. ~~The commissioner shall report all such cases to the school district of the individual's residence and to the state board of education.~~

Sec. 51. ~~On or before January 15, 1977, the commissioner of public welfare shall report to the legislature as to whether the transfer of any funds under sections 39 and 48 of this act would violate any federal laws or regulation or would cause the loss of any federal money or aid. The report shall specify the programs involved, shall cite the specific authority which would be violated, and shall detail the consequences of this violation.~~

Sec. 52. Minnesota Statutes, 1975 Supplement, Section 275.125, Subdivision 2a, is amended to read:

Subd. 2a. (1) In 1975, a school district may levy for all general and special school purposes, an amount equal to the amount raised by the 1974 adjusted assessed valuation of the district times the number of mills, not to exceed 29, that bears the same relation to 29, as the greater sum computed pursuant to section 124.212, subdivision 7b, clause (2), bears to \$960.

(2) In 1976, a school district may levy for all general and special school purposes, an amount equal to the amount raised by the 1975 adjusted assessed valuation of the district times the number of mills, not to exceed 29, that bears the same relation to 29, as the sum of the greater sum computed pursuant to section 124.212, subdivision 7b, clause (2), and the greater of (a) five-sixths of the difference that results when such greater sum is subtracted from \$1015, or (b) \$55, bears to \$1015.

(3) For any district levying less than the maximum levy allowable in clauses (1) and (2), beginning with the levy certified in 1976, payable in 1977, the foundation aid to the district for the 1977-1978 school year, and for subsequent levies, foundation aid for subsequent school years, calculated pursuant to section 124.212, shall be reduced by the amount of the difference between the actual levy and the maximum levy allowable under clauses (1) and (2).

In the application of this clause, the maximum levy allowable under clauses (1) and (2) shall be reduced by any reduction of this levy which is required by section 275.125, subdivision 9 or any other law.

(4) The levy authorized by clauses (1) or (2) may be increased in any amount which is approved by the voters of the district at a referendum called for the purpose. Such a referendum may be called by the school board or shall be called by the school board upon written petition of qualified voters of the district. The referendum shall be held on a date set by the school board. Only one such election may be held in a single school year. The question on the ballot shall be whether a specific millage which will yield a specific amount based on the most recent assessed valuation may be added to that authorized by clauses (1) or (2). If approved, the amount provided by the millage applied to each year's assessed valuation shall be authorized for certification until revoked by the voters of the district at a subsequent referendum, which may be called by the school board and which shall be called by the school board upon the written petition of qualified voters of the district unless the petition for revocation is submitted in the same year in which a levy has been increased by the voters pursuant to this clause. A petition authorized by this clause shall be effective if signed by a number of qualified voters in excess of 15 percent, or 10 percent if the school board election is held in conjunction with a general election, of the average number of voters at the two most recent district wide school elections. A referendum invoked by petition shall be held within three months of submission of the petition to the school board unless the petition for revocation is submitted in the same year in which a levy has been increased by the voters pursuant to this clause. Notwithstanding any law to the contrary, the approval of 50 percent plus one of those voting on the question is required to pass a referendum.

Sec. 53. Minnesota Statutes, 1975 Supplement, Section 275.125, Subdivision 4, is amended to read:

Subd. 4. The amounts necessary to make payments for bonds issued and for interest thereon, including the bonds and interest thereon, issued as authorized by section 275.125, subdivision 3, clause (7) (C), as it read in Minnesota Statutes 1974 ; ~~and ; the amounts necessary~~ for repayment of debt service loans and capital loans ; ; the amount authorized for capital expenditures pursuant to section 124.04 ; ~~and ; the amount authorized for liabilities of dissolved districts pursuant to section 122.45 and ; the amounts necessary to pay the district's obligations under section 268.06, subdivision 25 ; and the amounts necessary to pay the district's obligations under section 127.05 .~~

Sec. 54. Minnesota Statutes 1974, Section 275.125, is amended by adding a subdivision to read:

Subd. 4a. In 1976 and each year thereafter, a district may levy the amounts necessary to pay assessments for local improvements levied on property owned by the school district pursuant to section 435.19 or any other law or charter provision authorizing assessments against publicly owned property.

Sec. 55. Minnesota Statutes, 1975 Supplement, Section 275.125, Subdivision 9, is amended to read:

Subd. 9. (1) Districts which receive payments which result in deductions from foundation aid pursuant to section 124.212, subdivision 8a, shall reduce the permissible levies authorized by subdivisions 3 to 14 by 25 percent in 1973, 50 percent in 1974, 75 percent in 1975, and 100 percent for each year thereafter of that portion of the previous year's payment not deducted from foundation aid on account of the payment, unless such a levy reduction is otherwise required by law. The levy reductions shall be made in the proportions that each permissible levy bears to the sum of the permissible levies. *Reductions in levies of the applicable proportions of amounts received pursuant to sections 124.215, subdivision 2a; 124.25; 124.28; 124.30; 473.633, and 473.635, shall be made prior to the reductions in clause (2).*

(2) Notwithstanding any other law to the contrary, districts which received payments pursuant to sections 294.21 to 294.28; 298.23 to 298.28; 298.32; 298.34 to 298.39; 298.391 to 298.396; 298.405; 298.51 to 298.67; and any law imposing a tax upon severed mineral values, or under any other law distributing proceeds in lieu of ad valorem tax assessments on copper or nickel properties; shall not include a portion of these aids in their permissible levies pursuant to those sections, but instead shall reduce the permissible levies authorized by section 275.125 to be spread in the calendar year in which the deduction from foundation aid is made pursuant to section 124.212, subdivision 8a, by the portion of the previous fiscal year's payment which was not deducted from foundation aid in that calendar year pursuant to section 124.212, subdivision 8a.

(3) *No reduction pursuant to this subdivision shall reduce the levy made by the district pursuant to section 275.125, subdivision 2a, to an amount less than the amount equal to the amount raised by a levy of 10 mills times the adjusted assessed valuation of that district for the preceding year as determined by the equalization aid review committee. Moreover, the amount of any increased levy authorized by referendum pursuant to section 275.125, subdivision 2a, clause (4) shall not be reduced pursuant to this subdivision.*

(4) *Notwithstanding any law to the contrary, any amounts received by districts pursuant to sections 294.21 to 294.28; 298.23 to 298.28; 298.34 to 298.39; 298.391 to 298.396; 298.405; 298.51 to 298.67; and any law imposing a tax on severed mineral values, or under any other law distributing proceeds in lieu of ad valorem tax assessments on copper or nickel properties; and not deducted from foundation aid pursuant to section 124.212, subdivision 8a, clause (2), and not reduced from levies pursuant to this subdivision, shall be deposited prior to May 1 in the taconite property tax relief fund established pursuant to section 16A.70 for purposes of paying the taconite homestead credit provided in section 273.135.*

Sec. 56. Minnesota Statutes 1974, Section 275.125, is amended by adding a subdivision to read:

Subd. 9a. (1) In 1977 and each year thereafter in which so required

by this subdivision, a district shall make an additional levy to eliminate its operating debt, determined as of June 30, 1977 and certified and adjusted by the commissioner. This levy shall not be made in more than 20 successive years and each year before it is made, it must be approved by the commissioner and the approval shall specify its amount. This levy shall in each year be an amount which is equal to the amount raised by a levy of 1.5 mills times the adjusted assessed valuation of the district for the preceding year as determined by the equalization aid review committee; provided that in the last year in which the district is required to make this levy, it shall levy an amount not to exceed an amount raised by a levy of 1.5 mills times the adjusted assessed valuation of the district for the preceding year as determined by the equalization aid review committee. When the cumulative proceeds of the levies made pursuant to this subdivision equal an amount equal to the statutory operating debt of the district, the levy shall be discontinued.

(2) The district shall establish a special account which shall be designated "Reserve Account for Purposes of Reducing Statutory Operating Debt" on its books and records. This account shall reflect the proceeds of the levy authorized pursuant to this subdivision. The proceeds of this levy, as reflected in this account, shall be used only for cash flow requirements and shall not be used to supplement district revenues or income for the purposes of increasing the district's expenditures or budgets.

(3) Any district which is required to levy pursuant to this subdivision shall certify the maximum levy allowable under Minnesota Statutes, Section 275.125, Subdivisions 2a and 6 or 7 in that same year.

Sec. 57. Minnesota Statutes 1974, Section 275.125, is amended by adding a subdivision to read:

Subd. 11a. In 1976 and each year thereafter, a district may levy an amount equal to the amount of the employer contributions paid, in the fiscal year prior to the year in which the levy is certified, pursuant to the provisions of sections 353.28 and 355.299, less the amount paid pursuant to the provisions of sections 353.28 and 355.299 in fiscal year 1971. In no event shall the levy authorized pursuant to this subdivision exceed an amount equal to the amount raised by a levy of one mill times the adjusted assessed valuation of the district for the preceding year as determined by the equalization aid review committee.

Sec. 58. Minnesota Statutes, 1975 Supplement, Section 275.125, Subdivision 14, is amended to read:

Subd. 14. Districts maintaining a post-secondary vocational-technical school may levy additional amounts as follows:

(1) A district maintaining a post-secondary vocational-technical school shall assume responsibility for a local share of the district post-secondary vocational deficit. The local share shall be 30 percent, or 15 percent in Independent School District Nos. 595 and 793, of the district post-secondary vocational deficit as of July 1, 1975, as certified to the commissioner of education pursuant to section 124.561, subdivision 4.

(2) For the purpose of eliminating the local share of its post-secondary vocational deficit, a district may petition the commissioner of education for authority to make an additional levy. Before such a levy may be made, it must be approved by the commissioner. The approval shall specify the years in which the additional levy may be made and shall specify its dollar amount. No levy so approved shall be made in more than four successive years, beginning with the levy certified in 1975, and shall not annually exceed .25 mills in a district in a city of the first class, 1.5 mills in districts formed pursuant to Laws 1969, Chapter 1060, as amended; Laws 1969, Chapter 775, as amended; or Laws 1967, Chapter 822, as amended, or three mills in any other district maintaining a post-secondary vocational-technical school times the adjusted assessed valuation of the district for the preceding year as determined by the equalization aid review committee. Under no circumstances may a district levy a total amount greater than the local share of its post-secondary vocational deficit as of July 1, 1975, as certified to the commissioner of education.

(3) If the additional levy allowed in clause (2) of this subdivision would be insufficient to eliminate the local share of the district's post-secondary vocational deficit as of July 1, 1975, as certified to the commissioner of education, it may petition the commissioner of education for authority to issue general obligation bonds in an amount sufficient to meet the deficiency. Before the bonds may be issued, they must be authorized by the commissioner. The authorization shall specify a term not to exceed seven years and the amount of the bond issue provided that the ~~levy authorization to pay the principal and interest on the bonds may amount of principal and interest due in any year on the bonds will not annually~~, based on the 1974 adjusted assessed valuation of the district as determined by the equalization aid review committee, exceed .25 mills in a district in a city of the first class, .5 mills in districts formed pursuant to Laws 1969, Chapter 1060, as amended; Laws 1969, Chapter 775, as amended; or Laws 1967, Chapter 822, as amended, or six mills in any other district maintaining a post-secondary vocational-technical school ~~times the 1974 adjusted assessed valuation of the district as determined by the equalization aid review committee; provided, however, that the mill limitation is subject to the provisions of section 475.74~~. The bonds authorized by this section shall be ~~secured~~, sold and issued pursuant to the provisions of chapter 475, except as otherwise provided herein. The bonds shall not be included in computing any debt limitation for ~~a~~ the district and no election shall be required for their sale and issuance.

(4) A district may not be authorized an additional levy under both clauses (2) and (3) of this subdivision.

(5) The state shall assume responsibility for 70 percent, or in Independent School District Nos. 595 and 793 for 85 percent, of a district's post-secondary vocational deficit as of July 1, 1975, as certified to the commissioner of education. The state portion of the deficit shall be paid to each district in fiscal years 1977 and 1978 in two equal payments, provided that the levy for the dis-

trict's portion of the deficit has been approved by the commissioner and the required portion for the 1975 levy has been certified to the county auditor.

Sec. 59. Minnesota Statutes, 1975 Supplement, Section 275.125, Subdivision 15, is amended to read:

Subd. 15. Any district which in any year levies an amount which is greater than the amount allowed by subdivisions 2a to 14, shall lose an amount of state foundation aid equal to one-half of the excess in the levy ; ~~provided that . However, if any levy which is found to be excessive as a result of a decision of the tax court or a redetermination by the equalization aid review committee under section 124.212, subdivisions 11 to 18, shall not be compensated for in the next levy of the district the amount of the excess shall be deducted from the levy certified in the next year for the same purpose; provided that if no levy is certified in the next year for the same purpose or if the amount certified is less than the amount of the excess, the excess shall be deducted from that levy and the levy certified pursuant to subdivision 2a .~~ The amount of aid lost shall be deducted from the aid which would otherwise have been received for the school year which commences in the calendar year during which the excessive levy is being collected. Any foundation aid so withheld shall be withheld in accordance with the procedures specified in section 124.15. A levy made in 1971 prior to the effective date of Extra Session Laws 1971, Chapter 31, Article 20 shall be reviewed, and may be modified, by the appropriate authority of the district for the purpose of reducing such levy to conform to the limitation imposed by Extra Session Laws 1971, Chapter 31, Article 20. 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.

Sec. 60. Minnesota Statutes 1974, Section 353.28, Subdivision 8, is amended to read:

Subd. 8. If the taxes authorized to be levied under this section cause the total amount of taxes levied to exceed any limitation upon the power of a county, city, or town, or school district to levy taxes, the governmental subdivision concerned , if it is other than a school district, may levy taxes in excess of the limitation in such amount as is necessary to meet its obligations under this section. *School districts may levy amounts pursuant to this subdivision only to the extent allowed by section 57 of this act.* The expenditures authorized to be made under this chapter by any municipality are not included in computing the cost of government as defined in any home rule charter of any municipality affected by Laws 1957, Chapter 935.

Sec. 61. Minnesota Statutes 1974, Section 355.299, is amended to read:

355.299 [OBLIGATIONS OF POLITICAL SUBDIVISIONS.] Each political subdivision is hereby authorized and directed to pay its obligations under this act from moneys collected from

taxes or other revenues. Each political subdivision authorized to levy taxes may include in its tax levy the amount necessary to pay such obligations. If the taxes authorized to be levied under this section cause the total amount of taxes levied to exceed any limitation whatsoever under the power of the political subdivision to levy taxes, such political subdivision, if it is other than a school district, may levy taxes in excess of the limitation in such amount as is necessary to meet its obligation under this act. *School districts may levy amounts pursuant to this section only to the extent allowed under section 57 of this act.* The expenditures authorized to be made shall not be included in computing the cost of government as defined in any home rule charter or charter of any city affected thereby. The governing body of a municipality for the purposes of meeting its obligations hereunder, in the event of deficit, may issue its obligations payable in not more than two years in an amount which may cause its indebtedness to exceed any statutory or charter limitation without an election and may levy taxes and pay therefor in a manner provided in section 475.61 and acts amendatory thereto.

Sec. 62. Subdivision 1. The appropriation in Laws 1975, Chapter 432, Section 96, Clause (1) includes \$300,000 in 1976 for emergency aid in addition to the sum already appropriated for that purpose in that clause.

Subd. 2. The department of education is authorized to pay school district sufficient sums from the appropriations in Laws 1975, Chapter 432, Section 96, Clause (2) for the years ending June 30, 1976 and 1977, to insure that each district receives the same amount for depreciation on buses which are nine or more years of age as of July 1, 1975 as the district would have received for those buses had the depreciation computation remained at ten percent per year for 1976 and 1977 in section 124.222. The state shall not be obligated for any amount in excess of this appropriation in future years because of this change in computation method.

Subd. 3. The commissioner of education is authorized to adjust the base cost per eligible pupil transported in 1974 fiscal year for purposes of payment of transportation aids in the 1976 and 1977 fiscal years. This adjustment shall be made on the basis of the study mandated by the provisions of Minnesota Statutes, 1975 Supplement, Section 124.222, Subdivision 5. Any increases in state transportation aid necessitated by these adjustments shall be paid from the sums appropriated for those years pursuant to Laws 1975, Chapter 432, Section 96, Clause (2).

Subd. 4. The department of education is authorized to pay \$27,090.75 from the sum appropriated pursuant to Laws 1975, Chapter 432, Section 96, Clause (1) for the year ending June 30, 1976, to Independent School District No. 332 for foundation aid not paid in fiscal years 1972 and 1973.

Subd. 5. The department of education is authorized to pay \$5,501.58 from the sum appropriated pursuant to Laws 1975, Chapter 432, Section 96, Clause (1) for the year ending June 30,

1976, to Independent School District Numbers 200, 213, 276, and 492 for payment of unpaid aid for shared time instructional programs determined to be due by the public examiner.

Subd. 6. The appropriation in Laws 1975, Chapter 432, Section 96, Clause (2) for the year ending June 30, 1977 includes the sum of \$116,500 for shared time transportation in addition to the sum appropriated for that purpose in that clause.

Subd. 7. Notwithstanding the provisions of Laws 1975, Chapter 433, Section 2, Subdivision 9, Paragraph 4, the council on quality education may transfer \$31,110 from the appropriation in Laws 1975, Chapter 433, Section 2, Subdivision 4, Clause 2, to the appropriation in Laws 1975, Chapter 433, Section 2, Subdivision 4, Clause 1.

Sec. 63. [APPROPRIATION.] There is appropriated from the general fund of the state treasury to the department of education the following sums for the years and purposes indicated:

	For the year ending June 30	
	1976	1977
(1) Special Education Aid	\$2,200,000	\$1,925,000
(a) The appropriations in (1) shall be added to the sums appropriated for the years designated in Laws 1975, Chapter 432, Section 96, Clause (3).		
(b) The appropriation in (1) for the year ending June 30, 1976 includes \$200,000 for reimbursement of expenses incurred by school districts for programs involving services for handicapped children whose districts of residence are determined pursuant to Minnesota Statutes, Section 120.17, Subdivision 8a and who are placed in state institutions or licensed residential facilities for care and treatment for the 1975-1976 school year and 1976 summer school. This reimbursement shall be made on the same basis and at the same rate as for the 1974-75 school year and 1975 summer school. This reimbursement shall be made notwithstanding the provisions of Minnesota Statutes, 1975 Supplement, Section 124.32, Subdivision 3a.		

For the year ending June 30
19761977

(c) *The appropriation in (1) for the year ending June 30, 1976 includes \$2,000,000 for the payment of special education aid for 1976 summer school programs. These programs shall be reimbursed on the same formula as were 1975 summer school programs. This reimbursement shall be made notwithstanding the provisions of Minnesota Statutes, 1975 Supplement, Section 124.32, Subdivision 3a.*

(d) *The appropriation in (1) for the year ending June 30, 1977 is for the payment of special education aid for children who attend nonpublic school and receive special instruction and services at a public school on a shared time basis.*

(e) *If the appropriations in (1) are insufficient for the purposes indicated, the aids shall be prorated among all qualifying districts and the state shall not be obligated for any amount in excess of these appropriations for those purposes.*

(2) *Adult Education Aid* \$117,925 \$ 178,500

The appropriation in (2) shall be added to the sums appropriated for the years designated in Laws 1975, Chapter 432, Section 96, Clause (13), and shall be used solely as aid for programs conducted pursuant to Minnesota Statutes, Section 124.26. If the appropriations in (2), when added to the appropriations made pursuant to Laws 1975, Chapter 432, Section 96, Clause (13) are insufficient in either year, the aid shall be prorated among all qualifying districts and the state shall not be obligated for any amount in excess of these appropriations for this purpose.

For the year ending June 30

1976

1977

(3) *Educational Services to Southeast Asian Children*

\$ 50,000

The appropriation in (3) shall be used solely for the purpose of section 1 of this act. If the appropriation in (3) is insufficient for this purpose, the aids shall be prorated among all qualifying districts and the state shall not be obligated for any amount in excess of this appropriation for this purpose.

(4) *Transfer of the Minnesota school for the deaf and the Minnesota braille and sight-saving school*

\$ 30,000

The appropriation in (4) is for the purpose of planning the transfer of the Minnesota school for the deaf and the Minnesota braille and sight-saving school from under the jurisdiction of the commissioner of welfare to the state board of education. Not to exceed \$20,000 of the appropriation in (4) shall be used to hire additional personnel beyond the existing complement of the department of education for this purpose.

(5) *Implementation of the Uniform Financial Accounting and Reporting System for Minnesota School Districts*

\$ 100,000

The appropriation in (5) is for the implementation of the Uniform Financial Accounting and Reporting System for Minnesota School Districts. This appropriation shall be used for dissemination of materials, in-service training of public school personnel, and for additional departmental personnel necessary to implement this system; provided that not to exceed \$50,000 of this appropriation shall be used to hire additional per-

For the year ending June 30

1976

1977

sonnel beyond the existing complement of the department for this purpose. Any unexpended balance remaining from the appropriation in (5) shall not cancel but shall be available for the second year of the biennium.

(6) Educational Alternative Programs

\$1,500,000

The appropriation in (6) shall be used by the council on quality education for funding educational alternative programs pursuant to section 3 of this act. Not to exceed \$37,500 of the appropriation in (6) may be expended for administration and evaluation of these programs by the council and for the employment of personnel by the council, beyond the existing complement of the department of education, for those purposes.

Sec. 64. [REPEALER.] *Subdivision 1. Minnesota Statutes 1974, Sections 122.54; 275.39; and Minnesota Statutes, 1975 Supplement, Section 275.125, Subdivision 11, are repealed.*

Subd. 2. Minnesota Statutes 1974, Sections 248.01; 248.02; 248.03; 248.04; 248.05; 248.06; and 248.09, are repealed. This subdivision shall be effective July 1, 1977.

Subd. 3. Minnesota Statutes 1974, Sections 124.28, as amended by Laws 1975, Chapter 432, Section 44; 124.281 and 124.29, are repealed. This subdivision shall be effective July 1, 1979.

Sec. 65. [EFFECTIVE DATES.] *Sections 1, 2, 3, 5, 10, 12, 13, 14, 17, 25, 26, 27, 29, 30, 32, 33, 52, 58, 59, 62, 63, and 64 of this act shall be effective the day following final enactment. Sections 9, 11, 18, 19, 34, 35, 36, 37, 40, 51, 53, 54, 55, 56, 57, 60, and 61 shall be effective July 1, 1976. Section 8 of this act shall be effective August 15, 1976. Sections 6, 7, 15, 16, 20, 22, 23, 24, 28, 31, 38, 39, 41, 42, 43, 44, 45, 46, 47, 48, 49, and 50 shall be effective July 1, 1977. Section 4 of this act shall be effective August 15, 1977."*

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

"A bill for an act relating to the operation of government; providing for aids to education, tax levies, and the distribution of

tax revenues; granting certain powers and duties to school districts, the commissioner of education, the state board of education, and the state board for vocational education; establishing a uniform definition of school age for all handicapped children; transferring the Minnesota school for the deaf and the Minnesota braille and sight-saving school from the jurisdiction of the commissioner of welfare to the state board of education; prohibiting certain fees; providing for the adoption of the Uniform Financial Accounting and Reporting System for Minnesota School Districts; appropriating money; amending Minnesota Statutes 1974, Sections 120.17, Subdivisions 2 and 5, and by adding subdivisions; 120.74, Subdivision 1; 121.21, by adding a subdivision; 123.37, Subdivisions 1 and 1b; 124.222, by adding a subdivision; 124.32, as amended; Chapter 124, by adding a section; Chapter 137, by adding a section; 246.01; 248.07, Subdivision 3; 275.125, by adding subdivisions; 353.28, Subdivision 8; 355.299; Minnesota Statutes, 1975 Supplement, Sections 120.17, Subdivision 1; 124.04; 124.17, Subdivision 2; 124.212, Subdivision 8a; 124.223; 124.26, by adding a subdivision; 124.561, Subdivision 3, and by adding a subdivision; 124.562, Subdivision 2; 124.563, Subdivision 3; 124.565, Subdivision 2; 275.125, Subdivisions 2a, 4, 9, 14, 15; repealing Minnesota Statutes 1974, Sections 122.54; 124.28, as amended; 124.281; 124.29; 248.01; 248.02; 248.03; 248.04; 248.05; 248.06; 248.09; 275.39; Minnesota Statutes, 1975 Supplement, Section 275.125, Subdivision 11."

The motion prevailed. So the amendment was adopted.

Mr. Olson, J. L. moved to amend H. F. No. 1997, as amended by the Anderson amendment; as follows:

(The text of the amended House File appears as S. F. No. 1964)

Page 65, after line 4, insert:

"(7) Lakeview School, Worthington \$165,000

*The appropriation in (7) shall
be used by Independent School
District No. 518 as a reimbursement
for educational programs for handicapped
children enrolled at Lakeview School
in the year ending June 30, 1976."*

The motion prevailed. So the amendment was adopted.

Mr. Nelson moved to amend H. F. No. 1997, as amended by the Anderson amendment as follows:

(The text of the amended House File appears as S. F. No. 1964)

Page 2 after line 28 insert:

"Sec. 3. [LEGISLATIVE SCHOOL FINANCE STUDY COMMISSION.] *Subdivision 1. A permanent commission to continually study and investigate school finance systems is hereby created.*

Subd. 2. [POWERS.] The name of the commission is the legislative school finance study commission. The commission shall make a continuing study and investigation of school finance plans applicable to school districts in this state. The powers and duties of the commission include, but are not limited to the following:

(a) The study of school finance in Minnesota in all its aspects including federal, state and local financing of elementary, secondary, adult, and vocational education;

(b) The making of recommendations to the legislature within the scope of the study, including attention to various methods and plans for financing education, and the filing of a report on January 15, 1976 and biennially on the same date thereafter to the governor and the legislature;

(c) The consideration of the financial status of school districts throughout Minnesota, including analysis of both revenues and expenditures;

(d) The consideration of future revenue needs and resources of Minnesota school districts and of plans for meeting these needs;

(e) The creation of a database as necessary for the compilation and analysis of financial information on school districts in Minnesota;

(f) The study of power equalization financing as it would relate to Minnesota school districts;

(g) The study of revisions in categorical aid areas including, but not limited to, special education, secondary and adult vocational education, adult education, transportation aids, special aids, and in lieu aids;

(h) The study of other areas relating to the financing of schools in Minnesota including, but not limited to, school enrollments, school construction, interdistrict cooperation, staff salaries, administration, and disparities in costs, revenues, and taxes;

(i) To study, analyze, and prepare reports regarding any other subjects certified to the commission for such study.

Subd. 3. [MEMBERSHIP.] The commission consists of five members of the senate to be appointed by the committee on committees and five members of the house of representatives to be appointed by the speaker. The first members of this commission shall be selected to serve for a term expiring on January 15 of the next succeeding regular session of the legislature and until their successors are appointed. Subsequent members of the commission shall be appointed at the commencement of each regular session of the legislature for a two year term beginning January 16 of the year of such regular session. Vacancies on the commission occurring while the legislature is in session shall be filled in the same manner as original appointments to the commission. If the legislature is not in session, vacancies in the membership of the commission shall be filled by the last senate committee on committees or other appointing authority designated by the senate rules in case of a senate vacancy, and by the last speaker of the house, or if he be not available, by the last chairman of the house rules committee in case of a house vacancy.

Subd. 4. [OFFICE, MEETINGS, OFFICERS.] The commission shall maintain an office in the capitol group of buildings in space which the commissioner of administration shall provide. The commission shall hold meetings at such times and places as it may designate. It shall select a chairman, a vice chairman and such other officers from its membership as it may deem necessary.

Subd. 5. [STAFF.] The commission may employ such professional, clerical, and technical assistants as it deems necessary in order to perform the duties herein prescribed.

Subd. 6. [ASSISTANCE OF OTHER AGENCIES.] The commission may request information from any state officer or agency in order to assist in carrying out the terms of this section and such officer or agency is authorized and directed to promptly furnish any data requested.

Subd. 7. [LEGISLATIVE BILLS FURNISHED.] The secretary of the senate and the chief clerk of the house shall provide the commission with a copy of each bill introduced in the legislature concerning school finance."

Renumber the sections and correct internal references accordingly.

Page 65, after line 4 insert:

"(7) School Finance Study Commission

\$30,000

The appropriation in (7) shall be used to pay the expenses of the study commission incurred in the year ending June 30, 1977.

Further, amend the title as follows:

Page 1, line 8 after "education;" insert "establishing a legislative school finance study commission;"

The motion did not prevail. So the amendment was not adopted.

Mr. Jensen moved to amend H. F. No. 1997, as amended by the Anderson amendment, as follows:

(The text of the amended House file appears as S. F. No. 1964)

Pages 24 and 25, strike Section 25

Renumber the sections in sequence

Amend the title as follows:

Line 27, strike "124.17, Subdivision 2;"

The motion did not prevail. So the amendment was not adopted.

Mrs. Brataas moved to amend H. F. No. 1997, as amended by the Anderson amendment, as follows:

(The text of the amended House file appears as S. F. No. 1964)

Page 29, line 2, strike "65" and insert "80"

Page 29, strike line 5

Page 29, line 6, strike everything before "or"

Page 61, line 6, strike "\$1,925,000" and insert "\$7,650,000"

The question being taken on the adoption of the amendment,

And the roll being called, there were yeas 23 and nays 32, as follows:

Those who voted in the affirmative were:

Ashbach	Brataas	Hansen, Mel	Kowalczyk	Renneke
Bang	Brown	Hanson, R.	Larson	Stassen
Berg	Dunn	Josefson	Nelson	Ueland
Bernhagen	Fitzsimons	Keefe, J.	Olson, J. L.	
Blatz	Frederick	Kirchner	Patton	

Those who voted in the negative were:

Anderson	Doty	Lewis	Perpich, A. J.	Stumpf
Arnold	Gearty	McCutcheon	Perpich, G.	Tennessee
Borden	Hughes	Merriam	Purfeerst	Wegener
Chmielewski	Humphrey	Moe	Schmitz	Willet
Coleman	Keefe, S.	North	Schrom	
Conzemius	Kleinbaum	Olhoff	Spear	
Davies	Laufenburger	Olson, A. G.	Stokowski	

The motion did not prevail. So the amendment was not adopted.

Mr. Brown moved to amend H. F. No. 1997, as amended by the Anderson amendment, as follows:

(The text of the amended House file appears as S. F. No. 1964)

Pages 28 to 32, strike Section 31 and insert:

"Sec. 31. Minnesota Statutes 1974, Section 124.32, as amended by Laws 1975, Chapter 432, Sections 48, 49 and 50, is amended to read:

124.32 [HANDICAPPED CHILDREN.] Subdivision 1. The state shall pay to any district ~~and unorganized territory;~~ :

(a) for the employment in its educational program for handicapped children, ~~65 no less than 50 and no more than 80 percent~~ of the salary of essential personnel, but this amount shall not exceed ~~\$10,000~~ \$12,000 for the normal school year for each full time person employed, or a pro rata amount for a part time person or a person employed for a limited time, ~~including but not limited to summer school whether the essential personnel are employed by a district alone or jointly with another district or districts ;~~

(b) ~~for the employment of an individual jointly with another district or districts or unorganized territory in its educational program for handicapped children, 65 percent of the salary of essential personnel, but this amount shall not exceed \$10,000 for the normal school year for each full time person employed, or a pro rata amount for a part time person or a person employed for a limited time including but not limited to summer school plus 10 percent of the salaries of essential personnel employed in its educational program for handicapped children, for the purpose of~~

recognizing additional support costs of educational programs for handicapped children;

(c) less (i) 25 percent of the foundation aid formula allowance for each handicapped child in average daily membership who receives special instruction and services for more than 50 but less than 80 percent of the time school is in session, and (ii) 50 percent of the foundation aid formula allowance for each handicapped child in average daily membership who receives special instruction and services for 80 percent or more of the time school is in session.

For the 1976-1977 school year, the foundation aid formula allowance per pupil unit shall be the lesser of \$960 or the greater sum computed pursuant to section 124.212, subdivision 7b, clause (2). The computation in clause (c) shall be based on the foundation aid formula allowance per pupil unit in the child's district of residence. For the purposes of computations pursuant to clause (c), each handicapped child shall be counted as prescribed in section 120.17, subdivision 1, clause (1) or (2). The actual percent of the salaries of essential personnel paid by the state pursuant to clause (a) shall be determined by the commissioner within the limits of the appropriation for special education for the school year.

For special instruction or training and services provided pursuant to section 120.17, subdivision 2, clause (h), by contract with public, private or voluntary agencies other than Minnesota school districts, the state shall pay each district:

(1) the percent of the amount of the contract which is equal to the actual percent of the salaries of essential personnel paid by the state pursuant to clause (a);

(2) less 50 percent of the foundation aid formula allowance of the district.

Subd. 2. The state shall reimburse pay each district or unorganized territory for supplies and equipment purchased or rented for use in the instruction of handicapped children in the amount of one-half of the sum actually expended by the district or unorganized territory but not to exceed an average of \$50 in any one school year for each handicapped child receiving instruction.

Subd. 3a. The purpose of this subdivision is to change the method of funding of educational programs for handicapped children from reimbursement based on past expenditures to a current funding basis. Beginning July 1, 1976, the state shall not reimburse expenditures from the 1975-1976 school year programs, including 1976 summer school programs, but shall pay aids for the 1976-1977 school year programs and for each year thereafter on a current funding basis.

Subd. 3b. (1) Notwithstanding the provisions of subdivision 3a, any school district which in the 1974-1975 school year issued certificates of indebtedness in anticipation of receipt of reimbursements for special education may continue to account for aid to handi-

capped children on a reimbursement basis subject to approval by the commissioner of education.

(2) Districts eligible under clause (1) shall establish a special reserve account, which shall be designated "reserve account for current financing of special education" on its books and records. Each year beginning in the 1976-1977 school year the district shall place in this account 16 2/3 percent of the amount which it would have been entitled to receive in 1976-1977 based on 1975-1976 expenditures pursuant to Minnesota Statutes, 1975 Supplement, Section 124.32, Subdivision 1 and Minnesota Statutes 1974, Section 124.32, Subdivision 2. The funds in this account shall be used only for the purposes for which special education aid can be used, but the amount shall be used only to meet temporary cash needs and shall never supplement district revenues or income for the purpose of increasing the district's special education expenditures or budgets.

(3) In fiscal year 1977 or any year thereafter, districts eligible under clause (1) shall not issue certificates of indebtedness in anticipation of receipt of reimbursements for special education in an amount which exceeds the amount which it would have been entitled to receive in 1976-1977 as specified in clause (2), less the balance in the reserve account for current financing of special education. When the funds in this reserve account equal the amount which the district would have been entitled to receive in 1976-1977 as specified in clause (2), the district shall thereafter account for aid for special education on a current funding basis.

Subd. 4. The aids provided for handicapped children shall be paid to the district providing the special instruction and services. Foundation aid shall be paid to the district or unorganized territory of the pupils' residence. The total amount of aid paid may not exceed the amount expended for handicapped children for in the school year for which the aid is paid.

Subd. 5. When a handicapped child is placed in a residential facility approved by the commissioner and established primarily to serve handicapped children and when the child's educational program is approved by the commissioner, the state shall pay to the resident district not to exceed 65 percent of instructional costs charged to the resident district, less the foundation aid per pupil unit payable to the resident district. Not more than \$400,000 shall be spent annually for purposes of implementing this subdivision. If that amount does not suffice, the aid shall be pro rated among all qualifying districts.

The following types of facilities may be approved by the commissioner:

(a) A residential facility operated by a public school district and designed to serve the low incidence handicapped, the multiple handicapped, or the most severely handicapped children, either within or outside of the state, or, a state residential school outside of the state.

(b) A private, nonsectarian residential facility designed to pro-

vide educational services for handicapped children either within or outside of the state.

(c) A state hospital or private nonsectarian residential center designed to provide care and treatment for handicapped children.

Subd. 6. The state shall ~~reimburse~~ pay each district ~~or unorganized territory~~ the actual cost incurred in providing instruction and services for a handicapped child whose district of residence has been determined by sections 120.17, subdivisions 7 or 8a, and who is temporarily placed in a state institution or a licensed residential facility for care and treatment. This section does not apply for a child placed in a foster home or a foster group home.

Upon following such procedure as requested by the commissioner of education a district ~~or unorganized territory~~ providing instruction and services for such handicapped child may bill the state the actual cost incurred in providing said services including transportation costs and a proportionate amount of capital outlay and debt service, minus the amount of foundation aid, special education aid, transportation aid, and any other aid earned in behalf of such child, such action pursuant to limits set forth in section 124.32, subdivision 4.

Subd. 7. Before June 1, 1976 and before May 1 of each year thereafter, each district providing special instruction and services to handicapped children shall submit to the commissioner an application for approval of these programs and their budgets for the next school year. The application shall include an enumeration of the costs eligible for state aid pursuant to this section and of the estimated number and grade level of handicapped children in average daily membership in the district who will receive special instruction and services for more than 50 and less than 80 percent and for 80 percent or more, of the time school is in session during the next school year. The application shall also include any other information deemed necessary by the commissioner for the calculation of state aid and the evaluation of the program's compliance with the rules and standards of the state board. On or before August 1, 1976 and before July 1 of each year thereafter, the commissioner shall approve, disapprove or modify each application, and notify each applying district of his action and of the estimated level of aid for the programs. The commissioner may provide procedures for districts to submit additional applications for program and budget approval during the school year, for programs needed to meet changes in the needs of handicapped children in the district.

Subd. 8. Except as may be otherwise authorized by the commissioner to accommodate a flexible school year program the state shall pay to each school district 45 percent of its estimated special education aid for the school year on or before each of the following dates: September 30 and December 30. The final aid distribution to the district shall be made on or before August 31 of the following year.

Subd. 9. Beginning with the summer of 1977, the state shall pay aid for summer school programs for handicapped children on

the basis of the sections of Minnesota Statutes providing aid for handicapped children for the preceding school year. Separate applications shall be submitted for program and budget approval for summer school programs. The commissioner shall approve, disapprove or modify the applications and notify the districts of his action and of the estimated level of aid for the summer school programs. Aid for these programs shall be paid on or before the October 1 after the summer when the programs are conducted."

Page 61, line 6 strike "\$1,925,000" and insert "\$2,925,000"

The motion did not prevail. So the amendment was not adopted.

Mr. Ashbach moved to amend H. F. No. 1997, as amended by the Anderson amendment, as follows:

(The text of the amended House file appears as S. F. No. 1964)

Page 9, strike Section 10

Renumber the sections and correct internal references accordingly

Page 65, after line 8, insert:

"Subd. 2. Minnesota Statutes 1974, Sections 120.71, 120.72, 120.73, 120.74, 120.75, and 120.76 are repealed. This subdivision is effective July 1, 1976."

Renumber the subdivisions accordingly.

Further, amend the title as follows:

Page 1, line 19, strike "120.74, Subdivision 1;"

Page 1, line 33 after "sections" insert "120.71, 120.72, 120.73, 120.74, 120.75, 120.76;"

The motion did not prevail. So the amendment was not adopted.

Mr. Brown then moved to amend H. F. No. 1997, as amended by the Anderson amendment, as follows:

(The text of the amended House file appears as S. F. No. 1964)

Page 3, after line 24, insert:

"Subd. 2. In addition to the six pilot alternative educational programs in subdivision 1, the council on quality education shall make grants to not less than two multi-talented and creative pupil programs. One of the programs must be outside of the cities of the first class and seven county metropolitan area, and it may be a cooperative effort among several school districts. The multi-talented and creative pupil programs are for children to develop intellectual, academic, creative or other special talents, except athletic ability. The standard for the establishment of the programs shall be determined by the council on quality education and the participating school district. All referrals to the programs shall be made by pupil referral committees to be established by each building principal, within the district receiving grants under this subdivision."

Renumber the subdivisions accordingly

Page 3, line 26, after "alternative" insert "or multi-talented and creative pupil"

Page 4, line 5, strike "*pilot programs*" and insert "*the programs established in subdivisions 1 and 2*"

Page 4, line 8, after "*alternative*" insert "*or multi-talented and creative pupil*"

Page 4, line 10, after "*alternative*" insert "*or multi-talented and creative pupil*"

Page 4, line 11, strike "*program*" and insert "*programs*"

Page 4, line 12, after "*alternative*" insert "*or multi-talented and creative pupil*"

Page 4, line 15, after "*alternative*" insert "*or multi-talented and creative pupil*"

Page 4, line 18, after "*alternative*" insert "*or multi-talented and creative pupil*"

Page 64, line 26, after "*Alternative*" insert "*or Multi-talented and Creative Pupil*"

The question being taken on the adoption of the amendment,

And the roll being called, there were yeas 18 and nays 32, as follows:

Those who voted in the affirmative were:

Ashbach	Brataas	Hansen, Mel	Keefe, J.	Pillsbury
Bang	Brown	Hanson, R.	Kirchner	Renneke
Bernhagen	Chmielewski	Jensen	Kowalczyk	
Blatz	Fitzsimons	Josefson	Nelson	

Those who voted in the negative were:

Anderson	Gearty	McCutcheon	Purfeerst	Stumpf
Arnold	Hughes	Moe	Schmitz	Tennessee
Borden	Humphrey	North	Schrom	Wegener
Coleman	Keefe, S.	Olhoft	Sillers	Willet
Conzemius	Kleinbaum	Olson, H. D.	Spear	
Davies	Laufenburger	O'Neill	Stassen	
Doty	Lewis	Perpich, A. J.	Stokowski	

The motion did not prevail. So the amendment was not adopted.

Mr. Nelson moved to amend H. F. No. 1997, as amended by the Anderson amendment, as follows:

(The text of the amended House file appears as S. F. No. 1964)

Page 26, after line 21 insert:

"Sec. 27. Minnesota Statutes 1974, Section 124.215, is amended by adding a subdivision to read:

Subd. 9. In addition to regular foundation aid payments in 1976-1977, any district having one or more full time classroom teachers with an M.A. degree or M.A. equivalency or whose experience level is above the statewide average experience level shall be eligible for advanced teacher training and experience aid. The statewide average experience level is seven years. The aid for advanced teacher experience shall be computed by multiplying the number by which the district

experience index exceeds the statewide average experience index by \$500, to a maximum of \$2,500 for a 12 year index. The result of that calculation is the amount of aid granted to the school district by the department of education. The district experience index is obtained by adding the number of years of experience of all full time classroom teachers in the district and dividing by the number of full time classroom teachers in the district. The aid for advanced teacher training shall be computed by multiplying the percentage of full time classroom teachers in the district having an M.A. degree or M.A. equivalency by \$1,000. The result of that calculation is the amount of aid granted to the school district by the department of education."

Renumber the sections and correct internal references accordingly.

Page 62, after line 28 insert:

*"(2) Teacher Longevity and
Training Aid*

\$10,000,000

*If the appropriation in (2) is
insufficient for the purposes
indicated in Section 27, the
aid shall be prorated among
all qualifying school dis-
tricts."*

Renumber the clauses in sequence

Further, amend the title as follows

Page 1, line 20, after "subdivisions 1 and 1b;" insert "124.215, by adding a subdivision;"

The question being taken on the adoption of the amendment,

Mr. Coleman moved that those not voting be excused from voting.
The motion prevailed.

And the roll being called, there were yeas 21 and nays 40, as follows:

Those who voted in the affirmative were:

Ashbach	Fitzsimons	Keefe, J.	Nelson	Pillsbury
Bang	Frederick	Kirchner	Ogdahl	Renneke
Blatz	Hansen, Mel	Kowalczyk	Olson, J. L.	Stassen
Brataas	Hanson, R.	Larson	Patton	Ueland
Brown				

Those who voted in the negative were:

Anderson	Davies	Kleinbaum	Olson, A. G.	Sillers
Arnold	Doty	Laufenburger	Olson, H. D.	Solon
Berg	Dunn	McCutcheon	O'Neill	Spear
Bernhagen	Gearly	Merriam	Perpich, G.	Stokowski
Borden	Hansen, Baldy	Milton	Purfeerst	Stumpf
Chmielewski	Hughes	Moe	Schaaf	Tennessen
Coleman	Jensen	North	Schmitz	Wegener
Conzemius	Keefe, S.	Olhoff	Schrom	Willett

The motion did not prevail. So the amendment was not adopted.

Mr. Nelson then moved to amend H. F. No. 1997, as amended by the Anderson amendment, as follows:

(The text of the amended House file appears as S. F. No. 1964)

Page 25, after line 22 insert:

"Sec. 26. Minnesota Statutes, 1975 Supplement, Section 124.212, Subdivision 7b, is amended to read:

Subd. 7b. For the 1976-77 school year a district shall receive in foundation aid the lesser of (1) ~~\$960~~ \$970 per pupil unit less 29 mills times the 1974 adjusted assessed valuation of the district, or (2) the amount that bears the same relation to the difference in (1) as the sum of the greater sum computed pursuant to section 124.212, Subdivision 6b, clause (2), and the greater of (a) two-thirds of the difference that results when such greater sum is subtracted from ~~\$960~~ \$970, or (b) \$60 \$70, bears to ~~\$960~~ \$970. *This section shall not be construed as in any instance authorizing the levy of total amounts of taxes for school purposes in excess of the amount allowed by law on October 15, 1975.*"

Renumber the sections and correct internal references accordingly.

Page 59, after line 18 insert:

"Subd. 2. The appropriation in Laws 1975, Chapter 432, Section 96, clause (1) includes \$10,831,150 in 1977 for foundation aid in addition to the sum already appropriated for that purpose in that clause."

Renumber the subdivisions accordingly.

Further, amend the title as follows:

Page 1, line 28 strike "Subdivision 8a;" and insert "Subdivisions 7b and 8a;"

The question being taken on the adoption of the amendment,

And the roll being called, there were yeas 17 and nays 41, as follows:

Those who voted in the affirmative were:

Ashbach	Dunn	Jensen	Nelson	Renneke
Bernhagen	Fitzsimons	Josefson	Patton	Stassen
Brataas	Frederick	Kirchner	Pillsbury	Ueland
Brown	Hanson, R.			

Those who voted in the negative were:

Anderson	Doty	Laufenburger	Olson, J. L.	Stokowski
Arnold	Gearty	McCutcheon	O'Neill	Stumpf
Berg	Hansen, Baldy	Merriam	Perpich, A. J.	Tennessen
Borden	Hansen, Mel	Milton	Perpich, G.	Wegner
Chenoweth	Hughes	Moe	Purfeerst	Willet
Chmielewski	Humphrey	North	Schaaf	
Coleman	Keefe, S.	Olhoft	Schmitz	
Conzemius	Kleinbaum	Olson, A. G.	Sillers	
Davies	Larson	Olson, H. D.	Spear	

The motion did not prevail. So the amendment was not adopted.

Mr. Anderson moved to amend H. F. No. 1997, as amended by the Anderson amendment, adopted by the Senate March 18, 1976, as follows:

Page 54, line 2, strike "*estblsh*" and insert "*establish*"

The motion prevailed. So the amendment was adopted.

H. F. No. 1997: A bill for an act relating to the operation of state government; providing for aids to education, tax levies and the distribution of tax revenues; changing the funding of special education, adult vocational education and secondary vocational education to a current funding basis; granting certain powers and duties to school districts, the commissioner of education, and the state board of education; establishing a uniform financial accounting and reporting system for Minnesota school districts; requiring the provision of special education on a shared time basis to nonpublic school pupils; appropriating money; amending Minnesota Statutes 1974, Sections 120.17, by adding a subdivision; 120.73, Subdivision 1; 120.74, Subdivision 1; 121.21, by adding a subdivision; 122.45, Subdivisions 2 and 3a; 124.212, by adding a subdivision; 124.32, as amended; Chapter 124, by adding sections; Minnesota Statutes, 1975 Supplement, Sections 122.23, Subdivision 15; 122.45, Subdivision 1; 124.04; 124.17, Subdivisions 1 and 2; 124.212, Subdivision 8a; 124.271, Subdivision 2; 124.43, Subdivision 1; 124.561, Subdivision 3, and by adding a subdivision; 124.562, Subdivision 2; 124.563, Subdivision 3, and by adding a subdivision; 124.564; 124.565, Subdivision 2; 124.611, Subdivisions 1 and 2; 275.125, Subdivisions 2a, 4, 5, 8, 9, and 14; repealing Minnesota Statutes 1974, Sections 122.54 and 275.39.

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 60 and nays 1, as follows:

Those who voted in the affirmative were:

Anderson	Coleman	Humphrey	Milton	SchAAF
Arnold	Conzemius	Jensen	Moe	Schmitz
Ashbach	Davies	Josefson	Nelson	Schrom
Bang	Doty	Keefe, S.	North	Sillers
Berg	Dunn	Kirchner	Olhoft	Spear
Bernhagen	Fitzsimons	Kleinbaum	Olson, H. D.	Stassen
Blatz	Frederick	Kowalczyk	Olson, J. L.	Stokowski
Borden	Gearty	Larson	O'Neill	Stumpf
Brataas	Hansen, Baldy	Laufenburger	Patton	Tennessen
Brown	Hansen, Mel	Lewis	Pillsbury	Ueland
Chenoweth	Hanson, R.	McCutcheon	Purfeerst	Wegener
Chmielewski	Hughes	Merriam	Renneke	Willet

Mr. Perpich, G. voted in the negative.

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

RECESS

Mr. Coleman moved that the Senate do now recess until 2:00 o'clock p.m. The motion prevailed.

The hour of 2:00 o'clock p.m. having arrived, the President called the Senate to order.

MEMBERS EXCUSED

Mrs. Brataas was excused from the balance of today's Session. Mr. Blatz was excused from the Session of today at 3:30 o'clock p.m.

MOTIONS AND RESOLUTIONS—CONTINUED

Remaining on the Order of Business of Motions and Resolutions, Mr. Coleman moved that the Senate revert to the Order of Business of Messages From the House. The motion prevailed.

MESSAGES FROM THE HOUSE—CONTINUED

Mr. President:

I have the honor to announce the passage by the House of the following Senate Files, herewith returned: S. F. Nos. 1996, 2030 and 2284.

Edward A. Burdick, Chief Clerk, House of Representatives
Returned March 18, 1976

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. 1624: A bill for an act relating to housing and redevelopment; permitting coinciding terms of office for city council members of a municipality who are appointed commissioners of a municipal housing and redevelopment authority; redefining powers of local housing and redevelopment authorities in carrying out legislation; amending Minnesota Statutes 1974, Sections 462.425, Subdivision 6; and 462.475, Subdivision 1; repealing Minnesota Statutes 1974, Section 462.501, Subdivision 1.

Senate File No. 1624 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives
Returned March 18, 1976

CONCURRENCE AND REPASSAGE

Mr. Stokowski moved that the Senate concur in the amend-

ments by the House to S. F. No. 1624 and that the bill be placed on its repassage as amended. The motion prevailed.

S. F. No. 1624: A bill for an act relating to housing and redevelopment; permitting coinciding terms of office for city council members of a municipality who are appointed commissioners of a municipal housing and redevelopment authority; permitting officers and employees of a municipal housing and redevelopment authority to purchase a principal residence in a housing and redevelopment district; redefining powers of local housing and redevelopment authorities in carrying out legislation; amending Minnesota Statutes 1974, Sections 462.425, Subdivision 6; 462.431; and 462.475, Subdivision 1; repealing Minnesota Statutes 1974, Section 462.501, Subdivision 1.

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 46 and nays 0, as follows:

Those who voted in the affirmative were:

Arnold	Dunn	Kirchner	Olson, J. L.	Stokowski
Ashbach	Gearty	Kleinbaum	Patton	Stumpf
Bernhagen	Hansen, Baldy	Kowalczyk	Perpich, G.	Tennessen
Blatz	Hansen, Mel	Laufenburger	Pillsbury	Ueland
Borden	Hanson, R.	Lewis	Purfeerst	Wegener
Chmielewski	Hughes	McCutcheon	Renneke	Willet
Coleman	Humphrey	Milton	Schaaf	
Conzemius	Jensen	Moe	Schmitz	
Davies	Josefson	North	Schrom	
Doty	Keefe, S.	Olson, A. G.	Sillers	

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

MOTIONS AND RESOLUTIONS—CONTINUED

Mr. North moved that S. F. No. 932 and the Conference Committee Report thereon be taken from the table. The motion prevailed.

Mr. North moved that the recommendations and Conference Committee Report as printed in the Journal March 17, 1976 on S. F. No. 932 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

S. F. No. 932: A bill for an act relating to public welfare; permitting the commissioner of public welfare to establish maximum fees for congregate living care under the income maintenance programs; amending Minnesota Statutes 1974, Section 256.01, Subdivision 2.

Was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

And the roll being called, there were yeas 49 and nays 0, as follows:

Those who voted in the affirmative were:

Arnold	Conzemius	Humphrey	Moe	Schmitz
Ashbach	Davies	Jensen	North	Schrom
Berg	Doty	Josefson	Olson, A. G.	Sillers
Bernhagen	Dunn	Keefe, S.	Olson, J. L.	Stokowski
Blatz	Fitzsimons	Kirchner	Patton	Stumpf
Borden	Gearly	Kleinbaum	Perpich, G.	Tennessen
Brown	Hansen, Baldy	Kowalczyk	Pillsbury	Ueland
Chenoweth	Hansen, Mel	Laufenburger	Purfeerst	Wegener
Chmielewski	Hanson, R.	Lewis	Renneke	Willet
Coleman	Hughes	McCutcheon	Schaaf	

So the bill, as amended by the Conference Committee, was re-passed and its title was agreed to.

Mr. Olson, J. L. moved that S. F. No. 2338, No. 74 on General Orders, be stricken and re-referred to the Committee on Education. The motion prevailed.

RECONSIDERATION

Mr. Laufenburger moved that the vote whereby H. F. No. 525 failed to pass the Senate on March 17, 1976, be now reconsidered. The motion prevailed.

H. F. No. 525: A bill for an act relating to state government; creating a department of transportation; prescribing its duties and responsibilities; transferring the functions of some state departments; appropriating money; amending Minnesota Statutes 1974, Sections 43.09, Subdivision 2a; and 360.017, Subdivision 1; repealing Minnesota Statutes 1974, Sections 4.20; 161.03; and 360.114.

Was read the third time and placed on its final passage.

The question being taken on the passage of the bill,

Mr. Doty moved that those not voting be excused from voting. The motion did not prevail.

Mr. Ashbach moved that those not voting be excused from voting. The motion did not prevail.

And the roll being called, there were yeas 35 and nays 31, as follows:

Those who voted in the affirmative were:

Anderson	Conzemius	Lewis	Olson, A. G.	Solon
Arnold	Gearly	McCutcheon	Olson, H. D.	Spear
Borden	Hughes	Merriam	Perpich, A. J.	Stokowski
Brown	Humphrey	Milton	Perpich, G.	Stumpf
Chenoweth	Keefe, S.	Moe	Purfeerst	Tennessen
Chmielewski	Kleinbaum	North	Schaaf	Wegener
Coleman	Laufenburger	Ogdahl	Schmitz	Willet

Those who voted in the negative were:

Ashbach	Dunn	Josefson	Olhoft	Sillers
Bang	Fitzsimons	Keefe, J.	Olson, J. L.	Stassen
Berg	Frederick	Kirchner	O'Neill	Ueland
Bernhagen	Hansen, Baldy	Knutson	Patton	
Blatz	Hansen, Mel	Kowalczyk	Pillsbury	
Davies	Hanson, R.	Larson	Renneke	
Doty	Jensen	Nelson	Schrom	

So the bill passed and its title was agreed to.

MOTIONS AND RESOLUTIONS—CONTINUED

Remaining on the Order of Business of Motions and Resolutions, Mr. Coleman moved that the Senate revert to the Order of Business of Messages from the House, Reports of Committees, Second Reading of Senate Bills and Second Reading of House Bills. The motion prevailed.

MESSAGES 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. 1997:

H. F. No. 1997: A bill for an act relating to the operation of state government; providing for aids to education, tax levies and the distribution of tax revenues; changing the funding of special education, adult vocational education and secondary vocational education to a current funding basis; granting certain powers and duties to school districts, the commissioner of education, and the state board of education; establishing a uniform financial accounting and reporting system for Minnesota school districts; requiring the provision of special education on a shared time basis to nonpublic school pupils; appropriating money; amending Minnesota Statutes 1974, Sections 120.17, by adding a subdivision; 120.73, Subdivision 1; 120.74, Subdivision 1; 121.21, by adding a subdivision; 122.45, Subdivisions 2 and 3a; 124.212, by adding a subdivision; 124.32, as amended; Chapter 124, by adding sections; Minnesota Statutes, 1975 Supplement, Sections 122.23, Subdivision 15; 122.45, Subdivision 1; 124.04; 124.17, Subdivisions 1 and 2; 124.212, Subdivision 8a; 124.271, Subdivision 2; 124.43, Subdivision 1; 124.561, Subdivision 3, and by adding a subdivision; 124.562, Subdivision 2; 124.563, Subdivision 3, and by adding a subdivision; 124.564; 124.565, Subdivision 2; 124.611, Subdivisions 1 and 2; 275.125, Subdivisions 2a, 4, 5, 8, 9, and 14; repealing Minnesota Statutes 1974, Sections 122.54 and 275.39.

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

Graba; Johnson, C.; Adams, S.; Vento and Berg have been appointed as such committee on the part of the House.

House File No. 1997 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 March 18, 1976

Mr. Anderson moved that the Senate accede to the request of the House for a Conference Committee on H. F. No. 1997, 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. The 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. 1636: A bill for an act relating to insurance; clarifying license requirements for persons who enter into, acquire or hold insurance premium finance agreements; amending Minnesota Statutes 1974, Section 59A.03, Subdivision 1.

Senate File No. 1636 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives
Returned March 18, 1976

CONCURRENCE AND REPASSAGE

Mr. O'Neill moved that the Senate concur in the amendments by the House to S. F. No. 1636 and that the bill be placed on its repassage as amended. The motion prevailed.

S. F. No. 1636 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 53 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Conzemius	Keefe, J.	North	Schmitz
Arnold	Davies	Kirchner	Ogdahl	Schrom
Bang	Dunn	Knutson	Olhoft	Sillers
Berg	Fitzsimons	Kowalczyk	Olson, A. G.	Stassen
Bernhagen	Gearty	Larson	Olson, H. D.	Stumpf
Blatz	Hansen, Baldy	Lewis	Olson, J. L.	Tennessee
Borden	Hansen, Mel	McCutcheon	O'Neill	Ueland
Brown	Hanson, R.	Merriam	Patton	Wegener
Chenoweth	Hughes	Milton	Pillsbury	Willet
Chmielewski	Humphrey	Moe	Purfeerst	
Coleman	Jensen	Nelson	Renneke	

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

MESSAGES 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. 2173: A bill for an act relating to Minnesota culture; preserving and presenting Minnesota folklife; creating center for study of Minnesota folklife; creating position of state folklorist in the historical society; prescribing powers and duties of the folklorist.

Senate File No. 2173 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives
Returned March 18, 1976

CONCURRENCE AND REPASSAGE

Mr. Merriam moved that the Senate concur in the amendments by the House to S. F. No. 2173 and that the bill be placed on its repassage as amended. The motion prevailed.

S. F. No. 2173 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 48 and nays 2, as follows:

Those who voted in the affirmative were:

Arnold	Fitzsimons	Keefe, J.	Nelson	Sillers
Bang	Frederick	Kirchner	North	Spear
Bernhagen	Gearty	Kleinbaum	Olhoft	Stassen
Borden	Hansen, Baldy	Kowalczyk	Olson, H. D.	Stokowski
Brown	Hansen, Mel	Larson	Olson, J. L.	Stumpf
Chmielewski	Hanson, R.	Lewis	Patton	Tennessen
Coleman	Hughes	McCutcheon	Pillsbury	Ueland
Conzemius	Humphrey	Merriam	Purfeerst	Wegener
Davies	Jensen	Milton	Renneke	
Dunn	Josefson	Moe	Schmitz	

Messrs. Schrom and Willet voted in the negative.

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

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. 109, pursuant to the request of the House:

Messrs. Schaaf, Brown and Stokowski.

Mr. Davies moved that the foregoing appointments be approved. The motion prevailed.

REPORTS OF COMMITTEES

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

Mr. Coleman from the Committee on Rules and Administration, to which was re-referred under Rule 35, together with the committee report thereon,

H. F. No. 61: A bill for an act relating to highways; directing the department of highways to utilize a certain corridor in Washington county for the construction of interstate highway marked No. 1 94.

Reports the same back with the recommendation that the report of the Committee on Metropolitan and Urban Affairs shown in the Journal for March 17, 1976 that "the bill do pass" be adopted. Report adopted.

Mr. Coleman from the Committee on Rules and Administration, to which were re-referred under Joint Rule 20, together with the committee reports thereon,

S. F. Nos. 2388, 2075, 2165, 2018, 2188, 1898, 2484, 2402 and 2071

Reports the same back with the recommendation that the bills receive the action of the previous referring committees. Amendments adopted. Report adopted.

SECOND READING OF SENATE BILLS

S. F. Nos. 2402, 2188, 2018, 2165, 2075 and 2388 were read the second time.

SECOND READING OF HOUSE BILLS

H. F. No. 61 was read the second time.

MOTIONS AND RESOLUTIONS—CONTINUED

Mr. Anderson moved that H. F. No. 2534, No. 1 on the Calendar of Ordinary Matters, be stricken and placed on General Orders. The motion prevailed.

Mr. Stokowski moved that H. F. No. 2159, No. 2 on the Calendar of Ordinary Matters, be stricken and placed on General Orders. The motion prevailed.

Mr. Ashbach moved that H. F. No. 166, No. 4 on the Calendar of Ordinary Matters, be stricken and placed on General Orders. The motion prevailed.

SUSPENSION OF RULES

Remaining on the Order of Business of Motions and Resolutions, Mr. Coleman moved that the rules of the Senate be so far suspended as to make General Orders a Special Orders Calendar for immediate consideration. The motion prevailed.

SPECIAL ORDER

S. F. No. 1991: A bill for an act relating to education; providing for loans to medical students on certain conditions; amending Minnesota Statutes, 1975 Supplement, Section 147.30.

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 1, as follows:

Those who voted in the affirmative were:

Anderson	Fitzsimons	Keefe, J.	Nelson	Renneke
Bang	Frederick	Kirchner	North	Schmitz
Bernhagen	Gearty	Kleinbaum	Olhoft	Sillers
Blatz	Hansen, Baldy	Kowalczyk	Olson, A. G.	Spear
Brown	Hansen, Mel	Larson	Olson, H. D.	Stassen
Chmielewski	Hanson, R.	Lewis	Olson, J. L.	Stumpf
Coleman	Hughes	McCutcheon	O'Neill	Ueland
Conzemius	Humphrey	Merriam	Perpich, A. J.	Wegener
Davies	Jensen	Milton	Perpich, G.	Willet
Dunn	Josefson	Moe	Pillsbury	

Mr. Tennesen voted in the negative.

So the bill passed and its title was agreed to.

SPECIAL ORDER

S. F. No. 2339: A bill for an act relating to public welfare; specifying services to handicapped persons; defining terms; amending Minnesota Statutes 1974, Section 645.44, by adding a subdivision; and Minnesota Statutes, 1975 Supplement, Section 256.01, 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 49 and nays 1, as follows:

Those who voted in the affirmative were:

Arnold	Frederick	Kirchner	Nelson	Schmitz
Berg	Gearty	Kleinbaum	Olhoft	Sillers
Bernhagen	Hansen, Baldy	Knutson	Olson, H. D.	Solon
Blatz	Hansen, Mel	Kowalczyk	Olson, J. L.	Spear
Chmielewski	Hanson, R.	Larson	O'Neill	Stassen
Coleman	Hughes	Lewis	Patton	Stokowski
Conzemius	Humphrey	McCutcheon	Perpich, A. J.	Stumpf
Davies	Jensen	Merriam	Perpich, G.	Tennesen
Dunn	Josefson	Milton	Pillsbury	Willet
Fitzsimons	Keefe, J.	Moe	Renneke	

Mr. North voted in the negative.

So the bill passed and its title was agreed to.

SPECIAL ORDER

S. F. No. 2436: A bill for an act relating to public lands; authorizing the commissioner of natural resources to sell certain state owned lands; and authorizing certain county boards to sell certain tax-forfeited lands.

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	Davies	Jensen	Moe	Renneke
Arnold	Doty	Josefson	Nelson	Schmitz
Ashbach	Dunn	Keefe, J.	North	Sillers
Bang	Fitzsimons	Kirchner	Olhoft	Spear
Bernhagen	Frederick	Kleinbaum	Olson, H. D.	Stassen
Blatz	Gearty	Knutson	Olson, J. L.	Stokowski
Borden	Hansen, Baldy	Laufenburger	O'Neill	Stumpf
Brown	Hansen, Mel	Lewis	Patton	Tennessen
Chenoweth	Hanson, R.	McCutcheon	Perpich, A. J.	Willet
Chmielewski	Hughes	Merriam	Perpich, G.	
Coleman	Humphrey	Milton	Pillsbury	

So the bill passed and its title was agreed to.

SPECIAL ORDER

S. F. No. 2510: A bill for an act relating to natural resources; authorizing the designation of the Zumbro river as a canoe and boating route; amending Minnesota Statutes 1974, Section 85.32, 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 49 and nays 1, as follows:

Those who voted in the affirmative were:

Arnold	Doty	Jensen	North	Schmitz
Ashbach	Dunn	Keefe, J.	Ogdahl	Sillers
Bang	Fitzsimons	Kleinbaum	Olhoft	Spear
Berg	Frederick	Knutson	Olson, H. D.	Stassen
Bernhagen	Gearty	Lewis	O'Neill	Stokowski
Borden	Hansen, Baldy	McCutcheon	Patton	Stumpf
Brown	Hansen, Mel	Merriam	Perpich, A. J.	Tennessen
Chenoweth	Hanson, R.	Milton	Perpich, G.	Ueland
Chmielewski	Hughes	Moe	Pillsbury	Willet
Davies	Humphrey	Nelson	Renneke	

Mr. Schrom voted in the negative.

So the bill passed and its title was agreed to.

SPECIAL ORDER

S. F. No. 2486: A bill for an act relating to highways; construction limitations on certain trunk highways; authorizing the preparation of environmental impact statements for such highways; amending Minnesota Statutes, 1975 Supplement, Section 161.123.

Mr. Coleman moved to amend S. F. No. 2486 as follows:

Page 2, line 21 after "statements," insert "recreational and other land use reports, and other elements of the planning process required by federal and state law,"

Page 2, after line 31 insert a new clause (b) as follows:

"(b) the recommendations of the metropolitan council, transportation advisory board, and interstate study committee as reported to the legislature pursuant to Laws 1975, Chapter 203, Section 16; and"

Reletter clauses in sequence.

The motion prevailed. So the amendment was adopted.

Mr. Stassen moved to amend S. F. No. 2486 as follows:

Strike everything after the enacting clause and insert:

"Section 1. Minnesota Statutes, 1975 Supplement, Section 161.12, is amended to read:

161.12 [ADDITIONAL ROUTES ADDED TO TRUNK HIGHWAY SYSTEM.] To take advantage of federal aid made available by the United States to the state of Minnesota for highway purposes, the following trunk highway routes are added to the trunk highway system which routes form a part of the national system of interstate and defense highways and may be referred to as the interstate system:

Route No. 390. Beginning at a point on the boundary between the states of Minnesota and Iowa, southerly of Albert Lea; thence extending in a general northerly direction to a point on Route No. 141 in the city of St. Paul; and then beginning again at a point on Route No. 392 in through the city of St. Paul; thence extending in a general northeasterly direction to a point in Duluth on the boundary between the states of Minnesota and Wisconsin.

Route No. 391. Beginning at a point on the boundary between the states of Minnesota and South Dakota, westerly of Luverne; thence extending in a general easterly direction to a point on the boundary between the states of Minnesota and Wisconsin, near La Crescent.

Route No. 392. Beginning at a point on the boundary between the states of Minnesota and North Dakota in or near Moorhead; thence extending in a general southeasterly direction through the city of Minneapolis; thence in a general easterly direction through the city of St. Paul to a point on the boundary between the states of Minnesota and Wisconsin in or near Lakeland.

Route No. 393. Beginning at a point on Route No. 392, easterly of the city of St. Paul; thence in a general southerly and westerly direction through the city of South St. Paul; thence in a general westerly direction to a point in Eden Prairie Township, Hennepin County; thence in a general northerly direction to a point in the city of Maple Grove, Hennepin County; thence in a general easterly direction to a point on Route 390; thence in a general easterly, southeasterly and southerly direction to the point of beginning on Route No. 392, easterly of St. Paul.

Route No. 394. Beginning at a point on Route No. 390, southerly of the Minnesota River; thence extending in a general northerly and northeasterly direction through the city of Minneapolis; thence continuing in a northeasterly direction to a point on Route No. 390, near Forest Lake and there terminating.

Route No. 395. Beginning at a point on Route No. 390 at or near the intersection of Superior Street and Nineteenth Avenue West in the

city of Duluth, thence extending in a northeasterly direction to a point on Route No. 103 at or near the intersection of Superior Street and Tenth Avenue East in the city of Duluth.

Sec. 2. Minnesota Statutes, 1975 Supplement, Sections 161.117 and 161.123, are repealed."

Amend the title as follows:

Page 1, line 2, before "construction" insert "removing"

Page 1, line 3, strike "authorizing the" and insert "removing certain routes from the trunk highway system; amending a trunk highway route;"

Page 1, strike line 4

Page 1, line 5, strike "such highways;"

Page 1, line 6, strike "161.123" and insert "161.12; repealing Minnesota Statutes, 1975 Supplement, Sections 161.117 and 161.123"

The question being taken on the adoption of the amendment,

And the roll being called, there were yeas 26 and nays 38, as follows:

Those who voted in the affirmative were:

Ashbach	Dunn	Josefson	O'Neill	Stassen
Bang	Fitzsimons	Kirchner	Patton	Ueland
Berg	Frederick	Knutson	Pillsbury	
Bernhagen	Hansen, Mel	Kowalczyk	Purfeerst	
Brown	Hanson, R.	Larson	Renneke	
Chmielewski	Jensen	Olson, J. L.	Sillers	

Those who voted in the negative were:

Anderson	Gearty	Lewis	Olhoft	Solon
Arnold	Hansen, Baldy	McCutcheon	Olson, A. G.	Spear
Borden	Hughes	Merriam	Olson, H. D.	Stokowski
Chenoweth	Humphrey	Milton	Perpich, A. J.	Stumpf
Coleman	Keefe, J.	Moe	Perpich, G.	Wegener
Conzemius	Keefe, S.	Nelson	Schaaf	Willet
Davies	Kleinbaum	North	Schmitz	
Doty	Laufenburger	Ogdahl	Schrom	

The motion did not prevail. So the amendment was not adopted.

Mr. McCutcheon moved to amend S. F. No. 2486 as follows:

Page 2, line 20, strike "*be authorized to*"

Amend the title as follows:

Line 3, strike "authorizing" and insert "requiring"

The motion prevailed. So the amendment was adopted.

S. F. No. 2486: A bill for an act relating to highways; construction limitations on certain trunk highways; requiring the preparation of environmental impact statements for such highways; amending Minnesota Statutes, 1975 Supplement, Section 161.123.

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 57 and nays 3, as follows:

Those who voted in the affirmative were:

Anderson	Dunn	Kleinbaum	Olson, H. D.	Solon
Arnold	Fitzsimons	Knutson	Olson, J. L.	Spear
Berg	Gearty	Kowalczyk	O'Neill	Stassen
Bernhagen	Hansen, Baldy	Larson	Patton	Stokowski
Borden	Hansen, Mel	Lewis	Perpich, A. J.	Stumpf
Brown	Hanson, R.	McCutcheon	Pillsbury	Tennessen
Chenoweth	Hughes	Merriam	Purfeerst	Ueland
Chmielewski	Humphrey	Nelson	Renneke	Wegener
Coleman	Jensen	North	Schaaf	Willet
Conzemius	Keefe, J.	Ogdahl	Schmitz	
Davies	Keefe, S.	Olhoft	Schrom	
Doty	Kirchner	Olson, A. G.	Sillers	

Messrs. Ashbach, Frederick and Josefson voted in the negative.

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

MEMBERS EXCUSED

Mr. Josefson was excused from the Session of today from 4:30 o'clock p.m. until 5:30 o'clock p.m.

SPECIAL ORDER

H. F. No. 771: A bill for an act relating to the city of Albert Lea; placing the chief of police under the public employees police and fire fund.

Mr. Perpich, G. moved to amend H. F. No. 771 as follows:

Page 2, after line 7, insert:

"Sec. 2. Notwithstanding the provisions of any general or special law or city ordinance, all police officers employed by the city of Buhl on and after February 17, 1976 shall be members of the public employees retirement association police and fire fund, and shall not be eligible for membership in the Buhl Police Relief Association."

Page 2, line 8, before "This" insert "Section 1 of"

Page 2, line 10, before the period, insert "; and section 2 is effective upon approval by the Buhl city council and upon compliance with Minnesota Statutes, Section 645.021"

Renumber the sections in sequence

Amend the title as follows:

Line 2, strike "city" and insert "cities"

Line 2, after "Lea" insert "and Buhl"

Line 3, after "police" insert "of Albert Lea"

Line 4, before the period, insert "; providing membership of police officers of the city of Buhl in the public employees retirement association police and fire fund"

The motion prevailed. So the amendment was adopted.

H. F. No. 771 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 52 and nays 1, as follows:

Those who voted in the affirmative were:

Arnold	Gearty	Kowalczyk	Olson, J. L.	Spear
Ashbach	Hansen, Baldy	Larson	O'Neill	Stassen
Berg	Hansen, Mel	Lewis	Patton	Stokowski
Bernhagen	Hanson, R.	Merriam	Perpich, G.	Stumpf
Borden	Hughes	Moe	Pillsbury	Tennessee
Brown	Jensen	Nelson	Renneke	Ueland
Chenoweth	Josefson	North	Schaaf	Wegener
Chmielewski	Keefe, J.	Ogdahl	Schmitz	Willet
Davies	Keefe, S.	Olhoft	Schrom	
Dunn	Kirchner	Olson, A. G.	Sillers	
Fitzsimons	Kleinbaum	Olson, H. D.	Solon	

Mr. Doty voted in the negative.

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

SPECIAL ORDER

S. F. No. 1800: A bill for an act relating to unemployment compensation; providing for exclusion of certain part time services; providing for an emergency surtax in employer contributions; modifying disqualifying conditions for employment compensation; permitting information to be furnished to department of public welfare by commissioner of employment services; permitting information to be furnished to department of employment services by commissioner of revenue; providing taxation of unemployment compensation benefits in certain conditions; providing a penalty; amending Minnesota Statutes 1974, Sections 268.06, by adding a subdivision; 268.12, Subdivision 12; and 290.61; Minnesota Statutes, 1975 Supplement, Sections 268.04, Subdivision 12; 268.06, Subdivision 8; 268.09, Subdivision 1; and 290.01, Subdivision 20.

Mr. Doty moved to amend S. F. No. 1800 as follows:

Page 16, line 29, strike "six" and insert "four"

Page 18, line 23, strike "six" and insert "four"

Page 21, line 13, strike "six" and insert "four"

The motion did not prevail. So the amendment was not adopted.

Mr. Brown moved to amend S. F. No. 1800 as follows:

Page 10, lines 26 and 27, strike "under the age of 22"

The motion prevailed. So the amendment was adopted.

Mr. Keefe, S. moved to amend S. F. No. 1800 as follows:

Page 15, after line 30, insert:

"Sec. 4. Minnesota Statutes, 1975 Supplement, Section 268.08, Subdivision 1, is amended to read:

268.08 [PERSONS ELIGIBLE TO RECEIVE BENEFITS.] Subdivision 1. [ELIGIBILITY CONDITIONS.] An individual shall be eligible to receive benefits with respect to any week of unemployment only if the commissioner finds that:

(1) He has registered for work at and thereafter has continued to report to an employment office, or agent of such office, in accordance with such regulations as the commissioner may prescribe; except that the commissioner may by regulation waive or alter either or both of the requirements of this clause as to types of cases or situations with respect to which he finds that compliance with such requirements would be oppressive or would be inconsistent with the purposes of sections 268.03 to 268.24;

(2) He has made a claim for benefits in accordance with such regulations as the commissioner may prescribe; and

(3) He was able to work and was available for work, and was actively seeking work, provided that individual's weekly benefit amount shall be reduced one-fifth for each day such individual is unable to work or unavailable for work; provided further that benefits after December 31, 1971, shall not be denied by application of this clause to an individual who is in training with the approval of the commissioner *which approval shall not be denied in the case of an individual solely because he had saleable skills and reasonable prospects of finding employment without training in a type of employment subject to recurring seasonal unemployment* ;

(4) He has been unemployed for a waiting period of one week during which he is otherwise eligible for benefits under sections 268.03 to 268.24, provided, however, payment for the waiting week shall be made to such individual after he has qualified for and been paid benefits for four weeks of unemployment in a benefit year which period of unemployment is terminated because of such individual's return to employment. No individual shall be required to serve a waiting period of more than one week within the one year period subsequent to filing a valid claim and commencing with the week within which such valid claim was filed."

Renumber the remaining sections accordingly

Page 32, line 3, strike "5 and 7" and insert "4, 6 and 8"

Page 32, line 7, strike "4" and insert "5"

Page 32, line 8, strike "6" and insert "7"

Amend the title as follows:

Page 1, line 5, after the semicolon insert "prohibiting the denial of benefits to persons in training programs who were employed in a job involving recurring seasonal unemployment;"

Page 1, line 18, after "Subdivision 8;" insert "268.08, Subdivision 1;"

The motion did not prevail. So the amendment was not adopted.

Mr. Spear moved to amend S. F. No. 1800 as follows:

Page 14, after line 25, insert:

"Sec. 2. Minnesota Statutes, 1975 Supplement, Section 268.04, Subdivision 25, is amended to read:

Subd. 25. "Wages" means all remuneration for services, including commissions and bonuses, and tips and gratuities paid to an employee by a customer of an employer and accounted for by the employee to the employer, and the cash value of all remuneration in any medium other than cash, except that such term shall not include:

(1) For the purpose of determining contributions payable under section 268.06, subdivision 2, that part of the remuneration which exceeds the lesser of \$6,500 or 70 percent of the average annual wage rounded to the nearest \$100 computed in accordance with the provisions of clause (6) of this subdivision paid to an individual by an employer with respect to covered employment in this state, or with respect to employment under the unemployment compensation law of any other state during any calendar year paid to such individual by such covered employer or his predecessor during such calendar year; provided, that if the term "wages" as contained in the federal unemployment tax act is amended to include remuneration in excess of the amount required to be paid hereunder to an individual by an employer under the federal act for any calendar year, wages for the purposes of sections 268.03 to 268.24 shall include remuneration paid in a calendar year up to an amount equal to the dollar limitation specified in the federal unemployment tax act. For the purposes of this clause, the term "employment" shall include service constituting employment under any employment security law of another state or of the federal government;

(2) The amount of any payment made to, or on behalf of, an employee under a plan or system established by an employer which makes provision for his employees generally or for a class or classes of his employees (including any amount paid by an employer for insurance or annuities, or into a fund, to provide for any such payment), on account of (a) retirement or (b) sickness or accident disability or (c) medical and hospitalization expenses in connection with sickness or accident disability, or (d) death, provided the employee (i) has not the option to receive, instead of provision for such death benefit, any part of such payment, or if such death benefit is insured, any part of the premium (or contributions to premiums) paid by his employer and (ii) has not the right, under the provisions of the plan or system or policy of insurance providing for such death benefit, to assign such benefit, or to receive a cash consideration in lieu of such benefit either upon his withdrawal from the plan or system providing for such benefit or upon termination of such plan or system or policy of insurance or of his employment with such employer;

(3) The payment by an employer (without deduction from the remuneration of the employee) (a) of the tax imposed upon an employee under section 3101 of the federal internal revenue code, or (b) of any payment required from an employee under a state unemployment compensation law;

(4) Any payments made to a former employee during the period of active military service in the armed forces of the United States by such employer, whether legally required or not;

(5) Any payment made to, or on behalf of, an employee or his beneficiary (a) from or to a trust described in section 401(a) of the federal internal revenue code which is exempt from tax under section 501(a) of such code at the time of such payment unless such payment is made to an employee of the trust as remuneration for services rendered as an employee and not as a beneficiary of the trust, or (b) under or to an annuity plan which, at the time of such payment is a plan described in section 403(a) of the federal internal revenue code, or (c) under or to a bond purchase plan which, at the time of such payment, is a qualified bond purchase plan described in section 405(a) of the federal internal revenue code;

(6) On or before July 1 of each year the commissioner shall determine the average annual wage paid by employers subject to sections 268.03 to 268.24 in the following manner:

(a) The sum of the total monthly employment reported for the previous calendar year shall be divided by 12 to determine the average monthly employment.

(b) The sum of the total wages reported for the previous calendar year shall be divided by the average monthly employment to determine the average annual wage.

The average annual wage determined shall be effective for the calendar year next succeeding the determination.

This section shall become effective January 1, 1976."

Page 15, after line 30, insert:

"Sec. 5. Minnesota Statutes, 1975 Supplement, Section 268.07, Subdivision 2, is amended to read:

Subd. 2. [WEEKLY BENEFIT AMOUNT AND DURATION.] If the commissioner finds that an individual has earned 18, or more, credit weeks, and \$540 or more in wage credits, within the base period of employment in insured work with one or more employers, benefits shall be payable to such individual during his benefit year as follows:

(1) Weekly benefit amount shall be equal to 60 percent of the first \$85, 40 percent of the next \$85 and 50 percent of the remainder of the average weekly wage of such individual, computed to the nearest whole dollar, subject to a maximum of the lesser of \$116 or 62 percent of the average weekly wage paid to individuals by employers subject to the provisions of sections 268.03 to 268.24.

On or before June 30 of each year the commissioner shall determine the average weekly wage paid by employers subject to sections 268.03 to 268.24 in the following manner:

(a) The sum of the total monthly employment reported for the

previous calendar year shall be divided by 12 to determine the average monthly employment.

(b) The sum of the total wages reported for the previous calendar year shall be divided by the average monthly employment to determine the average annual wage.

(c) The average annual wage shall be divided by 52 to determine the average weekly wage.

The maximum weekly benefit amount as so determined computed to the nearest whole dollar shall apply to claims for benefits which establish a benefit year which begins subsequent to June 30 of each year.

(2) An individual's maximum amount of regular benefits payable in a benefit year shall not exceed the lesser of (a) 26 times his weekly benefit amount or (b) 70 percent of the number of credit weeks earned by such an individual computed to the nearest whole week times his weekly benefit amount.

(3) Each eligible individual who is unemployed in any week shall be paid with respect to such week a benefit in an amount equal to his weekly benefit amount less that part of his earnings, including holiday pay, payable to him with respect to such week which is in excess of \$25. Such benefit, if not a multiple of \$1, shall be computed to the next higher multiple of \$1.

(4) The provisions of this subdivision shall apply to claims for benefits which establish a benefit year subsequent to June 30, 1975."

Page 32, line 3, strike "5 and 7" and insert "7 and 9"

Page 32, line 5, strike "2" and insert "3"

Page 32, line 6, strike "3" and insert "4"

Page 32, line 7, strike "Section 4 is" and insert "Sections 2, 5 and 6 are"

Page 32, line 8, strike "6" and insert "8"

Amend the title as follows:

Page 1, line 5, after the semicolon insert "removing ceilings on wage base and benefit amounts;"

Page 1, line 17, strike "Subdivision 12" and insert "Subdivisions 12 and 25"

Page 1, line 18, after "8;" insert "268.07, Subdivision 2;"

The question being taken on the adoption of the amendment,

And the roll being called, there were yeas 11 and nays 33, as follows:

Those who voted in the affirmative were:

Borden
Coleman
Doty

Gearty
Humphrey

Keefe, S.
Merriam

North
Schaaf

Spear
Stumpf

Those who voted in the negative were:

Anderson	Hansen, Baldy	Larson	O'Neill	Schrom
Ashbach	Hansen, Mel	McCutcheon	Patton	Sillers
Bang	Hanson, R.	Moe	Perpich, A. J.	Ueland
Berg	Kirchner	Nelson	Perpich, G.	Wegener
Bernhagen	Kleinbaum	Olhoft	Pillsbury	Willet
Brown	Knutson	Olson, H. D.	Renneke	
Dunn	Kowalczyk	Olson, J. L.	Schmitz	

The motion did not prevail. So the amendment was not adopted.

Mr. Stumpf moved to amend S. F. No. 1800 as follows:

Page 14, after line 25 insert:

"Sec. 2. Minnesota Statutes 1974, Section 268.04, Subdivision 29, is amended to read:

Subd. 29. "Credit week" with respect to any claim for benefits which establishes a benefit year subsequent to June 27, 1970, is any week for which wages have been paid and wages are due and payable but not paid of ~~\$30~~ \$50 or more by or from one or more employers to an employee for insured work."

Page 15, after line 30, insert:

"Sec. 5. Minnesota Statutes, 1975 Supplement, Section 268.07, Subdivision 2, is amended to read:

Subd. 2. [WEEKLY BENEFIT AMOUNT AND DURATION.] If the commissioner finds that an individual has earned ~~18 15~~, or more, credit weeks, and ~~\$540 or more in wage credits~~, within the base period of employment in insured work with one or more employers, benefits shall be payable to such individual during his benefit year as follows:

(1) Weekly benefit amount shall be equal to 60 percent of the first \$85, 40 percent of the next \$85 and 50 percent of the remainder of the average weekly wage of such individual, computed to the nearest whole dollar, subject to a maximum of the lesser of \$116 or 62 percent of the average weekly wage paid to individuals by employers subject to the provisions of sections 268.03 to 268.24.

On or before June 30 of each year the commissioner shall determine the average weekly wage paid by employers subject to sections 268.03 to 268.24 in the following manner:

(a) The sum of the total monthly employment reported for the previous calendar year shall be divided by 12 to determine the average monthly employment.

(b) The sum of the total wages reported for the previous calendar year shall be divided by the average monthly employment to determine the average annual wage.

(c) The average annual wage shall be divided by 52 to determine the average weekly wage.

The maximum weekly benefit amount as so determined computed to

the nearest whole dollar shall apply to claims for benefits which establish a benefit year which begins subsequent to June 30 of each year.

(2) An individual's maximum amount of regular benefits payable in a benefit year shall not exceed the lesser of (a) 26 times his weekly benefit amount or (b) 70 percent of the number of credit weeks earned by such an individual computed to the nearest whole week times his weekly benefit amount.

(3) Each eligible individual who is unemployed in any week shall be paid with respect to such week a benefit in an amount equal to his weekly benefit amount less that part of his earnings, including holiday pay, payable to him with respect to such week which is in excess of \$25. Such benefit, if not a multiple of \$1, shall be computed to the next higher multiple of \$1.

(4) The provisions of this subdivision shall apply to claims for benefits which establish a benefit year subsequent to June 30, 1975."

Renumber the remaining sections accordingly

Page 32, line 3, strike "5 and 7" and insert "9 and 11"

Page 32, line 5, strike "2" and insert "3"

Page 32, line 6, strike "3" and insert "4"

Page 32, line 7, strike "Section 4 is" and insert "Sections 2, 6 and 10 are"

Page 32, line 8, strike "6" and insert "10"

Amend the title as follows:

Page 1, line 14, after "Sections" insert "268.04, Subdivision 29;"

Page 1, line 18, after "8;" insert "268.07, Subdivision 2;"

The motion prevailed. So the amendment was adopted.

Mr. Davies moved to amend S. F. No. 1800 as follows:

Page 21, after line 16, insert

"Sec. 7. Minnesota Statutes 1974, Section 268.10, Subdivision 1, is amended to read:

268.10 [DETERMINATION OF CLAIMS FOR BENEFITS; APPEALS.] Subdivision 1. [FILING.] Claims for benefits shall be made in accordance with regulations as the commissioner may prescribe. *Each application form shall require the applicant's signature and shall contain the statement "I hereby certify under penalty of perjury that all representations made in this application are true."* Each employer shall post and maintain printed statements of such regulations in places readily accessible to individuals in his service and shall make available to each such individual at the time he becomes unemployed, a printed statement of such regulations. Such printed statements shall be supplied by the commissioner to each employer without cost to him.

(1) Any employer upon separation of an employee from his employment for any reason which may result in disqualification for benefits under section 268.09, shall furnish to such employee a separation

notice which shall provide the employer's name, address, and employer account number as registered with the department, the employee's name and social security account number, the inclusive dates of his employment, and the reason for the separation. A copy of such separation notice shall be filed with the commissioner within three days of such separation. The commissioner shall require each individual filing a claim for benefits to establish a benefit year to furnish such separation notices which he has received from all employers from whom such individual earned wage credits in the base period.

(2) Upon the filing, by an individual, of a claim for benefits, the commissioner shall give notice to all such base period employers of the filing of such claim and request each such base period employer, within seven days after the mailing of such notice, to furnish the following information:

- (a) The total wage credits earned in the base period;
- (b) The number of credit weeks which end within the base period;
- (c) The week ending dates for each calendar week within the base period in which the individual earned less than the amount required to make a credit week and the amount of earnings in each such week;
- (d) The reason for the separation or separations of such individual from the employ of the employer in the base period; and
- (e) Such employer's protest, if any, relating to the ineligibility or disqualification of such individual.

(3) If any base period employer, after the notice of filing of a claim and the request for wage and separation information has been duly mailed to his last known address, fails to file information as provided by items (a) through (e) of clause 2 of this subdivision within seven days the commissioner shall determine an individual's benefit rights based on the claimant's statements or any other available information. Any employer shall be liable for a late filing fee of not less than \$5 nor more than \$25, as the commissioner may determine, to be paid to the department of employment services and credited to the contingent fund if he has failed without good cause to submit the wage and separation information as required in clause 2 of this subdivision within seven days after the request has been duly mailed to his last known address. In the absence of fraud, if a redetermination of benefit rights based on an employer's late report subsequently cancels or reduces the amount of benefits to which a claimant was entitled under the initial determination, the claimant shall not be required to make repayment to the fund of any benefits paid to him prior to such redetermination.

Sec. 8. Minnesota Statutes 1974, Section 268.18, Subdivision 3, is amended to read:

Subd. 3. [PENALTY FOR FALSE STATEMENTS.] Whoever makes a false statement or representation knowing it to be false or knowingly fails to disclose a material fact to obtain or increase any benefit or other payment under sections 268.03 to 268.24, or under the employment security law of any state or of the federal government or of a foreign government, either for himself or any other person, shall be guilty of a ~~misdemeanor~~ *violation of section 609.48*.

Any employing unit or any officer or agent of an employing unit or any other person who makes a false statement or representation knowing it to be false, or who knowingly fails to disclose a material fact, to prevent or reduce the payment of benefits to any individual entitled thereto, or to avoid becoming or remaining a subject employer or to avoid or reduce any contribution or other payment required from an employing unit under those sections or under the employment security law of any state or of the federal government, or who wilfully fails or refuses to make any such contributions or other payment or to furnish any reports at the time when required hereunder or to produce or permit the inspection or copying of records as required hereunder, shall be guilty of a ~~misdeemeanor~~ *violation of section 609.48.*"

Renumber the sections accordingly

Page 32, line 3, after "5" strike "and 7" and insert ", 9 and 11"

Page 32, line 8, strike "6" and insert "10"

Amend the title as follows:

Page 1, line 15, after "subdivision;" insert "268.10, Subdivision 1; 268.18, Subdivision 3;"

The motion prevailed. So the amendment was adopted.

Mr. Merriam moved to amend S. F. No. 1800 as follows:

Page 30, strike lines 23 to 32

Page 31, strike lines 1 to 32

Page 32, strike lines 1 to 2

Page 32, line 3, strike the comma and insert "and"

Page 32, line 3, strike "and 7"

Amend the title as follows:

Page 1, line 9, strike "permitting information to be furnished"

Page 1, strike line 10

Page 1, line 11, strike "commissioner of revenue;"

Page 1, line 15, after "subdivision;" insert "and"

Page 1, line 15, strike "and"

Page 1, line 16, strike "290.61;"

The question being taken on the adoption of the amendment,

And the roll being called, there were yeas 23 and nays 35, as follows:

Those who voted in the affirmative were:

Arnold	Gearty	Lewis	Olson, A. G.	Stokowski
Borden	Hughes	McCutcheon	Olson, H. D.	Stumpf
Chmielewski	Humphrey	Merriam	Purfeerst	Tennessen
Coleman	Keefe, S.	Milton	Schaaf	
Davies	Laufenburger	Moe	Spear	

Those who voted in the negative were:

Ashbach	Hansen, Baldy	Knutson	O'Neill	Schrom
Bang	Hansen, Mel	Kowalczyk	Patton	Sillers
Berg	Hanson, R.	Larson	Perpich, A. J.	Solon
Bernhagen	Jensen	Nelson	Perpich, G.	Stassen
Brown	Keefe, J.	Ogdahl	Pillsbury	Ueland
Fitzsimons	Kirchner	Olhoft	Renneke	Wegener
Frederick	Kleinbaum	Olson, J. L.	Schmitz	Willet

The motion did not prevail. So the amendment was not adopted.

Mr. Olson, H. D. moved to amend S. F. No. 1800 as follows:

Page 31, line 6, after "*person*" insert "*who has applied for unemployment compensation benefits,*"

The motion prevailed. So the amendment was adopted.

Mr. Keefe, S. moved to amend S. F. No. 1800 as follows:

Page 14, after line 25, insert:

"Sec. 2. Minnesota Statutes, 1975 Supplement, Section 268.04, Subdivision 25, is amended to read:

Subd. 25. "Wages" means all remuneration for services, including commissions and bonuses, and tips and gratuities paid to an employee by a customer of an employer and accounted for by the employee to the employer, and the cash value of all remuneration in any medium other than cash, except that such term shall not include:

(1) For the purpose of determining contributions payable under section 268.06, subdivision 2, that part of the remuneration which exceeds the lesser of \$6,500 or 70 85 percent of the average annual wage rounded to the nearest \$100 computed in accordance with the provisions of clause (6) of this subdivision paid to an individual by an employer with respect to covered employment in this state, or with respect to employment under the unemployment compensation law of any other state during any calendar year paid to such individual by such covered employer or his predecessor during such calendar year; provided, that if the term "wages" as contained in the federal unemployment tax act is amended to include remuneration in excess of the amount required to be paid hereunder to an individual by an employer under the federal act for any calendar year, wages for the purposes of sections 268.03 to 268.24 shall include remuneration paid in a calendar year up to an amount equal to the dollar limitation specified in the federal unemployment tax act. For the purposes of this clause, the term "employment" shall include service constituting employment under any employment security law of another state or of the federal government;

(2) The amount of any payment made to, or on behalf of, an employee under a plan or system established by an employer which makes provision for his employees generally or for a class or classes of his employees (including any amount paid by an employer for insurance or annuities, or into a fund, to provide for any such payment), on account of (a) retirement or (b) sickness or accident disability or (c) medical and hospitalization expenses in connection with sickness

or accident disability, or (d) death, provided the employee (i) has not the option to receive, instead of provision for such death benefit, any part of such payment, or if such death benefit is insured, any part of the premium (or contributions to premiums) paid by his employer and (ii) has not the right, under the provisions of the plan or system or policy of insurance providing for such death benefit, to assign such benefit, or to receive a cash consideration in lieu of such benefit either upon his withdrawal from the plan or system providing for such benefit or upon termination of such plan or system or policy of insurance or of his employment with such employer;

(3) The payment by an employer (without deduction from the remuneration of the employee) (a) of the tax imposed upon an employee under section 3101 of the federal internal revenue code, or (b) of any payment required from an employee under a state unemployment compensation law;

(4) Any payments made to a former employee during the period of active military service in the armed forces of the United States by such employer, whether legally required or not;

(5) Any payment made to, or on behalf of, an employee or his beneficiary (a) from or to a trust described in section 401(a) of the federal internal revenue code which is exempt from tax under section 501(a) of such code at the time of such payment unless such payment is made to an employee of the trust as remuneration for services rendered as an employee and not as a beneficiary of the trust, or (b) under or to an annuity plan which, at the time of such payment is a plan described in section 403(a) of the federal internal revenue code, or (c) under or to a bond purchase plan which, at the time of such payment, is a qualified bond purchase plan described in section 405(a) of the federal internal revenue code;

(6) On or before July 1 of each year the commissioner shall determine the average annual wage paid by employers subject to sections 268.03 to 268.24 in the following manner:

(a) The sum of the total monthly employment reported for the previous calendar year shall be divided by 12 to determine the average monthly employment.

(b) The sum of the total wages reported for the previous calendar year shall be divided by the average monthly employment to determine the average annual wage.

The average annual wage determined shall be effective for the calendar year next succeeding the determination.

This section shall become effective January 1, 1976."

Page 15, line 5, strike "nine-tenths of"

Page 15, strike lines 23 to 30

Page 32, line 5, strike "2" and insert "3"

Page 32, line 6, strike "Section 3 is effective retroactive to January 1,"

Page 32, line 7, strike "1976."

Page 32, line 7, strike "Section 4 is" and insert "Sections 2 and 4 are"

Amend the title as follows:

Page 1, strike line 4

Page 1, line 5, strike "contributions" and insert "increasing the wage base"

Page 1, line 17, strike "Subdivision 12" and insert "Subdivisions 12 and 25"

Mr. O'Neill moved a substitute amendment to the Keefe, S. amendment to amend S. F. No. 1800 as follows:

Page 15, line 30, after the period insert:

"Employers subject to this surtax shall be reimbursed from the general fund. There is hereby appropriated from the general fund to the commissioner of employment services the sum of \$37,000,000 to carry out the purposes of this section. This appropriation shall not cancel until expended for the purpose stated."

Amend the title as follows:

Page 1, line 13, before "amending" insert "appropriating money from the general fund;"

The question being taken on the adoption of the O'Neill substitute amendment,

And the roll being called, there were yeas 21 and nays 38, as follows:

Those who voted in the affirmative were:

Ashbach	Fitzsimons	Kirchner	Ogdahl	Renneke
Bang	Frederick	Knutson	Olson, J. L.	Sillers
Berg	Jensen	Kowalczyk	O'Neill	Stassen
Bernhagen	Keefe, J.	Larson	Patton	Ueland
Brown				

Those who voted in the negative were:

Anderson	Dunn	Lewis	Perpich, A. J.	Spear
Arnold	Gearty	McCutcheon	Perpich, G.	Stokowski
Borden	Hansen, Baldy	Merriam	Pillsbury	Stumpf
Chmielewski	Hughes	Milton	Purfeerst	Tennessen
Coleman	Humphrey	Moe	Schaaf	Wegener
Conzemius	Keefe, S.	Olhoff	Schmitz	Willet
Davies	Kleinbaum	Olson, A. G.	Schrom	
Doty	Laufenburger	Olson, H. D.	Solon	

The motion did not prevail. So the substitute amendment was not adopted.

The question recurred on the Keefe, S. amendment.

Mr. Jensen requested division of the amendment as follows:

First portion: All of the Keefe, S. amendment except the following:

"Page 15, line 5, strike "nine-tenths of"

Second portion:

"Page 15, line 5, strike "nine-tenths of"

The question being taken on the adoption of the first portion of the Keefe, S. amendment,

And the roll being called, there were yeas 7 and nays 51, as follows:

Those who voted in the affirmative were:

Brown	Jensen	Schaaf	Spear	Stassen
Hansen, Mel	Keefe, S.			

Those who voted in the negative were:

Anderson	Dunn	Knutson	Olson, A. G.	Sillers
Arnold	Fitzsimons	Kowalczyk	Olson, H. D.	Solon
Bang	Frederick	Larson	Olson, J. L.	Stokowski
Berg	Gearity	Laufenburger	O'Neill	Stumpf
Bernhagen	Hansen, Baldy	McCutcheon	Patton	Tennessee
Borden	Hanson, R.	Merriam	Perpich, A. J.	Wegener
Chmielewski	Hughes	Milton	Perpich, G.	Willet
Coleman	Humphrey	Moe	Pillsbury	
Conzemius	Keefe, J.	Nelson	Purfeerst	
Davies	Kirchner	Ogdahl	Schmitz	
Doty	Kleinbaum	Olhoff	Schrom	

The motion did not prevail. So the first portion of the Keefe, S. amendment was not adopted.

The question being taken on the second portion of the Keefe, S. amendment,

The motion did not prevail. So the amendment was not adopted.

Mr. Frederick moved to amend S. F. No. 1800 as follows:

Page 15, strike section 3

Renumber the sections in sequence

Amend the title as follows:

Strike line 4

Line 5, strike "contributions;"

Lines 14 and 15, strike "268.06, by adding a subdivision;"

The motion did not prevail. So the amendment was not adopted.

Mr. Schaaf moved to amend S. F. No. 1800 as follows:

Page 11, after line 6, insert

"(4) Service performed in the employ of any organization exempt from income tax under section 501 (a) (other than an organization described in section 401 (a) of the federal internal revenue code), provided: financing for the operations of the employer come primarily from voluntary contributions or governmental grants; and such service consists primarily of the supervision of work crews of minors or the supervision of the recreational activities of minors; and the period of such service does not exceed 16 weeks in a calendar year."

The motion did not prevail. So the amendment was not adopted.

S. F. No. 1800: A bill for an act relating to unemployment compensation; providing for exclusion of certain part time services; providing for an emergency surtax in employer contributions; modifying disqualifying conditions for employment compensation; permitting information to be furnished to department of public welfare by commissioner of employment services; permitting information to be furnished to department of employment services by commissioner of revenue; providing taxation of unemployment compensation benefits in certain conditions; providing a penalty: amending Minnesota Statutes 1974, Sections 268.04, Subdivision 29; 268.06, by adding a subdivision; 268.10, Sub-

division 1; 268.18, Subdivision 3; 268.12, Subdivision 12; and 290.61; Minnesota Statutes, 1975 Supplement, Sections 268.04, Subdivision 12; 268.06, Subdivision 8; 268.07, Subdivision 2; 268.09, Subdivision 1; and 290.01, Subdivision 20.

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 56 and nays 4, as follows:

Those who voted in the affirmative were:

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

Messrs. Keefe, S.; Merriam; Spear and Stumpf voted in the negative.

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

MOTIONS AND RESOLUTIONS—CONTINUED

Remaining on the Order of Business of Motions and Resolutions, Mr. Coleman moved that the Senate revert to the Order of Business of Reports of Committees and Second Reading of House Bills. The motion prevailed.

REPORTS OF COMMITTEES

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

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

H. F. No. 1979: A bill for an act relating to taxation; defining "claimant" for purposes of certain homestead credits; amending Minnesota Statutes, 1975 Supplement, Sections 290A.03, Subdivision 8; and 290A.04, Subdivisions 2 and 3.

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 1974, Chapter 290, is amended by adding a section to read:

[290.067] [DEPENDENT CARE CREDIT.] *Subdivision 1. [DEFINITIONS.] For purposes of this section, the terms defined herein shall have the meanings given them unless the context clearly indicates another meaning.*

"Claimant" means an individual who has filed a claim under this subdivision. To be eligible to file, the individual shall have been domiciled in this state during the entire taxable year for which he files a claim for relief. Only one spouse in a married couple may be a claimant.

"Qualifying individual" means (1) an individual dependent upon and receiving his chief support from the claimant, if the dependent has not attained the age of 15 years, or is physically or mentally incapable of caring for himself; or (2) a spouse of the claimant who is physically or mentally incapable of caring for himself.

"Income" means gross income as defined in Minnesota Statutes, Section 290.01, Subdivision 20. If the claimant is married, income shall be the combined income of both spouses, and the spouses shall file their income tax return for the year for which the credit is claimed, either jointly or separately, on one form. A claimant shall not be considered as married if,

(1) he is legally separated from his spouse under a decree of divorce or of separate maintenance at the close of the taxable year, or

(2) he has been deserted by his spouse and has not known the whereabouts of his spouse at any time during the last six months of the taxable year.

"Qualifying dependent care expenses" means the amount actually paid by a claimant for the cost of care for a qualifying individual but only if the care is obtained for the purpose of enabling the claimant to be gainfully employed. In the case of a married claimant, no expenses shall be included as qualifying dependent care expenses if the expenses were incurred during any period in which the claimant's spouse was neither gainfully employed nor eligible as a qualifying individual; if both spouses are gainfully employed, the amount of qualifying dependent care expenses for which a credit will be given pursuant to this subdivision shall not exceed the lesser of the income of the claimant alone or that of his spouse alone during the taxable year for which the claim was made. No payment made by a claimant for care given to a qualifying individual shall be considered a qualifying dependent care expense if the care is given by and the payment made to an individual who is dependent upon and receiving his chief support from the claimant or the spouse of the claimant. No expense for which a deduction is claimed pursuant to Minnesota Statutes, Section 290.09, Subdivision 10 shall be included as a qualifying dependent care expense.

Subd. 2. [CLAIM FOR CREDIT.] A credit shall be given to each eligible claimant in an amount determined according to subdivision 3. A claimant under this section shall file with the commissioner of revenue a Minnesota income tax return or any other form the commissioner prescribes to claim the credit. The claimant shall include in support of his claim reasonable proof of expenses paid and the names and addresses of payees.

Subd. 3. [AMOUNT OF CREDIT.] The credit given shall equal ten percent of the total amount actually paid by a claimant as qualifying dependent care expenses, subject to the limitations provided herein. The credit for each dependent shall not exceed \$150 in any taxable year, and the total credit for all dependents of a claimant shall not exceed \$300 in the taxable year. In the case of a married claimant, the credit shall be reduced by an amount equal to five percent of the income of the claimant which is over \$15,000. Only those expenses incurred on behalf of a qualifying individual during the time

when that person was a qualifying individual shall qualify for the credit.

Subd. 4. [CREDIT TO BE REFUNDABLE.] *If the amount of credit which a claimant would be eligible to receive pursuant to this subdivision exceeds his tax liability under Minnesota Statutes, Chapter 290, the excess amount of the credit shall be refunded to the claimant by the commissioner of revenue.*

Subd. 5. [RIGHT TO FILE CLAIM.] *The right to file a claim under this section shall exist according to the terms of Minnesota Statutes, Section 290.984.*

Subd. 6. [APPROPRIATION.] *A sum sufficient to pay the claims for credit to be given pursuant to section 1 of this article shall be appropriated annually to the commissioner of revenue from the general fund in the state treasury.*

Sec. 2. [REPEALER.] *Minnesota Statutes 1974, Section 290.09, Subdivision 26, is repealed.*

Sec. 3. [EFFECTIVE DATE.] *This article is effective for taxable years beginning after December 31, 1975.*

ARTICLE II

Section 1. Minnesota Statutes, 1975 Supplement, Section 290A.03, Subdivision 8, is amended to read:

Subd. 8. [CLAIMANT.] "Claimant" means a person who filed a claim authorized by sections 290A.01 to 290A.21 and who was domiciled in this state during the calendar year for which the claim for relief was filed. In the case of a claim relating to rent constituting property taxes, the claimant shall have resided in a rented or leased unit on which ad valorem taxes are payable for not less than six months of the calendar year covered by the claim, *except that a claimant who is disabled or who has attained the age of 65 on the date specified in section 290A.04, subdivision 1, may file a claim based on residence in a unit on which ad valorem taxes were not payable.* In the case of a part year resident, the income and rental reflected in this computation shall be for the period of Minnesota residency only. Any rental expenses paid which may be reflected in arriving at federal adjusted gross income cannot be utilized for this computation. Maximum credit allowed under this computation would be at a rate of one-twelfth of the maximum credit allowed pursuant to section 290A.04 per month of residency computed to the nearest full month. When two individuals of a household are able to meet the qualifications for a claimant, they may determine among them as to who the claimant shall be. If they are unable to agree, the matter shall be referred to the commissioner of revenue and his decision shall be final.

If a homestead is occupied by two or more unrelated renters, the rent shall be deemed to be paid equally by each, and separate claims shall be filed by each. The income of each shall be his household income for purposes of computing the amount of credit to be allowed.

Sec. 2. Minnesota Statutes, 1975 Supplement, section 290A.04, Subdivision 2, is amended to read:

Subd. 2. The credit shall be paid to claimants whose property taxes payable exceed the following percentages of their income, up to the designated maximum credit amounts:

For claimants earning:

\$ 0 to \$ 2,499,	1.0 percent, up to \$4.75;
2,500 to 19,999,	1.5 percent, up to \$475;
20,000 to 22,999,	1.6 percent, up to \$475;
23,000 to 25,999,	1.8 percent, up to \$425;
26,000 to 30,999,	2.0 percent, up to \$375;
31,000 to 35,999,	2.2 percent, up to \$350;
36,000 to 40,999,	2.4 percent, up to \$325;
41,000 to 44,999,	2.6 percent, up to \$325;
45,000 to 52,999,	2.8 percent, up to \$325;
53,000 to 65,999,	3.0 percent, up to \$325;
66,000 to 81,999,	3.2 percent, up to \$325;
82,000 to 99,999,	3.5 percent, up to \$325;
100,000 and over,	4.0 percent, up to \$325;

provided that maximum credits for incomes above \$20,000 decline according to the following schedule:

between \$20,000 and \$26,000 decline \$16.67 per \$1,000; between \$26,000 and \$36,000 decline \$5 per \$1,000.

In the case of a claimant who was disabled on June 1 or who attained the age of 65 on the date specified in subdivision 1, the credit shall not be less than the credit which the claimant's household income as defined in section 290A.03 and property tax or rent constituting property tax would have entitled him to receive under Minnesota Statutes 1974, Section 290.0618.

The credit shall be the amount calculated pursuant to this subdivision, *but not exceeding \$675*, less the homestead credit given pursuant to section 273.13, subdivisions 6 and 7.

Sec. 3. Minnesota Statutes, 1975 Supplement, Section 290A.04, Subdivision 3, is amended to read:

Subd. 3. The commissioner of revenue shall construct and make available to taxpayers a comprehensive table showing the property taxes to be paid and credit allowed at various levels of income and assessment. The table shall follow the schedule of income percentages *and*, maximums *and other provisions* specified in subdivision 2, except that the commissioner may graduate the transition between income brackets.

For homestead property owners who are disabled or are 65 or older, as provided in subdivision 1, the commissioner shall base his determination of the credit on the gross qualifying tax reduced by

the average statewide effective homestead credit percentage for taxes payable in 1975 calculated under Minnesota Statutes, Section 273.13, Subdivisions 6 and 7.

Sec. 4. In 1976, the commissioner shall recompute the credit for any person who has filed a claim and is affected by this article. He shall pay to these people the amount of the credit in excess of any credit which has been paid, without requiring an amended return to be filed. Notwithstanding the provisions of section 290A.07, payments pursuant to this section may be made more than 60 days after the date the claim was filed without interest.

Sec. 5. This article is effective for taxable years beginning after December 31, 1974.

ARTICLE III

Section 1. Minnesota Statutes 1974, Section 291.03, is amended to read:

291.03 [RATES.] When the property or any beneficial interest therein passes by any such transfer where the amount of the property shall exceed in value the exemption or exemptions hereinafter specified, where applicable, the tax hereby imposed shall be:

(1) Where the person entitled to any beneficial interest in such property shall be the ~~widow~~ surviving spouse, minor or dependent child of the decedent, or any minor or dependent legally adopted child at the following prescribed rates:

1½ percent on that part of the first \$25,000 which exceeds the applicable exemption or exemptions specified in section 291.05, clauses (3) through (7).

2 percent on the next \$25,000 or part thereof.

3 percent on the next \$50,000 or part thereof.

4 percent on the next \$50,000 or part thereof.

5 percent on the next \$50,000 or part thereof.

6 percent on the next \$100,000 or part thereof.

7 percent on the next \$100,000 or part thereof.

8 percent on the next \$100,000 or part thereof.

9 percent on the next \$500,000 or part thereof.

10 percent on the excess over \$1,000,000.

(2) Where the person or persons entitled to any beneficial interest in such property shall be the ~~husband~~, adult child or other lineal descendant of the decedent, adult legally adopted child or issue, lineal ancestor of the decedent, stepchild as defined in section 291.005, or any child to whom such decedent for not less than ten years prior to such transfer stood in the mutually acknowledged relation of a parent; provided, such mutually acknowledged relationship began at or before the child's fifteenth birthday and was continuous for said ten years thereafter, or any lineal issue

of such mutually acknowledged child, at the following prescribed rates:

2 percent on that part of the first \$25,000 which exceeds the applicable exemption or exemptions specified in section 291.05, clauses (3) through (7).

4 percent on the next \$25,000 or part thereof.

6 percent on the next \$50,000 or part thereof.

7 percent on the next \$100,000 or part thereof.

8 percent on the next \$200,000 or part thereof.

9 percent on the next \$600,000 or part thereof.

10 percent on the excess over \$1,000,000.

(3) Where the person or persons entitled to any beneficial interest in such property shall be the brother or sister or a descendant of a brother or sister of the decedent, a wife or widow of a son, or ~~the~~ a husband or widower of a daughter of the decedent, at the following prescribed rates:

6 percent on that part of the first \$25,000 which exceeds the applicable exemption or exemptions specified in section 291.05, clauses (3) through (7).

8 percent on the next \$25,000 or part thereof.

10 percent on the next \$50,000 or part thereof.

12 percent on the next \$50,000 or part thereof.

14 percent on the next \$50,000 or part thereof.

16 percent on the next \$100,000 or part thereof.

18 percent on the next \$100,000 or part thereof.

20 percent on the next \$100,000 or part thereof.

22 percent on the next \$500,000 or part thereof.

25 percent on the excess over \$1,000,000.

(4) Where the person or persons entitled to any beneficial interest in such property shall be in any other degree of collateral consanguinity than is hereinbefore stated, or shall be a stranger in blood to the decedent, or shall be a body politic or corporate, at the following prescribed rates:

8 percent on that part of the first \$25,000 which exceeds the applicable exemption or exemptions specified in section 291.05, clauses (3) through (7).

10 percent on the next \$25,000 or part thereof.

12 percent on the next \$50,000 or part thereof.

14 percent on the next \$50,000 or part thereof.

16 percent on the next \$50,000 or part thereof.

18 percent on the next \$100,000 or part thereof.

20 percent on the next \$100,000 or part thereof.

22 percent on the next \$100,000 or part thereof.

26 percent on the next \$500,000 or part thereof.

30 percent on the excess over \$1,000,000.

Sec. 2. Minnesota Statutes 1974, Section 291.05, is amended to read:

291.05 [EXEMPTIONS.] The following exemptions from the tax are hereby allowed:

(1) Any devise, bequest, gift, or transfer to or for the use of the United States of America or any state or any political subdivision thereof for public purposes exclusively, and any devise, bequest, gift, or transfer to or for the use of any corporation, fund, foundation, trust, or association operated within this state for religious, charitable, scientific, literary, education or public cemetery purposes exclusively, including the encouragement of art and the prevention of cruelty to children or animals, no part of which devise, bequest, gift, or transfer inures to the profit of any private stockholder or individual, and any bequest or transfer to a trustee or trustees exclusively for such purposes, shall be exempt. Any devise, bequest, gift, or transfer to an employee stock ownership trust as defined in section 290.01, subdivision 3 & 25, shall be exempt. Where the beneficiaries of a stock ownership trust include the transferor, his spouse, children, grandchildren, parents, siblings or their children, the amount of the exemption shall be reduced by the product of multiplying said amount by their percentage interest in the trust.

Any devise, bequest, gift, or transfer, not to exceed \$1,000 made to a clergyman, the proceeds of which are to be used for religious purposes or rites designated by the testator, shall be exempt. Any devise, bequest, gift, or transfer to or for the use of any corporation, fund, foundation, trust, or association operated for religious, charitable, scientific, literary, education, or public cemetery purposes exclusively, including the encouragement of art, and the prevention of cruelty to children or animals, no part of which devise, bequest, gift, or transfer inures to the profit of any private stockholder or any individual, and any bequest or transfer to a trustee or trustees exclusively for such purposes, shall be exempt, if, at the date of the decedent's death, the laws of the state under the laws of which the transferee was organized or existing, either (1) did not impose a death tax of any character, in respect of property transferred to a similar corporation, fund, foundation, trust, or association, organized or existing under the laws of this state, or (2) contained a reciprocal provision under which transfers to a similar corporation, fund, foundation, trust, or association, organized or existing under the laws of another state were exempted from death taxes of every character if such other state allowed a similar

exemption to a similar corporation, fund, foundation, trust, or association, organized under the laws of such state.

(2) The homestead of a decedent, and the proceeds thereof if sold during administration, transferred to the spouse or to any minor or dependent child of the decedent, or to any minor or dependent legally adopted child of the decedent, shall be exempt to the extent of \$30,000 of the appraised value thereof.

Proceeds of any insurance policy issued by the United States and generally known as war risk insurance, United States government life insurance or national service life insurance payable upon the death of any person dying on or after June 24, 1950, shall be exempt.

Proceeds of life insurance issued pursuant to Public Law 89-214 and generally known as servicemen's group life insurance payable upon the death of any person on or after September 1, 1965, shall be exempt. Claims for refunds of inheritance tax paid on such proceeds shall be accepted by the commissioner if filed with him by December 31, 1970, or within 18 months after such payment, whichever is later.

Proceeds of payments from the United States railroad retirement fund; or from the United States as social security benefit, shall be exempt.

(3) (i) Property or any beneficial interest therein of the clear value of ~~\$20,000~~ \$60,000 transferred to the *widow surviving spouse*, shall be exempt.

(ii) Provided, where the amount of family maintenance allowed by the probate court is less than the maximum deductible under the provisions of section 291.10, or if no such maintenance is allowed, there shall be allowed to the *widow surviving spouse* an additional exemption equal in amount to the difference between the maximum deduction as provided by section 291.10 and the amount of such family maintenance allowed by the probate court. Further provided, where no probate proceedings are had is allowed, there shall be allowed to the *widow surviving spouse* an exemption equal to the maximum deduction allowed for family maintenance under the provisions of section 291.10.

(4) (i) Property or any beneficial interest therein of the clear value of ~~\$15,000~~ \$30,000 transferred to each minor or dependent child of the decedent, or any minor or dependent legally adopted child of the decedent, shall be exempt.

(ii) Provided, where the decedent left no *widow surviving spouse* entitled to the exemption allowed by clause (3) of this section the exemption allowed by subparagraph (ii) of clause (3) shall be allowed to beneficiaries entitled to exemption under the provisions of this clause (4). In no event shall the aggregate amount of exemption so allowed be in excess of the additional amount that would have been allowed under subparagraph (ii) of clause (3) had such paragraph been applicable.

(5) Property or any beneficial interest therein of the clear value of ~~\$6,000~~ \$12,000 transferred to ~~the husband~~, any adult child or other lineal descendant of the decedent, any adult legally adopted child, stepchild as defined in section 291.005, or any child to whom the decedent, for not less than ten years prior to his death, stood in the mutually acknowledged relation of a parent; provided, such mutually acknowledged relationship began at or before the child's fifteenth birthday, and was continuous for ten years thereafter, or any lineal issue of such adopted or mutually acknowledged child, or any lineal ancestor of the decedent, shall be exempt.

(6) Property or any beneficial interest therein of the clear value of ~~\$1,500~~ \$12,000 transferred to any brother or sister or a descendant of a brother or sister of the decedent, a wife or widow of a son, or the husband of a daughter of the decedent, shall be exempt.

(7) Property or any beneficial interest therein of the clear value of \$500 transferred to any person in any other degree of collateral consanguinity than is hereinbefore stated, or shall be a stranger in blood to the decedent, or shall be a body politic or corporate not exempt under this chapter, shall be exempt.

Sec. 3. Minnesota Statutes 1974, Section 292.05, Subdivision 1, is amended to read:

292.05 [SPECIFIC EXEMPTIONS.] Subdivision 1. [PARTICULAR DONEES.] The following specific exemptions shall be deducted in computing the amount of the gifts made to any single donee:

(1) \$10,000, if the donee is the ~~wife~~ spouse or minor or dependent child as defined in section 291.005, either by blood or by adoption, of the donor;

(2) \$5,000, if the donee is ~~the husband~~, an adult child, by blood or by adoption, other lineal descendant, a stepchild as defined in section 291.005, or any mutually acknowledged child of the donor, or lineal descendants of such adopted or mutually acknowledged children;

(3) \$3,000, if the donee is a lineal ancestor of the donor;

(4) \$1,000, if the donee is a class C donee, as specified in section 292.07;

(5) \$250, if the donee is a class D donee, as specified in section 292.07.

Sec. 4. Minnesota Statutes 1974, Section 292.07, Subdivision 3, is amended to read:

Subd. 3. [CREDITS.] A tax credit shall be allowed, in computing gift taxes due under this act, to the following donees in the following amounts:

Wife Spouse of the donor . . . \$300

Minor child, dependent child as defined in section 291.005, or any minor legally adopted child of the donor . . . \$75

Husband, An adult child, by blood or by adoption, other lineal descendant, a stepchild as defined in section 291.005, or any mutually acknowledged child of the donor, or lineal descendants of such adopted, dependent or mutually acknowledged children or of a stepchild . . . \$20

Lineal ancestors of the donor . . . \$60

Brother or sister of the donor, a descendant of such brother or sister, a ~~wife spouse~~ or ~~widow surviving spouse~~ of a ~~son~~ child of the donor, ~~and the husband of a daughter of the donor~~ . . . \$30

Brother or sister of the father or mother of the donor, and a descendant of a brother or sister of the father or mother of the donor . . . \$40

All others . . . \$20

The credit provided by this subdivision shall be allowed once only with respect to gifts by the donor to the same donee, and shall apply only to offset tax which would otherwise be due on gifts made on or after January 1, 1959.

Sec. 5. Minnesota Statutes 1974, Section 292.07, Subdivision 5, is amended to read:

Subd. 5. [CLASSES OF DONEES DEFINED.] Class A donees shall include only the ~~wife spouse~~ and minor or dependent child, as defined in section 291.005, of the donor, and a minor or dependent legally adopted child of the donor. Class B donees shall include only the ~~husband of the donor~~, adult child, stepchild as defined in section 291.005, or adult legally adopted child and the lineal issue of such stepchild or adopted child, lineal descendants and ancestors of the donor, any child of the donor to whom he or she has stood in the mutually acknowledged relation of parent for not less than ten years prior to the making of the gift if such relationship began at or before such child's fifteenth birthday and was continuous for ten years thereafter, and the lineal issue of such child. Class C donees shall include only a brother or sister of the donor, a descendant of such brother or sister, ~~a wife or widow of a son and a spouse or surviving spouse of a child of the donor, and the husband of a daughter of the donor~~. Class D donees shall include all donees other than those includible in the foregoing classes.

Sec. 6. [EFFECTIVE DATE.] *This article is effective for estates of decedents dying after July 1, 1975 and for gifts made after July 1, 1975.*

ARTICLE IV

Section 1. Minnesota Statutes 1974, Section 270.13, is amended to read:

270.13 [RECORD OF PROCEEDINGS CHANGING ASSESSED VALUATION; DUTIES OF COUNTY AUDITOR.] A record of all proceedings of the commissioner of revenue affecting any change in the assessed valuation of any property, as revised by the state board of equalization, shall be kept by the commissioner

of revenue and a copy thereof, duly certified, shall be mailed to the auditor of each county wherein such property is situated ; ~~on or before October 15 each year~~ . This record shall specify the amounts or amount, or both, added to or deducted from the valuation of the real property of each of the several towns and cities, and of the real property not in towns or cities, also the percent or amount of both, added to or deducted from the several classes of personal property in each of the towns and cities, and also the amount added to or deducted from the assessments of individuals, copartnerships, associations, or corporations. The county auditor shall add to or deduct from such tract or lot, or portion thereof, of any real property in his county the required percent or amount, or both, on the valuation thereof as it stood after equalized by the county board, adding in each case a fractional sum of 50 cents or more, and deducting in each case any fractional sum of less than 50 cents, so that no valuation of any separate tract or lot shall contain any fraction of a dollar; and add to, or deduct from, the several classes of personal property in his county the required percent or amount, or both, on the valuation thereof as it stood after equalized by the county board, adding or deducting in manner aforesaid any fractional sum so that no valuation of any separate class of personal property shall contain a fraction of a dollar, and add to or deduct from assessments of individuals, copartnerships, associations, or corporations, as they stood after equalization by the county board, the required amounts to agree with the assessments as returned by the commissioner of revenue.

Sec. 2. Minnesota Statutes, 1975 Supplement, Section 270.16, Subdivision 2, is amended to read:

Subd. 2. When an assessor has failed to *properly* appraise ~~or has improperly appraised~~ at least one quarter of the parcels of property in a district or county ~~for two consecutive years as provided in section 273.01~~ , the commissioner of revenue shall appoint a special assessor and deputy assessor as necessary and cause a reappraisal to be made of the property due for reassessment ~~pursuant to that section in accordance with law~~ .

Sec. 3. Minnesota Statutes, 1975 Supplement, Section 273.012, Subdivision 3, is amended to read:

Subd. 3. The percentage of the excess of current tax over the base tax allowed as a credit shall be 100 percent for incomes up to and including \$10,000 and shall decline 5 percentage points for each additional \$500 of income or portion thereof over \$10,000. "Income" means income as defined in section 290A.03, subdivision 3 of the *qualified homeowner and spouse domiciled in the same homestead* .

Sec. 4. Minnesota Statutes 1974, Chapter 273, is amended by adding a section to read:

[273.132] [STATE PAID AGRICULTURAL CREDIT.] *The county auditor shall reduce the tax on all property receiving the homestead credit pursuant to Minnesota Statutes, Section 273.13, Subdivision 6, by an amount equal to the tax levy that would be produced by applying a rate of 12 mills on the property. The county auditor shall reduce the tax on all other agricultural lands and all real estate devoted to temporary and seasonal residential occupancy for recreational purposes.*

but not devoted to commercial purposes, by an amount that would be produced by applying a rate of ten mills on the property. The amounts so computed by the county auditor shall be submitted to the commissioner of revenue by November 15 of each year for verification.

Payment from the general fund shall be made according to the procedure provided in Minnesota Statutes, Section 273.13, Subdivision 15a, for the purpose of replacing revenue lost as a result of the reduction of property taxes provided in this section.

Sec. 5. Minnesota Statutes, 1975 Supplement, Section 274.14, is amended to read:

274.14 [LENGTH OF SESSION; RECORD.] The county board of equalization or the special board of equalization appointed by it may continue in session and adjourn from time to time commencing on July 1 and ending on or before July 15, when it shall adjourn and no action taken subsequent to July 15 shall be valid *unless a longer session period is approved by the commissioner of revenue. The commissioner may extend the session period to July 31 but no action taken by the county board of review after the extended termination date shall be valid*. The county auditor shall keep an accurate record of the proceedings and orders of the board, which record shall be published in the same manner as other proceedings of county commissioners. A copy of such published record shall be transmitted to the commissioner of revenue, with the abstract of assessment required by section 274.16.

Sec. 6. Minnesota Statutes, 1975 Supplement, Section 276.04, is amended to read:

276.04 [NOTICE OF RATES; PROPERTY TAX STATEMENTS.] On receiving the tax lists from the county auditor, the county treasurer shall, if directed by the county board, give three weeks' published notice in a newspaper specifying the rates of taxation for all general purposes and the amounts raised for each specific purpose. He shall, whether or not directed by the county board, cause to be printed on all ~~tax~~ receipts and tax statements, or on an attachment, a tabulated statement of the dollar amount due to each taxing authority and the amount to be paid to the state of Minnesota from the parcel of real property for which a particular tax statement is prepared. The dollar amounts due the state, county, township or municipality and school district shall be separately stated but the amounts due other taxing districts, if any, may be aggregated. *The property tax statements for class 2a property shall contain the same information that is required on the tax statements for real property.* The county treasurer shall mail to taxpayers statements of their personal property taxes due, such statements to be mailed not later than February 15 (except in the case of Class 2a property), statements of the real property taxes due shall be mailed not later than May 15; provided, that the validity of the tax shall not be affected by failure of the treasurer to mail such statement. Such real and personal property tax statements shall contain the market value, as defined in section 272.03, subdivision 8, used in determining the tax. ~~Such statements shall also contain the amount of any reduction in real property taxes applicable to~~

homesteads as provided in section 273.13, subdivisions 6 and 7 and the reductions attributable to the agricultural mill rate differential provided in section 124.03, subdivision 3. Such The statement shall also include the base tax as defined in section 273.011, subdivision 4, for qualified property as defined in section 273.011 for which the credit provided for in section 273.012 is claimed. The statement shall show the amount attributable to section 124.03, subdivision 3 4 as "state paid agricultural credit" and the amount attributable to section 273.13, subdivisions 6 and 7 as "state paid homestead credit." The commissioner of revenue shall provide each county auditor with the names of those persons in the assessor's district who have filed and qualified for the property tax credit pursuant to sections 273.011 and 273.012 and shall inform the assessor of the base tax of those persons. If so directed by the county board, the treasurer shall visit places in the county as he deems expedient for the purpose of receiving taxes and the county board is authorized to pay the expenses of such visits and of preparing duplicate tax lists.

Sec. 7. Minnesota Statutes 1974, Section 276.05, is amended to read:

276.05 [ADDRESSES OF PAYER GIVEN ON TAX RECEIPTS.] *At his option the county treasurer may issue receipts showing payment of the tax except that upon the payment of any tax in currency of if the payer requests a receipt , the county treasurer shall give to the person paying a receipt therefor, showing the name and post-office address of the person, the amount and date of payment, the land, lot, or other property on which the tax was levied, according to its description on the tax list or in some other sufficient manner, and the year or years for which the tax was levied. If for current taxes on real estate, the receipt shall have written or stamped across its face, "taxes for" (giving the year in figures), or "first half of taxes for" (giving the year in figures), or "last half of taxes for" (giving the year in figures), as the case may be. If land has been sold for taxes either to a purchaser, or to the state, and the time for redemption from such sale has not expired, the receipt for such taxes shall have written or stamped across the face, "sold for taxes." The treasurer shall make duplicates of all receipts and return all such duplicates at the end of each month to the county auditor, who shall file and preserve them in his office, charging the treasurer with the amount thereof.*

Sec. 8. Minnesota Statutes 1974, Section 276.06, is amended to read:

276.06 [TAX STATEMENTS TO STATE APPORTIONMENT OF TAXES.] The treasurer of each county shall *may* cause to be printed, stamped, or written on the back of all current tax ~~receipts statements~~ , or on a separate sheet or card to be furnished with the ~~receipts statements~~ , a statement showing the number of mills of the current tax apportioned to the state, county, city, town, or school district.

Sec. 9. Minnesota Statutes, 1975 Supplement, Section 290.01, Subdivision 20, is amended to read:

Subd. 20. [GROSS INCOME.] Except as otherwise provided in this chapter, the term "gross income," as applied to corporations includes every kind of compensation for labor and personal services of every kind from any private or public employment, office, position or services; income derived from the ownership or use of property; gains or profits derived from every kind of disposition of, or every kind of dealing in, property; income derived from the transaction of any trade or business; and income derived from any source.

For each of the taxable years beginning after December 31, 1960 and prior to January 1, 1971, the term "gross income" in its application to individuals, estates, and trusts, shall mean the adjusted gross income as computed for federal income tax purposes as defined in the Internal Revenue Code of 1954, as amended through December 31, 1970 for the applicable taxable year, with the modifications specified in this section.

For each of the taxable years beginning after December 31, 1970, the term "gross income" in its application to individuals, estates, and trusts shall mean the adjusted gross income as computed for federal income tax purposes, as defined in the Internal Revenue Code of 1954, as amended through the date specified herein for the applicable taxable year, with the modifications specified in this section.

(i) The Internal Revenue Code of 1954, as amended through December 31, 1970, shall be in effect for taxable years beginning after December 31, 1970 and prior to January 1, 1973.

(ii) The Internal Revenue Code of 1954, as amended through December 31, 1972, shall be in effect for taxable years beginning after December 31, 1972.

(iii) The Internal Revenue Code of 1954, as amended through December 31, 1973, shall be in effect for taxable years beginning after December 31, 1973.

(iv) The Internal Revenue Code of 1954, as amended through December 31, 1974, shall be in effect for the taxable years beginning after December 31, 1974.

(v) The Internal Revenue Code of 1954, as amended through December 31, 1975, shall be in effect for taxable years beginning after December 31, 1975.

References to the Internal Revenue Code of 1954 in clauses (a), (b) and (c) following shall mean the code in effect for the purpose of defining gross income for the applicable taxable year.

(a) Modifications increasing federal adjusted gross income. There shall be added to federal adjusted gross income:

(1) Interest income on obligations of any state other than Minnesota or a political subdivision of any such other state exempt from federal income taxes under the Internal Revenue Code of 1954;

(2) Interest income on obligations of any authority, commission, or instrumentality of the United States, which the laws of the United States exempt from Federal income tax, but not from state income taxes;

(3) Income taxes imposed by this state or any other taxing jurisdiction, to the extent deductible in determining federal adjusted gross income and not credited against federal income tax;

(4) Interest on indebtedness incurred or continued to purchase or carry securities the income from which is exempt from tax under chapter 290, to the extent deductible in determining federal adjusted gross income;

(5) Amounts received as reimbursement for an expense of sickness or injury which was deducted in a prior taxable year to the extent that the deduction for such reimbursed expenditure resulted in a tax benefit;

(6) Losses which do not arise from events or transactions which are assignable to Minnesota under the provisions of sections 290.17 to 290.20, including any capital loss or net operating loss carryforwards or carrybacks resulting from such losses, and including any such nonassignable losses which occur prior to the time the individual becomes a resident of the state of Minnesota;

(7) The amount of any federal income tax overpayment for any previous taxable year, received as refund or credited to another taxable year's income tax liability, proportionate to the percentage of federal income tax that was claimed as a deduction in determining Minnesota income tax for such previous taxable year.

The overpayment refund or credit, determined with respect to a husband and wife on a joint federal income tax return for a previous taxable year, shall be reported on joint or separate Minnesota income tax returns. In the case of separate Minnesota returns, the overpayment shall be reported by each spouse proportionately according to the relative amounts of federal income tax claimed as a deduction on his or her separate Minnesota income tax return for such previous taxable year;

(8) In the case of a change of residence from Minnesota to another state or nation, the amount of moving expenses which exceed total reimbursements and which were therefore deducted in arriving at federal adjusted gross income;

(9) In the case of property disposed of on or after January 1, 1973, the amount of any increase in the taxpayer's federal tax liability under section 47 of the Internal Revenue Code of 1954, as amended through December 31, 1974 1975 , to the extent of the credit under section 38 of the Internal Revenue Code of 1954, as amended through December 31, 1974 1975 , that was previously allowed as a deduction either under section 290.01, subdivision 20 (b) (9) or under section 290.09, subdivision 24; and

(10) Expenses and losses arising from a farm which are not allowable under section 290.09, subdivision 29;

(11) Expenses and depreciation attributable to substandard buildings disallowed by section 290.101.

(b) Modifications reducing federal adjusted gross income. There shall be subtracted from federal adjusted gross income:

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

(2) The portion of any gain, from the sale or other disposition of property having a higher adjusted basis for Minnesota income tax purposes than for federal income tax purposes, that does not exceed such difference in basis; but if such gain is considered a long-term capital gain for federal income tax purposes, the modification shall be limited to fifty per centum of such portion of the gain. This modification shall not be applicable if the difference in basis is due to disallowance of depreciation pursuant to section 290.101.

(3) Interest or dividend income on securities to the extent exempt from income tax under the laws of this state authorizing the issuance of such securities but includible in gross income for federal income tax purposes;

(4) Income which does not arise from events or transactions which are assignable to Minnesota under the provisions of sections 290.17 to 290.20;

(5) Losses, not otherwise reducing federal adjusted gross income assignable to Minnesota, arising from events or transactions which are assignable to Minnesota under the provisions of sections 290.17 to 290.20, including any capital loss or net operating loss carryforwards or carrybacks resulting from such losses;

(6) If included in federal adjusted gross income, the amount of any overpayment of income tax to Minnesota, or any other state, for any previous taxable year, whether such amount is received as a refund or credited to another taxable year's income tax liability;

(7) The amount of any pension or benefit which is excluded from gross income under the provisions of section 290.08, subdivision 6; and

(8) The amount of compensation for personal services in the armed forces of the United States or the United Nations which is excluded from gross income under the provisions of section 290.65; and

(9) In the case of property acquired on or after January 1, 1973, the amount of any credit to the taxpayer's federal tax liability under section 38 of the Internal Revenue Code of 1954, as amended through December 31, 1974 1975 , but only to the extent that the credit is connected with or allocable against the production or receipt of income included in the measure of the tax imposed by this chapter ; and

(10) *The amount of any distribution from a qualified pension or profit sharing plan included in federal adjusted gross income in the year of receipt to the extent of any contribution not previously allowed as a deduction by reason of a change in federal law which was not adopted by Minnesota law for a taxable year beginning in 1974 or later .*

(c) Modifications affecting shareholders of electing small business

corporations under section 1372 of the Internal Revenue Code of 1954, or section 290.972 of this chapter.

(1) Shareholders in a small business corporation, which has elected to be so taxed under the Internal Revenue Code of 1954, but has not made an election under section 290.972 of this chapter, shall deduct from federal adjusted gross income the amount of any imputed income from such corporation and shall add to federal adjusted gross income the amount of any loss claimed as a result of such stock ownership. Also there shall be added to federal adjusted gross income the amount of any distribution in cash or property made by said corporation to its shareholders during the taxable year.

(2) In cases where the small business corporation has made an election under section 1372 of the Internal Revenue Code of 1954, but has not elected under section 290.972 of this chapter and said corporation is liquidated or the individual shareholder disposes of his stock and there is no capital loss reflected in federal adjusted gross income because of the fact that corporate losses have exhausted the shareholders basis for federal purposes, such shareholders shall be entitled, nevertheless, to a capital loss commensurate to their Minnesota basis for the stock.

(3) In cases where the election under section 1372 of the Internal Revenue Code of 1954 antedates the election under section 290.972 of this chapter and at the close of the taxable year immediately preceding the effective election under section 290.972 the corporation has a reserve of undistributed taxable income previously taxed to shareholders under the provisions of the Internal Revenue Code of 1954, in the event and to the extent that such reserve is distributed to shareholders such distribution shall be taxed as a dividend for purposes of this act.

Items of gross income includible within these definitions shall be deemed such regardless of the form in which received. Items of gross income shall be included in gross income of the taxable year in which received by a taxpayer unless properly to be accounted for as of a different taxable year under methods of accounting permitted by section 290.07, except that (1) amounts transferred from a reserve or other account, if in effect transfers to surplus, shall, to the extent that such amounts were accumulated through deductions from gross income or entered into the computation of taxable net income during any taxable year, be treated as gross income for the year in which the transfer occurs, but only to the extent that such amounts resulted in a reduction of the tax imposed by this act, and (2) amounts received as refunds on account of taxes deducted from gross income during any taxable year shall be treated as gross income for the year in which actually received, but only to the extent that such amounts resulted in a reduction of the tax imposed by this act.

(d) Modification in computing taxable income of the estate of a decedent. Amounts allowable under section 291.07, subdivision 1(2) in computing Minnesota inheritance tax liability shall not be allowed as a deduction in computing the taxable income of the estate unless there is filed within the time and in the manner and

form prescribed by the commissioner a statement that the amounts have not been allowed as a deduction under section 291.07 and a waiver of the right to have such amounts allowed at any time as deductions under section 291.07. The provisions of this paragraph shall not apply with respect to deductions allowed under section 290.077 (relating to income in respect of decedents). In the event that the election made for federal tax purposes under section 642(g) of the Internal Revenue Code of 1954 differs from the election made under this paragraph appropriate modification of the estate's federal taxable income shall be made to implement the election made under this paragraph in accordance with regulations prescribed by the commissioner.

Sec. 10. Minnesota Statutes, 1975 Supplement, Section 290.012, Subdivision 4, is amended to read:

Subd. 4. "Income" means the sum of (a) gross income as defined in section 290.01, subdivision 20, (b) net income from sources outside the state, (c) alimony, (d) support money, and (e) relief, including relief granted under unemployment compensation, (f) the gross amount of any pension or annuity, including railroad retirement benefits, all payments received under the federal social security act, and veterans disability pensions, (g) nontaxable interest received from the state or federal governments or any of their instrumentalities, (h) the gross amount of "less of time" insurance and (i) cash public assistance and relief, not including relief granted under sections 290.0601 to 290.0618. It does not include gifts from nongovernmental sources, or surplus food or other relief in kind supplied by a governmental agent income of the claimant and spouse as defined in section 290A.03, subdivision 3.

Sec. 11. Minnesota Statutes, 1974, Section 290.066, Subdivision 1, is amended 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 273.012 shall file a claim with the department of revenue on or before *June 30 the date provided in chapter 290A for filing a claim for property tax relief*. The department of revenue 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.

Sec. 12. Minnesota Statutes, 1975 Supplement, Section 290.21, Subdivision 4, is amended to read:

Subd. 4. [DIVIDEND CREDIT.] (a) 85 percent of dividends received by a corporation during the taxable year from another corporation, when the corporate stock with respect to which dividends are paid does not constitute the stock in trade of the taxpayer or would not be included in the inventory of the taxpayer, or does not constitute property held by the taxpayer primarily for sale to customers in the ordinary course of his trade or business, or when the trade or business of the taxpayer does not consist principally of the holding of the stocks and the collection

of the income and gains therefrom. The credit shall be allowed only in the proportion that the recipient corporation's taxable net income that is assignable or allocable to this state bears to the entire net income of the corporation. The remaining 15 percent shall be allowed if the recipient owns 80 percent or more of all the voting stock of such other corporation, and the dividends were paid from income arising out of business done in this state by the corporation paying such dividends; but if the income out of which the dividends are declared was derived from business done within and without this state, then so much of the remainder shall be allowed as a credit as the amount of the taxable net income of the corporation paying the dividends assignable or allocable to this state bears to the entire net income of the corporation, such rate being determined by the returns under this chapter of the corporation paying such dividends for the taxable year preceding the distribution thereof; the burden shall be on the taxpayer of showing that the amount of remainder claimed as a credit has been received from income arising out of business done in this state,

(b) if the trade or business of the taxpayer consists principally of the holding of the stocks and the collection of the income and the gains therefrom, dividends received by a corporation during the taxable year from another corporation, if the recipient owns 80 percent or more of all the voting stock of such other corporation, from income arising out of business done in this state by the corporation paying such dividends; but, if the income out of which the dividends are declared was derived from business done within and without this state, then so much of the dividends shall be allowed as credit as the amount of the taxable net income of the corporation paying the dividends assignable or allocable to this state bears to the entire net income of the corporation, such rate being determined by the returns under this chapter of the corporation paying such dividends for the taxable year preceding the distribution thereof. The burden shall be on the taxpayer of showing that the amount of dividends claimed as a credit has been received from income arising out of business done in this state.

(c) *The dividend credit provided in this subdivision shall be allowed only with respect to dividends that are included in a corporation's Minnesota taxable net income for the taxable year.*

Sec. 13. Minnesota Statutes, 1975 Supplement, Section 290A.03, Subdivision 13, is amended to read:

Subd. 13. [PROPERTY TAXES PAYABLE.] "Property taxes payable" means the property tax exclusive of special assessments, penalties, and interest payable on a claimant's homestead before reductions made pursuant to section 273.13, subdivisions 6 and 7, but after deductions made pursuant to ~~section sections~~ 124.03, subdivision 3, and 273.135, in 1976 or any calendar year thereafter. For homesteads which are mobile homes as defined in section 168.011, subdivision 8, "property taxes payable" shall also include 20 percent of gross rent paid in the preceding year for the site on which the homestead is located, exclusive of charges for utilities or services. When a homestead is owned by two or more

persons as joint tenants or tenants in common and one or more is not a claimant or spouse of a claimant, "property taxes payable" is that part of the property taxes payable on the homestead as reflects the percentage of ownership of the claimant and spouse. Property taxes are considered payable in the year prescribed by law for payment of the taxes.

When a claimant and his spouse own their homestead part of the calendar year and rent it or a different homestead for part of the same year "property taxes payable" means only taxes payable on the homestead which was owned and occupied as such by claimant and spouse on January 2 of the year in which the tax is payable, multiplied by the percentage of 12 months that the property was owned and occupied by the household as its homestead during the preceding year.

Sec. 14. Minnesota Statutes, 1975 Supplement, Section 290A.06, is amended to read:

290A.06 [FILING TIME LIMIT, LATE FILING.] Any claim for property taxes payable shall be filed with the department of revenue on or before August 31 of the year in which the property taxes are due and payable; except that for homesteads which are mobile homes the claim shall be filed on or before October 31 of the year in which the property taxes are due and payable. The commissioner may extend the time for filing these claims for a period not to exceed six months in the case of sickness, absence, or other disability, or when in his judgment other good cause exists.

A claim filed after the original or extended due date shall be allowed, but 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 filed two years after the original due date for filing the claim.

Sec. 15. Minnesota Statutes, 1975 Supplement, Section 290A.07, Subdivision 1, is amended to read:

290A.07 [TIME FOR PAYMENT.] Subdivision 1. Allowable claims filed pursuant to the provisions of Laws 1975, Chapter 437, Article 1 shall be paid by the commissioner from the general fund, and an amount sufficient to make the payments is appropriated annually from the general fund to the commissioner of revenue.

Sec. 16. Minnesota Statutes, 1975 Supplement, Section 290A.07, Subdivision 2, is amended to read:

Subd. 2. A claimant who is a renter or who had attained the age of 65 or had been disabled prior to June 1 of the year following the year for which the taxes were levied or in which the rent was paid shall receive full payment no later than 60 days after receipt of the application or may elect to take as a credit against his income tax the full amount. *This option shall not be construed to extend the due date for filing the income tax return of the claimant.*

Sec. 17. Minnesota Statutes, 1975 Supplement, Section 290A.14, is amended to read:

290A.14 [PROPERTY TAX STATEMENT.] The county treasurer shall prepare and send a sufficient number of copies of the property tax statement to the owner, and to his escrow agent if the taxes are paid via an escrow account, to enable him to comply with the filing requirements of Laws 1975, Chapter 437, Article 1 and to retain one copy for his records. The property tax statement, in a form prescribed by the commissioner, shall indicate the manner in which the claimant may claim relief from the state, the amount of delinquent property taxes on the property in the preceding year, and the amount of the tax for which the applicant may claim relief. *The statement shall also indicate if there are delinquent property taxes on the property in the preceding year.*

Sec. 18. Laws 1975, Chapter 349, Section 32, is amended to read:

Sec. 32. Sections 9, 13, 17 and 26 are effective the day following final enactment. *Sections 18, 19, and 20 are effective the day following final enactment of this article.* The remainder of the act is effective for all taxable years beginning after December 31, 1974.

Sec. 19. Minnesota Statutes 1974, Section 473F.06, is amended to read:

473F.06 [INCREASE IN ASSESSED VALUATION.] On or before November 20 of 1972 and each subsequent year, the auditor of each county in the area shall determine the amount, if any, by which the assessed valuation *determined in that the preceding year pursuant to section 473F.05,* of commercial-industrial property subject to taxation within each municipality in his county exceeds the assessed valuation in 1971 of commercial-industrial property subject to taxation within that municipality. If a municipality is located in two or more counties within the area, the auditors of those counties shall certify the data required by sections 473F.04 and 473F.05 to the county auditor who is responsible under other provisions of law for allocating the levies of that municipality between or among the affected counties. That county auditor shall determine the amount of the net excess, if any, for the municipality under this section, and certify that amount under section 473F.07. Notwithstanding any other provision of sections 473F.01 to 473F.13 to the contrary, in the case of a municipality which is designated on July 24, 1971, as a redevelopment area pursuant to Section 401(a) (4) of the Public Works and Economic Development Act of 1965, P.L. 89-136, the increase in its assessed valuation of commercial-industrial property for purposes of this section shall be determined in each year subsequent to the termination of such designation by using as a base the assessed valuation of commercial-industrial property in that municipality in the year following that in which such designation is terminated, rather than the assessed valuation of such property in 1971.

Sec. 20. Minnesota Statutes 1974, Section 473F.08, Subdivision 2, is amended to read:

Subd. 2. The taxable value of a governmental unit is its assessed valuation, as determined in accordance with other provisions of law, subject to the following adjustments:

(a) There shall be subtracted from its assessed valuation, in each municipality in which the governmental unit exercises ad valorem taxing jurisdiction, an amount which bears the same proportion to 40 percent of the amount certified in that year pursuant to section 473F.06 in respect to that municipality as the total *preceding year's* assessed valuation of commercial-industrial property which is subject to the taxing jurisdiction of the governmental unit within the municipality bears to the total *preceding year's* assessed valuation of commercial-industrial property within the municipality;

(b) There shall be added to its assessed valuation, in each municipality in which the governmental unit exercises ad valorem taxing jurisdiction, an amount which bears the same proportion to the area-wide base for the year attributable to that municipality as the total *preceding year's* assessed valuation of residential property which is subject to the taxing jurisdiction of the governmental unit within the municipality bears to the total *preceding year's* assessed valuation of residential property of the municipality.

Sec. 21. Minnesota Statutes 1974, Section 473F.08, Subdivision 3, is amended to read:

Subd. 3. On or before November 30 of 1972 and each subsequent year, the county auditor shall apportion the levy of each governmental unit in his county in the manner prescribed by this subdivision. He shall:

(a) Determine that portion of the levy which bears the same proportion to the total levy as the amount set forth in subdivision 2, clause (b), bears to the taxable value of the governmental unit the area-wide portion of the levy for each governmental unit by multiplying the nonagricultural mill rate of the governmental unit for the preceding levy year times the distribution value set forth in section 473F.08, subdivision 2, clause (b) ; and

(b) Determine the excess of the levy over that portion of the levy determined pursuant to clause (a) the local portion of the current year's levy by subtracting the resulting amount from clause (a) from the governmental unit's current year's total levy .

Sec. 22. Laws 1976, Chapter 5, Section 2, Subdivision 1, is amended to read:

Subdivision 1. [DIRECTOR OF DIVISION OF LIQUOR CONTROL.] No employee of the department of public safety or the department of revenue having any responsibility for the administration or enforcement of chapter 340 shall have a direct or indirect interest in the manufacture, transportation or sale of intoxicating liquor or any malt or vinous beverages, intoxicating, non-intoxicating, or commercial or industrial alcohol. The commissioner shall remove an employee of the department in the

unclassified civil service for any violation of sections 340.02, 340.031 to 340.036, 340.11 to 340.19, 340.355 to 340.357, 340.402 to 340.408, 340.44 to 340.493, 340.53 to 340.56, 340.601 to 340.62, or 340.70 to 340.983. Violation of the preceding sections by a classified employee of the department shall be grounds for removal of that employee pursuant to section 43.24.

Sec. 23. Minnesota Statutes 1974, Section 340.44, as amended by Laws 1976, Chapter 5, Section 3, is amended to read:

340.44 [DEFINITIONS.] For the purposes of sections 340.44 to 340.56:

(1) "Brewer" means any person who manufactures malt liquor containing more than one half of one percent of alcohol by volume;

(2) "Wholesaler" means any person who sells such malt liquor and intoxicating liquors to retail dealers;

(3) "Retailer" means any person who sells such malt liquor and intoxicating liquors to a consumer;

(4) "Commissioner" means the commissioner of public safety *except where otherwise stated* ;

(5) "Fermented malt beverages" means any fermented malt liquor potable as a beverage containing more than one half of one percent of alcohol by volume.

Sec. 24. Minnesota Statutes 1974, Section 340.51, is amended to read:

340.51 [ENFORCEMENT; EMPLOYEES; RECORD OF SALE OF STAMPS; INSPECTION OF BOOKS AND PREMISES.] The commissioner of public safety and the commissioner of revenue shall enforce and administer the provisions of sections 340.44 to 340.56 and employ and fix the compensation of any employees necessary for the performance of *his their* duties thereunder.

The commissioner of revenue shall keep a suitable record of the sale of all stamps which shall show the dates of the sale thereof and the names of the purchasers. The commissioner of revenue may refund to any purchaser the money paid for any stamps returned unfit for use or otherwise unused, and prescribe the method of proof required for obtaining such refund.

The commissioner of public safety or the commissioner of revenue, or *his their* duly authorized employees, may, at all reasonable hours, enter in and upon any licensed premises, and examine the books, papers, and records of any brewer, manufacturer, wholesaler, or retailer for the purpose of inspecting the same and determining whether the tax imposed by sections 340.44 to 340.56 has been fully paid, and shall have the power to inspect and examine any premises where fermented malt beverages are manufactured, sold, exposed for sale, possessed, or stored for the purpose of determining whether the provisions of these sections are being complied with.

Sec. 25. Minnesota Statutes 1974, Section 340.55, is amended to read:

340.55 [FELONIES.] Every manufacturer or wholesaler and any one licensed to sell intoxicating liquor, who evades or attempts to evade, a payment of the tax thereon or fraudulently neglects or refuses to keep full and complete accounts in the book or books of accounts, or who refuses or neglects to make true and exact entries and reports of the same in the manner as required by the rules and regulations prescribed by the commissioner of public safety and the commissioner of revenue, or in any manner required by law, or who in any manner conspires to violate any provision of sections 340.44 to 340.56, or fails to do or cause to be done any of the things required by law to be done by such person, or who intentionally makes false entry in the book or in any statement, pertaining to his business, as contemplated in sections 340.44 to 340.56, or any one who shall refill or cause to be refilled a bottle or container which previously had contained intoxicating liquor, for the purpose of evading the payment of the tax thereon, or any person who in any manner sells intoxicating liquor without the proper Minnesota excise tax having been paid thereon, and who thereby evades, avoids and defrauds the state of the payment of the tax upon such intoxicating liquor shall be guilty of a felony.

Sec. 26. *In the next edition of Minnesota Statutes, the revisor of statutes shall substitute the words "Internal Revenue Code of 1954, as amended through December 31, 1975" for the words "Internal Revenue Code of 1954, as amended through December 31, 1974" wherever such words occur in chapter 290, except section 290.01, subdivision 20.*

Sec. 27. [APPROPRIATION.] *There is appropriated from the general fund of the state treasury to the commissioner of revenue the sum of \$400,000 for the fiscal year ending June 30, 1977, to administer a computer verification program and to pay related costs incurred to audit claims filed pursuant to the Minnesota Income-Adjusted Homestead Credit Act, Minnesota Statutes, Chapter 290A.*

Sec. 28. [REPEALER.] *Minnesota Statutes, 1975 Supplement, Section 124.03 is repealed.*

Sec. 29. [EFFECTIVE DATE.] *Sections 1, 2, 4, 5, 7, 8, 11, and 15 to 18 and 22 to 28 are effective the day following final enactment. Sections 3, 9, 10, and 13 are effective for taxable years beginning after December 31, 1975. Section 6 is effective for the 1977 assessment year and subsequent years. Section 12 is a declaration of law existing prior to enactment of Laws 1975, Chapter 349, Section 17, and is not a change in such pre-existing law. Section 14 is effective for claims to be filed in 1977 and subsequent years. Sections 19, 20 and 21 are effective for taxes levied in 1976 and payable in 1977.*

ARTICLE V

Section 1. Minnesota Statutes 1974, Section 298.282, Subdivision 2, is amended to read:

Subd. 2. Each year commencing in 1972 1976 , and the following final determination of the amount of taxes payable under section 298.241, the commissioner of revenue shall determine the amount in the taconite municipal aid account as of July 1 of such year and the amount to be distributed to each qualifying municipality during such year. The amount to be distributed to each qualifying municipality shall be determined by dividing the total amount in said account , *after a reduction equal to the amount of the distribution in subdivision 5*, as of July 1 by the total population according to the latest federal census of all qualifying municipalities to determine the per capita distributive share for such year and by multiplying the per capita distributive share by the population of such municipality. Upon completion of such determination, the commissioner of revenue shall certify to the chief clerical officer of each qualifying municipality the amount which will be distributed to such municipality from the taconite municipal aid account that year.

Sec. 2. Minnesota Statutes 1974, Section 298.282, is amended by adding a subdivision to read:

Subd. 5. Commencing in 1976, the commissioner of finance, on the basis of determinations made by the commissioner of revenue, shall annually on September 15 make a payment from the taconite municipal aid fund to cities and towns for the purpose of replacing the revenue loss to them resulting from Laws 1975, Chapter 437, Article XI, Section 7. The amount of aid to be paid annually to each city and town is the amount they were entitled to receive for 1975 under the provisions of Minnesota Statutes 1974, Section 298.32.

Sec. 3. Minnesota Statutes 1974, Section 298.282, is amended by adding a subdivision to read:

Subd. 6. No city, town, county, or school district shall be required to repay any aid received pursuant to Minnesota Statutes 1974, Section 298.32, because the amount received exceeds the five cents per ton aid limitation contained therein.

ARTICLE VI

Section 1. Minnesota Statutes 1974, Section 473F.02, Subdivision 7, is amended to read:

Subd. 7. "Population" means the most recent estimate of the population of a municipality made by the metropolitan council and filed with the commissioner of ~~finance~~ *revenue* . The council shall annually estimate the population of each municipality as of a date which it determines and, in the case of a municipality which is located partly within and partly without the area, the proportion of the total which resides within the area, and shall promptly thereafter file its estimates with the commissioner of ~~finance~~ *revenue* .

Sec. 2. Minnesota Statutes 1974, Section 473F.02, Subdivision 11, is amended to read:

Subd. 11. "Locally raised revenues" means the total money receipts of a municipality, including those of its constituent agencies,

boards, commissions, and other bodies, from all sources and for all purposes, reduced by the expenses, including a reasonable allowance for depreciation of capital assets, incurred in the operation by the municipality of facilities for the production or sale of electricity, water, gas, heat, or telephone service, except that locally raised revenues shall not include:

(a) Revenues derived from the operation of municipal liquor stores;

(b) Public grants, as defined in subdivision 17, except that for purposes of this subdivision the amount prescribed by clause (2) of subdivision 17 shall be multiplied by 10;

(c) Grants or gifts from private persons, unless made by an entity exempt from ad valorem taxation in an amount which does not exceed the ad valorem tax which would have been payable by the entity during that year for the benefit of the recipient if the exemption did not exist, and

(d) The proceeds of any indebtedness incurred by the municipality.

The state auditor shall certify the locally raised revenues of each municipality for each year to the commissioner of ~~finance~~ *revenue* not later than September 1 of the subsequent year. If the fiscal year of a municipality ends on a date other than December 31, the certification shall relate to the fiscal year which ended in the calendar year preceding that in which the certificate is required to be made, and references in sections 473F.01 to 473F.13 to the locally raised revenues of a municipality in a specified year shall be deemed to refer to the fiscal year ended in the specified calendar year.

Sec. 3. Minnesota Statutes 1974, Section 473F.02, Subdivision 12, is amended to read:

Subd. 12. "Market value" of real property within a municipality means the "actual market value" of real property within the municipality, determined in the manner and with respect to the property described for school districts in section 475.53, subdivision 4, except that no adjustment shall be made for property on which taxes are paid into the state treasury under gross earnings tax laws applicable to common carrier railroads. For purposes of sections 473F.01 to 473F.13, the equalization aid review committee shall annually make determinations and reports with respect to each municipality which are comparable to those it makes for school districts under section 124.212, subdivision 10, in the same manner and at the same times as are prescribed by the subdivision. ~~The auditor of each county and the commissioner of revenue shall annually determine and certify to the commissioner of finance, for each municipality, information comparable to that required of each of them by section 475.53, subdivision 4, for school districts, as soon as practicable after it becomes available. The commissioner of finance revenue shall then compute the market value of property within each municipality.~~

Sec. 4. Minnesota Statutes 1974, Section 473F.08, Subdivision 2, is amended to read:

Subd. 2. The taxable value of a governmental unit is its assessed valuation, as determined in accordance with other provisions of law, subject to the following adjustments:

(a) There shall be subtracted from its assessed valuation, in each municipality in which the governmental unit exercises ad valorem taxing jurisdiction, an amount which bears the same proportion to 40 percent of the amount certified in that year pursuant to section 473F.06 in respect to that municipality as the total assessed valuation of commercial-industrial property which is subject to the taxing jurisdiction of the governmental unit within the municipality bears to the total assessed valuation of commercial-industrial property within the municipality;

(b) ~~There shall be added to its assessed valuation,~~ In each municipality in which the governmental unit exercises ad valorem taxing jurisdiction, an amount ~~shall be determined~~ which bears the same proportion to the area-wide base for the year attributable to that municipality as the total assessed valuation of residential property which is subject to the taxing jurisdiction of the governmental unit within the municipality bears to the total assessed valuation of residential property of the municipality. *If the governmental unit is located wholly within the area, the amount as determined in accordance with clause (b) shall be added to that governmental unit's assessed valuation. However, if the governmental unit is located partly within and partly without the area, an amount equal to the assessed value amount which was determined in accordance with clause (b) for that governmental unit for the year immediately preceding the current levy year shall be added to that governmental unit's assessed valuation.*

Sec. 5. Minnesota Statutes 1974, Section 473F.08, Subdivision 7, is amended to read:

Subd. 7. On or before January 1 of 1973 and each subsequent year, the ~~administrative auditor~~ *commissioner of revenue* shall certify to the state treasurer the amount of that portion of the levy made by each governmental unit set forth in subdivision 3, clause (a). Each county treasurer shall remit ~~all 50 percent of the total real and personal property tax payments~~ *levy* computed pursuant to subdivision 5 to the state treasurer not later than 20 days before the times prescribed by chapter 276, for the apportionment and distribution of tax revenues by county treasurers *of the May settlement and the remaining one half shall be remitted on or before December 31*. The state treasurer shall deposit ~~such~~ *these* payments to the credit of the area-wide tax account, which is hereby created. Marginal expenses incurred by the state treasurer under this section, and all refunds of tax receipts paid into the account, shall be paid from the account, and all interest earned on moneys in the account shall be credited to the account, and the distributions under subdivision 8 shall be adjusted proportionately to reflect expense payments and interest income and reduced to reflect the payment of each refund in amounts proportionate to the distributions received in the year the tax was paid.

Sec. 6. Minnesota Statutes 1974, Section 473F.08, Subdivision 8, is amended to read:

Subd. 8. The state treasurer shall apportion and distribute amounts received by him pursuant to subdivision 7 to the county treasurer having jurisdiction of each governmental unit entitled thereto as shown by the certification to him in accordance with subdivision 7. The apportionment and distribution shall be made in the manner and not later than ten days before the times prescribed by chapter 276, for the apportionment and distribution of tax revenues by county treasurers *after the receipt of the payments from the county treasurers*. Each county treasurer shall include the amounts thus received in his distributions pursuant to chapter 276. Amounts necessary for distributions, refunds and payments of administrative expenses under sections 473F.01 to 473F.13 are hereby appropriated.

Sec. 7. Minnesota Statutes 1974, Section 473F.12, Subdivision 2, is amended to read:

Subd. 2. On September 1 of ~~1971~~ and each subsequent year, the commissioner of ~~finance revenue~~ shall estimate the total amount available for distribution to municipalities from the municipal equity account during the subsequent calendar year. The amount so estimated shall be the sum of the estimated balance in the account on November 15 of the year in which the estimate is made, the estimated deposits to the credit of the account thereafter through November 15 of the subsequent year, and interest earned by the fund over the 12 month period. The amount to be distributed to each qualifying municipality shall be the amount determined in accordance with subdivision 3, except that (a) if the sum of the amounts so determined differs from the total amount estimated to be available for distribution, the amount of the distribution to each municipality shall be adjusted proportionately, and (b) the amount to be distributed to each qualifying municipality, after any adjustment prescribed by clause (a), shall not be less than \$9, or, if the total amount estimated to be available for distribution is less than \$40 millions, that proportion of \$9 which equals the proportion which the total amount estimated to be available for distribution bears to \$40 millions, multiplied by the population of the municipality residing within the area as determined in the year preceding that in which the estimate is made. To the extent that the distributions to any municipality or group of municipalities are adjusted pursuant to clause (b), the distributions to all other municipalities shall be adjusted proportionately in amounts sufficient to make the total of the distributions to all municipalities equal the total amount estimated to be available for distribution. The commissioner of ~~finance revenue~~ shall notify the governing body of each qualifying municipality of the amount so determined with respect to that municipality before September 20.

Sec. 8. Minnesota Statutes 1974, Section 473F.12, Subdivision 4, is amended to read:

Subd. 4. On or before each of the dates June 15 and November 15 of ~~1972~~ and each subsequent year, the commissioner of finance shall issue his warrant in favor of the treasurer of each

qualifying municipality in an amount equal to one half the amount determined by the commissioner of ~~finance~~ *revenue* to be due the municipality in that year under the terms of subdivision 2. There is hereby appropriated from the municipal equity account, to each municipality entitled to payments authorized by this section, sufficient moneys to make such payments.

Sec. 9. Minnesota Statutes 1974, Section 473F.13, Subdivision 1, is amended to read:

473F.13 [CHANGE IN STATUS OF MUNICIPALITY.] Subdivision 1. If a qualifying municipality is dissolved, is consolidated with all or part of another municipality, annexes territory, has a portion of its territory detached from it, or is newly incorporated, the secretary of state shall immediately certify that fact to the commissioner of ~~finance~~ *revenue*. The secretary of state shall also certify to the commissioner of ~~finance~~ *revenue* the current population of the new, enlarged, or successor municipality, if determined by the municipal commission incident to consolidation, annexation, or incorporation proceedings. The population so certified shall govern for purposes of sections 473F.01 to 473F.13 until the metropolitan council files its first population estimate as of a later date with the commissioner of ~~finance~~ *revenue*. If an annexation of unincorporated land occurs without proceedings before the municipal commission, the population of the annexing municipality as previously determined shall continue to govern for purposes of sections 473F.01 to 473F.13 until the metropolitan council files its first population estimate as of a later date with the commissioner of ~~finance~~ *revenue*.

Sec. 10. Minnesota Statutes 1974, Section 473F.13, Subdivision 2, is amended to read:

Subd. 2. The amount of each distribution from the municipal equity account shall reflect the status of municipalities as certified to the commissioner of ~~finance~~ *revenue* on September 1 of the year preceding that in which the distribution is made. If the status of a municipality thereafter changes before the distribution is made, the distribution shall be made to the successor municipality or municipalities. If there are two or more successors, the distribution shall be apportioned among them in accordance with section 414.067.

Sec. 11. *In the next edition of Minnesota Statutes, the revisor of statutes shall substitute the words "commissioner of revenue" for the words "administrative auditor" wherever they appear in chapter 473F.*

Sec. 12. *Minnesota Statutes 1974, Sections 473F.02, Subdivision 6; 473F.03; 473F.07, Subdivision 2; and 473F.08, Subdivision 9 are repealed.*

Sec. 13. *This article is effective on the day following final enactment.*

ARTICLE VII

Section 1. [REFUNDS TO BE GIVEN CERTAIN TAXPAY-

ERS.] *Each individual who files an individual income tax return pursuant to Minnesota Statutes, Chapter 290, for a taxable year beginning in 1975, who is hereinafter referred to as a taxpayer, may be eligible to receive the refunds made pursuant to the provisions of this article.*

Sec. 2. [REFUND FOR INDIVIDUALS.] *The taxpayer shall receive a refund in the amount found by dividing by 21 the credit for which he was eligible for his first taxable year beginning in 1975 pursuant to Minnesota Statutes, Section 290.06, Subdivision 3c, Clauses (1), (2), (3), (6), and (7), and multiplying that figure by 12.*

Sec. 3. [REFUND OF 1975 INDIVIDUAL INCOME TAXES.] Subdivision 1. [GENERAL RULE.] *Except as otherwise provided in this section, the taxpayer shall receive a refund in an amount equal to ten percent of his tax liability for his first taxable year beginning in 1975 after subtraction of other credits due him pursuant to the provisions of Minnesota Statutes, Sections 290.06 and 290.081.*

Subd. 2. [LIMITATION BASED ON GROSS INCOME.] *For a taxpayer who has a gross income as defined in Minnesota Statutes, Section 290.01, Subdivision 20, in excess of \$20,000, the refund made pursuant to this section shall be limited as follows:*

(a) *In the case of a single taxpayer, or married taxpayers filing a joint return or filing separately on a combined return, in which case both spouses shall be treated as one taxpayer, the amount by which ten percent of his tax liability exceeds \$100 shall be reduced, but not below zero, by an amount which bears the same ratio to that excess as his gross income for that taxable year in excess of \$20,000 bears to \$10,000.*

(b) *In the case of a married individual filing a separate return, the amount by which ten percent of his tax liability exceeds \$50 shall be reduced, but not below zero, by an amount which bears the same ratio to that excess as his gross income for that taxable year in excess of \$10,000 bears to \$5,000.*

Sec. 4. [PAYMENT OF REFUNDS.] Subdivision 1. [LIMIT ON TOTAL REFUND.] *In no event shall the sum of the refund made pursuant to section 2 plus that made pursuant to section 3 exceed the liability of the taxpayer for the taxable year for which he receives the refunds.*

Subd. 2. [PAYMENT BY COMMISSIONER.] *The commissioner of revenue shall calculate and pay the refunds authorized by this article. The amount of any refund payable under this article may be applied by the commissioner of revenue against any liability for tax owed to the department of revenue by the taxpayer or spouse of the taxpayer, and shall pay the balance due, if any, to the taxpayer.*

Subd. 2a. [ERRONEOUS REFUNDS; CLAIMS.] *A taxpayer who receives no refund from the commissioner pursuant to this article, or who believes that he is entitled to the refund of a sum*

greater than that which he has been paid, may file a claim in writing with the commissioner of revenue stating the amount to which he believes he is entitled. Any orders denying such claims in whole or in part shall be appealable to the Minnesota tax court as provided in Minnesota Statutes, Section 271.06.

Subd. 2b. [STATUTE OF LIMITATIONS.] No refund shall be made under this article on any return which is filed more than six months after the due date or extended due date for the filing of the return as provided in Minnesota Statutes, Section 290.42, and claims for refunds under this article shall be subject to the provisions of Minnesota Statutes, Section 290.50.

Subd. 3. [INTEREST.] No amount of interest shall be paid to any taxpayer on the refunds paid by the commissioner of revenue pursuant to this article.

Subd. 4. [PAYMENT NOT REQUIRED.] When the sum of the refunds for which the taxpayer is eligible pursuant to this article is less than \$1 the commissioner of revenue shall not be required to make the refunds.

Subd. 5. [NONTAXABILITY OF REFUNDS.] Money refunded pursuant to this article shall not be considered as income for purposes of Minnesota Statutes, Chapters 290 and 290A and shall not be considered as income in any program of public assistance or public welfare.

Sec. 5. [INTEREST AND PENALTIES ON ORIGINAL LIABILITY.] Interest and penalties on amounts due from the taxpayer pursuant to Minnesota Statutes, Chapter 290, for his first taxable year beginning in 1975 shall be imposed on the liability of the taxpayer for that year as calculated without regard to the refunds made pursuant to this article.

Sec. 6. [APPROPRIATION.] There is appropriated from the general fund in the state treasury to the commissioner of revenue a sum sufficient for the administration of sections 1 to 5 and to make the refunds authorized by sections 1 to 5.

Sec. 7. [EFFECTIVE DATE.] This article is effective the day following final enactment.

ARTICLE VIII

Section 1. [DEFINITION; SOLAR ENERGY SYSTEM.] For purposes of section 2 and Minnesota Statutes, Sections 272.02, Subdivision 1; 290.06, Subdivisions 9 and 9a; and 297A.25, Subdivision 1, the term "solar energy system" means a set of devices having as its primary purpose to collect solar energy and convert and store it for useful purposes including heating and cooling buildings or other energy-using processes, or to produce generated power by means of any combination of collecting, transferring, or converting solar-generated energy.

Sec. 2. [STANDARDS OF PERFORMANCE.] The building code division of the department of administration in consultation with the energy agency shall promulgate by December 31, 1976,

pursuant to Minnesota Statutes, Chapter 15, the administrative procedures act, quality and performance standards which are in reasonable conformance with the Interim Performance Criteria for Solar Heating and Combined Heating/Cooling Systems and Dwellings, National Bureau of Standards, January 1, 1975; and the Interim Performance Criteria for Commercial Solar Heating and Combined Heating/Cooling Systems and Facilities, National Aeronautics and Space Administration, February 28, 1975 to insure that within the existing state of development, solar energy systems as defined in section 1 which are sold or installed within the state are effective and represent a high standard of quality of material, workmanship, design, and performance. The department of administration in consultation with the energy agency shall modify existing standards and promulgate new standards subsequent to December 31, 1976 as new technology and materials become available, or as standards are revised by the federal government.

Manufacturers or retailers of solar energy systems shall disclose to each bona fide potential purchaser of a system the extent to which the system meets or exceeds each quality standard.

Sec. 3. Minnesota Statutes, 1975 Supplement, Section 272.02, Subdivision 1, is amended to read:

272.02 [EXEMPT PROPERTY.] Subdivision 1. Except as provided in other subdivisions of this section or in section 272.025, all property described in this section to the extent herein limited shall be exempt from taxation:

- (1) All public burying grounds;
- (2) All public schoolhouses;
- (3) All public hospitals;
- (4) All academies, colleges, and universities, and all seminaries of learning;
- (5) All churches, church property, and houses of worship;
- (6) Institutions of purely public charity;
- (7) All public property exclusively used for any public purpose;
- (8) All natural cheese held in storage for aging by the original Minnesota manufacturer;
- (9) (a) Class 2 property of every household of the value of \$100, maintained in the principal place of residence of the owner thereof. The county auditor shall deduct such exemption from the total valuation of such property as equalized by the revenue commissioner assessed to such household, and extend the levy of taxes upon the remainder only. The term "household" as used in this section is defined to be a domestic establishment maintained either (1) by two or more persons living together within the same house or place of abode, subsisting in common and constituting a domestic or family relationship, or (2) by one person.

(b) During the period of his active service and for six months after his discharge therefrom, no member of the armed forces of

the United States shall lose status of a householder under paragraph (a) which he had immediately prior to becoming a member of the armed forces.

In case there is an assessment against more than one member of a household the \$100 exemption shall be divided among the members assessed in the proportion that the assessed value of the Class 2 property of each bears to the total assessed value of the Class 2 property of all the members assessed. The Class 2 property of each household claimed to be exempt shall be limited to property in one taxing district, except in those cases where a single domestic establishment is maintained in two or more adjoining districts.

Bonds and certificates of indebtedness hereafter issued by the state of Minnesota, or by any county or city of the state, or any town, or any common or independent school district of the state, or any governmental board of the state, or any county or city thereof, shall hereafter be exempt from taxation; provided, that nothing herein contained shall be construed as exempting such bonds from the payment of a tax thereon, as provided for by section 291.01, when any of such bonds constitute, in whole or in part, any inheritance or bequest, taken or received by any person or corporation.

(10) Farm machinery manufactured prior to 1930, which is used only for display purposes as a collectors item;

(11) The taxpayer shall be exempted with respect to, all agricultural products, inventories, stocks of merchandise of all sorts, all materials, parts and supplies, furniture and equipment, manufacturers material, manufactured articles including the inventories of manufacturers, wholesalers, retailers and contractors; and the furnishings of a room or apartment in a hotel, rooming house, tourist court, motel or trailer camp, tools and machinery which by law are considered as personal property, and the property described in section 272.03, subdivision 1 (c), except personal property which is part of an electric generating, transmission, or distribution system or a pipeline system transporting or distributing water, gas, or petroleum products or mains and pipes used in the distribution of steam or hot or chilled water for heating or cooling buildings and structures.

(12) Containers of a kind customarily in the possession of the consumer during the consumption of commodities, the sale of which are subject to tax under the provisions of the excise tax imposed by Extra Session Laws 1967, Chapter 32.

(13) All livestock, poultry, all horses, mules and other animals used exclusively for agricultural purposes;

(14) All agricultural tools, implements and machinery used by the owners in any agricultural pursuit.

(15) Real and personal property used primarily for the abatement and control of air, water, or land pollution to the extent that it is so used.

Any taxpayer requesting exemption of all or a portion of any equipment or device, or part thereof, operated primarily for the control or abatement of air or water pollution shall file an application with the

commissioner of revenue. Any such equipment or device shall meet standards, regulations or criteria prescribed by the Minnesota Pollution Control Agency, and must be installed or operated in accordance with a permit, stipulation or order issued by that agency. The Minnesota Pollution Control Agency shall upon request of the commissioner furnish information or advice to the commissioner. If the commissioner determines that property qualifies for exemption, he shall issue an order exempting such property from taxation. Any such equipment or device shall continue to be exempt from taxation as long as the permit, stipulation or order issued by the Minnesota Pollution Control Agency remains in effect.

(16) The part of the value of real and personal property equipped with an energy supply or use system which includes a solar energy device as defined in section 1, that exceeds the value of the property if it were equipped with a conventional energy supply or use system, if the property is not used to provide energy for sale.

Sec. 4. Minnesota Statutes 1974, Section 290.06, Subdivision 9, is amended to read:

Subd. 9. [POLLUTION CONTROL EQUIPMENT, CREDIT.] (a) A credit of ~~five~~ *ten* percent of the net cost of equipment included in section 290.09, subdivision 7, paragraph (A) (a) that is installed and operated within Minnesota exclusively to prevent pollution of air, water, or land in accordance with engineering principles approved by the Minnesota pollution control agency, *or of the net cost of an individual sewage treatment system constructed prior to January 1, 1978, or for use by a structure devoted to temporary and seasonal residential occupancy for recreational purposes, provided that the individual sewage treatment system was constructed as a result of state or local laws, ordinances or regulations relating to water pollution, or of the net cost of a solar energy device as defined in section 1,* may be deducted from the tax due under chapter 290 in the first year in which the property is installed, or for which a depreciation deduction is allowed for the ~~equipment~~ *property or device*. The credit allowed by this subdivision shall not exceed so much of the liability for tax for the taxable year as does not exceed ~~\$50,000~~ *\$100,000*. *The credit shall apply only if the property or device meets or exceeds standards, regulations, or criteria prescribed by the Minnesota pollution control agency and, where applicable, if it is installed or operated in accordance with a permit or order issued by the agency, or in the case of a solar energy device, if it meets standards promulgated by the building code division of the department of administration pursuant to section 2.*

(b) If the amount of the credit determined under (a) for any taxable year for which a depreciation deduction is allowed exceeds the limitation provided by (a) for such taxable year (hereinafter in this subdivision referred to as the "unused credit year"), such excess shall be;

~~(1) a credit carryback to each of the three taxable years preceding the unused credit year, and~~

~~(2) a credit carryover to each of the seven taxable years following the unused credit year.~~

The entire amount of the unused credit for an unused credit year shall be carried to the earliest of the ~~ten seven~~ taxable years to which ~~(by reason of (1) and (2))~~ such credit may be carried and then to each of the other ~~nine six~~ taxable years; provided, however, the maximum credit allowable in any one taxable year under this subdivision (including the credit allowable under (a) and the ~~carryback or~~ carryforward allowable under this paragraph) shall in no event exceed ~~\$50,000~~ \$100,000 .

(c) This subdivision shall apply to property acquired in taxable years beginning on or after January 1, ~~1969~~ 1976, *to solar devices installed after December 31, 1976, and to individual sewage treatment systems installed after April 1, 1974 .*

Sec. 5. Minnesota Statutes 1974, Section 290.06, Subdivision 9a, is amended to read:

Subd. 9a. [FEEDLOT POLLUTION CONTROL EQUIPMENT.] A credit of 10 percent of the net cost of pollution control and abatement equipment, including but not limited to, lagoons, aerating equipment, concrete storage pits, slurry handling equipment, and other equipment and devices approved by the pollution control agency, purchased, installed and operated within the state by a feedlot operator to prevent pollution of air, land, or water in connection with the operation of a livestock feedlot, poultry lot or other animal lot, may be deducted from the tax due under chapter 290 in the taxable year in which such equipment is purchased; provided that no deduction shall be taken for any portion of the cost of the same equipment pursuant to subdivision 9. The credits provided for in this subdivision and in subdivision 9 shall terminate on December 31, ~~1976~~ 1983 .

If the amount of the deduction provided by this subdivision exceeds the taxpayer's liability for taxes pursuant to chapter 290 in the taxable year in which the equipment is purchased, the excess amount may be carried back to the three taxable years preceding the year of purchase and carried forward to the seven taxable years following the year of purchase.

Sec. 6. Minnesota Statutes 1974, 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 of 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 (i) which, without intermediate use, is shipped or transported outside Minnesota and thereafter used in a trade or business or is stored, processed, fabricated or manufactured into, attached to or incorporated into other tangible personal property transported or shipped outside Minnesota and thereafter used in a trade or business outside Minnesota, and which is not thereafter returned to a point within Minnesota, except in the course of interstate commerce (Storage shall not constitute intermediate use); or (ii) which the seller delivers to a common carrier for delivery outside Minnesota, places in the United States mail or parcel post directed to the purchaser outside Minnesota, or delivers to the purchaser outside Minnesota by means of the seller's own delivery vehicles, and which is not thereafter returned to a point within Minnesota, except in the course of interstate commerce;

(e) The gross receipts from the sale of packing materials used to pack and ship household goods, the ultimate destination of which is outside the state of Minnesota and which are 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 the production of road building materials. 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, 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; however, accessory tools, equipment and other short lived items, which are separate detachable units used in producing a direct effect upon the product, where such items have an ordinary useful life of less than 12 months, are included within the exemption provided herein;

(i) The gross receipts from the sale of and storage, use or other consumption in Minnesota of tangible personal property (except as provided in section 297A.14) 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 advertis-

ing. 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 airlight 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 if the property purchased is to be used in the performance of charitable, religious or educational functions, or any senior citizen group organized and operated exclusively for pleasure, recreation and other nonprofit purposes, no part of the net earnings of which inures to the benefit of any private shareholders;

(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 revenue 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 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 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.

(x) After January 1, 1977, the gross receipts from the sale of and the storage, use or other consumption of solar energy devices as defined in section 1, not bought or used to provide energy for sale.

Sec. 7. [EFFECTIVE DATE.] *Sections 1, 2, 4, 5 and 6 are effective the day after final enactment. Section 3 is effective for taxes levied in 1977, payable in 1978.*

ARTICLE IX

Section 1. Minnesota Statutes 1974, Chapter 273, is amended by adding a section to read:

[273.132] [REDUCED ASSESSMENT PROPERTY AID.]
Subdivision 1. Each county government, city, township, special

taxing district, and each school district which levied ad valorem taxes payable in 1977 shall receive reimbursement in 1977 and subsequent years for the difference in tax as determined in subdivision 2, on class 3cc property assessed under section 273.13, subdivision 7, and on structures used as housing for the elderly or for low and moderate income families and assessed under section 273.13, subdivision 17 or 17b.

Subd. 2. (a) The county auditor shall calculate the tax on the property described in subdivision 1 in the same manner as like property would be assessed, notwithstanding section 273.13, subdivision 7, as it relates to class 3cc property, and section 273.13, subdivision 17 and 17b.

(b) The difference between the amount calculated pursuant to clause (a) and the amount of tax actually payable by the owner on such property pursuant to those sections shall be distributed to the taxing districts by the commissioner of revenue in the same proportion that the ad valorem tax was distributed. He shall make payment directly to the affected taxing districts on July 15 of each year, commencing in 1977.

Subd. 3. The county auditor shall enter on the abstract of assessment of real property the assessed value of the affected property computed pursuant to subdivision 2, clause (a), which value shall be the basis of computing the distribution of school aids.

Subd. 4. For the purpose of determining the amount of the property tax levy subject to the limitation imposed by Minnesota Statutes, Sections 275.50 to 275.56, the property tax levy of a county government, city or town subject to the limitation shall be the property tax levy of that governmental unit prior to the distribution made pursuant to this section.

Sec. 2. Minnesota Statutes 1974, Section 273.13, Subdivision 17b, is amended to read:

Subd. 17b. [VALUATION OF FARMERS HOME ADMINISTRATION PROPERTY IN MUNICIPALITIES OF UNDER 10,000.] Notwithstanding any other provision of law, any structure

(a) situated on real property that is used for housing for the elderly or for low and moderate income families as defined by the farmers home administration,

(b) located in a municipality of less than 10,000 population,

(c) financed by a direct loan or insured loan from the farmers home administration, and

(d) which qualifies under subdivision 17a, shall, for 15 years from the date of the completion of the original construction or for the original term of the loan, be assessed at five percent of the adjusted market value thereof, provided that the fair market value as determined by the assessor is based on the normal approach to value using normal unrestricted rents. The five percent assessment rate shall apply only to structures which qualify for that rate and paid taxes accordingly in 1977 or previous years. Structures which qualify for assessment and pay taxes under this subdivision in years subsequent to 1977 shall be assessed at 20 percent of their adjusted market value.

ARTICLE X

Section 1. Minnesota Statutes, 1975 Supplement, Section 275.51, Subdivision 3c, is amended to read:

Subd. 3c. The property tax levy limitation for governmental subdivisions in 1976 payable in 1977 shall be calculated as follows:

(a) In cities and townships, the sum of the levy limit base computed pursuant to subdivision 3b plus 17.5 percent of the local government aids received in calendar year 1976 pursuant to section 477A.01 plus any increases authorized by section 275.52, subdivision 4 shall be determined. This sum shall be divided by the population of the city or township as determined in accordance with section 275.53 for calendar year 1975. The resultant quotient shall be increased pursuant to section 275.52, subdivision 2 to derive the levy limit base per capita for the city or town for taxes levied in 1976 payable in 1977.

(b) In the case of counties, the levy limit base computed pursuant to subdivision 3b plus any increase pursuant to section 275.52, subdivision 4 plus any increase allowed pursuant to Laws 1974, Chapter 490 shall be divided by the population of the county for calendar year ~~1976~~ 1975 as determined pursuant to section 275.53. The resultant quotient shall be increased pursuant to section 275.52, subdivision 2 to derive the levy limit base per capita for the county for taxes levied in 1976 payable in 1977, *and in counties not containing a city of the first class of over 200,000 population the 1976 levy limit base per capita for taxes levied in 1976 payable in 1977 shall be increased by ten percent.*

(c) In all governmental subdivisions the levy limit base per capita for 1976 payable 1977 shall be multiplied by the population of the governmental subdivision as determined pursuant to section 275.53 for calendar year 1976. This is the levy limit base for 1976 taxes payable in 1977.

The levy limit base shall be reduced by the full amount of state formula aids to be paid in 1977 pursuant to section 477A.01, and taconite aids to be paid in 1977 pursuant to sections 294.26, 298.26, 298.28, subdivisions 1 and 1a, 298.281, subdivision 1, 298.282, and 298.32 and Laws 1975, Chapter 437, Article 11. The resulting figure is the amount of property taxes which a governmental subdivision may levy in 1976 payable in 1977 for all purposes other than those for which special levies and special assessments are made.

Sec. 2. [EFFECTIVE DATE.] *This article is effective on the day following final enactment.*

ARTICLE XI

Section 1. Minnesota Statutes, 1975 Supplement, Section 290.06, Subdivision 3c, is amended to read:

Subd. 3c. [CREDITS AGAINST TAX.] Notwithstanding the provisions of subdivision 3a for taxable years which begin after December 31, 1971, the taxes due under the computation in accordance with section 290.06 shall be credited with the following amounts:

(1) In the case of an unmarried individual, and, except as provided in paragraph 6, in the case of the estate of a decedent, \$21, and in the case of a trust, \$5;

(2) In the case of a married individual, living with husband or wife, and in the case of a head of a household, \$42. If such husband and wife make separate returns the personal exemption may be taken by either or divided between them;

(3) In the case of an individual, \$21 for each person (other than husband or wife) dependent upon and receiving his chief support from the taxpayer. One taxpayer only shall be allowed this credit with respect to any given dependent. In the case of the head of a household, a credit for one dependent shall be disallowed. A payment to a divorced or separated wife, other than a payment of the kind referred to in section 290.072, subdivision 3, shall not be considered a payment by the husband for the support of any dependent.

(4) (a) In the case of an unmarried individual who has attained the age of 65 before the close of his taxable year, an additional \$21;

(b) For taxable years which begin after December 31, 1974 1975, in the case of an unmarried individual who is *blind disabled* at the close of the taxable year, an additional \$25;

(c) In the case of a married individual, living with husband or wife, an additional \$21 for each spouse who has attained the age of 65 before the close of the individual's taxable year, and an additional \$25 for each spouse who is *blind disabled* at the close of the individual's taxable year. If such husband and wife make separate returns, these credits may be taken by either or divided between them;

(d) For the purposes of sub-paragraphs (b) and (c) of paragraph (4), an individual is *blind disabled* if his *central visual acuity does not exceed 20/200 in the better eye with correcting lenses; or if his visual acuity is greater than 20/200 but is accompanied by a limitation in the fields of vision such that the widest diameter of the visual field subtends an angle no greater than 20 degrees he has a disability as defined in Minnesota Statutes, 1975 Supplement, Section 290A.03, Subdivision 10.*

(e) For taxable years which begin after December 31, 1974, in the case of an unmarried individual who is deaf at the close of the taxable year, an additional \$25.

(f) For taxable years which begin after December 31, 1974, in the case of a married individual, an additional \$25 for each spouse who is deaf at the close of the taxable year. If the husband and wife make separate returns, these credits may be taken by either or divided between them.

(g) For taxable years which begin after December 31, 1974, in the case of an individual, an additional \$25 for each person (other than a spouse) who is deaf and dependent upon and receiving his chief support from the taxpayer.

(h) For the purposes of subparagraphs (e), (f) and (g) of paragraph (4), an individual is deaf if the average loss in the speech frequencies (500-2000 Hertz) in the better ear, unaided, is 92 decibels, American National Standards Institute, or worse.

(5) In the case of an insurance company, it shall receive a credit on the tax computed as above equal in amount to any taxes based on premiums paid by it during the period for which the tax under Extra Session Laws 1967, Chapter 32, is imposed by virtue of any law of this state, other than the surcharge on premiums imposed by Extra Session Laws 1933, Chapter 53, as amended;

(6) If the status of a taxpayer, insofar as it affects the credits allowed under paragraphs 1, 2 and 3 shall change during the taxable year, or if the taxpayer shall either become or cease to be a resident of the state during such taxable year, such credit shall be apportioned, in accordance with the number of months before and after such change. For the purpose of such apportionment, a fractional part of a month shall be disregarded unless more than one-half of the month, in which case it shall be considered as a month. In case of death during a taxable year, a credit shall be allowed to the decedent, in proportion to the number of months before his death, and to his estate, in proportion to the number of months after his death, and in any event a minimum credit of \$5 shall be allowed to the decedent and his estate, respectively;

(7) In the case of a non-resident individual, credits under paragraphs 1, 2, 3 and 4 shall be apportioned in the proportion of the gross income from sources in Minnesota to the gross income from all sources, and in any event a minimum credit of \$5 shall be allowed.

ARTICLE XII

Section 1. Minnesota Statutes 1974, Section 273.133, is amended to read:

273.133 [TREATMENT OF COOPERATIVES, AND CHARITABLE CORPORATIONS OR OTHER NONPROFIT CORPORATIONS.] *Subdivision 1.* [COOPERATIVES AND CHARITABLE CORPORATIONS.] When a building which contains several dwelling units is owned by a corporation or association organized under sections 308.05 to 308.18, and each person who owns a share or shares in the corporation or association is entitled to occupy a unit in the building, the corporation or association may claim homestead treatment for each unit in accordance with section 273.13, subdivision 7, for the part of the value of the building represented by each such unit occupied by a shareholder. Each unit shall be designated by legal description, and the assessed value of the building shall be the sum of the assessed values of each of the respective units comprising said building. To qualify for the treatment provided by this section, the corporation or association must be wholly owned by persons having shares entitling them to occupy a unit in the building. A charitable corporation organized under the laws of Minnesota and not otherwise exempt thereunder with no outstanding stock shall qualify for such homestead treatment with respect to member residents of such dwelling units who have purchased and hold residential participation warrants entitling them to occupy such units.

Subd. 2. [OTHER NONPROFIT CORPORATIONS.] When a building containing several dwelling units is owned by an entity organized under chapter 317 and operating as a nonprofit corporation which enters into membership agreements with persons under which they are entitled to life occupancy in a unit in the building, homestead classification shall be given to each unit so occupied and the entire building shall be assessed in the manner provided in subdivision 1 for cooperatives and charitable corporations.

Sec. 2. Minnesota Statutes, 1975 Supplement, Section 290A.03, Subdivision 12, is amended to read:

Subd. 12. [GROSS RENT.] "Gross rent" means rental paid solely for the right of occupancy, at arms-length, of a homestead, exclusive of charges for any utilities, services, furniture, furnishings or personal property appliances furnished by the landlord as a part of the rental agreement, whether expressly set out in the rental agreement or not. If the landlord and tenant have not dealt with each other at arms-length and the commissioner determines that the gross rent charged was excessive, he may adjust the gross rent to a reasonable amount for purposes of sections 290A.01 to 290A.21.

If the landlord does not supply the charges for any utilities, furniture, furnishings or personal property appliances furnished by him, or if the charges appear to be incorrect the commissioner may apply a percentage determined from samples of similar gross rents paid solely for the right of occupancy.

Any amount paid by a claimant residing in property assessed pursuant to section 273.133 for occupancy in that property shall be excluded from gross rent for purposes of chapter 290A. However, property taxes imputed to the homestead of the claimant pursuant to section 273.133 shall be included within the term "property taxes payable" as defined in subdivision 13, notwithstanding the fact that ownership is not in the name of the claimant.

Sec. 3. This article is effective for taxes levied in 1976 and thereafter and payable in 1977 and thereafter.

ARTICLE XIII

Section 1. Minnesota Statutes 1974, Sections 290.031, 290.921 and 290.922, are repealed.

Sec. 2. This article is effective July 1, 1977.

ARTICLE XIV

Section 1. Minnesota Statutes 1974, Section 273.42, is amended to read:

273.42 [RATE OF TAX; ENTRY AND CERTIFICATION; CREDIT ON PAYMENT.] The property set forth in section 273.37, subdivision 2, consisting of transmission lines, and distribution lines not taxed as provided in sections 273.38, 273.40 and 273.41 shall be taxed at the average rate of taxes levied for all purposes throughout the county and shall be entered on the tax lists by the county auditor against the owner thereof and certified to the county treasurer at the same time and in the same manner that other

taxes are certified, and, when paid, shall be credited ; ~~one-half to the general revenue fund of the county ; and one-half to the general school fund of the county .~~ *One-fourth of the amount credited to the county general revenue fund shall be apportioned and distributed among the various townships in the county on the basis of the number of electrical transmission structures used with high voltage transmission lines as defined in Minnesota Statutes, Section 116C.52, Subdivision 3 and taxed under this section, situated in each township and one-fourth shall be apportioned and credited against property taxes payable or to become payable upon real estate upon which such transmission structures are situated upon the basis of the number of transmission structures situated upon each parcel or tract. The credit provided by this section shall be applied after deduction of any other applicable credits, and shall in no event exceed the amount of the tax remaining payable. Any balance not apportioned and credited against real estate taxes by reason of real estate being tax exempt or the credit exceeding taxes payable may be expended for other county purposes.*

Sec. 2. There is appropriated annually to the department of education from the general fund sufficient funds to reimburse school districts for revenue lost by reason of the enactment of section 1. The amount of reimbursement shall be paid to each school district entitled thereto by the department along with distributions of foundation aid upon certification by the respective county auditors as to the amount due to each district.

Sec. 3. Section 1 shall be effective with respect to taxes levied in 1976 and subsequent years and payable in 1977 and subsequent years.

ARTICLE XV

Section 1. Minnesota Statutes 1974, Section 270.071, Subdivision 6, is amended to read:

Subd. 6 (a) "Air commerce" means the transportation by aircraft of persons or property for hire in interstate, intrastate, or international transportation on regularly scheduled flights or on intermittent or irregularly timed flights by airline companies operating under authorization from the United States Civil Aeronautics Board .

(b) "Air commerce" also includes but is not limited to an intermittent or irregularly timed flight, a flight arranged at the convenience of an airline and the person contracting for the transportation, or a charter flight.

(c) "Air commerce" does not include casual transportation for hire by aircraft commonly owned and used for private airflight purposes if the person furnishing the transportation does not hold himself out to be engaged regularly in transportation for hire.

Sec. 2. Minnesota Statutes 1974, Section 270.072, Subdivision 2, is amended to read:

Subd. 2. [ASSESSMENT OF FLIGHT PROPERTY.] The flight property of all air carriers operating in Minnesota under a certif-

icate of public convenience and necessity or under issued by authorization from the United States Civil Aeronautics Board shall be assessed annually by the commissioner in the manner prescribed by sections 270.071 to 270.079. Aircraft with a gross weight of less than 30,000 pounds and used on intermittent or irregularly timed flights shall be excluded from the provisions of sections 270.071 to 270.079.

Sec. 3. Minnesota Statutes 1974, Section 270.072, Subdivision 3, is amended to read:

Subd. 3. [REPORT BY AIRLINE COMPANY.] Every airline company engaged in air commerce in this state ~~at any time during the year 1945 or any year thereafter~~ shall file with the commissioner on or before the time fixed by the commissioner a report under oath setting forth specifically the information prescribed by the commissioner to enable him to make the assessment required in sections 270.071 to 270.079, *unless the commissioner determines that the airline company or person should be excluded from filing because its activities do not constitute air commerce as defined herein.*

Sec. 4. *This article is effective for all years beginning after December 31, 1976.*"

Further, strike the title in its entirety and insert

"A bill for an act providing for a credit against income tax for the cost of care for certain dependents; defining "claimant" for purposes of certain homestead credits; inheritance and gift taxes; taxes on or measured by net income and assessment of ad valorem taxes; providing for payment from the taconite municipal aid account to certain cities and towns; metropolitan revenue distribution; providing that the commissioner of revenue shall perform administrative functions; changing settlement dates and the method of computing the taxable valuation of certain governmental units; providing for a refund of certain amounts of taxes paid for the 1975 taxable year; providing for promulgation of quality standards and performance labeling of solar energy devices; exempting solar energy devices from property taxation; providing a ten percent credit against income tax for the cost of pollution control equipment and solar energy devices; extending feedlot pollution control equipment credit; exempting solar energy devices from sales taxation; providing for state reimbursement of taxing districts for tax reduction granted to Title II and certain other property; changing the means of calculation and adjustment of levy limits in certain counties; providing for a credit against individual income tax for the mentally or physically disabled; providing for the assessment of dwelling units in certain buildings; eliminating the employer's excise tax; providing for a credit against taxes for persons on whose land high voltage transmission lines are located; providing for taxation of certain types of air commerce; prescribing certain powers and duties in regard to liquor for the commissioner of revenue; prescribing a penalty; appropriating money; amending Minnesota Statutes 1974, Sections 270.071, Subdi-

vision 6; 270.072, Subdivisions 2 and 3; 270.13; 273.13, Subdivision 17b; 273.133; 273.42; 276.05; 276.06; 290.06, Subdivisions 9 and 9a; 290.066, Subdivision 1; 291.03; 291.05; 292.05, Subdivision 1; 292.07, Subdivisions 3 and 5; 297A.25, Subdivision 1; 298.282, Subdivision 2, and by adding subdivisions; 340.44, as amended; 340.51; 340.55; 473F.02, Subdivisions 7, 11 and 12; 473F.06; 473F.08, Subdivisions 2, 3, 7 and 8; 473F.12, Subdivisions 2 and 4; and 473F.13, Subdivisions 1 and 2; and Chapters 273, by adding sections; and 290, by adding a section; Minnesota Statutes, 1975 Supplement, Sections 270.16, Subdivision 2; 272.02, Subdivision 1; 273.012, Subdivision 3; 274.14; 275.51, Subdivision 3c; 276.04; 290.01, Subdivision 20; 290.012, Subdivision 4; 290.06, Subdivision 3c; 290.21, Subdivision 4; 290A.03, Subdivisions 8, 12 and 13; 290A.04, Subdivisions 2 and 3; 290A.06; 290A.07, Subdivisions 1 and 2; 290A.14; and Laws 1975, Chapter 349, Section 32; and Laws 1976, Chapter 5, Section 2, Subdivision 1; repealing Minnesota Statutes 1974, Sections 290.031; 290.09, Subdivision 26; 290.921; 290.922; 473F.02, Subdivision 6; 473F.03; 473F.07, Subdivision 2; 473F.08, Subdivision 9; and Minnesota Statutes, 1975 Supplement, Section 124.03."

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

SECOND READING OF HOUSE BILLS

H. F. No. 1979 was read the second time.

RECESS

Mr. Coleman moved that the Senate do now recess until 7:45 o'clock p.m. The motion prevailed.

The hour of 7:45 p.m. having arrived, the President called the Senate to order.

MEMBERS EXCUSED

Messrs. Chmielewski; Brown; Keefe, J.; Olson, J. L. and Silvers were excused from this evening's Session.

The Senate resumed its consideration of the Special Orders Calendar.

SPECIAL ORDER

S. F. No. 1886: A bill for an act relating to courts; providing for the election of Hennepin County municipal judges at the uniform municipal election; amending Minnesota Statutes 1974, Section 488A.021, Subdivision 3.

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 40 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Dunn	Josefson	Olson, A. G.	Schaaf
Ashbach	Fitzsimons	Keefe, S.	Olson, H. D.	Schmitz
Berg	Gearty	Kirchner	Patton	Schrom
Bernhagen	Hansen, Baldy	Kleinbaum	Perpich, A. J.	Solon
Brown	Hansen, Mel	Laufenburger	Perpich, G.	Spear
Conzemius	Hanson, R.	Merriam	Pillsbury	Stassen
Davies	Hughes	Milton	Purfeerst	Wegener
Doty	Humphrey	Olhoft	Renneke	Willet

So the bill passed and its title was agreed to.

SPECIAL ORDER

S. F. No. 1906: A bill for an act relating to licensed occupations; establishing a policy for the regulation of occupations; transferring responsibility for the provision of staffing and administrative services; clarifying reporting responsibilities; prescribing a procedure for complaint review; granting licensing boards additional powers relating to injunctive relief, subpoenas, continuing education, and other matters; prescribing duties of the board of health relating to human services occupations, creating advisory councils; merging the licensed practical nursing board into the board of nursing; making miscellaneous changes in practice acts for various licensed occupations; adopting the standard terms "licensure" and "license" for occupational licensing boards; transferring employees and moneys; appropriating money; amending Minnesota Statutes 1974, Sections 125.04; 125.05; 125.06; 125.08; 125.09, Subdivision 1; 125.12, Subdivision 1; 125.13, Subdivision 1; 125.17, Subdivision 1; 125.182, Subdivisions 2 and 3; 125.183, by adding a subdivision; 125.184, as amended; 125.185, as amended; 125.187; 144.955; 144.959; 147.021, Subdivision 1; 147.06; 147.13; 147.18; 147.23; 148.05; 148.06, Subdivision 1; 148.07, as amended; 148.10; 148.211, Subdivision 2; 148.241, Subdivision 1; 148.291, Subdivision 3; 148.32; 148.57; 148.59; 148.90, as amended; 148.91, Subdivisions 1 and 3; 148.97, Subdivision 6; 148.98; 150A.04, Subdivision 5; 150A.06, Subdivision 1; 150A.08, Subdivision 4; 150A.09, Subdivisions 1 and 3; 151.06, Subdivision 4; 151.10; 151.101; 151.11; 151.12; 151.13; 151.14; 151.19; 151.25; 151.27; 151.37, Subdivisions 5 and 6; 151.40; 153.07; 153.08; 153.09; 154.04; 155.02, Subdivision 7a; 155.03, Subdivision 2; 155.06, Subdivision 3; 155.09, Subdivisions 1, 4 and 5; 155.11, Subdivision 2; 155.14; 155.15; 155.16; 155.18, Subdivision 1; 155.19; 155.20, Subdivision 2; 156.01, Subdivision 5; 156.02, Subdivision 2; 156.03; 156.07; 156.072, Subdivisions 2 and 3; 156.081, Subdivision 1; 156.14; 214.01, Subdivision 1; 214.06; 270.47; 270.50; 270.51; 326.08, Subdivision 1; 326.11, Subdivision 6; 326.15; 326.19; 326.20; 326.21; 326.22, as amended; 326.23; 326.241, as amended; 326.242, Subdivisions 8 and 9; 326.33, Subdivisions 2 and 3; 326.331; 326.332, Subdivision 1; 326.333; 326.334, Subdivision 1; 326.54; 326.543; 326.544; 326.545; 326.546; 341.05, as amended; 341.06; 341.07; 341.08; 341.12; 341.13; 341.15; 386.61, Subdivision 2; 386.63, Subdivisions 2 and 3; 386.64; 386.65, Subdivision 1; 386.67; 386.69; 386.72; 386.73; Chapter 214, by adding sections; Minnesota Statutes, 1975 Supplement,

Sections 125.03, Subdivision 1; 125.11; 125.183, Subdivision 3; 144.952, by adding a subdivision; 147.01; 147.02, Subdivision 1; 147.05; 148.03; 148.181; 148.191; 148.211, Subdivision 1; 148.261, Subdivision 1; 148.29, Subdivision 2; 148.291, Subdivision 1; 148.299; 148.52; 148.54; 148.60; 148.67; 148.95; 150A.02, Subdivision 1; 150A.03, Subdivision 2; 151.03; 151.06, Subdivision 1; 151.07; 153.02; 153.03; 153.04; 153.13; 153.15; 154.22; 154.23; 155.05; 155.06, Subdivision 1; 155.08; 156.01, Subdivision 1; 214.01, Subdivision 2; 214.04; 214.07; 214.09, Subdivision 3; 270.41; 270.42; 270.48; 326.03, Subdivision 1; 326.04; 326.05; 326.06; 326.08, Subdivision 2; 326.09; 326.10; 326.11, Subdivisions 1 and 5; 326.12; 326.13; 326.14; 326.17; 326.18; 326.33, Subdivision 1; 326.541; 326.542; 341.01; 341.04; 341.10; 341.11; 386.62; 386.63, Subdivision 1; 386.66; 386.68; 386.70, Subdivision 1; 386.71; repealing Minnesota Statutes 1974, Sections 125.09, Subdivisions 2 and 3; 144.956; 144.958; 144.96; 144.965; 145.861; 145.862; 145.863; 145.864; 148.06, Subdivision 2; 148.08, Subdivision 1; 148.291, Subdivision 2; 148.55; 148.58; 148.94; 148.97, Subdivision 2; 148.99, Subdivision 1; 150A.04, Subdivisions 1, 2, 3 and 4; 150A.07; 150A.08, Subdivision 2; 150A.09, Subdivision 2; 151.09; 153.10; 153.11; 154.065, Subdivision 6; 156.01, Subdivision 4; 326.08, Subdivision 3; 326.11, Subdivision 3; 326.16; 386.63, Subdivision 6; 386.65, Subdivision 2; Minnesota Statutes, 1975 Supplement, Sections 145.865, Subdivision 2; 145.866; 148.211, Subdivision 3; 148.231, Subdivision 3; 148.261, Subdivision 2; 148.291, Subdivision 4; 148.297, Subdivision 2; 148.55; 326.10, Subdivision 4; 326.11, Subdivisions 2 and 4; 326.242, Subdivision 8; 326.334, Subdivision 3; 386.695; 386.696; and 386.70, Subdivisions 3, 4, 5 and 6.

Mr. North moved to amend S. F. No. 1906 as follows:

Page 4, line 24, strike "teacher standards and certification" and insert "*teaching*"

Page 6, line 15, strike each semicolon and insert a comma

Page 6, line 17, strike "*teacher standards and certification*" and insert "*teaching*"

Page 11, lines 23 and 32, strike "*they*" and insert "*he*"

Page 28, line 32, after the period insert "*A member may serve more than one term but shall not serve more than two terms consecutively.*"

Page 32, line 21, strike "*may*" and insert "*shall censure, shall*"

Page 32, line 22, after "*to,*" insert "*shall order re-examination,*"

Page 32, line 22, strike "*may*" and insert "*shall*"

Page 32, line 31, strike "*and regulations*"

Page 33, line 7, strike "*is*" and insert "*at any time during the previous five years was*"

Page 33, line 7, strike "*in the courts*"

Page 33, line 8, strike everything before the period and insert *"reasonably related to his practice of medicine or osteopathy"*

Page 34, line 23, strike "law" and insert "rule"

Page 34, line 24, strike ", without"

Page 34, strike line 25

Page 34, line 26, strike "statute or law"

Page 35, line 4, strike "immoral or"

Page 35, line 9, strike everything after "established"

Page 35, strike lines 10 to 12

Page 35, line 13, strike "state"

Page 35, strike lines 19 to 20

Page 35, line 21, strike "mental or physical examination." and insert *"If the board has probable cause to believe that a physician comes within this clause, it shall direct the physician to submit to a mental or physical examination. For the purpose of this clause, every physician licensed under chapter 147 shall be deemed to have given his consent to submit to a mental or physical examination when directed in writing by the board and further to have waived all objections to the admissibility of the examining physicians' testimony or examination reports on the ground that the same constitute a privileged communication."*

Page 35, line 24, strike "consequent upon" and insert "in"

Page 35, line 25, after "which" insert "case"

Page 35, strike lines 31 to 32

Page 36, strike lines 1 to 7

Page 36, strike lines 13 to 14 and renumber the remaining clause

Page 43, line 20, strike "In case a"

Page 43, strike lines 21 to 28

Page 44, lines 14 and 15, strike each semicolon and insert a comma

Page 44, line 16, strike the semicolon and insert ", and"

Page 44, line 23, before the comma insert *"during the five years immediately preceding appointment"*

Page 60, line 20, strike "state"

Page 60, strike lines 21 to 22

Page 60, line 23, strike "members are terminated, and a new state"

Page 60, line 25, strike "new"

Page 61, line 5, strike "The initial"

Page 61, strike lines 6 to 9

Page 66, line 11, strike "The board may"

Page 66, strike lines 12 to 14

Page 66, line 15, strike "consultation with the department of personnel."

Page 68, line 30, strike "registration"

Page 68, line 30, after "certificates" insert "*of license renewal*"

Page 80, line 6, strike the comma

Page 80, line 7, strike the first comma

Page 95, line 24, strike "veterinary examining"

Page 95, line 24, after "board" insert "*of veterinary medicine*"

Page 105, line 8, strike "and" and insert "land"

Page 124, line 1, strike "initial" and insert "*examination and experience*"

Page 131, line 8, strike "an annual" and insert "a"

Page 149, line 26, strike "an abstracters" and insert "the"

Page 149, line 26, strike "examiners" and insert "abstracters"

Page 150, lines 5 to 6, strike "for purposes of Laws 1973, Chapter 638" and insert "*in section 214.02*"

Page 151, line 23, strike "and regulations"

Page 158, line 1, after the period insert "*A state employee who serves on a board as a representative of a specific state department or agency shall not receive the \$35 per day.*"

Page 158, line 5, after the period insert "*The present secretary-treasurers of the board of barber examiners and the board of cosmetology shall become the executive secretary of their respective boards. The executive secretaries shall not be members of the boards they serve. The governor shall appoint replacement members to fill the unexpired term of any vacancy on a board caused by this section.*"

Page 159, line 29, after "145.864;" insert "145.865, Subdivision 3;"

Page 160, line 3, after "326.16;" insert "326.334, Subdivision 3;"

Page 160, line 5, strike "2" and insert "1"

Page 160, line 9, strike everything after "4;"

Page 160, line 10, strike "Subdivision 3;"

Amend the title as follows:

Page 1, line 18, strike "appropriating money;"

Page 2, line 38, after "145.864;" insert "145.865, Subdivision 3;"

Page 2, line 45, after "326.16;" insert "326.334, Subdivision 3;"

Page 2, line 48, strike "2" and insert "1"

Page 2, line 52, strike everything after "4;"

Page 2, line 53, strike "8; 326.334, Subdivision 3;"

The motion prevailed. So the amendment was adopted.

S. F. No. 1906: A bill for an act relating to licensed occupations; establishing a policy for the regulation of occupations; transferring responsibility for the provision of staffing and administrative services; clarifying reporting responsibilities; prescribing a procedure for complaint review; granting licensing boards additional powers relating to injunctive relief, subpoenas, continuing education, and other matters; prescribing duties of the board of health relating to human services occupations, creating advisory councils; merging the licensed practical nursing board into the board of nursing; making miscellaneous changes in practice acts for various licensed occupations; adopting the standard terms "licensure" and "license" for occupational licensing boards; transferring employees and moneys; amending Minnesota Statutes 1974, Sections 125.04; 125.05; 125.06; 125.08; 125.09, Subdivision 1; 125.12, Subdivision 1; 125.13, Subdivision 1; 125.17, Subdivision 1; 125.182, Subdivisions 2 and 3; 125.183, by adding a subdivision; 125.184, as amended; 125.185, as amended; 125.187; 144.955; 144.959; 147.021, Subdivision 1; 147.06; 147.13; 147.18; 147.23; 148.05; 148.06, Subdivision 1; 148.07, as amended; 148.10; 148.211, Subdivision 2; 148.241, Subdivision 1; 148.291, Subdivision 3; 148.32; 148.57; 148.59; 148.90, as amended; 148.91, Subdivisions 1 and 3; 148.97, Subdivision 6; 148.98; 150A.04, Subdivision 5; 150A.06, Subdivision 1; 150A.08, Subdivision 4; 150A.09, Subdivisions 1 and 3; 151.06, Subdivision 4; 151.10; 151.101; 151.11; 151.12; 151.13; 151.14; 151.19; 151.25; 151.27; 151.37, Subdivisions 5 and 6; 151.40; 153.07; 153.08; 153.09; 154.04; 155.02, Subdivision 7a; 155.03, Subdivision 2; 155.06, Subdivision 3; 155.09, Subdivisions 1, 4 and 5; 155.11, Subdivision 2; 155.14; 155.15; 155.16; 155.18, Subdivision 1; 155.19; 155.20, Subdivision 2; 156.01, Subdivision 5; 156.02, Subdivision 2; 156.03; 156.07; 156.072, Subdivisions 2 and 3; 156.081, Subdivision 1; 156.14; 214.01, Subdivision 1; 214.06; 270.47; 270.50; 270.51; 326.08, Subdivision 1; 326.11, Subdivision 6; 326.15; 326.19; 326.20; 326.21; 326.22, as amended; 326.23; 326.241, as amended; 326.242, Subdivisions 8 and 9; 326.33, Subdivisions 2 and 3; 326.331; 326.332, Subdivision 1; 326.333; 326.334, Subdivision 1; 326.54; 326.543; 326.544; 326.545; 326.546; 341.05, as amended; 341.06; 341.07; 341.08; 341.12; 341.13; 341.15; 386.61, Subdivision 2; 386.63, Subdivisions 2 and 3; 386.64; 386.65, Subdivision 1; 386.67; 386.69; 386.72; 386.73; Chapter 214, by adding sections; Minnesota Statutes, 1975 Supplement, Sections 125.03, Subdivision 1; 125.11; 125.183, Subdivision 3; 144.952, by adding a subdivision; 147.01; 147.02, Subdivision 1; 147.05; 148.03; 148.181; 148.191; 148.211, Subdivision 1; 148.261, Subdivision 1; 148.29, Subdivision 2; 148.291, Subdivision 1; 148.299; 148.52; 148.54; 148.60; 148.67; 148.95; 150A.02, Subdivision 1; 150A.03, Subdivision 2; 151.03; 151.06, Subdivision 1; 151.07; 153.02; 153.03; 153.04; 153.13; 153.15; 154.22; 154.23; 155.05; 155.06, Subdivision 1; 155.08; 156.01, Subdivision 1;

214.01, Subdivision 2; 214.04; 214.07; 214.09, Subdivision 3; 270.41; 270.42; 270.48; 326.03, Subdivision 1; 326.04; 326.05; 326.06; 326.08, Subdivision 2; 326.09; 326.10; 326.11, Subdivisions 1 and 5; 326.12; 326.13; 326.14; 326.17; 326.18; 326.33, Subdivision 1; 326.541; 326.542; 341.01; 341.04; 341.10; 341.11; 386.62; 386.63, Subdivision 1; 386.66; 386.68; 386.70, Subdivision 1; 386.71; repealing Minnesota Statutes 1974, Sections 125.09, Subdivisions 2 and 3; 144.956; 144.958; 144.96; 144.965; 145.861; 145.862; 145.863; 145.864; 145.865, Subdivision 3; 148.06, Subdivision 2; 148.08, Subdivision 1; 148.291, Subdivision 2; 148.55; 148.58; 148.94; 148.97, Subdivision 2; 148.99, Subdivision 1; 150A.04, Subdivisions 1, 2, 3 and 4; 150A.07; 150A.08, Subdivision 2; 150A.09, Subdivision 2; 151.09; 153.10; 153.11; 154.065, Subdivision 6; 156.01, Subdivision 4; 326.08, Subdivision 3; 326.11, Subdivision 3; 326.16; 326.334, Subdivision 3; 386.63, Subdivision 6; 386.65, Subdivision 2; Minnesota Statutes, 1975 Supplement, Sections 145.865, Subdivision 1; 145.866; 148.211, Subdivision 3; 148.231, Subdivision 3; 148.261, Subdivision 2; 148.291, Subdivision 4; 148.297, Subdivision 2; 148.55; 326.10, Subdivision 4; 326.11, Subdivisions 2 and 4; 386.695; 386.696; and 386.70, Subdivisions 3, 4, 5 and 6.

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 52 and nays 5, as follows:

Those who voted in the affirmative were:

Anderson	Dunn	Kleinbaum	Olhoft	Solon
Arnold	Frederick	Knutson	Olson, A. G.	Spear
Ashbach	Gearty	Kowalczyk	Olson, H. D.	Stassen
Bang	Hansen, Mel	Larson	O'Neill	Stokowski
Bernhagen	Hanson, R.	Laufenburger	Perpich, A. J.	Stumpf
Blatz	Hughes	Lewis	Perpich, G.	Ueland
Borden	Humphrey	McCutcheon	Pillsbury	Wegener
Chenoweth	Jensen	Milton	Purfeerst	Willet
Conzemius	Josefson	Moe	Renneke	
Davies	Keefe, S.	Nelson	Schaaf	
Doty	Kirchner	North	Schmitz	

Those who voted in the negative were:

Berg	Hansen, Baldy	Merriam	Patton	Schrom
------	---------------	---------	--------	--------

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

Mr. McCutcheon moved that S. F. No. 1950 be stricken from General Orders and re-referred to the Committee on Governmental Operations. The motion prevailed.

SPECIAL ORDER

S. F. No. 2177: A bill for an act relating to retirement; miscellaneous amendments to the public employees retirement law; providing for a medical adviser in disability cases; inclusions and exclusions under the Minnesota state retirement system; mandatory retirement age for correctional officers; miscellaneous amendments to the elective state officers retirement plan and the unclassified employees retirement plan; providing for privacy of individual retirement data; excluding

overtime payments for pension purposes; amending Minnesota Statutes 1974, Sections 352.01, Subdivisions 2A and 2B; 352C.02, Subdivisions 2, 3, and by adding a subdivision; 352C.04, Subdivisions 1 and 2a; 352C.05; 352C.09, Subdivision 1; 353.01, Subdivisions 2b, 16, and 30; 353.03, Subdivision 1, and by adding a subdivision; 353.27, Subdivision 7; 353.30, Subdivision 3; 353.33, Subdivision 11, and by adding subdivisions; 353.34, Subdivision 6; 353.35; 353.656, Subdivision 6; Chapter 352C, by adding a section; Chapter 356, by adding sections; and Minnesota Statutes, 1975 Supplement, Sections 43.051, Subdivision 3; 352D.02, Subdivision 1; 353.01, Subdivision 24; 353.03, Subdivision 2a; 353.15; and 353.29, Subdivision 7; and repealing Minnesota Statutes 1974, Section 352C.04, Subdivisions 2 and 2b.

Mr. Stokowski moved to amend S. F. No. 2177 as follows:

Page 25, after line 26, insert:

"Sec. 30. Minnesota Statutes 1974, Chapter 354, is amended by adding a section to read:

[354.093] [MATERNITY LEAVE.] *A member of the fund granted parental or maternity leave of absence by the employing authority shall be entitled to service credit not to exceed one year for the period of leave upon payment to the fund by the end of the fiscal year following the fiscal year in which the leave of absence terminated. The amount of such payment shall include the required employee, employer and amortization contributions for the period of leave prescribed in section 354.42. Such payment shall be based on the member's average monthly salary upon return to teaching service, and shall be without interest. Repayment shall be accompanied by a certified or otherwise adequate copy of the resolution or action of the employing authority granting or approving the leave."*

Page 26, after line 17, insert:

"Sec. 33. Notwithstanding any law to the contrary, a person who retired as a member of any fund enumerated in Minnesota Statutes, 1975 Supplement, Section 356.30, Subdivision 3, between May 1, 1975 and January 1, 1976 and who failed to elect to receive a combined service annuity authorized by section 356.30, subdivision 1, may make such election and repay any refund until January 1, 1977. Benefits shall be adjusted and paid on the basis of the election from and after the date of election."

Renumber the sections in sequence

Amend the title as follows:

Line 12, after "purposes;" insert "service credit for teachers on parental or maternity leave; elections to receive a combined service annuity;"

Line 22, after "section;" insert "Chapter 354, by adding a section;"

The motion prevailed. So the amendment was adopted.

Mr. O'Neill moved to amend S. F. No. 2177 as follows:

Pages 25 and 26, strike all of section 30

Renumber the sections in sequence

Amend the title as follows:

Line 10, strike "providing for privacy of"

Line 11, strike "individual retirement data;"

Line 23, strike "sections" and insert "a section"

The question being taken on the adoption of the amendment,

And the roll being called, there were yeas 27 and nays 31, as follows:

Those who voted in the affirmative were:

Ashbach	Fitzsimons	Josefson	Olson, J. L.	Stassen
Bang	Frederick	Kirchner	O'Neill	Ueland
Berg	Hansen, Baldy	Knutson	Patton	Willet
Bernhagen	Hansen, Mel	Kowalczyk	Pillsbury	
Blatz	Hanson, R.	Larson	Renneke	
Dunn	Jensen	Nelson	Schrom	

Those who voted in the negative were:

Anderson	Hughes	Merriam	Perpich, A. J.	Stokowski
Arnold	Humphrey	Milton	Perpich, G.	Stumpf
Borden	Keefe, S.	Moe	Purfeerst	Wegener
Chenoweth	Kleinbaum	North	Schaaf	
Conzemius	Laufenburger	Olhoff	Schmitz	
Davies	Lewis	Olson, A. G.	Solon	
Gearty	McCutcheon	Olson, H. D.	Spear	

The motion did not prevail. So the amendment was not adopted.

Mr. Hansen, Mel moved to amend S. F. No. 2177 as follows:

Page 26, line 3, strike "may" and insert "shall"

Page 26, line 6, before the period, insert "*or for conduct of an audit by the legislative auditor, and shall make an annual report to the legislature listing individually, but without names of the recipients, all monthly benefits in excess of \$1,000 per month plus the ending salary and number of years of service for each recipient with that monthly benefit*"

Amend the title as follows:

Line 11, after the semicolon, insert "providing for release of necessary data to governmental agencies; requiring an annual report to the legislature;"

The motion prevailed. So the amendment was adopted.

S. F. No. 2177 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 53 and nays 0 as follows:

Those who voted in the affirmative were:

Anderson	Bernhagen	Conzemius	Frederick	Hanson, R.
Arnold	Blatz	Davies	Gearty	Hughes
Ashbach	Borden	Doty	Hansen, Baldy	Humphrey
Berg	Chenoweth	Dunn	Hansen, Mel	Jensen

Josefson	McCutcheon	Olson, H. D.	Purfeerst	Stassen
Keefe, S.	Merriam	Olson, J. L.	Renneke	Stokowski
Kleinbaum	Milton	O'Neill	Schaaf	Stumpf
Knutson	Moe	Patton	Schmitz	Ueland
Kowalczyk	Nelson	Perpich, A. J.	Schrom	Willet
Laufenburger	Olhoft	Perpich, G.	Solon	
Lewis	Olson, A. G.	Pillsbury	Spear	

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

SPECIAL ORDER

S. F. No. 2227: A bill for an act relating to negligence; civil actions; establishing the rule of pure comparative responsibility; amending Minnesota Statutes 1974, Section 604.01, Subdivision 1.

Mr. Davies moved to amend S. F. No. 2227 as follows:

Page 1, line 10, after the stricken word "shall" insert "*unless greater than 75 percent,*"

Amend the title as follows:

Line 3, strike "establishing" and insert "modifying"

Line 3, strike "pure"

The motion prevailed. So the amendment was adopted.

S. F. No. 2227: A bill for an act relating to negligence; civil actions; modifying the rule of comparative responsibility; amending Minnesota Statutes 1974, Section 604.01, Subdivision 1.

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 16 and nays 40, as follows:

Those who voted in the affirmative were:

Borden	Jensen	Olhoft	Schaaf	Stumpf
Davies	Keefe, J.	Olson, A. G.	Spear	Wegener
Doty	Keefe, S.	Pillsbury	Stokowski	
Humphrey	North			

Those who voted in the negative were:

Anderson	Dunn	Kleinbaum	Nelson	Purfeerst
Arnold	Fitzsimons	Knutson	Ogdahl	Renneke
Berg	Frederick	Kowalczyk	Olson, H. D.	Schmitz
Bernhagen	Gearty	Lewis	Olson, J. L.	Schrom
Blatz	Hansen, Baldy	McCutcheon	O'Neill	Solon
Chenoweth	Hansen, Mel	Merriam	Patton	Stassen
Coleman	Hanson, R.	Milton	Perpich, A. J.	Ueland
Conzemius	Kirchner	Moe	Perpich, G.	Willet

So the bill failed to pass.

SPECIAL ORDER

H. F. No. 500: A bill for an act relating to energy; energy commission, public members; providing for compensation and reimbursement of traveling and other expenses; amending Minnesota Statutes 1974, Section 116H.04, Subdivision 2.

Mr. McCutcheon moved to amend H. F. No. 500, as amended by the Committee on Governmental Operations, adopted by the Senate on March 12, 1975, as follows:

Underline all the language in Section 1

After Section 1, insert:

"Sec. 2. Minnesota Statutes 1974, Chapter 116H, is amended by adding a section to read:

[116H.085] [ENERGY CONSERVATION INFORMATION CENTER.] *The director shall establish an energy conservation information center in the agency's offices in St. Paul. The information center shall maintain a toll-free telephone information service and disseminate printed materials on energy conservation topics, including but not limited to availability of loans and other public and private financing methods for energy conservation physical improvements, the techniques and materials used to conserve energy in buildings including retrofitting or upgrading insulation and installing weatherstripping, the projected prices and availability of different sources of energy, and the alternative sources of energy.*

Sec. 3. Minnesota Statutes 1974, Section 116H.12, is amended by adding a subdivision to read:

Subd. 10. Before January 1, 1980, the commissioner of administration, in cooperation with the director, shall survey all buildings owned by the state of Minnesota which are heated by oil or interruptable natural gas units, including buildings and associated facilities of the state university system, the community college system, the Minnesota historical society building and all buildings under the administration or supervision of the commissioners of natural resources, corrections, welfare, or highways, to determine whether energy savings could be accomplished through insulation, climate control or illumination modifications, or changes in building structures and systems. If the commissioner determines, based upon a formula specified by the director, that a modification is economically feasible, in that estimated savings in fuel procurement cost will exceed the cost of the modification amortized over the remaining useful life of the building, he shall implement the modification in a manner designed to maximize the reduction in costs resulting from the modification. Before January 1, 1977, the commissioner shall submit a progress report to the legislature indicating the number and percentage of state-owned buildings surveyed, the estimated costs of implementing the economically feasible modifications, and his preliminary findings, recommendations, and priorities for implementing the economically feasible modifications based upon the continuing survey.

Sec. 4. Minnesota Statutes 1974, Section 116H.12, is amended by adding a subdivision to read:

Subd. 11. Before January 1, 1980, the university of Minnesota, after consultation with the director, shall survey all buildings and associated facilities of the university of Minnesota which are heated by oil or interruptable gas units to determine whether energy savings could be accomplished through insulation, climate control or illumination modifications, or changes in building structures and systems. If the university determines, based upon a formula specified by the director, that a modification is economically feasible, in that estimated savings in fuel procurement costs will exceed the cost of the modification amortized over the remaining useful life of the building, it shall implement the modification in a manner designed to maximize the reduction in costs resulting from the modification. Before January 1, 1977, the university shall submit a progress report to the legislature indicating the number and percentage

of university-owned buildings surveyed, the estimated costs of implementing the economically feasible modifications, and its preliminary findings, recommendations, and priorities for implementing economically feasible modifications based upon the continuing survey.

Sec. 5. Minnesota Statutes 1974, Chapter 116H, is amended by adding a section to read:

[116H.121] [ENERGY CONSERVATION STANDARDS IN CERTAIN PUBLIC BUILDINGS.] *Before July 1, 1977, the commissioner of administration, in consultation with the director, shall amend the rules concerning heat loss, illumination, and climate control standards promulgated pursuant to Minnesota Statutes, 1975 Supplement, Section 116H.12, Subdivision 4, to apply to all existing buildings heated by oil or interruptable gas units owned by the state, the university of Minnesota, any city, any county, and any school district.*

Sec. 6. Minnesota Statutes 1974, Chapter 116H, is amended by adding a section to read:

[116H.122] [INSPECTIONS AND FUEL COST ESTIMATES.] *Before July 1, 1978, each city council and county board of commissioners shall complete an inspection of all existing city-owned or county-owned buildings within their respective jurisdictions. The inspection shall determine, based upon a formula specified by the director, the estimated remaining useful life of each building, together with the present degree and estimated cost of compliance with the energy conservation standards promulgated pursuant to section 4 of this act. A council or board may contract with any municipal building official appointed pursuant to Minnesota Statutes, Section 16.861, or the state building inspector to perform the energy conservation inspection. Each board and council shall estimate, based upon a formula specified by the director, the annual potential savings in fuel procurement costs for existing heating and cooling systems which would be realized for each county or city-owned building if it were improved to comply with the energy conservation standards.*

Sec. 7. Minnesota Statutes 1974, Chapter 116H, is amended by adding a section to read:

[116H.123] [AUTHORIZED IMPROVEMENT.] *A city council or county board of commissioners shall authorize any necessary improvements to insure compliance with the energy conservation standards if, based upon a formula specified by the director, the estimated savings in fuel procurement costs after the proposed improvements to a building are completed exceeds the estimated installation or remodeling costs amortized over the remaining useful life of the building. Each council or board shall file the energy conservation inspection and estimated fuel procurement data for each city or county-owned building within its respective boundaries with the director of the Minnesota energy agency before December 31, 1978, for his review and comment.*

Sec. 8. Minnesota Statutes 1974, Chapter 116H, is amended by adding a section to read:

[116H.124] [FINANCING.] *The installation of weatherstripping, the retrofitting or upgrading of insulation, or the modification of existing heating, ventilation, and cooling systems authorized pursuant to section 6 of this act shall be financed by the issuance of obligations in the manner and form prescribed by Minnesota Statutes, Chapter 475. The obligations may be issued only after obtaining the approval of the majority of the electors voting on the question of issuing obligations at a special or regular election. The obligations shall not be included in the computation of the net debt limitations of any city or county. Any city or county should immediately report the results of any election on the question of the issuance of obligations for the above purposes to the director.*

Sec. 9. Minnesota Statutes 1974, Section 120.78, is amended by adding a subdivision to read:

Subd. 3. Before November 15, 1976, the commissioner of education shall analyze the reports and plans required in subdivisions 1 and 2 and submit a report to the legislature concerning the energy efficiency of school buildings owned or operated by all school districts and recommend proposed legislation concerning energy conservation measures for school buildings.

Sec. 10. Minnesota Statutes 1974, Chapter 120, is amended by adding a section to read:

[120.781] [INSPECTIONS.] *Before July 1, 1978, each board shall complete an inspection of all existing public school buildings which it owns or operates that are heated by oil or interruptable gas units in order to determine the estimated remaining useful life of each building, together with the present degree and estimated cost of compliance with the energy conservation standards promulgated pursuant to section 4 of this act. The results of the energy conservation inspection shall be recorded on a form furnished by the director of the Minnesota energy agency. A board may contract with any municipal building official appointed pursuant to Minnesota Statutes, Section 16.861 or the state building inspector to perform the energy conservation inspection. Each board shall estimate the annual savings in fuel procurement costs for existing heating and cooling systems which would be realized for each public school building within the district if it were improved to comply with the energy conservation standards, based upon a formula specified by the director of the Minnesota energy agency.*

Sec. 11. Minnesota Statutes 1974, Chapter 120, is amended by adding a section to read:

[120.782] [AUTHORIZED IMPROVEMENTS.] *A board shall authorize any necessary improvements to insure compliance with the energy conservation standards if, based upon a formula specified by the director of the Minnesota energy agency, the estimated savings in fuel procurement costs after the proposed improvements to a building are completed exceed the estimated installation or remodeling costs of the improvement amortized over the remaining useful life of the building. Each board shall file the energy conservation inspection and estimated fuel procurement data for each public school building within the district with the director of the Minnesota energy agency before*

December 31, 1978, for his review and comment.

Sec. 12. Minnesota Statutes 1974, Chapter 120, is amended by adding a section to read:

[120.783] [FINANCING.] *If a board determines that the proceeds of the levy permitted under Minnesota Statutes, Section 124.04, and the balance in the capital outlay fund are sufficient to complete all the improvements authorized pursuant to section 10 of this act in order to comply with the energy conservation standards, the board shall by January 1, 1980, enter contracts to complete all the authorized improvements. If a board determines that the proceeds of the levy permitted under Minnesota Statutes, Section 124.04 and the balance in the capital outlay fund are insufficient to complete all the improvements authorized pursuant to section 10 of this act, then the board shall apply to the commissioner for permission to issue obligations in the manner and form prescribed by Minnesota Statutes, Chapter 475, in the amount of the authorized improvements. The obligations may be issued only after obtaining the approval of the majority of the electors voting on the question of issuing obligations at a regular or special election. Each school district shall immediately report the results of any election on the question of issuing obligations for the above purposes to the commissioner and the director of the energy agency. These obligations shall not be included in the computation of any net debt limitations.*

Sec. 13. [APPROPRIATION.] *There is appropriated from the general fund \$158,000 to the commissioner of administration, \$8,000 for promulgation of the rules required by section 4 of this act, and \$150,000 to comply with section 2 of this act. There is appropriated from the general fund \$100,000 to the director of the Minnesota energy agency, \$50,000 to establish and maintain the energy conservation information center pursuant to section 1, and \$50,000 to contract for infrared aerial photographs, at least 50 percent of which shall be conducted outside the metropolitan area as defined in Minnesota Statutes, Section 473.121, Subdivision 2. These appropriations shall not cancel and shall be available until completely expended."*

Renumber the sections in sequence

After "Sec.", strike "2" and insert "14"

Strike the title amendment and insert:

"A bill for an act relating to energy; compensating former public members of the legislative commission on energy; establishing an energy conservation information center; requiring the commissioner of administration to complete certain energy conservation modifications to state buildings; authorizing the commissioner of administration to promulgate rules concerning energy conservation physical improvements for public school, city, and county buildings; requiring the inspection of certain public buildings; authorizing the issuance of bonds for energy conservation improvements; appropriating money; amending Minnesota Statutes 1974, Chapters 116H, by adding sections; and 120, by adding sections; and Sections 116H.12, by adding subdivisions; and 120.78, by adding a subdivision."

Mr. Conzemius moved to amend the McCutcheon amendment to H. F. No. 500 as follows:

Page 6, after section 12, insert

"Sec. 13. [CONSULTANT CONTRACTS.] The director of the energy agency shall not enter into any contract with a consultant for any purpose involving an expenditure of \$2,500 or more until after he has submitted a copy of the proposed contract to the chairman of the senate finance committee and the chairman of the house appropriations committee and received their written recommendations thereon. The recommendations are advisory only."

Renumber the remaining section

The motion prevailed. So the amendment to the McCutcheon amendment was adopted.

The question recurred on the McCutcheon amendment.

The motion prevailed. So the amendment was adopted.

H. F. No. 500 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. Humphrey moved that those not voting be excused from voting. The motion prevailed.

And the roll being called, there were yeas 30 and nays 30, as follows:

Those who voted in the affirmative were:

Anderson	Doty	Laufenburger	North	Solon
Arnold	Gearty	Lewis	Olhoft	Spear
Borden	Hansen, Mel	McCutcheon	Perpich, A. J.	Stokowski
Chenoweth	Hughes	Merriam	Perpich, G.	Stumpf
Coleman	Keefe, S.	Milton	Schaaf	Wegener
Davies	Kleinbaum	Moe	Schmitz	Willet

Those who voted in the negative were:

Ashbach	Fitzsimons	Keefe, J.	Ogdahl	Pillsbury
Bang	Frederick	Kirchner	Olson, A. G.	Purfeerst
Berg	Hansen, Baldy	Knutson	Olson, H. D.	Renneke
Bernhagen	Hanson, R.	Kowalczyk	Olson, J. L.	Schrom
Blatz	Humphrey	Larson	O'Neill	Stassen
Dunn	Jensen	Nelson	Patton	Ueland

So the bill failed to pass.

SPECIAL ORDER

S. F. No. 1849: A bill for an act relating to the legislature; creating a legislative commission on housing and community development; prescribing its powers and duties; requiring a report and budget estimate.

Mr. Schaaf moved to amend S. F. No. 1849 as follows:

Page 1, lines 7 to 8, strike "HOUSING AND COMMUNITY DEVELOPMENT" and insert "COMMUNITY DEVELOPMENT AND HOUSING"

Page 1, lines 9, and 22 to 23, strike "housing and community development" and insert "community development and housing"

Page 2, after line 5, insert:

"(b) The preparation and periodic revision of a recommended statewide comprehensive housing plan. The recommended plan shall recognize methods for improving the availability of housing and insuring the structural integrity and energy conservancy of the housing. The commission shall submit to the legislature statutory amendments necessary to implement the plan;"

Reletter the remaining clauses

Page 2, lines 7 to 8, 10 to 11, 16 to 17 and 22, strike "housing and community development" and insert "community development and housing"

Page 3, lines 1 to 2, strike "housing and community development" and insert "community development and housing"

Page 3, strike section 2

Renumber the remaining section

Amend the title as follows

Line 3, strike "housing and community"

Strike lines 4 to 5 and insert "community development and housing."

The motion prevailed. So the amendment was adopted.

Mr. Hansen, Baldy moved to amend S. F. No. 1849 as follows:

Page 3, after line 26, insert :

"Sec. 3. Minnesota Statutes 1974, Chapter 3, is amended by adding a section to read:

[3.013] [BIENNIAL SESSIONS.] *The legislature may not meet in session during any even numbered year unless it is called by the governor to meet in extra session.*"

Page 3, line 28, strike ", and" and insert ". Sections 1 and 2"

Renumber the remaining sections

Underline all new language in the bill

Amend the title as follows:

Page 1, line 5, after "estimate" insert "; providing for biennial legislative sessions; amending Minnesota Statutes 1974, Chapter 3, by adding a section"

And the roll being called, there were yeas 35 and nays 25, as follows:

Those who voted in the affirmative were:

Anderson	Doty	Jensen	Olson, H. D.	Renneke
Arnold	Dunn	Josefson	Olson, J. L.	Schmitz
Ashbach	Fitzsimons	Kirchner	O'Neill	Schrom
Bang	Frederick	Knutson	Patton	Solon
Berg	Hansen, Baldy	Kowalczyk	Perpich, A. J.	Stassen
Bernhagen	Hansen, Mel	Larson	Perpich, G.	Ueland
Blatz	Hanson, R.	Nelson	Pillsbury	Willet

Those who voted in the negative were:

Borden	Gearty	Kleinbaum	Moe	Schaaf
Chenoweth	Hughes	Lewis	North	Spear
Coleman	Humphrey	McCutcheon	Ogdahl	Stokowski
Conzemius	Keefe, J.	Merriam	Olhoft	Stumpf
Davies	Keefe, S.	Milton	Purfeerst	Wegener

The motion prevailed. So the amendment was adopted.

S. F. No. 1849 was then progressed.

On the Order of Business of Motions and Resolutions. Mr. Coleman moved that the Senate revert to the Order of Business of Messages From the House, Reports of Committees and Second Reading of Senate Bills. The motion prevailed.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, herewith returned:

S. F. No. 2161.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 18, 1976

Mr. President:

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

S. F. No. 499: A bill for an act relating to insurance; authorizing an insurer to refuse to renew an automobile insurance policy under certain circumstances; amending Minnesota Statutes 1974, Section 65B.17.

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

Prahl; Anderson, G.; and Stanton.

Senate File No. 499 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 18, 1976

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 1382:

H. F. No. 1382: A bill for an act relating to transportation; authorizing the commissioner of administration to acquire vehicles for the car pooling of state employees; removing, restricting or clarifying certain laws which discourage use of shared ride commuter vans to transport employees to and from work;

providing certain incentives; appropriating money; amending Minnesota Statutes 1974, Chapter 221, by adding a section; and Sections 16.85, Subdivision 1; and 65B.47, Subdivisions 1 and 2; and Minnesota Statutes, 1975 Supplement, Sections 65B.43, Subdivision 12, 221.011, Subdivision 22; repealing Minnesota Statutes 1974, Section 16.755.

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

Fugina, Petrafeso and Adams, L. have been appointed as such committee on the part of the House.

House File No. 1382 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 March 18, 1976

Mr. North moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 1382, 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. The motion prevailed.

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 525:

H. F. No. 525: A bill for an act relating to state government; creating a department of transportation; prescribing its duties and responsibilities; transferring the functions of some state departments; appropriating money; amending Minnesota Statutes 1974, Sections 43.09, Subdivision 2a; and 360.017, Subdivision 1, repealing Minnesota Statutes 1974, Sections 4.20; 161.03; and 360.014.

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

Hanson, Pehler, Knickerbocker, Petrafeso and Beauchamp have been appointed as such committee on the part of the House.

House File No. 525 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 March 18, 1976

Mr. North for Mr. Laufenburger moved that the Senate accede to the request of the House for a Conference Committee on H. F. No. 525, 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. The 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. 1825: A bill for an act relating to crimes, prohibiting altering or removing a manufacturer's identification mark on personal property; providing penalties, amending Minnesota Statutes, 1975 Supplement, Section 609.52, Subdivision 2; repealing Minnesota Statutes 1974, Section 609.655.

Senate File No. 1825 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives
Returned March 18, 1976

CONCURRENCE AND REPASSAGE

Mr. McCutcheon moved that the Senate concur in the amendments by the House to S. F. No. 1825 and that the bill be placed on its repassage as amended. The motion prevailed.

S. F. No. 1825 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 56 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Dunn	Kirchner	North	Schrom
Arnold	Fitzsimons	Kleinbaum	Ogdahl	Spear
Ashbach	Frederick	Knutson	Olhoff	Stassen
Bang	Gearty	Kowalczyk	Olson, A. G.	Stokowski
Berg	Hansen, Baldy	Larson	Olson, J. L.	Stumpf
Bernhagen	Hansen, Mel	Laufenburger	O'Neill	Ueland
Borden	Hanson, R.	Lewis	Patton	Wegener
Chenoweth	Hughes	McCutcheon	Perpich, G.	Willet
Coleman	Humphrey	Merriam	Pillsbury	
Conzemius	Jensen	Milton	Renneke	
Davies	Josefson	Moe	Schaaf	
Doty	Keefe, J.	Nelson	Schmitz	

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

MESSAGES 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. 2373: A bill for an act relating to estates; clarifies aspects of the law concerning administration of estates; harmo-

nizes relevant registered land law with probate code; modifies document verification requirements; changes notice requirements; eliminates de novo appeals from probate court; authorizes the probate court to waive inheritance tax liens in supervised administrations; eliminates notice to attorney general for certain charitable devises; amending Minnesota Statutes 1974, Sections 524.1-310; 524.3-505; 524.3-908; 524.3-1003; 524.3-1007; 524.3-1201; 525.72; amending Minnesota Statutes 1975 Supplement, Sections 501.79, Subdivision 2, 508.68; 524.1-401; 524.3-301; 524.3-306; 524.3-310; 524.3-403; 524.3-603; 524.3-801; 524.3-803; 524.3-806; 524.3-910; 524.3-1204; 524.4-204; and 525.31.

Senate File No. 2373 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives
Returned March 18, 1976

CONCURRENCE AND REPASSAGE

Mr. Davies moved that the Senate concur in the amendments by the House to S. F. No. 2373 and that the bill be placed on its repassage as amended. The motion prevailed.

S. F. No. 2373 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 54 and nays 4, as follows:

Those who voted in the affirmative were:

Anderson	Frederick	Kirchner	North	Schmitz
Arnold	Gearty	Kleinbaum	Olhoff	Schrom
Ashbach	Hansen, Baldy	Knutson	Olson, A. G.	Solon
Bang	Hansen, Mel	Kowalczyk	Olson, H. D.	Spear
Bernhagen	Hanson, R.	Larson	O'Neill	Stassen
Borden	Hughes	Laufenburger	Patton	Stokowski
Chenoweth	Humphrey	McCutcheon	Perpich, A. J.	Stumpf
Davies	Jensen	Merriam	Perpich, G.	Ueland
Doty	Josefson	Milton	Pillsbury	Wegener
Dunn	Keefe, J.	Moe	Renneke	Willet
Fitzsimons	Keefe, S.	Nelson	Schaaf	

Messrs. Coleman, Conzemius, Lewis and Olson, J. L. voted in the negative

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

MESSAGES 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. 10: A bill for an act relating to certain commercial transactions; amending provisions of the uniform commercial code governing secured transactions and related provisions; amending Minnesota Statutes 1974, Chapter 336, by adding sections; and Sections 336.1-105; 336.1-201; 336.2-107; 336.5-116; 336.9-102; 336.9-103; 336.9-104; 336.9-105; 336.9-106; 336.9-203; 336.9-204; 336.9-205; 336.9-301; 336.9-302; 336.9-304; 336.9-305; 336.9-306; 336.9-307; 336.9-308; 336.9-312; 336.9-313; 336.9-318; 336.9-401; 336.9-402; 336.9-403; 336.9-404; 336.9-405; 336.9-406; 336.9-407; 336.9-501; 336.9-502; 336.9-504; and 336.9-505; repealing Minnesota Statutes 1974, Section 336.9-408.

Senate File No. 10 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives
Returned March 18, 1976

CONCURRENCE AND REPASSAGE

Mr. Davies moved that the Senate concur in the amendments by the House to S. F. No. 10 and that the bill be placed on its repassage as amended. The motion prevailed.

S. F. No. 10 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 0, as follows:

Those who voted in the affirmative were:

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

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

MESSAGES 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. 749: A bill for an act relating to intoxicating liquor, investigation of certain license applicants; amending Minnesota Statutes 1974, Section 340.13, by adding a subdivision.

Senate File No. 749 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives
Returned March 18, 1976

CONCURRENCE AND REPASSAGE

Mr. Borden moved that the Senate concur in the amendments by the House to S. F. No. 749 and that the bill be placed on its repassage as amended. The motion prevailed.

S. F. No. 749 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 0, as follows:

Those who voted in the affirmative were:

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

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

MESSAGES 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. 1047: A bill for an act relating to the organization and operation of state government; providing for membership terms, compensation, removal of members, and filling of membership vacancies of certain state boards, commissions, committees, councils, authorities, the housing finance agency and the tax court; eliminating obsolete language; amending Minnesota Statutes 1974, Sections 3.922, Subdivision 2; 3.924; 3.927; 10A.02, Subdivision 2; 15.50, Subdivision 1, and by adding a subdivision; 15A.081, Subdivision 1; 16.71, Subdivision 1, and by adding a subdivision; 16.823, Subdivisions 2 and 3; 35.02; 40.03, Subdivisions 1 and 3, and by adding a subdivision; 43.03, Subdivision 1, and by adding a subdivision; 85A.01, Subdivisions 1 and 4.

and by adding a subdivision; 105.71, Subdivisions 1 and 3, and by adding a subdivision; 116.02, Subdivisions 1, 2 and 4; 116C.03, Subdivision 2, and by adding a subdivision; 116E.02, Subdivisions 1 and 4, and by adding a subdivision; 121.02, Subdivision 1, and by adding a subdivision; 136.12; 136.61, Subdivision 1, and by adding a subdivision; 136A.02, Subdivision 1, and by adding a subdivision; 136A.26; 139.01; 139.02; 144.01; 144.04; 175.006, Subdivision 1, and by adding a subdivision; 179.72, Subdivisions 1 and 2, and by adding a subdivision; 182.664, Subdivision 1, and by adding a subdivision; 216A.03, Subdivision 1, and by adding a subdivision; 238.04, Subdivision 2, and by adding a subdivision; 241.045, Subdivision 3, and by adding a subdivision; 250.05, Subdivisions 2 and 3, and by adding a subdivision; 256.975, Subdivision 1, and by adding a subdivision; 271.01, Subdivision 2, and by adding a subdivision; 275.551; 299B.05, Subdivision 3, and by adding a subdivision; 352.03, Subdivisions 1, 2 and 3, and by adding a subdivision; 363.04, Subdivision 4, and by adding a subdivision; 414.01, Subdivisions 3 and 6a, and by adding a subdivision; 462A.04, Subdivision 1, and by adding a subdivision; 490.15; 626.842; Chapter 15, by adding a section; repealing Minnesota Statutes 1974, Sections 3.922, Subdivision 3; 10A.-02, Subdivision 6; 16.823, Subdivision 5; 43.03, Subdivision 3; 121.02, Subdivision 2; 136.16; 136.61, Subdivisions 2 and 4; 136A.02, Subdivision 4; 175.006, Subdivision 3; 216A.03, Subdivision 2; 238.04, Subdivisions 4 and 5; 241.045, Subdivision 5; 271.01, Subdivision 3; 299B.05, Subdivision 2; 363.04, Subdivision 6; 462A.04, Subdivisions 2, 3 and 5.

Edward A. Burdick, Chief Clerk, House of Representatives
Returned March 18, 1976

CONCURRENCE AND REPASSAGE

Mr. North moved that the Senate concur in the amendments by the House to S. F. No. 1047 and that the bill be placed on its repassage as amended. The motion prevailed.

S. F. No. 1047: A bill for an act relating to the organization and operation of state government; providing for membership terms, compensation, removal of members, and filling of membership vacancies of certain state boards, commissions, committees, councils, authorities, the housing finance agency and the tax court; eliminating obsolete language; amending Minnesota Statutes 1974, Sections 3.922, Subdivision 2; 3.924; 3.927; 10A.-02, Subdivision 2; 15.50, Subdivision 1, and by adding a subdivision; 15A.081, Subdivision 1; 16.71, Subdivision 1, and by adding a subdivision; 16.823, Subdivisions 2 and 3; 35.02; 40.03, Subdivisions 1 and 3, and by adding a subdivision; 43.03, Subdivision 1, and by adding a subdivision; 85A.01, Subdivisions 1 and 4, and by adding a subdivision; 105.71, Subdivisions 1 and 3, and by adding a subdivision; 116.02, Subdivisions 1, 2 and 4; 116C.03, Subdivision 2, and by adding a subdivision; 116E.02, Subdivisions 1 and 4, and by adding a subdivision; 121.02, Subdivision 1, and by adding a subdivision; 136.12; 136.61, Subdivision 1, and by

adding a subdivision; 136A.02, Subdivision 1, and by adding a subdivision; 136A.26; 139.01; 139.02; 144.01; 144.04; 175.006, Subdivision 1, and by adding a subdivision; 179.72, Subdivisions 1 and 2, and by adding a subdivision; 182.664, Subdivision 1, and by adding a subdivision; 216A.03, Subdivision 1, and by adding a subdivision; 238.04, Subdivision 2, and by adding a subdivision; 241.045, Subdivision 3, and by adding a subdivision; 250.05, Subdivisions 2 and 3, and by adding a subdivision; 256.975, Subdivision 1, and by adding a subdivision; 271.01, Subdivision 2, and by adding a subdivision; 275.551; 299B.05, Subdivision 3, and by adding a subdivision; 352.03, Subdivisions 1, 2 and 3, and by adding a subdivision; 363.04, Subdivision 4, and by adding a subdivision; 414.01, Subdivisions 3 and 6a, and by adding a subdivision; 462A.04, Subdivision 1, and by adding a subdivision; 490.15; 626.842; Chapter 15, by adding a section; repealing Minnesota Statutes 1974, Sections 3.922, Subdivision 3; 10A.02, Subdivision 6; 16.823, Subdivision 5; 43.03, Subdivision 3; 121.02, Subdivision 2; 136.16; 136.61, Subdivisions 2 and 4; 136A.02, Subdivision 4; 175.006, Subdivision 3; 216A.03, Subdivision 2; 238.04, Subdivisions 4 and 5; 241.045, Subdivision 5; 271.01, Subdivision 3; 299B.05, Subdivision 2; 352.03, Subdivision 3; 363.04, Subdivision 6; 462A.04, Subdivisions 2, 3 and 5.

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 0, as follows:

Those who voted in the affirmative were:

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

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

MESSAGES FROM THE HOUSE—CONTINUED

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, herewith returned:

S. F. No. 2155.

Edward A. Burdick, Chief Clerk, House of Representatives
Returned March 18, 1976

REPORTS OF COMMITTEES

Mr. Coleman moved that the Committee Reports at the Desk be now adopted, with the exception of S. F. No. 2483. The motion prevailed.

Mr. Moe from the Committee on Natural Resources and Agriculture, to which was referred

S. F. No. 2483: A bill for an act relating to environment; revising the environmental policy act; amending Minnesota Statutes 1974, Sections 116D.04, Subdivisions 3 and 8, and by adding subdivisions; and 116D.07.

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

Strike everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1974, Chapter 116D, is amended by adding a section to read:

[116D.045] [COST OF PREPARATION OF ENVIRONMENTAL IMPACT STATEMENTS.] *Subdivision 1. The Minnesota environmental quality board shall by rule adopt procedures to assess the proposer of an action, when the proposer is a private person, for reasonable costs of preparing and distributing an environmental impact statement required pursuant to Minnesota Statutes, Section 116D.04. These costs shall be determined by the responsible agency pursuant to the rules promulgated by the board in accordance with subdivision 5.*

Subd. 2. In the event of a disagreement between the proposer of the action and the responsible agency over the cost of an environmental impact statement, the responsible agency shall consult with the board, which may modify the cost or determine that the cost assessed by the responsible agency is reasonable.

Subd. 3. The proposer shall pay the assessed cost to the board. All money received pursuant to this subdivision shall be deposited in the general fund. So much money as is necessary is annually appropriated from the general fund to the board to pay expenses incurred in the preparation and distribution of environmental impact statements in accordance with the provisions of Minnesota Statutes, Section 116D.04, and in the event such expenses are less than the assessment paid, to refund the excess to the proposer of the action. This annual appropriation shall not exceed the assessments to be paid during each period.

Subd. 4. No agency or governmental subdivision shall commence with the preparation of an environmental impact statement until at least one-half of the assessed cost of the environmental impact statement is paid pursuant to subdivision 3. No state agency may issue any permits for the construction or operation

of a project for which an environmental impact statement is prepared until the assessed cost for the environmental impact statement has been paid in full.

Subd. 5. For projects proposed by a private person with a total value of more than one million dollars, as determined by the board, the assessed cost for preparation and distribution of the environmental impact statement shall not exceed 3 per cent of the total project cost less one million dollars. The exemption of projects proposed by a private person with a total value of less than one million dollars shall not apply when a local government is designated the responsible agency.

Sec. 2. This act is effective the day following final enactment, except that section 1, subdivision 4, is not effective until the board has promulgated the rules specified in section 1, subdivision 1."

Further amend the title as follows:

Page 1, line 2, strike "revising the" and insert "providing for the assessment of the cost of preparing an environmental impact statement; appropriating money; amending Minnesota Statutes 1974, Chapter 116D, by adding a section."

Page 1, strike lines 3 through 5

And when so amended the bill do pass and be re-referred to the Committee on Finance. Pursuant to joint rule 20 the bill and report were referred to the Committee on Rules and Administration.

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

S. F. No. 2298: A bill for an act relating to motor vehicles; motor vehicle excise tax on vehicles purchased for resale; use of motor vehicles bearing motor vehicle dealer plates; amending Minnesota Statutes 1974, Sections 168.27, Subdivision 5; 297B.01, Subdivision 6; and Chapter 297B, by adding a section.

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

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

S. F. No. 2453: A bill for an act relating to taxation; changing the means of calculation and adjustment of levy limits in certain counties; amending Minnesota Statutes, 1975 Supplement, Section 275.51, Subdivision 3c.

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

Page 1, line 19, reinstate "1975" and strike "1976"

Page 1, line 23, reinstate "the case of"

Page 2, line 3, strike "plus in counties"

Page 2, strike lines 4 through 6

Page 2, line 8, strike "1976" and insert "1975"

Page 2, line 12, after "1977" insert "*, and in counties not containing a city of the first class of over 200,000 population the 1976 levy limit base per capita for taxes levied in 1976 payable in 1977 shall be increased by ten percent*"

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

SECOND READING OF SENATE BILLS

S. F. Nos. 2298 and 2453 were read the second time.

MOTIONS AND RESOLUTIONS—CONTINUED

Mr. Coleman moved that the Senate do now adjourn until 9:00 o'clock a.m., Friday, March 19, 1976. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate