

NINETY-FIFTH DAY

St. Paul, Minnesota, Monday, March 22, 1976

The Senate met at 10:30 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	Dunn	Kirchner	Olson, A. G.	Spear
Arnold	Fitzsimons	Kowalczyk	Olson, H. D.	Stokowski
Ashbach	Frederick	Larson	Olson, J. L.	Stumpf
Bang	Gearty	Laufenburger	Patton	Tennessen
Bernhagen	Hansen, Baldy	Lewis	Perpich, A. J.	Ueland
Blatz	Hansen, Mel	McCutcheon	Perpich, G.	Wegener
Brataas	Hanson, R.	Merriam	Pillsbury	Willet
Chenoweth	Hughes	Milton	Purfeerst	
Conzemius	Josefson	Moe	Schmitz	
Davies	Keefe, J.	North	Schrom	
Doty	Keefe, S.	Ogdahl	Sillers	

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

Prayer was offered by the Chaplain, Rev. William C. Hunt.

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

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

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. Olson, H. D. was excused from the Session of today until 12:30 o'clock p.m. Mr. Perpich, G. was excused from the Session of today at 1:00 o'clock p.m. Mr. Wegener was excused from the Session of today at 5:00 o'clock p.m.

EXECUTIVE AND OFFICIAL COMMUNICATIONS

March 19, 1976

The Honorable Alec Olson
President of the Senate

Sir:

I have the honor to inform you that I have received, approved, signed and deposited in the office of the Secretary of State the following Senate Files:

S. F. No. 53, An act relating to peace officer training courses; eligibility; amending Minnesota Statutes 1974, Section 626.851, Subdivision 2.

S. F. No. 995, An act relating to agriculture; regulating pesticides; providing a penalty; amending Minnesota Statutes 1974, Sections 21.47, Subdivisions 8 and 9; and 21.49, Subdivision 1; repealing Minnesota Statutes 1974, Sections 18.031; 18.032, Subdivisions 1 to 5, 7, and 8; 18.0321 to 18.036; 18A.01; 18A.02, Subdivisions 1, 2, 4, and 5; 18A.03 to 18A.11; 24.069; 24.071; 24.072, Subdivisions 1, 3, and 5; 24.0721 to 24.077; Minnesota Statutes, 1975 Supplement, Sections 18.032, Subdivision 6; 18A.02, Subdivision 3; and 24.072, Subdivisions 2 and 4.

S. F. No. 1135, An act relating to intoxicating and non-intoxicating liquor; age for licensing, sale, purchase, consumption, possession and furnishing; amending Minnesota Statutes 1974, Sections 340.02, Subdivision 8; 340.035, Subdivision 1; 340.119, Subdivision 2; 340.13, Subdivision 12; 340.355; 340.403, Subdivision 3; 340.73, Subdivision 1; 340.731; 340.78; 340.79; 340.80; and 340.81.

S. F. No. 1252, An act relating to the blind; providing for vending stands and machines to be operated by the blind on property of state governmental subdivisions; amending Minnesota Statutes 1974, Section 248.07, Subdivision 7.

S. F. No. 1493, An act relating to natural resources; amending certain laws concerning minnows; amending Minnesota Statutes 1974, Sections 97.40, Subdivision 27; 97.45, Subdivision 15; 97.55, Subdivision 13; 98.46, Subdivision 17; 101.42, Subdivisions 5 and 6; and Minnesota Statutes, 1975 Supplement, Section 98.46, Subdivision 5.

S. F. No. 1590, An act relating to elections; requiring the secretary of state to prescribe forms and uniform methods for the reporting of election returns; requiring certain information in returns and canvasses; and imposing certain duties on canvassing officers; amending Minnesota Statutes, 1975 Supplement, Sections 204A.46, by adding a subdivision; and 204A.51.

S. F. No. 1794, An act relating to courts; prescribing the jurisdictional limits of conciliation courts in the counties of Hennepin and Ramsey; amending Minnesota Statutes 1974, Sections 488A.12,

Subdivision 3; 488A.14, Subdivision 6; 488A.29, Subdivision 3; and 488A.31, Subdivision 6.

S. F. No. 1852, An act relating to the city of Fulda; validating election proceedings and authorizing the issuance of bonds of the city approved by the electors.

S. F. No. 1901, An act relating to cooperative associations; providing for changes in the electing of directors; amending Minnesota Statutes 1974, Sections 308.09, Subdivision 1; and 308.11.

S. F. No. 1924, An act relating to employment agencies; excluding teacher and nurse placement agencies from the definition of employment agency; amending Minnesota Statutes 1974, Section 184.21, Subdivision 2.

S. F. No. 1975, An act relating to agriculture; changing the duty of the commissioner of agriculture in establishing standards, grades, and price differentials for milk and cream from mandatory to permissive; amending Minnesota Statutes 1974, Section 32.401, Subdivision 1.

S. F. No. 2070, An act relating to highways; adding a new route to the trunk highway system in substitution of an existing route.

S. F. No. 2076, An act relating to corrections; amending Minnesota Statutes 1974, Section 241.01, by adding a subdivision.

S. F. No. 2168, An act authorizing the conveyance of lands and structures comprising Count Beltrami state monument to the town of Turtle Lake in Beltrami county; specifying the terms and conditions of such conveyance.

S. F. No. 2237, An act directing the sale of certain parcel of tax forfeited land in St. Louis county.

Sincerely,
Wendell R. Anderson, Governor

INTRODUCTION AND FIRST READING OF SENATE BILLS

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

Messrs. Josefson, Chmielewski and Jensen introduced—

S. F. No. 2582: A bill for an act proposing an amendment to the Minnesota Constitution, Article XIV, Section 11; removing limits on interest and amount of highway bonds; repealing Laws 1975, Chapter 203, Sections 25 and 26.

Referred to the Committee on Transportation and General Legislation.

Mr. Humphrey introduced—

S. F. No. 2583: A bill for an act relating to financial obligations; providing for independent audit upon resolution from county; authorizing promulgation of rules relating to contracts with architects, engineers and land surveyors; requiring detailed receipts for certain expenditures; amending Minnesota Statutes 1974, Sections 6.48; 471.345, Subdivision 2; 471.38, by adding subdivisions; 475.58, Subdivision 1a; and Chapters 471, by adding a section.

Referred to the Committee on Governmental Operations.

Messrs. Borden, Bernhagen and Humphrey introduced—

S. F. No. 2584: A resolution urging Congress and the President to establish the Solar Energy Research Institute in Minnesota.

Referred to the Committee on Natural Resources and Agriculture.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following Senate Files, herewith returned: S. F. Nos. 1262, 1813, 1944, 2051, 2077 and 2130.

Edward A. Burdick, Chief Clerk, House of Representatives
Returned March 19, 1976

Mr. President:

I have the honor to announce the passage by the House of the following House File, herewith transmitted: H. F. No. 2154.

Edward A. Burdick, Chief Clerk, House of Representatives
Transmitted March 19, 1976

Mr. President:

I have the honor to announce that the House wishes to recall for the purpose of further consideration Senate File No. 1957.

S. F. No. 1957: A bill for an act relating to medical assistance for the needy; prohibiting false claims for reimbursement; making certain vendors ineligible for reimbursement; providing access to certain medical records for verification of claims; providing for a penalty; amending Minnesota Statutes 1974, Sections 256B.064; 256B.27; Chapters 256B and 609, by adding sections; Minnesota Statutes, 1975 Supplement, Sections 256B.12 and 609.52, Subdivision 2.

Edward A. Burdick, Chief Clerk, House of Representatives
March 19, 1976

Mr. Tennesen moved that the Senate accede to the request of the House for the recall of S. F. No. 1957 for the purpose of further consideration. 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. 1627: A bill for an act relating to state parks; adding lands to Kilen Woods state park in Jackson county.

Senate File No. 1627 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives
Returned March 19, 1976

CONCURRENCE AND REPASSAGE

Mr. Olson, H. D. moved that the Senate concur in the amendments by the House to S. F. No. 1627 and that the bill be placed on its repassage as amended. The motion prevailed.

S. F. No. 1627: A bill for an act relating to state parks; adding lands to Kilen woods state park in Jackson county; authorizing the inclusion of additional lands within the boundaries of Itasca state park.

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 59 and nays 0, as follows:

Those who voted in the affirmative were:

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

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. 1876: A bill for an act relating to the operation of state government; correcting the nomenclature of or restructuring several boards and committees; limiting the use of advisory groups; standardizing the terms, compensation and removal of members of committees; abolishing or transferring the functions of several state agencies including the public relief advisory committee, the Minnesota-South Dakota boundary waters commission, the motor vehicle reciprocity commission, the Big Island veterans camp board of directors, the publications advisory board, the Indian education committee, the advisory committee for mentally retarded and

cerebral palsied community residential facilities, and the state teletypewriter advisory committee; amending Minnesota Statutes 1974, Sections 3.30, by adding a subdivision; 16.71, Subdivision 1; 17.52; 17.53, Subdivision 5; 17.54, Subdivision 2; 21A.02, Subdivision 5; 21A.03; 29.14, Subdivision 4; 30.463, Subdivision 2; 32B.03, Subdivision 4; 84.01, Subdivision 5; 114.12; 116E.02, Subdivision 1; 116E.03, Subdivision 7, and by adding a subdivision; 121.83; 136A.02, Subdivision 5; 141.24; 168.187, Subdivisions 7, 8, 9, 11, 12, 15, 18, 24 and 25; 178.02, Subdivision 2; 197.13; 197.15; 197.16; 252.28, Subdivision 2; 256.01, Subdivision 6; 326.41; 326.49; 481.01; Chapters 15, 60C, 114, and 252 by adding sections; and Minnesota Statutes, 1975 Supplement, Sections 15.01; 15.012; 15.059, Subdivisions 3 and 4; 84B.11, Subdivision 1; 86A.10, Subdivision 1; 115.71, Subdivision 4; 115.74; 125.183, Subdivision 1; 148.231, Subdivision 2; 149.02; 151.03; 155.05; 198.055, Subdivisions 1 and 2; 326.241, Subdivision 1; 326.33, Subdivision 1; Extra Session Laws 1971, Chapter 31, Article 13, as amended; Laws 1975, Chapter 271, Section 3; repealing Minnesota Statutes 1974, Sections 15.0546, as amended; 17.60; 17.601; 21A.04; 32B.04, Subdivision 2; 72B.09; 114.01 to 114.08; 126.023; 168.187, Subdivision 6; 178.02, Subdivision 3; 197.14; 252.29; 362.16; Minnesota Statutes, 1975 Supplement, Sections 86A.10, Subdivisions 3, 4 and 5; 241.023; and 299C.47.

Senate File No. 1876 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 19, 1976

CONCURRENCE AND REPASSAGE

Mr. North moved that the Senate concur in the amendments by the House to S. F. No. 1876 and that the bill be placed on its repassage as amended. The motion prevailed.

S. F. No. 1876 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 62 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Doty	Kirchner	Ogdahl	Schrom
Arnold	Dunn	Kleinbaum	Olhoft	Sillers
Ashbach	Fitzsimons	Knutson	Olson, A. G.	Solon
Bang	Frederick	Kowalczyk	Olson, H. D.	Spear
Berg	Gearty	Larson	Olson, J. L.	Stassen
Bernhagen	Hansen, Baldy	Laufenburger	O'Neill	Stokowski
Blatz	Hansen, Mel	Lewis	Patton	Stumpf
Brataas	Hanson, R.	McCutcheon	Perpich, A. J.	Tennessee
Brown	Hughes	Merriam	Perpich, G.	Wegener
Chmielewski	Humphrey	Milton	Pillsbury	Willet
Coleman	Josefson	Moe	Purfeerst	
Conzemius	Keefe, J.	Nelson	SchAAF	
Davies	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 that the House refuses to concur in the Senate amendments to House File No. 1615.

H. F. No. 1615: A bill for an act relating to public health; providing for care, medical treatment, and legal rights of live births resulting from abortions.

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

Messrs. Faricy, Philbrook and Wigley have been appointed as such committee on the part of the House.

House File No. 1615 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 19, 1976

Mr. Gearty moved that the Senate accede to the request of the House for a Conference Committee on H. F. No. 1615, 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 adopted the recommendation and report of the Conference Committee on House File No. 404, and repassed said bill in accordance with the report of the Committee, so adopted.

H. F. No. 404: A bill for an act relating to banks; cash reserves of banks and trust companies; recordkeeping of savings associations; amending Minnesota Statutes 1974, Sections 48.22; and 51A.19, Subdivision 4.

House File No. 404 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives
Transmitted March 19, 1976

Mr. North moved that H. F. No. 404 be laid on the table. The motion prevailed.

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No.

1751, and repassed said bill in accordance with the report of the Committee, so adopted.

H. F. No. 1751: A bill for an act relating to game and fish; firearms permissible for taking wild animals; amending Minnesota Statutes 1974, Section 100.29, Subdivision 9.

House File No. 1751 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives
Transmitted March 19, 1976

CONFERENCE COMMITTEE REPORT ON H. F. NO. 1751

A bill for an act relating to game and fish; firearms permissible for taking wild animals; amending Minnesota Statutes 1974, Section 100.29, Subdivision 9.

March 17, 1976

The Honorable Martin O. Sabo
Speaker of the House of Representatives

The Honorable Alec G. Olson
President of the Senate

We, the undersigned conferees for H. F. No. 1751 report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and H. F. No. 1751 be amended as follows:

Page 2, after line 5, insert

"Sec. 2. Minnesota Statutes 1974, Section 100.29, Subdivision 10, is amended to read:

Subd. 10. It shall be unlawful to throw or cast the rays of a spotlight, headlight, or other artificial light on any highway, or in any field, woodland, or forest, for the purpose of spotting, locating or taking any wild animal, except raccoons when treed with the aid of dogs, while having in possession or under control, either singly or as one of a group of persons, any firearm, bow or other implement whereby big game could be killed, unless the firearm is unloaded in both barrels and magazine and completely contained in a gun case expressly made for that purpose which is fully enclosed by being zipped, snapped, buckled, tied, or otherwise fastened with no portion of the firearm exposed, ~~or and, as so enclosed, the firearm is contained in the trunk of the car with the trunk door closed and in the case of a bow, unless the same is completely encased or unstrung or and, as so encased or unstrung, the bow is contained in the trunk of the car with the trunk door closed ; provided, however, that if the vehicle has no trunk, the firearm or bow must be placed in the rearmost location in the vehicle.~~ When artificial lights are used to take raccoon when treed with the aid of dogs, the rifles used to take raccoon shall not be of a larger caliber than .22 rim-fire, and shotguns so used shall only contain shells with shot no larger than No. 4. Artificial lights to take raccoon when treed with the aid of dogs shall be legal."

Further, amend the title as follows:

Page 1, line 2, after the semicolon insert "authorizing use of muzzle loading muskets to take game; regulating the shining of wild animals;"

Page 1, line 4, delete "Subdivision 9" and insert "Subdivisions 9 and 10"

We request adoption of this report and repassage of the bill.

House Conferees: (Signed) Harold J. Dahl, Bob McEachern, Richard E. Wigley

Senate Conferees: (Signed) John Bernhagen, Lew W. Larson, Ed Schrom

Mr. Bernhagen moved that the foregoing recommendations and Conference Committee Report on H. F. No. 1751 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.

H. F. No. 1751: A bill for an act relating to game and fish; authorizing use of muzzle loading muskets to take game; regulating the shining of wild animals; firearms permissible for taking wild animals; amending Minnesota Statutes 1974, Section 100.29, Subdivisions 9 and 10.

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 60 and nays 3, as follows:

Those who voted in the affirmative were:

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

Messrs. Keefe, S.; Lewis and Spear voted in the negative.

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

MESSAGES FROM THE HOUSE—CONTINUED

Mr. President:

I have the honor to announce that the House has adopted the recom-

mendation and report of the Conference Committee on House File No. 1199, and repassed said bill in accordance with the report of the Committee, so adopted.

H. F. No. 1199: A bill for an act relating to treatment of alcohol and drug abuse; providing for programs of intervention and treatment for employees and underserved groups; appropriating money; amending Minnesota Statutes 1974, Section 254A.02, by adding subdivisions; and Chapter 254A, by adding sections.

House File No. 1199 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 19, 1976

CONFERENCE COMMITTEE REPORT ON H. F. NO. 1199

A bill for an act relating to treatment for alcohol and drug abuse; providing for programs of intervention and treatment for employees and underserved groups; appropriating money; amending Minnesota Statutes 1974, Section 254A.02, by adding subdivisions; and Chapter 254A, by adding sections.

March 17, 1976

The Honorable Martin O. Sabo
Speaker of the House of Representatives

The Honorable Alec G. Olson
President of the Senate

We, the undersigned conferees for H. F. No. 1199 report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that H. F. No. 1199 be further amended as follows:

Strike everything after the enacting clause and insert

"Section 1. Minnesota Statutes 1974, Section 254A.02, Subdivision 1, is amended to read:

254A.02 [DEFINITIONS.] Subdivision 1. For the purposes of Laws 1973, Chapter 572 chapter 254A, unless the context clearly indicates otherwise, the terms defined in this section have the meanings given them.

Sec. 2. Minnesota Statutes 1974, Section 254A.02, is amended by adding subdivisions to read:

Subd. 12. "Area mental health board" or "area board" means a board established pursuant to sections 245.61 to 245.69.

Subd. 13. "Commissioner" means the commissioner of public welfare,

Subd. 14. "Youth" means any person 18 years of age or under.

Subd. 15. "Underserved populations" means identifiable groups of significant numbers which do not have available to them sufficient programs and services designed to meet their special alcoholism and chemical dependency needs.

Subd. 16. "Affected employee" means an employee whose job performance is substantially affected by chemical dependency.

Subd. 17. "Purchase of service agreement" means a contract between a contractor and service provider for the provision of services. The agreement shall specify the services to be provided, the method of delivery, the type of staff to be employed, and a method of evaluation of the services to be provided.

Sec. 3. Minnesota Statutes 1974, Chapter 254A, is amended by adding a section to read:

[254A.031] [NATIVE AMERICAN PROGRAMS.] *The commissioner shall enter into one or more purchase of service agreements to provide programs for native Americans. The agreements shall provide for residential and aftercare treatment programs, programs relating to prevention, education, and community awareness, and training programs. All programs shall be designated to meet the needs identified by the native American community, and appropriate recognition shall be given to the cultural and social needs of native Americans. The commissioner shall enter into the agreements after consultation with the special assistant for native American programs of the alcohol and drug abuse section of the department of public welfare, and all agreements shall be reviewed pursuant to section 254A.03.*

Sec. 4. Minnesota Statutes 1974, Chapter 254A, is amended by adding a section to read:

[254A.12] [AFFECTED EMPLOYEES.] *Participating area boards shall enter into one or more purchase of service agreements to provide services to employers to develop personnel practices for prevention of alcoholism and other chemical dependency, and to assist affected employees in gaining access to care through identification and referral services.*

Sec. 5. Minnesota Statutes 1974, Chapter 254A, is amended by adding a section to read:

[254A.14] [SERVICES TO YOUTH AND OTHER UNDERSERVED POPULATIONS.] *Subdivision 1. [IDENTIFICATION.] Participating area boards shall enter into one or more purchase of service agreements to provide services related to the prevention of chemical dependency to persons and groups which have responsibility for, and access to, youth and other underserved populations. The boards shall also enter into purchase of service agreements to assist youth and other underserved populations in gaining access to care.*

Subd. 2. [TREATMENT FACILITIES.] If, as a result of programs authorized under subdivision 1, significant numbers of persons are identified for whom treatment and aftercare programs are not available, participating area boards may request funds from the commissioner to develop treatment and aftercare capabilities.

Sec. 6. [AFFIRMATIVE OUTREACH.] *The commissioner shall design and implement a plan of affirmative outreach to encourage utilization of the services authorized in sections 3 to 5. The plan may include purchase of services by the commissioner to carry out the plan.*

Sec. 7. Minnesota Statutes 1974, Chapter 254A, is amended by adding a section to read:

[254A.16] [RESPONSIBILITIES OF THE COMMISSIONER.] *Subdivision 1. [EVALUATION.] The commissioner shall evaluate or contract for the evaluation of all programs authorized under sections 3 to 5. The evaluation shall be directed at determining the degree to which funded activities attain their prestated objectives, whether existent and proposed activities are the most appropriate programmatic response to predetermined needs, and whether they are cost effective.*

Subd. 2. (a) The commissioner shall provide program guidelines and technical assistance to the area boards in carrying out their responsibilities under sections 4 and 5.

(b) The commissioner shall recommend to the governor and to the legislature means of making the programs funded under sections 3 to 5 wholly or partially self sustaining.

Sec. 8. Minnesota Statutes 1974, Chapter 254A, is amended by adding a section to read:

[254A.17] [ALLOCATION OF FUNDS BY COMMISSIONER OF PUBLIC WELFARE.] *The funds appropriated for sections 3 to 6 to the commissioner of public welfare shall be allocated by him subject to the following provisions:*

(a) For the purposes of section 4, the allocation of funds shall be to each participating area board on the basis of total numbers of persons in the work force in counties served by the area board. For the purposes of section 5, the allocation of funds shall be to each participating area board on the basis of the elementary, middle and secondary school populations and the most current United States census data in counties served by the area board. Area boards shall ensure that services are provided in each county in proportion to the population to be served.

(b) Funds in section 4 to assist troubled employees in gaining access to care may be used for private employer or employee groups of under 200 persons, or public employer or employee groups of any number and shall be paid on the following cost sharing basis: During the first year of the program, the participating area board shall meet 90 percent of the cost of the program, and the employer or employee group shall meet 10 percent of the cost. During the second year of the program, each party shall pay 50 percent of the cost of the program. Private employer or employee groups of over 200 may participate in programs authorized under section 4, but shall not be eligible for receipt of public funds under this act. The area board and employer and employee groups must work towards a financially self-sustaining system for each program.

(c) Funds shall not be used to supplant or reduce in any way present local, state, federal, or private expenditure levels supporting existing resources.

(d) Existing program resources shall be fully utilized before new programs are developed.

(e) Allocation of funds to area mental health boards shall be contingent upon the demonstrated capability of the boards to adequately plan and coordinate chemical dependency programs.

(f) Area boards shall be encouraged to plan jointly to develop needed program resources on a multiarea basis.

(g) Programs developed by funds allocated under sections 3 to 5 shall comply with the guidelines established by the commissioner.

(h) No more than five percent of the total allocation to an area mental health board may be used for purposes of administering and monitoring purchased services.

(i) Purchase of service agreements and contracts under sections 4, 5 and 7 shall be contingent on the demonstrated capability of a service provider to adequately fulfill the terms of the agreement or contract.

(j) During the biennium, the commissioner may review the unexpended balance of funds allocated to each area board and service provider under sections 4 and 5 and may reallocate unexpended funds within the program categories established by sections 4 and 5 based upon demand for services.

Sec. 9. The commissioner of public welfare shall submit to the legislature by January 2, 1977 a comprehensive five year plan which shall include at least the following:

(a) An analysis of the availability and effectiveness of existing resources and programs in the state to identify and treat chemically dependent individuals.

(b) An analysis, by population group, of the numbers of chemically dependent individuals in the state, including a determination of whether or not treatment is currently available for them.

(c) A detailed projection, by population group, of the number of chemically dependent individuals, and an analysis of the nature and scope of services they will require.

(d) An analysis of the projected benefits, including cost effectiveness, of funding early identification programs.

(e) An analysis of the future program needs in the state of Minnesota; and an analysis of the cost of the programs.

(f) A specific year by year plan for the development and implementation of the programs set forth in clause (e), and a projected budget for each year.

(g) An analysis of the anticipated nature of the chemical dependency problem in the state by 1981.

Sec. 10. [APPROPRIATION.] Subdivision 1. For purposes of section 4, there is appropriated to the commissioner of public welfare for the biennium ending June 30, 1977, from the general fund, the sum of \$1,100,000. Not more than \$50,000 shall be used by the commissioner for the administration of the program. The ap-

proved complement of the department of public welfare shall be enlarged by two positions.

Subd. 2. For purposes of section 5, there is appropriated the sum of \$1,356,000 from the general fund for the biennium ending June 30, 1977, to the commissioner of public welfare.

Subd. 3. For the purposes of section 3, there is appropriated from the general fund to the commissioner of public welfare for the biennium ending June 30, 1977, the sum of \$775,000. Of this sum, \$500,000 shall be used for residential treatment programs or facilities; \$250,000 shall be used for prevention, aftercare, education, community awareness, and training programs; and \$25,000 shall be used for the development of a plan to implement the provisions of section 3.

Subd. 4. For the purposes of section 6, there is appropriated to the commissioner of public welfare for the biennium ending June 30, 1977, from the general fund, the sum of \$30,000.

Subd. 5. For purposes of section 7, subdivision 1, there is appropriated to the commissioner of public welfare for the biennium ending June 30, 1977, from the general fund, the sum of \$50,000. In addition, the commissioner shall allocate \$40,000 of the sum appropriated to him by Laws 1975, Chapter 434, Section 2, for the purposes specified in section 7, subdivision 1 of this act.

Sec. 11. [SUPPLEMENTARY FUNDING.] *There is appropriated from the general fund to the commissioner of public welfare for the biennium ending June 30, 1977, the sum of \$2,802,000. Of this sum, \$950,000 shall be used for the state share of the expense of administration, operation and maintenance of detoxification programs pursuant to Minnesota Statutes, Section 254A.08; \$727,000 shall be used for the state share of the expense of administration, operation and maintenance of half-way houses; and \$1,125,000 shall be used for the state share of the expense of administration, operation and maintenance of nonresidential programs.*

Sec. 12. *This act shall be effective July 1, 1976."*

Further amend the title as follows:

Page 1, line 4, after "employees" insert ", native Americans,"

Page 1, line 4, after the semicolon insert "providing funding for detoxification programs, half-way houses and nonresidential programs;"

Page 1, line 6, after "254A.02," insert "Subdivision 1, and"

We request adoption of this report and repassage of the bill.

House Conferees: (Signed) John T. Clawson, Linda L. Berglin, Mary M. Forsythe, Donald B. Samuelson, James I. Rice.

Senate Conferees: (Signed) Roger D. Moe, Robert J. Tennesen, George F. Perpich, Howard A. Knutson, William G. Kirchner.

Mr. Moe moved that the foregoing recommendations and Confer-

ence Committee Report on H. F. No. 1199 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.

H. F. No. 1199: A bill for an act relating to treatment for alcohol and drug abuse; providing for programs of intervention and treatment of employees, native Americans, and underserved groups; appropriating money; providing funding for detoxification programs, half-way houses and non-residential programs; amending Minnesota Statutes 1974, Section 254A.02, Subdivision 1, and by adding subdivisions; and Chapter 254A, by adding sections.

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 62 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill, as amended by the Conference Committee, 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. 674: A bill for an act relating to administrative procedure; requiring agency estimates of the cost of proposed rules to local public bodies; delaying the effective date of rules involving costs to local public bodies; amending Minnesota Statutes, 1975 Supplement, Section 15.0412, by adding subdivisions.

Senate File No. 674 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 19, 1976

CONCURRENCE AND REPASSAGE

Mr. Hughes moved that the Senate concur in the amendments by the House to S. F. No. 674 and that the bill be placed on its repassage as amended. The motion prevailed.

S. F. No. 674 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 65 and nays 0, as follows:

Those who voted in the affirmative were:

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

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

FIRST READING OF HOUSE BILLS

The following bill was read the first time and referred to the Committee indicated.

H. F. No. 2154: A bill for an act relating to the operation and structure of state government; eliminating certain qualifications for the office of commissioner of personnel; amending Minnesota Statutes 1974, Section 43.001, Subdivision 2.

Referred to the Committee on Rules and Administration.

REPORTS OF COMMITTEES

Mr. Coleman moved that the Committee Reports at the Desk be now adopted, with the exception of reports pertaining to appointments. The motion prevailed.

Mr. Gearty from the Committee on Governmental Operations, to which were referred the following appointments as reported in the Journal of January 27, 1976:

DEPARTMENT OF FINANCE - COMMISSIONER

Gerald Christenson

MUNICIPAL COMMISSION

Thomas J. Simmons

CAPITOL AREA ARCHITECTURAL AND PLANNING COMMISSIONGordon Rosenmeier
Mrs. Solveig Premack
Mrs. Marjorie Vogel

Reports the same back with the recommendation that the appointments be confirmed.

Mr. Coleman moved that the foregoing committee report be laid on the table. The motion prevailed.

Mr. Gearty from the Committee on Governmental Operations, to which was referred the following appointment as reported in the Journal of February 5, 1976:

STATE ZOOLOGICAL BOARD

Robert Ferguson

Reports the same back with the recommendation that the appointment be confirmed.

Mr. Coleman moved that the foregoing committee report be laid on the table. The motion prevailed.

Mr. Gearty from the Committee on Governmental Operations, to which were referred the following appointments as reported in the Journal of January 29, 1976:

STATE PERSONNEL BOARDWilliam Watters
Marcella Page
William B. Flaherty, Sr.**STATE ZOOLOGICAL BOARD**

Robert Engels

Reports the same back with the recommendation that the appointments be confirmed.

Mr. Coleman moved that the foregoing committee report be laid on the table. The motion prevailed.

Mr. Gearty from the Committee on Governmental Operations, to which were referred the following appointments as reported in the Journal of January 29, 1976:

MINNESOTA HOUSING FINANCE AGENCYJames Johnson
Reverend Lawrence Gavin**STATE BOARD OF HUMAN RIGHTS**

Finette Magnuson

Reports the same back with the recommendation that the appointments be confirmed.

Mr. Coleman moved that the foregoing committee report be laid on the table. The motion prevailed.

Mr. Gearty from the Committee on Governmental Operations, to which was referred the following appointment as reported in the Journal of January 27, 1976:

MINNESOTA HOUSING FINANCE AGENCY

Bernard Carlson

Reports the same back with the recommendation that the appointment be confirmed.

Mr. Coleman moved that the foregoing committee report be laid on the table. The motion prevailed.

Mr. Gearty from the Committee on Governmental Operations, to which was referred the following appointment as reported in the Journal of May 2, 1975:

HOUSING FINANCE AGENCY

Richard Miller

Reports the same back with the recommendation that the appointment be confirmed.

Mr. Coleman moved that the foregoing committee report be laid on the table. The motion prevailed.

Mr. Gearty from the Committee on Governmental Operations, to which were referred the following appointments as reported in the Journal for March 4, 1976:

STATE BOARD OF HUMAN RIGHTS

Rebecca Knittle

Anna Lawler

Melda Hedblom

James Willis

Raul Salazar

Walter Dziedzic

Tollie Joe Flippin, Jr.

Duane Korbel

Cathy Clardy

Manuel Guerrero

Mary Lou Hill

Branch Miller

Jose Trejo

Ilene Jean Atwood

Reports the same back with the recommendation that the appointments be confirmed.

Mr. Coleman moved that the foregoing committee report be laid on the table. The motion prevailed.

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

H. F. Nos. 2678, 2677 and 1130 for comparison to companion Senate Files, reports the following House Files were found not identical with their companion Senate Files as follows:

GENERAL ORDERS		CALENDAR OF ORDINARY MATTERS		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
2677	2564				
2678	2565				
1130	652				

Pursuant to Rule 49 the Committee on Rules and Administration recommends that H. F. No. 2677 be amended as follows:

Page 1, section 1, line 1, after "BUILDINGS;" insert "GENERAL FUND"

Page 1, section 1, line 2, delete ", or other funds as designated,"

Page 1, section 2, delete subdivisions 2 to 8

Delete pages 2 to 4

Page 5, delete subdivisions 6 to 8 and section 9, and insert

"Subd. 2. Modification to buildings and grounds to provide safe use by handicapped persons	85,000
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Subd. 3. South mall development and capitol area tree planting program implementation — Phase I	225,000
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Subd. 4. Modifications to buildings as required by the state fire marshall	50,000
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Subd. 5. General purpose remodeling within state buildings..	200,000
--	---------

Subd. 6. Emergency lighting and evacuations systems—Phase I	50,000
---	--------

Subd. 7. Improvements to the capitol building including interior signage, directories and waste receptacles	12,000
---	--------

Subd. 8. Rehabilitation and remodeling of 1246 University Avenue building for the bureau of criminal apprehension, preliminary planning and working drawings	75,000
--	--------

The appropriation in this subdivision is available immediately upon final enactment.

Subd. 9. Repair perimeter water leaks, state historical and capitol square buildings . . .	100,000
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Subd. 10. Improvements to state historical building	135,500
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(a) Replacement of interior rain leaders	55,500
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(b) Exterior stairway handrails	10,000
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(c) Replace windows	70,000
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Subd. 11. Improvements to veterans service building	80,000
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(a) Exterior caulking	45,000
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(b) Roof replacement	35,000
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Subd. 12. Improvements to Centennial building air handling system	18,500
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Subd. 13. Improvements to highway building air handling system	25,000
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Sec. 3. [STATE UNIVERSITIES.] Subdivision 1. To the commissioner of administration for the purposes specified in this section.

Subd. 2. Repairs to boilers, roofs, tennis courts, track and building facings	886,500
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(a) Bemidji boiler	285,000
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(b) Roofs — Mankato, Bemidji, Winona	314,500
--	---------

(c) Tennis courts and track at Moorhead	187,000
---	---------

(d) Repair exterior — Somsen Hall, Winona	100,000
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Subd. 3. Land acquisition and assessments	288,511
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Sec. 4. [COMMUNITY COLLEGES.] To the chancellor of the community college system for site work, remodeling and repair	750,000
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Sec. 5. [MINNESOTA HISTORICAL SOCIETY.] To the Minnesota historical society for equipment for research center, humidity and temperature control for rare documents, and Oliver Kelley Farm repair. 350,000

Sec. 6. [CORRECTIONS.]
Subdivision 1. To the commissioner of administration for the purposes specified in this section.

Subd. 2. Repairs, maintenance and equipment 1,300,000

Subd. 3. Occupational Safety and Health Act and fire marshall regulations compliance 200,000"

Page 5, section 10, line 6, delete "chairman" and insert "chairmen"

Page 5, section 12, line 7, delete "pursuant" and insert "pursuant"

Pages 6 and 7, delete sections 14 and 15

Renumber the sections in order

And when so amended, H. F. No. 2677 will be identical to S. F. No. 2564 and further recommends that H. F. No. 2677 be given its second reading and substituted for S. F. No. 2564 and that the Senate File be indefinitely postponed.

Pursuant to Rule 49 the Committee on Rules and Administration recommends that H. F. No. 2678 be amended as follows:

Delete pages 2 through 8 and insert

"University Avenue building for the bureau of criminal apprehension 1,500,000

To include complete rehabilitation and modernization of the exterior, laboratories, and other office spaces. The appropriation analytical, investigatory, and in this subdivision is available only upon guaranteed federal participation of 50 percent for actual expenses related to rehabilitation and remodeling of the laboratory spaces and a minimum additional participation of \$250,000 from federal money for assistance in rehabilitation and remodeling of nonlaboratory spaces.

Subd. 3. Improvements to 117 University Avenue building 859,000

(a) Rehabilitation and remodeling of interior, climate control system, roof, windows and exterior face 850,000

(b) Modification of oil storage tank 9,000

Subd. 4. [REAPPROPRIATION.] Of the appropriation made by Laws 1973, Chapter 778, Section 6, Subdivision 1, Clause (4), to modify the capitol power plant, the sum of \$275,000 is reappropriated for preparation of plans, cost estimates and working drawings for the conversion of the capitol power plant to alternative fuels.

Sec. 3. [STATE UNIVERSITIES.] Subdivision 1. To the commissioner of administration for the purposes specified in this section.

Subd. 2. Construction of Buildings 1,365,000

(a) Maintenance building - Mankato 1,000,000

(b) Maintenance building - Winona 365,000

Subd. 3. Remodeling of Facilities 1,352,470

(a) Hickory Hall - Bemidji 1,077,470

(b) St. Cloud Stewart Hall 275,000

Subd. 4. Working drawings and plans - Remodeling Deputy Hall 120,000

Sec. 4. [COMMUNITY COLLEGES.] Subdivision 1. To the commissioner of administration to construct and equip facilities at Lakewood community college 2,497,870

Subd. 2. To the commissioner of administration to plan, construct and equip facilities at the following community colleges 847,700

(a) Metropolitan	50,000
(b) Inver Hills	368,000
(c) Rainy River	253,000
(d) North Hennepin	153,700
(e) Hibbing	23,000

Subd. 3. To the chancellor of the community college system for storage buildings 400,000

Sec. 5. [UNIVERSITY OF MINNESOTA.] Subdivision 1. To the regents of the University of Minnesota for the purposes specified in this section.

Subd. 2. At the University of Minnesota, Twin Cities Campus

(a) Complete St. Paul library learning resources center, including equipment	4,200,000
(b) Boiler and baghouse, St. Paul	1,996,000
(c) Pollution control and heating plant modification, Minneapolis	1,000,000
(d) Basic science remodeling ..	4,937,150
(e) Upgrade for the physically handicapped, university wide	300,000
(f) O.S.H.A. projects, university wide	500,000
(g) St. Anthony assessments ..	383,000

Subd. 3. At the University of Minnesota, Duluth Campus

(a) Construct and equip basic science medical building...	1,422,400
(b) Heating plant and campus utilities	400,000

Subd. 4. At the Technical College, Crookston - Learning resources center addition 1,118,150

Subd. 5. At the Technical College, Waseca - Renovation of school facilities 220,000

Subd. 6. At the North Central

Experiment Station, Grand Rapids - Construct greenhouse and headhouse 150,000

Subd. 7. At the Southern Experiment Station, Waseca - Office laboratory and meeting facility 300,000

Sec. 6. [CORRECTIONS.]
Subdivision 1. To the commissioner of administration for the purposes specified in this section.

Subd. 2. Security renovations and modifications 1,500,000

The commissioner of corrections shall make application and seek nonstate money for the completion of the Minnesota metropolitan training center.

Sec. 7. [PUBLIC WELFARE.]
Subdivision 1. To the commissioner of administration for the purposes specified in this section.

Subd. 2. Life safety improvements and modifications 6,078,000

Subd. 3. Remodeling, renovation, rehabilitation, equipment, furniture, air conditioning, and demolition of buildings 6,922,000"

Page 9, section 9, line 4, delete "71,000" and insert "40,000"

Page 9, section 11, delete the last two lines and insert "recommendation."

Page 9, delete section 13

Page 10, section 14, line 5, delete "70,860,000" and insert "41,-110,000"

Pages 10 and 11, underscore sections 16 to 18

Page 12, underscore section 20

Page 13, delete sections 22 to 25, and insert

"Sec. 20. [TRANSFER OF BUILDINGS.] *Notwithstanding the provisions of any other laws to the contrary, any buildings at Hastings state hospital declared surplus by the department of welfare may, with the approval of the commissioner of administration, be transferred to the control of the department of veterans affairs if the commissioner of veterans affairs determines that such buildings are appropriate and needed to carry out his responsibilities for residential care. The department of veterans affairs shall pay the prorata costs of the operations and maintenance of any buildings so transferred.*"

Page 13, section 26, underscore the new language

Renumber the sections in order

And when so amended, H. F. No. 2678 will be identical to S. F. No. 2565 and further recommends that H. F. No. 2678 be given its second reading and substituted for S. F. No. 2565 and that the Senate File be indefinitely postponed.

Pursuant to Rule 49 the Committee on Rules and Administration recommends that H. F. No. 1130 be amended as follows:

Page 8, delete lines 22 to 30

Page 9, line 2, strike "following powers: to approve or"

Page 9, strike lines 3 to 7

Page 9, line 8, strike "their control;" and insert "power"

Page 9, line 12, after the semicolon insert "and"

Page 10, line 23, after "construction" insert "or other permanent improvement"

Page 10, line 24, after "estate" insert ", equipment, repair, rehabilitation, appurtenances or utility systems to be used"

Delete page 13, line 31 to page 14, line 2

Page 16, line 16, delete "the rules committee of the"

Page 16, line 17, delete "or legislative commissions"

Page 18, lines 20 to 22, delete the underscored language

Delete page 23, line 8 to page 24, line 16

Page 28, lines 12 and 13, strike "as necessary traveling and hotel expenses"

Page 28, line 17, delete "unless it is more than 75 miles"

Page 28, lines 27 to 30, delete the underscored language

Page 28, line 31, delete "robes"

Renumber the sections in order

Further, amend the title

Page 1, delete line 20 and insert "Section 484.54;"

And when so amended, H. F. No. 1130 will be identical to S. F. No. 652 and further recommends that H. F. No. 1130 be given its second reading and substituted for S. F. No. 652 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.

SECOND READING OF SENATE BILLS

S. F. No. 2581 was read the second time.

SECOND READING OF HOUSE BILLS

H. F. Nos. 2677, 2678 and 1130 were read the second time.

MOTIONS AND RESOLUTIONS

Mr. Lewis moved that S. F. No. 1875, No. 52 on General Orders, be stricken and returned to the author. The motion prevailed.

Mr. Keefe, S. moved that S. F. No. 1499 be taken from the table. The motion prevailed.

Mr. Keefe, S. moved that the Senate do not concur in the amendments by the House to S. F. No. 1499 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 to be appointed on the part of the House. The motion prevailed.

Mr. Keefe, S. moved that S. F. No. 1273 be taken from the table. The motion prevailed.

CONCURRENCE AND REPASSAGE

Mr. Keefe, S. moved that the Senate concur in the amendments by the House to S. F. No. 1273 and that the bill be placed on its repassage as amended. The motion prevailed.

S. F. No. 1273: A bill for an act relating to fair campaign practices; permitting corporations to engage in certain political activities and provide meeting facilities to political parties and candidates; amending Minnesota Statutes, 1975 Supplement, Section 210A.34, by adding subdivisions.

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 57 and nays 0, as follows:

Those who voted in the affirmative were:

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

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

MOTIONS AND RESOLUTIONS—CONTINUED SUSPENSION OF RULES

Mr. Arnold 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. 2677 and that the rules of the Senate be so far suspended as to give H. F. No. 2677, now on General Orders, its third reading and place it on its final passage. The motion prevailed.

H. F. No. 2677: A bill for an act relating to public improvements; authorizing alteration, repair, rehabilitation, equipping, and replacement of equipment of public buildings; appropriating money.

Mr. Arnold moved to amend H. F. No. 2677, as amended pursuant to Rule 49, adopted by the Senate March 22, 1976, as follows:

(The text of the amended House file is identical to S. F. No. 2564.)

Page 3, after line 26, insert:

“Sec. 7. Commissioner of Highways

Subdivision 1. Construct equipment storage buildings, building improvements and land acquisition

\$2,351,750

(a) Eden Prairie Equipment storage	780,000
(b) Dakota County	550,000
(c) Deer River	120,000
(d) Waseca	120,000
(e) Milaca	120,000
(f) Slayton	120,000
(g) Building improvements — contracts and materials	225,000
(h) Land Acquisition — Deer River	10,000
(i) Contingency Fund (15 percent)	306,750

Subd. 2. Interstate safety rest area Enfield (I-94)

125,000

The appropriations in this section are from the trunk highway fund.

The highway department shall cancel into the trunk highway fund the unobligated balances of appropriations made for land

acquisition, plant, equipment and building construction by Laws 1967, Chapter 887, Section 4; Laws 1969, Chapter 800, Section 5; and Laws 1971, Chapter 965, Section 10."

Renumber the remaining sections in sequence.

The motion prevailed. So the amendment was adopted.

Mr. Arnold moved that H. F. No. 2677 be laid on the table. The motion prevailed.

SUSPENSION OF RULES

Mr. Arnold 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. 2678 and that the rules of the Senate be so far suspended as to give H. F. No. 2678, now on General Orders, its third reading and place it on its final passage. The motion prevailed.

H. F. No. 2678: A bill for an act relating to public improvements; authorizing the acquisition and betterment of public land and buildings and other public improvements of a capital nature; authorizing issuance of state building bonds; appropriating money; amending Minnesota Statutes 1974, Sections 16.16, Subdivision 2; 16A.28; 137.02, Subdivision 3; repealing Laws 1973, Chapter 778, Section 20.

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 57 and nays 4, as follows:

Those who voted in the affirmative were:

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

Messrs. Dunn, Knutson, Pillsbury and Tennessen voted in the negative.

So the bill passed and its title was agreed to.

MEMBERS EXCUSED

Pursuant to Rule 21, Mr. Anderson moved that the following members be excused for a Conference Committee on H. F. No. 1997:

Messrs. Anderson, Hughes, Lewis, O'Neill and Sillers. The motion prevailed.

MOTIONS AND RESOLUTIONS—CONTINUED

Remaining on the Order of Business of Motions and Resolutions, Mr. Coleman moved to take up the Calendar of Ordinary Matters. The motion prevailed.

CALENDAR OF ORDINARY MATTERS

H. F. No. 2155: A bill for an act relating to retirement; proportionate annuities for members of various funds; amending Minnesota Statutes, 1975 Supplement, Section 356.32, Subdivision 2.

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

The question being taken on the passage of the bill,

And the roll being called, there were yeas 51 and nays 0, as follows:

Those who voted in the affirmative were:

Arnold	Davies	Keefe, S.	Olson, J. L.	Stassen
Ashbach	Doty	Kleinbaum	Patton	Stokowski
Bang	Dunn	Knutson	Perpich, A. J.	Stumpf
Berg	Fitzsimons	Kowalczyk	Perpich, G.	Tennessen
Bernhagen	Frederick	Laufenburger	Pillsbury	Ueland
Borden	Gearty	Merriam	Renneke	Wegener
Brataas	Hansen, Baldy	Milton	Schaaf	Willet
Brown	Hanson, R.	Moe	Schmitz	
Chmielewski	Humphrey	Nelson	Schrom	
Coleman	Jensen	Ogdahl	Solon	
Conzemius	Keefe, J.	Olhoft	Spear	

So the bill passed and its title was agreed to.

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.

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

The question being taken on the passage of the bill,

And the roll being called, there were yeas 51 and nays 1, as follows:

Those who voted in the affirmative were:

Arnold	Davies	Keefe, S.	Olson, J. L.	Stassen
Ashbach	Doty	Kirchner	Patton	Stokowski
Bang	Dunn	Knutson	Perpich, A. J.	Stumpf
Berg	Fitzsimons	Kowalczyk	Perpich, G.	Tennessen
Bernhagen	Gearty	Laufenburger	Pillsbury	Ueland
Borden	Hansen, Baldy	Merriam	Renneke	Wegener
Brataas	Hanson, R.	Milton	Schaaf	Willet
Brown	Humphrey	Moe	Schmitz	
Chmielewski	Jensen	Nelson	Schrom	
Coleman	Josefson	Ogdahl	Solon	
Conzemius	Keefe, J.	Olhoft	Spear	

Mr. Kleinbaum voted in the negative.

So the bill passed and its title was agreed to.

RECESS

Mr. Coleman moved that the Senate do now recess until 12:50 o'clock p.m. The motion prevailed.

The hour of 12:50 o'clock p.m. having arrived, the President called the Senate to order.

MEMBERS EXCUSED

Mr. Frederick was excused from the Session of today from 12:15 o'clock p.m. until 2:00 o'clock p.m.

MOTIONS AND RESOLUTIONS—CONTINUED

Mr. Arnold moved that H. F. No. 2677 be taken from the table. The motion prevailed.

Mr. Ueland moved to amend H. F. No. 2677, as amended pursuant to Rule 49, adopted by the Senate March 22, 1976, as follows:

(The text of the amended House file is identical to S. F. No. 2564.)

Page 5, after line 7, insert:

“Sec. 11. [CONVEYANCE OF UTILITY EASEMENT.] The governor, upon the recommendation of the commissioner of administration, may convey, by proper instrument, in a form approved by the attorney general, a perpetual easement, including the right of access, to the city of Mankato in certain real estate situated in Blue Earth county, Minnesota, a 30 foot permanent easement and an 80 foot construction easement, the centerline of which is described as follows:

Commencing at the Southwest corner of the Northeast Quarter of the Southeast Quarter of Section 19, township 108 North, Range 26 West; thence East on the South line of the Northeast Quarter of the Southeast Quarter of said Section 19 a distance of 323 feet to the point of beginning; thence North and parallel with the West line of the Northeast Quarter of the Southeast Quarter of said Section 19 a distance of 440 feet, thence West and parallel with the South line of the Northeast Quarter of the Southeast Quarter a distance of 290 feet and there terminating.

Said tract containing approximately .50 acres for permanent easement and .84 acres for construction easement.

The conveyance of said easement shall be made to the said city of Mankato upon such consideration as may be agreed upon for the purpose of right of way for utility purposes upon, over and across said property above described, together with any other incidental or necessary use connected with the purpose aforesaid.

Sec. 12. [EFFECTIVE DATE.] Section 11 of this act is effective upon its approval by the governing body of the city of Mankato, and upon compliance with the provisions of Minnesota Statutes, Section 645.021.”

Amend the title as follows:

Line 4, after “buildings;” insert “authorizing conveyance by the state

of an easement for utility purposes over certain state lands in Blue Earth county;”

The motion prevailed. So the amendment was adopted.

H. F. No. 2677: A bill for an act relating to public improvements; authorizing alteration, repair, rehabilitation, equipping, and replacement of equipment of public buildings; authorizing conveyance by the state of an easement for utility purposes over certain state lands in Blue Earth county; appropriating money.

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

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

And the roll being called, there were yeas 50 and nays 0, as follows:

Those who voted in the affirmative were:

Arnold	Davies	Keefe, J.	Moe	Schaaf
Ashbach	Doty	Keefe, S.	Nelson	Schmitz
Bang	Dunn	Kirchner	Ogdahl	Schrom
Berg	Fitzsimons	Kleinbaum	Olson, A. G.	Solon
Bernhagen	Gearly	Kowalczyk	Olson, J. L.	Spear
Brataas	Hansen, Baldy	Larson	Patton	Stassen
Brown	Hansen, Mel	Laufenburger	Perpich, A. J.	Stokowski
Chmielewski	Hanson, R.	McCutcheon	Pillsbury	Stumpf
Coleman	Humphrey	Merriam	Purfeerst	Ueland
Conzemius	Jensen	Milton	Renneke	Willet

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

MOTIONS AND RESOLUTIONS—CONTINUED SUSPENSION OF RULES

Mr. Arnold moved that an urgency be declared within the meaning of Article IV, Section 19, of the Constitution of Minnesota, with respect to S. F. No. 2581 and that the rules of the Senate be so far suspended as to give S. F. No. 2581, now on General Orders, its third reading and place it on its final passage. The motion prevailed.

S. F. No. 2581: A bill for an act relating to the organization and operation of state government; appropriating and reappropriating money for the general administrative expenses of state government and limiting the use thereof; providing for payment of claims against the state; abolishing the state claims commission; amending Minnesota Statutes 1974, Sections 3.732, Subdivisions 1, 2, and 5; 3.751, Subdivision 1; 176.011, Subdivision 9; 192.38; 238.04, by adding a subdivision; 345.48, Subdivision 2; and Chapter 3, by adding a section; repealing Minnesota Statutes 1974, Sections 3.66 to 3.7311; 3.735; 3.752; 3.753; 3.76 to 3.83; and 15.315.

Mr. Olson, A. G. moved to amend S. F. No. 2581 as follows:

Page 3, after Sec. 7, insert a new paragraph as follows:

“There is appropriated to the state planning agency from the general fund the sum of \$75,000, or so much thereof as may be required, for the purpose of organizing and conducting seminars

for elected and appointed officials of municipalities and political subdivisions during the fiscal year commencing July 1, 1976."

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

Mr. Brown moved to amend S. F. No. 2581 as follows:

Page 17, after line 5, insert:

"Sec. 31. Minnesota Statutes, 1975 Supplement, Section 43.43, Subdivision 2, is amended to read:

Subd. 2. "State employee" for the purpose of determining eligibility for the basic life insurance and basic health benefits coverage hereunder means:

(1) An employee in the classified service of the state civil service paid on a state payroll;

(2) An employee in the unclassified service of the state paid on a state payroll who is not excluded from any of the provisions of sections 43.42 to 43.49;

(3) A permanent employee of the legislature or a permanent employee of a permanent study or interim committee or commission;

(4) A judge of the supreme court or an officer or employee of such court; a judge of the district court;

(5) A salaried employee of the public employees retirement association;

(6) Full time military or civilian personnel in the unclassified service of the department of military affairs whose salary is paid from state funds;

(7) A salaried employee of the Minnesota historical society, whether paid from state funds or otherwise, who is not a member of the governing board;

(8) An employee of the regents of the university of Minnesota, who is a member of the academic staff with the rank of instructor, research fellow, or above, including a lecturer, serving on not less than 75 percent regular appointment;

(9) An employee of the regents of the university of Minnesota and a member of the civil service staff under the civil service plan, adopted by the university of Minnesota, who is employed on a monthly salaried appointment;

(10) An employee of the state college board or the state board for community colleges who is a member of the academic staff, who is employed for not less than a 75 percent time basis, and who is paid on a state salary payroll; or

(11) An employee of the state college board or the state board for community colleges who is either in the classified service or the unclassified service of the state civil service whose salary is paid from

the college board of the state of Minnesota, revenue fund or the college activity fund. The required premium payment of such an employee is to be paid, however, from the fund from which the employee's salary is paid.

(12) A member of the state legislature.

(13) A seasonal employee of the waters, soils and mineral division of the state department of natural resources whose duties include the sampling, weighing or grading of iron ore, taconite, or other minerals; provided that the employee shall receive the benefits provided in sections 43.42 to 43.50, at no cost to the employee for the period in each calendar year when the employee is not working at his occupation, and the premiums therefor shall be paid from the same salary fund or account as the salary of the employee.

(14) A person employed in the state service as a pre-service trainee on a full time basis.

(15) *Certain retired employees of the department of corrections to the extent provided in section 32.*

Sec. 32. Minnesota Statutes 1974, Section 241.01, is amended by adding a subdivision to read:

Subd. 3b. The commissioner of corrections shall expend funds to pay 50 percent of the state contribution on hospital and medical benefits coverage as provided for in sections 43.42 to 43.50 for employees of the department who retire with benefits prior to age 65. The state contributions shall be paid only until the employees reach age 65, and payment shall be made pursuant to the provisions of section 43.50.

Sec. 33. *There is appropriated to the commissioner of corrections amounts necessary to pay the benefits coverage provided for in section 31. This appropriation shall not expire but shall continue, notwithstanding provisions of chapters 10 or 16A to the contrary."*

Amend the title as follows:

Line 8, after "commission;" insert "providing for payment of hospitalization insurance for employees retiring before age 65; appropriating money;"

Line 12, after "a subdivision;" insert "241.01, by adding a subdivision;"

Line 13, after "section;" insert "Minnesota Statutes, 1975 Supplement, Section 43.43, Subdivision 2;"

The question being taken on the adoption of the amendment,

And the roll being called, there were yeas 23 and nays 28, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Arnold	Doty	Laufenburger	Perpich, A. J.	Stumpf
Borden	Gearty	McCutcheon	Purfeerst	Tennessee
Chenoweth	Hansen, Baldy	Merriam	Schmitz	Wegener
Chmielewski	Humphrey	Milton	Solon	Willet
Coleman	Keefe, S.	North	Spear	
Davies	Kleinbaum	Olhoft	Stokowski	

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

Mr. Conzemius moved to amend S. F. No. 2581 as follows:

Page 17, after line 5, insert:

"Sec. . Minnesota Statutes, 1975 Supplement, Section 4.19, is amended to read:

4.19 [CONSULTING CONTRACTS BY STATE AGENCIES OR DEPARTMENTS, FUNCTION OF STATE PLANNING AGENCY.] When any state agency or department proposes to contract with a person, other than a state employee, for information relating to whether or not an activity should be undertaken, that agency or department shall ~~consult with~~ *obtain the approval of the state planning agency prior to entering into any contract.* The state planning agency shall ~~advise as to~~ *determine* whether the information to be obtained through the proposed contract can be obtained more economically in another way, such as through the services of another state agency or department. *A copy of a proposed contract shall be furnished to the state planning agency, the senate finance committee and the house appropriations committee. Before the contract is approved or rejected, the state planning agency shall obtain the recommendations of the senate finance committee and the house appropriations committee. The recommendations are advisory only. Failure or refusal to make a recommendation promptly is deemed a negative recommendation.* If a consulting contract is entered into by the state, a copy of the contract shall be immediately filed with the state planning agency, which shall continuously monitor work performed under the contract. The contracting agency shall also continuously monitor work performed under the contract."

Renumber the sections in sequence

Amend the title in line 13, after "section;" by inserting "Minnesota Statutes, 1975 Supplement, Section 4.19;"

The motion prevailed. So the amendment was adopted.

Mr. Knutson moved to amend S. F. No. 2581 as follows:

Pages 9 to 13, strike all of Sec. 27

Renumber the sections in sequence

Amend the title as follows:

Line 6, strike "providing for"

Strike line 7

Line 13, strike "and Chapter 3, by adding a section;"

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

S. F. No. 2581: A bill for an act relating to the organization and operation of state government; appropriating and reappropriating money for the general administrative expenses of state government and limiting the use thereof; providing for payment of claims against the state; abolishing the state claims commission; amending Minnesota Statutes 1974, Sections 3.732, Subdivisions 1, 2, and 5; 3.751, Subdivision 1; 176.011, Subdivision 9; 192.38; 238.04, by adding a subdivision; 345.48, Subdivision 2; and Chapter 3, by adding a section; Minnesota Statutes, 1975 Supplement, Section 4.19; repealing Minnesota Statutes 1974, Sections 3.66 to 3.7311; 3.735; 3.752; 3.753; 3.76 to 3.83; and 15.315.

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

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

And the roll being called, there were yeas 59 and nays 3, as follows:

Those who voted in the affirmative were:

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

Messrs. Jensen; Keefe, J. and Knutson voted in the negative.

So the bill, as amended, passed 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. 1382, pursuant to the request of the House:

Messrs. North, Kirchner and Gearty.

H. F. No. 1615, pursuant to the request of the House:

Messrs. Gearty, Olhoft and Brown.

S. F. No. 1499, pursuant to the request of the Senate:

Messrs. Keefe, S.; Brown and Stumpf.

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

SUSPENSION OF RULES

Mr. McCutcheon moved that the rules of the Senate be so far suspended that H. F. No. 1865, No. 110 on General Orders, be made a Special Order for immediate consideration. The motion prevailed.

SPECIAL ORDER

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.

Mr. McCutcheon moved to amend H. F. No. 1865 as follows:

Strike everything after the enacting clause and insert the following:

"Section 1. Minnesota Statutes 1974, Section 152.15, is amended to read:

Subdivision 1. Any person who violates section 152.09, subdivision 1, clause (1) with respect to:

(1) A controlled substance classified in Schedule I or II which is a narcotic drug, is guilty of a crime and upon conviction ~~may shall~~ be imprisoned for ~~not more than 15 years or fined not more than \$25,000, or both for a first violation; and for a second or subsequent violation, upon conviction, shall be imprisoned for not less than one year nor more than 30 years or fined not more than \$50,000, or both 6 years ;~~

(2) Any other controlled substance classified in Schedule I, II, or III, is guilty of a crime and upon conviction ~~may shall~~ be imprisoned for ~~not more than five years, fined not more than \$15,000, or both for a first violation; and for a second or subsequent violation, upon conviction, shall be imprisoned for not less than one year nor more than ten years or fined not more than \$30,000, or both two years ;~~

(3) A substance classified in Schedule IV, is guilty of a crime and upon conviction ~~may shall~~ be imprisoned for ~~not more than three years, fined not more than \$10,000, or both for a first violation; and for a second or subsequent violation, upon conviction, shall be imprisoned for not less than six months nor more than six years or fined not more than \$20,000, or both one year and one day ;~~

(4) A substance classified in Schedule V, is guilty of a crime and upon conviction may be imprisoned for not more than one year, fined not more than \$1,000, or both;

(5) The distribution of a small amount of marijuana for no remuneration, shall be treated as provided in subdivision 2, clause (5).

Subd. 2. Any person who violates section 152.09, subdivision 1, clause (2), with respect to:

(1) A controlled substance classified in Schedule I or II which is a narcotic drug, is guilty of a crime and upon conviction ~~may shall~~ be imprisoned for ~~not more than five years or fined not more than \$5,000, or both two years ;~~

(2) Any other controlled substance classified in Schedule I, II, or III, is guilty of a crime and upon conviction ~~may shall~~ be imprisoned for ~~not more than three years, fined not more than \$3,000, or both one year and one day ;~~

(3) A substance classified in Schedule IV, is guilty of a crime and upon conviction ~~may shall~~ be imprisoned for ~~not more than three years, fined not more than \$3,000, or both one year and one day ;~~

(4) A substance classified in Schedule V, is guilty of a crime and upon conviction may be imprisoned for not more than one

year, fined not more than \$1,000, or both; provided, however, that any person convicted under this section of possessing a substance classified under Schedule V or a small amount of marijuana, and placed on probation may be required to take part in a drug education program as specified by the court;

(5) A small amount of marijuana is guilty of a misdemeanor. A subsequent violation of this clause within one year is a misdemeanor, and a person so convicted may be required to participate in a medical evaluation. A person who is the owner of a private motor vehicle, or the driver of the motor vehicle if the owner is not present, and who possesses on his person or knowingly keeps or allows to be kept in a motor vehicle within the area of the vehicle normally occupied by the driver or passengers more than .05 ounce of marijuana is guilty of a misdemeanor. This area of the vehicle shall not include the trunk of the motor vehicle when such vehicle is equipped with a trunk or another area of the vehicle not normally occupied by the driver or passengers if the vehicle is not equipped with a trunk. A utility or glove compartment shall be deemed to be within the area occupied by the driver and passengers.

Subd. 3. Any person who violates section 152.09, subdivision 2, is guilty of a crime and upon conviction ~~may shall~~ be imprisoned for ~~not more than four years, or fined not more than \$30,000, or both one year and six months.~~

Subd. 4. Any person 18 years of age or over who violates section 152.09, subdivision 1, clause (1), by distributing a controlled substance listed in Schedules I or II which is a narcotic drug to a person under 18 years of age who is at least three years his junior ~~is punishable shall be punished by the fine authorized by section 152.15, subdivision 1, clause (1), by a term of imprisonment of up to twice that authorized by section 152.15, subdivision 1, clause (1), or by both.~~ Any person 18 years of age or over who violates section 152.09, subdivision 1, by distributing any other controlled substance listed in Schedules I, II, III, IV, and V, except marijuana, to a person under 18 years of age who is at least three years his junior ~~is punishable shall be punished by the fine authorized by section 152.15, subdivision 1, clauses (2), (3), or (4), by a term of imprisonment up to twice that authorized required by section 152.15, subdivision 1, clauses (2), (3), or (4), or both.~~

Subd. 5. Any person convicted of a second or subsequent offense under Laws 1971, Chapter 937, except as provided in subdivision 1, clauses (1), (2), (3) and (6) ~~may be imprisoned for a term up to twice the term otherwise authorized, fined an amount up to twice that otherwise authorized, or both.~~

Sec. 2. [DEFINITIONS.] *Subdivision 1. For purposes of section 2 to 11, the following terms shall have the meanings given them.*

Subd. 2. "Inmate" means any person convicted of a felony and confined in a state correctional institution.

Subd. 3. "Commissioner" means the commissioner of corrections or his designee.

Subd. 4. "Correctional institution" means any institution under the operational authority of the commissioner of corrections.

Subd. 5. "Crime against the person" means murder in the first degree, murder in the second degree, murder in the third degree, manslaughter in the first degree, aggravated assault, aggravated robbery, kidnapping, false imprisonment, criminal sexual conduct in the first degree, criminal sexual conduct in the second degree, criminal sexual conduct in the third degree, aggravated arson, burglary, as described under 609.58, subdivision 2, clause (1) (b), and all crimes of sodomy, except that described under 609.293, subdivision 5.

Subd. 6. "Sentenced" means that a sentence has been imposed on the convicted person and that he has been committed to the commissioner's custody.

Sec. 3. [DETERMINATE SENTENCING.] *After a person has been convicted of a felony and sentence has been imposed on that person, the court shall immediately place that person in the commissioner's custody. That person shall serve the determinate sentence provided by law for the crime of his conviction and he shall not be paroled or otherwise released from the correctional institution wherein he is confined until that determinate sentence expires, except as is provided in section 8 of this act, and except as his sentence is reduced by any good time earned.*

Sec. 4. [MUTUAL AGREEMENT PROGRAMS.] *The commissioner of corrections shall draft, at the request of an inmate and within 90 days after assuming custody of the inmate, a mutual agreement program. The mutual agreement program shall be drafted after a post-conviction investigation of the inmate has been made by the commissioner. In drafting a mutual agreement program, the commissioner shall also refer to any presentence investigation which has been made of the inmate. The agreement shall provide the following:*

(a) A program of vocational or educational training with specific chronological and achievement objectives, including completion of specified educational and vocational programs;

(b) Frequent and regular evaluation of the inmate by the commissioner; and

(c) A consideration of any educational qualifications or skills of the inmate when specifying certain types of work expectations.

In addition, the agreement may specify participation of the inmate in non-institutional or extra-institutional programs.

The inmate may decline to enter into the agreement. Whether or not an inmate consents to participate in a mutual agreement program, he shall serve the sentence imposed by the sentencing court, reduced by good time credited.

Sec. 5. [MUTUAL AGREEMENT PROGRAM; INMATE'S RIGHTS.] *Subdivision 1. The inmate shall have the right to appeal to the commissioner if he believes the terms of his agreement have been violated. The commissioner shall promptly investigate any appeal filed*

under this subdivision and shall take appropriate action if he determines the terms of the mutual agreement program have been violated.

Subd. 2. The inmate and his counsel shall be informed of and have the right to inspect the inmate's records, including any evaluations of his progress in fulfilling the terms of his mutual agreement program.

Sec. 6. [OTHER PROGRAMS.] *The commissioner shall provide programs with rehabilitative or therapeutic objectives for those inmates who desire to voluntarily participate. These programs shall include, but not be limited to, programs in the areas of chemical dependency and alcoholism.*

Sec. 7. [GOOD TIME.] *By September 1, 1976, the commissioner shall promulgate, pursuant to chapter 15, rules specifying offenses which may result in denial of "good time" and the amount of "good time" which may be denied as a result of each offense. Each sentence imposed for a felony offense shall be reduced in duration by one day for each day during which the inmate violates no "good time" rules as promulgated by the commissioner. In no case shall an individual offense result in the denial of more than 30 days of "good time". In no case shall "good time" earned be taken away. The denial of "good time" shall be considered to be a disciplinary measure taken against an inmate, and the procedure for denial of "good time" and the inmate's rights in that process shall be those in effect for disciplinary procedures in each correctional institution on March 1, 1976.*

Sec. 8. [CONDITIONAL RELEASE.] *Subdivision 1. If the mutual agreement program requires participation in non-institutional or extra-institutional programs, or the commissioner determines that an inmate should participate in non-institutional or extra institutional programs with rehabilitative or therapeutic objectives, and the inmate consents to participate in these programs, the commissioner may conditionally release the participating inmate under the provisions of section 241.26.*

Subd. 2. If consistent with the public interest, the commissioner may also, under rules prescribed by him, conditionally release any inmate in his custody to any point within the state for up to five days. These releases may be granted to assist the inmate with family needs, with personal health needs, or his reintegration into society. No inmate may receive more than three releases under this subdivision within any twelve month period.

Sec. 9. [POST-RELEASE PROGRAMS.] *Upon the completion of the term to which an inmate is sentenced, as reduced by "good time" earned, the commissioner shall offer to the inmate a voluntary program not to exceed six months designed to facilitate reintegration of the inmate into society. The program may include such assistance as aid in finding employment and housing.*

Sec. 10. [241.046] [TRANSFER OF POWERS AND DUTIES FROM MINNESOTA CORRECTIONS AUTHORITY.] *Subdivision 1. Except as provided in this section, the provisions of sections 1 to 91 shall not apply to persons convicted of a felony committed before September 1, 1976.*

Subd. 2. The Minnesota corrections authority shall retain all powers and duties vested in and imposed upon it through December 30, 1978, with relation to persons sentenced for crimes committed before September 1, 1976. On December 31, 1978, all the powers and duties vested in and imposed upon the Minnesota corrections authority as then constituted, including but not limited to those relating to the disposition of persons committed to the authority by the district courts of this state and issuing final discharge to persons convicted of crimes and committed to the authority, shall be transferred to and imposed upon the commissioner of corrections, and the corrections authority shall be abolished.

Subd. 3. The provisions of sections 1 to 91 shall apply to all persons convicted of a felony committed on or after September 1, 1976.

Subd. 4. Nothing in sections 1 to 91 shall be deemed to limit the powers and duties otherwise provided by law to the commissioner of corrections with regard to the management of correctional institutions or the disposition of inmates unless those powers and duties are inconsistent with the provisions of sections 1 to 91, in which case those powers and duties shall be superseded by the provisions of sections 1 to 91.

Subd. 5. All references in Minnesota Statutes to the Minnesota corrections authority relating to persons committed to the authority by the district courts of this state shall, on and after December 31, 1978, be deemed to refer to the commissioner of corrections.

Subd. 6. The Minnesota corrections authority shall take into consideration the sentence terms and sentence reductions provided in sections 1 to 91, and the penal philosophy therein embodied in its deliberations relative to parole, probation, release, or other disposition of inmates who commit the offenses giving rise to their sentences before September 1, 1976.

Sec. 11. Minnesota Statutes 1974, Section 401.13 is amended to read:

401.13 [CHARGES MADE TO COUNTIES.] Each participating county will be charged a sum equal to the per diem cost of those persons committed to the commissioner or the ~~youth conservation commissioner~~ ~~corrections board~~ after August 1, 1973, and confined in a state institution. Provided, however, that no charge shall be made for those persons convicted of offenses for which the penalty provided by law exceeds ~~five~~ *three* years, or for which ~~mandatory terms of imprisonment are required by law.~~ *no* shall The amount charged a participating county for the costs of confinement ~~shall not~~ exceed the amount of subsidy to which ~~the~~ *a* county is eligible. The commissioner shall annually determine costs and deduct them from the subsidy due and payable to the respective participating counties. All charges shall be a charge upon the county of commitment.

Sec. 12. Minnesota Statutes 1974, Section 609.03, is amended to read:

609.03 [PUNISHMENT WHEN NOT OTHERWISE FIXED.] If a person is convicted of a crime for which no punishment is otherwise provided he may be sentenced as follows:

(1) If the crime is a felony, to imprisonment for ~~not more than five years or to payment of a fine of not more than \$5,000, or both two years ; or~~

(2) If the crime is a gross misdemeanor, to imprisonment for not more than one year or to payment of a fine of not more than \$1,000, or both; or

(3) If the crime is a misdemeanor, to imprisonment for not more than 90 days or to payment of a fine of not more than \$300, or both; or

(4) If the crime is other than a misdemeanor and a fine is imposed but the amount is not specified, to payment of a fine of not more than \$500, or to imprisonment for a specified term of not more than six months if the fine is not paid.

Sec. 13. Minnesota Statutes 1974, Section 609.10, is amended to read:

609.10 [SENTENCES AVAILABLE.] *Subdivision 1.* Upon conviction of a felony and compliance with the other provisions of this chapter the court, if it imposes sentence, may, *unless the sentence is to an extended term of imprisonment, sentence the defendant to the extent authorized by law as follows:*

(1) *To life imprisonment; or*

(2) *To imprisonment for a maximum term of years fixed by the court; or*

(3) *To an indeterminate term of imprisonment which shall be deemed to be for the maximum term authorized by law; or*

(4) *To both imprisonment and payment of a fine; or*

(5) *To payment of a fine without imprisonment or to imprisonment if the fine is not paid.*

increase or decrease the statutory time period of the sentence by up to 15 percent. If the length of the sentence imposed is increased or decreased, consecutive sentences imposed for multiple offenses, or an extended term of imprisonment is imposed, the sentencing court shall state the reasons for the increase, decrease, imposition of consecutive sentences, or imposition of an extended term in a memorandum accompanying the imposition of sentence.

Subd. 2. An appeal from the district court to the supreme court of the increased or decreased sentence or consecutive sentences or an extended term imposed may be filed by a defendant.

Subd. 3. On appeal pursuant to subdivision 2 the supreme court may review the sentence imposed to determine whether the sentence is inconsistent with statutory requirements, is unjustifiably disparate in comparison with cases of a similar nature, or is excessive, unreasonable or inappropriate under the circumstances.

This power shall be in addition to all other powers of review presently existing or hereafter conferred by law. Upon consideration of the appeal, the supreme court may dismiss the appeal, affirm, reduce, vacate, or set aside the sentence imposed, remand the cause and direct the entry of an appropriate sentence or order, or direct such further proceedings to be had as may be required under the circumstances. The supreme court shall state the reasons for its actions except when the appeal is dismissed or the sentence is affirmed.

Subd. 4. The procedure for taking an appeal under this section shall follow the criminal rules of procedure for an appeal to the supreme court. A dismissal of an appeal brought under this section shall not prejudice any aspect of an appeal brought under any other section.

Subd. 5. When an appeal is filed, the clerk of the district court shall certify to the supreme court transcripts of the proceedings, records, reports, documents, and other information relating to the offense of the defendant and to the sentence imposed on him as the supreme court by rule or order may require. Any report or document contained in the record on appeal shall be available to the defendant to the extent that it was available in the trial court.

Subd. 6. This section shall not be construed to confer or enlarge any right of a defendant to be released following his conviction pending a determination of his application for leave to appeal or pending an appeal under this section.

Sec. 14. Minnesota Statutes 1974, Section 609.135, Subdivision 1, is amended to read:

609.135 [STAY OF IMPOSITION OR EXECUTION OF SENTENCE.] Subdivision 1. ~~Except when a sentence of life imprisonment is required by law~~ *Except as herein provided*, any court, including a justice of the peace to the extent otherwise authorized by law, may stay imposition or execution of sentence and place the defendant on probation with or without supervision and on such terms as the court may prescribe. The court may order the supervision to be under the probation officer of the court, or, if there is none and the conviction is for a felony, by the commissioner of corrections, or in any case by some other suitable and consenting person. *The execution or imposition of sentence may not be stayed:*

(a) upon a conviction for a violation of 609.185, 609.19, 609.342; or

(b) in any case in which the defendant is being convicted for a third felony and he has been convicted and sentenced within the past ten years for two other felonies, or combination of felony offenses, if at least one of the three felony convictions was for a crime against the person or a crime wherein the defendant had in his possession a firearm. In addition, an extended term of imprisonment hearing shall be held in any case where the imposition or execution of sentence is not permitted to be stayed. An extended term of imprisonment may be imposed if:

(1) Notice is served on the defendant or on his attorney advising him of the hearing at least fourteen days prior to the hearing;

(2) A summary hearing is held pursuant to the notice to consider evidence for and against the imposition of an extended term of imprisonment; and

(3) The court finds:

(a) that the defendant has been sentenced within the past ten years for two other felonies, or combination of felony offenses, and at least one of the three felony convictions was for a crime against the person or a crime wherein the defendant had in his possession a firearm; or

(b) that the defendant in the commission of the felony for which he is presently being sentenced inflicted on another death or permanent or protracted loss of the function of any bodily member or organ.

If an extended term of imprisonment is imposed, the court shall impose a sentence of a determinate number of years which is not less than the term of years established for the felony for which the defendant is presently being sentenced and not more than three times that term.

Sec. 15. Minnesota Statutes 1974, Section 609.145, Subdivision 1, is amended to read:

609.145 [CREDIT FOR PRIOR IMPRISONMENT.] Subdivision 1. When a person has been imprisoned pursuant to a conviction which is set aside and is thereafter convicted of a crime growing out of the same act or omission, the ~~maximum~~ period of imprisonment to which he ~~may be~~ is sentenced is reduced by the period of the prior imprisonment and the time earned thereby in diminution of sentence. If sentence is for less than this ~~maximum~~, the prior imprisonment and time earned in diminution of sentence shall be credited toward the sentence unless the court otherwise directs.

Sec. 16. Minnesota Statutes 1974, Section 609.165, Subdivision 2, is amended to read:

Subd. 2. The discharge may be:

(1) By order of the court following stay of sentence or stay of execution of sentence; or

(2) By order of the Minnesota corrections authority prior to expiration of sentence; or

(3) Upon expiration of sentence as reduced by good time earned, if any.

Sec. 17. Minnesota Statutes 1974, Section 609.17, Subdivision 4, is amended to read:

Subd. 4. *An attempt to commit a crime is punishable as follows: Whoever attempts to commit a crime punishable as a felony may shall be sentenced as follows:*

~~(1) If the maximum sentence provided for the crime is life imprisonment, to not more than 20 years; or~~

~~(2) For any other attempt to not more than one half of the maximum imprisonment or fine or both provided for the crime attempted, but such maximum in any case shall not be less than imprisonment for 90 days or a fine of \$100; whoever attempts to commit any other crime may be sentenced to one half of the maximum imprisonment or fine provided for the crime attempted, but the maximum in no case shall be less than imprisonment for 90 days or a fine of \$300.~~

Sec. 18. Minnesota Statutes 1974, Section 609.175, Subdivision 2, is amended to read:

Subd. 2. [TO COMMIT CRIME.] Whoever conspires with another to commit a crime and in furtherance of the conspiracy one or more of the parties does some overt act in furtherance of such conspiracy ~~may be sentenced as follows:~~

~~(1) May be sentenced to imprisonment for not more than 90 days or to payment of a fine of not more than \$300, or both if the crime intended is a misdemeanor by a sentence to imprisonment for not more than 90 days or to payment of a fine of not more than \$300, or both; or~~

~~(2) May be sentenced to imprisonment or to payment of a fine of not more than one half the imprisonment or fine provided if the crime intended is a gross misdemeanor murder in the first degree or treason; to imprisonment for not more than 20 years; or~~

~~(3) Shall be sentenced If the crime intended is any other felony or a gross misdemeanor, to imprisonment or to payment of a fine of not more than for one half the imprisonment or fine provided for that if the crime intended is a felony or gross misdemeanor or both.~~

Sec. 19. Minnesota Statutes, 1975 Supplement, Section 609.185, is amended to read:

609.185 [MURDER IN THE FIRST DEGREE.] Whoever does either of the following is guilty of murder in the first degree and shall be sentenced to ~~imprisonment for life a term of 20 years :~~

(1) Causes the death of a human being with premeditation and with intent to effect the death of such person or of another; or

(2) Causes the death of a human being while committing or attempting to commit criminal sexual conduct in the first or second degree with force or violence, either upon or affecting such person or another.

Sec. 20. Minnesota Statutes 1974, Section 609.19, is amended to read:

609.19 [MURDER IN THE SECOND DEGREE.] Whoever causes the death of a human being with intent to effect the death of such person or another, but without premeditation, is guilty of murder in the second degree and ~~may shall~~ be sentenced to imprisonment for ~~not more than 40~~ 16 years.

Sec. 21. Minnesota Statutes 1974, Section 609.195, is amended to read:

609.195 [MURDER IN THE THIRD DEGREE.] Whoever, without intent to effect the death of any person, causes the death of another by either of the following means, is guilty of murder in the third degree and *may shall* be sentenced to imprisonment for ~~not more than 25~~ *ten* years:

(1) Perpetrates an act eminently dangerous to others and evincing a depraved mind, regardless of human life; or

(2) Commits or attempts to commit a felony upon or affecting the person whose death was caused or another, except rape or sodomy with force or violence within the meaning of section 609.185.

Sec. 22. Minnesota Statutes 1974, Section 609.20, is amended to read:

609.20 [MANSLAUGHTER IN THE FIRST DEGREE.] Whoever does any of the following is guilty of manslaughter in the first degree and *may shall* be sentenced to imprisonment for ~~not more than 15 years or to payment of a fine of not more than \$15,000, or both six years :~~

(1) Intentionally causes the death of another person in the heat of passion provoked by such words or acts of another as would provoke a person ~~or~~ *of* ordinary self-control under like circumstances; or

(2) Causes the death of another in committing or attempting to commit a crime with such force and violence that death of or great bodily harm to any person was reasonably foreseeable, and murder in the first or second degree was not committed thereby; or

(3) Intentionally causes the death of another person because the actor is coerced by threats made by someone other than his co-conspirator and which cause him reasonably to believe that his act is the only means of preventing imminent death to himself or another.

Sec. 23. Minnesota Statutes 1974, Section 609.205, is amended to read:

609.205 [MANSLAUGHTER IN THE SECOND DEGREE.] Whoever causes the death of another by any of the following means is guilty of manslaughter in the second degree and *may shall* be sentenced to imprisonment for ~~not more than seven years or to payment of a fine of not more than \$7,000, or both three years :~~

(1) By his culpable negligence whereby he creates an unreasonable risk, and consciously takes chances of causing death or great bodily harm to another; or

(2) By shooting another with a firearm or other dangerous weapon as a result of negligently believing him to be a deer or other animal; or

(3) By setting a spring gun, pit fall, deadfall, snare, or other like dangerous weapon or device; or

(4) By negligently or intentionally permitting any animal, known by him to have vicious propensities, to go at large, or negligently failing to keep it properly confined, and the victim was not at fault.

Sec. 24. Minnesota Statutes 1974, Section 609.21, is amended to read:

609.21 [CRIMINAL NEGLIGENCE RESULTING IN DEATH.] Whoever operates a vehicle as defined in Minnesota Statutes, Section 169.01, Subdivision 2, or an aircraft or watercraft, in a grossly negligent manner and thereby causes the death of a human being not constituting murder or manslaughter is guilty of criminal negligence in the operation of a vehicle resulting in death and *may shall* be sentenced to imprisonment for *not more than five years or to payment of a fine of not more than \$5,000, or both two years* .

Sec. 25. Minnesota Statutes 1974, Section 609.215, is amended to read:

609.215 [SUICIDE.] Subdivision 1. [AIDING SUICIDE.] Whoever intentionally advises, encourages, or assists another in taking his own life *may shall* be sentenced to imprisonment for *not more than 15 years or to payment of a fine of not more than \$15,000, or both six years* .

Subd. 2. [AIDING ATTEMPTED SUICIDE.] Whoever intentionally advises, encourages, or assists another who attempts but fails to take his own life *may shall* be sentenced to imprisonment for *not more than seven years or to payment of a fine of not more than \$7,000, or both three years* .

Sec. 26. Minnesota Statutes 1974, Section 609.225, is amended to read:

609.225 [AGGRAVATED ASSAULT.] Subdivision 1. Whoever assaults another and inflicts great bodily harm *may shall* be sentenced to imprisonment for *not more than ten years or to payment of a fine of not more than \$10,000, or both four years* .

Subd. 2. Whoever assaults another with a dangerous weapon but without inflicting great bodily harm *may shall* be sentenced to imprisonment for *not more than five years or to payment of a fine of not more than \$5,000, or both two years* .

Sec. 27. Minnesota Statutes 1974, Section 609.235, is amended to read:

609.235 [USE OF DRUGS TO INJURE OR FACILITATE CRIME.] Whoever administers to another or causes another to take any poisonous, stupefying, overpowering, narcotic or anesthetic substance with intent thereby to injure or to facilitate the commission of a crime *may shall* be sentenced to imprisonment for *not more than five years or to payment of a fine of not more than \$5,000, or both two years* .

Sec. 28. Minnesota Statutes 1974, Section 609.24, is amended to read:

609.24 [SIMPLE ROBBERY.] Whoever, knowing he is not entitled thereto, takes personal property from the person or in the presence of another and uses or threatens the imminent use of force against any person to overcome his resistance or powers of resistance to, or to compel acquiescence in, the taking or carrying away of the property is guilty of robbery and *may shall* be sentenced to imprisonment for ~~not more than ten years or to payment of a fine of not more than \$10,000, or both four years~~.

Sec. 29. Minnesota Statutes 1974, Section 609.245, is amended to read:

609.245 [AGGRAVATED ROBBERY.] Whoever, while committing a robbery, is armed with a dangerous weapon or inflicts bodily harm upon another is guilty of aggravated robbery and *may shall* be sentenced to imprisonment for ~~not more than 20 years or to payment of a fine of not more than \$20,000, or both eight years~~.

Sec. 30. Minnesota Statutes 1974, Section 609.25, Subdivision 2, is amended to read:

Subd. 2. [SENTENCE.] Whoever violates subdivision 1 *may shall* be sentenced as follows:

(1) If the victim is released in a safe place without great bodily harm, to imprisonment for ~~not more than 20 years or to payment of a fine of not more than \$20,000, or both eight years~~; or

(2) Otherwise to imprisonment for ~~not more than 40 years or to payment of fine of not more than \$40,000, or both 16 years~~.

Sec. 31. Minnesota Statutes 1974, Section 609.255, is amended to read:

609.255 [FALSE IMPRISONMENT.] Whoever, knowing he has no lawful authority to do so, intentionally confines or restrains a child not his own under the age of 18 years without his parent's or legal custodian's consent, or any other person without his consent, is guilty of false imprisonment and *may shall* be sentenced to imprisonment for ~~not more than three years or to payment of a fine of not more than \$3,000, or both one year and one day~~.

Sec. 32. Minnesota Statutes 1974, Section 609.26, is amended to read:

609.26 [DETAINING OWN CHILD.] Whoever intentionally detains his own child under the age of 18 years outside the state of Minnesota, with intent to deny another's rights under an existing court order may be sentenced to imprisonment for not more than ~~two years one year~~ or to payment of a fine of not more than ~~\$2,000 \$1,000~~, or both.

Sec. 33. Minnesota Statutes 1974, Section 609.27, Subdivision 2, is amended to read:

Subd. 2. [SENTENCE.] Whoever violates subdivision 1 ~~may~~ *shall* be sentenced as follows:

(1) To imprisonment for not more than 90 days or to payment of a fine of not more than \$300, or both if neither the pecuniary gain received by the violator nor the loss suffered by the person threatened or another as a result of the threat exceeds \$100, or the benefits received or harm sustained are not susceptible of pecuniary measurement; or

(2) To imprisonment for ~~not more than five years or to payment of a fine of not more than \$5,000, or both two years~~, if such pecuniary gain or loss is more than \$100 but less than \$2,500; or

(3) To imprisonment for ~~not more than ten years or to payment of a fine of not more than \$10,000, or both four years~~, if such pecuniary gain or loss is \$2,500, or more.

Sec. 34. Minnesota Statutes 1974, Section 609.293, Subdivision 2, is amended to read:

Subd. 2. [AGGRAVATED SODOMY.] Whoever under any of the following circumstances commits an act of sodomy upon another or causes him to participate in any act of sodomy, without the other's consent, commits aggravated sodomy and ~~may shall~~ be sentenced to imprisonment for ~~not more than 30 12~~ years :

(1) The victim's resistance is overcome by force; or

(2) The victim's resistance is prevented by reasonable fear of immediate and great bodily harm to the victim or another; or

(3) The victim is unconscious, physically powerless to resist, or incapable of giving consent through mental illness or defect and the condition is known or reasonably should have been known to the actor.

Sec. 35. Minnesota Statutes 1974, Section 609.293, Subdivision 3, is amended to read:

Subd. 3. [SODOMY.] Whoever commits an act of sodomy upon another or causes him to participate in an act of sodomy, with the other's consent obtained under any of the following circumstances ~~may shall~~ be sentenced to imprisonment for ~~not more than ten~~ *four* years.

(1) He misleads the victim as to the nature of this act being committed; or

(2) The victim's will to resist is destroyed by drug or intoxicant and the condition is known or reasonably should have been known to the actor.

Sec. 36. Minnesota Statutes 1974, Section 609.293, Subdivision 4, is amended to read:

Subd. 4. [SODOMY UPON OR WITH CHILD.] Whoever commits an act of sodomy upon or with any child under the age of 18 years, not his spouse, whether or not the act is also a violation of subdivision 2 or 3 and notwithstanding the consent of the child, ~~may shall~~ be sentenced as follows:

(1) If the child is under the age of ten years, to imprisonment for ~~not more than 30~~ 12 years; or

(2) If the child is ten years of age but under the age of 14 years, to imprisonment for ~~not more than 20~~ eight years; or

(3) If the child is over the age of 14 years, to imprisonment for ~~not more than 10~~ four years.

Sec. 37. Minnesota Statutes 1974, Section 609.31, is amended to read:

609.31 [LEAVING THE STATE TO EVADE ESTABLISHMENT OF PATERNITY.] Whoever with intent to evade proceedings to establish his paternity leaves the state knowing that a woman with whom he has had sexual intercourse is pregnant or has given birth within the previous 60 days to a living child may be sentenced to imprisonment for not more than ~~two years~~ one year or to payment of a fine of not more than ~~\$2,000~~ \$1,000, or both.

Sec. 38. Minnesota Statutes 1974, Section 609.32, is amended to read:

609.32 [PROSTITUTION.] Subdivision 1. [DEFINITIONS.] (1) "Prostitution" means engaging or offering or agreeing to engage for hire in sexual intercourse, as defined in section 609.29, or sodomy as defined in section 609.293, subdivision 1.

(2) A "place of prostitution" is a house or other place where prostitution is practiced or from which prostitution is promoted.

Subd. 2. [ACTS PROHIBITED.] Whoever intentionally does any of the following ~~may shall~~ be sentenced to imprisonment for ~~not more than ten years or to payment of a fine of not more than \$10,000, or both four years :~~

(1) Solicits or induces another under the age of 18 years to practice prostitution; or

(2) Being a parent, guardian, or other custodian of the person of a child under the age of 18 years consents to his being taken or detained for the purposes of prostitution.

Subd. 3. [OTHER ACTS PROHIBITED.] Whoever intentionally does any of the following ~~may shall~~ be sentenced to imprisonment for ~~not more than five years or to payment of a fine of not more than \$5,000, or both two years :~~

(1) Keeps a place of prostitution; or

(2) Leases or otherwise permits premises owned by him or under his control to be used as a place of prostitution; or

(3) Solicits or induces another over the age of 18 years to practice prostitution; or

(4) Solicits another under the age of 18 years to have sexual intercourse or to commit sodomy with a prostitute or admits him to a place of prostitution; or

(5) Engages as a prostitute in an act of sexual intercourse or sodomy with another under the age of 18 years; or

(6) Transports a prostitute from one place of prostitution within the state to another such place within or without the state, or brings a prostitute into the state, for the purpose of prostitution.

Subd. 4. [FURTHER ACTS PROHIBITED.] Whoever intentionally does any of the following may be sentenced to imprisonment for not more than one year or to payment of a fine of not more than \$1,000 or both:

(1) Engages in prostitution; or

(2) Is supported in whole or in part by the earnings of a prostitute; or

(3) Solicits for a prostitute, directs, takes, or transports another to a prostitute or place of prostitution, or brings a prostitute to him, for the purpose of sexual intercourse or sodomy with a prostitute.

(4) Hires or offers or agrees to hire another person to engage in sexual intercourse or sodomy.

Sec. 39. Minnesota Statutes, 1975 Supplement, Section 609.342, is amended to read:

609.342 [CRIMINAL SEXUAL CONDUCT IN THE FIRST DEGREE.] A person is guilty of criminal sexual conduct in the first degree and ~~may~~ *shall* be sentenced to imprisonment for ~~not more than 20~~ *eight* years, if he engages in sexual penetration with another person and if any of the following circumstances exists:

(a) The complainant is under 13 years of age and the actor is more than 36 months older than the complainant. Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense; or

(b) The complainant is at least 13 but less than 16 years of age and the actor is more than 48 months older than the complainant and in a position of authority over the complainant, and uses this authority to coerce the complainant to submit. Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense; or

(c) Circumstances existing at the time of the act cause the complainant to have a reasonable fear of imminent great bodily harm to the complainant or another; or

(d) The actor is armed with a dangerous weapon or any article used or fashioned in a manner to lead the complainant to reasonably believe it to be a dangerous weapon and uses or threatens to use the weapon or article to cause the complainant to submit; or

(e) The actor causes personal injury to the complainant, and either of the following circumstances exist:

(i) The actor uses force or coercion to accomplish sexual penetration; or

(ii) The actor knows or has reason to know that the complainant is mentally defective, mentally incapacitated, or physically helpless; or

(f) The actor is aided or abetted by one or more accomplices within the meaning of section 609.05, and either of the following circumstances exists:

(i) An accomplice uses force or coercion to cause the complainant to submit; or

(ii) An accomplice is armed with a dangerous weapon or any article used or fashioned in a manner to lead the complainant reasonably to believe it to be a dangerous weapon and uses or threatens to use the weapon or article to cause the complainant to submit.

Sec. 40. Minnesota Statutes, 1975 Supplement, Section 609.343, is amended to read:

609.343 [CRIMINAL SEXUAL CONDUCT IN THE SECOND DEGREE.] A person is guilty of criminal sexual conduct in the second degree and ~~may~~ *shall* be sentenced to imprisonment for ~~not more than 15~~ *six* years if he engages in sexual contact with another person and if any of the following circumstances exists:

(a) The complainant is under 13 years of age and the actor is more than 36 months older than the complainant. Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense; or

(b) The complainant is at least 13 but less than 16 years of age and the actor is more than 48 months older than the complainant and in a position of authority over the complainant, and uses this authority to coerce the complainant to submit. Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense; or

(c) Circumstances existing at the time of the act cause the complainant to have a reasonable fear of imminent great bodily harm to the complainant or another; or

(d) The actor is armed with a dangerous weapon or any article used or fashioned in a manner to lead the complainant to reasonably believe it to be a dangerous weapon and uses or threatens to use the dangerous weapon to cause the complainant to submit; or

(e) The actor causes personal injury to the complainant, and either of the following circumstances exist:

(i) The actor uses force or coercion to accomplish the sexual contact; or

(ii) The actor knows or has reason to know that the complainant is mentally defective, mentally incapacitated, or physically helpless; or

(f) The actor is aided or abetted by one or more accomplices within the meaning of section 609.05, and either of the following circumstances exists:

(i) An accomplice uses force or coercion to cause the complainant to submit; or

(ii) An accomplice is armed with a dangerous weapon or any article used or fashioned in a manner to lead the complainant to reasonably believe it to be a dangerous weapon and uses or threatens to use the weapon or article to cause the complainant to submit.

Sec. 41. Minnesota Statutes, 1975 Supplement, Section 609.344, is amended to read:

609.344 [CRIMINAL SEXUAL CONDUCT IN THE THIRD DEGREE.] A person is guilty of criminal sexual conduct in the third degree and ~~may~~ *shall* be sentenced to imprisonment for ~~not more than ten~~ *four* years, if he engages in sexual penetration with another person and any of the following circumstances exists:

(a) The complainant is under 13 years of age and the actor is no more than 36 months older than the complainant. Neither mistake as to the complainant's age nor consent to the act by the complainant shall be a defense; or

(b) The complainant is at least 13 but less than 16 years of age and the actor is more than 24 months older than the complainant and not in a position of authority over the complainant. In any such case it shall be an affirmative defense, which must be proved by a preponderance of the evidence, that the actor believes the complainant to be 16 years of age or older. If the actor in such a case is no more than 48 months but more than 24 months older than the complainant, he may be sentenced to imprisonment for not more than five years. Consent by the complainant is not a defense; or

(c) The actor uses force or coercion to accomplish the penetration; or

(d) The actor knows or has reason to know that the complainant is mentally defective, mentally incapacitated, or physically helpless.

Sec. 42. Minnesota Statutes, 1975 Supplement, Section 609.345, is amended to read:

609.345 [CRIMINAL SEXUAL CONDUCT IN THE FOURTH DEGREE.] A person is guilty of criminal sexual conduct in the fourth degree and ~~may~~ *shall* be sentenced to imprisonment for ~~not more than five~~ *two* years, if he engages in sexual contact with another person and if any of the following circumstances exists:

(a) The complainant is under 13 years of age and the actor is no less than 36 months older than the complainant. Neither mistake as to the complainant's age or consent to the act by the complainant is a defense; or

(b) The complainant is at least 13 but less than 16 years of age and the actor is more than 48 months older than the complainant or in a position of authority over the complainant and uses this authority to coerce the complainant to submit. In any such case, it shall be an affirmative defense which must be proved by a preponderance of the evidence that the actor reasonably believes the complainant to be 16 years of age or older; or

(c) The actor uses force or coercion to accomplish the sexual contact; or

(d) The actor knows or has reason to know that the complainant is mentally defective, mentally incapacitated, or physically helpless.

Sec. 43. Minnesota Statutes 1974, Section 609.355, Subdivision 2, is amended to read:

Subd. 2. [ACTS CONSTITUTING.] Whoever does any of the following is guilty of bigamy and ~~may~~ *shall* be sentenced to imprisonment for ~~not more than five years or to payment of a fine of not more than \$5,000, or both two years :~~

(1) Contracts a marriage in this state with knowledge that his prior marriage is not dissolved; or

(2) Contracts a marriage in this state with knowledge that the prior marriage of the person he marries is not dissolved; or

(3) Cohabits in this state with a person whom he married outside this state with knowledge that his own prior marriage has not been dissolved or with knowledge that the prior marriage of the person he married had not been dissolved.

Sec. 44. Minnesota Statutes 1974, Section 609.365, is amended to read:

609.365 [INCEST.] Whoever has sexual intercourse with another nearer of kin to him than first cousin, computed by rules of the civil law, whether of the half or the whole blood, with knowledge of the relationship, is guilty of incest and ~~may~~ *shall* be sentenced to imprisonment for ~~not more than ten~~ *four* years.

Sec. 45. Minnesota Statutes 1974, Section 609.375, Subdivision 2, is amended to read:

Subd. 2. If the knowing omission and failure without lawful excuse to provide care and support to a minor child or a pregnant wife continues for a period in excess of 90 days such person is guilty of a felony and ~~may~~ *shall* be sentenced to imprisonment for ~~not more than five~~ *two* years.

Sec. 46. Minnesota Statutes 1974, Section 609.39, is amended to read:

609.39 [MISPRISION OF TREASON.] Whoever, owing allegiance to this state and having knowledge of the commission of treason against this state, does not, as soon as may be, disclose and make known the same to the governor or a judge of the

supreme court or of the district court, is guilty of misprision of treason against this state and *may shall* be sentenced to imprisonment for *not more than five years or to payment of a fine of not more than \$5,000, or both two years* .

Sec. 47. Minnesota Statutes 1974, Section 609.395, is amended to read:

609.395 [STATE MILITARY FORCES; INTERFERING WITH, OBSTRUCTING, OR OTHER.] Whoever, when the United States is at war, does either of the following *may shall* be sentenced to imprisonment for *not more than 20 years or to payment of a fine of not more than \$20,000, or both eight years* :

(1) Intentionally makes or conveys false reports or statements with intent to interfere with the operation or success of the military or naval forces of this state; or

(2) Intentionally causes or incites insubordination, disloyalty, mutiny, or refusal of duty in the military or naval forces of this state, or obstructs the recruiting or enlistment service of this state.

Sec. 48. Minnesota Statutes 1974, Section 609.405, Subdivision 2, is amended to read:

Subd. 2. [ACTS PROHIBITED.] Whoever does any of the following *may shall* be sentenced to imprisonment for *not more than five years or to payment of a fine of not more than \$5,000, or both two years* :

(1) Orally or by means of writing advocates or promotes the doctrine of criminal syndicalism; or

(2) Intentionally organizes or becomes a member of any assembly, group, or organization which he knows is advocating or promoting the doctrine of criminal syndicalism; or

(3) For or on behalf of another person, distributes, sells, publishes, or publicly displays any writing, which is intended by that person to be used to, and which does, advocate or promote the doctrine of criminal syndicalism.

Sec. 49. Minnesota Statutes 1974, Section 609.42, Subdivision 1, is amended to read:

609.42 [BRIBERY.] Subdivision 1. [ACTS CONSTITUTING.] Whoever does any of the following is guilty of bribery and *may shall* be sentenced to imprisonment for *not more than ten years or to payment of a fine of not more than \$10,000, or both four years* :

(1) Offers, gives, or promises to give, directly or indirectly, to any public officer or employee any benefit, reward or consideration to which he is not legally entitled with intent thereby to influence such officer or employee with respect to the performance of his powers or duties as such officer or employee; or

(2) Being a public officer or employee, requests, receives or agrees to receive, directly or indirectly, any such benefit, reward

or consideration upon the understanding that he will be so influenced; or

(3) Offers, gives, or promises to give, directly or indirectly any such benefit, reward, or consideration to a witness or one who is about to become a witness in a proceeding before a judicial or hearing officer, with intent that his testimony be influenced thereby, or that he will absent himself from the proceeding; or

(4) By any other means induces a witness or one who is about to become a witness to withhold his true testimony or to absent himself from the proceeding; or

(5) Is, or is about to become such witness and requests, receives, or agrees to receive, directly or indirectly, any such benefit, reward, or consideration upon the understanding that his testimony will be so influenced, or that he will absent himself from the proceeding; or

(6) Accepts directly or indirectly a benefit, reward or consideration upon an agreement or understanding, express or implied, that he will refrain from giving information that may lead to the prosecution of a crime or purported crime or that he will abstain from, discontinue, or delay prosecution therefor, except in a case where a compromise is allowed by law.

Sec. 50. Minnesota Statutes 1974, Section 609.425, is amended to read:

609.425 [CORRUPTLY INFLUENCING LEGISLATOR.] Whoever by menace, deception, concealment of facts, or other corrupt means, attempts to influence the vote or other performance of duty of any member of the legislature or person elected thereto ~~may~~ *shall* be sentenced to imprisonment for ~~not more than five years or to payment of a fine of not more than \$5,000, or both two years .~~

Sec. 51. Minnesota Statutes 1974, Section 609.445, is amended to read:

609.445 [FAILURE TO PAY OVER STATE FUNDS.] Whoever receives money on behalf of or for the account of the state or any of its agencies or subdivisions and intentionally refuses or omits to pay the same to the state or its agency or subdivision entitled thereto, or to an officer or agent authorized to receive the same, ~~may~~ *shall* be sentenced to imprisonment for ~~not more than three years or to payment of a fine of not more than \$3,000, or both one year and one day .~~

Sec. 52. Minnesota Statutes 1974, Section 609.455, is amended to read:

609.455 [PERMITTING FALSE CLAIMS AGAINST GOVERNMENT.] A public officer or employee who audits, allows, or pays any claim or demand made upon the state or subdivision thereof or other governmental instrumentality within the state which he knows is false or fraudulent in whole or in part, ~~may~~ *shall* be sentenced to imprisonment for ~~not more than five years or to payment of a fine of not more than \$5,000, or both two years .~~

Sec. 53. Minnesota Statutes 1974, Section 609.465, is amended to read:

609.465 [PRESENTING FALSE CLAIMS TO PUBLIC OFFICER OR BODY.] Whoever, with intent to defraud, presents a claim or demand, which to his knowledge is false in whole or in part, for audit, allowance or payment to a public officer or body authorized to make such audit, allowance or payment is guilty of an attempt to commit theft of public funds and ~~may~~ *shall* be sentenced accordingly.

Sec. 54. Minnesota Statutes 1974, Section 609.48, Subdivision 1, is amended to read:

609.48 [PERJURY.] Subdivision 1. [ACTS CONSTITUTING.] Whoever makes a false material statement which he does not believe to be true in any of the following cases is guilty of perjury and ~~may~~ *shall* be sentenced as provided in subdivision 4:

(1) In or for an action, hearing or proceeding of any kind in which the statement is required or authorized by law to be made under oath or affirmation; or

(2) In any writing which is required or authorized by law to be under oath or affirmation; or

(3) In any other case in which the penalties for perjury are imposed by law and no specific sentence is otherwise provided.

Sec. 55. Minnesota Statutes 1974, Section 609.48, Subdivision 4, is amended to read:

Subd. 4. [SENTENCE.] Whoever violates this section ~~may~~ *shall* be sentenced as follows:

(1) If the false statement was made upon the trial of a felony charge, or upon an application for an explosives license or use permit, to imprisonment for ~~not more than five years or to payment of a fine of not more than \$5,000, or both two years ; or~~

(2) In all other cases, to imprisonment for ~~not more than three years or to payment of a fine of not more than \$3,000, or both one year and one day .~~

Sec. 56. Minnesota Statutes 1974, Section 609.485, Subdivision 4, is amended to read:

Subd. 4. [SENTENCE.] Whoever violates this section ~~may~~ *shall* be sentenced as follows:

(1) If the person who escapes is in lawful custody on a charge or conviction of a felony, to imprisonment for ~~not more than five years or to payment of a fine of not more than \$5,000, or both two years .~~

(2) If such charge or conviction is for a gross misdemeanor, to imprisonment for not more than one year or to payment of a fine of not more than \$1,000, or both.

(3) If such charge or conviction is for a misdemeanor, to imprisonment for not more than 90 days or to payment of a fine of not more than \$300, or both.

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

(5) Unless a concurrent term is specified by the court, a sentence under this section shall be consecutive to any sentence previously imposed or which may be imposed for any crime or offense for which the person was in custody when he escaped.

Sec. 57. Minnesota Statutes 1974, Section 609.495, Subdivision 1, is amended to read:

609.495 [AIDING AN OFFENDER TO AVOID ARREST.] Subdivision 1. Whoever harbors, conceals or aids another known by him to have committed a felony under the laws of this or another state or of the United States with intent that such offender shall avoid or escape from arrest, trial, conviction, or punishment, ~~may~~ *shall* be sentenced to imprisonment for ~~not more than three years or to payment of a fine of not more than \$3,000, or both one year and one day~~.

Sec. 58. Minnesota Statutes, 1975 Supplement, Section 609.52, Subdivision 2, is amended to read:

Subd. 2. [ACTS CONSTITUTING THEFT.] Whoever does any of the following commits theft and ~~may~~ *shall* be sentenced as provided in subdivision 3:

(1) Intentionally and without claim of right takes, uses, transfers, conceals or retains possession of movable property of another without his consent and with intent to deprive the owner permanently of possession of the property; or

(2) Having a legal interest in movable property, intentionally and without consent, takes such property out of the possession of a pledgee or other person having a superior right of possession, with intent thereby to deprive the pledgee or other person permanently of the possession of the property; or

(3) Obtains for himself or another the possession, custody or title to property of a third person by intentionally deceiving him with a false representation which is known to be false, made with intent to defraud, and which does defraud the person to whom it is made. "False representation" includes without limitation:

(a) The issuance of a check, draft, or order for the payment of money or the delivery of property knowing that he is not entitled to draw upon the drawee therefor or to order the payment or delivery thereof; or

(b) A promise made with intent not to perform. Failure to perform is not evidence of intent not to perform unless corroborated by other substantial evidence; or

(c) The unauthorized use of a credit card, credit plate, charge plate, or other identification device issued by an organization to a person for use in purchasing goods on credit; or

(4) By swindling, whether by artifice, trick, device, or any other means, obtains property from another person; or

(5) Intentionally commits any of the acts listed in this subdivision but with intent to exercise temporary control only and;

(a) The control exercised manifests an indifference to the rights of the owner or the restoration of the property to him; or

(b) He pledges or otherwise attempts to subject the property to an adverse claim; or

(c) He intends to restore the property only on condition that the owner pay a reward or buy back or make other compensation; or

(6) Finds lost property and, knowing or having reasonable means of ascertaining the true owner, appropriates it to his own use or to that of another not entitled thereto without first having made reasonable effort to find the owner and offer and surrender the property to him; or

(7) Intentionally obtains property or services, offered upon the deposit of a sum of money or tokens in a coin or token operated machine or other receptacle, without making the required deposit or otherwise obtaining the consent of the owner; or

(8) Intentionally and without claim of right converts any article representing a trade secret, knowing it to be such, to his own use or that of another person or makes a copy of an article representing a trade secret, knowing it to be such, and intentionally and without claim of right converts the same to his own use or that of another person. It shall be a complete defense to any prosecution under this clause for the defendant to show that information comprising the trade secret was rightfully known or available to him from a source other than the owner of the trade secret; or

(9) Leases or rents personal property under a written instrument and who with intent to place such property beyond the control of the lessor conceals or aids or abets the concealment of such property or any part thereof, or any lessee of such property who sells, conveys or encumbers such property or any part thereof without the written consent of the lessor, without informing the person to whom he sells, conveys, or encumbers that the same is subject to such lease and with intent to deprive the lessor of possession thereof. Evidence that a lessee used a false or fictitious name or address in obtaining such property or fails or refuses to return such property to lessor within five days after written demand for such return has been served personally in the manner provided for service of process of a civil action or sent by registered or certified mail to the last known address of the lessee, whichever shall occur later, shall be evidence of in-

tent to violate this clause. Service by certified or registered mail shall be deemed to be complete upon deposit in the United States mail of such demand, postpaid and addressed to such person at the address for such person set forth in the lease or rental agreement, or, in the absence of such address, to such person's last known place of residence; or

(10) Alters, removes or obliterates numbers or symbols placed on movable property for purpose of identification by the owner or person who has legal custody or right to possession thereof with the intent to prevent identification, if the person who alters, removes or obliterates the numbers or symbols is not the owner and does not have the permission of the owner to make the alteration, removal or obliteration.

Sec. 59. Minnesota Statutes 1974, Section 609.52, Subdivision 3, is amended to read:

Subd. 3. [SENTENCE.] Whoever commits theft ~~may~~ *shall* be sentence as follows:

(1) To imprisonment for ~~not more than ten years or to payment of a fine of not more than \$10,000, or both four years~~, if the value of the property or services stolen exceeds \$2,500; or

(2) To imprisonment for ~~not more than five or to payment of a fine of not more than \$5,000, or both two years~~, if the value of the property or services is more than \$100 but not more than \$2,500; or

(3) To imprisonment for ~~not more than five years or to payment of a fine of not more than \$5,000, or both two years~~, notwithstanding the value of the property or services if not more than \$100, if any of the following circumstances exist:

(a) The property is taken from the person of another or from a corpse, or grave or coffin containing a corpse; or

(b) The property taken is a record of a court or officer, or a writing, instrument or record kept, filed or deposited according to law with or in the keeping of any public officer or office; or

(c) The property is taken from a burning building or upon its removal therefrom, or from an area of destruction caused by civil disaster, riot, bombing, or the proximity of battle; or

(d) The property taken consists of public funds belonging to the state or to any political subdivision or agency thereof; or

(4) To imprisonment for ~~not more than ten years or to payment of a fine of not more than \$10,000, or both four years~~, if the property stolen is an article representing a trade secret; or if the property stolen is an explosive or an incendiary device; or

(5) In all other cases where the value of the property or services is \$100 or less, to imprisonment for not more than 90 days or to payment of a fine of not more than \$300, or both, provided, however, in any prosecution under clause (1), clause (2), clause (3) (a) and (c), and clause (4) of subdivision 2 the value of the

money or property received by the defendant in violation of any one or more of the above provisions within any six month period may be aggregated and the defendant charged accordingly in applying the provisions of this subdivision; provided that when two or more offenses are committed by the same person in two or more counties, the accused may be prosecuted in any county in which one of the offenses was committed for all of the offenses aggregated under this paragraph.

Sec. 60. Minnesota Statutes, 1975 Supplement, Section 609.521, is amended to read:

609.521 [POSSESSION OF SHOPLIFTING GEAR.] Whoever has in his possession any device, gear, or instrument specially designed to assist in shoplifting with intent to use the same to shoplift and thereby commit theft *may shall* be sentenced to imprisonment for ~~not more than three years~~ or to payment of a ~~fine of not more than \$3,000, or both one year and one day~~.

Sec. 61. Minnesota Statutes 1974, Section 609.525, Subdivision 1, is amended to read:

609.525 [BRINGING STOLEN GOODS INTO STATE.] Subdivision 1. Whoever brings property into the state which he has stolen outside the state, or received outside of the state knowing it to have been stolen, ~~may shall~~ be sentenced in accordance with the provisions of section 609.52, subdivision 3. He may be charged, indicted, and tried in any county, but not more than one county, into or through which he has brought such property.

Sec. 62. Minnesota Statutes 1974, Section 609.53, Subdivision 1, is amended to read:

609.53 [RECEIVING STOLEN GOODS.] Subdivision 1. Any person who receives, buys or conceals any stolen property or property obtained by robbery, knowing the same to be stolen or obtained by robbery, *may shall* be sentenced as follows:

(1) If the value of the property received, bought or concealed is \$100 or more, to imprisonment for ~~not more than ten years~~ or to payment of a fine of ~~not more than \$10,000, or both four years~~ :

(2) If the value of the property received, bought or concealed is less than \$100, to punishment as a misdemeanor.

Sec. 63. Minnesota Statutes 1974, Section 609.53, Subdivision 3, is amended to read:

Subd. 3. Any person convicted of a second or subsequent violation under subdivision 2 within a period of one year *may shall* be sentenced as provided in subdivision 1, clause (1).

Sec. 64. Minnesota Statutes 1974, Section 609.54, is amended to read:

609.54 [EMBEZZLEMENT OF PUBLIC FUNDS.] Whoever does an act which constitutes embezzlement under the provisions of Minnesota Constitution, Article IX, Section 12 ~~may shall~~ be sentenced as follows:

(1) If the value of the funds so embezzled is \$2,500, or less, to imprisonment for ~~not more than five years or to payment of a fine of not more than \$5,000, or both two years ; or~~

(2) If such value is more than \$2,500, to imprisonment for ~~not more than ten years or to payment of a fine of not more than \$10,000, or both four years .~~

Sec. 65. Minnesota Statutes 1974, Section 609.55, Subdivision 2, is amended to read:

Subd. 2. [ACTS CONSTITUTING.] Whoever intentionally takes or drives a motor vehicle without the consent of the owner or his authorized agent ~~may shall~~ be sentenced to imprisonment for ~~not more than three years or to payment of a fine of not more than \$3,000, or both one year and one day .~~

Sec. 66. Minnesota Statutes, 1975 Supplement, Section 609.551, Subdivision 1, is amended to read:

609.551 [RUSTLING AND LIVESTOCK THEFT; PENALTIES.] Subdivision 1. Whoever intentionally and without claim of right shoots, kills, takes, uses, transfers, conceals or retains possession of live cattle, swine or sheep or the carcasses thereof belonging to another without his consent and with the intent to permanently deprive the owner thereof ~~may shall~~ be sentenced as follows:

(a) If the value of the animals which are shot, killed, taken, used, transferred, concealed or retained exceeds \$2,500, the defendant ~~may shall~~ be sentenced to imprisonment for ~~not more than ten four years ; and may be fined up to \$10,000 ;~~

(b) If the value of the animals which are shot, killed, taken, used, transferred, concealed or retained exceeds \$100 but is less than \$2,500, the defendant ~~may shall~~ be sentenced to imprisonment for ~~not more than five two years ; and may be fined up to \$5,000 ;~~

(c) If the value of the animals which are shot, killed, taken, used, transferred, concealed, or retained is \$100 or less, the defendant may be sentenced to imprisonment for not more than 90 days or to payment of a fine of not more than \$300 or both.

Sec. 67. Minnesota Statutes 1974, Section 609.56, is amended to read:

609.56 [AGGRAVATED ARSON.] Whoever, by means of fire or explosives, intentionally destroys or damages a dwelling house or other property, real or personal, whether his own or that of another, and thereby creates an imminent danger to life or risk of great bodily harm commits aggravated arson and ~~may shall~~ be sentenced to imprisonment for ~~not more than 25 years or to payment of a fine of not more than \$25,000 or both ten years if the danger or risk was known or reasonably foreseeable.~~

Sec. 68. Minnesota Statutes 1974, Section 609.565, is amended to read:

609.565 [SIMPLE ARSON.] Whoever, by means of fire or explosives, intentionally damages or destroys any property of another without his consent is guilty of simple arson, if the act does not constitute aggravated arson, and *may shall* be sentenced as follows:

(1) To imprisonment for ~~not more than five years~~ or to payment of a fine of ~~not more than \$5,000~~, or *both two years*, if:

(a) The property intended by the actor to be damaged or destroyed had a value of \$100 or more; or

(b) Property of the value of \$100 or more was unintentionally damaged or destroyed but such damage or destruction could reasonably have been foreseen; or

(c) The property specified in clauses (a) and (b) in the aggregate had a value of \$100 or more; or

(2) To imprisonment for not more than 90 days or to payment of a fine of not more than \$300, or both in all other cases.

Sec. 69. Minnesota Statutes 1974, Section 609.58, Subdivision 2, is amended to read:

Subd. 2. [ACTS CONSTITUTING.] Whoever enters a building without the consent of the person in lawful possession, with intent to commit a crime therein, or whoever remains within a building without the consent of the person in lawful authority, with intent to commit a crime therein, commits burglary and *may shall* be sentenced as follows:

(1) To imprisonment for ~~not more than 20 years~~ or to payment of a fine of ~~not more than \$20,000~~, or *both eight years*, if:

(a) When entering or while in the building, he possesses an explosive or tool to gain access to money or property; or

(b) The building entered is a dwelling and he possesses a dangerous weapon when entering or while in the building or he commits an assault upon a person present therein; or

(c) The portion of the building entered contains a banking business or other business of receiving securities or other valuable papers for deposit or safekeeping, the entry is with force or threat of force, the intent is to steal or commit a felony therein.

(2) To imprisonment for ~~not more than ten years~~ or to payment of a fine of ~~not more than \$10,000~~, or *both four years*, if the building entered is a dwelling and another person not an accomplice is present therein.

(3) In any other case, to imprisonment for ~~not more than five years~~ or to payment of a fine of ~~not more than \$5,000~~, or *both two years*, if the intent is to steal or commit a felony or gross misdemeanor or to imprisonment for not more than one year or to payment of a fine of not more than \$1,000, or both, if the intent is to commit a misdemeanor.

Sec. 70. Minnesota Statutes 1974, Section 609.59, is amended to read:

609.59 [POSSESSION OF BURGLARY TOOLS.] Whoever has in his possession any device, explosive, or other instrumentality with intent to use or permit the use of the same to commit burglary ~~may shall~~ be sentenced to imprisonment for ~~not more than three years or to payment of a fine of not more than \$3,000, or both one year and one day .~~

Sec. 71. Minnesota Statutes 1974, Section 609.595, Subdivision 1, is amended to read:

609.595 [DAMAGE TO PROPERTY.] Subdivision 1. **[AGGRAVATED CRIMINAL DAMAGE TO PROPERTY.]** Whoever intentionally causes damage to physical property of another without the latter's consent ~~may shall~~ be sentenced to imprisonment for ~~not more than five years or to payment of a fine of not more than \$5,000, or both two years , if:~~

(1) The damage to the property caused a reasonably foreseeable risk of bodily harm; or

(2) The property damaged belongs to a public utility or a common carrier and the damage impairs the service to the public rendered by them; or

(3) The damage reduces the value of the property by more than \$100 measured by the cost of repair or replacement, whichever is less.

Sec. 72. Minnesota Statutes 1974, Section 609.60, is amended to read:

609.60 [DANGEROUS TRESPASSES AND OTHER ACTS.] Whoever intentionally does any of the following is guilty of a misdemeanor; except, if to his knowledge a risk of death or bodily harm or serious property damage is thereby created, he ~~may shall~~ be sentenced to imprisonment for ~~not more than five years or to payment of a fine of not more than \$5,000, or both two years :~~

(1) Smokes in the presence of explosives or inflammable materials; or

(2) Interferes with or obstructs the prevention or extinguishing of any fire, or disobeys the lawful orders of a law enforcement officer or fireman present at the fire; or

(3) Shows a false light or signal or interferes with any light, signal, or sign controlling or guiding traffic upon a highway, railway track, navigable waters, or in the air; or

(4) Places an obstruction upon a railroad track; or

(5) Exposes another or his property to an obnoxious or harmful gas, fluid or substance, with intent to injure, molest, or coerce.

Sec. 73. Minnesota Statutes 1974, Section 609.61, is amended to read:

609.61 [DEFRAUDING INSURER.] Whoever burns, destroys, or otherwise damages any property with intent to defraud an insurer of that property, when aggravated arson is not committed thereby, ~~may shall~~ be sentenced to imprisonment for ~~not more than three years or to payment of a fine of not more than \$3,000, or both one year and one day.~~

Sec. 74. Minnesota Statutes 1974, Section 609.615, is amended to read:

609.615 [DEFEATING SECURITY ON REALTY.] Whoever removes or damages real property which is subject to a mortgage, mechanic's lien, or contract for deed, with intent to impair the value of the security, without the consent of the security holder, ~~may shall~~ be sentenced as follows:

(1) If the value of the property is impaired by \$100 or less, to imprisonment for not more than 90 days or to payment of a fine of not more than \$300, or both; or

(2) If the value of the property is impaired by more than \$100, to imprisonment for ~~not more than five years or to payment of a fine of not more than \$5,000, or both two years.~~

Sec. 75. Minnesota Statutes 1974, Section 609.62, Subdivision 2, is amended to read:

Subd. 2. [ACTS CONSTITUTING.] Whoever, with intent to defraud, does any of the following may be sentenced to imprisonment for not more than ~~two years one year~~ or to payment of a fine of not more than ~~\$2,000 \$1,000~~, or both:

(1) Conceals, removes, or transfers any personal property in which he knows that another has a security interest; or

(2) Being an obligor and knowing the location of the property refuses to disclose the same to an obligee entitled to possession thereof.

Sec. 76. Minnesota Statutes 1974, Section 609.625, is amended to read:

609.625 [AGGRAVATED FORGERY.] Subdivision 1. [MAKING OR ALTERING WRITING OR OBJECT.] Whoever, with intent to defraud, falsely makes or alters a writing or object of any of the following kinds so that it purports to have been made by another or by himself under an assumed or fictitious name, or at another time, or with different provisions, or by authority of one who did not give such authority, is guilty of aggravated forgery and ~~may shall~~ be sentenced to imprisonment for ~~not more than ten years or to payment of a fine of not more than \$10,000, or both four years:~~

(1) A writing or object whereby, when genuine, legal rights, privileges, or obligations are created, terminated, transferred, or evidenced, or any writing normally relied upon as evidence of debt or property rights; or

(2) An official seal or the seal of a corporation; or

(3) A public record or an official authentication or certification of a copy thereof; or

(4) An official return or certificate entitled to be received as evidence of its contents; or

(5) A court order, judgment, decree, or process; or

(6) The records or accounts of a public body, office, or officer; or

(7) The records or accounts of a bank or person, with whom funds of the state or any of its agencies or subdivisions are deposited or entrusted, relating to such funds.

Subd. 2. [MEANS FOR FALSE REPRODUCTION.] Whoever, with intent to defraud, makes, engraves, possesses or transfers a plate or instrument for the false reproduction of a writing or object mentioned in subdivision 1 ~~may~~ *shall* be sentenced as provided in subdivision 1.

Subd. 3. [UTTERING OR POSSESSING.] Whoever, with intent to defraud, utters or possesses with intent to utter any forged writing or object mentioned in subdivision 1, knowing it to have been so forged, ~~may~~ *shall* be sentenced as provided in subdivision 1.

Sec. 77. Minnesota Statutes 1974, Section 609.63, is amended to read:

609.63 [FORGERY.] Subdivision 1. Whoever, with intent to injure or defraud, does any of the following is guilty of forgery and ~~may~~ *shall* be sentenced to imprisonment for ~~not more than three years or to payment of a fine of not more than \$3,000; or both one year and one day~~ :

(1) Uses a false writing, knowing it to be false, for the purpose of identification or recommendation; or

(2) Without consent, places, or possesses with intent to place, upon any merchandise an identifying label or stamp which is or purports to be that of another craftsman, tradesman, packer, or manufacturer, or disposes or possesses with intent to dispose of any merchandise so labeled or stamped; or

(3) Falsely makes or alters a membership card purporting to be that of a fraternal, business, professional, or other association, or of any labor union, or possesses any such card knowing it to have been thus falsely made or altered; or

(4) Falsely makes or alters a writing, or possesses a falsely made or altered writing, evidencing a right to transportation on a common carrier; or

(5) Destroys, mutilates, or by alteration, false entry or omission, falsifies any record, account, or other document relating to a private business; or

(6) Without authority of law, destroys, mutilates, or by alteration, false entry, or omission, falsifies any record, account, or

other document relating to a person, corporation, or business, or filed in the office of, or deposited with, any public office or officer; or

(7) Destroys a writing or object to prevent it from being produced at a trial, hearing, or other proceeding authorized by law.

Subd. 2. Whoever, with knowledge that it is forged, offers in evidence in any trial, hearing or other proceedings authorized by law, as genuine, any forged writing or object *may shall* be sentenced as follows:

(1) If the writing or object is offered in evidence in the trial of a felony charge, to imprisonment for ~~not more than five years or to payment of a fine of not more than \$5,000, or both two years ;~~ or

(2) In all other cases, to imprisonment for ~~not more than three years or to payment of a fine of not more than \$3,000, or both one year and one day .~~

Sec. 78. Minnesota Statutes 1974, Section 609.635, is amended to read:

609.635 [OBTAINING SIGNATURE BY FALSE PRETENSE.] Whoever, by false pretense, obtains the signature of another to a writing which is a subject of forgery under section 609.625, subdivision 1, *may shall* be punished as therein provided.

Sec. 79. Minnesota Statutes 1974, Section 609.64, is amended to read:

609.64 [RECORDING, FILING OF FORGED INSTRUMENT.] Whoever intentionally presents for filing, registering, or recording, or files, registers, or records a false or forged instrument relating to or affecting real or personal property in a public office entitled to file, register, or record such instrument when genuine *may shall* be sentenced to imprisonment for ~~not more than three years or to payment of a fine of not more than \$3,000, or both one year and one day .~~

Sec. 80. Minnesota Statutes 1974, Section 609.645, is amended to read:

609.645 [FRAUDULENT STATEMENTS.] Whoever, with intent to injure or defraud, does any of the following *may shall* be sentenced to imprisonment for ~~not more than three years or to payment of a fine of not more than \$3,000, or both one year and one day :~~

(1) Circulates or publishes a false statement, oral or written, relating to a corporation, association, or individual, intending thereby to give a false apparent value to securities issued or to be issued by, or to the property of, such corporation, association, or individual; or

(2) Makes a false ship's or airplane's manifest, invoice, register, or protest.

Sec. 81. Minnesota Statutes 1974, Section 609.65, is amended to read:

609.65 [FALSE CERTIFICATION BY NOTARY PUBLIC.] Whoever, when acting or purporting to act as a notary public or other public officer, certifies falsely that an instrument has been acknowledged or that any other act was performed by a party appearing before him or that as such notary public or other public officer he performed any other official act ~~may shall~~ be sentenced as follows:

(1) If he so certifies with intent to injure or defraud, to imprisonment for ~~not more than three years or to payment of a fine of not more than \$3,000, or both one year and one day~~ ; or

(2) In any other case, to imprisonment for not more than 90 days or to payment of a fine of not more than \$300, or both.

Sec. 82. Minnesota Statutes 1974, Section 609.67, Subdivision 2, is amended to read:

Subd. 2. [ACTS PROHIBITED.] Except as otherwise provided herein, whoever owns, possesses, or operates a machine gun ~~may shall~~ be sentenced to imprisonment for ~~not more than five years or to payment of a fine of not more than \$5,000, or both two years~~.

Sec. 83. Minnesota Statutes 1974, Section 609.71, is amended to read:

609.71 [RIOT.] When three or more persons assembled disturb the public peace by an intentional act or threat of unlawful force or violence to person or property, each participant therein is guilty of riot and may be sentenced to imprisonment for not more than one year or to payment of a fine of not more than \$1,000, or both, or, if the offender, or to his knowledge any other participant, is armed with a dangerous weapon or is disguised, ~~he shall be sentenced to imprisonment for not more than five years or to payment of a fine of not more than \$5,000, or both two years~~ .

Sec. 84. Minnesota Statutes 1974, Section 609.713, is amended to read:

609.713 [TERRORISTIC THREATS.] Subdivision 1. Whoever threatens to commit any crime of violence with purpose to terrorize another or to cause evacuation of a building, place of assembly or facility of public transportation or otherwise to cause serious public inconvenience, or in a reckless disregard of the risk of causing such terror or inconvenience ~~may shall~~ be sentenced to imprisonment for ~~not more than five years two years~~ .

Subd. 2. Whoever communicates to another with purpose to terrorize another or in reckless disregard of the risk of causing such terror, that explosives or an explosive device or any incendiary device is present at a named place or location, whether or not the same is in fact present, ~~may shall~~ be sentenced to imprisonment for ~~not more than three years one year and one day~~ .

Sec. 85. Minnesota Statutes 1974, Section 609.785, is amended to read:

609.785 [FRAUDULENT LONG DISTANCE TELEPHONE CALLS.] Whoever obtains long distance telephone service by intentionally requesting of the operator that the cost thereof be charged to a false or non-existent telephone or credit card number or to the telephone or credit card number of another without his authority may be sentenced to imprisonment for not more than 90 days or to payment of a fine of not more than \$300, or both, when the value of the telephone service obtained is not more than \$100; and *shall be sentenced* by imprisonment for ~~not more than five years or to payment of a fine of not more than \$5,000, or both two years~~, if the value of the telephone service obtained in a single transaction, or in separate transactions within any six month period, is more than \$100.

Sec. 86. Minnesota Statutes 1974, Section 609.82, is amended to read:

609.82 [FRAUD IN OBTAINING CREDIT.] Whoever, with intent to defraud, obtains credit for himself or another from a bank, trust company, savings or building and loan association, or credit union, by means of a present or past false representation as to his or another's financial ability may be sentenced as follows:

(1) If no money or property is obtained by the defendant by means of such credit, to imprisonment for not more than 90 days or to payment of a fine of not more than \$300, or both; or

(2) If money or property is so obtained, the value thereof shall be determined as provided in section 609.52, subdivision 1, clause (3) and he ~~may~~ *shall* be sentenced as provided in section 609.52, subdivision 3.

Sec. 87. Minnesota Statutes 1974, Section 609.825, Subdivision 2, is amended to read:

Subd. 2. [ACTS PROHIBITED.] Whoever does any of the following ~~may~~ *shall* be sentenced to imprisonment for ~~not more than five years or to payment of a fine of not more than \$5,000, or both two years~~ :

(1) Offers, gives, or agrees to give, directly or indirectly, any benefit, reward or consideration to a participant, manager, director, or other official, or to one who intends to become such participant or official, in any sporting event, race or other contest of any kind whatsoever with intent thereby to influence such participant not to use his best effort to win or enable his team to win or to attain a maximum score or margin of victory, or to influence such official in his decisions with respect to such contest; or

(2) Requests, receives, or agrees to receive, directly or indirectly, any benefit, reward or consideration upon the understanding that he will be so influenced as such participant or official.

Sec. 88. Minnesota Statutes 1974, Section 609.83, is amended to read:

609.83 [FALSELY IMPERSONATING ANOTHER.] Whoever does either of the following ~~may~~ *shall* be sentenced to im-

prisonment for ~~not more than five years or to payment of a fine of not more than \$5,000, or both two years :~~

(1) Assumes to enter into a marriage relationship with another by falsely impersonating a third person; or

(2) By falsely impersonating another with intent to defraud him or a third person, appears, participates, or executes an instrument to be used in a judicial proceeding.

Sec. 89. [EFFECTIVE DATE.] *Sections 1 to 91 are effective as to crimes committed on or after September 1, 1976, except as specifically provided in Section 10.*

Sec. 90. *In the next and subsequent editions of the Minnesota Statutes the revisor of statutes shall make such changes in terminology as may be necessary to record the functions, powers and duties of the commissioner of corrections as established by this act.*

Sec. 91. [REPEALER.] *Minnesota Statutes 1974, Sections 243.06; 243.14; 243.18; 246.43; 609.11, as amended by Laws 1975, Chapter 378, Section 8; 609.13, Subdivision 1; 609.155; and 609.16, are repealed effective for persons who commit felonies on or after September 1, 1976. Sections 241.045, as amended by Laws 1975, Chapters 61, Section 4, and 304, Section 3; and 242.24 are repealed effective December 31, 1978."*

Further, amend the title as follows:

Page 1, line 2, after "crimes" insert "and corrections"

Page 1, line 2, strike "providing increased sentences"

Page 1, strike lines 3 to 6 and insert

"sentencing and post conviction disposition of criminal offenders; transferring the powers and duties of the Minnesota corrections authority to the commissioner of corrections; abolishing the Minnesota corrections authority; providing for determinate sentencing; providing for a mutual agreement program; amending Minnesota Statutes 1974, Sections 152.15; 401.13; 609.03; 609.10; 609.135, Subdivision 1; 609.145, Subdivision 1; 609.165, Subdivision 2; 609.17, Subdivision 4; 609.175, Subdivision 2; 609.19; 609.195; 609.20; 609.205; 609.21; 609.215; 609.225; 609.235; 609.24; 609.245; 609.25, Subdivision 2; 609.255; 609.26; 609.27, Subdivision 2; 609.293, Subdivisions 2, 3 and 4; 609.31; 609.32; 609.355, Subdivision 2; 609.365; 609.375, Subdivision 2; 609.39; 609.395; 609.405, Subdivision 2; 609.42, Subdivision 1; 609.425; 609.445; 609.455; 609.465; 609.48, Subdivisions 1 and 4; 609.485, Subdivision 4; 609.495, Subdivision 1; 609.52, Subdivision 3; 609.525, Subdivision 1; 609.53, Subdivisions 1 and 3; 609.54; 609.55, Subdivision 2; 609.56; 609.565; 609.58, Subdivision 2; 609.59; 609.595, Subdivision 1; 609.60; 609.61; 609.615; 609.62, Subdivision 2; 609.625; 609.63; 609.635; 609.64; 609.645; 609.65; 609.67, Subdivision 2; 609.71; 609.713; 609.785; 609.82; 609.825, Subdivision 2; 609.83; Minnesota Statutes, 1975 Supplement, Sections 609.185; 609.342; 609.343; 609.344; 609.345; 609.52, Subdivision 2; 609.521; and 609.551, Subdivision 1; repealing Minnesota Statutes

1974, Sections 241.045, as amended; 242.24; 243.06; 243.14; 243.18; 246.43; 609.11, as amended; 609.13, Subdivision 1; 609.155; and 609.16."

Mr. Hansen, Baldy moved a substitute amendment to amend H. F. No. 1865 as follows:

Page 1, after line 7, insert:

"Section 1. Minnesota Statutes 1974, Section 243.05, is amended to read:

243.05 [AUTHORITY; POWERS, LIMITATIONS.] The Minnesota corrections authority may parole any person sentenced to confinement in the state prison, the state reformatory, or the Minnesota correctional institution for women, provided that no convict serving a life sentence for murder other than murder committed in violation of clause (1) or (3) of section 609.185 *or serving a life sentence for kidnapping committed in violation of section 9 of this act* who has not been previously convicted of a felony shall be paroled until he has served 20 years, less the diminution which he would have been allowed for good conduct had his sentence been for 20 years; and provided further that no convict serving a life sentence for murder who has been previously convicted of a felony or though not previously convicted of a felony is serving a life sentence for murder in the first degree committed in violation of clause (1) or (3) of section 609.185 *or serving a life sentence for kidnapping committed in violation of section 9 of this act* shall be paroled until he has served 25 years, less the diminution which would have been allowed for good conduct had his sentence been for 25 years; provided further that any convict sentenced prior to September 1, 1963 who would be eligible for parole had he been sentenced after September 1, 1963, shall be eligible for parole; provided further, in all cases where a convict is serving a life sentence for murder, unanimous consent of the Minnesota corrections authority shall be required for parole of such convict. Upon being paroled and released, such convicts shall be and remain in the legal custody and under the control of the Minnesota corrections authority, subject at any time to be returned to the state prison, the state reformatory, the Minnesota correctional institution for women, or other facility of the department of corrections established by law for the confinement or treatment of convicted persons and the parole rescinded by such authority, when the legal custody of such convict shall revert to the commissioner of corrections. The written order of the Minnesota corrections authority, certified by the chairman of the authority, shall be sufficient to any peace officer or state parole and probation agent to retake and place in actual custody any person on parole to the Minnesota corrections authority, but any state parole and probation agent may, without order of warrant, when it appears to him necessary in order to prevent escape or enforce discipline, take and detain a parolee to the Minnesota corrections authority for its action. The written order of the commissioner of corrections shall be sufficient to any peace officer or state parole and probation agent to retake and place in actual custody any person on probation under the supervision of the commissioner pursuant to section 609.135, but any state parole and probation agent may, without such order, when it appears to him necessary in order to prevent escape or enforce discipline, retake and

detain such probationer and bring him before the court for further proceedings under section 609.14. Paroled persons, and those on probation under the supervision of the commissioner of corrections pursuant to section 609.135 may be placed within or without the boundaries of the state at the discretion of the authority or of the commissioner of corrections, and the limits fixed for such persons may be enlarged or reduced according to their conduct.

In considering applications for parole or final release, the authority shall not be required to hear oral argument from any attorney or other person not connected with the prison or the reformatory in favor of or against the parole or release of any prisoners, but it may institute inquiries by correspondence, taking testimony or otherwise, as to the previous history, physical or mental condition, and character of such prisoner, and to that end shall have authority to require the attendance of the warden of the state prison or the superintendent of the state reformatory or the Minnesota correctional institution for women and the production of the records of these institutions, and to compel the attendance of witnesses, and each member of the authority is hereby authorized to administer oaths to witnesses for every such purpose.

Sec. 2. Minnesota Statutes 1974, Section 609.10, is amended to read:

609.10 [SENTENCES AVAILABLE.] Upon conviction of a felony and compliance with the other provisions of this chapter the court, if it imposes sentence, may sentence the defendant to the extent authorized by law as follows:

- (1) ~~To death; or~~
- ~~(1) (2) To life imprisonment; or~~
- ~~(2) (3) To imprisonment for a maximum term of years fixed by the court; or~~
- ~~(3) (4) To an indeterminate term of imprisonment which shall be deemed to be for the maximum term authorized by law; or~~
- ~~(4) (5) To both imprisonment and payment of a fine; or~~
- ~~(5) (6) To payment of a fine without imprisonment or to imprisonment if the fine is not paid.~~

Sec. 3. Minnesota Statutes 1974, Chapter 609, is amended by adding a section to read:

[609.106] [SENTENCE OF DEATH OR LIFE IMPRISONMENT; PROCEEDINGS.] *Subdivision 1. Upon conviction or adjudication of guilt of a defendant of a capital felony the court shall conduct a separate sentencing proceeding to determine whether the defendant should be sentenced to death or life imprisonment as authorized by section 6 of this act. The proceeding shall be conducted by the trial judge before the trial jury as soon as practicable. If the trial jury has been waived or if the defendant pleaded guilty, the sentencing proceeding shall be conducted before a jury empaneled for that purpose unless waived by the defendant. In the proceeding, evidence may be presented as to any matter that the court deems relevant to sentence, and shall include matters relating to any of the aggravating or mitigating circumstances enumerated in subdivisions 6 and 7. The evidence which the court*

deems to have probative value may be received, regardless of its admissibility under the exclusionary rules of evidence, provided that the defendant is accorded a fair opportunity to rebut any hearsay statements. This section shall not be construed to authorize the introduction of any evidence secured in violation of the Constitution of the United States or of the state of Minnesota. The state and the defendant or his counsel shall be permitted to present argument for or against sentence of death.

Subd. 2. After hearing all the evidence, the jury shall deliberate and render an advisory sentence to the court based upon the following matters:

(a) Whether sufficient aggravating circumstances exist as enumerated in subdivision 6, and

(b) Whether sufficient mitigating circumstances exist as enumerated in subdivision 7, which outweigh aggravating circumstances found to exist, and

(c) Based on these considerations whether the defendant should be sentenced to life or death.

Subd. 3. Notwithstanding the recommendation of a majority of the jury, the court after weighing the aggravating and mitigating circumstances shall enter a sentence of life imprisonment or death, but if the court imposes a sentence of death, it shall set forth in writing its findings upon which the sentence of death is based as to the facts:

(a) That sufficient aggravating circumstances exist as enumerated in subdivision 6, and

(b) That there are insufficient mitigating circumstances, as enumerated in subdivision 7, to outweigh the aggravating circumstances. In each case in which the court imposes the death sentence, the determination of the court shall be supported by specific written findings of fact based upon the circumstances in subdivisions 6 and 7 and based upon the records of the trial and the sentencing proceedings.

Subd. 4. If the court does not make the findings requiring the death sentence, the court shall impose sentence of life imprisonment in accordance with section 6 of this act.

Subd. 5. The judgment of conviction and sentence of death shall be subject to automatic review by the supreme court of Minnesota within 60 days after certification by the sentencing court of the entire record unless time is extended an additional period not to exceed 30 days by the supreme court for good cause shown. The review by the supreme court shall have priority over all other cases, and shall be heard in accordance with rules promulgated by the supreme court.

Subd. 6. [AGGRAVATING CIRCUMSTANCES.] Aggravating circumstances shall be limited to the following:

(a) The capital felony was committed by a person under sentence of imprisonment;

(b) The defendant was previously convicted of another capital felony or of a felony involving the use or threat of violence to the person;

(c) *The defendant knowingly created a great risk of death to many persons;*

(d) *The capital felony was committed while the defendant was engaged or was an accomplice in the commission of, or an attempt to commit, or flight after committing or attempting to commit any robbery, rape, arson, burglary, kidnaping, aircraft piracy, or the unlawful throwing, placing or discharging of a destructive device or bomb;*

(e) *The capital felony was committed for the purpose of avoiding or preventing a lawful arrest or effecting an escape from custody;*

(f) *The capital felony was committed for pecuniary gain;*

(g) *The capital felony was committed to disrupt or hinder the lawful exercise of any governmental function or the enforcement of laws;*

(h) *The capital felony was especially heinous, atrocious or cruel.*

Subd. 7. [MITIGATING CIRCUMSTANCES.] Mitigating circumstances shall be the following:

(a) *The defendant has no significant history of prior criminal activity;*

(b) *The capital felony was committed while the defendant was under the influence of extreme mental or emotional disturbance;*

(c) *The victim was a participant in the defendant's conduct or consented to the act;*

(d) *The defendant was an accomplice in the capital felony committed by another person and his participation was relatively minor;*

(e) *The defendant acted under extreme duress or under the substantial domination of another person;*

(f) *The capacity of the defendant to appreciate the criminality of his conduct or to conform his conduct to the requirements of law was substantially impaired;*

(g) *The age of the defendant at the time of the crime.*

Sec. 4. Minnesota Statutes 1974, Chapter 609, is amended by adding a section to read:

[609.107] [EXECUTION.] *Subdivision 1. [WARRANT OF EXECUTION.] The governor or the supreme court may issue a warrant to the warden directing him to execute the sentence at a time designated in the warrant.*

Subd. 2. [STAY.] The execution of a death sentence may be stayed only by the governor or by the supreme court incident to an appeal.

Subd. 3. [PROCEEDINGS WHEN PERSON UNDER SENTENCE OF DEATH APPEARS TO BE INSANE.] (a) When the governor is informed that a person under sentence of death may be insane, he shall stay execution of the sentence and appoint a commission of three psychiatrists to examine the convicted person. The governor shall notify the psychiatrists in writing that they are to examine the convicted person to determine whether he understands the nature and effect of the

death penalty and why it is to be imposed upon him. The examination of the convicted person shall take place with all three psychiatrists present at the same time. Counsel for the convicted person and a representative of the attorney general may be present at the examination. If the convicted person does not have counsel, the court that imposed the sentence shall appoint counsel to represent him.

(b) After receiving the report of the commission, if the governor decides that the convicted person has the mental capacity to understand the nature of the death penalty and the reasons why it was imposed upon him, he shall issue a warrant to the warden directing him to execute the sentence at a time designated in the warrant.

(c) If the governor decides that the convicted person does not have the mental capacity to understand the nature of the death penalty and why it was imposed on him, he shall have him committed to the Minnesota security hospital or to a state hospital for the insane.

(d) When a person under sentence of death has been committed to the Minnesota security hospital or to a state hospital for the insane, he shall be kept there until the proper official of the hospital determines that he has been restored to sanity. The hospital official shall notify the governor of his determination and the governor shall appoint another commission to proceed as provided in clause (a).

(e) The governor shall allow reasonable fees to psychiatrists appointed under the provisions of this section which shall be paid by the state.

Subd. 4. [PROCEEDINGS WHEN PERSON UNDER SENTENCE OF DEATH APPEARS TO BE PREGNANT.] (a) When the governor is informed that a person under sentence of death may be pregnant, he shall stay execution of the sentence and appoint a qualified physician to examine the convicted person and determine if she is pregnant.

(b) After receiving the report of the physician, if the governor determines that the convicted person is not pregnant, he shall issue a warrant to the warden directing him to execute the sentence at a time designated in the warrant.

(c) If the governor determines that a convicted person whose execution has been stayed because of pregnancy is no longer pregnant, he shall issue a warrant to the warden directing him to execute the sentence at a time designated in the warrant.

(d) The governor shall allow a reasonable fee to the physician appointed under the provisions of this section which shall be paid by the state.

Subd. 5. [EXECUTION OF DEATH SENTENCE.] A death sentence shall be executed by electrocution. The warden of the state prison shall designate the executioner. The warrant authorizing the execution shall be read to the convicted person immediately before execution.

Subd. 6. [REGULATION OF EXECUTION.] (a) The warden of the state prison or a deputy designated by him shall be present at the execution. The warden shall set the day for execution within the week designated by the governor in the warrant.

(b) *Twelve citizens selected by the warden shall witness the execution. A qualified physician shall be present and announce when death has been inflicted. Counsel for the convicted person and ministers of the gospel requested by the convicted person may be present. Representatives of news media may be present under regulations approved by the commissioner of corrections. All other persons except prison officers and guards shall be excluded during the execution.*

(c) *The body of the executed person shall be prepared for burial and, if requested, delivered at the prison gates to relatives of the deceased. If a coffin has not been provided by relatives, the body shall be delivered in a plain coffin. If the body is not claimed by relatives, it shall be given to physicians who have requested it for dissection or be disposed of in the same manner as are bodies of prisoners dying in the state prison.*

Subd. 7. [TRANSFER TO STATE PRISON FOR SAFEKEEPING BEFORE DEATH WARRANT ISSUED.] *The sheriff shall deliver a person sentenced to death to the state prison to await the death warrant. A district judge of the district in which a death sentence was imposed may order the convicted person transferred to the state prison before the issuance of a warrant of execution if he determines that the transfer is necessary for the safekeeping of the prisoner.*

Subd. 8. [RETURN OF WARRANT OF EXECUTION ISSUED BY GOVERNOR.] *After the death sentence has been executed, the warden of the state prison shall return to the governor the warrant and a signed statement of the execution. The warden shall file an attested copy of the warrant and statement with the clerk of the court that imposed the sentence.*

Subd. 9. [RETURN OF WARRANT OF EXECUTION ISSUED BY SUPREME COURT.] *After the sentence has been executed pursuant to a warrant issued by the supreme court, the warden of the state prison shall return to the supreme court the warrant and a signed statement of the execution. The warden shall file an attested copy of the warrant and statement with the clerk of the court that imposed the sentence. The warden shall send to the governor an attested copy of the warrant and statement.*

Sec. 5. Minnesota Statutes 1974, Section 609.185, is amended to read:

609.185 [MURDER IN THE FIRST DEGREE.] *Whoever does either any of the following is guilty of murder in the first degree and shall be sentenced to imprisonment for life which shall constitute a capital felony, punishable as provided in section 6 of this act:*

(1) *Causes the death of a human being with premeditation and with intent to effect the death of such person or of another; or*

(2) *Causes the death of a human being while committing or attempting to commit rape or sodomy with force or violence, either upon or affecting such person or another.*

(3) *Causes the death of a human being while committing kidnapping after a threat of death to the person kidnapped has been communicated to the person or to another.*

Sec. 6. Minnesota Statutes 1974, Chapter 609, is amended by adding a section to read:

[609.186] [CAPITAL FELONIES; PENALTIES.] *(a) A person who has been convicted of a capital felony shall be punished by life imprisonment and shall be required to serve no less than 25 years less the diminution which would have been allowed for good conduct had his sentence been for 25 years before becoming eligible for parole unless the proceeding held to determine sentence according to the procedure set forth in section 4 of this act results in findings by the court that the person shall be punished by death, and in the latter event such person shall be punished by death,*

(b) If the death penalty in a capital felony is held to be unconstitutional by the Minnesota supreme court or the United States supreme court, a person convicted of a capital felony shall be punished by life imprisonment as provided in clause (a),

(c) If the death penalty in a capital felony is held to be unconstitutional by the Minnesota supreme court or the United States supreme court, the court having jurisdiction over a person previously sentenced to death for a capital felony shall cause the person to be brought before the court, and the court shall sentence such person to life imprisonment as provided in clause (a).

Sec. 7. Minnesota Statutes 1974, Section 609.19, is amended to read:

609.19 [MURDER IN THE SECOND DEGREE.] *Whoever causes the death of a human being with intent to effect the death of such person or another, but without premeditation, except when the death is caused by a person engaged in the committing of any felony specified in section 609.185 or section 9 of this act is guilty of murder in the second degree and may be sentenced to imprisonment for not more than 40 years.*

Sec. 8. Minnesota Statutes 1974, Section 609.195, is amended to read:

609.195 [MURDER IN THE THIRD DEGREE.] *Whoever, without intent to effect the death of any person, causes the death of another by either of the following means, is guilty of murder in the third degree and may be sentenced to imprisonment for not more than 25 years:*

(1) Perpetrates an act eminently dangerous to others and evincing a depraved mind, regardless of human life; or

(2) Commits or attempts to commit a felony upon or affecting the person whose death was caused or another, except rape or sodomy with force or violence within the meaning of section 609.185, kidnapping after a threat to death within the meaning of section 609.185 or section 9 of this act.

Sec. 9. Minnesota Statutes 1974, Chapter 609, is amended by adding a section to read:

[609.251] [KIDNAPPING; THREAT OF DEATH.] *Whoever confines or removes from one place to another, any person without his consent or, if he is under the age of 16 years, without the consent of*

his parents or other legal custodian, and communicates a threat of death to that person or to another, is guilty of a capital felony, punishable as provided in section 6 of this act."

Renumber the sections in sequence

Further amend the title as follows:

Page 1, line 4, after the semicolon insert "specifying the acts constituting capital felonies; providing a separate proceeding to determine sentence in capital cases;"

Page 1, line 6, strike "Section" and insert "Sections 243.05; 609.10; 609.185; 609.19; 609.195; and"

Page 1, line 6, after "3" insert "and Chapter 609, by adding sections"

The question being taken on the adoption of the substitute amendment to the McCutcheon amendment,

And the roll being called, there were yeas 10 and nays 46, as follows:

Those who voted in the affirmative were:

Bernhagen	Hansen, Baldy	Olson, H. D.	Perpich, A. J.	Renneke
Frederick	Jensen	Patton	Purfeerst	Solon

Those who voted in the negative were:

Arnold	Dunn	Knutson	Ogdahl	Stokowski
Ashbach	Gearly	Kowalczyk	Olhoft	Stumpf
Blatz	Hansen, Mel	Laufenburger	Olson, A. G.	Tennessee
Brataas	Hanson, R.	Lewis	Olson, J. L.	Ueland
Brown	Hughes	McCutcheon	O'Neill	Wegener
Chenoweth	Humphrey	Merriam	Pillsbury	Willet
Coleman	Keefe, J.	Milton	Schaaf	
Conzemius	Keefe, S.	Moe	Schmitz	
Davies	Kirchner	Nelson	Spear	
Doty	Kleinbaum	North	Stassen	

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

The question recurred on the McCutcheon amendment.

The question being taken on the adoption of the McCutcheon amendment,

And the roll being called, there were yeas 48 and nays 11, as follows:

Those who voted in the affirmative were:

Arnold	Davies	Kowalczyk	Olhoft	Spear
Ashbach	Doty	Laufenburger	Olson, A. G.	Stassen
Berg	Fitzsimons	Lewis	Olson, J. L.	Stokowski
Bernhagen	Gearly	McCutcheon	O'Neill	Stumpf
Borden	Hanson, R.	Merriam	Perpich, A. J.	Tennessee
Brataas	Hughes	Milton	Pillsbury	Ueland
Brown	Humphrey	Moe	Purfeerst	Wegener
Chenoweth	Josefson	Nelson	Schaaf	Willet
Coleman	Keefe, J.	North	Schmitz	
Conzemius	Keefe, S.	Ogdahl	Solon	

Those who voted in the negative were:

Blatz	Hansen, Baldy	Jensen	Knutson	Patton
Dunn	Hansen, Mel	Kleinbaum	Olson, H. D.	Renneke
Frederick				

The motion prevailed. So the amendment was adopted.

H. F. No. 1865 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 45 and nays 12, as follows:

Those who voted in the affirmative were:

Arnold	Davies	Kirchner	Nelson	Schmitz
Ashbach	Doty	Kowalczyk	North	Schrom
Bang	Fitzsimons	Larson	Olhott	Sillers
Berg	Gearty	Laufenburger	Olson, A. G.	Solon
Bernhagen	Hughes	Lewis	O'Neill	Spear
Brown	Humphrey	McCutcheon	Perpich, A. J.	Stokowski
Chenoweth	Josefson	Merriam	Pillsbury	Stumpf
Coleman	Keefe, J.	Milton	Purfeerst	Tennessee
Conzemius	Keefe, S.	Moe	Schaaf	Willet

Those who voted in the negative were:

Blatz	Hansen, Baldy	Kleinbaum	Olson, H. D.	Patton
Dunn	Hansen, Mel	Knutson	Olson, J. L.	Renneke
Frederick	Jensen			

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

MOTIONS AND RESOLUTIONS—CONTINUED

Mr. Coleman moved that S. F. No. 2460, No. 131 on General Orders, be stricken and returned to the author. The motion prevailed.

Mr. Hughes moved that S. F. No. 664, No. 21 on General Orders, be stricken and returned to the author. The motion prevailed.

Mr. Hansen, Mel moved that S. F. No. 1785, No. 36 on General Orders, be stricken and re-referred to the Committee on Transportation and General Legislation. The motion prevailed.

Mr. Hansen, Mel moved that S. F. No. 2097, No. 37 on General Orders, be stricken and re-referred to the Committee on Transportation and General Legislation. The motion prevailed.

SPECIAL ORDER

Pursuant to Rule 10, Mr. Arnold, Chairman of the Committee on Finance, designated S. F. No. 2014, No. 133 on the General Orders Calendar, a Special Order to be heard immediately.

S. F. No. 2014: A bill for an act relating to retirement; increasing certain benefits and annuities; appropriating money.

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 50 and nays 0, as follows:

Those who voted in the affirmative were:

Arnold	Dunn	Keefe, S.	Ogdahl	Schrom
Ashbach	Fitzsimons	Kleinbaum	Olhoft	Sillers
Bang	Gearty	Knutson	Olson, A. G.	Solon
Berg	Hansen, Mel	Kowalczyk	Olson, J. L.	Spear
Bernhagen	Hanson, R.	Larson	O'Neill	Stassen
Blatz	Hughes	Laufenburger	Patton	Stumpf
Brataas	Humphrey	Lewis	Perpich, A. J.	Tennessee
Chenoweth	Jensen	McCutcheon	Pillsbury	Ueland
Coleman	Josefson	Merriam	Renneke	Wegener
Conzemius	Keefe, J.	Moe	Schmitz	Willet

So the bill passed and its title was agreed to.

SPECIAL ORDER

Pursuant to Rule 10, Mr. Arnold, Chairman of the Committee on Finance, designated S. F. No. 2309, No. 135 on the General Orders Calendar, a Special Order to be heard immediately.

S. F. No. 2309: A bill for an act relating to retirement; distribution of state aid to policemen's relief associations; volunteer firemen's lump sum and monthly benefits; amending Minnesota Statutes 1974, Sections 69.011, Subdivisions 1, 2, and 4; 69.021, Subdivisions 5, 6, and 7; 69.031, Subdivision 5; and 69.06.

Mr. Frederick moved to amend S. F. No. 2309 as follows:

Page 10, after line 8, insert:

"No community shall receive less state aid than they received in the past."

The motion prevailed. So the amendment was adopted.

Mr. Jensen moved to amend S. F. No. 2309 as follows:

Page 6, line 14, strike everything after "board"

Page 6, lines 15 to 17, strike the new language and insert "*, except in municipalities with a population of less than 1,000*"

The motion prevailed. So the amendment was adopted.

RECONSIDERATION

Mr. Frederick moved that the vote whereby his amendment to S. F. No. 2309 was passed by the Senate on March 22, 1976, be now reconsidered. The motion prevailed.

Mr. Frederick withdrew his amendment.

Mr. Frederick then moved to amend S. F. No. 2309 as follows:

Page 10, line 3, before "*; and*" insert:

"No community shall receive less state aid than they received in 1975"

The motion prevailed. So the amendment was adopted.

S. F. No. 2309 was read the third time, as amended, and placed on its final passage.

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

And the roll being called, there were yeas 50 and nays 10, as follows:

Those who voted in the affirmative were:

Anderson	Doty	Jensen	Merriam	Schmitz
Arnold	Dunn	Keefe, J.	Moe	Schrom
Bang	Fitzsimons	Keefe, S.	North	Solon
Bernhagen	Frederick	Kirchner	Ogdahl	Stassen
Brataas	Gearty	Kleinbaum	Olhoff	Stokowski
Brown	Hansen, Baldy	Kowalczyk	Olson, J. L.	Stumpf
Chenoweth	Hansen, Mel	Larson	O'Neill	Tennessen
Chmielewski	Hanson, R.	Laufenburger	Perpich, A. J.	Ueland
Conzemius	Hughes	Lewis	Pillsbury	Wegener
Davies	Humphrey	McCutcheon	Purfuerst	Willet

Those who voted in the negative were:

Ashbach	Blatz	Knutson	Olson, H. D.	Renneke
Berg	Josefson	Milton	Patton	Sillers

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

NOTICE OF RECONSIDERATION

Mr. O'Neill gave notice of intention to move for reconsideration of S. F. No. 2014.

SPECIAL ORDER

Pursuant to Rule 10, Mr. Arnold, Chairman of the Committee on Finance, designated S. F. No. 2288, No. 137 on the General Orders Calendar, a Special Order to be heard immediately.

S. F. No. 2288: A bill for an act relating to Indian affairs; renaming the board on Indian affairs; providing a change in membership for the board; creating an advisory council; changing the duties of the board; amending Minnesota Statutes 1974, Section 3.922, as amended.

Mr. Willet moved to amend S. F. No. 2288 as follows:

Page 9, after line 16, insert:

"Sec 2. There is hereby appropriated to the board from the general fund the sum of \$155,550 for the year ending June 30, 1977."

Renumber the remaining section

Further, amend the title as follows:

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

The motion prevailed. So the amendment was adopted.

S. F. No. 2288 was then progressed.

SPECIAL ORDER

Pursuant to Rule 10, Mr. Arnold, Chairman of the Committee on Finance, designated H. F. No. 1293, No. 141 on the General Orders Calendar, a Special Order to be heard immediately.

H. F. No. 1293: A bill for an act relating to educational television; providing grants for instructional television stations serving Minnesota; providing for local supervision of grant expenditures.

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 38 and nays 26, as follows:

Those who voted in the affirmative were:

Anderson	Davies	Keefe, S.	Perpich, A. J.	Solon
Arnold	Doty	Kleinbaum	Pillsbury	Spear
Berg	Fitzsimons	Laufenburger	Purfeerst	Stokowski
Borden	Hansen, Baldy	McCutcheon	Renneke	Stumpf
Brataas	Hanson, R.	Milton	Schaaf	Tennessen
Chenoweth	Hughes	Moe	Schmitz	Willet
Chmielewski	Jensen	North	Schrom	
Coleman	Josefson	Olhoff	Sillers	

Those who voted in the negative were:

Ashbach	Dunn	Kirchner	Ogdahl	Stassen
Bang	Frederick	Knutson	Olson, A. G.	Ueland
Bernhagen	Gearty	Kowalczyk	Olson, H. D.	
Blatz	Hansen, Mel	Larson	Olson, J. L.	
Brown	Humphrey	Lewis	O'Neill	
Conzemius	Keefe, J.	Merriam	Patton	

So the bill passed and its title was agreed to.

RECESS

Mr. Coleman moved that the Senate do now recess until 7:30 o'clock p.m. The motion prevailed.

The hour of 7:30 o'clock p.m. having arrived, the President called the Senate to order.

MEMBERS EXCUSED

Messrs. Brown, Nelson and Purfeerst were excused from this evening's Session.

The question recurred on S. F. No. 2288.

Mr. Spear moved to amend S. F. No. 2288 as follows:

Page 3, line 16, after the period insert:

"Voting members shall also include two Indian residents of the city of Minneapolis, one Indian resident of the city of St. Paul, and one Indian resident of the city of Duluth to be elected by Indian residents

of their respective cities in a manner as determined by the secretary of state. The voting procedure shall correspond to the extent possible with that prescribed in subdivision 2."

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

S. F. No. 2288: A bill for an act relating to Indian affairs; renaming the board on Indian affairs; providing a change in membership for the board; creating an advisory council; changing the duties of the board; appropriating money; amending Minnesota Statutes 1974, Section 3.922, as amended.

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

And the roll being called, there were yeas 45 and nays 13, as follows:

Those who voted in the affirmative were:

Anderson	Coleman	Hanson, R.	Lewis	Renneke
Arnold	Conzemius	Hughes	Moe	Schmitz
Bang	Doty	Humphrey	Olhott	Schrom
Berg	Dunn	Jensen	Olson, A. G.	Sillers
Bernhagen	Fitzsimons	Josefson	Olson, H. D.	Solon
Blatz	Frederick	Kirchner	Olson, J. L.	Stassen
Borden	Gearty	Kleinbaum	Patton	Stokowski
Brataas	Hansen, Baldy	Kowalczyk	Perpich, A. J.	Ueland
Chmielewski	Hansen, Mel	Larson	Pillsbury	Willet

Those who voted in the negative were:

Ashbach	Keefe, J.	Merriam	O'Neill	Tennessen
Chenoweth	Keefe, S.	Milton	Spear	
Davies	McCutcheon	Ogdahl	Stumpf	

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

MOTIONS AND RESOLUTIONS—CONTINUED SUSPENSION OF RULES

Mr. Perpich, A. J. 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. 2072 and that the rules of the Senate be so far suspended as to withdraw it from the Committee on Taxes and Tax Laws and give H. F. No. 2072 its second and third reading and place it on its final passage.

The question being taken on the adoption of the motion,

And the roll being called, there were yeas 32 and nays 24, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

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

The motion did not prevail.

RECESS

Mr. Coleman moved that the Senate do now recess subject to the call of the President. The motion prevailed.

After a brief recess, the President called the Senate to order.

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 Senate Bills 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. Arnold from the Committee on Finance, to which was referred

S. F. No. 2117: A bill for an act relating to elections; establishing procedures for changing precinct boundaries; requiring filing of precinct maps with the state demographer; imposing certain duties on the state demographer regarding coordination of census data with changes in precinct boundaries; appropriating money; amending Minnesota Statutes 1974, Section 4.12, Subdivision 7; and Minnesota Statutes, 1975 Supplement, Section 204A.06, Subdivision 1, and by adding a subdivision.

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

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

S. F. No. 2375: A bill for an act relating to education; right to read program; appropriating money.

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

Page 1, line 7, strike "\$290,000" and insert "\$200,000"

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

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

S. F. No. 1971: A bill for an act relating to transportation; creating a rail service improvement fund; authorizing contractual agreements for rail line rehabilitation; establishing a rail service improvement program; requiring study of state regulatory and tax policies affecting rail transportation; prescribing powers and duties of the director of the state planning agency; appropriating money.

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

Page 1, line 23, strike "10" and insert "9"

Page 2, line 1, strike "10" and insert "9"

Page 2, line 11, strike "user" and insert "users"

Page 3, line 7, strike "(1)" and insert "(a)"

Page 3, line 10, strike "(2)" and insert "(b)"

Page 3, line 15, strike "(3)" and insert "(c)"

Page 3, line 24, strike "(4)" and insert "(d)"

Page 3, line 25, strike "(3)" and insert "(c)"

Page 3, line 30, strike "moneys" and insert "money"

Page 3, line 32, strike "funds" and insert "money"

Page 4, line 3, strike "funds" and insert "money from the fund"

Page 4, line 17, strike "Develop criteria for determining" and insert "Set"

Page 4, line 18, strike "funds" and insert "money"

Page 4, line 18, after "railroads" strike the period and insert "according to criteria developed by the director. The criteria"

Page 4, strike line 19

Page 4, line 20, strike "director"

Page 4, line 20, after "the" insert "anticipated"

Page 4, line 24, strike "funds" and insert "money"

Page 4, line 28, strike "FUNDS OF" and insert "PARTICIPATION BY"

Page 5, line 6, strike "arrangements" and insert "agreements"

Page 5, line 7, strike "FUNDS" and insert "MONEY"

Page 5, lines 9 and 29, strike "funds" and insert "money"

Amend the title as follows:

Page 1, strike lines 6 and 7

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

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

H. F. No. 920: A bill for an act relating to recreation; environmental preservation and energy conservation; conserving human and natural resources by promoting health and recreation and abating environmental pollution by encouraging the use of bicycles; providing for a bicycle registration system, and prescribing the powers and duties of the commissioner of public safety in relation thereto; directing the commissioner of public safety to study the use of bicycles on streets, highways, bicycle ways and bicycle lanes; prescribing a model bicycle ordinance for political subdivisions; directing the commissioner of natural resources to develop a plan for an interconnecting system of bicycle trails; providing for the construction of bicycle lanes or ways using federal funds; prescribing penalties; and appropriating money.

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

Amend the report made by the Transportation and General Legislation Committee adopted by the Senate March 17, 1976, as follows:

In the Page 4, line 25, amendment after "number" and before "designated" insert "of any bicycle"

Page 4, of H. F. No. 920, line 28, strike "of any bicycle" and insert "pursuant to section 3"

Page 5, of H. F. No. 920, line 2, strike "national" and insert "Minnesota"

Strike the Transportation and General Legislation Committee amendment to Page 7, line 6

Page 2 of the committee report, in the amendment to Page 8, after Line 12, strike all of Subdivision 3

Strike all of the committee amendments from the amendment to Page 10, Line 17, through the amendment to Page 14, Line 11

Pages 10 to 14, of H. F. No. 920, strike all of Section 18

Further, amend the title as follows:

Page 1, line 12, strike "prescribing a model bicycle"

Page 1, line 13, strike "ordinance for political subdivisions;"

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

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

S. F. No. 2300: A bill for an act relating to livestock sanitation; providing indemnification to owners of condemned cattle by reason of being nonreactors to the brucellosis test, or by reason

of being exposed to brucellosis and not eligible for test; authorizing indemnity to owners of grade bulls slaughtered because of certain other dangerous diseases; amending Minnesota Statutes 1974, Section 35.09, Subdivision 2, and by adding a subdivision.

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

Page 4, after line 16, insert:

"Sec. 3. The sum of \$40,000 is appropriated from the general fund to the livestock sanitary board for the biennium ending June 30, 1977, for the purposes of this act."

Amend the title as follows:

Page 1, line 8, after "diseases;" insert "appropriating money;"

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

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

S. F. No. 1959: A bill for an act relating to health facilities; establishing an office of health facility complaints; appropriating money.

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

Page 1, line 19, strike "complaints" and insert "ombudsman"

Page 2, line 13, strike "COMPLAINTS" and insert "OMBUDSMAN"

Page 2, line 14, strike "complaints" and insert "ombudsman"

Page 3, line 7, after the period insert "To the extent possible, employees of the office shall meet federal training requirements for health facility surveyors."

Page 3, line 31, strike "Recommend that the department of health"

Page 4, after line 1, insert:

"(g) Recommend the certification or decertification of health facilities pursuant to Title XVIII or Title XIX of the United States Social Security Act;"

Reletter the remaining clauses

Page 6, lines 20, 22, 24, and 31, strike "complaints" and insert "ombudsman"

Page 6, line 29, after the dollar sign insert "64,600"

Page 7, line 3, strike "complaints" and insert "ombudsman"

Further, amend the title as follows:

Page 1, line 3, strike "complaints" and insert "ombudsman"

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

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

S. F. No. 2225: A bill for an act relating to medical assistance for the needy; establishing guidelines for reimbursement of medical services furnished by nursing homes; prescribing certain responsibilities for the commissioner of public welfare.

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

Page 2, line 2, before "The" insert "Subdivision 1. Except as provided in subdivision 2,"

Page 2, after line 8, insert:

"Subd 2. A nursing home which pays interest on capital indebtedness at a rate in excess of 9 percent may be reimbursed for one half of its interest expenses in excess of the 9 percent if (1) the proceeds of the indebtedness are used for the purchase or operation of the nursing home and (2) the loan was obtained in an arms length transaction. The annual interest paid pursuant to this subdivision shall not exceed 1.5 percent of the indebtedness."

Page 2, line 11, strike "March" and insert "January"

Page 2, line 12, strike "1976" and insert "1977"

Page 2, line 22, strike "March" and insert "January"

Page 2, line 23, strike "1976" and insert "1977"

Page 3, line 14, strike " "Accumulated depreciation" means the total"

Page 3, strike lines 15 and 16

Page 3, line 21, before "percent" insert "8"

Page 3, line 23, after "be" insert "8"

Page 3, line 25, strike "January" and insert "July"

Page 3, line 26, strike "December 31, 1977" and insert "June 30, 1978"

Page 3, line 27, strike "December" and insert "May"

Page 4, line 1, after "every" insert "7"

Page 4, line 2, strike "accumulated"

Page 4, line 2, after "depreciation" insert ", accumulated on the basis of the original value and on any value established pursuant to this subdivision,"

Page 4, line 9, after "The" and before "year" insert "7"

Page 4, line 12, strike "March 1, 1976" and insert "January 1, 1977"

Page 4, line 13, strike "1976" and insert "1977"

Page 4, line 13, after "or" insert "7"

Page 7, line 11, strike "December 31, 1976" and insert "July 1, 1977"

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

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

S. F. No. 1895: A bill for an act relating to agriculture; establishing a family farm security program to encourage loans for farm real estate; appropriating money; amending Minnesota Statutes 1974, Section 48.24, Subdivision 5; and Minnesota Statutes, 1975 Supplement, Sections 290.01, Subdivision 20; 290.08, by adding a subdivision; and 290.09, Subdivision 4.

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

Page 19, line 16, after the period insert "*The sum of all outstanding family farm security loans guaranteed by the commissioner at any time shall not exceed ten times the amount of money in the special account created in this subdivision.*"

Page 19, line 17, strike "*Interest accrued from the investment of funds*"

Page 19, line 18, strike "*from the special account is annually appropriated, and*"

Page 19, line 19, after the dollar sign insert "*800,000*"

Page 19, line 23, strike "*\$56,000*" and insert "*\$74,300 for the biennium ending June 30, 1977,*"

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

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

H. F. No. 2342: A bill for an act relating to state hospitals; providing certain name changes; amending Minnesota Statutes 1974, Sections 252.025, Subdivision 1; 253.201; 253A.02, by adding a subdivision; and 254.05.

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

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

S. F. No. 2380: A bill for an act relating to the department of public welfare; providing for funding for detoxification programs; amending Minnesota Statutes 1974, Section 254A.08, Subdivision 3.

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

Page 1, after line 23, insert:

"Sec. 2. This act is effective January 1, 1977."

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

Mr. Coleman from the Committee on Rules and Administration, pursuant to the second paragraph of Rule 40, and on request of Mr. Perpich, A. J., first author of S. F. No. 2336, companion file to H. F. No. 2072, recommends that H. F. No. 2072 be withdrawn from the Committee on Taxes and Tax Laws and be placed on General Orders. Report adopted.

SECOND READING OF SENATE BILLS

S. F. Nos. 2117, 2375, 2380, 1895, 2225, 1959, 2300 and 1971 were read the second time.

SECOND READING OF HOUSE BILLS

H. F. Nos. 2342, 920 and 2072 were read the second time.

MOTIONS AND RESOLUTIONS—CONTINUED

SUSPENSION OF RULES

Mr. Perpich, A. J. 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. 2072 and that the rules of the Senate be so far suspended as to give H. F. No. 2072, now on General Orders, its third reading and place it on its final passage. 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 Minnesota 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.

Mr. Perpich, A. J., moved to amend H. F. No. 2072 as follows:

Strike everything after the enacting clause and insert:

"ARTICLE 1

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 is 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 \$475;
	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 there shall be allowed to the *widow surviving spouse* an additional 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, 1976 and for gifts made after July 1, 1976.*

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 shall be made according to the procedure provided in 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. There is appropriated from the general fund in the state treasury to the commissioner of revenue the amount necessary to make these payments.

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.~~ *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, subdivision 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 or 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 or 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 Min-

nesota 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 per 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 distributions 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 veteran disability pensions, (g) non-taxable interest received from the state or federal governments or any of their instrumentalities, (h) the gross amount of "loss of time" insurance and (i) each 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 1974, Section 290.09, Subdivision 10, is amended to read:

Subd. 10. [MEDICAL EXPENSES.] Payments (not compensated for by insurance or otherwise) for expenses for hospital, nursing, medical, surgical, dental, and other healing services, including institutional care and treatment for the mentally ill and physically handicapped, and for medical supplies and ambulance hire, incurred by the taxpayer on account of sickness, mental illness, physical handicap or personal injury to himself or his dependents and premiums paid for hospitalization and medical insurance including non-profit hospital service and non-profit medical service plans. Payments for traveling expenses shall not be deductible under the provisions of this subdivision. Payments for hotel or similar lodging expenses shall be deductible in the same manner as payments for hospital services, if the taxpayer or his dependent is not hospitalized but is nevertheless required to remain in a medical center away from his usual place of abode, for the purpose of receiving prescribed medical treatment. *Payments for water filtration equipment and replacement components installed in the taxpayer's home to purify drinking water, which if consumed may be injurious to human health because of asbestos-form fibers content, shall be deductible as a medical expense in the year in which the equipment or parts were purchased.*

This section shall be effective for equipment and replacement components purchased after December 31, 1974.

Sec. 13. 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 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. 14. 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 4 of this article and section 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. 15. 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. 16. 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. 17. 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. 18. 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. 19. 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. 20. 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. 21. 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. 22. 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. 23. 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. 24. 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. 25. 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. 26. 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. 27. *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. 28. [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. 29. [REPEALER.] *Minnesota Statutes, 1975 Supplement, Section 124.03 is repealed.*

Sec. 30. [EFFECTIVE DATE.] *Sections 1, 2, 4, 5, 7, 8, 11, and 16 to 19 and 23 to 29 are effective the day following final enactment. Sections 3, 9, 10, and 14 are effective for taxable years beginning after December 31, 1975. Section 6 is effective for the 1977 assessment year and subsequent years. Section 13 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 15 is effective for claims to be filed in 1977 and subsequent years. Sections 20, 21, and 22 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 payment 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 TAXPAYERS.] *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 Stat-*

utes, 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 is not 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.

(16) For taxes payable in 1977 and subsequent years, billboards used to display commercial advertising messages, whether located on or off the premises of the person or business concern whose products or services are being advertised.

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 next 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, ~~1975~~ 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 or prevention of illness or disease in human beings and products consumed by humans for the preservation of health, including prescription glasses, therapeutic and prosthetic devices, but not including cosmetics or toilet articles notwithstanding the presence of medicinal ingredients therein;

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

(d) The gross receipts from the sale of tangible personal property (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 advertising. Machinery, equipment, implements, tools, accessories, appliances, contrivances, furniture and fixtures used in such publication and fuel, electricity, gas or steam used for space heating or lighting, are not exempt;

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

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

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

(m) The gross receipts from sales of airlift 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, "airlift equipment" includes airplanes and parts necessary for the repair and maintenance of such airlift 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 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, except as provided therein. 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, subdivisions 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. There is appropriated from the general fund in the state treasury to the commissioner of revenue the amount necessary to make these payments.

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 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 cor-*

poration 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 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 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 to the state board of education from the general fund sufficient money 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 state board of education 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 certificate 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 section 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.*

ARTICLE XVI

Section 1. Minnesota Statutes 1974, Section 297A.26, is amended by adding a subdivision to read:

Subd. 3. The taxpayer may deduct from the taxes payable in any reporting period \$8 on each timely filed return for costs of administration. A permit holder shall be entitled to only one deduction in each reporting period regardless of the number of permits held by the permit holder.

Sec. 2. [EFFECTIVE DATE.] *This article is effective for reporting periods beginning after July 1, 1976.*

ARTICLE XVII

Section 1. Minnesota Statutes, 1975 Supplement, Section 147.30, is amended to read:

147.30 [LOANS TO MEDICAL AND OSTEOPATHY STUDENTS WHO AGREE TO PRACTICE IN RURAL COMMUNITIES.] The state of Minnesota may provide loans to students for the cost of the education and living expenses during the time the recipient is enrolled in an accredited medical school in the state of Minnesota, or accredited school of osteopathy the graduates of which are eligible for licensure in Minnesota, and to students domiciled in Minnesota and enrolled in an accredited medical school or school of osteopathy located outside the state, if the recipient agrees in writing to practice medicine or osteopathy in a rural community in Minnesota designated as an area in need of medical doctors or osteopaths by the higher education coordinating

~~commission board~~ . In selecting medical students priority shall be given to students enrolled in schools in Minnesota. Each recipient shall execute a note to the state payable on demand for the principal amount of the loan with interest at not more than eight percent per annum the rate applicable to any particular note to be determined by the ~~commission board~~ . Interest shall run on the principal balance from the date of the loan until the principal sum is paid said interest to be payable when the principal sum is paid; provided that the obligation to repay the principal and interest on any such loan shall be forgiven if the recipient has practiced medicine or osteopathy for a period of 18 months for each initial or renewal period of the loan, or five years, whichever is less, in an area in need of medical doctors or osteopaths as designated by the higher education coordinating ~~commission board~~ . If the recipient fails to fulfill the obligation to practice, the principal and interest on any such loan shall be payable according to the terms of the note executed by such recipient. Assistance may be granted in the amount that the ~~commission board~~ determines sufficient for the purpose specified in this section not to exceed \$5,000 per recipient per year. Loans shall be renewed on an annual basis contingent on the good standing of the recipient in the program. No individual recipient shall receive loans to exceed \$20,000 in aggregate principal amount. The ~~commission board~~ may delay the time for beginning practice not more than four years after the recipient has qualified to practice if the recipient wishes to seek additional medical or osteopathic training.

An amount not to exceed \$5,000, plus interest accrued thereon shall be forgiven within a month immediately following the 18 month period of practice if the board finds the recipient eligible for the forgiveness. The entire balance due and owing under the loan shall be forgiven within one month immediately following five years of practice if the board finds such eligibility."

Further, strike the title in its entirety and insert

"A bill for an act relating to taxation; 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 payments 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 and advertising billboards from property taxation; providing a ten percent credit against income tax for the cost of pollution control equipment and solar energy devices; including cost of water filtration equipment in medical expense deduction; 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 cal-

ulation 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; permitting a deduction from the sales tax by certain sales tax permit holders to defray the costs of collecting and remitting the tax; forgiving certain amounts of loans to certain medical students; prescribing a penalty; appropriating money; amending Minnesota Statutes 1974, Sections 270.071, Subdivision 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; 290.09, Subdivision 10; 291.03; 291.05; 292.05, Subdivision 1; 292.07, Subdivisions 3 and 5; 297A.25, Subdivision 1; 297A.26, by adding a subdivision; 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 147.30; 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."

The motion prevailed. So the amendment was adopted.

H. F. No. 2072 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 49 and nays 3, as follows:

Those who voted in the affirmative were:

Arnold	Conzemius	Jensen	Moe	Schmitz
Bang	Doty	Josefson	Ogdahl	Schrom
Berg	Dunn	Keefe, J.	Olhoff	Solon
Bernhagen	Fitzsimons	Keefe, S.	Olson, A. G.	Spear
Blatz	Frederick	Kirchner	Olson, H. D.	Stassen
Borden	Gearty	Kleinbaum	Olson, J. L.	Stokowski
Brataas	Hansen, Baldy	Kowalczyk	Patton	Stumpf
Chenoweth	Hansen, Mel	McCutcheon	Perpich, A. J.	Ueland
Chmielewski	Hanson, R.	Merriam	Pillsbury	Willet
Coleman	Humphrey	Milton	Renneke	

Messrs. Davies, Knutson and Tennessen voted in the negative.

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

MOTIONS AND RESOLUTIONS—CONTINUED

Mr. Jensen moved that the name of Mr. McCutcheon be added as co-author to S. F. No. 1707. 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. 1999: A bill for an act relating to elections; preparation of ballots; imposing duties on the county auditor; repealing special provisions for voting in presidential elections; amending Minnesota Statutes 1974, Section 208.04; repealing Minnesota Statutes 1974, Sections 208.21 to 208.35.

Mr. Keefe, S., moved to amend S. F. No. 1999 as follows:

Page 2, after line 26, insert new sections to read:

"Sec. 2. Minnesota Statutes 1975 Supplement, Section 203A.31, is amended by adding a subdivision to read:

Subd. 5. [PREPARATION OF FEDERAL ELECTION BALLOT.] The federal election ballot required by Public Law 94-203 to be used by United States citizens residing outside the United States in voting for candidates for president and vice-president, senator in congress, and representative in congress shall be prepared under the direction of the county auditor in the same manner as provided for the state white ballot and in conformance with the provisions of sections 203A.22 to 203A.34.

Sec. 3. Minnesota Statutes 1974, Chapter 207, is amended by adding a section to read:

[207.025] [ELIGIBLE VOTERS RESIDING OUTSIDE THE UNITED STATES.] Any person eligible to vote in Minnesota under the provisions of Public Law 94-203 shall be permitted to register and vote for candidates for the offices of president and vice-president, senator in congress, and representative in congress in the same manner as provided in sections 207.03 to 207.151 for any person eligible to vote who is absent from his precinct on election day."

Renumber the sections in sequence

Amend the title as follows:

Line 5, after "elections;" insert "providing for eligible voters residing outside the United States to vote;"

Line 6, after "Section 208.04"; insert "and Chapter 207, by adding a section;"

The motion prevailed. So the amendment was adopted.

S. F. No. 1999 was then progressed.

SPECIAL ORDER

S. F. No. 2353: A bill for an act relating to crimes; criminal sexual conduct; amending Minnesota Statutes 1974, Sections 192A.605; 241.51, Subdivision 2; 246.43, Subdivision 1; 609.195; 609.293, Subdivision 5; 626A.05, Subdivision 2; Minnesota Statutes, 1975 Supplement, Sections 609.11, Subdivision 1; 609.341, Subdivision 10; 609.345; 609.346, Subdivision 1; 624.712, Subdivision 5; 626.556, Subdivision 2; repealing Minnesota Statutes 1974, Section 609.293, Subdivisions 2, 3, and 4.

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

The question being taken on the passage of the bill,

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

And the roll being called, there were yeas 16 and nays 15, as follows:

Those who voted in the affirmative were:

Bang	Dunn	Kirchner	Pillsbury	Stumpf
Brataas	Jensen	Merriam	Renneke	Tennessee
Chenoweth	Josefson	Olson, J. L.	Spears	
Davies	Keefe, S.			

Those who voted in the negative were:

Berg	Conzemius	McCutcheon	Olson, H. D.	Schmitz
Bernhagen	Gearty	Moe	Patton	Schrom
Chmielewski	Hansen, Baldy	Olhoff	Perpich, A. J.	Willet

So the bill failed to pass.

SPECIAL ORDER

H. F. No. 2157: A bill for an act relating to public welfare; providing for administrative and judicial review of certain actions and decisions of local welfare agencies; repealing Minnesota Statutes 1974, Sections 256.77; 256B.10; 256B.11; and 256D.40.

Mr. Borden moved to amend H. F. No. 2157 as amended pursuant to Rule 49, adopted by the Senate March 17, 1976, as follows:

Strike the Rule 49 amendment

Page 6, after line 7, insert

"Sec. 3. Except as otherwise provided by this section, this act is effective the day after final enactment. Any proceeding initiated under Minnesota Statutes, Sections 256.77, 256B.10, 256B.11, 256D.12 or 256D.40, prior to the effective date of this act, shall be conducted and completed in accordance with those sections."

The motion prevailed. So the amendment was adopted.

H. F. No. 2157 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 48 and nays 0, as follows:

Those who voted in the affirmative were:

Arnold	Doty	Josefson	Olhoft	Solon
Ashbach	Dunn	Keefe, J.	Olson, A. G.	Spear
Bang	Fitzsimons	Keefe, S.	Olson, H. D.	Stassen
Berg	Frederick	Kirchner	Olson, J. L.	Stokowski
Bernhagen	Gearty	Knutson	Patton	Stumpf
Borden	Hansen, Baldy	Kowalczyk	Perpich, A. J.	Tennessen
Brataas	Hansen, Mel	McCutcheon	Pillsbury	Ueland
Chenoweth	Hanson, R.	Merriam	Renneke	Willet
Chmielewski	Humphrey	Milton	Schmitz	
Davies	Jensen	Moe	Schrom	

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

SPECIAL ORDER

H. F. No. 2038: A bill for an act relating to medical assistance for the needy; directing the commissioner of public welfare to identify and investigate certain medical assistance abuses; requiring certain reports; amending Minnesota Statutes 1974, Section 256B.04, Subdivision 5, and by adding subdivisions.

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

The question being taken on the passage of the bill,

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

Those who voted in the affirmative were:

Arnold	Davies	Jensen	Moe	Schrom
Ashbach	Doty	Josefson	Olhoft	Solon
Bang	Dunn	Keefe, J.	Olson, A. G.	Spear
Berg	Fitzsimons	Keefe, S.	Olson, H. D.	Stassen
Bernhagen	Frederick	Kirchner	Olson, J. L.	Stokowski
Borden	Gearty	Knutson	Patton	Stumpf
Brataas	Hansen, Baldy	Kowalczyk	Perpich, A. J.	Tennessen
Chenoweth	Hansen, Mel	McCutcheon	Pillsbury	Ueland
Chmielewski	Hanson, R.	Merriam	Renneke	Willet
Coleman	Humphrey	Milton	Schmitz	

So the bill passed and its title was agreed to.

SPECIAL ORDER

H. F. No. 2039: A bill for an act relating to health care; clarifying and expanding the patients' bill of rights; requiring certain notices; providing penalties; amending Minnesota Statutes 1974, Sections 144.651 and 144.652.

Mr. Keefe, J. moved to amend H. F. No. 2039 as follows:

Page 3, line 7, strike "*patient or*"

Page 4, line 27, after "*discretion*" insert "; *provided, however, that*

the activities shall not infringe upon the right to privacy of other residents"

The motion prevailed. So the amendment was adopted.

H. F. No. 2039 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 49 and nays 0, as follows:

Those who voted in the affirmative were:

Arnold	Davies	Jensen	Moe	Schrom
Ashbach	Doty	Josefson	Olhofs	Solon
Bang	Dunn	Keefe, J.	Olson, A. G.	Spear
Bernhagen	Fitzsimons	Keefe, S.	Olson, H. D.	Stassen
Borden	Frederick	Kirchner	Olson, J. L.	Stokowski
Brataas	Gearty	Knutson	Patton	Stumpf
Chenoweth	Hansen, Baldy	Kowalczyk	Perpich, A. J.	Tennessen
Chmielewski	Hansen, Mel	McCutcheon	Pillsbury	Ueland
Coleman	Hanson, R.	Merriam	Renneke	Willet
Conzemius	Humphrey	Milton	Schmitz	

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

MEMBERS EXCUSED

Pursuant to Rule 21, Mr. Borden moved that the following members be excused for a Conference Committee on H. F. No. 525:

Messrs. Laufenburger, Brown, Schaaf, North and Borden. The motion prevailed.

SPECIAL ORDER

H. F. No. 1326: A bill for an act relating to garnishment and execution; amending Minnesota Statutes 1974, Sections 550.04; 550.142; 550.37, Subdivisions 4, 13, 14, 18, 19, and by adding a subdivision; 571.41, Subdivisions 1 and 2, and by adding subdivisions; 571.55, Subdivisions 1 and 2; 571.61, Subdivision 1; 571.67; and Chapters 550, by adding a section; and 571, by adding sections; repealing Minnesota Statutes 1974, Sections 571.47; 571.48; and 571.49.

Mr. Tennessen moved to amend the amendment placed on H. F. No. 1326 by the Committee on Judiciary, adopted by the Senate March 16, 1976, as follows:

Sec. 2, line 10, strike "*or prior to a subsequent garnish-*"

Sec. 2, strike lines 11 and 12 and insert a period

Sec. 4, line 11, after "*Subd. 2.*" insert "*On any judgment,*"

Sec. 4, line 12, strike "*under this chapter, or prior to a subsequent levy on an indi-*"

Sec. 4, strike line 16

Line 17, strike "*no levy on the earnings for one year*"

Sec. 15, Subd. 5, line 4, strike "or prior to a subsequent"

Sec. 15, Subd. 5, strike line 5 and line 6, strike "year"

Sec. 17, line 37, strike "or prior to a subsequent garnishment on a debt if"

Line 38, strike "there has been no garnishment on that debt for one year"

Sec. 17, Subd. 2, 5th paragraph, line 3, strike "or prior to a subse-" and strike line 4

Line 5, strike "debt for one year"

Sec. 18, Subd. 3, clause (4), line 6, strike "or prior to a" and strike line 7

Line 8, strike "on that debt for one year"

Clause (6), line 5, strike "or prior to a subsequent garnishment on a debt if there has"

Line 6, strike "been no garnishment on that debt for one year"

The motion prevailed. So the amendment to the amendment was adopted.

Mr. Tennesen moved to amend the amendment placed on H. F. No. 1326 by the Committee on Judiciary, adopted by the Senate March 16, 1975, as follows:

Section 4, after Subdivision 2, insert:

"Subd. 3. Garnishees shall not be liable for damages for complying with process duly issued out of any court for the collection of a debt even if the funds affected by said process are subsequently determined to have been exempt. This provision shall not apply to an employer who fails to give effect to the garnishment limitations contained in section 571.55."

The motion prevailed. So the amendment to the amendment was adopted.

Mr. Conzemius moved that H. F. No. 1326 be laid on the table.

The question being taken on the adoption of the motion,

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

Those who voted in the affirmative were:

Anderson	Brataas	Hanson, R.	Moe	Sillers
Arnold	Chmielewski	Jensen	Olson, J. L.	Stassen
Ashbach	Conzemius	Keefe, J.	O'Neill	Ueland
Bang	Dunn	Kirchner	Perpich, A. J.	Willet
Berg	Fitzsimons	Knutson	Pillsbury	
Bernhagen	Frederick	Larson	Renneke	
Blatz	Hansen, Baldy	Milton	Schrom	

Those who voted in the negative were:

Chenoweth	Hansen, Mel	McCutcheon	Schmitz	Stumpf
Davies	Humphrey	Merriam	Solon	Tennessee
Doty	Josefson	Olhoft	Spear	
Gearty	Keefe, S.	Olson, A. G.	Stokowski	

The motion prevailed.

The question recurred on S. F. No. 1999.

Mr. Keefe, S., moved to amend S. F. No. 1999 as follows:

Page 1, after line 8, insert:

"Section 1. Minnesota Statutes, 1975 Supplement, Section 203A.33, Subdivision 4, is amended to read:

"Subd. 4. [BALLOT, PARTY POSITION.] At the general election, and in the case of partisan offices only, the first name printed for each office, or group of names if more than one is to be voted for, for the same office, shall be that of the candidate of the political party which at the last preceding general election polled the ~~largest~~ *smallest* number of votes, the same to be determined by the average vote cast for that party's candidates for partisan offices except representatives in congress. In like manner the second and succeeding lines shall be filled with the names of the candidates of the other political parties receiving the next ~~highest~~ *smallest* number of votes respectively. For the purposes of this subdivision, the average vote of the party shall be computed by determining the total number of votes counted in the state for all of the party's candidates on the general election ballot except representatives in congress, and dividing that sum by the number of the party's candidates, except representatives in congress, appearing on the general election ballot."

Renumber the sections in sequence

Amend the title as follows:

Line 2, after "ballots" insert "changing rotation of names;"

Line 6, before "repealing" insert "Minnesota Statutes, 1975 Supplement, Sections 203A.31, by adding a subdivision; 203A.33, Subdivision 4;"

Mr. Frederick moved a substitute amendment to amend S. F. No. 1999 as follows:

Page 2, after line 26, insert:

"Sec. 2. Minnesota Statutes, 1975 Supplement, Section 203A.35, Subdivision 1, is amended to read:

203A.35 [GENERAL ELECTION BALLOT, ROTATION OF NAMES.] Subdivision 1. At the general election, ~~and in the case of nonpartisan offices only~~, the names of all candidates for the same office shall be rotated on the ballots in the manner provided for primary election ballots by section 203A.23, subdivision 5, and all the provisions of section 203A.23, subdivisions 5 and 6 are applicable to general election ballots, so far as practicable."

Renumber the sections in sequence

Page 2, line 29, strike "and 208.35" and insert "208.35; and Minnesota Statutes, 1975 Supplement, Section 203A.33, Subdivision 4"

Amend the title as follows:

Line 2, after "ballots;" insert "rotation of names;"

Line 6, after the semicolon, insert "Minnesota Statutes, 1975 Supplement, Section 203A.35, Subdivision 1;"

Line 7, before the period, insert "and Minnesota Statutes, 1975 Supplement, Section 203A.33, Subdivision 4"

The question being taken on the adoption of the Frederick substitute amendment,

And the roll being called, there were yeas 27 and nays 30, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Anderson	Davies	Keefe, S.	Moe	Solon
Arnold	Doty	Kleinbaum	North	Spear
Borden	Gearty	Lewis	Olhoft	Stokowski
Chmielewski	Hansen, Baldy	McCutcheon	Olson, A. G.	Stumpf
Coleman	Hughes	Merriam	Perpich, A. J.	Tennessen
Conzemius	Humphrey	Milton	Schmitz	Willet

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

The question being taken on the adoption of the Keefe, S. amendment,

And the roll being called, there were yeas 34 and nays 23, as follows:

Those who voted in the affirmative were:

Anderson	Doty	Kleinbaum	Olhoft	Solon
Arnold	Gearty	Lewis	Olson, A. G.	Spear
Borden	Hansen, Baldy	McCutcheon	Olson, H. D.	Stokowski
Chmielewski	Hughes	Merriam	Perpich, A. J.	Stumpf
Coleman	Humphrey	Milton	Pillsbury	Tennessen
Conzemius	Jensen	Moe	Renneke	Willet
Davies	Keefe, S.	North	Schmitz	

Those who voted in the negative were:

Ashbach	Brown	Hanson, R.	Larson	Sillers
Berg	Dunn	Josefson	Ogdahl	Stassen
Bernhagen	Fitzsimons	Kirchner	Olson, J. L.	Ueland
Blatz	Frederick	Knutson	O'Neill	
Brataas	Hansen, Mel	Kowalczyk	Patton	

The motion prevailed. So the Keefe, S. amendment was adopted.

S. F. No. 1999: A bill for an act relating to elections; preparation of ballots; changing rotation of names; imposing duties on the county auditor; repealing special provisions for voting in presidential elections; providing for eligible voters residing outside the United States to vote; amending Minnesota Statutes 1974, Section 208.04; and Chapter 207, by adding a section; Minnesota Statutes, 1975 Supplement, Sections 203A.31, by adding a subdivision; 203A.33, Subdivision 4; repealing Minnesota Statutes 1974, Sections 208.21 to 208.35.

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 35 and nays 23, as follows:

Those who voted in the affirmative were:

Anderson	Doty	Kleinbaum	Olhoft	Schrom
Arnold	Gearty	Lewis	Olson, A. G.	Solon
Borden	Hansen, Baldy	McCutcheon	Olson, H. D.	Spear
Chmielewski	Hughes	Merriam	Perpich, A. J.	Stokowski
Coleman	Humphrey	Milton	Pillsbury	Stumpf
Conzemius	Jensen	Moe	Renneke	Tennessen
Davies	Keefe, S.	North	Schmitz	Willet

Those who voted in the negative were:

Ashbach	Brown	Hanson, R.	Larson	Sillers
Berg	Dunn	Josefson	Ogdahl	Stassen
Bernhagen	Fitzsimons	Kirchner	Olson, J. L.	Ueland
Blatz	Frederick	Knutson	O'Neill	
Brataas	Hansen, Mel	Kowalczyk	Patton	

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

SPECIAL ORDER

H. F. No. 1993: A bill for an act relating to education; providing standards for the education of handicapped children; requiring a hearing and appeals process; limiting expenditures to meet federal requirements; amending Minnesota Statutes 1974, Section 120.17, Subdivisions 3 and 4, and by adding subdivisions; and Minnesota Statutes, 1975 Supplement, Section 120.17, 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 54 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Brown	Dunn	Hughes	Kleinbaum
Arnold	Chenoweth	Frederick	Humphrey	Knutson
Bang	Chmielewski	Gearty	Jensen	Kowalczyk
Bernhagen	Coleman	Hansen, Baldy	Josefson	Larson
Blatz	Davies	Hansen, Mel	Keefe, S.	Laufenburger
Brataas	Doty	Hanson, R.	Kirchner	Lewis

Merriam	Olson, A. G.	Perpich, A. J.	Sillers	Stumpf
Moe	Olson, H. D.	Pillsbury	Solon	Tennessee
North	Olson, J. L.	Renneke	Spear	Ueland
Ogdahl	O'Neill	Schmitz	Stassen	Willet
Olhoft	Patton	Schrom	Stokowski	

So the bill passed and its title was agreed to.

SPECIAL ORDER

H. F. No. 429: A bill for an act relating to labor; increasing the minimum wage; amending Minnesota Statutes 1974, Section 177.24.

Mr. Milton moved to amend H. F. No. 429 as follows:

Page 1, line 10, after "employees" insert "*who is 18 years of age or older*"

Page 1, line 12, before the period insert "*and shall pay to each of his employees who is under the age of 18 wages at a rate of not less than \$1.89 an hour*"

Page 1, after line 12, insert

"Sec. 2. Minnesota Statutes 1974, Section 177.28, Subdivision 3, is amended to read:

"Subd. 3. The commissioner shall establish regulations which define and govern sections 177.21 to 177.35 with respect to, salesmen who conduct no more than 20 percent of their sales on the premises of the employer; allowances as part of the wage rates for board, lodging and other facilities or services furnished by the employer and used by the employees. Regulations issued by the department pursuant to this section shall include, but are not limited to, bonuses; ~~special rates for employees under the age of 18, which rate shall not be more than 90 percent of the minimum wage established in section 177.24;~~ part-time rates; special pay for special or extra work; procedures in contested cases; other facilities or services furnished by employers and used by employees; and other special items usual in a particular employer-employee relationship. Regulations required by this subdivision shall be established by November 1, 1973."

Renumber the remaining section

Amend the title as follows:

Line 3, strike "Section 177.24" and insert "Sections 177.24; and 177.28, Subdivision 3"

The motion prevailed. So the amendment was adopted.

H. F. No. 429 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 55 and nays 1, as follows:

Those who voted in the affirmative were:

Anderson	Bang	Blatz	Brown	Coleman
Arnold	Berg	Borden	Chenoweth	Conzemius
Ashbach	Bernhagen	Brataas	Chmielewski	Davies

Doty	Hughes	Kowalczyk	Olson, A. G.	Solon
Dunn	Humphrey	Larson	Olson, H. D.	Spear
Fitzsimons	Josefson	Laufenburger	Olson, J. L.	Stassen
Frederick	Keefe, J.	Merriam	O'Neill	Stokowski
Gearty	Keefe, S.	Milton	Patton	Stumpf
Hansen, Baldy	Kirchner	North	Perpich, A. J.	Tennessee
Hansen, Mel	Kleinbaum	Ogdahl	Schmitz	Ueland
Hanson, R.	Knutson	Olhoft	Sillers	Willet

Mr. Pillsbury voted in the negative.

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

SPECIAL ORDER

H. F. No. 1870: A bill for an act relating to public employees; administrative expenses of salary deductions for annuity contracts; appropriating funds; repealing Laws 1975, Chapter 433, Section 12.

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

The question being taken on the passage of the bill,

And the roll being called, there were yeas 59 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

MOTIONS AND RESOLUTIONS—CONTINUED

Mr. Coleman moved that the Senate do now adjourn until 9:00 o'clock a.m., Tuesday, March 23, 1976. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate