

## SEVENTY-FOURTH DAY

St. Paul, Minnesota, Monday, February 20, 1978

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

Prayer was offered by the Chaplain, Rev. Curtis A. Herron.

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

Anderson	Engler	Knoll	Olhoft	Sillers
Ashbach	Frederick	Knutson	Olson	Solon
Bang	Gearity	Laufenburger	Penny	Spear
Benedict	Gunderson	Lessard	Perpich	Staples
Bernhagen	Hanson	Lewis	Peterson	Stokowski
Borden	Hughes	Luther	Pillsbury	Strand
Brataas	Jensen	McCutcheon	Purfeerst	Stumpf
Chenoweth	Johnson	Menning	Renneke	Tennessee
Chmielewski	Keefe, J.	Merriam	Schmitz	Ueland, A.
Coleman	Keefe, S.	Moe	Schrom	Ulland, J.
Davies	Kirchner	Nelson	Setzepfandt	Vega
Dieterich	Kleinbaum	Nichols	Sieloff	Wegener
Dunn	Knaak	Ogdahl	Sikorski	Willet

The President declared a quorum present.

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

## MEMBERS EXCUSED

Mr. Gunderson was excused from the Session of today at 12:00 o'clock noon. Mr. Renneke was excused from the Session of today until 10:30 o'clock a.m.

## EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communication was received and referred to the committee indicated:

January 11, 1978

The Honorable Edward J. Gearty  
President of the Senate

Dear Sir:

The following appointment to the Council on Quality Educa-

tion is hereby respectfully submitted to the Senate for confirmation as required by law:

Nancy Belbas, 4603 Lakeview Drive, Edina, Hennepin County, has been appointed by me, effective January 10, 1978, for a term expiring the first Monday in January, 1979.

Sincerely,  
Rudy Perpich, Governor

Referred to the Committee on Education.

#### **INTRODUCTION AND FIRST READING OF SENATE BILLS**

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

Mr. Gunderson introduced—

S. F. No. 2193: A bill for an act relating to town roads; providing that town roads are vacated after 25 years without maintenance; amending Minnesota Statutes 1976, Section 164.07, by adding a subdivision.

Referred to the Committee on Transportation.

Messrs. Olhoft, Strand, Peterson and Wegener introduced—

S. F. No. 2194: A bill for an act relating to veterans; establishing an additional veterans home; appropriating money.

Referred to the Committee on General Legislation and Veterans Affairs.

Mr. Olhoft introduced—

S. F. No. 2195: A bill for an act relating to shoreland management; requiring promulgation of uniform criteria for the granting of variances from shoreland management ordinances; clarifying procedures for review and appeal of local decisions to grant or refuse variances; amending Minnesota Statutes 1976, Section 105.485, Subdivision 3, and by adding a subdivision.

Referred to the Committee on Agriculture and Natural Resources.

Messrs. Bang, Frederick, Engler, Chmielewski and Schrom introduced—

S. F. No. 2196: A bill for an act proposing an amendment to the Minnesota Constitution; adding an article to limit the amount of taxes that may be raised by the state and its agencies and local government units.

Referred to the Committee on Taxes and Tax Laws.

Mr. Knutson introduced—

S. F. No. 2197: A bill for an act relating to education; banning sale of non-nutritious or cariogenic foods or beverages on school premises during school hours.

Referred to the Committee on Education.

Messrs. Lessard, Johnson and Perpich introduced—

S. F. No. 2198: A bill for an act relating to the university of Minnesota; concerning the mineral resources research center; appropriating money to publish a mining directory.

Referred to the Committee on Education.

Mrs. Staples, Messrs. Perpich, Dieterich, Luther and Benedict introduced—

S. F. No. 2199: A bill for an act relating to public welfare; disregarding certain income of recipients of general assistance; amending Minnesota Statutes 1976, Section 256D.06, Subdivision 1.

Referred to the Committee on Health, Welfare and Corrections.

Messrs. Kleinbaum, Laufenburger and Mrs. Brataas introduced—

S. F. No. 2200: A bill for an act relating to real estate brokers and salespersons; concerning the real estate education, research and recovery fund; amending Minnesota Statutes 1976, Section 82.34, Subdivisions 4, 6, 7, 9, 11, 12, 13, 14, 17 and 18.

Referred to the Committee on Commerce.

Mrs. Staples, Messrs. Perpich, Benedict, Laufenburger and McCutcheon introduced—

S. F. No. 2201: A bill for an act relating to public welfare; establishing uniform eligibility requirements and income disregards for supplemental aid; amending Minnesota Statutes 1976, Section 256D.37, as amended.

Referred to the Committee on Health, Welfare and Corrections.

Mrs. Staples, Messrs. Borden, Perpich, Benedict and McCutcheon introduced—

S. F. No. 2202: A bill for an act relating to the juveniles; providing for a hearing to determine detrimental relationships involving children; providing for a penalty for those engaging children in detrimental relationships; amending Minnesota Statutes 1976, Chapters 260, by adding a section; and 609, by adding a section.

Referred to the Committee on Judiciary.

Mr. Stumpf introduced—

S. F. No. 2203: A bill for an act relating to education; providing for the establishment of desired student competencies by school districts; providing for the establishment of model goals, objectives and minimum standards of desired student competency by the state board of education; establishing a state remedial education aid; appropriating money; amending Minnesota Statutes 1976, Sections 123.74; 123.741, Subdivisions 1, 2, 4, and by adding a subdivision; and Chapter 124, by adding a section; and Minnesota Statutes, 1977 Supplement, Section 123.742, Subdivision 1.

Referred to the Committee on Education.

Mr. Solon introduced—

S. F. No. 2204: A bill for an act relating to intoxicating liquor; hours and days of sale; amending Minnesota Statutes 1976, Section 340.14, Subdivision 1.

Referred to the Committee on Commerce.

Mr. Laufenburger introduced—

S. F. No. 2205: A bill for an act relating to highways; changing the procedure for designation of highways to carry 80,000 pounds gross weight; amending Minnesota Statutes, 1977 Supplement, Section 169.832, Subdivision 11; repealing Minnesota Statutes, 1977 Supplement, Section 169.832, Subdivision 12.

Referred to the Committee on Transportation.

Messrs. Perpich, Johnson, Lessard, Solon and Ulland, J. introduced—

S. F. No. 2206: A bill for an act relating to community corrections; amending Minnesota Statutes, 1977 Supplement, Section 401.13.

Referred to the Committee on Health, Welfare and Corrections.

Messrs. Keefe, S.; Laufenburger and Nelson introduced—

S. F. No. 2207: A bill for an act relating to workers' compensation; broadening authorization to assign compensation judges to workers' compensation court of appeals; clarifying application of certain exclusions; amending Minnesota Statutes 1976, Section 175.092 and Minnesota Statutes, 1977 Supplement, Section 176.041, Subdivision 1.

Referred to the Committee on Employment.

Messrs. Ulland, J.; Frederick; Dunn; Mrs. Knaak and Mr. Sieloff introduced—

S. F. No. 2208: A bill for an act relating to education; post-secondary educational institutions; requiring public post-secondary institutions to accept installment payments of tuition.

Referred to the Committee on Education.

Mr. Lewis introduced—

S. F. No. 2209: A bill for an act relating to social development; requiring the commissioner of public welfare and each board of county commissioners to develop a biennial plan relating to the identification, remedy, reduction and prevention of public social problems; requiring public participation in state and county plan development; authorizing the appointment of advisory councils; setting forth a formula for state funds to be allocated to the counties in bloc grants; establishing a temporary social development study commission.

Referred to the Committee on Health, Welfare and Corrections.

Messrs. Hughes, Anderson, Gunderson, Strand and Sillers introduced—

S. F. No. 2210: A bill for an act relating to energy; providing partial reimbursement to school districts for certain costs incurred to comply with energy conservation standards; appropriating money.

Referred to the Committee on Education.

Mrs. Brataas, Messrs. Lewis, Solon, Knutson and Perpich introduced—

S. F. No. 2211: A bill for an act relating to nursing homes; delaying imposition of certain nursing assistant training requirements; amending Minnesota Statutes, 1977 Supplement, Section 144A.61, Subdivision 6; repealing Laws 1977, Chapter 326, Section 8.

Referred to the Committee on Health, Welfare and Corrections.

Mrs. Brataas, Messrs. Lewis, Solon, Perpich and Knutson introduced—

S. F. No. 2212: A bill for an act relating to nursing homes; requiring training for certain nursing assistants; providing for approval of certain training programs; amending Minnesota Statutes 1976, Section 144A.61, by adding a subdivision; and Minnesota Statutes, 1977 Supplement, Section 144A.61, Subdivisions 2 and 6; repealing Minnesota Statutes 1976, Section 144A.61, Sub-

division 4; and Minnesota Statutes, 1977 Supplement, Section 144A.61, Subdivision 3; and Laws 1977, Chapter 326, Section 8.

Referred to the Committee on Health, Welfare and Corrections.

Messrs. Borden, Knoll and Willet introduced—

S. F. No. 2213: A bill for an act relating to energy; providing for solar energy system loans; providing insurance for loans; providing a tax incentive; appropriating money; amending Minnesota Statutes 1976, Sections 48.19, Subdivision 4; 273.11, Subdivision 1; 462A.06, Subdivision 4; Chapters 273, by adding a section; and 462A, by adding sections.

Referred to the Committee on Energy and Housing.

Messrs. Wegener and Sikorski introduced—

S. F. No. 2214: A bill for an act relating to crimes; specifying the acts constituting the offense of hit and run; prescribing penalties; amending Minnesota Statutes 1976, Section 169.09, Subdivision 1; and Chapter 609, by adding a section.

Referred to the Committee on Judiciary.

Messrs. Wegener and Sikorski introduced—

S. F. No. 2215: A bill for an act relating to highway traffic regulations; prohibiting passing a school bus when it is stopped and is displaying stop signals; providing penalties; amending Minnesota Statutes 1976, Section 169.44, Subdivision 1.

Referred to the Committee on Transportation.

Messrs. Wegener and Sikorski introduced—

S. F. No. 2216: A bill for an act relating to highway traffic regulations; permitting peace officers to make arrests upon probable cause in cases of drivers passing stopped school buses; providing criminal liability for an owner of a vehicle used to pass a stopped school bus although he was not the driver at the time of the violation; providing penalties; amending Minnesota Statutes 1976, Section 169.44, Subdivision 1, and by adding a subdivision.

Referred to the Committee on Transportation.

Messrs. Peterson, Johnson, Hanson, Setzepfandt and Sillers introduced—

S. F. No. 2217: A bill for an act relating to taxation; providing for apportionment in valuing certain class 3c and 3cc property; clarifying tax status of certain leased United States property; applying sales tax to certain tooling charges; clarifying status of certain taconite taxes; amending Minnesota Statutes 1976, Sections 273.19, Subdivision 1; and 297A.14; and Minnesota Statutes, 1977 Supplement, Section 273.13, Subdivision 7.

Referred to the Committee on Taxes and Tax Laws.

Mr. Chmielewski introduced—

S. F. No. 2218: A bill for an act relating to natural resources; authorizing additions to and deletions from certain state parks and authorizing land acquisition in relation thereto; directing the acquisition of certain lands for Afton state park by eminent domain; adding additional routing to Douglas Trail; revising the boundary of Birch Lakes State Forest; amending Minnesota Statutes 1976, Sections 85.015, Subdivision 4; and 89.021, Subdivision 7.

Referred to the Committee on Agriculture and Natural Resources.

Messrs. Tennesen, Laufenburger, Penny, Ashbach and Borden introduced—

S. F. No. 2219: A bill for an act relating to insurance; removing the limitation on the expense factor in setting workers' compensation insurance premiums; referring rates for expenses to the workers' compensation study commission; amending Minnesota Statutes, 1977 Supplement, Section 79.07; Laws 1977, Chapter 342, Section 27, Subdivision 1.

Referred to the Committee on Commerce.

Messrs. Stokowski; Keefe, J.; Ogdahl; Gearty and Keefe, S. introduced—

S. F. No. 2220: A bill for an act relating to state lands; authorizing the conveyance by the state of certain lands in Hennepin county; repealing Minnesota Statutes 1976, Sections 197.13; 197.15; and 197.16.

Referred to the Committee on Agriculture and Natural Resources.

Mr. Merriam introduced—

S. F. No. 2221: A bill for an act relating to the department of human rights; concerning access to places of public accommodation; prescribing a penalty.

Referred to the Committee on Judiciary.

Messrs. Luther, Spear and Keefe, J. introduced—

S. F. No. 2222: A bill for an act relating to insurance; requiring certain agents and solicitors to identify themselves under certain circumstances; prescribing penalties; broadening the rule making power of the commissioner of insurance; amending Minnesota Statutes 1976, Section 72A.19; and Chapter 72A, by adding a section.

Referred to the Committee on Commerce.

Messrs. Kleinbaum and Keefe, S. introduced—

S. F. No. 2223: A bill for an act relating to commerce; prohibiting producers or refiners of petroleum from operating retail service stations with company personnel; providing for injunctive enforcement.

Referred to the Committee on Commerce.

Mr. Hanson introduced—

S. F. No. 2224: A bill for an act relating to retirement; consolidation of the police relief association of the city of Thief River Falls into the public employees police and fire fund.

Referred to the Committee on Governmental Operations.

Mr. Stumpf introduced—

S. F. No. 2225: A bill for an act relating to insurance companies; providing for the reporting of certain claims and other information to the commissioner of insurance; amending Minnesota Statutes 1976, Chapter 72A, by adding a section.

Referred to the Committee on Commerce.

Messrs. Strand, Stokowski, Peterson, Renneke and Ogdahl introduced—

S. F. No. 2226: A bill for an act relating to retirement; local police, salaried firefighters and volunteer firefighters relief associations; specifying allowable administrative expenses; amending Minnesota Statutes 1976, Sections 69.40; 423.32; 423.38; 423.51; 423.808; 424.16; and 424.31.

Referred to the Committee on Governmental Operations.

Mr. Johnson introduced—

S. F. No. 2227: A bill for an act relating to health; providing for subsidies to nonprofit corporations; encouraging the practice of medicine in underserved areas; appropriating money.

Referred to the Committee on Health, Welfare and Corrections.

Mr. Johnson introduced—

S. F. No. 2228: A bill for an act relating to taconite and semi-taconite companies; withdrawing the right to exercise eminent domain; authorizing the grant of licenses, permits and leases of state owned land; amending Minnesota Statutes 1976, Section 117.47; repealing Minnesota Statutes 1976, Sections 117.46; and 117.461.

Referred to the Committee on Agriculture and Natural Resources.



Messrs. Johnson, Sikorski, Dieterich, Davies and Tennesen introduced—

S. F. No. 2229: A bill for an act relating to commerce; regulating interest rates; providing loan yield computations; providing investigation powers; amending Minnesota Statutes 1976, Sections 51A.39, Subdivision 1; 52.14; 56.19; 334.02; 334.03; Chapter 334, by adding a section; Minnesota Statutes, 1977 Supplement, Section 47.20, Subdivisions 2, 4, 13 and by adding subdivisions; repealing Minnesota Statutes 1976, Section 334.18.

Referred to the Committee on Commerce.

Messrs. Schmitz and Dunn introduced—

S. F. No. 2230: A bill for an act relating to elections; authorizing the designation of more than one polling place in a precinct; making necessary changes in terminology; amending Minnesota Statutes 1976, Sections 3.21; 200.02, Subdivision 23; 201.11; 203A.11, Subdivision 2; 203A.18, Subdivision 2; 203A.33, Subdivision 1; 204A.09, Subdivision 1, and by adding a subdivision; 204A.13, Subdivision 3; 204A.14, Subdivision 2; 204A.15; 204A.16, Subdivision 1; 204A.17, by adding a subdivision; 204A.18, Subdivisions 1 and 2; 204A.19; 204A.20; 204A.38, Subdivisions 1, 2 and 3; 204A.45, Subdivision 1; 204A.46, Subdivisions 1, 2, 3 and 5; 204A.47; 204A.48; 204A.55; 205.17, Subdivision 5; 206.026, Subdivisions 2 and 4; 206.07, Subdivision 2; 206.18; 206.185, Subdivisions 1, 4 and 5; 206.19, Subdivision 3; 206.20, Subdivision 5; 206.21, Subdivisions 1 and 2; 207.06; 207.08; 207.09; 207.221; 207.26; 207.30, Subdivision 3; and 340.20; and Minnesota Statutes 1977 Supplement, Sections 201.061, Subdivision 6; 207.02; 207.10; 207.101; and 207.11, Subdivisions 1 and 6.

Referred to the Committee on Elections.

Messrs. Schrom, Willet, Merriam, Setzepfandt and Dunn introduced—

S. F. No. 2231: A bill for an act relating to game and fish; leasing of state lands for feeding of deer and wild animals.

Referred to the Committee on Agriculture and Natural Resources.

Mr. Borden introduced—

S. F. No. 2232: A bill for an act relating to school districts; authorizing certain taconite homestead credit payments; amending Minnesota Statutes, 1977 Supplement, Section 273.135, Subdivision 2.

Referred to the Committee on Taxes and Tax Laws.

Mr. McCutcheon introduced—

S. F. No. 2233: A bill for an act relating to public health; author-

izing certain grants to provide health services for migrant agricultural workers; providing for allocation of grant moneys; amending Minnesota Statutes 1976, Section 145.922, Subdivision 1.

Referred to the Committee on Health, Welfare and Corrections.

Mr. Stumpf introduced—

S. F. No. 2234: A bill for an act relating to Ramsey county; changing the day of county board meetings; amending Laws 1974, Chapter 435, Section 2.05, as amended.

Referred to the Committee on Local Government.

Mr. Borden introduced—

S. F. No. 2235: A bill for an act proposing an amendment to the Minnesota Constitution, Article I, adding a section; providing that equal rights under the law shall not be denied or abridged on account of sex.

Referred to the Committee on Judiciary.

#### MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 404.

H. F. No. 404: A bill for an act relating to political activities; providing for their regulation; defining terms; revising certain filing and reporting requirements; clarifying language; imposing expenditure and contribution limits; revising distribution of moneys from the state elections campaign fund to legislative candidates; removing obsolete provisions; providing penalties; amending Minnesota Statutes 1976, Sections 10A.01, Subdivisions 2, 5, 7, 9, 10, 11, 13, 15, 16 and 18, and by adding subdivisions; 10A.02, Subdivisions 1, 2, 4, 8, 9, 11, 12 and 13, and by adding a subdivision; 10A.04, Subdivision 1; 10A.07; 10A.09, Subdivision 6; 10A.11, Subdivisions 1 and 6; 10A.12, Subdivisions 1, 4 and 5; 10A.13; 10A.14, Subdivisions 1 and 2; 10A.15; 10A.16; 10A.17; 10A.19, Subdivision 1; 10A.20, Subdivisions 3, 4, 5 and 6; 10A.22, Subdivisions 1, 3, 4, 5 and 7; 10A.24; 10A.25; 10A.27; 10A.28; 10A.29; 10A.31, Subdivisions 3a, 5, 6, 7, 10, and by adding a subdivision; 10A.32; 10A.33; and 210A.01, Subdivision 3; and Chapter 10A, by adding sections; repealing Minnesota Statutes 1976, Sections 10A.09, Subdivision 7; 10A.17, Subdivision 2; and 10A.26.

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

George, Rice and Samuelson have been appointed as such committee on the part of the House.

House File No. 404 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 February 16, 1978

Mr. Keefe, S. moved that the Senate accede to the request of the House for a Conference Committee on H. F. No. 404, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 405.

H. F. No. 405: A bill for an act relating to gambling; authorizing the operation of certain gambling devices by licensed organizations; providing a penalty; amending Minnesota Statutes 1976, Sections 325.54, Subdivision 1; 340.14, Subdivision 2; 609.75; 609.76; Chapters 349, by adding a section; and 609, by adding a section.

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

Reding, Jensen and Fudro have been appointed as such committee on the part of the House.

House File No. 405 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 February 16, 1978

Mr. Nelson moved that the Senate accede to the request of the House for a Conference Committee on H. F. No. 405, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce the passage by the House of the following House File, herewith transmitted: H. F. No. 2003.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted February 16, 1978

#### FIRST READING OF HOUSE BILLS

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

H. F. No. 2003: A bill for an act relating to reporting requirements for products liability claims; making various clarifications and technical changes; providing penalties for failure to comply; extending the expiration date; amending Laws 1977, Chapter 316, Section 2.

Referred to the Committee on Commerce.

#### REPORTS OF COMMITTEES

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

Mr. Olson from the Committee on General Legislation and Veterans Affairs, to which was referred

S. F. No. 1992: A bill for an act relating to emergency services; authorizing the division of emergency services to enter into an agreement with the federal disaster assistance administration for the maintenance of the Minnesota natural disaster assistance plan; appropriating money.

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

Mr. Olson from the Committee on General Legislation and Veterans Affairs, to which was referred

S. F. No. 1993: A bill for an act relating to weather; authorizing the division of emergency services to establish a warning system in conjunction with the national weather service; appropriating money.

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

Mr. Olson from the Committee on General Legislation and Veterans Affairs, to which was referred

S. F. No. 1786: A bill for an act relating to veterans; requiring all counties to appoint a veterans service officer; amending Minnesota Statutes 1976, Section 197.60, Subdivision 1.

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

Mr. Wegener from the Committee on Local Government, to which was referred

S. F. No. 1495: A bill for an act relating to municipal obligations; revising provisions relating to advance refunding; amending Minnesota Statutes 1976, Section 475.67.

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

Page 2, line 6, strike "or any part of the"

Page 2, line 7, after "issues" insert "regardless of their source of payment"

Page 2, line 10, strike "interest" and insert "debt service"

Page 2, line 22, before the period insert ", but in no event shall the aggregate principal amount of the refunding obligations exceed by more than ten percent the aggregate principal amount of the obligations to be refunded"

Page 3, line 9, strike "interest cost" and insert "debt service savings"

Page 3, lines 10 and 13, strike "11" and insert "12"

Page 3, line 12, strike "and"

Page 3, line 24, strike the new language

Page 3, lines 31 and 32, reinstate the stricken language and strike the new language

Page 4, lines 1 to 15, strike the new language and reinstate the stricken language

Page 4, line 16, reinstate "provided that" and strike the new language

Page 4, strike lines 17 to 32

Page 5, strike lines 1 to 18

Page 5, line 19, delete the underline from "may" and strike "may direct payment, from" and insert "any"

Page 5, line 21, strike the comma and strike the new language on lines 21 and 22

Page 5, line 22, strike "of the reasonable"

Page 5, line 23, strike "compensation of the banks acting as"

Page 5, line 24, strike everything before the period and insert "may be remitted to the municipality"

Page 6, lines 25 to 28, reinstate the stricken language and strike the new language

Page 7, lines 6 to 12, reinstate the stricken language

Page 7, line 9, after "unless" insert "either (i) as a result of the refunding the average life of the maturities is extended at least five years or (ii)"

Page 7, line 13, reinstate "12" and strike "11"

Page 7, line 15, reinstate the stricken language

Page 7, line 16, reinstate "additional conditions shall be observed."

Page 7, line 20, reinstate "each such obligation" and after "ob-

ligation" insert "*, if repayable,*" and reinstate "shall be called for redemption"

Page 7, line 20, after the stricken word "on" insert "*prior to its maturity in accordance with its terms no later than either (1)*" and reinstate "the"

Page 7, line 21, reinstate "*earliest date on which it may be redeemed*"

Page 7, line 22, after the stricken word "terms" insert "*without payment of any premium, or (ii) if the obligation is only prepayable with payment of a premium, on the earliest date on which it may be redeemed with payment of the least premium required by its terms*" and reinstate the stricken period

Page 7, line 25, strike "*when the sole purpose of the*"

Page 7, strike line 26

Page 7, line 27, strike the new language and after "unless" insert "*either (i) as a result of the refunding the average life of the maturities is extended at least five years or (ii) as of the nominal date of the*"

Page 7, line 29, before "interest" insert "*debt service or*" and after "interest" insert "*only*"

Page 8, line 2, after "of" insert "*debt service or*" and after "interest" insert "*only, as the case may be,*"

Page 8, line 5, after "of" insert "*debt service or*" and after "interest" insert "*only*"

Page 8, line 9, after "of" insert "*debt service or*"

Page 8, line 10, after "interest" insert "*only*"

Page 8, line 22, strike "*shall be*" and insert "*is*"

Page 8, line 23, strike "*its*"

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

Mr. McCutcheon from the Committee on Taxes and Tax Laws, to which was referred

S. F. No. 1891: A bill for an act relating to taxation; property tax; exempting certain cities containing utility plants from per capita levy limitations; amending Minnesota Statutes 1976, Section 275.11, by adding a subdivision.

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

Mr. McCutcheon from the Committee on Taxes and Tax Laws, to which was referred

H. F. No. 1191: A bill for an act relating to taxation; creating special districts to be called tax increment financing districts; pro-

viding for tax increment financing of renewal and development projects; amending Minnesota Statutes 1976, Chapter 273, by adding sections; Sections 458.192, Subdivision 11; 462.585, Subdivision 1; 472A.06; 473F.02, Subdivision 3; 474.10, Subdivision 2; and repealing Minnesota Statutes 1976, Sections 458.192, Subdivision 12; 462.545, Subdivision 5; 462.585, Subdivisions 2, 3 and 4; 472A.07; and 472A.08.

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

Strike everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1976, Chapter 273, is amended by adding a section to read:

[273.71] [CITATION.] *Sections 1 to 16 may be cited as the Minnesota tax increment financing act.*

Sec. 2. Minnesota Statutes 1976, Chapter 273, is amended by adding a section to read:

[273.72] *Subdivision 1. [DEFINITIONS.] For the purposes of sections 1 to 16, the terms defined in this section shall have the meanings given them.*

*Subd. 2. [AUTHORITY.] "Authority" means a housing and redevelopment authority created pursuant to chapter 462; a port authority created pursuant to chapter 458; a redevelopment agency as defined by chapter 474; a rural development finance authority established pursuant to chapter 362A; or a municipality which has formed or is administering a development district created pursuant to chapter 472A or any special law, which undertakes a project pursuant to chapter 474 or which exercises the powers of a port authority pursuant to any general or special law.*

*Subd. 3. [BONDS.] "Bonds" means any bonds, including but not limited to refunding bonds, notes, interim certificates, debentures, or other obligations issued by an authority under sections 11 to 13 after the effective date of this act.*

*Subd. 4. [MUNICIPALITY.] "Municipality" means any city, however organized, and, with respect to a project undertaken pursuant to chapter 474, "municipality" has the meaning given in chapter 474. In the case of a rural development finance authority established pursuant to chapter 362A, "municipality" means a county.*

*Subd. 5. [GOVERNING BODY.] "Governing body" means the duly elected council or board of a municipality.*

*Subd. 6. [ORIGINAL ASSESSED VALUE.] "Original assessed value" means the assessed value of all taxable real property within a tax increment district as most recently determined as of the date of request by the authority for certification by the county auditor pursuant to section 7, subdivision 1. The value of property which is exempt from taxation shall be zero and if it subsequently becomes taxable then its original assessed value shall be as most*

recently assessed pursuant to section 273.18 or, if that assessment was made more than one year prior to the addition of the property to the project, the value which shall be assessed by the assessor at the time of the addition.

Subd. 7. [CAPTURED ASSESSED VALUE.] "Captured assessed value" means any amount by which the current assessed value of a tax increment district exceeds the original assessed value.

Subd. 8. [TAX INCREMENT PROJECT.] "Tax increment project" is a redevelopment project as defined in subdivision 10; an economic development project as defined in subdivision 12, or a housing project as defined in subdivision 11 located within a tax increment district.

Subd. 9. [PUBLIC IMPROVEMENT DISTRICT.] "Public improvement district" means an area in which there exist substandard conditions of land or structures, unsafe and unsanitary housing and buildings and structures used or intended to be used for living, commercial, industrial or other purposes or any combination of those uses which, by reason of sociological and technological changes, dilapidation, obsolescence, overcrowding and faulty arrangement or design of building and improvements, lack of public facilities, ventilation, light and sanitary facilities, excessive land coverage, deleterious land use, or obsolete layout, or any combination of these and other factors which inflict blight upon the economic value of large areas, impair the value of private investments, threaten the source of public revenues while decentralizing communities to areas improperly planned and not related to public facilities, and require many persons of low income to occupy unsafe, unsanitary, and overcrowded dwellings.

Subd. 10. [REDEVELOPMENT PROJECT.] "Redevelopment project" means a project which is located in a public improvement district within which one of the following conditions, reasonably distributed throughout the project area, is found to exist:

(a) More than 50 percent of the buildings, not including outbuildings, are structurally substandard to a degree requiring clearance. "Structurally substandard" shall mean containing defects in structural elements or a combination of deficiencies in essential utilities and facilities, light and ventilation, fire protection including adequate egress, layout and condition of interior partitions, or similar factors, which defects or deficiencies are of sufficient total significance to justify clearance; or

(b) 20 percent of the buildings are structurally substandard as defined in clause (a) and an additional 30 percent of the buildings are found to require clearance in order to remove such existing conditions as: inadequate street layout, incompatible uses or land use relationships, overcrowding of buildings on the land, excessive dwelling unit density, obsolete buildings not suitable for improvement or conversion, or other identified hazards to the health, safety and general well being of the community; or

(c) parcels of land not predominantly occupied by buildings,



streets, utilities or other improvements, but only when 80 percent of the total acreage of the vacant parcels has a fair market value upon inclusion in the project which, when added to the estimated cost of preparing the parcel for use exceeds its anticipated fair market value after completion of the site preparation.

Subd. 11. [HOUSING PROJECT.] "Housing project" means a project, or part of a project, devoted to providing housing for persons or families of low and moderate income, as defined in chapter 462A and regulations promulgated thereunder, title II of the national housing act of 1934, the national housing act of 1959, the United States housing act of 1937, as amended, or the farmers home administration act. Residential construction which does not provide housing for persons or families of low and moderate income may be included in redevelopment or economic development projects.

Subd. 12. [ECONOMIC DEVELOPMENT PROJECT.] "Economic development project" means any project not meeting the requirements found in the definition of "redevelopment project" or "housing project".

Subd. 13. [ADMINISTRATIVE EXPENSES.] "Administrative expenses" means all expenditures of an authority other than amounts paid for the purchase of land or amounts paid to contractors or others providing materials and services, including architectural and engineering services directly connected with the physical development of the real property in the project, relocation benefits paid to persons residing in the project area, or amounts used to pay interest on, fund a reserve for, or sell at a discount bonds issued pursuant to sections 1 to 16.

Subd. 14. [TAX INCREMENT DISTRICT.] "Tax increment district" means a geographic area from which tax increments are derived to finance one or more tax increment projects. A tax increment district may include noncontiguous parcels.

Sec. 3. Minnesota Statutes 1976, Chapter 273, is amended by adding a section to read:

[273.73] [ESTABLISHMENT OF PUBLIC IMPROVEMENT DISTRICT.] Subdivision 1. [FINDINGS.] The governing body of a municipality may by resolution designate an area within its boundaries to be a public improvement district if it finds that blighting conditions, as described in section 1, subdivision 9, exist throughout the area. Detailed, specific written findings of those conditions shall be made and adopted.

Subd. 2. [PLAN FOR PUBLIC IMPROVEMENT DISTRICT PROGRAM; CONTENTS.] When designating an area to be a public improvement district, the governing body shall propose a plan for the area. The public improvement district plan shall contain a detailed statement of the objectives of the municipality for improvement of the public improvement district. The plan shall include a description of proposed public facilities and open space to be created and the proposed use of the property within the district. It shall contain estimates of the following: cost of any

private and public projects; sources of revenue to finance these costs including estimates of tax increments for any tax increment projects; amount of bonded indebtedness to be incurred; and the duration of any tax increment projects.

**Subd. 3. [OPPORTUNITY FOR PRIVATE ENTERPRISE.]** *The plan for the public improvement district shall afford maximum opportunity for participation by private enterprise.*

**Subd. 4. [PUBLIC HEARING.]** *Before approving a public improvement district plan, the governing body shall hold a public hearing on the plan. Notice of the hearing shall be published in a newspaper of general circulation in the municipality at least once not less than ten days nor more than 30 days prior to the date of hearing. The authority shall make the plan available to the public at least 15 days prior to the date of the public hearing.*

**Subd. 5. [PLANNING AGENCY APPROVAL.]** *The governing body of the municipality shall furnish the planning agency or commission of the municipality with a copy of the public improvement district plan. No plan may be adopted by the municipality until the planning agency or commission has reviewed the tax increment financing plan and commented as to its conformance with the general plan for the development of the municipality or 60 days have passed from the date of submission of the plan to the agency.*

**Sec. 4. Minnesota Statutes 1976, Chapter 273, is amended by adding a section to read:**

**[273.74] [INTERVAL BEFORE REDEVELOPMENT ACTIVITY.]** *Planning and preliminary procedures relating to the development of a tax increment financing plan pursuant to section 5 may be carried on during the time when the procedure described in section 3 is being conducted; provided that no tax increment financing project may be approved within a public improvement district until at least 90 days have passed from the date of final approval of a public improvement plan by the governing body of a municipality pursuant to section 3.*

**Sec. 5. Minnesota Statutes 1976, Chapter 273, is amended by adding a section to read:**

**[273.75] [APPROVAL OF USE OF TAX INCREMENT FINANCING.]** **Subdivision 1. [APPROVAL BY GOVERNING BODY.]** *No county auditor shall certify the value of a tax increment district until the tax increment financing plan proposed for that district has been approved by the governing body of the municipality in which the project is proposed to be located. If an authority which proposes to establish a tax increment project and the governing body of the municipality are not the same, the authority shall apply to the governing body of the municipality in which the project would be located and shall obtain the approval of its tax increment financing plan by the governing body before the authority may use tax increment financing.*

**Subd. 2. [TAX INCREMENT FINANCING PLAN.]** *In the application, the authority shall furnish the governing body with*

its plan for the use of tax increment financing. The tax increment financing plan submitted to the governing body for its approval shall include findings made by the authority that the use of tax increment financing in the proposed tax increment district is necessary because of the lack of private investment activity in the area. If the project is proposed to be located in a public improvement district, the plan shall include a finding that the tax increment financing plan conforms to the public improvement district plan of the municipality. The specific factual bases for these findings shall be set forth. The plan shall also contain the following information: a statement by the authority of the objectives of the project; the development program for the project; estimates of the following: cost of the project, including administrative expenses; amount of bonded indebtedness to be incurred; sources of revenue to finance project costs; the original assessed value of property in the project; and the projected captured assessed value of the project at the time of its completion. If the authority proposes to use only a portion of the captured assessed value of a district for tax increment financing purposes, the plan shall state what portion is proposed to be used.

**Subd. 3. [PUBLIC HEARING.]** Before approving a tax increment financing plan the governing body shall hold a public hearing on the plan. Notice of the hearing shall be published in a newspaper of general circulation in the municipality at least twice no less than ten days nor more than 30 days prior to the date of the hearing. The authority shall make the plan available to the public at least 30 days prior to the date of the public hearing.

**Subd. 4. [NOTICE TO LOCAL BOARDS, STATE PLANNING AGENCY.]** At least thirty days prior to the date of the public hearing held pursuant to subdivision 3, the school board and board of county commissioners of the school district and county within which the tax increment project is proposed to be located, the state planning agency, and, if the proposed project is located in the metropolitan area defined in section 473.121, subdivision 2, the metropolitan council, shall be furnished with copies of the tax increment financing plan. A representative of each board and agency receiving the plan shall comment on the plan at the public hearing. Absence of comment shall not prevent approval of a plan nor invalidate bonds issued to finance its execution.

**Subd. 5. [APPROVAL BY GOVERNING BODY.]** No tax increment financing plan shall be approved by the governing body unless the authority submitting the plan for approval has concluded an agreement or agreements with one or more developers which provide for the execution of the project plan covering 85 percent of the area of the proposed project and which provide recourse for the authority against the developer should the execution of the project plan fail because of the default of the developer. A copy of the agreement shall be submitted to and approved by the governing body. No plan shall be approved unless the governing body finds that the proposed project will not contribute to urban sprawl. Any proposal to use tax increment financing in relation to any previously unincorporated real property annexed

by the municipality pursuant to chapter 414 within three years prior to the date of the application shall be deemed to contribute to urban sprawl. If the authority and the governing body of the municipality are not the same, the governing body shall within 90 days after submission of the application or resubmission as provided herein, give written notice to the authority of its decision with respect to the tax increment financing plan. If approval is not given within 90 days the application shall be deemed to have been rejected. A plan which has not been approved by the governing body when submitted to it may be again submitted to it with such modifications as are necessary to meet its objections.

**Subd. 6. [MODIFICATION OF PLAN.]** Any tax increment financing plan, whether adopted before or after the effective date of this act, may be modified by an authority. Any enlargement of geographic area, increase in amount of bonded indebtedness to be incurred, increase in the portion of the captured assessed value to be retained by the authority or use of revenues derived from any district in the municipality, if not included in the original tax increment financing plan, shall be approved by the governing body of the municipality upon notice and after public hearing as are required pursuant to the provisions of subdivision 3.

The original assessed value of any taxable real property added to a tax increment project pursuant to this subdivision shall be the assessed value of that real property as most recently determined prior to the modification of the financing plan which added the property.

If property which is added to a project pursuant to this subdivision is exempt from taxation at the time of its addition to the project, and subsequently becomes taxable it shall be added to the base at its value as most recently assessed pursuant to section 273.18 or, if that assessment was made more than one year prior to the addition of the property to the project, the value which shall be assessed by the assessor at the time of the addition.

**Subd. 7. [ELIMINATION OF TAX-EXEMPT PROPERTY.]** If, at any time after certification of the original assessed value of a tax increment district pursuant to section 7, property located within the district becomes exempt from taxation, an authority may eliminate that property from the district. Upon application of the authority, the county auditor shall reduce the original assessed value of the district by the amount of the value of that parcel at the time of certification of the district.

Sec. 6. Minnesota Statutes 1976, Chapter 273, is amended by adding a section to read:

**[273.76] [LIMITATION ON INCREMENTS.]** If, after three years from the date of certification of the value of the tax increment district pursuant to section 7, no demolition, rehabilitation or renovation of property or other site preparation, including improvement of a street adjacent to a parcel in the district but not installation of utility service property has been commenced on a parcel located within a project by the authority or by the

owner of the property in accordance with the tax increment financing plan, no additional tax increments may be taken from that parcel, and the original assessed value of that parcel shall be excluded from the certified value of the tax increment district. If the authority subsequently commences demolition, rehabilitation or renovation or other site preparation on that parcel in accordance with the tax increment financing plan, the authority shall certify to the county auditor that the activity has commenced, and the parcel may be added into the tax increment district. The county auditor shall certify the most recently assessed value of that parcel and add it to the original assessed value of the tax increment district.

Sec. 7. Minnesota Statutes 1976, Chapter 273, is amended by adding a section to read:

[273.77] [COMPUTATION OF TAX INCREMENT.] Subdivision 1. [ORIGINAL ASSESSED VALUE.] After a tax increment financing plan has been approved by the governing body the auditor of the county in which the district is situated shall, upon request of the authority, certify the original assessed value of the tax increment district as described in the tax increment financing plan. The county auditor shall have the power to specify the form and content of the request for certification of the authority and any modification thereof pursuant to section 5, subdivision 6. If the assessed value of property located within a tax increment district is reduced by a court-ordered abatement, the original assessed value of the district shall be reduced by that amount.

Subd. 2. [RELATIONSHIP OF CERTAIN DISTRICTS TO CHAPTER 473F.] For purposes of the computations required by this section for any tax increment district, the original assessed value shall not include any portion thereof which is subject to the area wide tax imposed by section 473F.08, subdivision 6, in the levy and assessment of taxes in the year the project is certified or thereafter. For purposes of the computations required by this section for tax increment districts created for the purpose of financing economic development or redevelopment, the current assessed value shall not include the portion thereof which is subject to the area wide tax imposed by section 473F.08, subdivision 6, but shall not otherwise be reduced by the amount of the contribution of the municipality to the area wide tax base pursuant to section 473F.08, subdivision 2 (a). As provided in chapter 473F, that portion of the valuation of property in a tax increment district which is residential property shall be exempt from the requirements of chapter 473F.

Subd. 3. [CAPTURED ASSESSED VALUE.] The county auditor shall certify the amount of the captured assessed value to the authority each year. If the plan provides that all the captured assessed value is necessary to finance or otherwise make permissible expenditures under section 9, subdivision 3, the authority may retain the full captured assessed value. If the plan provides that only a portion of the captured assessed value is necessary to finance or otherwise make those expenditures, only

that portion should be set aside and the remainder shall be distributed among the affected taxing districts by the county auditor.

**Subd. 4. [TAX INCREMENTS.]** (a) In each subsequent year, the county auditor shall compute assessed valuation, mill rates and tax increments according to the following method:

(1) If the authority retains the full captured assessed value, the county auditor shall include no more than the original assessed value in the tax increment district for purposes of determining assessed value for local mill rates. The county auditor shall compute the mill rates of all taxes levied by the state, the county, the municipality or town, the school district and every other taxing district in which the project is located in whole or in part on that assessed value. The county auditor shall extend all mill rates against the current assessed value, including the captured assessed value. In each year for which the current assessed value exceeds the original assessed value, the county treasurer shall remit to the authority that proportion of all taxes paid that year on real property in the district which the captured assessed value bears to the total current assessed value. The amount so remitted each year is referred to in this section as the tax increment for that year.

(2) If the authority retains only a portion of the captured assessed value for its use and returns the remaining portion to the tax rolls of all affected taxing districts, the county auditor shall include the original assessed value and that portion of the captured assessed value which is shared with all the affected taxing districts in determining the assessed value for computing mill rates. He shall compute the mill rates of all taxes levied by the state, county, municipality, school district, and every other taxing district in which the project is located in whole or in part on that assessed value. He shall extend all mill rates against the total current assessed value including that portion of the captured assessed value which the authority is retaining for its use only. In each year for which the current assessed value exceeds the original assessed value, the county treasurer shall remit to the authority that proportion of all taxes paid on real property in the district that the retained captured assessed value bears to the total current assessed value in the district. The amount so remitted each year is referred to as the tax increment.

(b) In any year in which the current assessed value of the tax increment district is less than the original assessed value, the county auditor shall compute and extend taxes against the current assessed value. Taxes shall be distributed from the affected property to each of the taxing jurisdictions as determined by the current levy and there shall be no tax increment.

**Sec. 8.** Minnesota Statutes 1976, Chapter 273, is amended by adding a section to read:

[273.78] [LIMITATION ON TAX INCREMENT DISTRICTS.] *Subdivision 1. [PERCENTAGE OF VALUE.]* No tax increment district may be certified in a municipality by the county auditor if the total captured assessed value of a taxable real prop-

erty in all tax increment projects or districts within the municipality, when added to the estimated captured assessed valuation of the proposed project at its termination as stated in the project plan, plus the unrealized estimated captured assessed valuation of all other previously certified tax increment projects or districts at their termination dates according to their financing plan, exceeds the percent of the total assessed value of taxable real property in the municipality, as most recently determined by the county auditor specified herein: if the total assessed value is more than \$199,999,999, six percent; if more than \$24,999,999 but less than \$200,000,000, eight percent; if more than \$7,499,999 but less than \$25,000,000, twelve percent; and if less than \$7,500,000, fourteen percent.

**Subd. 2. [DURATION OF TAX INCREMENT DISTRICTS.]** Any pledge of revenues, including tax increments, to the payment of bonds and interest thereon may be discharged and the tax increment district may be terminated if sufficient funds have been irrevocably deposited in the debt service fund or other escrow account held in trust for all outstanding bonds to provide for the payment of the bonds at maturity or date of redemption and interest thereon to such maturity or redemption date, provided that for bonds issued pursuant to sections 11 or 12 the full faith and credit and any taxing powers of the municipality or authority, as the case may be, shall continue to be pledged to the payment of the bonds until the principal of and interest on the bonds has been paid in full.

**Sec. 9. Minnesota Statutes 1976, Chapter 273, is amended by adding a section to read:**

**[273.78] [TAX INCREMENT PROCEEDS.]** Subdivision 1. **[ACCOUNTS.]** The proceeds of the tax increments received with respect to any project shall be segregated by the authority receiving them in a special account or accounts on its official books and records or otherwise established by resolution of the authority to be held by a trustee for the benefit of holders of the bonds.

**Subd. 2. [EXCESS INCREMENTS.]** In any year in which the tax increments exceed the amount necessary to pay the costs authorized by the tax increment financing plan, including the amount necessary to cancel any tax levy as provided in section 475.61, subdivision 3, the authority shall use the excess amount to prepay any outstanding bonds or discharge the pledge of tax increments therefor.

**Subd. 3. [LIMITATION ON USE OF TAX INCREMENTS.]** Except in the case of a tax increment project or district for which certification was requested prior to the effective date of sections 1 to 16 pursuant to a law which did not at that date require adoption of a tax increment financing plan, revenues derived from tax increments subsequent to the effective date of sections 1 to 16 shall be used only to pay off bonds or to make any other expenditure authorized by the general or special law under which the authority was created or operates, and only as authorized in the tax increment financing plan.

*Subd. 4. [LIMITATION ON ADMINISTRATIVE EXPENSES.] Tax increments shall not be used to pay any administrative expenses which exceed five percent of the total cost of a project which is subject to the provisions of sections 1 to 16.*

*Subd. 5. [LIMITATION ON DURATION OF INCREMENTS.] Tax increments may be taken from parcels comprising a redevelopment project for a period lasting no more than 20 years after receipt of first increments, from parcels comprising a housing project for a period lasting no more than 25 years after receipt of first increments, and from parcels comprising an economic development project for a period lasting no more than ten years after receipt of first increments.*

**Sec. 10. Minnesota Statutes 1976, Chapter 273, is amended by adding a section to read:**

**[273.80] [RESTRICTION ON FUTURE BOND ISSUES.]** *Notwithstanding the provisions of any other law to the contrary, after the effective date of this act, no bonds for payment of which tax increments are pledged shall be issued in connection with any tax increment project or district other than as authorized by sections 11 to 13. The proceeds of any bonds authorized hereby shall be used only in accordance with section 9, subdivision 3, as if the proceeds were tax increments.*

**Sec. 11. Minnesota Statutes 1976, Chapter 273, is amended by adding a section to read:**

**[273.81] [MUNICIPAL GENERAL OBLIGATION BONDS.]** *Subdivision 1. [ISSUANCE.] A municipality may authorize general obligation bonds to finance any expenditure which the municipality or any other authority the jurisdiction of which is wholly or partially within a municipality is authorized to make pursuant to section 9, subdivision 3. The bonds shall be issued, sold and secured in the same manner and subject only to the same conditions as those provided in chapter 475, for bonds financing improvement costs reimbursable from special assessments.*

*Subd. 2. [PLEDGE.] Any pledge of tax increments, assessments or other revenues for the payment of the principal of and interest on general obligation bonds issued under this section, except when the authority and the municipality are the same, shall be made by written agreement by and between the authority and the municipality and filed with the county auditor. When the authority and the municipality are the same, the municipality may by covenant pledge tax increments, assessments or other revenues for the payment of the principal of and interest on general obligation bonds issued under this section. The resolution containing the covenant shall be filed with the county auditor. When tax increments, assessments and other revenues are pledged, the estimated collections of the tax increments, assessments and other revenues so pledged may be deducted from the taxes otherwise required to be levied before the issuance of the bonds under section 475.61, subdivision 1, or may be certified annually to reduce or cancel the initial tax levies in accordance with section 475.61, subdivision 1*



or 3. The pledge of any revenues, including tax increments, to the payment of bonds and interest may be discharged if sufficient funds have been irrevocably deposited in escrow to provide for payment when due of the bonds and interest. The full faith and credit and taxing powers of the municipality shall continue to be pledged to the payment of any general obligation bonds until the principal of and interest on the bonds have been paid in full.

Sec. 12. Minnesota Statutes 1976, Chapter 273, is amended by adding a section to read:

[273.82] [AUTHORITY GENERAL OBLIGATION BONDS.] *When the authority and the municipality are not the same, an authority may, by resolution, authorize, issue and sell its general obligation bonds to finance any expenditure which that authority is authorized to make by section 9, subdivision 3. The full faith and credit and taxing power of the authority shall be and are hereby pledged to the payment of the bonds and interest thereon. Any revenues, including tax increments and assessments, derived from a tax increment district, may be pledged to the payment of the bonds and interest thereon. The bonds of the authority shall be authorized by its resolution, shall mature as determined by resolution of the authority in accordance with sections 1 to 16. The bonds may be issued in one or more series and shall bear the date or dates, bear interest at the rate or rates, be in the denomination or denominations, be in the form, either coupon or registered, carry the conversion or registration privileges, have the rank or priority, be executed in the manner, be payable in medium of payment at the place or places, and be subject to the terms of redemption, with or without premium, as the resolution, its trust indenture or mortgage may provide. The bonds may be sold at public or private sale at the price or prices as the authority by resolution shall determine. Notwithstanding any provision of law to the contrary, the bonds shall be fully negotiable. In any suit, action, or proceedings involving the validity or enforceability of any such bonds of the authority or the security therefor, any such bond reciting in substance that it has been issued by the authority to aid in financing a project shall be deemed to have been issued for that purpose, and the project shall be conclusively deemed to have been planned, located, and carried out in accordance with the purposes and provisions of sections 1 to 16.*

Subd. 2. [LIABILITY ON BONDS.] *Neither the governing body of the authority nor any person executing the bonds shall be liable personally on the bonds by reason of the issuance thereof. The bonds of the authority, as the bonds shall state on their face, shall not be a debt of any municipality, the state or any political subdivision thereof, and neither the municipality nor the state or any political subdivision thereof shall be liable thereon, nor in any event shall the bonds be payable out of any funds or properties other than those of the authority and any tax increments and revenues of a tax increment district pledged therefor.*

Sec. 13. Minnesota Statutes 1976, Chapter 273, is amended by adding a section to read:

[273.83] [REVENUE BONDS.] Subdivision 1. [ISSUANCE.] An authority may, by resolution, authorize, issue and sell revenue bonds payable solely from all or a portion of revenues, including but not limited to tax increment revenues and assessments, derived from a tax increment district located wholly or partially within the municipality to finance any expenditure which that authority is authorized to make by section 9, subdivision 3, and may pledge the revenues to the payment of the bonds and the interest thereon. The bonds shall mature as determined by resolution of the authority in accordance with the provisions of sections 1 to 16 and may be issued in one or more series and shall bear the date or dates, bear interest at the rate or rates, be in the denomination or denominations, be in the form, either coupon or registered, carry the conversion or registration privileges, have the rank or priority, be executed in the manner, be payable in medium of payment at the place or places, and be subject to the terms of redemption, with or without premium, as the resolution, its trust indenture or mortgage may provide. The bonds may be sold at public or private sale at the price or prices as the authority by resolution shall determine. Notwithstanding any provision of law to the contrary, the bonds shall be fully negotiable. In any suit, action, or proceedings involving the validity or enforceability of any such bonds of the authority or the security therefor, any such bond reciting in substance that it has been issued by the authority to aid in financing a project shall be deemed to have been issued for that purpose, and the project shall be deemed to have been planned, located, and carried out in accordance with the purposes and provisions of sections 1 to 16.

Subd. 2. [LIABILITY ON BONDS.] Neither the governing body of the authority nor any person executing the bonds shall be liable personally on the bonds by reason of the issuance thereof. The bonds may be further secured by a pledge and mortgage of all or any portion of the project in aid of which the bonds are issued and the covenants the authority deems by the resolution to be necessary and proper to secure payment of the bonds. The bonds, as they shall state on their face, shall not be payable from nor charged upon any funds other than the revenues and property pledged or mortgaged to the payment thereof, nor shall the authority issuing the same be subject to any liability thereon or have the powers to obligate itself to pay or to pay the bonds from funds other than the revenues and properties pledged and mortgaged and no holder of the bonds shall ever have the right to compel any exercise of any taxing power of the issuing authority or any other public body, other than as is permitted or required under sections 1 to 16 and pledged therefor hereunder, to pay the principal of or interest on the bonds, nor to enforce payment thereof against any property of the authority or other public body other than that expressly pledged or mortgaged for the payment thereof.

Sec. 14. Minnesota Statutes 1976, Chapter 273, is amended by adding a section to read:

[273.84] [ADDITIONAL LEVY ON PARCELS SUBJECT

**TO WRITEDOWNS.]** *If at any time within ten years after certification of the original assessed value of a tax increment project, the governing body of the municipality which approved the project finds that the tax increments being derived from the project are insufficient to meet current interest and principal amortization payments on the bonds issued to finance the project, it shall levy an additional tax on the property located within the project. Property shall be subject to the additional levy if it was purchased from the authority for a price which was lower than the sum of the price paid by the authority for the parcel plus the amount expended by the authority to prepare the parcel for sale. The levy shall not exceed five mills, and shall be in effect for no more than ten years. The total amount levied against a parcel shall be no more than the difference between the price paid to the authority by the purchaser for the parcel and the cost to the authority for purchase and preparation of the parcel. Taxes levied pursuant to this section shall be collected and remitted to the authority by the county treasurer in accordance with Minnesota Statutes, Chapter 276, and shall be used solely for the payment of bonds issued to finance the district and interest on the bonds when due. A tax levied pursuant to this section shall be in lieu of or reduce the amount of a tax which the authority would be authorized to levy on all taxable property in the municipality to pay the cost of principal and interest on the bonds pursuant to section 475.61.*

Sec. 15. Minnesota Statutes 1976, Chapter 273, is amended by adding a section to read:

**[273.80] [ANNUAL DISCLOSURE.]** *For all tax increment districts, whether created prior or subsequent to the effective date of this act, on or before July 1 each year, the authority shall submit to the county board, the school board, the state planning agency and, if the authority is other than the governing body, the governing body of the municipality a report on the status of the district. The report shall include the following information: the amount and the source of revenue in the account, the amount and purpose of expenditures from the account, the amount of principal and interest on any outstanding bonded indebtedness, the original assessed value of the district, the captured assessed value retained by the authority, the captured assessed value shared with other taxing districts, the tax increments received and any additional information necessary to demonstrate compliance with any applicable tax increment financing plan. An annual statement showing the tax increments received and expended in that year, the original assessed value, captured assessed value, amount of outstanding bonded indebtedness, and any additional information the authority deems necessary shall be published in a newspaper of general circulation in the municipality.*

Sec. 16. Minnesota Statutes 1976, Chapter 273, is amended by adding a section to read:

**[273.86] [EXISTING PROJECTS.]** *The provisions of sections 1 to 16 shall not affect any project in a tax increment district for which certification has been requested under chapters 462, 474, 472A or 458; Laws 1971, Chapters 548 and 677; and Laws 1973,*

Chapters 196, 761, or 764, prior to the effective date of sections 1 to 16 except as expressly provided herein and except that an authority may elect to proceed with an existing tax increment project under the provisions of sections 1 to 16.

Sec. 17. Minnesota Statutes 1976, Chapter 273, is amended by adding a section to read:

[273.87] [DEFERRED PROPERTY TAXATION FOR PRIVATE REDEVELOPMENT.] Subdivision 1. [APPLICATION.] A developer proposing to rehabilitate or to construct improvements on property located within a public improvement district established pursuant to section 3 may apply to the governing body of the municipality in which the property is located to obtain a deferral of property tax on the parcel proposed to be improved. The applicant shall submit his plan for the improvement of the property, stating the nature and location of the proposed improvement, its estimated cost, and a reasonable projected length of construction time.

Subd. 2. [QUALIFIED PLAN.] If the governing body finds that the proposed development is a qualified plan as defined herein, and is consistent with the public improvement district plan, it may approve the application.

For the purposes of this section, "qualified plan" is a plan to improve the property for which the tax deferral is being sought if:

(i) the property is located in an area within which one of the following conditions, reasonably distributed throughout the area, is found to exist:

(a) More than 50 percent of the buildings, not including out-buildings, are structurally substandard to a degree requiring clearance. "Structurally substandard" shall mean containing defects in structural elements or a combination of deficiencies in essential utilities and facilities, light and ventilation, fire protection including adequate egress, layout and condition of interior partitions, or similar factors, which defects or deficiencies are of sufficient total significance to justify clearance; or

(b) 20 percent of the buildings are structurally substandard as defined in clause (a) and an additional 30 percent of the buildings are found to require clearance in order to remove such existing conditions as: inadequate street layout, incompatible uses or land use relationships, overcrowding of buildings on the land, excessive dwelling unit density, obsolete buildings not suitable for improvement or conversion, or other identified hazards to the health, safety and general well being of the community; or

(c) parcels of land not predominantly occupied by buildings, streets, utilities or other improvements, but only when 80 percent of the total acreage of the vacant parcels has a fair market value which, when added to the estimated cost of preparing the parcel for use, exceeds its anticipated fair market value after completion of the site preparation; or

(ii) the improvement of the property is to be for the purpose of

providing housing for persons or families of low and moderate income, as defined in chapter 462A and regulations promulgated thereunder, title II of the national housing act of 1934, the national housing act of 1959, the United States housing act of 1937, as amended, or the farmers home administration act.

No application for tax deferral may be approved for property which is located within a tax increment district which has been certified pursuant to section 7, and no tax increment district certified after the tax deferral has been granted may include property which is subject to the deferral. If the application is approved by June 30, the tax exemption shall be in effect for taxes paid the following year; if it is approved later than June 30, the exemption shall be in effect for taxes paid in the second subsequent taxable year.

**Subd. 3. [TAX TREATMENT.]** Property approved for the tax deferral provided in this section shall be exempt from taxation during the time while the improvements proposed in the plan are under construction. The exemption shall be in effect for the number of taxable years approved by the governing body at the time of approval of the application. The period of deferral shall not exceed the length of a reasonable construction period which shall be specified in the plan. For taxes payable in the first year following the levy year during which 50 percent of the area of the building becomes occupied, the tax due on the property shall be the amount of tax paid on the property in the year in which the developer applied for the deferral, multiplied by the number of years during which the property was exempt from taxation pursuant to this section. If the improvements which had been present on the property were demolished prior to the year of the application, the governing body may require that the deferred tax be computed based on the amount of tax due on the property for the last taxable year preceding the demolition of the improvements. For all subsequent taxable years, the property shall be assessed as provided in section 273.11.

**Subd. 4. [TRANSFERABILITY.]** When ownership of property which has been approved for the tax deferral provided in this section is transferred from the original applicant, the governing body may elect to continue to defer the tax on the property if the subsequent owner agrees to redevelop the property according to either the original redevelopment plan approved under subdivision 2 or a plan proposed by the subsequent owner and approved by the governing body. If the governing body does not approve continuation of the tax deferral, the property shall be assessed as provided in section 273.11 for the levy year following the transfer. The original applicant shall be liable for payment of all deferred taxes, which shall be payable in the year following the transfer of the property in accordance with the provisions of section 279.01.

**Subd. 5. [TAX DELINQUENCY.]** If, at the termination of the deferral period, the owner fails to pay the tax on the property when it becomes due, and the property is bid in for the state at a tax judgment land sale pursuant to section 280.001, the time for redemption of the property provided in section 281.17 shall be reduced by the number of taxable years during which the tax on the property was deferred pursuant to this section.

Sec. 18. Minnesota Statutes 1976, Section 458.192, Subdivision 11, is amended to read:

Subd. 11. Upon or after the creation of an industrial development district under section 458.191 *which is not subject to the provisions of sections 1 to 16*, the auditor of the county in which it is situated shall upon request of the port authority certify the then most recently determined assessed valuation of all or so much of the taxable real property within the district as is identified by legal description in the request, other than that portion of the valuation which is contributed to an area-wide tax base under chapter 473F. The auditor shall certify to the authority in each year thereafter the amounts and percentages of subsequent increases or decreases in such valuation other than that portion of such increases or decreases which is contributed to an area-wide tax base under chapter 473F. The auditor shall compute the mill rates of taxes against such original valuation but shall extend such rates also against any incremental value and remit the resulting tax increment to the port authority in the same manner as that provided for the computation and remittance of tax increments under section 462.585, subdivisions 2 and 3. The port authority shall segregate tax increments received with respect to any such property district in a special account on its official books and records. Such tax increments shall be remitted to the port authority until the cost of redevelopment of the marginal land within the district, including interest thereon, has been fully reimbursed from the tax increments. When such full reimbursement has been made, it shall be reported by the port authority to the county auditor, who shall thereafter include the entire assessed valuation of the property in the assessed valuations upon which tax mill rates are computed and extended and taxes are remitted to all taxing districts. Any part or all of such tax, if so directed by the city council, shall be pledged and appropriated for the payment of any general obligation bonds of the port authority. Increases in the value of such property, subsequent to certification of the base for computing the tax increment therefrom, shall not be included in the assessed valuation of any taxing district for the purpose of computing any debt or levy limitation or the amount of any state or federal aid to the taxing district, so long as the tax increment therefrom is segregated under the provisions of this section. *The provisions of this subdivision shall not apply with respect to any project, certification of which is requested subsequent to the effective date of the tax increment financing act.*

Sec. 19. Minnesota Statutes 1976, Section 462.585, Subdivision 1, is amended to read:

462.585 [AGREEMENTS RESPECTING TAX INCREMENTS AND EQUIVALENTS; PLEDGE FOR BONDS.] Subdivision 1. [GENERAL.] In connection with any project of an authority located wholly or partly within the corporate limits of any municipality or other state public body, such body may agree with the authority with respect to the payment by the authority of such sums in lieu of taxes for any year or period of years in

accordance with the provisions of section 462.575, but for no longer period than the period of tax exemption provided for under that section. In any case where property owned by the authority in a redevelopment project area is leased or otherwise made available by the authority to a private individual, firm, or corporation which previously owned the same or other property within the area, not for development in connection with the project but for temporary use pending relocation of such former owner's residence or business, the authority may agree to payment of sums in lieu of taxes for any year or period of such temporary use, not exceeding the amount of the annual rentals or other payments it receives for such use, but during such use the property and the authority shall be exempt from all taxes and special assessments as provided in section 462.575, and the provisions of section 272.01, subdivision 2 and of section 273.19 shall not apply to such property or to such use thereof. In connection with any redevelopment project, an authority may make further agreements respecting taxes as provided below *in the case of projects which are not subject to the provisions of sections 1 to 16 . The provisions of subdivisions 2 and 3 shall not apply with respect to any project, certification of which is requested subsequent to the effective date of the tax increment financing act.*

Sec. 20. Minnesota Statutes 1976, Section 462.585, Subdivision 4, is amended to read:

Subd. 4. [TAX INCREMENT FINANCING.] The authority may pledge and appropriate any part or all of the tax increments received for any redevelopment project, and any part or all of the revenues received from lands in the project area while owned by the authority, for the payment of the principal of and interest on bonds issued in aid of the project pursuant to sections 462.551, 462.581, or chapter 474, by the authority or by the governing body of the municipality or other state public body within whose corporate limits the project area is situated. Any such pledge for the payment of bonds issued by the governing body shall be made by written agreement executed on behalf of the authority and the governing body and filed with the county auditor. The estimated collections of the tax increments and any other revenues so pledged may be deducted from the taxes otherwise required to be levied before the issuance of the bonds under section 475.61, subdivision 1, or the collections thereof may be certified annually to reduce or cancel the initial tax levies in accordance with section 475.61, subdivision 3. When such an agreement is made and filed, the bonds may be issued by the governing body in the same manner and subject only to the same conditions as those provided in chapter 475 for bonds financing improvement costs reimbursable from special assessments. *Bonds shall not be issued nor tax increments or other revenues pledged pursuant to this subdivision subsequent to the effective date of the tax increment financing act.*

Sec. 21. Minnesota Statutes 1976, Section 472A.06, is amended to read:

472A.06 [ISSUANCE OF BONDS.] The governing body of the

municipality, may authorize, issue and sell general obligation bonds, which shall mature within 30 years from the date of issue, to finance the acquisition and betterment of real and personal property needed to carry out the development program within the development district together with all relocation costs incidental thereto in accordance with sections 475.51, 475.53, 475.54, 475.55, 475.56, 475.60, 475.61, 475.62, 475.63, 475.65, 475.66, 475.69, 475.70, 475.71. All tax increments received by the municipality pursuant to section 472A.08 shall be pledged for the payment of these bonds and used to reduce or cancel the taxes otherwise required to be extended for that purpose, and the bonds shall not be included when computing the municipality's net debt. *Bonds shall not be issued under this section subsequent to the effective date of the tax increment financing act.*

Sec. 22. Minnesota Statutes 1976, Section 472A.07, is amended by adding a subdivision to read:

*Subd. 5. The provisions of this section shall not apply to a development district certification of which is requested subsequent to the effective date of the tax increment financing act.*

Sec. 23. Minnesota Statutes 1976, Section 472.08, is amended by adding a subdivision to read:

*Subd. 6. The provisions of this section shall not apply to a development district, certification of which is requested subsequent to the effective date of the tax increment financing act.*

Sec. 24. Minnesota Statutes 1976, Section 473F.02, Subdivision 3, is amended to read:

Subd. 3. "Commercial-industrial property" means the following categories of property, as defined in section 273.13, excluding that portion of such property (a) which may, by law, constitute the tax base for a tax increment pledged pursuant to sections 462.585 or 474.10, *tax increment financing district certification of which was requested prior to the effective date of the tax increment financing act* to the extent and while such tax increment is so pledged; (b) which may, by law, constitute the tax base for tax revenues set aside and paid over for credit to a sinking fund pursuant to direction of the city council in accordance with Laws 1963, Chapter 881, as amended, to the extent that such revenues are so treated in any year; or (c) which is exempt from taxation pursuant to section 272.02:

(a) That portion of class 3 property consisting of stocks of merchandise and furniture and fixtures used therewith; manufacturers' materials and manufactured articles; and tools, implements and machinery, whether fixtures or otherwise.

(b) Class 3h property.

(c) Class 3j property.

(d) That portion of class 4 property which is either used or zoned for use for any commercial or industrial purpose, except for such property which is, or, in the case of property under construc-



tion, will when completed be used exclusively for residential occupancy and the provision of services to residential occupants thereof. Property shall be considered as used exclusively for residential occupancy only if each of not less than 80 percent of its occupied residential units is, or, in the case of property under construction, will when completed be occupied under an oral or written agreement for occupancy over a continuous period of not less than 30 days.

If the classification of property prescribed by section 273.13 is modified by legislative amendment, the references in this subdivision shall be to such successor class or classes of property, or portions thereof, as embrace the kinds of property designated in this subdivision.

(e) That property valued and assessed under section 273.13, subdivision 14.

Sec. 25. Minnesota Statutes 1976, Section 474.10, Subdivision 2, is amended to read:

Subd. 2. Any municipality or redevelopment agency may request the county auditor of the county in which a project is situated to certify the original taxable value of the real property included therein and the tax increments realized each year after the commencement of the project, as defined in section 462.585, and provided in the tax increment financing act. The municipality or redevelopment agency shall be entitled to receive, use, and pledge such tax increments for the further security of the revenue bonds issued to finance the project, in either of the following ways:

(1) To pay premiums for insurance guaranteeing the payment of net rentals when due under the project lease; or

(2) To accumulate and maintain a reserve securing the payment when due of the principal of and interest on the bonds.

Sec. 26. Minnesota Statutes 1976, Chapter 465, is amended by adding a section to read:

[465.011] [USE OF EMINENT DOMAIN FOR REDEVELOPMENT.] *Subdivision 1. [PURPOSE.] Acquiring real property for development or redevelopment to make that property economically useful and beneficial to the community is declared to be in the public interest and necessary to the public welfare, and the taking of private property for the purpose of redevelopment is declared to be for a public use and purpose.*

*Subd. 2. [ACQUISITION AND CONVEYANCE.] A municipality may acquire any land not owned by the state or devoted to a public purpose if the governing body of the municipality finds that the property is needed for the development or redevelopment of the municipality. The municipality may exercise the right of eminent domain in accordance with the provisions of Minnesota Statutes, Chapter 117, for that purpose. If the governing body of the municipality agrees to exercise its power of eminent domain on behalf of the developer, the municipality may convey the land*

*acquired by the exercise of the power of eminent domain to an applicant whose plan for the development or redevelopment of the property has been approved by the governing body of the municipality pursuant to subdivision 3. The property shall be conveyed for a consideration not less than the amount of the award in condemnation plus the cost of the condemnation proceedings incurred by the city.*

*Subd. 3. [APPLICATION BY DEVELOPER.] Before the municipality may proceed to exercise the right of eminent domain, it shall approve a plan for the development or redevelopment of that property. In the plan, the applicant shall identify the property he is seeking to obtain, describe his plan for the development of the property and the extent of his operations in the vicinity to date, including the identity of other parcels he has purchased or easements he has obtained, and the amount invested in them. The plan for the property shall include the objectives for its development, the nature of the proposed improvement, and the cost of the project.*

*Sec. 27. [REPEALER.] Minnesota Statutes 1976, Sections 458.192, Subdivision 12; 462.545, Subdivision 5; 472A.07, Subdivision 4; and 472A.08, Subdivisions 4 and 5, are repealed.*

*Sec. 28. [EFFECTIVE DATE.] This act is effective the day following final enactment."*

Further, amend the title as follows:

Line 2, strike "creating special districts"

Strike lines 3 to 12 and insert

*"providing for the use of tax increment financing or redevelopment, housing and economic development projects; establishing standards and procedures for its use; authorizing municipalities to exercise right of eminent domain to acquire land for redevelopment and to defer property taxes on redeveloped property; amending Minnesota Statutes 1976, Chapters 273, by adding sections; and 465, by adding a section; and Sections 458.192, Subdivision 11; 462.585, Subdivisions 1 and 4; 472A.06; 472A.07, by adding a subdivision; 472A.08, by adding a subdivision; 473F.02, Subdivision 3; and 474.10, Subdivision 2; repealing Minnesota Statutes 1976, Sections 458.192, Subdivision 12; 462.545, Subdivision 5; 472A.07, Subdivision 4; and 472A.08, Subdivisions 4 and 5."*

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

Mr. McCutcheon from the Committee on Taxes and Tax Laws, to which was referred

S. F. No. 1766: A bill for an act relating to taxation; restricting certificate of value filing requirements to transfers of property made after 1977; amending Minnesota Statutes, 1977 Supplement, Section 272.115, Subdivisions 1 and 4.

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

Page 1, line 11, after "sold" insert "*on or after January 1, 1978*"

Page 1, line 14, strike "within 30 days from"

Page 1, line 15, strike "the date of the sale,"

Page 1, lines 16-19, strike the new language

Page 2, line 7, strike "purchaser under a contract for deed"

Page 2, line 7, strike "*entered into after*"

Page 2, line 8, strike "*December 31, 1977*" and insert "*real estate sold on or after January 1, 1978 for which a certificate of value is required pursuant to subdivision 1*"

Page 2, line 13, strike "on that contract for deed"

Page 2, line 17, strike "In the case of property sold under a contract for"

Page 2, strike lines 18 and 19

Page 2, after line 19, insert:

*"Sec. 3. [EFFECTIVE DATE.] This act is effective for property sold January 1, 1978 and thereafter."*

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

Mr. Hughes from the Committee on Education, to which was referred

S. F. No. 1594: A bill for an act relating to education; pupils; providing for a universal school breakfast program in each district.

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

Page 1, line 7, after "1." insert "Subdivision 1."

Page 1, line 7, strike "act" and insert "section"

Page 1, line 9, strike "Sec." and insert "Subd."

Amend the title as follows:

Page 1, line 2, strike "providing for" and insert "requiring"

Page 1, line 3, strike "universal"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Hughes from the Committee on Education, to which was referred

S. F. No. 1933: A bill for an act relating to education; higher education coordinating board; providing for a statewide testing program; appropriating money.

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

Page 1, line 9, after "state" insert "who desire to participate in"

Page 2, line 7, strike "(a)." and insert "Subdivision 1."

Page 2, line 14, after the comma insert "the Minnesota school boards association,"

Page 2, line 20, after the period insert "The expiration of this advisory task force and the terms, compensation and removal of its members shall be as provided in section 15.059, subdivision 6."

Page 2, line 21, strike "(b)" and insert "Subd. 2."

Page 2, line 25, strike "(c)" and insert "Subd. 3."

Page 2, line 32, after "students" insert ", who desire to participate in the program,"

Page 3, line 2, after "of" insert "sections 1 to 4 of"

Amend the title as follows:

Page 1, line 4, strike "testing" and insert "career guidance"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Wegener from the Committee on Local Government, to which was referred

S. F. No. 1704: A bill for an act relating to the city of Minneapolis; establishing a program setting aside a portion of services and materials for small businesses; regulating bid and performance bonds for small businesses; amending Minnesota Statutes, 1977 Supplement, Section 574.262, Subdivision 1.

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

Page 1, line 21, after "*Minneapolis*," insert "*or the board of commissioners of the housing and redevelopment authority in and for the city of Minneapolis except as otherwise provided,*"

Page 1, line 23, after the period insert "*Where a federal program prohibits any geographical limitation on the principal place of business of an eligible business, in order for the city or authority to be eligible for funds, the federal requirement shall prevail.*"

Page 2, line 14, before the period insert "*for the three year period*"

Page 2, line 17, before the period insert "*for the three year period*"

Page 2, line 20, before the period insert "*for the three year period*"

Page 2, line 23, before the period insert "*for the three year period*"

Page 3, line 12, before "*may*" insert "*and the housing and redevelopment authority in and for the city of Minneapolis*"

Page 3, line 14, after "city" insert "or authority"

Page 3, line 18, before "may" insert "and the housing and redevelopment authority in and for the city of Minneapolis"

Page 3, line 22, after "city's" insert "or the authority's"

Page 4, line 1, after "city" insert "or the authority"

Page 4, line 7, before "may" insert "and the housing and redevelopment authority in and for the city of Minneapolis"

Page 4, line 19, after "matters" insert ", including Minnesota Statutes, Sections 177.41 to 177.44,"

Page 4, line 23, after "ordinance" insert ", and the housing and redevelopment authority in and for the city of Minneapolis shall promulgate by regulation,"

Page 4, line 31, after "eligibility" insert ", specifically whether a business is a small business or is owned and operated by a socially or economically disadvantaged person,"

Page 4, line 32, after "city" insert "or the authority"

Page 5, strike lines 2 to 22

Renumber the remaining section

Amend the title as follows:

Page 1, line 3, after "Minneapolis" insert "and the housing and redevelopment authority in and for the city of Minneapolis"

Page 1, line 5, strike the semicolon and insert a period

Page 1, line 5, strike "regulating bid and"

Page 1, strike lines 6 to 8

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

Mr. Chenoweth from the Committee on Governmental Operations, to which was referred

S. F. No. 1864: A bill for an act relating to state employees; improving testing procedures; tightening provisions relating to provisional appointments; providing for a pilot reliability-based band width certification program; appropriating money; amending Minnesota Statutes 1976, Sections 43.13, by adding a subdivision; and 43.20, Subdivision 2.

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

Page 1, after line 10, insert:

"Section 1. Minnesota Statutes 1976, Section 43.13, Subdivision 1, is amended to read:

43.13 [EXAMINATIONS.] Subdivision 1. [FAIR TESTS;

RECORDS.] All examinations for positions in the classified service shall relate to those matters which will fairly test the capacity and fitness of the persons examined to efficiently discharge the duties of the office or employment position sought by them. Each applicant in an oral examination shall be rated individually by each examiner who shall sign his rating of the applicant. The average of the examiners' separate ratings, if more than one examiner conducts the oral examinations, is the applicant's oral examination rating. The appointing authority may pay reasonable travel expenses actually incurred to applicants invited for oral examinations for those positions where unusual difficulty in recruiting qualified applicants is being encountered."

Page 1, line 20, strike "open-competitive basis an"

Page 2, line 13, strike "1" and insert "2"

Page 2, line 17, strike "4" and insert "15"

Page 2, line 18; strike "additional" and insert "additional"

Page 2, after line 19, insert:

"Sec. 4. Minnesota Statutes 1976, Section 43.14, Subdivision 1, is amended to read:

43.14 [EXAMINATION REFUSED; APPEAL; BOND.] Subdivision 1. [REASONS FOR REFUSAL.] The commissioner may refuse to examine an applicant, or after examination may refuse to certify an eligible, who is found to lack any of the preliminary requirements established for the examination for the position or employment for which he applies; or who is physically so disabled as to be rendered unfit for the proper performance of the duties of the position to which he seeks appointment; or who is addicted to habit-forming drugs or is an habitual user of intoxicating liquors to excess; or who has been guilty of any crime involving moral turpitude or of infamous or notoriously disgraceful conduct; or who has been dismissed from the public service for delinquency or misconduct; or who has made a false statement of any material fact; or who, directly or indirectly, shall give, render or pay, or promise to give, render or pay, any money, service or other valuable thing to any person for, or on account of, or in connection with, his test, appointment, or proposed appointment; or who practiced, or attempted to practice, any deception or fraud in his application, in his certificate, in his examination, or in securing his eligibility or appointment; or who refuses to furnish testimony as required in section 43.07.

Sec. 5. Minnesota Statutes 1976, Section 43.18, is amended to read:

43.18 [VACANCIES.] Subdivision 1. [NOTICE.] Appointing officers authorities shall give written notice to the commissioner of personnel of their intention to establish new positions and of the existence of any vacancy to be filled in any office or employment in the classified service, and, within a reasonable time after the receipt of this notice, the commissioner shall certify, from the list of eligibles, appropriate for the grade and class in which the

position is classified, names in the manner as provided in this section.

Subd. 2. [PROMOTIONS.] In the case of positions to be filled by examinations other than open competitive examinations, the commissioner shall certify, from the list of eligibles, appropriate for the grade and class in which the position is classified, the first three names on such list together with any additional names of persons having an examination rating within three points of the person on the list with the highest examination rating *and with any additional names of persons having the same score as the last name certified in accordance with the above*, except as provided in sections 43.23 and 43.19, subdivision 1.

Subd. 3. [ORIGINAL ENTRY.] In the case of positions to be filled by open competitive examination, the commissioner shall certify the first ten names on the list *together with any additional names of persons having the same score as the tenth name so certified*. Appointments from the list shall only be made from the first ten available eligibles *names so certified*. The commissioner shall promulgate rules so that a determination of unavailability by an appointing authority will be based on a statement of unavailability from the eligible or lack of response by the eligible to notification by certified mail of the open position. Before requesting a recertification based on unavailability or rejection of an eligible, the appointing authority shall demonstrate the unavailability of an eligible or shall provide reasons for requesting the removal of an eligible's name from the certification.

Subd. 4. [APPOINTMENT; PROBATION.] The appointing ~~officer~~ authority shall appoint on probation, with sole reference to merit and fitness, one of the said candidates, whose name is certified in the manner above set forth, to fill such vacancy, except as provided in section 43.23. Seniority in length of service shall also be one of the factors in an appointment in the manner as provided by personnel rule. The provisions of this section shall not apply when the ~~office~~ or employment situation is among those listed in section 43.20, for which competitive examinations are not required.

Sec. 6. Minnesota Statutes 1976, Section 43.19, Subdivision 1, is amended to read:

43.19 [VACANCIES; PROMOTIONS; DISMISSALS.] Subdivision 1. [VACANCIES FILLED BY PROMOTION.] (1) Vacancies in positions shall be filled, so far as practicable, by promotion from among persons holding positions in the classified service, and, subject to such exceptions as the commissioner may provide, from the lower class ~~or group within the particular classification~~, and in accordance with section 43.18 and personnel rules. Except as provided in clause (2), promotions shall be based upon merit and fitness, to be ascertained by competitive examinations in which the employee's efficiency, ~~character~~, and ~~job-related~~ conduct shall all constitute a factor. For positions defined by personnel rule as "non-managerial" seniority shall also constitute a factor.

(2) The commissioner may authorize the appointing authority of any state office or department agency to promote any employee in that office or department agency to a position of in a higher grade or class requiring peculiar and exceptional qualifications of an administrative, scientific, professional, or expert character, following a non-competitive examination, which shall be practical and shall involve only the duties of the position.

(3) The commissioner shall give the non-competitive examinations provided for in clause (2) upon request of any appointing authority, in accordance with personnel rules."

Page 2, line 30, strike "Before" and insert "When"

Page 2, line 31, strike "give"

Page 2, strike line 32, and insert "certify to the commissioner that he has determined that all persons on an incomplete appropriate list are unsuitable or unavailable for appointment."

Page 3, strike line 1

Page 3, lines 21 and 26, strike "permanent" and insert "probationary"

Page 3, line 23, strike "and if the commissioner"

Page 3, strike lines 24 and 25

Page 3, line 26, strike "not be successful"

Page 3, line 28, strike "a" and insert "the same" and strike "comparable to" and insert "as"

Page 3, after line 29, insert:

"Sec. 8. Minnesota Statutes 1976, Section 43.20, Subdivision 3, is amended to read:

Subd. 3. In case of an emergency, an appointment may be made without regard to the provisions of this chapter, but in no case shall it continue longer than ten working days, and in no case shall successive emergency appointments be made; this provision shall apply to both persons and positions; and no person shall receive more than three emergency appointments in any one or different positions within one year any 12 month period.

Sec. 9. Minnesota Statutes 1976, Section 43.20, Subdivision 5, is amended to read:

Subd. 5. Where the services to be rendered by an appointee are for a temporary period not to exceed six months, the commissioner shall certify from an eligible list for the temporary service any person he deems qualified; the acceptance or refusal by an eligible of a temporary appointment shall not affect his standing on the register for permanent employment, nor shall the period of temporary service be counted as a part of the probationary period in case of subsequent appointment to a permanent position. No person shall receive more than one temporary appointment within one year. No temporary appointment shall exceed six months except



to fill a vacancy created by an approved leave of absence not to exceed one year or where the commissioner grants an extension of temporary appointment to the maximum of one year in the best interests of the state.

Sec. 10. Minnesota Statutes 1976, Section 43.20, is amended by adding a subdivision to read:

*Subd. 7. Where the position to be filled is of a routine, service nature involving unskilled tasks, the performance of which cannot be directly related to qualifications beyond a minimum competency level, the commissioner may authorize the administration of a basic qualifying selection process designed to ascertain which candidates could perform the tasks of the job in a satisfactory manner. Any candidate found so qualified may be certified and appointed to such a position.*

Sec. 11. Minnesota Statutes 1976, Section 43.32, Subdivision 11, is amended to read:

Subd. 11. [REVIEW OF TRAINING PLANS.] The head of each department shall be responsible, with the advice and counsel of the commissioner, for planning, budgeting and conducting training programs within the scope of the overall training plan. He shall submit his training plans and budgets for each year of the biennium to the commissioner for review and comment prior to the implementation of any program, but in any case no later than six weeks after the budget appropriations are approved.

For purposes of training, the commissioner may accept funds from any source and may be reimbursed by the various departments for reasonable program cost. *Monies transferred to the commissioner pursuant to this subdivision are appropriated to the commissioner to perform training functions as provided herein.*

Sec. 12. Minnesota Statutes 1976, Section 43.327, Subdivision 1, is amended to read:

43.327 [TRAVEL AND RELOCATION EXPENSES.] Subdivision 1. [COMMISSIONER TO MAKE RULES ON RELOCATION.] The commissioner shall make personnel rules relating to the expenses of moving state officers and employees, their families and household goods to new stations, subsistence, realtor fees, and such other expenses as may be incident to assignment to such stations.

Sec. 13. Minnesota Statutes 1976, Section 43.327, Subdivision 2, is amended to read:

Subd. 2. [COMMISSIONER TO MAKE RULES ON TRAVEL.] The commissioner shall make personnel rules relating to travel of state officers and employees on state business and expenses incurred thereon. *When unusual difficulty in recruiting qualified applicants is being encountered the commissioner may authorize the appointing authority to pay travel expenses incurred by applicants invited for oral examinations or for employment interviews in the same manner and amounts authorized by personnel rules for state employees.*

Sec. 14. Minnesota Statutes 1976, Section 43.491 is amended by adding a subdivision to read:

*Subd. 5. Notwithstanding the restrictions contained in section 43.44, subdivision 2, a state employee who retires prior to age 65 and who is eligible for, applies for and receives an annuity under a state retirement program shall be eligible to continue to participate at his own expense in the hospital benefits coverage and medical benefits coverage provided for other state employees by sections 43.42 to 43.50. The retired employee may also, at his own expense, continue hospital benefits coverage and medical benefits coverage for his dependents who meet the general dependent eligibility requirements for those coverages. The coverage may be maintained until the employee and the employee's spouse each become eligible for medicare. Within 30 days after the effective date of this section or within 30 days after the effective date of his retirement, whichever day is later, the employee shall notify the commissioner or his designee of his intention to continue the coverage. The commissioner shall establish forms and procedures for exercise of the option provided by this section and for payment of necessary premiums."*

Page 4, line 4, strike "expected"

Page 4, lines 4 and 5, strike "open to competitive examination" and insert "filled"

Page 4, line 8, after "must" insert "be expected to have vacancies to be filled by open competitive examination in that upcoming year and must"

Page 4, lines 21, 27 and 32, strike "certified"

Page 4, lines 21 and 27, after "list of" insert "certified"

Page 4, line 32, after "list" insert "of certified eligibles"

Page 5, lines 8, 10 and 22, strike "certified"

Page 5, line 8, after "list" insert "of certified eligibles"

Page 5, line 9, after "Names" insert "of certified eligibles"

Page 5, line 23, after "of" insert "certified"

Page 6, line 8, after "rules" insert "and"

Page 6, after line 19, insert:

"Sec. 16. Minnesota Statutes, Chapter 43, is amended by adding a section to read:

[43.162] [VALIDITY OF APPLICATIONS.] No person shall be appointed to a position in the civil service until the appointing authority has made reasonable effort to verify any information contained in the prospective employee's job application which relates to the ability of the person to perform the job. The commissioner shall establish procedures, which shall not be promulgated as rules, for use by an appointing authority in performing this verification function. Notice of the verification responsibilities of

*the appointing authority shall be conspicuously printed on all state employment application forms."*

Page 7, line 7, strike "4" and insert "15"

Page 7, line 9, strike "1" and insert "2"

Page 7, line 15, after the period, insert "*Section 15 shall expire June 30, 1980. Procedures relating to examinations announced prior to May 1, 1978, shall be completed pursuant to law in effect on April 30, 1978. Certifications of eligibles in force on May 1, 1978, shall remain effective pursuant to law in effect on April 30, 1978.*"

Renumber the sections in sequence.

Amend the title as follows:

Line 6, after "program;" insert "altering certain requirements for appointment and benefit eligibility; establishing special procedures for filling certain positions; providing for modified reimbursements of costs;"

Line 7, after "43.13," insert "Subdivision 1, and"

Line 8, strike "and" and insert "43.14, Subdivision 1; 43.18; 43.19, Subdivision 1;"

Line 8, strike "Subdivision 2" and insert "Subdivisions 2, 3, 5, and by adding a subdivision; 43.32, Subdivision 11; 43.327, Subdivisions 1 and 2; 43.491, by adding a subdivision; and Chapter 43, by adding a section"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Olson from the Committee on General Legislation and Veterans Affairs, to which was re-referred

S. F. No. 1577: A bill for an act relating to the department of veterans affairs; establishing a nursing home for veterans in Hastings.

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

Strike everything after the enacting clause and insert:

"Section 1. [198.31] [VETERANS HOME, HASTINGS.] *Control of the state hospital facilities at Hastings is transferred to the commissioner of veterans affairs. This transfer includes the cemetery. The commissioner shall establish a 300-bed veterans home in these facilities. The veterans home shall be licensed in accordance with the boarding care rules of the department of health. To the extent practical, the veterans home at Hastings shall be operated in the same manner as provided for the Minnesota veterans home at Minneapolis by sections 198.001 to 198.265.*

Sec. 2. Minnesota Statutes, 1977 Supplement, Section 246.02, Subdivision 2, is amended to read:

Subd. 2. The commissioner of public welfare shall act with the advice of the medical policy directional committee on mental

health in the appointment and removal of the chief executive officers of the following institutions: Anoka State Hospital, Ah-Gwah-Ching Nursing Home, Fergus Falls State Hospital, Hastings State Hospital, Moose Lake State Hospital, Oak Terrace Nursing Home, Rochester State Hospital, St. Peter State Hospital, Willmar State Hospital, Faribault State Hospital, Cambridge State Hospital, and Brainerd State Hospital.

Sec. 3. [APPROPRIATION.] *Subdivision 1. The sum of \$1,178,380 is appropriated from the general fund to the commissioner of administration for the state share of costs of remodeling and improving the state hospital facilities at Hastings for use as a veterans home.*

*Subd. 2. The sum of \$974,000 is appropriated from the general fund to the commissioner of veterans affairs for the state share of general operations and management of the veterans home at Hastings, to be available until June 30, 1979.*

Sec. 4. [EFFECTIVE DATE.] *This act is effective May 1, 1978, except that the appropriation in section 3, subdivision 1, is available the day following final enactment."*

Further, amend the title as follows:

Page 1, line 3, strike "nursing"

Page 1, line 4, after "Hastings" insert "; appropriating money; amending Minnesota Statutes, 1977 Supplement, Section 246.02, subdivision 2"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Purfeerst from the Committee on Transportation, to which was referred

S. F. No. 1690: A bill for an act relating to the Minneapolis-Saint Paul metropolitan airports commission; providing a maximum amount and funding terms for commission debt; amending Minnesota Statutes 1976, Section 473.667, Subdivisions 2 and 4, and by adding a subdivision.

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

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

S. F. No. 1664: A bill for an act relating to state waters; establishing certain priorities for use of water in processing agricultural products; amending Minnesota Statutes, 1977 Supplement, Section 105.41, Subdivision 1a.

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

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

S. F. No. 1943: A bill for an act relating to forests; regulating the maintenance of fires therein; amending Minnesota Statutes 1976, Section 88.16; repealing Minnesota Statutes 1976, Section 88.17.

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

Strike everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1976, Section 88.01, is amended by adding a subdivision to read:

*Subd. 23. [OPEN FIRE.] "Open fire" means a fire burning in matter, whether concentrated or dispersed, which is not contained within a fully enclosed firebox, structure or vehicle and from which the products of combustion are emitted directly to the open atmosphere without passing through an adequate stack, duct or chimney.*

Sec. 2. Minnesota Statutes 1976, Section 88.10, is amended to read:

88.10 [FIGHTING FOREST FIRES, AUTHORITY OF STATE FOREST OFFICERS.] Subdivision 1. Under the direction of the commissioner, forest officers are charged with preventing and extinguishing forest fires in their respective districts and the performance of such other duties as may be required by him. They may arrest without warrant any person found violating any provisions of sections 88.03 to ~~88.21~~ 88.22, take him before a court of competent jurisdiction in the county charging the person so arrested, and the person so charged shall be arraigned and given a hearing on the complaint. The forest officers shall not be liable in civil action for trespass committed in the discharge of their duties. All authorized state forest officers, including rangers, guards, township fire wardens, smoke chasers, fire foremen or individuals legally employed as fire fighters, may in the performance of their duties of fire fighting go onto the property of any person, company, or corporation and in so doing may set backfires, dig or plow trenches, cut timber for clearing fire lines, dig water holes, remove fence wires to provide access to the fire or carry on all other customary activities necessary for the fighting of forest, prairie or brush fires without incurring a liability to anyone, except for damages arising out of wilful or gross negligence.

Subd. 2. Any forest officer may serve any warrant for the arrest of any person violating any provision of sections 88.03 to ~~88.21~~ 88.22 and for that purpose all forest officers are hereby vested with the same powers as constables or other similar officers of the courts issuing such warrants.

Sec. 3. Minnesota Statutes 1976, Section 88.16, is amended to read:

88.16 [STARTING FIRES; CAMPFIRE; INCINERATORS; BURNING BAN.] Subdivision 1. It shall be unlawful, when the ground is not snow covered, in any place where there are stand-

ing or growing native coniferous trees, or in areas of ground from which native coniferous trees have been cut, or where there are slashings of such trees, or native brush, timber, slashings thereof, or excavated stumps, or where there is peat or peat roots excavated or growing, to start or have any open fire, or any back fire, Except as authorized by subdivision 2, it shall be unlawful to start or have an open fire in a forest area without the written permission of the commissioner, or other authorized forest officer.

*Subd. 2. No permit is required for the following open fires:*

*(a) A cooking or warming fire contained in a fireplace, fire-ring, charcoal grill, portable gas or liquid fueled camp stove or other similar container or device designed for the purpose of cooking or heating, or if the area within a radius of five feet of the fire is reasonably clear of all combustible material.*

*(b) The burning of grass, leaves, rubbish, garbage, branches, and similar combustible material in an approved incinerator. An approved incinerator shall be constructed of fire resistant material, have a capacity of at least three bushels, be maintained with a minimum burning capacity of at least two bushels, and have a cover which is closed when in use and openings in the top or side of one inch maximum diameter. No combustible material shall be nearer than three feet to the burner or incinerator when in use.*

*(c) Any cooking or warming fire when the ground is covered with snow.*

**Subd. 2 3 .** The occupant of any premises upon which any unauthorized fire is burning in the vicinity of forest lands, whether the fire was started by him or otherwise, shall promptly report the fire to the commissioner, or to the nearest forest officer or fire warden. Failure to make this report shall be deemed a violation of sections 88.03 to 88.21 88.22 and the occupant of the premises shall be deemed prima facie guilty of negligence if the unreported fire spreads from the premises to the damage, loss, or injury of the state or any person.

**Sec. 4.** Minnesota Statutes 1976, Section 88.17, is amended to read:

**88.17 [PERMISSION TO START FIRES; PROSECUTION FOR UNLAWFULLY STARTING FIRES.]** Subdivision 1. Permission to set fire to any grass, stubble, peat, brush, raking of leaves, rubbish, garbage, branches, slashings or woods for the purpose of cleanup, clearing and improving land or preventing other fire shall be given whenever the same may be safely burned, upon such reasonable conditions and restrictions as the commissioner may prescribe, to prevent same from spreading and getting beyond control. This permission shall be in the form of a written permit signed by a regular forest officer or some other suitable person to be designated by him, as town fire warden, these permits to be on forms furnished by the commissioner. The commissioner, or any of his authorized assistants, may at his discretion in cases of extreme danger refuse, revoke, or postpone the use of permits

to burn when such act is clearly necessary for the safety of life and property. Any person setting any fire or burning anything under such permit shall keep the permit on his person while so engaged and produce and exhibit the permit to any forest officer, when requested to do so. No permit is required for the burning of grass, leaves, rubbish, garbage, branches and similar combustible material under the following conditions: (1) The material shall be burned within an incinerator or burner constructed of fire resistant material having a capacity of not less than three bushels and maintained with a minimum burning capacity of not less than two bushels, a cover which is closed when in use, and maximum openings in the top or sides no greater than one inch in diameter; and (2) No combustible material shall be nearer than three feet to the burner or incinerator when it is in use.

Subd. 2. In any prosecution under sections 88.03 to 88.21 88.22 for unlawfully starting or setting or having or permitting the continuation or spread of any fire or back-fire, proof upon the part of the prosecution that such fire or back-fire originated upon, or was permitted to burn upon, or that it spread from, lands or premises occupied by the person charged with the offense, and that this person had knowledge of the fire and made no effort to put it out, shall be prima facie evidence that he is guilty. The burden of proof as to any matter in refutation of this prima facie guilt, or in extenuation or excuse, shall be and rest upon the person so appearing prima facie to be guilty.

Sec. 5. Minnesota Statutes 1976, Section 88.22, is amended to read:

88.22 [FOREST FIRE PREVENTION; CLOSING FOREST ROADS AND TRAILS; PROHIBITING OPEN FIRES AND SMOKING; REGULATING PRIVATE AND PUBLIC DUMPING AREAS; PENALTIES.] *Subdivision 1.* When the commissioner of natural resources shall determine that conditions conducive to forest fire hazards exist in the forest areas of the state and that the presence of persons in the forest areas tends to aggravate forest fire hazards, render forest trails impassable by driving thereon during wet seasons and hampers the effective enforcement of state timber trespass and game laws, he may by written order, close any road or trail leading into any land used for any conservation purposes, to all modes of travel except that considered essential such as residents traveling to and from their homes or in other cases to be determined by the authorized forest officers assigned to guard the area. The commissioner may also, upon such determination, by written order, prohibit the building of all campfires except by permit issued by an authorized officer suspend the issuance of permits for open fires, revoke or suspend the operation of a permit previously issued and, to the extent he deems necessary, prohibit the building of all or some kinds of open fires in all or any part of a forest area regardless of whether a permit is otherwise required; and the commissioner also may, by written order, prohibit smoking except at places of habitation or automobiles or other enclosed vehicles properly equipped with an efficient ash tray.

*Subd. 2.* The commissioner may close any public or private dumping area, by posting such area as closed to dumping, whenever he deems it necessary for the prevention of forest fires. Thereafter no person shall deposit refuse of any kind within or adjacent to such closed area, or along the road leading thereto.

The commissioner shall establish such minimum standards governing public and private dumping areas as he deems necessary for the prevention of forest fires.

*Subd. 3.* Any violations of this section shall constitute a misdemeanor.

Sec. 6. Minnesota Statutes 1976, Section 88.73, is amended to read:

**88.73 [ADMINISTRATION; DELEGATED POWERS AND DUTIES.]** The director is hereby empowered and directed to administer and enforce sections 88.03 to ~~88.21~~ 88.22 ; and, to that end, he may make and enforce all necessary or convenient rules and regulations not inconsistent with the provisions and purposes of these sections. In every case the powers delegated to, and the duties imposed upon, the director, and other state or municipal representatives by sections 88.03 to ~~88.21~~ 88.22 shall be exercised and performed in good faith, without undue oppression, and in a manner as reasonable as the exigencies of the situation will permit.

Nothing in sections 88.03 to ~~88.21~~ 88.22 shall be construed as abrogating the laws specifically governing state parks or other public parks, or state or municipal forests. The provisions of all such laws and of sections 88.03 to ~~88.21~~ 88.22 shall be harmonized and both given effect wherever possible.

Nothing in sections 88.03 to ~~88.21~~ 88.22 shall be construed as restricting the state, or any political subdivision thereof, in the exercise of any power, right, or privilege which may be conferred by separate enactment of the legislature under authority of the so-called forest fire prevention amendment to the State Constitution, approved by vote of the electors of this state at the general election held in November, 1924.

Sec. 7. Minnesota Statutes 1976, Section 88.75, Subdivision 1, is amended to read:

**88.75 [VIOLATIONS; PENALTIES.]** Subdivision 1. Any person who violates any of the provisions of sections 88.03 to ~~88.21~~ 88.22 for which no specific penalty is therein prescribed shall be guilty of a misdemeanor and be punished accordingly.

Failure by any person to comply with any provision or requirement of sections 88.03 to ~~88.21~~ 88.22 to which such person is subject shall be deemed a violation thereof.

Any person who violates any provisions of sections 88.03 to ~~88.21~~ 88.22 , in addition to any penalties therein prescribed, or hereinbefore in this section prescribed, for such violation, shall also be liable in full damages to any and every person suffering



loss or injury by reason of such violation, including liability to the state, and any of its political subdivisions, for all expenses incurred in fighting or preventing the spread of, or extinguishing, any fire caused by, or resulting from, any violation of these sections. When a fire set by any person spreads to and damages or destroys property belonging to another, the person setting the fire shall be prima facie guilty of negligence in setting and allowing the same to spread.

At any time the state, or any political subdivision thereof, either of its own motion, or at the suggestion or request of the director, may bring an action in any court of competent jurisdiction to restrain, enjoin, or otherwise prohibit any violation of sections 88.03 to ~~88.21~~ 88.22, whether therein described as a crime or not, and likewise to restrain, enjoin, or prohibit any person from proceeding further in, with, or at any timber cutting or other operations without complying with the provisions of those sections, or the requirements of the director pursuant thereto; and the court may grant such relief, or any other appropriate relief, whenever it shall appear that the same may prevent loss of life or property by fire, or may otherwise aid in accomplishing the purposes of sections 88.03 to ~~88.21~~ 88.22.

Sec. 8. Minnesota Statutes 1976, Section 88.76, is amended to read:

88.76 [REWARDS.] Upon conviction of any person for violating any of the provisions of sections 88.03 to ~~88.21~~ 88.22, the director, at his discretion, may pay, from any money placed at his disposal under those sections, a reward of not more than \$25 to the person or persons giving the information leading to such conviction.

Sec. 9. Minnesota Statutes 1976, Section 88.77, is amended to read:

88.77 [DISPOSAL OF FINES AND PENALTIES.] Except as otherwise expressly provided in sections 88.03 to ~~88.21~~ 88.22, all moneys received as penalties for violations of the provisions of those sections, less the cost of collection, shall be paid into the treasury of the county in which the penalties for these violations were imposed; provided, that fines collected for violations of those sections, where prosecutions are instituted upon the complaint of town or city officers duly appointed by the director as fire wardens, shall be paid into the treasury of the town or city where the offense was committed.

Sec. 10. Minnesota Statutes 1976, Section 88.78, is amended to read:

88.78 [APPEALS.] No appeal shall be allowed from a judgment in any court of a justice of the peace, or a municipal court, or other similar court, to the district court in any prosecution under sections 88.03 to ~~88.21~~ 88.22, unless the person appealing shall, within the time prescribed by law, enter into a recognizance, with sufficient sureties, or deposit cash bail in twice the amount of the fine and costs, to be approved by the justice, conditioned to appear

before the district court on the first day of the next general term thereof to be held in and for the same county, and abide the judgment of the court therein.

The justice or judge may examine the proposed sureties under oath and, in such case, shall make and keep a record of their answers in respect to the kinds and amount of their property not exempt from execution, and he shall furnish a copy of the same to the director.

When an arrest shall have been made for violation of any of the provisions of sections 88.03 to 88.21 88.22 , or when information of such violation shall have been lodged with him, the county attorney of the county in which the offense was committed shall prosecute the accused with diligence and energy.

Sec. 11. [EFFECTIVE DATE.] *This act is effective the day following its final enactment.* "

Amend the title as follows:

Line 4, strike "Section" and insert "Sections 88.01, by adding a subdivision; 88.10;"

Line 4, strike "repealing Minnesota Statutes 1976,"

Line 5, strike "Section"

Line 5, after "88.17" insert "; 88.22; 88.73; 88.75, Subdivision 1; 88.76; 88.77; and 88.78"

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

Mr. Perpich from the Committee on Health, Welfare and Corrections, to which was referred

S. F. No. 2077: A bill for an act relating to public health; authorizing the contractual provision of statutorily prescribed public health services by the commissioner of health; modifying the definition of child in the maternal and child nutrition act; increasing the commissioner's rule-making authority regarding children's camps; expanding scope of functions that may be performed by local health agencies; amending Minnesota Statutes 1976, Sections 144.74; 145.031, Subdivision 1; 145.55, Subdivision 1; 145.892; 145.893; 145.918, Subdivision 2; and Chapter 144, by adding a section; repealing Minnesota Statutes 1976, Sections 12.56; 12.57; and 144.146, Subdivision 2.

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

Page 2, strike all of section 2

Page 3, line 23, strike "Such" and insert "The"

Page 3, line 24, strike "and regulations"

Page 6, line 24, after the period insert "Section 1 shall be effective until July 1, 1980."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 6, after the semicolon, strike the remaining language

Page 1, strike line 7

Page 1, line 8, strike "children's camps;"

Page 1, line 10, strike "144.74;"

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

Mr. Perpich from the Committee on Health, Welfare and Corrections, to which was referred

S. F. No. 1835: A bill for an act relating to public health; allowing a parent or guardian to refuse certain immunizations for a child or ward on conscientious grounds; amending Minnesota Statutes 1976, Section 123.70, Subdivisions 1 and 2.

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

Page 2, line 1, after "a" insert "*sworn and notarized*"

Page 2, line 5, before the semicolon insert "*or because of the conscientiously held beliefs of the parent or guardian*"

Page 2, strike lines 6 to 8

Page 2, line 9, strike "*guardian* ;"

Page 2, line 10, strike the new language and reinstate the stricken language

Page 2, line 16, strike "(5)" and insert "(4)"

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

Mr. Coleman from the Subcommittee on Bill Scheduling, to which were referred

S. F. Nos. 1428, 1752, 1888, 1886, 1955, 1693, 1643, 1787, 1842 makes the following report:

That S. F. Nos. 1752, 1888, 1886, 1955, 1693, 1643, 1787, 1842 be placed on the General Orders Calendar in the order indicated.

That S. F. No. 1428 is being retained in the Subcommittee pending further study.

That there were no other bills before the Subcommittee on which floor action was requested. Report adopted.

#### SECOND READING OF SENATE BILLS

S. F. Nos. 1786, 1495, 1891, 1766, 1704, 1690, 1664, 1943, 2077 and 1835 were read the second time and referred to the Sub-

committee on Bill Scheduling of the Committee on Rules and Administration.

### SECOND READING OF HOUSE BILLS

H. F. No. 1191 was read the second time and referred to the Subcommittee on Bill Scheduling of the Committee on Rules and Administration.

### MOTIONS AND RESOLUTIONS

Mr. Keefe, S. moved that the name of Mr. Borden be added as co-author to S. F. No. 1618. The motion prevailed.

Mr. Chmielewski moved that S. F. No. 1973 be withdrawn from the Committee on Rules and Administration and re-referred to the Committee on General Legislation and Veterans Affairs. The motion prevailed.

Mrs. Brataas introduced—

Senate Concurrent Resolution No. 10: A senate concurrent resolution urging the Food and Drug Administration and the National Cancer Institute to proceed with scientific testing of laetrile on terminally ill humans.

Referred to the Committee on Rules and Administration.

Mr. Laufenburger moved that H. F. No. 1180 and the Conference Committee Report thereon be taken from the table. The motion prevailed.

### CONFERENCE COMMITTEE REPORT ON H. F. NO. 1180

A bill for an act relating to financial institutions; permitting the establishment and operation of electronic funds transfer facilities; prescribing the powers and duties of the commissioner of banks in relation to funds transfer facilities; protecting the privacy and security of customers of financial institutions who use electronic funds transfer facilities; prescribing penalties.

February 3, 1978

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

The Honorable Edward J. Gearty  
President of the Senate

We, the undersigned conferees for H. F. No. 1180, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that the bill be amended as follows:

Page 5, line 11, delete "January 1" and insert "March 1"

Page 11, line 12, after "act" insert "of 1968, P. L. 90-389,"

Page 11, line 24, after "necessary" insert "to restrict disclosure of information to that necessary to complete the transaction and"

Page 12, line 2, after "wrongful" insert "and unnecessary"

Page 12, line 23, after "liable" insert ", subject to a maximum liability of \$50,"

Page 12, line 25, delete ", subject to a maximum liability of \$50"

Page 13, after line 29, insert:

"Nothing in sections 1 to 14 shall operate or be construed to create an exception to the antitrust laws of the United States for any contract or combination required or authorized by this act."

Page 15, lines 21 and 22, delete "January 1, 1978, except that the rule making power granted to the commissioner is effective"

Page 15, line 23, delete "of this act"

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

House Conferees: (Signed) Walter R. Hanson, John Corbid, Douglas R. Ewald

Senate Conferees: (Signed) Roger Laufenburger, William G. Kirchner, Steve Keefe

Mr. Laufenburger moved that the foregoing recommendations and Conference Committee Report on H. F. No. 1180 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. 1180: A bill for an act relating to financial institutions; permitting the establishment and operation of electronic funds transfer facilities; prescribing the powers and duties of the commissioner of banks in relation to funds transfer facilities; protecting the privacy and security of customers of financial institutions who use electronic funds transfer facilities; prescribing penalties.

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

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

The roll was called, and there were yeas 59 and nays 3, as follows:

Those who voted in the affirmative were:

Anderson	Brataas	Dunn	Hanson	Keefe, S.
Ashbach	Chenoweth	Engler	Hughes	Kirchner
Bang	Coleman	Frederick	Jensen	Kleinbaum
Benedict	Davies	Gearty	Johnson	Knaak
Bernhagen	Dieterich	Gunderson	Keefe, J.	Knoll

Knutson	Merriam	Perpich	Sieloff	Stumpf
Laufenburger	Moe	Peterson	Sikorski	Tennessen
Lessard	Nelson	Pillsbury	Sillers	Ueland, A.
Lewis	Ogdahl	Purfeerst	Solon	Ulland, J.
Luther	Olhoff	Schmitz	Spear	Vega
McCutcheon	Olson	Schrom	Staples	Wegener
Menning	Penny	Setzepfandt	Swanowski	

Messrs. Chmielewski, Strand and Willet voted in the negative.

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

### THIRD READING OF SENATE BILLS

S. F. No. 1758: A bill for an act relating to the department of transportation; permitting the commissioner of transportation to designate primary and alternate routes for the Great River Road; deleting the statutory route; removing duty of the commissioner to maintain the road; amending Minnesota Statutes 1976, Sections 161.142 and 161.148, Subdivisions 1, 2 and 3; repealing Minnesota Statutes 1976, Section 161.148, Subdivision 4.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 55 and nays 7, as follows:

Those who voted in the affirmative were:

Anderson	Engler	Knoll	Penny	Solon
Ashbach	Gearty	Laufenburger	Perpich	Spear
Bang	Gunderson	Lewis	Peterson	Staples
Benedict	Hanson	Luther	Pillsbury	Stokowski
Bernhagen	Hughes	McCutcheon	Purfeerst	Strand
Brataas	Jensen	Menning	Schmitz	Stumpf
Chenoweth	Keefe, J.	Merriam	Schrom	Tennessen
Chmielewski	Keefe, S.	Nelson	Setzepfandt	Ueland, A.
Coleman	Kirchner	Ogdahl	Sieloff	Ulland, J.
Davies	Kleinbaum	Olhoff	Sikorski	Vega
Dieterich	Knaak	Olson	Sillers	Wegener

Those who voted in the negative were:

Dunn	Johnson	Lessard	Moe	Willet
Frederick	Knutson			

So the bill passed and its title was agreed to.

S. F. No. 1727: A bill for an act relating to state parks; deleting certain lands from the boundaries of Itasca state park; amending Laws 1976, Chapter 110, Section 2.

With the unanimous consent of the Senate, Mr. Moe moved to amend S. F. No. 1727 as follows:

Page 2, line 19, strike "Southwest" and insert "Southeast"

The motion prevailed. So the amendment was adopted.

S. F. No. 1727 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 60 and nays 1, as follows:

Those who voted in the affirmative were:

Ashbach	Gerty	Knutson	Olson	Solon
Bang	Gunderson	Laufenburger	Penny	Spear
Benedict	Hanson	Lessard	Perpich	Staples
Bernhagen	Hughes	Lewis	Pillsbury	Stokowski
Brataas	Jensen	Luther	Purfeerst	Strand
Chenoweth	Johnson	McCutcheon	Renneke	Stumpf
Chmielewski	Keefe, J.	Menning	Schmitz	Tennessee
Coleman	Keefe, S.	Merriam	Schrom	Ueland, A.
Davies	Kirchner	Moe	Setzepfandt	Ulland, J.
Dunn	Kleinbaum	Nelson	Sieloff	Vega
Engler	Knaak	Ogdahl	Sikorski	Wegener
Frederick	Knoll	Olhoft	Sillers	Willet

Mr. Dieterich voted in the negative.

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

#### CONSENT CALENDAR

S. F. No. 1959: A bill for an act relating to towns; providing for supervisors to control legal actions; amending Minnesota Statutes 1976, Sections 365.10; 365.40; and 366.01, by adding a subdivision.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 62 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Frederick	Laufenburger	Penny	Staples
Ashbach	Gerty	Lessard	Perpich	Stokowski
Bang	Gunderson	Lewis	Peterson	Strand
Benedict	Hughes	Luther	Pillsbury	Stumpf
Bernhagen	Jensen	McCutcheon	Purfeerst	Tennessee
Brataas	Johnson	Menning	Renneke	Ueland, A.
Chenoweth	Keefe, J.	Merriam	Schmitz	Ulland, J.
Chmielewski	Keefe, S.	Moe	Schrom	Vega
Coleman	Kirchner	Nelson	Setzepfandt	Wegener
Davies	Kleinbaum	Nichols	Sieloff	Willet
Dieterich	Knaak	Ogdahl	Sikorski	
Dunn	Knoll	Olhoft	Sillers	
Engler	Knutson	Olson	Spear	

So the bill passed and its title was agreed to.

S. F. No. 1699: A bill for an act relating to the town of Little Falls; allowing the town to contract for the lighting of town roads; allowing reimbursement for electrical service costs; providing for special assessments.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 62 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Gearty	Laufenburger	Perpich	Staples
Bang	Gunderson	Lessard	Peterson	Stokowski
Benedict	Hanson	Lewis	Pillsbury	Strand
Bernhagen	Hughes	Luther	Purfeerst	Stumpf
Brataas	Jensen	McCutcheon	Renneke	Tennessee
Chenoweth	Johnson	Menning	Schmitz	Ueland, A.
Chmielewski	Keefe, J.	Merriam	Schrom	Ulland, J.
Coleman	Keefe, S.	Moe	Setzepfandt	Vega
Davies	Kirchner	Nelson	Sieloff	Wegener
Dieterich	Kleinbaum	Nichols	Sikorski	Willet
Dunn	Knaak	Ogdahl	Sillers	
Engler	Knoll	Olson	Solon	
Frederick	Knutson	Penny	Spear	

So the bill passed and its title was agreed to.

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

#### GENERAL ORDERS

The Senate resolved itself into a Committee of the Whole, with Mr. Gearty in the chair.

After some time spent therein, the committee arose, and Mr. Gearty reported that the committee had considered the following:

S. F. No. 1073 which the committee recommends to pass.

S. F. No. 1720 which the committee reports progress, subject to the following motions:

Mr. Olson moved to amend S. F. No. 1720 as follows:

Page 2, line 2, before "This" insert "*In any area south of U. S. Highway No. 7, it shall not be unlawful to leave decoys in public waters between sunset and one hour before sunrise if there is not a natural growth of weeds, rushes, flags, or other vegetation growing in the water sufficient to partially conceal a hunter or boat.*"

The motion prevailed. So the amendment was adopted.

Mr. Olson then moved to amend S. F. No. 1720 as follows:

Page 1, line 19, strike "*It shall not constitute*"

Page 1, strike lines 20 to 22

Page 2, strike line 1

Page 2, line 2, strike "*occupant thereof.*"

The motion prevailed. So the amendment was adopted.



S. F. No. 1720 was then progressed.

S. F. No. 438, which the committee recommends to pass with the following amendments offered by Messrs. Tennesen and Davies:

Mr. Tennesen moved to amend S. F. No. 438 as follows:

Page 2, line 5, strike "*and objectors*"

Page 2, line 5, after "*shall*" insert "*pay to the commission the lesser of the actual costs of the hearing or \$3,000. If the actual costs of the hearing exceed \$3,000, the applicant and objectors shall*"

Page 2, line 6, after "*pay*" insert "*to the commission*"

Page 2, line 6, after "*all*" insert "*the excess*"

Page 2, line 7, strike everything after the period

Page 2, line 8, strike "*general fund.*"

Mr. Tennesen then moved to amend S. F. No. 438 as follows:

Page 3, line 24, after the comma insert "*if the commission's order is appealed,*"

Page 3, line 26, strike "*at*" and insert "*the extensions may not exceed a total of 18 months from the later of (a) the date the certificate of authorization would otherwise have expired or (b) the date on which all appeals or rights of appeal from the commission's order have concluded or expired. At*"

Page 3, line 26, strike "*such*" and insert "*the*"

Mr. Davies moved to amend S. F. No. 438 as follows:

Page 4, line 24, strike everything after the period

Page 4, line 25, strike "*application,*"

Page 4, line 26, strike "*the denial*" and insert "*granting or denying the application,*"

S. F. No. 1765, which the committee recommends to pass with the following amendment offered by Mr. Chenoweth:

Page 2, line 8, strike "*or designee of the commissioner*"

Page 2, line 9, strike "*or designee of the commissioner*"

Page 2, line 10, strike "*serve*" and insert "*each designate a senior employee of their respective departments to represent them*"

Page 2, line 10, after the period insert "*The designee of the commissioner of economic security shall be the person having authority over the administration of federally-recognized vocational rehabilitation programs. Notwithstanding the provisions of subdivision 2a, the term of office of a designee shall be coterminous with the term of office of the designating commissioner.*"

Page 2, line 12, reinsert the stricken comma

Page 2, line 12, after the reinserted comma insert "*and one member shall be a member of the medical staff of the hospital*"

Page 2, line 13, strike "*commissioners or their*"

Page 2, line 14, strike "with" and insert ", *and the appointments of all members shall be subject to*"

Page 2, line 14, strike the semicolon

Page 2, strike lines 15 and 16

Page 2, line 17, strike everything before the period

Page 2, line 29, strike "*in the unclassified civil service*"

Page 2, lines 30 to 32, strike the new language and reinsert the stricken language

Amend the title as follows:

Page 1, strike lines 4 and 5

Page 1, line 6, strike "agencies;"

S. F. No. 1685, which the committee recommends to pass with the following amendments offered by Mrs. Staples, Messrs. Knutson and Sikorski.

Mrs. Staples moved to amend S. F. No. 1685 as follows:

Page 3, line 14, strike the colon

Page 3, line 15, strike "(1)"

Page 3, line 20, strike "or"

Page 3, line 21, strike "(2)"

Page 3, line 26, before "Changes" insert "(b)" and reletter the paragraphs in sequence

Page 3, line 28, strike the second "*the*" and insert "*a health care*"

Page 10, line 7, strike "*one*"

Page 10, line 8, strike "*period*" and insert "*periods*"

Page 14, line 32, after the semicolon, insert "or"

Page 16, line 18, strike "*a*" and insert "*an approved*"

Page 16, line 19, strike "*approved pursuant to section 19*"

Page 16, line 30, after the semicolon insert "or"

Page 19, line 15, strike "*14 of this act*" and insert "*11*"

Page 24, line 11, strike "*1982*" and insert "*1984*"

Mr. Keefe, S. moved to amend S. F. No. 1685 as follows:

Page 4, line 15, strike "(1)" and after "requires" insert "*or would require if purchased*"

Page 4, line 16, strike "\$100,000" and insert "\$150,000" and strike "or \$200,000 for two"

Page 4, strike lines 17 to 20

Page 13, line 27, strike "\$100,000" and insert "\$150,000"

Page 13, strike line 28 after "item" and insert "*shall*"

Page 13, strike lines 29 to 32

Page 14, strike lines 1 to 15

Page 14, strike line 16 before "obtain"

Page 14, line 16, after "need" insert *"as if the doctor, group or corporation were a health care facility"*

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 20 and nays 40, as follows:

Those who voted in the affirmative were:

Anderson	Dieterich	Johnson	McCutcheon	Spear
Borden	Gearty	Keefe, S.	Merriam	Staples
Coleman	Gunderson	Lessard	Ogdahl	Stumpf
Davies	Hughes	Luther	Perpich	Vega

Those who voted in the negative were:

Ashbach	Engler	Knoll	Peterson	Sikorski
Bang	Frederick	Knutson	Pillsbury	Sillers
Benedict	Hanson	Lewis	Purfeerst	Solon
Bernhagen	Jensen	Menning	Renneke	Strand
Brataas	Keefe, J.	Moe	Schmitz	Tennessee
Chenoweth	Kirchner	Nelson	Schrom	Ulland, J.
Chmielewski	Kleinbaum	Olhoft	Setzepfandt	Wegener
Dunn	Knaak	Olson	Sieloff	Willet

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

Mr. Knutson moved to amend S. F. No. 1685 as follows:

Page 2, line 1, strike *"such as health maintenance organizations"*

Page 2, line 20, after the period insert:

*"Nothing in sections 145.71 to 145.83 shall be construed in a manner to suggest that the containment of escalating health care costs can be achieved unless the public is willing to accept greater responsibility for their own health care."*

Mr. Sikorski moved to amend S. F. No. 1685 as follows:

Page 2, line 1, strike the new language

Page 2, lines 13 and 17, strike *"and health maintenance organizations"*

Page 4, lines 1 to 2, 3 to 4, and 8, strike *"or health maintenance organization"*

Page 4, strike lines 21 to 32

Page 5, strike line 1 before the period

Page 5, strike lines 28 to 29

Renumber the subdivisions in sequence

Page 5, lines 31 to 32, strike *"or health maintenance organization"*

Page 6, line 18, restore the stricken comma

Page 6, lines 18 to 19, strike *"or health maintenance organization"*

Page 7, strike lines 11 to 13 and renumber the paragraphs in sequence

Page 8, strike lines 27 to 30 and reletter the paragraphs in sequence

Page 9, lines 20 to 21 and 23 to 24, strike "*or health maintenance organization*"

Page 10, line 32, strike "*or health maintenance*"

Page 11, line 1, strike "*organizations*"

Page 12, line 12, strike "*health maintenance organization,*"

Page 12, line 15, strike "*or health maintenance organization*"

Page 15, line 28, strike "*or health maintenance organization*"

Page 17, lines 4 to 5, strike "*or health maintenance organization*"

Page 18, lines 7 to 8 and 9, strike "*or health maintenance organization*"

Page 20, lines 21 to 22, strike "*or health maintenance organizations*"

Page 20, lines 31 to 32, strike "*or the health maintenance organization*"

Page 21, line 7, strike "*or health maintenance organization*"

Page 22, lines 16 to 17, strike "*and health maintenance organizations*"

Page 23, lines 7, 22 to 23, and 25, strike "*or health maintenance organization*"

Mr. Lewis moved to amend S. F. No. 1685 as follows:

Page 2, lines 13 and 17, before "*and*" insert "*, home health agencies*"

Page 4, lines 1, 3, and 8, after "*facility*" insert "*, home health agency*"

Page 4, lines 24 and 31, after "*a*" insert "*home health agency or*"

Page 5, after line 29, insert:

*"Subd. 8. 'Home health agency' means a person or a public or private organization primarily engaged in the provision of skilled nursing services or other therapeutic services on a part-time or intermittent visiting basis in the place of residence of the patient. Therapeutic services may include physical, occupational, or speech therapy services, home health, aid-homemaker services, medical social services, and nutrition counseling services."*

Renumber the subdivisions in sequence

Page 5, line 31, after "*facility*" insert "*, home health agency*"

Page 6, line 18, before the second "*or*" insert "*, home health agency*"

Page 7, after line 15, insert:

*"(6) provide for the representation of home health agencies;"*

Renumber the paragraphs in sequence

Page 9, line 23, after "*facility*" insert "*, home health agency*"

Page 9, line 20, after "*facility*" insert "*, home health agency*"

Page 10, line 32, before "or" insert "*, home health agencies*"  
 Page 12, line 12, after "facility," insert "*home health agency,*"  
 Page 12, line 15, after "facility" insert "*, home health agency*"  
 Page 15, line 28, after "facility" insert "*, home health agency*"  
 Page 17, line 4, after "facility" insert "*, home health agency*"  
 Page 18, line 7, after "facility" insert "*, home health agency*"  
 Page 18, line 9, after "facility" insert "*, home health agency*"  
 Page 20, line 21, after "facilities" insert "*, home health agencies*"  
 Page 20, line 31, after "facility" insert "*, home health agency*"  
 Page 21, line 7, after "facility" insert "*, home health agency*"  
 Page 22, line 16, after "facilities" insert "*, home health agencies*"  
 Page 23, lines 7 and 25, after "facility" insert "*, home health agency*"

The motion prevailed. So the amendment was adopted.

### RECONSIDERATION

Mr. Kirchner moved that the vote whereby the Lewis amendment to S. F. No. 1685 was adopted on February 20, 1978, be now reconsidered.

The question was taken on the adoption of the motion.

The roll was called, and there were yeas 31 and nays 27, as follows:

Those who voted in the affirmative were:

Anderson	Frederick	Moe	Pillsbury	Strand
Ashbach	Jensen	Nichols	Purfeerst	Ueland, A.
Bang	Kirchner	Ogdahl	Renneke	Ulland, J.
Bernhagen	Knaak	Olhoft	Schrom	
Brataas	Knutson	Olson	Sieloff	
Dunn	Laufenburger	Penny	Sikorski	
Engler	Lessard	Peterson	Sillers	

Those who voted in the negative were:

Benedict	Keefe, S.	Menning	Solon	Vega
Davies	Kleinbaum	Merriam	Spear	Wegener
Dieterich	Knoll	Nelson	Staples	Willet
Gearty	Lewis	Perpich	Stokowski	
Hanson	Luther	Schmitz	Stumpf	
Johnson	McCutcheon	Setzepfandt	Tennessen	

The motion prevailed. So the vote was reconsidered.

The question was taken on the adoption of the Lewis amendment.

The roll was called, and there were yeas 29 and nays 31, as follows:

Those who voted in the affirmative were:

Benedict	Hanson	Lewis	Nichols	Staples
Borden	Hughes	Luther	Ogdahl	Stumpf
Coleman	Johnson	McCutcheon	Perpich	Tennessen
Davies	Keefe, S.	Merriam	Setzepfandt	Vega
Dieterich	Kleinbaum	Moe	Solon	Wegener
Gearty	Knoll	Nelson	Spear	

Those who voted in the negative were:

Ashbach	Frederick	Lessard	Purfeerst	Ueland, A.
Bang	Jensen	Menning	Renneke	Ulland, J.
Bernhagen	Keefe, J.	Olhoft	Schmitz	Willet
Brataas	Kirchner	Olson	Sieloff	
Chmielewski	Knaak	Penny	Sikorski	
Dunn	Knutson	Peterson	Sillers	
Engler	Laufenburger	Pillsbury	Strand	

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

On motion of Mr. Coleman, the report of the Committee of the Whole, as kept by the Secretary, was adopted.

Without objection, the Senate reverted to the Order of Business of Introduction and First Reading of Senate Bills.

#### INTRODUCTION AND FIRST READING OF SENATE BILLS

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

Messrs. Olhoft, Gearty, Merriam, Wegener and Mrs. Knaak introduced—

S. F. No. 2236: A bill for an act relating to abortion; declaring a state policy on abortion and childbirth and the funding thereof; amending Minnesota Statutes 1976, Section 256B.02, Subdivision 8; and Chapter 256B, by adding sections.

Referred to the Committee on Health, Welfare and Corrections.

Messrs. Purfeerst, Kleinbaum, Gearty and Ogdahl introduced—

S. F. No. 2237: A bill for an act proposing an amendment to the Minnesota Constitution, Article XIII, Section 5; permitting parimutuel betting on races if authorized by law.

Referred to the Committee on General Legislation and Veterans Affairs.

#### MOTIONS AND RESOLUTIONS—CONTINUED

Mr. McCutcheon moved that S. F. No. 2174 be withdrawn from the Committee on Taxes and Tax Laws and re-referred to the Committee on Education. The motion prevailed.

#### 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.

#### APPOINTMENTS

Mr. Coleman from the Subcommittee on Committees recommends that the following Senators be and they hereby are appointed as a Conference Committee on:

H. F. No. 404: Messrs. Keefe, S.; Schaaf and Gearty.

H. F. No. 405: Messrs. Nelson, Kleinbaum and Gearty.

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

**MOTIONS AND RESOLUTIONS—CONTINUED**

Mr. Coleman moved that the Senate do now adjourn until 10:00 o'clock a.m., Thursday, February 23, 1978. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate