

## NINETY-SEVENTH DAY

St. Paul, Minnesota, Wednesday, March 22, 1978

The Senate met at 10:30 o'clock a.m. and was called to order by the President.

Prayer was offered by the Chaplain, Rabbi Harold Schechter.

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

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

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

Messrs. Perpich and Purfeerst were excused from the Session of today. Mr. Kirchner was excused from the Session of today at 12:30 o'clock p.m. Mr. Gearty was excused from the Session of today from 12:30 to 2:00 o'clock p.m. Mr. Lessard was excused from the Session of today at 7:00 o'clock p.m. Mr. Keefe, J. was excused from the Session of today from 1:45 to 3:15 o'clock p.m. Mr. Sillers was excused from the Session of today from 2:30 until 3:30 o'clock p.m.

Pursuant to Rule 21, Mrs. Brataas moved that the following members be excused for a Conference Committee on H. F. No. 2098:

Mmes. Brataas, Staples and Mr. Chenoweth. The motion prevailed.

**CALL OF THE SENATE**

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

Anderson	Gearty	Laufenburger	Peterson	Strand
Benedict	Gunderson	Lessard	Schaaf	Stumpf
Bernhagen	Hughes	Lewis	Schmitz	Tennessen
Borden	Humphrey	Luther	Setzepfandt	Vega
Chenoweth	Jensen	Merriam	Sieloff	Wegener
Chmielewski	Keefe, S.	Nelson	Sikorski	Willet
Coleman	Kleinbaum	Nichols	Solon	
Dieterich	Knoll	Olhoft	Staples	

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

**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. 474.

H. F. No. 474: A bill for an act relating to highway traffic regulations; defining terms; driving rules; pedestrian rules; regulating the operation of motor vehicles, bicycles and other human powered vehicles; amending Minnesota Statutes 1976, Sections 169.01, Subdivisions 2, 3, 31, 51, and by adding a subdivision; 169.18, Subdivision 7; 169.19, Subdivisions 1 and 8; 169.20, Subdivision 4; 169.21, Subdivision 3; 169.31; and Chapter 169, by adding a section; repealing Minnesota Statutes 1976, Section 169.221.

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

Kahn, Vanasek and Anderson, D. have been appointed as such committee on the part of the House.

House File No. 474 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives  
Transmitted March 21, 1978

Mr. Gunderson moved that the Senate accede to the request of the House for a Conference Committee on H. F. No. 474, 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. 1781.

H. F. No. 1781: A bill for an act relating to the city of Maplewood; authorizing the payment of lump sum service pensions by the Maplewood firefighters relief association.

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

Kostohryz, Neisen and Tomlinson have been appointed as such committee on the part of the House.

House File No. 1781 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives  
Transmitted March 21, 1978

Mr. Hughes moved that the Senate accede to the request of the House for a Conference Committee on H. F. No. 1781, 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. 1805.

H. F. No. 1805: A bill for an act relating to taxation; clarifying tax status of certain leased United States property; limiting the assessment and taxation of certain leased property; clarifying status of certain taconite taxes; amending Minnesota Statutes 1976, Section 273.19, Subdivision 1, and by adding a subdivision; and Chapter 275, by adding a section.

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

Kelly, W.; Casserly and Skoglund have been appointed as such committee on the part of the House.

House File No. 1805 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives  
Transmitted March 21, 1978

Mr. Peterson moved that the Senate accede to the request of the House for a Conference Committee on H. F. No. 1805, 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. 1861.

H. F. No. 1861: A bill for an act relating to retirement; miscel-

aneous amendments to the public employees retirement law; amending Minnesota Statutes 1976, Sections 353.01, Subdivisions 12, 16, and 20; 353.017, Subdivision 2; 353.30, by adding a subdivision; 353.31, Subdivision 1; 353.32, Subdivisions 5 and 9; 353.33, Subdivision 11; 353.34, Subdivision 6; 353.656, Subdivision 6; 353.657, Subdivision 1; 354.41, by adding a subdivision; 356.32, Subdivision 1; Minnesota Statutes, 1977 Supplement, Sections 353.01, Subdivision 2b; 353.36, Subdivision 2; and 354.41, Subdivision 6; repealing Minnesota Statutes, 1977 Supplement, Section 353.32, Subdivision 7.

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

Reding, Patton and Beauchamp have been appointed as such committee on the part of the House.

House File No. 1861 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives  
Transmitted March 21, 1978

Mr. Stokowski moved that the Senate accede to the request of the House for a Conference Committee on H. F. No. 1861, 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. 2093.

H. F. No. 2093: A bill for an act relating to retirement; transfer of pension coverage for university of Minnesota peace officers to the public employees police and fire fund; terminating the university of Minnesota police department retirement plan and fund; transfer of assets and records; providing for an extension of police state aid; amending Minnesota Statutes 1976, Sections 69.021, Subdivision 9; 69.031, Subdivision 4; 356.20, Subdivision 2; Minnesota Statutes, 1977 Supplement, Sections 69.011, Subdivisions 1 and 2; 69.021, Subdivisions 5, 6 and 7; and 69.031, Subdivision 5.

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

Moe, Patton and Beauchamp have been appointed as such committee on the part of the House.

House File No. 2093 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives  
Transmitted March 21, 1978

Mr. Stokowski moved that the Senate accede to the request of the House for a Conference Committee on H. F. No. 2093, 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. 2102.

H. F. No. 2102: A bill for an act relating to labor; clarifying the definition of public employer in the public employees labor relations act; amending Minnesota Statutes 1976, Section 179.63, Subdivision 4.

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

St. Onge, Jaros and Rose have been appointed as such committee on the part of the House.

House File No. 2102 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives  
Transmitted March 21, 1978

Mr. Nelson moved that the Senate accede to the request of the House for a Conference Committee on H. F. No. 2102, 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. 2137.

H. F. No. 2137: A bill for an act relating to natural resources; concerning water resources; revising certain provisions concerning dams, reservoirs, control structures, and waterway obstructions; prescribing certain fees to finance safety examinations relating to such projects; appropriating money; amending Minnesota Statutes 1976, Sections 105.42, Subdivision 2; 105.482, Subdivision 2, and by adding a subdivision; 105.52; 105.53; Chapter 105, by adding a section; and Minnesota Statutes, 1977 Supplement, Sections 105.44, Subdivision 10; and 105.482, Subdivision 5.

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

Lehto, Skoglund and Dean have been appointed as such committee on the part of the House.

House File No. 2137 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 21, 1978

Mr. Moe moved that the Senate accede to the request of the House for a Conference Committee on H. F. No. 2137, 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 has adopted the recommendation and report of the Conference Committee on House File No. 544 and repassed said bill in accordance with the report of the Committee, so adopted.

H. F. No. 544: A bill for an act relating to highways; removing the construction moratorium on a certain interstate route, and extending it through the city of St. Paul; removing a certain route from the trunk highway system; amending Minnesota Statutes 1976, Sections 161.117; 161.12; and 161.123.

House File No. 544 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 21, 1978

#### CONFERENCE COMMITTEE REPORT ON H. F. NO. 544

A bill for an act relating to highways; removing the construction moratorium on a certain interstate route, and extending it through the city of St. Paul; removing a certain route from the trunk highway system; amending Minnesota Statutes 1976, Sections 161.117; 161.12; and 161.123.

March 20, 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. 544, report the we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that H. F. No. 544 be further amended as follows:

Strike everything after enacting clause and insert:

"Section 1. Minnesota Statutes 1976, Section 161.117, is amended to read:

161.117 [TRUNK HIGHWAYS; ADDITIONAL ROUTES.] There may be added by order of the commissioner of transportation to the trunk highway system new routes described as follows:

(1) Route No. 380. Beginning at a point on Route No. 390 at its intersection with Shepard Road in the city of St. Paul; thence extending in a northeasterly direction generally following along the course of Shepard Road to a point on Route No. 112; thence extending in a northeasterly direction to a point on Route No. 392 easterly of the downtown area of St. Paul; providing a connector route between Route No. 390 and Routes No. 112 and 392;

(2) Route No. 381. Beginning at a point on Route No. 112, northerly of the Lafayette Street bridge in the city of St. Paul; thence extending in a northwesterly direction to a point on Route No. 390 southerly of Maryland Avenue in the city of St. Paul; providing a connector route between Route No. 112 and Route No. 390; and

(3) Route No. 382. Beginning at a point on Route No. 390 at its junction with Route No. 111, thence extending in a general northerly direction, within the corridor of the right of way already acquired on May 31, 1975, for Route No. 390, to a point on Short Line Road; thence extending in a northeasterly direction within said corridor of right of way to the intersection of Pleasant Avenue and Kellogg Boulevard in the city of St. Paul.

Sec. 2. Minnesota Statutes 1976, Section 161.12, is amended to read:

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

Route No. 390. Beginning at a point on the boundary between the states of Minnesota and Iowa, southerly of Albert Lea; thence extending in a general northerly direction to a point on Route No. 111 in the city of St. Paul; and then beginning again at a point on Route No. 392 in the city of St. Paul; thence extending in a general northeasterly direction to a point in Duluth on the boundary between the states of Minnesota and Wisconsin. Route No. 390 shall not include any portion of Route No. 382 as designated by section 161.117 or any portion of any route connecting Route No. 382 to Route No. 392, nor shall it include any portion of trunk highway marked No. 3 from trunk highway marked No. 110 in Dakota county to East Seventh Street in the city of St. Paul.

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

boundary between the states of Minnesota and Wisconsin, near La Crescent.

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

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

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

Route No. 395. Beginning at a point on Route No. 390 at or near the intersection of Superior Street and Nineteenth Avenue West in the city of Duluth, thence extending in a northeasterly direction to a point on Route No. 103 at or near the intersection of Superior Street and Tenth Avenue East in the city of Duluth.

Sec. 3. Minnesota Statutes 1976, Section 161.123, is amended to read:

161.123 [HIGHWAY CONSTRUCTION; PROHIBITIONS.] Following May 31, 1975 the department of transportation shall not cause any construction on, nor shall any lands be acquired for, any of the trunk highways designated as I-335, that portion of I-35E in Ramsey county described in section 161.117, clause (3), as Route No. 382, nor for proposed I-394 between I-494 and the Hawthorne interchange, nor for any extension or connector of the Dartmouth interchange of the interstate route designated as I-94; nor shall the department construct or improve Legislative Route No. 116, marked trunk highway route No. 55, within the city of Minneapolis, to freeway or expressway standards; provided, that nothing in this section shall be construed to prohibit the department from taking the following actions:

(1) Construction of a parkway facility of not more than four lanes of traffic in the corridor previously designated for I-335 in the city of Minneapolis.

(2) Construction of not more than six lanes of travel on Legislative Routes No. 10 and No. 107 marked TH12 between I-494 and the Hawthorne interchange in the city of Minneapolis, provided that no additional lands shall be acquired for any such



purpose except which is necessary for construction of six lanes of travel on said highway.

~~(3) Construction of, on the route designated in section 161.117, clause (2) ; as Route No. 382, a four lane parkway facility with limited access, provided that such parkway shall not be physically connected with Legislative Route No. 392.~~

(4) (3) Generally utilizing and widening present lanes of travel, increasing the number of lanes of travel up to but not exceeding six lanes, and upgrading Legislative Route No. 116 within the city of Minneapolis generally along its present traveled corridor.

The commissioner of transportation shall prepare

(4) Preparation of any environmental impact statements, recreational and other land use reports, and other elements of the planning process required by federal and state law, utilizing the most reasonably recent available data, on the following:

Routes and corridors enumerated above and all feasible and prudent alternate routes and corridors, giving the fullest possible consideration to each, without regard to prior authorization or to whether legislative approval or other action is necessary. In the preparation of such environmental impact statements the commissioner shall analyze and evaluate:

(a) Design modifications which may mitigate any adverse environmental impact; and

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

(c) All other matters required of an environmental impact statement by applicable state and federal laws.

Any highway facility authorized by this section shall be compatible with the immediate residential areas through which it passes upon the completion of any highway facility authorized herein, any right of way previously acquired within the utilized corridor and not needed for the construction and maintenance of such facility, shall be transferred to the city within which such excess right of way is located, for public purposes, or sold for utilization in a manner compatible with the immediate residential area through which it passes, such excess right of way being determined by order of the commissioner. The transfer shall be evidenced by a quit claim deed, in such form as the attorney general approves, executed by the governor in the name of the state of Minnesota to such city.

The commissioner of transportation shall consider a parkway or other alternatives for that portion of the trunk highway designated as I-35 or Route No. 390 in the city of Duluth.

Sec. 4. Minnesota Statutes 1976, Chapter 161, is amended by adding a section to read:

[161.124] [HIGHWAY CONSTRUCTION; AUTHORIZATIONS AND RESTRICTIONS.] *Subdivision 1. The commissioner of transportation is authorized to construct a four lane parkway with limited access along the right of way of Route No. 382 in the city of St. Paul, which parkway may be connected with Route No. 392 by a roadway that is not a controlled access highway as defined in section 160.02. The commissioner shall not construct any highway on Route No. 382 or connection to Route No. 392 other than that described in this subdivision.*

*Subd. 2. The completion of an environmental impact statement analyzing all options for Route No. 382 and for that uncompleted portion of Route No. 390 in the metropolitan area shall be the responsibility of the metropolitan council. The metropolitan council shall pursuant to agreement with the commissioner of transportation complete the draft environmental impact statement with all reasonable speed and in conformance with all legal requirements but in any event no later than September 1, 1979. The commissioner of transportation and the city of St. Paul shall cooperate fully with and provide all necessary technical assistance to the metropolitan council.*

*Subd. 3. The commissioner of transportation shall not authorize the construction of any traffic lanes on trunk highway marked No. 3 from trunk highway marked No. 110 in Dakota county to East Seventh Street in the city of St. Paul in addition to those in existence on January 1, 1978.*

*Sec. 5. [EFFECTIVE DATE.] This act is effective the day following its final enactment."*

Further, strike the title and insert:

"A bill for an act relating to highways; lifting the construction moratorium on I-35E in the city of St. Paul; removing a certain route from the trunk highway system; establishing priorities for planning for construction of a certain trunk route; amending Minnesota Statutes 1976, Sections 161.117; 161.12; 161.123; and Chapter 161, by adding a section."

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

House Conferees: (Signed) Arnold E. Kempe, C. Thomas Osthoff, John D. Tomlinson

Senate Conferees: (Signed) Conrad M. Vega, Steve Keefe, Nicholas D. Coleman

Mr. Vega moved that the foregoing recommendations and Conference Committee Report on H. F. No. 544 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. 544: A bill for an act relating to highways; lifting the construction moratorium on I-35E in the city of St. Paul; removing a certain route from the trunk highway system; establishing priorities for planning for construction of a certain

trunk route; amending Minnesota Statutes 1976, Sections 161.-117; 161.12; 161.123; and Chapter 161, by adding a section.

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 51 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Gearty	Laufenburger	Penny	Stumpf
Ashbach	Gunderson	Lessard	Peterson	Tennessen
Benedict	Hughes	Lewis	Renneke	Ueland, A.
Bernhagen	Humphrey	Luther	Schaaf	Ulland, J.
Chenoweth	Jensen	Menning	Schmitz	Vega
Chmielewski	Keefe, J.	Merriam	Schrom	Wegener
Coleman	Keefe, S.	Moe	Setzepfandt	Willet
Dieterich	Kirchner	Nelson	Sikorski	
Dunn	Kleinbaum	Nichols	Solon	
Engler	Knaak	Ogdahl	Spear	
Frederick	Knutson	Olhoft	Strand	

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

#### MESSAGES FROM THE HOUSE—CONTINUED

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 1091 and repassed said bill in accordance with the report of the Committee, so adopted.

H. F. No. 1091: A bill for an act relating to waters; permitting the establishment of rural water user districts.

House File No. 1091 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 21, 1978

#### CONFERENCE COMMITTEE REPORT ON H. F. NO. 1091

A bill for an act relating to waters; permitting the establishment of rural water user districts.

March 20, 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. 1091, report that

we have agreed upon the items in dispute and recommend as follows:

Strike everything after the enacting clause and insert:

"Section 1. [POLICY STATEMENT.] Conservation of the state's water resources is a state function, and the public interest, welfare, convenience, and necessity require the creation of water user districts and the construction of systems of works, in the manner provided, for the conservation, storage, distribution, and use of water. The construction of systems of works by districts, as provided, is hereby declared to be in all respects for the welfare and benefit of the people of Minnesota.

Sec. 2. [DEFINITIONS.] Subdivision 1. For the purposes of this act the following terms have the definitions given in this section.

Subd. 2. "Water user district" or "district" means a district organized under this act, either as originally organized or as reorganized, altered, or extended.

Subd. 3. "Board" means the board of directors of a district organized under this act.

Subd. 4. "Works" and "system" include all lands, property, rights, rights of way, easements, and related franchises deemed necessary or convenient for their operation, all water rights acquired or exercised by the board in connection with works, all means of conserving, controlling, and distributing water, including, but not limited to outlets, treatment plants, pumps, lift stations, service connections, mains, valves, hydrants, wells, reservoirs, tanks and other appurtenances of public water systems. A work or system may be used for domestic, commercial, industrial and stock watering purposes only and shall not be used for irrigation purposes.

Subd. 5. "Project" means any one of the works defined, or any combination of works which are physically connected or jointly managed and operated as a single unit.

Subd. 6. "City" means any home rule charter, statutory or other city, however organized.

Subd. 7. "Court" means district court in the judicial district where the largest number of petitioners resides.

Sec. 3. [WATER USER DISTRICT; ORGANIZATION.] A water user district may be created and organized as provided in this act, and may sue and be sued in its corporate name. The procedure provided by this act is alternative to that provided by other law. A district may not be organized in Anoka, Carver, Dakota, Hennepin, Ramsey, Scott or Washington counties.

Sec. 4. [PETITION FOR ORGANIZATION.] A water user district may be organized under the provisions of this act after filing in the court a petition in compliance with the requirements set forth, and the approval of the petition by the court. The petition shall state that it is the intent and purpose of the petitioners

to create a district under the provisions of this act, subject to approval by the court. The petition shall contain:

- (1) The name of the proposed district;
- (2) The object and purpose of the system proposed to be constructed or acquired, together with a general description of the nature, location, and method of operation of the proposed works;
- (3) A description of the land constituting the proposed district and its boundaries, and the names of any cities or towns included partly or wholly within the boundaries;
- (4) The location of the principal place of business of the proposed district;
- (5) A statement that the proposed district shall not have the power to levy taxes or assessments;
- (6) The number of members of the board of directors of the proposed district, which shall be not less than five nor more than 13, a statement as to whether the directors shall be elected at large or shall be apportioned to election divisions, the names and addresses of the members who shall serve until their successors are elected and qualified as provided in this act, and if election divisions are provided for, the respective divisions which the directors are to represent. The persons named in the petition as directors shall be owners of land within the district. If election divisions are provided for, they shall be owners of land within the divisions they are to represent.

Sec. 5. [LANDS INCLUDED.] The lands proposed to be included within the district need not consist of contiguous parcels. A district may to the extent authorized by resolution of the governing body of the city consist of land within the limits of a city and may consist of land within the limits of any town or county, located outside the metropolitan area, as defined by section 473.-121, subdivision 2.

Sec. 6. [ORGANIZATION OF DISTRICT WITHIN TERRITORIAL BOUNDARIES OF ANOTHER DISTRICT.] A district may to the extent authorized by the existing district be organized within, or partly within, the territorial boundaries of another district organized under this or other law, so long as the works or systems, their operation, the exercise of powers and the assumptions of duties and responsibilities, of one district, do not nullify, conflict with, or materially affect those of another pre-existing district. A new district may not be organized within the boundaries of a pre-existing district if the pre-existing district disapproved within 30 days after mailing of notice pursuant to section 13.

Sec. 7. [DIRECTORS; ELECTION.] Directors may be elected either at large, or from election divisions. If the petition states that the directors shall be elected from election divisions, the petition shall describe the boundaries of the divisions, which may be drawn either with or without regard to the limits of any city or town included within the district boundaries. So far as practicable, each district shall include the same number of parties to contracts with the district for purchase of water.

Sec. 8. [GROUPING OF DIRECTORS ELECTED AT LARGE; TERM OF OFFICE.] Directors shall be elected within 60 days after the petition is approved by the court and filed with the secretary of state. The directors named in the petition shall hold office until the election. So far as possible, an equal number of those elected shall serve one, two and three years.

Sec. 9. [112A.10] [PETITION; SIGNATURES.] The petition must be signed by 50 percent of the landowners, except the holders of easements for electric or telephone transmission and distribution lines, within the area outside the limits of any city constituting the proposed district. If the proposed district includes any area within a city, the petition must be accompanied by a resolution of the governing body of the city requesting a specific area within the city be included within the proposed district. On each petition, set opposite the signature of each petitioner, shall be stated his or her name and post office address and the location of land of which he or she is the owner.

Sec. 10. [INSTRUMENTS CONSTITUTING PETITION.] The petition may contain any number of separate instruments, and to each sheet for petitioners' signatures shall be attached a full and correct copy of the petition. Every sheet of every petition containing signatures shall have below the signatures an affidavit by the circulator in substantially the following form:

State of Minnesota,

County of .....

....., being first duly sworn, deposes, that he or she is the circulator of the foregoing petition containing..... signatures; that each person whose name appears on the petition sheet personally signed the petition in the presence of affiant; that he or she believes that each signer is an owner of the land described opposite his or her signature, to be included within the proposed district, residing at the address written opposite his or her name, and that affiant stated to every petitioner before he or she affixed his or her signature the legal effect and nature of the petition.

.....  
Circulator.

Sec. 11. [MAPS, PLANS AND ESTIMATES.] The petition shall be accompanied by the resolutions required by section 5, maps showing the location of land within the proposed district and the proposed system of works, and by other maps, plans, and estimates as necessary to describe fully the proposed system.

Sec. 12. [EXAMINATION OF PETITION.] Upon receipt of the petition, the court shall determine whether it complies with the requirements of this act and dismiss the petition if the requirements are not complied with. The petitioners may present a new petition covering the same matter, or the same petition with additional signatures if additional signatures are necessary.

**Sec. 13. [PUBLICATION OF PETITION.]** Subdivision 1. The petition and a map of the proposed district shall be published in each county in which lands within the proposed district lie, in a newspaper of general circulation published in the county, once each week for at least two successive weeks before the time the petition is filed with the court together with a list of names of the petitioners within the county and their addresses.

Subd. 2. Prior to being filed with the court, the petition and a map of the proposed district shall be sent by certified mail to each city with a population of 20,000 or less if the proposed district comes within one half mile of the city's boundary, each city with a population of greater than 20,000 if the proposed district comes within one mile of the city's boundary and to each existing district organized under section 1 to 37 or Minnesota Statutes, Chapter 116A if the new district boundary comes within one mile of an existing system's boundary.

**Sec. 14. [PROTEST AGAINST ORGANIZATION.]** Any owner of land within the proposed district may file with the court a protest against the qualifications of any signer of the petition, and the court shall consider and determine the validity of protests.

**Sec. 15. [INVESTIGATION OF PROPOSED DISTRICT AND WORKS.]** If the court determines that the petitioners have complied with the requirements of this act, it shall make an immediate investigation of the proposed district and of its proposed works, systems, or plans and of the engineering and economic feasibility of the project. The court, in its discretion, may make an estimate of the cost of the investigation and require the petitioners to defray part or all of the estimated cost before proceeding with the investigation.

**Sec. 16. [FEASIBILITY; RECORDING; ESTABLISHMENT.]** The court, within 90 days from the receipt of the petition, or within 90 days from the time funds are available to defray the cost of the investigation, shall declare that the proposed project is or is not feasible, will conform to public health and conform to public convenience and welfare. If the project is not feasible, the court shall dismiss the petition. If the court deems the project feasible and conforming to public convenience and welfare, it shall immediately execute a certificate setting forth a copy of the petition declaring that the petition is approved, and file it in the office of the secretary of state and a copy of it, certified by the secretary of state, in the office of the county auditor of each county in which any of the lands in the district are located. Thereupon, the district, under its designated name, shall be a body politic and corporate under the provisions of this act and a public corporation of the state.

**Sec. 17. [DIRECTORS; QUALIFICATION; MEETING.]** Upon the filing of the certificate in the office of the secretary of state and a certified copy in the office of each county auditor, the members of the board of directors named in the petition shall immediately qualify and assume the duties of their office. Failure or refusal to qualify within a period of 15 days thereafter shall

be deemed to create a vacancy which shall be filled as provided by this act. The first meeting of the board of directors shall be called by the director first named in the petition.

Sec. 18. [ADDITIONAL TERRITORY.] The procedure for extending a water user district by including additional territory shall be as provided by sections 19 to 22.

Sec. 19. [PETITION TO INCLUDE ADDITIONAL TERRITORY.] A water user district may be extended by including additional territory by filing with the court a petition signed by at least 50 percent of the landowners except the holders of easements for electric or telephone transmission and distribution lines, in any area outside the limits of a city to be included, a copy of a resolution of the governing body of a city requesting a specific area within the city be included within the expanded district, and a resolution of the board of directors of the district approving the expansion of the district, upon compliance with the requirements hereinafter set forth. The petition shall contain a description of the lands to be included.

Sec. 20. [MAPS; PLANS; ESTIMATES.] The petition shall be accompanied by maps showing the location of the lands to be included, the proposed system of works and other plans and estimates as necessary to fully describe the project.

Sec. 21. [PUBLICATION; PROTESTS.] Subdivision 1. The petition shall be published in each county in which the lands to be included lie, in a newspaper of general circulation published in the county, once each week for at least two successive weeks before the time the petition is filed with the court together with the list of names of the petitioners and their addresses and land owned. Any owner of land within the area to be included, who did not sign the petition may file a written protest with the court as provided in section 14.

Subd. 2. Prior to being filed with the court, a map of the proposed district shall be sent by certified mail to each city with a population of 20,000 or less if the proposed district comes within one half mile of the city's boundary, each city with a population greater than 20,000 if the proposed district comes within one mile of the city's boundary and to each existing district organized under sections 1 to 37 or Minnesota Statutes, Chapter 116A if the new proposed district boundary comes within two miles of the existing system's boundary.

Sec. 22. [APPROVAL OF EXTENSION.] Upon receipt of the petition the court shall act upon the petition in the same manner as required upon an original petition to create a district, as set forth in sections 12 to 17.

Upon the approval of the petition and project, and the issuance and filing of the certificate of approval in the office of the secretary of state and filing a copy in the office of the county auditor of each county in which any lands in which the district is located, the included areas shall be part of the district.



Sec. 23. [MEMBERS; ELECTION; TERMS.] After the election of the board of directors members of the board to succeed those elected in the initial election provided for in section 8, respectively, and to fill unexpired terms, shall be nominated and elected and shall take office in the following manner. One year from the date of the initial election an election shall be held to elect directors to succeed those whose terms are about to expire. The term of each director thus elected shall commence two weeks after his or her election and continue for three years and until his or her successor is elected and qualified. Election of directors shall be conducted as provided by section 24.

Sec. 24. [ELECTIONS; PLACE.] Subdivision 1. The board of directors of the district shall fix the hour and place, within the boundaries of the district, of each election and shall preside. If the district is divided into election divisions, the board in its discretion may fix a place of election within each election division, and the directors who represent that division shall preside.

Subd. 2. Every person or corporation which is a party to a contract with the district for the purchase of water to be furnished by the district, may cast one vote at each election for each director to be elected. In case election divisions are provided for, each person or corporation entitled to vote by reason of being a party to a contract shall select the division in which he or it shall vote, which selection shall be made under rules established by the board of directors.

Subd. 3. The board shall at least 20 days prior to the date of election, mail to each person or corporation entitled to vote, at his or its last known place of residence or business, a notice stating the time, place, and purpose of the election or, in the alternative, publish in each county in which lands within the district lie, in a newspaper of general circulation in the county, once each week for at least two successive weeks before the time of election, a notice that the election will be held giving the purpose, time and place.

Subd. 4. At the hour and place of the election, the presiding directors shall call the roll of those entitled to vote, and the number of votes to which each is entitled. They shall make a record of the qualified voters present and prescribe the manner of casting ballots and canvassing votes. If election divisions are provided for, but the election is held at one place within the district instead of being held in each division, the board shall call the roll for each division and conduct the election for each division separately. All costs incident to the election of directors shall be paid by the district.

Subd. 5. The candidate for director required to fill an existing vacancy or to succeed an outgoing director who receives the highest number of votes cast shall be declared elected.

Sec. 25. [DIRECTORS.] Subdivision 1. No person shall be qualified to hold office as a member of the board of directors of

any district unless he or she is a party to a contract to purchase water from the district.

Subd. 2. Vacancies on the board by reason of death, disability, failure to hold land in the district, or in the election division if election divisions are provided for, or otherwise shall be filled by the board of directors. The members elected to fill vacancies shall serve until members to fill out the remainder of the terms may be elected at the next succeeding district election.

Subd. 3. Members of the board of directors shall be paid their actual expenses while engaged in performing the duties of their office or otherwise engaged upon the business of the district. In addition they shall receive as compensation for services at rates determined by qualified voters at an annual meeting.

Sec. 26. [OFFICERS.] Subdivision 1. The board of directors shall elect the officers of the district who shall be a president, a vice president, a secretary and a treasurer. The board shall appoint an executive committee and other officers, agents, and employees as necessary to transact the business of the district. The president, vice president and treasurer shall be elected from the membership of the board of directors.

Subd. 2. The treasurer shall furnish and maintain a corporate surety bond in an amount sufficient to cover all moneys coming into his possession or control, which shall be satisfactory in form and with sureties approved by the board. The bond, as approved, shall be filed with the secretary of state, and copies filed with the auditors of counties within the district and the premium upon the bond paid by the district.

Sec. 27. [BOARD OF DIRECTORS.] Subdivision 1. The corporate powers of the district shall be exercised by the board of directors of the district.

Subd. 2. The board of directors may adopt rules and regulations or bylaws, consistent with this act, for the conduct of the business and affairs of the district. The board of directors shall cause to be kept accurate minutes of their meetings and accurate records and books of account, conforming to approved methods of book-keeping, clearly setting out and reflecting the entire operation, management, and business of the district. The books and records shall be kept at the principal place of business of the district and at reasonable business hours always open to public inspection.

Sec. 28. [POWERS.] Subdivision 1. The district shall have all the usual powers of a public corporation, and may acquire by purchase, gift, or other lawful means and hold real or personal property reasonably necessary for the conduct of its business, or lease property for its proper purposes, and sell, lease, or otherwise dispose of property when not needed.

Subd. 2. The district may own, construct, reconstruct, improve, purchase, lease, receive by gift, or otherwise acquire, hold, extend, manage, use, or operate any works, as defined in this act, and any and every kind of property, personal or real, necessary, useful, or

incident to their acquisition, extension, management, use, and operation, and may sell, mortgage, alienate, or otherwise dispose of works under the terms and conditions provided in this act.

Subd. 3. A district may enter into any contract, lease, agreement, or arrangement with a state, county, city, town, district, governmental or public corporation or association, or with a person, firm, or corporation, public or private, or with the government of the United States, or with any officer, department, bureau, or agency thereof, or with any corporation organized under federal law to exercise the powers set forth in this section, or for the sale, leasing, or otherwise furnishing or establishing of water rights, water supply, conveyance and distribution of water, water service, or water storage, for domestic, industrial, municipal, or stock watering purposes, or for the financing or payment of the cost and expenses incident to the construction, acquisition, or operation of works, or incident to any obligation or liability entered into or incurred by the district.

Subd. 4. A district may exercise any of the powers enumerated in this section either within or beyond or partly within and partly beyond the boundaries of the district and of the state, unless prohibited by the law of the area or state concerned or of the United States of America.

Subd. 5. A district may appropriate the waters of the state in the same manner as other persons under the laws of this state. A district shall not, in the exercise of the powers conferred by this act, interfere with, injure, or otherwise damage or affect existing water rights, other than through the purchase of the rights or through condemnation proceedings. No district, corporation, association, or individual holding a water right for lands located either within or outside the boundaries of a district shall be in any way affected by the operations of the district other than by reason of a contract voluntarily entered into by the organization or individual with the district, or by reason of the exercise by the district of the power of eminent domain.

Subd. 6. A district may exercise the power of eminent domain pursuant to Minnesota Statutes, Chapter 117, after declaring by resolution the necessity for and purpose of the taking of property and the extent of the taking.

Subd. 7. The district shall have no power of taxation, or of levying assessments for special benefits. No governmental authority shall have power to levy or collect taxes or assessments for the purpose of paying, in whole or in part, any indebtedness or obligation of or incurred by the district or upon which the district may be or become in any manner liable. Nor shall any privately owned property within or outside a district, or the owner thereof, nor any city, town, county, or other political subdivision or public or private corporation or association or its property, be directly or indirectly liable for any district indebtedness or obligation beyond the liability to perform an express contract between the owner or public or private organization and the district.

Subd. 8. No person, city, town, county, or other governmental subdivision, or other public or private corporation or association shall be liable for the payment of any rent or charge for water storage, water supply, or for any of the costs of operation of a district, unless a contract has been entered into between the person or public or private organization and the district furnishing water storage or water supply. All capital and operating expenses shall be borne by the users in proportion to their use of water supplied by the district.

Subd. 9. A district organized under this act may exercise any power conferred by this act to obtain grants or loans or both from any federal agency pursuant to acts of congress, and may accept from private owners or other sources, gifts, deeds or instruments of trust or title relating to land, water rights and any other form of property.

Subd. 10. A district may purchase and acquire lands, water rights, rights of way, and real and personal properties of every nature in cooperation with the United States under conditions as may to the board seem advisable, and to convey them under the conditions, terms and restrictions approved by the directors and the federal government or any of its agencies and to pay the purchase price and any and all construction costs or other necessary expenses and costs in connection with any works contemplated by this act either from its own funds or cooperatively with the federal government.

Subd. 11. A district shall not, in the exercise of the powers conferred by this act, provide service to actual or potential residential, commercial, industrial or publicly-owned land uses within one half mile of the limits of a city of up to 20,000 persons without approval by the city council. Approval shall not be required prior to serving class 3b lands as defined in 273.13.

Subd. 12. A district shall not, in the exercise of the powers conferred by this act, provide service to actual or potential residential, commercial, industrial or publicly-owned land uses within one mile of the limits of a city of more than 20,000 persons without approval by the city council. Approval shall not be required prior to serving class 3b lands as defined in 273.13.

Sec. 29. [CONTRACTS.] Subdivision 1. Before a district shall enter into a contract for the construction, alteration, extension, or improvement of works, or any part or section thereof, or a building for the use of the district, or for the purchase of materials, machinery, or apparatus, the district shall cause estimates of the cost to be made by a competent engineer or engineers, and if the estimated cost exceeds \$10,000 no contract shall be entered into for a price, cost or consideration exceeding the estimate nor without advertising for sealed bids.

Subd. 2. Prior to advertisement, plans and specifications for the proposed construction work or materials shall be prepared and filed at the principal office or place of business of the district. The advertisement shall designate the nature of construction

work proposed to be done or materials proposed to be purchased. The board shall supervise bid lettings by water user districts.

Sec. 30. [DEBT.] The district may borrow money and incur indebtedness by issuing its obligations or entering into contracts for any lawful corporate purpose; provided that all such obligations and contracts, whether express or implied, shall be payable solely:

(1) From revenues, income, receipts and profits derived by the district from its operation and management of systems;

(2) From the proceeds of warrants, notes, revenue bonds, debentures, or other evidences of indebtedness issued and sold by the district which are payable solely from such revenues, income, receipts and profits; or

(3) From federal or state grant gifts or other moneys received by the district which are available therefor.

The district may by resolution pledge any such source to the payment of such obligations and contracts and the interest coming due thereon. Any resolution may specify the particular revenues that are pledged and the terms and conditions to be performed by the district and the rights of the holders of district obligations, and may provide for priorities of liens in any revenues as between the holders of district obligations issued at different times or under different resolutions. The district may provide for the refunding of any district obligation through the issuance of other district obligations, entitled to rights and priorities similar in all respects to those held by the obligations that are refunded. All such obligations and refunding obligations shall be issued in accordance with the provisions of Minnesota Statutes, Chapter 475, except that such obligations may be sold by negotiation.

Sec. 31. [SERVICE CHARGES.] Subdivision 1. The directors of the district are authorized to agree with the holders of district obligations as to the maximum or minimum amounts which the district shall charge and collect for water sold by the district.

Subd. 2. The directors of the district are authorized to fix and establish the prices, rates and charges at which any and all services, products, resources and facilities made available under the provisions of this act shall be sold and disposed of; to enter into any and all contracts and agreements, and to do any and all things which in its judgment are necessary, convenient or expedient for the accomplishment of any and all the purposes and objectives of this act, under the general regulations and upon the terms, limitations and conditions it shall prescribe; and the directors shall enter into contracts and fix and establish prices, rates and charges so as to provide at all times funds which will be sufficient to pay all costs of operation and maintenance of any and all of the works and systems authorized by this act, together with necessary repairs thereto, and which will provide at all times sufficient funds to meet and pay the

principal and interest of all obligations and other evidences of indebtedness of the district when due. Nothing in this act shall authorize any change, alteration or revision of rates, prices or charges established by any contract entered into under authority of this act except as provided by the contract.

Subd. 3. Every contract made by the board for the sale, conveyance and distribution of water, use of water, water storage, or other service, or for the sale of any property or facilities, shall provide that in the event of any failure or default in the payment of any moneys specified in the contract to be paid to the board, the board may, upon notice as shall be prescribed in the contract, terminate the contract and all obligations thereunder. The act of the board in ceasing on a default to furnish or deliver water, use of water, or water storage, under a contract shall not deprive the board of, or limit any remedy provided by the contract or by law for the recovery of money due or which may become due under the contract.

Sec. 32. [DISBURSEMENTS; FISCAL YEAR; AUDITS.] Subdivision 1. Money of the district shall be paid only upon approval of the board of directors and by warrant or other instrument in writing signed by the president and by the treasurer of the district. In case of the death, absence or other disqualification of the president, the vice president shall sign warrants or other instruments.

Subd. 2. The fiscal year of the district shall coincide with the calendar year. The board of directors, at the close of each year's business, shall cause an audit of the books, records and financial affairs of the district to be made by an experienced public accountant, copies of a written report of which audit, certified to by the auditors, shall be placed and kept on file at the principal place of business of the district and shall be filed with the secretary of state.

Sec. 33. [WORKS; OWNERSHIP; SALE.] Subdivision 1. No water supply works, owned by the district shall be sold, alienated, or mortgaged by the district, except under the circumstances described by this section.

Subd. 2. If in the judgment of the board of directors it is for the best interest of the district to sell any portion of the district works not needed for the performance of any outstanding contract, and not mortgaged or pledged as provided for in subdivision 3, the board shall pass a resolution to that effect. The board shall call a special election at which the question of selling the portion of the works shall be submitted to the electors of the district qualified to vote for district directors. The board shall mail to each qualified elector, at his last known place of residence or place of business, a notice stating the time, place and purpose of the election, and so far as practicable shall conduct the election in all other respects as provided in section 24. If a majority of all qualified electors of the district vote "yes", the board may sell the portion of the works.

Subd. 3. If, in order to borrow money from the federal government or from any of its agencies, or from the state, it is necessary

that the district mortgage or otherwise pledged any or all of its property to secure the payment of loans made to it, the district may mortgage or pledge property and assets for the purpose. Nothing in this section shall prevent the district from assigning, pledging, or otherwise legally committing its revenues, incomes, receipts, or profits to secure the payment of indebtedness to the federal government or any agency thereof, or the state. The state shall never pledge its credit or funds, or any part thereof, for the payment or settlement of any indebtedness or obligation whatsoever of any district created under the provisions of this act. Nothing in this act authorizes any agency of the state to make loans to a district, unless the agency is otherwise authorized by law.

Sec. 34. [FORECLOSURE.] If any district created under this act shall execute and deliver a mortgage or trust deed to secure the payment of any moneys borrowed by it for the purposes herein authorized, it may be provided in the mortgage or trust deed that it may be foreclosed upon default and a receiver may be appointed with the authority provided in the mortgage or trust deed.

Sec. 35. [DISSOLUTION.] Subdivision 1. Any district may be dissolved by authorization of a majority vote of the electors, qualified to vote for district directors, voting thereon at a special election called by the board of directors for that purpose, notice of which shall be mailed to each qualified elector at least 20 days prior to the date of the election and the procedure for which shall conform as nearly as may be to the procedure provided in section 24, for the election of directors. The district shall discharge its obligations before dissolution. The board may liquidate noncash assets prior to dissolution.

Subd. 2. Dissolution shall be completed upon resolution of the board of directors canvassing the vote and declaring that a majority of the qualified electors voting thereon have voted in favor of dissolution. A verified copy of the resolution shall be filed in the office of the secretary of state and with the auditors of counties within the district.

Subd. 3. In case of dissolution all applications for appropriation of water shall be canceled and all rights of the district in applications shall end.

Sec. 36. [112A.37] [APPEALS.] Any party aggrieved by a final order issued pursuant to section 12 of this act which approves or dismisses a petition or which refuses or establishes a project or a district, may appeal therefrom to the supreme court in the manner provided in civil actions. The appeal shall be made and perfected within 30 days after the filing of the order. The notice of appeal shall be served on the clerk of district court and the members of the district's board of directors.

Sec. 37. [ORGANIZATION OF LINCOLN PIPESTONE DISTRICT.] The Lincoln Pipestone rural water district shall be organized under the provisions of this act instead of chapter 116A if a formal request signed by 50 percent of those who signed the original petition required by chapter 116A is presented to the court.

Sec. 38. This act is effective the day following final enactment."

Further, strike the title and insert:

"A bill for an act relating to waters; permitting the establishment of rural water user districts."

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

House Conferees: (Signed) Russell P. Stanton, James R. Casserly, Wendell O. Erickson.

Senate Conferees: (Signed) Jim Nichols, Marvin B. Hanson, Roger E. Strand.

Mr. Nichols moved that the foregoing recommendations and Conference Committee Report on H. F. No. 1091 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. 1091: A bill for an act relating to waters; permitting the establishment of rural water user districts.

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 48 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Gearty	Laufenburger	Olhoft	Spear
Ashbach	Gunderson	Lessard	Penny	Staples
Benedict	Hughes	Lewis	Peterson	Strand
Bernhagen	Humphrey	Luther	Renneke	Stumpf
Chenoweth	Jensen	Menning	Schaaf	Tennessen
Chmielewski	Keefe, J.	Merriam	Schmitz	Vega
Coleman	Kirchner	Moe	Schrom	Wegener
Dieterich	Kleinbaum	Nelson	Setzepfandt	Willet
Engler	Knaak	Nichols	Sikorski	
Frederick	Knutson	Ogdahl	Solon	

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

#### MESSAGES FROM THE HOUSE—CONTINUED

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 1823 and repassed said bill in accordance with the report of the Committee, so adopted.

H. F. No. 1823: A bill for an act relating to public health; requir-



ing certain immunizations for students; amending Minnesota Statutes 1976, Section 123.70.

House File No. 1823 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 21, 1978

**CONFERENCE COMMITTEE REPORT ON H. F. NO. 1823**

A bill for an act relating to public health; requiring certain immunizations for students; amending Minnesota Statutes 1976, Section 123.70.

March 20, 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. 1823, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments.

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

House Conferees: (Signed) Lyndon R. Carlson, James C. Swanson, Linda L. Berglin.

Senate Conferees: (Signed) B. Robert Lewis, William G. Kirchner, Emily Anne Staples.

Mr. Lewis moved that the foregoing recommendations and Conference Committee Report on H. F. No. 1823 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. 1823: A bill for an act relating to public health; requiring certain immunizations for students; amending Minnesota Statutes 1976, Section 123.70.

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 51 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Gunderson	Lessard	Penny	Strand
Ashbach	Hughes	Lewis	Peterson	Stumpf
Benedict	Humphrey	Luther	Renneke	Tennesen
Bernhagen	Jensen	Menning	Schaaf	Ulland, J.
Chenoweth	Keefe, J.	Merriam	Schmitz	Vega
Chmielewski	Keefe, S.	Moe	Schrom	Wegener
Coleman	Kirchner	Nelson	Setzepfandt	Willet
Dieterich	Kleinbaum	Nichols	Sikorski	
Dunn	Knaak	Ogdahl	Solon	
Frederick	Knutson	Olhoft	Spear	
Gearty	Laufenburger	Olson	Staples	

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

#### MESSAGES FROM THE HOUSE—CONTINUED

Mr. President:

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

S. F. No. 318: A bill for an act relating to criminal procedure; permitting peace officers to make arrests upon probable cause in cases of domestic assault; requiring detention and review of bail for persons charged with domestic assault; permitting the judge to stay execution and imposition of sentence conditioned upon the defendant seeking appropriate counseling; amending Minnesota Statutes 1976, Section 609.135, by adding a subdivision; and Chapter 629, by adding sections.

Senate File No. 318 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives  
Returned March 16, 1978

Without objection, S. F. No. 318 was laid on the table. The motion prevailed.

#### REPORTS OF COMMITTEES

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

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

H. F. No. 2017 for comparison with companion Senate File, reports the following House File was found not identical with its companion Senate File as follows:

SPECIAL ORDERS		CONSENT CALENDAR		CALENDAR	
H. F. No.	S. F. No.	H. F. No.	S. F. No.	H. F. No.	S. F. No.
2017	2033				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H. F. No. 2017 be amended as follows:

Page 3, line 27, delete "*an*" and insert "*the municipality with jurisdiction over the*"

Page 4, line 7, delete "*or regulation*"

Page 4, line 12, delete "*such*" and insert "*the*"

Page 5, line 3, delete "*by that time*" and insert "*thereafter*"

Page 5, lines 13 and 14, delete "*and regulations*"

And when so amended H. F. No. 2017 will be identical to S. F. No. 2033, and further recommends that H. F. No. 2017 be given its second reading and substituted for S. F. No. 2033, and that the Senate File be indefinitely postponed.

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

#### 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. 1805: Messrs. Peterson, McCutcheon, and Merriam.

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

#### SECOND READING OF HOUSE BILLS

H. F. No. 2017 was read the second time.

#### MOTIONS AND RESOLUTIONS

Mr. Coleman, for the Committee on Rules and Administration, offered the following resolution:

BE IT RESOLVED, by the Senate, that the following named persons be and are hereby appointed to the positions hereinafter stated and at the salaries heretofore fixed.

Julie Wickstrom, Page Classification, effective March 20, 1978

Barry Alverman, Clerk I Classification, effective March 16, 1978

Mr. Coleman moved the adoption of the foregoing resolution. The motion prevailed. So the resolution was adopted.

Mr. Schaaf moved that S. F. No. 1961 be stricken from the Special Orders Calendar and re-referred to the Committee on Commerce. The motion prevailed.

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

## SPECIAL ORDER

H. F. No. 1863: A bill for an act relating to the operation of state government; allowing the state to make advance payments or deposits for certain items; providing for centralized rental payments to be made from the general services revolving fund; extending the time in which to repay loans from the general fund to revolving funds; allowing the commissioner of administration to publish agency descriptions in the state register biennially instead of annually; amending Minnesota Statutes 1976, Section 16.096; Minnesota Statutes, 1977 Supplement, Sections 15.0412, Subdivision 2; 16.80, Subdivision 1; and 16A.126.

Mr. Chenoweth moved to amend H. F. No. 1863, the unofficial engrossment, as follows:

Page 28, line 6, strike "*A financial institution*" and insert "*Each political subdivision*"

Page 28, line 7, strike everything after the comma and insert "*by September 1,*"

Page 28, line 8, strike "*be submitted*"

Page 28, line 8, strike "*banks after the end of*" and insert "*finance*"

Page 28, line 9, strike "*its fiscal year*" and strike "*detailing*" and insert "*on forms prescribed by the commissioner,*"

Page 28, lines 10 and 11, strike "*over that fiscal*" and insert "*as of July 1 of each*"

Page 28, line 16, strike "*government units,*" and after "*account*" strike the comma

Page 28, strike lines 17 and 18

The motion prevailed. So the amendment was adopted.

Mrs. Staples moved to amend H. F. No. 1863, the unofficial engrossment, as follows:

Page 3, lines 29 and 30, after "*including*" strike "*the state historical society and*"

Page 3, line 30, after "*society*" and before the semicolon, insert "*and not including the state historical society*"

Amend the title as follows:

Page 1, lines 5 and 6, strike "*historical and*"

Page 1, line 6, strike "*societies*" and insert "*society*"

Mr. Keefe, S. moved to amend the Staples amendment to H. F. No. 1863, the unofficial engrossment, as follows:

Add to the Staples amendment:

Page 68, line 31, after "*Sections*" insert "*138.18;*"

Amend the title as follows:

Page 2, line 25, after "Sections" insert "138.18;"

The motion prevailed. So the amendment to the Staples amendment was adopted.

The question recurred on the Staples amendment, as amended. The motion prevailed. So the amendment, as amended, was adopted.

Mr. Keefe, J. moved to amend H. F. No. 1863, the unofficial engrossment, as follows:

Page 68, line 32, strike "147.11;"

Amend the title as follows:

Page 2, line 26, strike "147.11;"

The motion prevailed. So the amendment was adopted.

Mr. Chenoweth moved to strike the Schaaf amendment to H. F. No. 1863, as amended by the Committee on Governmental Operations, adopted by the Senate March 20, 1978. The motion prevailed. So the Schaaf amendment was stricken.

Pursuant to Rule 21, Mr. Merriam moved that the following members be excused for a Conference Committee on H. F. No. 1885:

Messrs. Merriam, Anderson, Hughes, Dieterich and Dunn. The motion prevailed.

Mr. Keefe, S. moved to amend H. F. No. 1863, the unofficial engrossment, as follows:

Page 68, line 31, after "Sections" insert "138.39;"

Amend the title as follows:

Page 2, line 25, after "Sections" insert "138.39;"

The motion prevailed. So the amendment was adopted.

H. F. No. 1863 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 47 and nays 0, as follows:

Those who voted in the affirmative were:

Ashbach	Humphrey	Lessard	Penny	Stumpf
Bang	Jensen	Lewis	Renneke	Tennessen
Benedict	Johnson	Luther	Schaaf	Ueland, A.
Bernhagen	Keefe, J.	McCutcheon	Schmitz	Ulland, J.
Chenoweth	Keefe, S.	Menning	Setzepfandt	Vega
Chmielewski	Kirchner	Moe	Sieloff	Wegener
Frederick	Kleinbaum	Nelson	Solon	Willet
Gearty	Knaak	Ogdahl	Spear	
Gunderson	Knutson	Olhoff	Stokowski	
Hanson	Laufenburger	Olson	Strand	

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

Pursuant to Rule 21, Mr. Moe moved that the following members be excused for a Conference Committee on H. F. Nos. 2493 and 2494:

Messrs. Moe, Kirchner, Lewis, Kleinbaum and Humphrey. The motion prevailed.

### MOTIONS AND RESOLUTIONS—CONTINUED

Mr. McCutcheon moved that S. F. No. 2361 be taken from the table. The motion prevailed.

Mr. McCutcheon moved that the Senate do not concur in the amendments by the House to S. F. No. 2361 and that a Conference Committee of 3 members be appointed by the Subcommittees on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House. The motion prevailed.

### SPECIAL ORDER

S. F. No. 2397: A bill for an act relating to taxation; income tax; providing a credit for certain members of the national guard; amending Minnesota Statutes 1976, Section 290.06, by adding a subdivision.

Mr. Wegener moved to amend S. F. No. 2397 as follows:

Page 1, line 13, strike "*first lieutenant*" and insert "*captain*"

The motion prevailed. So the amendment was adopted.

### CALL OF THE SENATE

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

Ashbach	Gearty	Knutson	Olson	Strand
Bang	Gunderson	Laufenburger	Penny	Stumpf
Benedict	Hanson	Lessard	Renneke	Tennessen
Bernhagen	Jensen	McCutcheon	Schmitz	Ueland, A.
Borden	Johnson	Menning	Setzepfandt	Ulland, J.
Chmielewski	Keefe, S.	Nelson	Sieloff	Vega
Engler	Knaak	Ogdahl	Spear	Wegener
Frederick	Knoll	Olhoff	Stokowski	Willet

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

Mr. Ulland, J. moved to amend S. F. No. 2397 as follows:

Strike everything after the enacting clause and insert:

"Sec. 1. Minnesota Statutes, 1977 Supplement, Section 290.01, Subdivision 20, is amended to read:

Subd. 20. [GROSS INCOME.] Except as otherwise provided in this chapter, the term "gross income," as applied to corporations includes every kind of compensation for labor or personal

services of every kind from any private or public employment, office, position or services; income derived from the ownership or use of property; gains or profits derived from every kind of disposition of, or every kind of dealing in, property; income derived from the transaction of any trade or business; and income derived from any source; except that gross income shall not include "exempt function income" of a "homeowners association" as those terms are defined in Section 528 of the Internal Revenue Code of 1954, as amended.

For each of the taxable years beginning after December 31, 1960 and prior to January 1, 1971, the term "gross income" in its application to individuals, estates, and trusts, shall mean the adjusted gross income as computed for federal income tax purposes as defined in the Internal Revenue Code of 1954, as amended through December 31, 1970 for the applicable taxable year, with the modifications specified in this section.

For each of the taxable years beginning after December 31, 1970, the term "gross income" in its application to individuals, estates, and trusts shall mean the adjusted gross income as computed for federal income tax purposes as defined in the Internal Revenue Code of 1954, as amended through the date specified herein for the applicable taxable year, with the modifications specified in this section.

(i) The Internal Revenue Code of 1954, as amended through December 31, 1970, shall be in effect for taxable years beginning after December 31, 1970 and prior to January 1, 1973.

(ii) The Internal Revenue Code of 1954, as amended through December 31, 1972, shall be in effect for taxable years beginning after December 31, 1972.

(iii) The Internal Revenue Code of 1954, as amended through December 31, 1973, shall be in effect for taxable years beginning after December 31, 1973.

(iv) The Internal Revenue Code of 1954, as amended through December 31, 1974, shall be in effect for the taxable years beginning after December 31, 1974.

(v) The Internal Revenue Code of 1954, as amended through December 31, 1976, including the amendments made to section 280A (relating to licensed day care centers) in H.R. 3477 as it passed the Congress on May 16, 1977, shall be in effect for the taxable years beginning after December 31, 1976. The provisions of the Tax Reform Act of 1976, P.L. 94-455, which affect adjusted gross income shall become effective for purposes of chapter 290 at the same time they become effective for federal income tax purposes. Section 207 (relating to extension of period for nonrecognition of gain on sale or exchange of residence) and section 402 (relating to time for making contributions to pension plans of self employed people) of P.L. 94-12 shall be effective for taxable years beginning after December 31, 1974.

References to the Internal Revenue Code of 1954 in clauses

(a), (b) and (c) following shall mean the code in effect for the purpose of defining gross income for the applicable taxable year.

(a) Modifications increasing federal adjusted gross income. There shall be added to federal adjusted gross income:

(1) Interest income on obligations of any state other than Minnesota or a political subdivision of any such other state exempt from federal income taxes under the Internal Revenue Code of 1954;

(2) Interest income on obligations of any authority, commission, or instrumentality of the United States, which the laws of the United States exempt from federal income tax, but not from state income taxes;

(3) Income taxes imposed by this state or any other taxing jurisdiction, to the extent deductible in determining federal adjusted gross income and not credited against federal income tax;

(4) Interest on indebtedness incurred or continued to purchase or carry securities the income from which is exempt from tax under this chapter, to the extent deductible in determining federal adjusted gross income;

(5) Amounts received as reimbursement for an expense of sickness or injury which was deducted in a prior taxable year to the extent that the deduction for such reimbursed expenditure resulted in a tax benefit;

(6) The amount of any federal income tax overpayment for any previous taxable year, received as refund or credited to another taxable year's income tax liability, proportionate to the percentage of federal income tax that was claimed as a deduction in determining Minnesota income tax for such previous taxable year.

The overpayment refund or credit, determined with respect to a husband and wife on a joint federal income tax return for a previous taxable year, shall be reported on joint or separate Minnesota income tax returns. In the case of separate Minnesota returns, the overpayment shall be reported by each spouse proportionately according to the relative amounts of federal income tax claimed as a deduction on his or her separate Minnesota income tax return for such previous taxable year;

(7) In the case of a change of residence from Minnesota to another state or nation, the amount of moving expenses which exceed total reimbursements and which were therefore deducted in arriving at federal adjusted gross income;

(8) In the case of property disposed of on or after January 1, 1973, the amount of any increase in the taxpayer's federal tax liability under section 47 of the Internal Revenue Code of 1954, as amended through December 31, 1976, to the extent of the credit under section 38 of the Internal Revenue Code of 1954, as amended through December 31, 1976, that was previously allowed as a



deduction either under section 290.01, subdivision 20 (b) ~~(9)~~ (8) or under section 290.09, subdivision 24; and

(9) Expenses and losses arising from a farm which are not allowable under section 290.09, subdivision 29;

(10) Expenses and depreciation attributable to substandard buildings disallowed by section 290.101; and

(11) The amount by which the gain determined pursuant to section 41.59, subdivision 2 exceeds the amount of such gain included in federal adjusted gross income;

~~(13)~~ (12) Interest income from qualified scholarship funding bonds as defined in section 103(e) of the Internal Revenue Code of 1954, as amended through December 31, 1976, if the nonprofit corporation is domiciled outside of Minnesota;

~~(14)~~ (13) Exempt-interest dividends, as defined in section 852(b) (5) (A) of the Internal Revenue Code of 1954, as amended through December 31, 1976, not included in federal adjusted gross income pursuant to section 852(b) (5) (B) of the Internal Revenue Code of 1954, as amended through December 31, 1976, except for that portion of such exempt-interest dividends derived from interest income on obligations of the state of Minnesota, any of its political or governmental subdivisions, any of its municipalities, or any of its governmental agencies or instrumentalities;

~~(15)~~ (14) The amount of any excluded gain realized by a trust on the sale or exchange of property as defined in section 641(c) (1).

(b) Modifications reducing federal adjusted gross income. There shall be subtracted from federal adjusted gross income:

(1) Interest income on obligations of any authority, commission or instrumentality of the United States to the extent includible in gross income for federal income tax purposes but exempt from state income tax under the laws of the United States;

(2) The portion of any gain, from the sale or other disposition of property having a higher adjusted basis for Minnesota income tax purposes than for federal income tax purposes, that does not exceed such difference in basis; but if such gain is considered a long-term capital gain for federal income tax purposes, the modification shall be limited to fifty per centum of such portion of the gain. This modification shall not be applicable if the difference in basis is due to disallowance of depreciation pursuant to section 290.101.

(3) Interest or dividend income on securities to the extent exempt from income tax under the laws of this state authorizing the issuance of such securities but includible in gross income for federal income tax purposes;

(4) Losses, not otherwise reducing federal adjusted gross income assignable to Minnesota, arising from events or transactions which are assignable to Minnesota under the provisions of sections 290.17 to 290.20, including any capital loss or net operating loss carry-forwards or carrybacks resulting from such losses;

(5) If included in federal adjusted gross income, the amount of any credit received, whether received as a refund or credit to another taxable year's income tax liability, pursuant to chapter 290A, and the amount of any overpayment of income tax to Minnesota, or any other state, for any previous taxable year, whether such amount is received as a refund or credited to another taxable year's income tax liability;

(6) The amount of any pension or benefit which is excluded from gross income under the provisions of section 290.08, subdivision 6; and

(7) *The amount of compensation for personal services in the armed forces of the United States or the United Nations which is excluded from gross income under the provisions of section 290.65;*

~~(7)~~ (8) In the case of property acquired on or after January 1, 1973, the amount of any credit to the taxpayer's federal tax liability under section 38 of the Internal Revenue Code of 1954, as amended through December 31, 1976, but only to the extent that the credit is connected with or allocable against the production or receipt of income included in the measure of the tax imposed by this chapter; and

~~(10)~~ (9) The amount of any distribution from a qualified pension or profit sharing plan included in federal adjusted gross income in the year of receipt to the extent of any contribution not previously allowed as a deduction by reason of a change in federal law which was not adopted by Minnesota law for a taxable year beginning in 1974 or later.

(c) Modifications affecting shareholders of electing small business corporations under section 1372 of the Internal Revenue Code of 1954, or section 290.972 of this chapter.

(1) Shareholders in a small business corporation, which has elected to be so taxed under the Internal Revenue Code of 1954, but has not made an election under section 290.972 of this chapter, shall deduct from federal adjusted gross income the amount of any imputed income from such corporation and shall add to federal adjusted gross income the amount of any loss claimed as a result of such stock ownership. Also there shall be added to federal adjusted gross income the amount of any distributions in cash or property made by said corporation to its shareholders during the taxable year.

(2) In cases where the small business corporation has made an election under section 1372 of the Internal Revenue Code of 1954, but has not elected under section 290.972 of this chapter and said corporation is liquidated or the individual shareholder disposes of his stock and there is no capital loss reflected in federal adjusted gross income because of the fact that corporate losses have exhausted the shareholders basis for federal purposes, such shareholders shall be entitled, nevertheless, to a capital loss commensurate to their Minnesota basis for the stock.

(3) In cases where the election under section 1372 of the

Internal Revenue Code of 1954 antedates the election under section 290.972 of this chapter and at the close of the taxable year immediately preceding the effective election under section 290.972 the corporation has a reserve of undistributed taxable income previously taxed to shareholders under the provisions of the Internal Revenue Code of 1954, in the event and to the extent that such reserve is distributed to shareholders such distribution shall be taxed as a dividend for purposes of this act.

Items of gross income includible within these definitions shall be deemed such regardless of the form in which received. Items of gross income shall be included in gross income of the taxable year in which received by a taxpayer unless properly to be accounted for as of a different taxable year under methods of accounting permitted by section 290.07, except that (1) amounts transferred from a reserve or other account, if in effect transfers to surplus, shall, to the extent that such amounts were accumulated through deductions from gross income or entered into the computation of taxable net income during any taxable year, be treated as gross income for the year in which the transfer occurs, but only to the extent that such amounts resulted in a reduction of the tax imposed by this act, and (2) amounts received as refunds on account of taxes deducted from gross income during any taxable year shall be treated as gross income for the year in which actually received, but only to the extent that such amounts resulted in a reduction of the tax imposed by this act.

(d) Modification in computing taxable income of the estate of a decedent. Amounts allowable under section 291.07, subdivision 1 (2) in computing Minnesota inheritance tax liability shall not be allowed as a deduction in computing the taxable income of the estate unless there is filed within the time and in the manner and form prescribed by the commissioner a statement that the amounts have not been allowed as a deduction under section 291.07 and a waiver of the right to have such amounts allowed at any time as deductions under section 291.07. The provisions of this paragraph shall not apply with respect to deductions allowed under section 290.077 (relating to income in respect of decedents). In the event that the election made for federal tax purposes under section 642(g) of the Internal Revenue Code of 1954 differs from the election made under this paragraph appropriate modification of the estate's federal taxable income shall be made to implement the election made under this paragraph in accordance with regulations prescribed by the commissioner.

Sec. 2. Minnesota Statutes 1976, Section 290.65, is amended by adding a subdivision to read:

*Subd. 1a. [GROSS INCOME, EXCLUSION.] The first \$3,000 received by any individual as compensation for personal services in the armed forces of the United States or the United Nations, shall be excluded from gross income in computing income taxes under the provisions of this chapter. The next \$2,000 received by an individual as compensation for personal services in the*

*armed forces of the United States or the United Nations wholly performed outside of the state of Minnesota, shall also be excluded from gross income in computing taxes under the provisions of this chapter.*

Sec. 3. [EFFECTIVE DATE.] *This act is effective for taxable years beginning after December 31, 1977.*"

Amend the title as follows:

Strike the title in its entirety and insert:

"A bill for an act relating to taxation; income tax; providing an exemption from gross income for members of the armed forces; amending Minnesota Statutes, 1977 Supplement, Sections 290.01, Subdivision 20; and 290.65, by adding a subdivision."

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 15 and nays 28, as follows:

Those who voted in the affirmative were:

Ashbach	Chmielewski	Jensen	Knutson	Sieloff
Bang	Engler	Keefe, J.	Ogdahl	Ueland, A.
Bernhagen	Frederick	Knaak	Renneke	Ulland, J.

Those who voted in the negative were:

Benedict	Keefe, S.	Menning	Setzepfandt	Tennessen
Borden	Knoll	Nelson	Solon	Vega
Gearty	Laufenburger	Olhoff	Spear	Wegener
Gunderson	Lessard	Olson	Stokowski	Willet
Hanson	Luther	Penny	Strand	
Johnson	McCutcheon	Schmitz	Stumpf	

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

Mr. Sieloff moved to amend S. F. No. 2397 as follows:

Strike everything after the enacting clause and insert:

"Section 1. Minnesota Statutes, 1977 Supplement, Section 290.-01, Subdivision 20, is amended to read:

Subd. 20. [GROSS INCOME.] Except as otherwise provided in this chapter, the term "gross income," as applied to corporations includes every kind of compensation for labor or personal services of every kind from any private or public employment, office, position or services; income derived from the ownership or use of property; gains or profits derived from every kind of disposition of, or every kind of dealing in, property; income derived from the transaction of any trade or business; and income derived from any source; except that gross income shall not include "exempt function income" of a "homeowners association" as those terms are defined in Section 528 of the Internal Revenue Code of 1954, as amended.

For each of the taxable years beginning after December 31, 1960 and prior to January 1, 1971, the term "gross income" in its application to individuals, estates, and trusts, shall mean the adjusted

gross income as computed for federal income tax purposes as defined in the Internal Revenue Code of 1954, as amended through December 31, 1970 for the applicable taxable year, with the modifications specified in this section.

For each of the taxable years beginning after December 31, 1970, the term "gross income" in its application to individuals, estates, and trusts shall mean the adjusted gross income as computed for federal income tax purposes as defined in the Internal Revenue Code of 1954, as amended through the date specified herein for the applicable taxable year, with the modifications specified in this section.

(i) The Internal Revenue Code of 1954, as amended through December 31, 1970, shall be in effect for taxable years beginning after December 31, 1970 and prior to January 1, 1973.

(ii) The Internal Revenue Code of 1954, as amended through December 31, 1972, shall be in effect for taxable years beginning after December 31, 1972.

(iii) The Internal Revenue Code of 1954, as amended through December 31, 1973, shall be in effect for taxable years beginning after December 31, 1973.

(iv) The Internal Revenue Code of 1954, as amended through December 31, 1974, shall be in effect for the taxable years beginning after December 31, 1974.

(v) The Internal Revenue Code of 1954, as amended through December 31, 1976, including the amendments made to section 280A (relating to licensed day care centers) in H. R. 3477 as it passed the Congress on May 16, 1977, shall be in effect for the taxable years beginning after December 31, 1976. The provisions of the Tax Reform Act of 1976, P.L. 94-455, which affect adjusted gross income shall become effective for purposes of chapter 290 at the same time they become effective for federal income tax purposes. Section 207 (relating to extension of period for non-recognition of gain on sale or exchange of residence) and section 402 (relating to time for making contributions to pension plans of self employed people) of P.L. 94-12 shall be effective for taxable years beginning after December 31, 1974.

References to the Internal Revenue Code of 1954 in clauses (a), (b) and (c) following shall mean the code in effect for the purpose of defining gross income for the applicable taxable year.

(a) Modifications increasing federal adjusted gross income. There shall be added to federal adjusted gross income:

(1) Interest income on obligations of any state other than Minnesota or a political subdivision of any such other state exempt from federal income taxes under the Internal Revenue Code of 1954;

(2) Interest income on obligations of any authority, commission, or instrumentality of the United States, which the

laws of the United States exempt from federal income tax, but not from state income taxes;

(3) Income taxes imposed by this state or any other taxing jurisdiction, to the extent deductible in determining federal adjusted gross income and not credited against federal income tax;

(4) Interest on indebtedness incurred or continued to purchase or carry securities the income from which is exempt from tax under this chapter, to the extent deductible in determining federal adjusted gross income;

(5) Amounts received as reimbursement for an expense of sickness or injury which was deducted in a prior taxable year to the extent that the deduction for such reimbursed expenditure resulted in a tax benefit;

(6) The amount of any federal income tax overpayment for any previous taxable year, received as refund or credited to another taxable year's income tax liability, proportionate to the percentage of federal income tax that was claimed as a deduction in determining Minnesota income tax for such previous taxable year.

The overpayment refund or credit, determined with respect to a husband and wife on a joint federal income tax return for a previous taxable year, shall be reported on joint or separate Minnesota income tax returns. In the case of separate Minnesota returns, the overpayment shall be reported by each spouse proportionately according to the relative amounts of federal income tax claimed as a deduction on his or her separate Minnesota income tax return for such previous taxable year;

(7) In the case of a change of residence from Minnesota to another state or nation, the amount of moving expenses which exceed total reimbursements and which were therefore deducted in arriving at federal adjusted gross income;

(8) In the case of property disposed of on or after January 1, 1973, the amount of any increase in the taxpayer's federal tax liability under section 47 of the Internal Revenue Code of 1954, as amended through December 31, 1976, to the extent of the credit under section 38 of the Internal Revenue Code of 1954, as amended through December 31, 1976, that was previously allowed as a deduction either under section 290.01, subdivision 20 (b) (9) or under section 290.09, subdivision 24; and

(9) Expenses and losses arising from a farm which are not allowable under section 290.09, subdivision 29;

(10) Expenses and depreciation attributable to substandard buildings disallowed by section 290.101; and

(11) The amount by which the gain determined pursuant to section 41.59, subdivision 2 exceeds the amount of such gain included in federal adjusted gross income;

(13) Interest income from qualified scholarship funding bonds as defined in section 103(e) of the Internal Revenue Code of 1954, as amended through December 31, 1976, if the nonprofit corporation is domiciled outside of Minnesota;

(14) Exempt-interest dividends, as defined in section 852(b) (5) (A) of the Internal Revenue Code of 1954, as amended through December 31, 1976, not included in federal adjusted gross income pursuant to section 852(b) (5) (B) of the Internal Revenue Code of 1954, as amended through December 31, 1976, except for that portion of such exempt-interest dividends derived from interest income on obligations of the state of Minnesota, any of its political or governmental subdivisions, any of its municipalities, or any of its governmental agencies or instrumentalities;

(15) The amount of any excluded gain realized by a trust on the sale or exchange of property as defined in section 641(c) (1).

(b) Modifications reducing federal adjusted gross income. There shall be subtracted from federal adjusted gross income:

(1) Interest income on obligations of any authority, commission or instrumentality of the United States to the extent includible in gross income for federal income tax purposes but exempt from state income tax under the laws of the United States;

(2) The portion of any gain, from the sale or other disposition of property having a higher adjusted basis for Minnesota income tax purposes than for federal income tax purposes, that does not exceed such difference in basis; but if such gain is considered a long-term capital gain for federal income tax purposes, the modification shall be limited to fifty per centum of such portion of the gain. This modification shall not be applicable if the difference in basis is due to disallowance of depreciation pursuant to section 290.101.

(3) Interest or dividend income on securities to the extent exempt from income tax under the laws of this state authorizing the issuance of such securities but includible in gross income for federal income tax purposes;

(4) Losses, not otherwise reducing federal adjusted gross income assignable to Minnesota, arising from events or transactions which are assignable to Minnesota under the provisions of sections 290.17 to 290.20, including any capital loss or net operating loss carryforwards or carrybacks resulting from such losses;

(5) If included in federal adjusted gross income, the amount of any credit received, whether received as a refund or credit to another taxable year's income tax liability, pursuant to chapter 290A, and the amount of any overpayment of income tax to Minnesota, or any other state, for any previous taxable year, whether such amount is received as a refund or credited to another taxable year's income tax liability;

(6) The amount of any pension or benefit which is excluded from gross income under the provisions of section 290.08, subdivision 6; and

(7) In the case of property acquired on or after January 1, 1973, the amount of any credit to the taxpayer's federal tax liability under section 38 of the Internal Revenue Code of 1954, as amended through December 31, 1976, but only to the extent that the credit is connected with or allocable against the production or receipt of income included in the measure of the tax imposed by this chapter;

(10) The amount of any distribution from a qualified pension or profit sharing plan included in federal adjusted gross income in the year of receipt to the extent of any contribution not previously allowed as a deduction by reason of a change in federal law which was not adopted by Minnesota law for a taxable year beginning in 1974 or later.

(11) *The first \$2,000 of compensation for personal services in the Minnesota National guard or the reserve armed forces of the United States.*

(c) Modifications affecting shareholders of electing small business corporations under section 1372 of the Internal Revenue Code of 1954, or section 290.972 of this chapter.

(1) Shareholders in a small business corporation, which has elected to be so taxed under the Internal Revenue Code of 1954, but has not made an election under section 290.972 of this chapter, shall deduct from federal adjusted gross income the amount of any imputed income from such corporation and shall add to federal adjusted gross income the amount of any loss claimed as a result of such stock ownership. Also there shall be added to federal adjusted gross income the amount of any distributions in cash or property made by said corporation to its shareholders during the taxable year.

(2) In cases where the small business corporation has made an election under section 1372 of the Internal Revenue Code of 1954, but has not elected under section 290.972 of this chapter and said corporation is liquidated or the individual shareholder disposes of his stock and there is no capital loss reflected in federal adjusted gross income because of the fact that corporate losses have exhausted the shareholders basis for federal purposes, such shareholders shall be entitled, nevertheless, to a capital loss commensurate to their Minnesota basis for the stock.

(3) In cases where the election under section 1372 of the Internal Revenue Code of 1954 antedates the election under section 290.972 of this chapter and at the close of the taxable year immediately preceding the effective election under section 290.972 the corporation has a reserve of undistributed taxable income previously taxed to shareholders under the provisions of the Internal Revenue Code of 1954, in the event and to the extent that such reserve is distributed to shareholders such distribution shall be taxed as a dividend for purposes of this act.



Items of gross income includible within these definitions shall be deemed such regardless of the form in which received. Items of gross income shall be included in gross income of the taxable year in which received by a taxpayer unless properly to be accounted for as of a different taxable year under methods of accounting permitted by section 290.07, except that (1) amounts transferred from a reserve or other account, if in effect transfers to surplus, shall, to the extent that such amounts were accumulated through deductions from gross income or entered into the computation of taxable net income during any taxable year, be treated as gross income for the year in which the transfer occurs, but only to the extent that such amounts resulted in a reduction of the tax imposed by this act, and (2) amounts received as refunds on account of taxes deducted from gross income during any taxable year shall be treated as gross income for the year in which actually received, but only to the extent that such amounts resulted in a reduction of the tax imposed by this act.

(d) Modification in computing taxable income of the estate of a decedent. Amounts allowable under section 291.07, subdivision 1(2) in computing Minnesota inheritance tax liability shall not be allowed as a deduction in computing the taxable income of the estate unless there is filed within the time and in the manner and form prescribed by the commissioner a statement that the amounts have not been allowed as a deduction under section 291.07 and a waiver of the right to have such amounts allowed at any time as deductions under section 291.07. The provisions of this paragraph shall not apply with respect to deductions allowed under section 290.077 (relating to income in respect of decedents). In the event that the election made for federal tax purposes under section 642(g) of the Internal Revenue Code of 1954 differs from the election made under this paragraph appropriate modification of the estate's federal taxable income shall be made to implement the election made under this paragraph in accordance with regulations prescribed by the commissioner.

*Sec. 2. The adjutant general shall study and evaluate alternative methods of promoting enlistment and reenlistment in the Minnesota national guard. Based upon this study, he shall report his findings and make appropriate recommendations to the governor and the legislature no later than January 1, 1979.*

*Sec. 3. [EFFECTIVE DATE.] This act is effective for taxable years beginning after December 31, 1977."*

Amend the title as follows:

Strike the title in its entirety and insert:

"A bill for an act relating to taxation; providing that compensation for service in the Minnesota national guard or the reserve armed forces of the United States be exempt from the income tax; directing the adjutant general to study enlistment and reenlistment incentives; amending Minnesota Statutes, 1977 Supplement, Section 290.01, Subdivision 20."

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 15 and nays 29, as follows:

Those who voted in the affirmative were:

Ashbach	Dunn	Jensen	Ogdahl	Sillers
Bang	Engler	Knaak	Renneke	Ueland, A.
Bernhagen	Frederick	Knutson	Sieloff	Ulland, J.

Those who voted in the negative were:

Anderson	Johnson	McCutcheon	Penny	Strand
Benedict	Keefe, S.	Menning	Peterson	Stumpf
Borden	Knoll	Merriam	Schmitz	Vega
Dieterich	Laufenburger	Nelson	Setzepfandt	Wegener
Hanson	Lessard	Olhoff	Solon	Willet
Hughes	Luther	Olson	Spear	

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

S. F. No. 2397 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 43 and nays 4, as follows:

Those who voted in the affirmative were:

Anderson	Frederick	Lessard	Peterson	Stumpf
Ashbach	Hanson	Luther	Renneke	Tennessen
Bang	Hughes	McCutcheon	Schmitz	Ueland, A.
Benedict	Jensen	Menning	Schrom	Ulland, J.
Bernhagen	Johnson	Nelson	Setzepfandt	Vega
Borden	Knaak	Ogdahl	Sieloff	Wegener
Chmielewski	Knoll	Olhoff	Sillers	Willet
Dunn	Knutson	Olson	Solon	
Engler	Laufenburger	Penny	Strand	

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

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

### SPECIAL ORDER

H. F. No. 1916: A bill for an act relating to taxation; defining the use of sales ratio studies; requiring social security numbers; providing a procedure for handling ad valorem tax abatement; providing a uniform appeal and demand period; clarifying classification of certain homesteads; recodifying the classification of resort property; allowing a special levy for commuter van program; providing adjustments to the levy limit base; defining resident estate and resident trust for income tax purposes; defining income in computing low income credit; providing apportionment in computing minimum tax on preference items; allowing a carryback period for out-of-state losses; authorizing the commissioner of revenue to release information to assessors; amending Minnesota Statutes 1976, Sections 270.07, by adding a subdivision; 270.075, Subdivision 2; 270.076, Subdivision 1; 272.08; 273.13, Subdivision

19, and by adding a subdivision; 290.01, by adding subdivisions; 290.46; 290.47; 290.48, Subdivisions 1 and 2; 290A.11, Subdivision 1; 290A.12; 292.08, Subdivision 4; 292.09, Subdivision 3; 294.02; 294.021; 297.07, Subdivision 3; 297.09, Subdivision 5; 297.35, Subdivision 3; 297.37, Subdivision 5; 297A.31, Subdivision 1; 297A.33, Subdivision 1; and Chapter 270, by adding a section; Minnesota Statutes, 1977 Supplement, Sections 124.212, Subdivision 11; 273.13, Subdivisions 4 and 6; 275.50, Subdivision 5; 275.51, Subdivision 3d; 290.012, Subdivision 2; 290.091; 290.17; 298.282, Subdivision 2; 298.48, Subdivision 4; repealing Laws 1977, Chapter 307, Section 27.

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 41 and nays 0, as follows:

Those who voted in the affirmative were:

Bang	Jensen	Menning	Setzepfandt	Ueland, A.
Benedict	Johnson	Nelson	Sieloff	Ulland, J.
Bernhagen	Keefe, J.	Nichols	Sillers	Vega
Borden	Knoll	Ogdahl	Solon	Wegener
Chmielewski	Knutson	Olhoff	Spear	Willet
Coleman	Laufenburger	Penny	Stokowski	
Engler	Lessard	Peterson	Strand	
Frederick	Luther	Renneke	Stumpf	
Hanson	McCutcheon	Schmitz	Tennessee	

So the bill passed and its title was agreed to.

#### MOTIONS AND RESOLUTIONS—CONTINUED

S. F. No. 65 and the Conference Committee Report thereon were reported to the Senate.

#### CONFERENCE COMMITTEE REPORT ON S. F. NO. 65

A bill for an act relating to crimes and corrections; sentencing and post conviction disposition of criminal offenders; transferring the powers and duties of the Minnesota corrections board to the commissioner of corrections; abolishing the Minnesota corrections board; providing for determinate sentencing; providing for a mutual agreement program; appropriating money; amending Minnesota Statutes 1976, Sections 152.15, Subdivisions 1, 2 and 3; 299F.811; 299F.815, Subdivision 1; 401.13; 609.03; 609.10; 609.135, Subdivisions 1 and 2; 609.145, Subdivision 1; 609.165, Subdivision 2; 609.17, Subdivision 4; 609.175, Subdivision 2; 609.18; 609.185; 609.19; 609.195; 609.20; 609.205; 609.21; 609.215; 609.225; 609.235; 609.24; 609.245; 609.25, Subdivision 2; 609.255; 609.26; 609.27, Subdivision 2; 609.31; 609.32; 609.342; 609.343; 609.344; 609.345; 609.355, Subdivision 2; 609.365; 609.375, Subdivision 2; 609.39; 609.395; 609.405, Subdivision 2; 609.42, Subdivision 1; 609.425; 609.445; 609.455; 609.465; 609.466; 609.48, Subdivisions 1 and 4; 609.485, Subdivision 4; 609.495, Subdivision 1; 609.498, Subdivision 1; 609.52, Subdivisions 2 and 3; 609.-

521; 609.525, Subdivision 1; 609.53, Subdivisions 1 and 3; 609.54; 609.55, Subdivision 2; 609.551, Subdivision 1; 609.561; 609.562; 609.563, Subdivision 1; 609.576; 609.58, Subdivision 2; 609.59; 609.595, Subdivision 1; 609.60; 609.611; 609.615; 609.62, Subdivision 2; 609.625; 609.63; 609.635; 609.64; 609.645; 609.65; 609.67, Subdivision 2; 609.71; 609.713; 609.785; 609.82; 609.825, Subdivision 2; 609.83; and Chapter 609, by adding a section; repealing Minnesota Statutes 1976, Sections 152.15, Subdivisions 4 and 5; 241.045; 242.24; 243.06; 243.14; 243.18; 246.43; 609.11; 609.155; 609.16; 609.293, Subdivisions 2, 3, and 4; and 609.346.

March 16, 1978

The Honorable Edward J. Gearty  
President of the Senate

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

We, the undersigned conferees for S. F. No. 65, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and that S. F. No. 65 be amended as follows:

Strike everything after the enacting clause and insert:

#### "ARTICLE I

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

*Subd. 2. "Inmate" means any person who is convicted of a felony, is committed to the custody of the commissioner of corrections and is confined in a state correctional institution or released from a state correctional institution pursuant to sections 5, 7 or 12.*

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

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

*Subd. 5. "Good time" means the period of time by which an inmate's term of imprisonment is reduced pursuant to section 4.*

*Subd. 6. "Commission" means the Minnesota sentencing guidelines commission established pursuant to section 9.*

*Subd. 7. "Supervised release" means the release of an inmate pursuant to section 5.*

*Subd. 8. "Term of imprisonment" is a period of time equal to the period of time to which the inmate is committed to the custody of the commissioner of corrections following a conviction for a felony.*

**Sec. 2. [MUTUAL AGREEMENT PROGRAMS.]** *Subdivision 1. Within seven days after the commissioner assumes custody of an inmate, he shall inform the inmate of the availability and scope of mutual agreement programs and of the fact that participation by the inmate is optional and has no effect on the length of his sentence. If the inmate decides to enter into a mutual agreement program, the commissioner shall draft one for the inmate within 90 days after receiving a request to do so from the inmate. The mutual agreement program shall be drafted after a classification study of the inmate has been made by the commissioner. In drafting a mutual agreement program, the commissioner shall also refer to the presentence investigation which has been made of the inmate. The agreement shall provide the following:*

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

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

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

*The participation of inmates in the mutual agreement program shall be limited by the appropriations made for that purpose.*

*Subd. 2. The inmate may decline to enter into the agreement drafted by the commissioner. Failure to enter into an agreement shall not affect the earning of good time by an inmate, nor shall violation of the terms of the agreement constitute a disciplinary offense which may result in the loss of good time.*

**Sec. 3. [VOLUNTARY PROGRAMS.]** *The commissioner shall provide appropriate mental health programs and vocational and educational programs with employment-related goals for inmates who desire to voluntarily participate in such programs. The selection, design and implementation of programs under this section shall be the sole responsibility of the commissioner, acting within the limitations imposed on him by the funds appropriated for such programs.*

*No action challenging the level of expenditures for programs authorized under this section, nor any action challenging the selection, design or implementation of these programs, may be maintained by an inmate in any court in this state.*

**Sec. 4. [GOOD TIME.]** *Subdivision 1. An inmate's term of imprisonment shall be reduced in duration by one day for each two days during which the inmate violates none of the disciplinary offense rules promulgated by the commissioner. The reduction shall accrue to the period of supervised release to be served by the inmate.*

*If an inmate violates a disciplinary offense rule promulgated by the commissioner, good time earned prior to the violation may not be taken away, but the inmate may be required to serve an appro-*

prorate portion of his term of imprisonment after the violation without earning good time.

Subd. 2. By May 1, 1980, the commissioner shall promulgate rules specifying disciplinary offenses which may result in the loss of good time and the amount of good time which may be lost as a result of each disciplinary offense. In no case shall an individual disciplinary offense result in the loss of more than 90 days of good time. The loss of good time shall be considered to be a disciplinary sanction imposed upon an inmate, and the procedure for the loss of good time and the rights of the inmate in the procedure shall be those in effect for the imposition of other disciplinary sanctions at each state correctional institution.

Subd. 3. The provisions of this section do not apply to an inmate serving a mandatory life sentence.

Sec. 5. [SUPERVISED RELEASE TERM.] Subdivision 1. Except as provided in subdivisions 4 and 5, every inmate shall serve a supervised release term upon completion of his term of imprisonment as reduced by any good time earned by the inmate. The supervised release term shall be equal to the period of good time the inmate has earned, and shall not exceed the length of time remaining in the inmate's sentence.

Subd. 2. The Minnesota corrections board shall promulgate rules for the placement and supervision of inmates serving a supervised release term. The rule shall also provide standards and procedures for the revocation of supervised release, and shall specify the period of revocation for each violation of supervised release. Procedures for the revocation of supervised release shall provide due process of law for the inmate.

Subd. 3. If an inmate violates the conditions of his supervised release imposed by the Minnesota corrections board, the board may:

(1) Continue the inmate's supervised release term, with or without modifying or enlarging the conditions imposed on the inmate; or

(2) Revoke the inmate's supervised release and reimprison him for the appropriate period of time.

The period of time for which a supervised release may be revoked may not exceed the period of time remaining in the inmate's sentence.

Subd. 4. An inmate serving a mandatory life sentence shall not be given supervised release under this section unless he has served a minimum term of imprisonment of 17 years.

Subd. 5. The Minnesota corrections board may, under rules promulgated by it, give supervised release to an inmate serving a mandatory life sentence after he has served the minimum term of imprisonment specified in subdivision 4.

Sec. 6. [EXTRAORDINARY DISCHARGE.] The Minnesota corrections board may give extraordinary discharge to an inmate

for reasons of serious health problems, senility, advanced age or other extraordinary circumstances. The board shall promulgate rules specifying the circumstances under which extraordinary discharge may be approved by the board and the appropriate procedures for approving the same. No extraordinary discharge shall be effective unless also approved by the Minnesota board of pardons.

Sec. 7. [FURLOUGHS.] Subdivision 1. If consistent with the public interest, the commissioner may, under rules prescribed by him, furlough any inmate in his custody to any point within the state for up to five days. A furlough may be granted to assist the inmate with family needs, personal health needs, or his reintegration into society. No inmate may receive more than three furloughs under this section within any 12 month period.

Subd. 2. Notwithstanding the provisions of subdivision 1, if the commissioner determines that the inmate requires health care not available at the state correctional institution, he may grant the inmate the furloughs necessary to provide appropriate noninstitutional or extra-institutional health care.

Sec. 8. [MINNESOTA CORRECTIONS BOARD; COMMISSIONER.] Subdivision 1. Effective May 1, 1980, the Minnesota corrections board shall have only those powers and duties vested in and imposed upon it in sections 1 to 16 with relation to persons sentenced for crimes committed on or after May 1, 1980.

The Minnesota corrections board shall retain all powers and duties presently vested in and imposed upon it with relation to persons sentenced for crimes committed on or before April 30, 1980.

The Minnesota corrections board shall take into consideration, but not be bound by, the sentence terms embodied in the sentencing guidelines promulgated by the Minnesota sentencing guidelines commission and the penal philosophy embodied in sections 1 to 16 in its deliberations relative to parole, probation, release, or other disposition of inmates who commit the crimes giving rise to their sentences on or before April 30, 1980.

Subd. 2. Nothing in sections 1 to 16 shall be deemed to limit the powers and duties otherwise provided by law to the commissioner of corrections with regard to the management of correctional institutions or the disposition of inmates unless those powers and duties are inconsistent with the provisions of sections 1 to 16, in which case those powers and duties shall be superseded by sections 1 to 16.

Sec. 9. [MINNESOTA SENTENCING GUIDELINES COMMISSION.] Subdivision 1. There is hereby established the Minnesota sentencing guidelines commission which shall be comprised of nine members.

Subd. 2. The sentencing guidelines commission shall consist of the following:

- (1) The chief justice of the supreme court or his designee;

(2) Two district court judges appointed by the chief justice of the supreme court;

(3) One public defender appointed by the governor upon recommendation of the state public defender;

(4) One county attorney appointed by the governor upon recommendation of the board of governors of the county attorneys council;

(5) The commissioner of corrections or his designee;

(6) The chairman of the Minnesota corrections board or his designee; and

(7) Two public members appointed by the governor.

One of the members shall be designated by the governor as chairman of the commission.

Subd. 3. Each appointed member shall be appointed for four years and shall continue to serve during that time as long as he occupies the position which made him eligible for the appointment. Each member shall continue in office until his successor is duly appointed. Members shall be eligible for reappointment, and appointment may be made to fill an unexpired term. The members of the commission shall elect any additional officers necessary for the efficient discharge of their duties.

Subd. 4. Each member of the commission shall be reimbursed for all reasonable expenses actually paid or incurred by him in the performance of his official duties in the same manner as other employees of the state. The public members of the commission shall be compensated at the rate of \$50 for each day or part thereof spent on commission activities.

Subd. 5. The commission shall, on or before January 1, 1980, promulgate sentencing guidelines for the district court. The guidelines shall be based on reasonable offense and offender characteristics. The guidelines promulgated by the commission shall be advisory to the district court and shall establish:

(1) The circumstances under which imprisonment of an offender is proper; and

(2) A presumptive, fixed sentence for offenders for whom imprisonment is proper, based on each appropriate combination of reasonable offense and offender characteristics. The guidelines may provide for an increase or decrease of up to 15 percent in the presumptive, fixed sentence.

The sentencing guidelines promulgated by the commission may also establish appropriate sanctions for offenders for whom imprisonment is not proper. Any guidelines promulgated by the commission establishing sanctions for offenders for whom imprisonment is not proper shall make specific reference to noninstitutional sanctions, including but not limited to the following: payment of fines, day fines, restitution, community work orders, work release pro-



grams in local facilities, community based residential and nonresidential programs, incarceration in a local correctional facility, and probation and the conditions thereof.

In establishing the sentencing guidelines, the commission shall take into substantial consideration current sentencing and release practices and correctional resources, including but not limited to the capacities of local and state correctional facilities.

The provisions of sections 15.0411 to 15.052 do not apply to the promulgation of the sentencing guidelines.

Subd. 6. The commission, in addition to establishing sentencing guidelines, shall serve as a clearing house and information center for the collection, preparation, analysis and dissemination of information on state and local sentencing practices, and shall conduct ongoing research regarding sentencing guidelines, use of imprisonment and alternatives to imprisonment, plea bargaining, and other matters relating to the improvement of the criminal justice system. The commission shall from time to time make recommendations to the legislature regarding changes in the criminal code, criminal procedures, and other aspects of sentencing.

Subd. 7. The commission shall study the impact of the sentencing guidelines promulgated by the commission after their implementation. The commission shall also, after implementation of the guidelines, review the powers and duties of the Minnesota corrections board and make recommendations to the legislature on the appropriate role, if any, of the board under the guidelines.

Subd. 8. The commissioner of corrections shall provide adequate office space and administrative services for the commission, and the commission shall reimburse the commissioner for the space and services provided. The commission may also utilize, with their consent, the services, equipment, personnel, information and resources of other state agencies; and may accept voluntary and uncompensated services, contract with individuals, public and private agencies, and request information, reports and data from any agency of the state, or any of its political subdivisions, to the extent authorized by law.

Subd. 9. When any person, corporation, the United States government, or any other entity offers funds to the sentencing guidelines commission to carry out its purposes and duties, the commission may accept the offer by majority vote and upon acceptance the chairman shall receive the funds subject to the terms of the offer, but no money shall be accepted or received as a loan nor shall any indebtedness be incurred except in the manner and under the limitations otherwise provided by law.

Subd. 10. The commission may select and employ a research director who shall perform the duties the commission directs, including the hiring of any clerical help and other employees as the commission shall approve. The research director and other staff shall be in the unclassified service of the state and their salary shall be established by the commission. They shall be reimbursed for the expenses necessarily incurred in the performance of their official duties in the same manner as other state employees.

*Subd. 11. The commission shall meet as necessary for the purpose of modifying and improving the guidelines.*

*Subd. 12. The guidelines shall be submitted to the legislature on January 1, 1980, and shall be effective May 1, 1980, unless the legislature provides otherwise.*

**Sec. 10. [SENTENCING HEARING; DEVIATION FROM GUIDELINES.] Subdivision 1. [SENTENCING HEARING.]** *Whenever a person is convicted of a felony, the court, upon motion of either the defendant or the state, shall hold a sentencing hearing. The hearing shall be scheduled so that the parties have adequate time to prepare and present arguments regarding the issue of sentencing. The parties may submit written arguments to the court prior to the date of the hearing and may make oral arguments before the court at the sentencing hearing. Prior to the hearing, the court shall transmit to the defendant or his attorney and the prosecuting attorney copies of the presentence investigation report.*

*At the conclusion of the sentencing hearing or within 20 days thereafter, the court shall issue written findings of fact and conclusions of law regarding the issues submitted by the parties, and shall enter an appropriate order.*

**Subd. 2. [DEVIATION FROM GUIDELINES.]** *Whether or not a sentencing hearing is requested pursuant to subdivision 1, the district court shall make written findings of fact as to the reasons for departure from the sentencing guidelines in each case in which the court imposes or stays a sentence that deviates from the sentencing guidelines applicable to the case.*

**Sec. 11. [APPELLATE REVIEW OF SENTENCE.]** *An appeal to the supreme court may be taken by the defendant or the state from any sentence imposed or stayed by the district court according to the rules of criminal procedure for the district court of Minnesota. A dismissal of an appeal brought under this section shall not prejudice an appeal brought under any other section or rule.*

*When an appeal taken under this section is filed, the clerk of the district court shall certify to the supreme court the transcript of the proceedings and any files or records relating to the defendant, the offense, and the sentence imposed or stayed, that the supreme court by rule or order may require.*

*On an appeal pursuant to this section, the supreme court may review the sentence imposed or stayed to determine whether the sentence is inconsistent with statutory requirements, unreasonable, inappropriate, excessive, unjustifiably disparate, or not warranted by the findings of fact issued by the district court. This review shall be in addition to all other powers of review presently existing. The supreme court may dismiss or affirm the appeal, vacate or set aside the sentence imposed or stayed and direct entry of an appropriate sentence or order further proceedings to be had as the supreme court may direct.*

*This section shall not be construed to confer or enlarge any right of a defendant to be released pending an appeal.*

Sec. 12. Minnesota Statutes 1976, Section 241.26, Subdivision 1, is amended to read:

241.26 [PRIVATE EMPLOYMENT OF INMATES OF STATE CORRECTIONAL INSTITUTIONS IN COMMUNITY.] Subdivision 1. [BOARD.] The corrections board upon recommendation of the commissioner of corrections may conditionally release selected inmates of state correctional institutions who are subject to their control, who have been convicted of a gross misdemeanor or a felony, and who are eligible and being considered for parole under section 243.05, to work at paid employment, seek employment, or to participate in vocational training programs in any community or area of the state, provided that (a) representatives of local union central bodies or similar labor union organizations are consulted; and (b) such paid employment will not result in the displacement of employed workers. *When consistent with the public interest and the public safety, the board may, with the recommendation of the commissioner, conditionally release an inmate to work at paid employment, seek employment, or participate in a vocational training or educational program, if the inmate has served at least one half of his term of imprisonment as reduced by good time earned by the inmate. Such Release under this subdivision constitutes an extension of the limits of confinement and each inmate so released shall be confined in the institution from which released or in some other suitable place of confinement designated by the commissioner of corrections during such time as such inmate the hours he is not employed, seeking employment, or engaged in a vocational training or educational program, or, if employed, seeking employment, or engaged in a vocational training or educational program, between the times hours of such activity. A reasonable allowance for travel time and meals shall be permitted.*

Sec. 13. Minnesota Statutes 1976, Section 609.10, is amended to read:

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

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

Sec. 14. Minnesota Statutes 1976, Section 609.145, Subdivision 1, is amended to read:

609.145 [CREDIT FOR PRIOR IMPRISONMENT.] Subdivi-

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

Sec. 15. Minnesota Statutes 1976, Section 609.165, Subdivision 2, is amended to read:

Subd. 2. The discharge may be:

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

~~(2) By order of the corrections board prior to expiration of sentence; or~~

~~(3)~~ (2) Upon expiration of sentence.

Sec. 16. Minnesota Statutes 1976, Section 609.346, Subdivision 1, is amended to read:

609.346 [SUBSEQUENT OFFENSES.] Subdivision 1. If a person is convicted of a second or subsequent offense under sections 609.342 to 609.346 within 15 years of the prior conviction, the court shall commit the defendant to the commissioner of corrections for imprisonment for a term of not less than three years, nor more than the maximum sentence provided by law for the offense for which convicted ; , provided, however, that the court may invoke the provisions of section 609.135, if a specific condition of the probationary term under section 609.135 includes the successful completion of a treatment program for anti-social sexual behavior, and such person shall not be eligible for parole from imprisonment until he shall either have served the full minimum sentence herein provided, or until he shall have successfully completed a treatment program for anti-social sexual behavior as herein provided notwithstanding the provisions of sections 242.19, 243.05, 609.11, 609.12 and 609.135.

Sec. 17. *In the next and subsequent editions of the Minnesota Statutes, the revisor of statutes shall make such change in terminology as may be necessary to record the functions, powers and duties of the commissioner of corrections and the Minnesota corrections board as established by this article.*

Sec. 18. [APPROPRIATIONS.] *There is appropriated from the general fund to the Minnesota sentencing guidelines commission established pursuant to section 9, the sum of \$200,000 for the biennium ending June 30, 1979.*

Sec. 19. [REPEALER.] *Minnesota Statutes 1976, Sections 243.14; 243.18; 246.43, as amended by Laws 1977, Chapter 130, Section 1; 609.155 and 609.16 are repealed.*

Sec. 20. [EFFECTIVE DATE.] *Subdivision 1. Sections 9 and 18 are effective the day following final enactment.*

*Subd. 2. Sections 1 to 8, 10 to 17, and 19 are effective May 1, 1980, and apply to all offenses committed on or after that date and to all persons convicted of a felony committed on or after that date.*

## ARTICLE II

Section 1. Minnesota Statutes, 1977 Supplement, Section 241.-045, Subdivision 4, is amended to read:

Subd. 4. [COMPENSATION; EXPENSES.] Each member of the board other than the chairman shall receive as compensation the sum of \$22,000 per year, payable in the same manner as other employees of the state. The chairman of the board shall receive as compensation his salary as an officer of the department of corrections, which shall not be less than the salary of the other members of the board. In addition to the compensation herein provided, each member of the board shall be reimbursed for all expenses paid or incurred by him in the performance of his official duties in the same manner as other employees of the state. This compensation and these expenses shall be paid out of the general fund in the same manner as the salaries and expenses of other state officers are paid, except that the salary and expenses of the chairman of the board shall be paid out of funds appropriated to the commissioner of corrections.

Sec. 2. Minnesota Statutes 1976, Section 609.11, is amended by adding a subdivision to read:

*Subd. 2a. If during the commission of any of the crimes set forth in subdivision 1, the defendant possessed a firearm or used a dangerous weapon, the prosecution shall allege that matter in the complaint or indictment.*

Sec. 3. Minnesota Statutes 1976, Section 609.115, Subdivision 1, is amended to read:

609.115 [PRESENTENCE INVESTIGATION.] Subdivision 1. When a defendant has been convicted of a felony, and a sentence of life imprisonment is not required by law, the court may shall, before sentence is imposed, cause a presentence investigation and written report to be made to the court concerning the defendant's individual characteristics, circumstances, needs, potentialities, criminal record and social history, the circumstances of the offense and the harm caused thereby to others and to the community. If the court so directs, the report shall include an estimate of the prospects of the defendant's rehabilitation and recommendations as to the sentence which should be imposed.

The investigation shall be made by a probation officer of the court, if there is one, otherwise by the commissioner of corrections.

Pending the presentence investigation and report, the court with the consent of the commissioner may commit the defendant to the custody of the commissioner of corrections who shall return the defendant to the court when the court so orders.

Sec. 4. Minnesota Statutes 1976, Section 609.135, is amended by adding a subdivision to read:

*Subd. 4. The court may, as a condition of probation, require the defendant to serve up to one year incarceration in a county jail, a county regional jail, a county workfarm, county workhouse or other local correctional facility. The court may allow the defendant the work release privileges of section 631.425 during the period of incarceration.*

Sec. 5. [REPEALER.] Minnesota Statutes 1976, Section 609.11, Subdivision 2, is repealed.

Sec. 6. [EFFECTIVE DATE.] Sections 1 to 5 are effective the day following final enactment, and apply to all offenses committed on or after that date."

Strike the title in its entirety and insert:

"A bill for an act relating to crimes; establishing a commission on sentencing guidelines; prescribing its membership, duties and powers; requiring the promulgation of sentencing guidelines; prescribing the use of the guidelines; establishing procedures for the management and supervision of inmates of state correctional institutions; prescribing the duties of the commissioner of corrections and the board of corrections; appropriating money; amending Minnesota Statutes 1976, Sections 241.26, Subdivision 1; 609.10; 609.11, by adding a subdivision; 609.115, Subdivision 1; 609.135, by adding a subdivision; 609.145, Subdivision 1; 609.165, Subdivision 2; and 609.346, Subdivision 1; and Minnesota Statutes, 1977 Supplement, Section 241.045, Subdivision 4; repealing Minnesota Statutes 1976, Sections 243.14; 243.18; 246.43, as amended; 609.11, Subdivision 2; 609.155 and 609.16."

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

Senate Conferees: (Signed) Bill McCutcheon, Jack Davies, B. Robert Lewis, John B. Keefe, Gerry Sikorski.

House Conferees: (Signed) Arnold E. Kempe, Donald M. Moe, John R. Arlandson, Paul McCarron, Rod Searle.

Mr. McCutcheon moved that the foregoing recommendations and Conference Committee Report on S. F. No. 65 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

S. F. No. 65: A bill for an act relating to crimes and corrections; sentencing and post conviction disposition of criminal offenders; transferring the powers and duties of the Minnesota corrections board to the commissioner of corrections; abolishing the Minnesota corrections board; providing for determinate sentencing; providing for a mutual agreement program; appropriating money; amending Minnesota Statutes 1976, Sections 152.15, Subdivisions 1, 2 and 3; 299F.811; 299F.815, Subdivision 1; 401.13; 609.03; 609.10; 609.135, Subdivisions 1 and 2; 609.145, Subdivision 1; 609.165, Subdivision 2; 609.17, Subdivision 4;

609.175, Subdivision 2; 609.18; 609.185; 609.19; 609.195; 609.20; 609.205; 609.21; 609.215; 609.225; 609.235; 609.24; 609.245; 609.25, Subdivision 2; 609.255; 609.26; 609.27, Subdivision 2; 609.31; 609.32; 609.342; 609.343; 609.344; 609.345; 609.355, Subdivision 2; 609.365; 609.375, Subdivision 2; 609.39; 609.395; 609.405, Subdivision 2; 609.42, Subdivision 1; 609.425; 609.445; 609.455; 609.465; 609.466; 609.48, Subdivisions 1 and 4; 609.485, Subdivision 4; 609.495, Subdivision 1; 609.498, Subdivision 1; 609.52, Subdivisions 2 and 3; 609.521; 609.525, Subdivision 1; 609.53, Subdivisions 1 and 3; 609.54; 609.55, Subdivision 2; 609.551, Subdivision 1; 609.561; 609.562; 609.563, Subdivision 1; 609.576; 609.58, Subdivision 2; 609.59; 609.595, Subdivision 1; 609.60; 609.611; 609.615; 609.62, Subdivision 2; 609.625; 609.63; 609.635; 609.64; 609.645; 609.65; 609.67, Subdivision 2; 609.71; 609.713; 609.785; 609.82; 609.825, Subdivision 2; 609.83; and Chapter 609, by adding a section; repealing Minnesota Statutes 1976, Sections 152.15, Subdivisions 4 and 5; 241.045; 242.24; 243.06; 243.14; 243.18; 246.43; 609.11; 609.155; 609.16; 609.293, Subdivisions 2, 3, and 4; and 609.346.

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 45 and nays 0, as follows:

Those who voted in the affirmative were:

Ashbach	Hanson	Lessard	Penny	Stokowski
Bang	Jensen	Luther	Peterson	Strand
Benedict	Johnson	McCutcheon	Remneke	Stumpf
Bernhagen	Keefe, J.	Menning	Schmitz	Tennessee
Borden	Keefe, S.	Nelson	Setzepfandt	Ueland, A.
Chmielewski	Knaak	Nichols	Sieloff	Ulland, J.
Coleman	Knoll	Ogdahl	Sillers	Vega
Engler	Knutson	Olhoff	Solon	Wegener
Frederick	Laufenburger	Olson	Spear	Willet

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

### SPECIAL ORDER

H. F. No. 1783: A bill for an act relating to the city of Brainerd; service credit in the public employees police and fire fund for the fire chief therein.

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 41 and nays 1, as follows:

Those who voted in the affirmative were:

Ashbach	Borden	Frederick	Keefe, J.	Knutson
Bang	Chmielewski	Hanson	Keefe, S.	Laufenburger
Benedict	Coleman	Jensen	Knaak	Lessard
Bernhagen	Engler	Johnson	Knoll	Luther

Menning	Peterson	Sillers	Tennessen	Willet
Nelson	Renneke	Solon	Ueland, A.	
Ogdahl	Schmitz	Spear	Ulland, J.	
Olhoft	Setzepfandt	Strand	Vega	
Penny	Sieloff	Stumpf	Wegener	

Mr. Stokowski voted in the negative.

So the bill passed and its title was agreed to.

### CALL OF THE SENATE

Mr. Solon imposed a call of the Senate for the proceedings on H. F. No. 515. The following Senators answered to their names:

Benedict	Hanson	Knutson	Penny	Strand
Bernhagen	Jensen	Laufenburger	Peterson	Stumpf
Borden	Johnson	Luther	Schmitz	Tennessen
Chmielewski	Keefe, S.	Menning	Schrom	Ueland, A.
Coleman	Knaak	Nelson	Sillers	Wegener
Engler	Knoll	Olhoft	Spear	Willet

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

### SPECIAL ORDER

H. F. No. 515: A bill for an act relating to telephone companies; prohibiting charges for directory assistance; amending Minnesota Statutes 1976, Chapter 237, by adding a section.

Mr. Borden moved to amend the amendment placed on H. F. No. 515 by the Committee on Commerce, adopted by the Senate March 13, 1978, as follows:

Strike the amendment to page 1, line 21

Without objection, pursuant to Rule 22, Messrs. Tennessen and Ulland, A. were excused from voting on H. F. No. 515.

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

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

The roll was called, and there were yeas 29 and nays 26, as follows:

Those who voted in the affirmative were:

Anderson	Gunderson	Knoll	Ogdahl	Staples
Benedict	Hanson	Lessard	Peterson	Stumpf
Borden	Hughes	Lewis	Setzepfandt	Ulland, J.
Chmielewski	Humphrey	Luther	Sikorski	Vega
Coleman	Johnson	Merriam	Solon	Willet
Dieterich	Keefe, S.	Nelson	Spear	

Those who voted in the negative were:

Ashbach	Frederick	Menning	Renneke	Strand
Bang	Jensen	Moe	Schmitz	Wegener
Bernhagen	Kleinbaum	Nichols	Schrom	
Brataas	Knaak	Olhoft	Sieloff	
Dunn	Knutson	Olson	Sillers	
Engler	Laufenburger	Penny	Stokowski	

The motion prevailed. So the amendment was adopted.



Mr. Strand moved to amend H. F. No. 515 as follows:

Page 1, strike section 1

Page 1, line 21, after "*assistance*" insert "*without first having had a general public hearing in each congressional district on the subject of directory assistance charging*"

Renumber the remaining section

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 25 and nays 27, as follows:

Those who voted in the affirmative were:

Ashbach	Frederick	Knaak	Olhoft	Schrom
Bang	Gunderson.	Laufenburger	Olson	Sieloff
Bernhagen	Hughes	Lessard	Penny	Stokowski
Dunn	Jensen	Menning	Renneke	Strand
Engler	Kleinbaum	Moe	Schmitz	Willet

Those who voted in the negative were:

Anderson	Dieterich	Knutson	Setzepfandt	Ulland, J.
Benedict	Hanson	Lewis	Sikorski	Vega
Borden	Humphrey	Luther	Solon	Wegener
Brataas	Johnson	Merriam	Spear	
Chmielewski	Keefe, S.	Nelson	Staples	
Coleman	Knoll	Peterson	Stumpf	

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

Mr. Penny moved to amend H. F. No. 515 as follows:

Strike everything after the enacting clause and insert:

"Section 1. The Minnesota public service commission shall have jurisdiction over the establishment of charges for directory assistance; provided, however, that any plan adopted by the commission shall give credit to those customers who use less than the minimum number of calls established by the commission. Such credit shall be shown in the monthly billing to the customer."

Strike the title and insert:

"A bill for an act relating to telephone companies; giving the public service commission jurisdiction over charges for directory assistance; providing credit in certain cases."

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 24 and nays 28, as follows:

Those who voted in the affirmative were:

Ashbach	Engler	Knoll	Nichols	Schmitz
Bang	Frederick	Knutson	Olhoft	Schrom
Bernhagen	Jensen	Laufenburger	Olson	Sieloff
Brataas	Kleinbaum	Menning	Penny	Strand
Dunn	Knaak	Merriam	Renneke	

Those who voted in the negative were:

Anderson	Gunderson	Lewis	Setzepfandt	Ulland, J.
Benedict	Hanson	Luther	Sikorski	Vega
Borden	Hughes	McCutcheon	Solon	Wegener
Chmielewski	Humphrey	Moe	Spear	Willet
Coleman	Johnson	Nelson	Stokowski	
Dieterich	Keefe, S.	Peterson	Stumpf	

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

H. F. No. 515 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.

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

The roll was called, and there were yeas 30 and nays 26, as follows:

Those who voted in the affirmative were:

Anderson	Frederick	Keefe, S.	McCutcheon	Sikorski
Benedict	Gearty	Knoll	Moe	Spear
Borden	Hanson	Laufenburger	Nelson	Stumpf
Chmielewski	Hughes	Lessard	Ogdahl	Ulland, J.
Coleman	Humphrey	Lewis	Peterson	Vega
Dieterich	Johnson	Luther	Setzepfandt	Willet

Those who voted in the negative were:

Ashbach	Gunderson	Merriam	Schmitz	Strand
Bang	Jensen	Nichols	Schrom	Wegener
Bernhagen	Kleinbaum	Olhoft	Sieloff	
Brataas	Knaak	Olson	Sillers	
Dunn	Knutson	Penny	Solon	
Engler	Menning	Renneke	Stokowski	

So the bill, as amended failed to pass.

### SPECIAL ORDER

H. F. No. 2348: A bill for an act relating to highways; allowing private landowners to install drainage tiles in highway right-of-way; amending Minnesota Statutes 1976, Section 160.20, by adding a subdivision.

Mr. Frederick moved to amend H. F. No. 2348 as follows:

Page 1, line 12, strike "*have*" and insert "*, upon application and approval, be able to acquire*"

Page 1, line 18, after "*first*" insert "*apply for and*"

Page 2, line 1, after the period insert "*No such permit is effective until it has been given final approval by the commissioner of natural resources.*"

Page 2, line 3, after the period insert "*Whoever installs drainage tiles in a highway right-of-way without a written permit from the road authority having jurisdiction, finally approved by the com-*"

*missioner of natural resources, or whoever violates any other provision of this subdivision, is guilty of a misdemeanor."*

Amend the title as follows:

Page 1, line 3, after the semicolon insert "providing a penalty;"

The motion prevailed. So the amendment was adopted.

H. F. No. 2348 was then progressed.

Pursuant to Rule 21, Mr. Hanson moved that the following members be excused for a Conference Committee on H. F. No. 1191:

Messrs. Frederick, Stokowski, McCutcheon and Hanson. The motion prevailed.

Pursuant to Rule 21, Mr. Strand moved that the following members be excused for a Conference Committee on H. F. No. 1859:

Messrs. Strand, Stokowski and Ogdahl. The motion prevailed.

#### SPECIAL ORDER

H. F. No. 1760: A bill for an act relating to the city of Crystal; benefits payable by the firefighter's relief association; amending Laws 1969, Chapter 1088, Sections 2, 4, 5, and 6.

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 38 and nays 0, as follows:

Those who voted in the affirmative were:

Ashbach	Dunn	Johnson	Olhoft	Sieloff
Bang	Engler	Keefe, S.	Olson	Spear
Benedict	Gearty	Knaak	Penny	Stumpf
Bernhagen	Gunderson	Knutson	Peterson	Tennessen
Borden	Hanson	Laufenburger	Renneke	Ulland, J.
Brataas	Hughes	Lessard	Schaaf	Vega
Chmielewski	Humphrey	Luther	Schrom	
Coleman	Jensen	McCutcheon	Setzepfandt	

So the bill passed and its title was agreed to.

#### SUSPENSION OF RULES

Mr. Humphrey moved that an urgency be declared within the meaning of Article IV, Section 19, of the Constitution of Minnesota, with respect to H. F. No. 2017 and that the rules of the Senate be so far suspended as to give H. F. No. 2017, now on Special Orders its third reading and place it on its final passage. The motion prevailed.

#### SPECIAL ORDER

H. F. No. 2017: A bill for an act relating to cable communications; providing for line extension; amending Minnesota Statutes 1976, Sections 238.02, by adding subdivisions; 238.08, Subdivision 1; and Chapter 238, by adding a section.

Mr. Humphrey moved to amend H. F. No. 2017, as amended pursuant to Rule 49, adopted by the Senate March 22, 1978, as follows:

(The text of the amended House File is identical to S. F. No. 2033.)

Page 2, strike lines 30 to 32

Page 3, strike lines 1 to 3 and insert:

*"Subd. 2. [EXEMPTION.] Notwithstanding any law to the contrary, a cable communications system with less than 50 subscribers in a municipality shall be exempt from obtaining a permit from that municipality, unless the municipality chooses to require a permit."*

The motion prevailed. So the amendment was adopted.

H. F. No. 2017 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 37 and nays 0, as follows:

Those who voted in the affirmative were:

Ashbach	Engler	Knutson	Penny	Stumpf
Bang	Frederick	Laufenburger	Peterson	Ulland, J.
Benedict	Gearty	Lessard	Renneke	Vega
Bernhagen	Gunderson	Luther	Setzepfandt	Wegener
Chmielewski	Hughes	Menning	Sieloff	Willet
Coleman	Humphrey	Nelson	Sikorski	
Dieterich	Jensen	Olhoff	Solon	
Dunn	Johnson	Olson	Spear	

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

#### SPECIAL ORDER

H. F. No. 1831: A bill for an act relating to public welfare; extending the pilot dental health program; appropriating money; amending Laws 1976, Chapter 305, Sections 3 and 4, Subdivision 3.

Mr. Tennessen moved to amend H. F. No. 1831, as amended pursuant to Rule 49, adopted by the Senate March 21, 1978, as follows:

(The text of the amended House File is identical to S. F. No. 1730.)

Page 2, line 16, strike "\$450,000" and insert "\$415,000."

The motion prevailed. So the amendment was adopted.

Mr. Keefe, S. moved to amend H. F. No. 1831, as amended pursuant to Rule 49, adopted by the Senate March 21, 1978, as follows:

(The text of the amended House File is identical to S. F. No. 1730.)

Page 1, after line 7, insert a new section to read:

"Section 1. Minnesota Statutes, 1977 Supplement, Section 256B.06, Subdivision 1, is amended to read:

256B.06 [ELIGIBILITY REQUIREMENTS.] Subdivision 1. Medical assistance may be paid for any person:

(1) Who is eligible for or receiving public assistance under the aid to families with dependent children program; or

(2) Who is eligible for or receiving supplemental security income for the aged, blind and disabled; or

(3) Who except for the amount of income or resources would qualify for supplemental security income for the aged, blind and disabled, or aid to families with dependent children and is in need of medical assistance; or

(4) Who is under 21 years of age and in need of medical care that neither he nor his relatives responsible under sections 256B.01 to 256B.26 are financially able to provide; or

(5) Who is residing in a hospital for treatment of mental disease or tuberculosis and is 65 years of age or older and without means sufficient to pay the per capita hospital charge; and

(6) Who resides in Minnesota, or, if absent from the state, is deemed to be a resident of Minnesota in accordance with the regulations of the state agency; and

(7) Who alone, or together with his spouse, does not have net equity in real property used as a home in excess of \$25,000 or real estate not used as a home which produces net income applicable to the family's needs or which the family is making a continuing effort to sell at a fair and reasonable price. The commissioner of public welfare shall annually adjust the limitation on net equity in real property used as a home by the same percentage as the homestead base value index provided in section 273.122, subdivision 2; and

(8) Who, if single, does not have more than \$750 in cash or liquid assets or, if married, whose cash or liquid assets do not exceed \$1,000 plus \$150 for each additional legal dependent except that the value of one automobile the market value of which does not exceed \$1,650 shall be disregarded; and

(9) Who has or anticipates receiving an annual income not in excess of \$2,600 for a single person, or \$3,250 for two family members (man and wife, parent and child, or two siblings), plus \$625 for each additional legal dependent, or who has income in excess of these maxima and in the month of application, or during the three months prior to the month of application, incurs expenses for medical care that total more than one-half of the annual excess income in accordance with the regulations of the state agency. In excess income cases, eligibility shall be limited to a period of six months beginning with the first of the month in which these medical obligations are first incurred.

(10) Who has continuing monthly expenses for medical care that are more than the amount of his excess income, computed on a monthly basis, in which case eligibility may be established before the total income obligation referred to in the preceding paragraph is incurred, and medical assistance payments may be made to cover the monthly unmet medical need. In licensed nursing home and state hospital cases, income over and above that required for justified needs, determined pursuant to a schedule of contributions established by the commissioner of public welfare, is to be applied to the cost of institutional care. The commissioner of public welfare may establish a schedule of contributions to be made by the spouse of a nursing home resident to the cost of care and shall seek a waiver from federal regulations which establish the amount required to be contributed by the *either spouse of when one spouse is a nursing home resident*; and

(11) Who has applied or agrees to apply all proceeds received or receivable by him or his spouse from automobile accident coverage and private health care coverage to the costs of medical care for himself, his spouse, and children. The state agency may require from any applicant or recipient of medical assistance the assignment of any rights accruing under private health care coverage. Any rights or amounts so assigned shall be applied against the cost of medical care paid for under this chapter. Any assignment shall not be effective as to benefits paid or provided under automobile accident coverage and private health care coverage prior to receipt of the assignment by the person or organization providing the benefits."

Renumber the sections in sequence

Further, amend the title as follows:

Page 1, line 2, after the semicolon, insert "changing eligibility for medical assistance;"

Page 1, line 4, after "amending" insert "Minnesota Statutes, 1977 Supplement, Section 256B.06, Subdivision 1; and"

The motion prevailed. So the amendment was adopted.

H. F. No. 1831 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 38 and nays 0, as follows:

Those who voted in the affirmative were:

Ashbach	Engler	Knoll	Olson	Stumpf
Bang	Gearty	Knutson	Penny	Tennessee
Benedict	Gunderson	Laufenburger	Renneke	Ulland, J.
Bernhagen	Hughes	Lessard	Schmitz	Vega
Borden	Jensen	Luther	Schrom	Wegener
Brataas	Johnson	Menning	Setzepfandt	Willet
Chmielewski	Keefe, S.	Nelson	Sieloff	
Dunn	Knaak	Olhoft	Solon	

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

**SPECIAL ORDER**

H. F. No. 1869: 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; expanding scope of functions that may be performed by local health agencies; appropriating money; amending Minnesota Statutes 1976, Sections 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.

Mr. Vega moved to amend H. F. No. 1869, as amended pursuant to Rule 49, adopted by the Senate March 21, 1978, as follows:

(The text of the amended House File is identical to S. F. No. 2077.)

Page 5, after line 32, insert:

*"Sec. 6. [INJUNCTIVE RELIEF.] In addition to any other remedy provided by law, the commissioner of health or local board of health may in its own name bring an action in the district court in the county in which the activity or practice sought to be enjoined occurs, to enjoin any violation of a statute or rule which the commissioner of health or local board of health is empowered to enforce or promulgate. Any such activity or practice may be enjoined as a public nuisance."*

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 8, before "appropriating" insert "providing injunctive relief;"

The motion prevailed. So the amendment was adopted.

Mr. Chmielewski moved to amend H. F. No. 1869, as amended pursuant to Rule 49, adopted by the Senate March 21, 1978, as follows:

(The text of the amended House File is identical to S. F. No. 2077.)

Page 5, after line 32, insert:

*"Sec. 7. Notwithstanding any provision of sections 144.801 to 144.808, the cities of Duluth and Hermantown shall jointly determine whether the public convenience and necessity require ambulance service proposed or operating within the limits of each city."*

Page 6, after line 4, insert:

*"Sec. 10. Section 8 of this act shall be effective upon the approval of the governing bodies of the cities of Duluth and Hermantown and upon compliance with Minnesota Statutes, Section 645.021, and shall expire July 1, 1980."*

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 8, after "agencies;" insert "authorizing the cities of Duluth and Hermantown to make the determination of need for ambulance service;"

The motion prevailed. So the amendment was adopted.

Mr. Johnson moved to amend H. F. No. 1869, as amended pursuant to Rule 49, adopted by the Senate March 21, 1978, as follows:

(The text of the amended House File is identical to S. F. No. 2077.)

Page 2, after line 2, insert:

*"All non-residential chemical dependency services to the Range Area Human Resources Board, Inc., funded by state grant-in-aid moneys shall continue after June 30, 1978, to be provided on a contractual basis to the Arrowhead Center on Problem Drinking."*

The motion prevailed. So the amendment was adopted.

H. F. No. 1869 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 41 and nays 1, as follows:

Those who voted in the affirmative were:

Ashbach	Gunderson	Menning	Schmitz	Ueland, A.
Bang	Hughes	Nelson	Schrom	Ulland, J.
Benedict	Jensen	Nichols	Setzepfandt	Vega
Bernhagen	Johnson	Ogdahl	Sieloff	Wegener
Borden	Keefe, S.	Olson	Sillers	Willet
Chmielewski	Knoll	Penny	Solon	
Dunn	Laufenburger	Peterson	Spear	
Engler	Lessard	Renneke	Stumpf	
Gearty	Luther	Schaaf	Tennessee	

Mr. Knutson voted in the negative.

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

#### SPECIAL ORDER

H. F. No. 2170: A bill for an act relating to education; higher education coordinating board; providing for a statewide career guidance program; appropriating money.

Mr. Hughes moved that the amendment made to H. F. No. 2170 by the Committee on Rules and Administration in the report adopted March 21, 1978, pursuant to Rule 49, be stricken. The motion prevailed. So the amendment was stricken.

H. F. No. 2170 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 36 and nays 1, as follows:

Those who voted in the affirmative were:

Ashbach	Gunderson	Luther	Schaaf	Stumpf
Bang	Hughes	Menning	Schmitz	Ueland, A.
Benedict	Johnson	Nichols	Schrom	Ulland, J.
Bernhagen	Keefe, S.	Ogdahl	Setzepfandt	Willet
Borden	Knoll	Olhoft	Sieloff	
Chmielewski	Knutson	Olson	Sillers	
Dunn	Laufenburger	Penny	Solon	
Gearty	Lessard	Peterson	Spear	

Mr. Tennesen voted in the negative.

So the bill passed and its title was agreed to.

### SPECIAL ORDER

H. F. No. 933: A bill for an act relating to Ramsey county; amending the Ramsey county code by rearranging certain provisions therein relating to welfare and by deleting obsolete provisions therein relating to welfare; amending Laws 1974, Chapter 435, Sections 1.0204 and 3.13.

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 34 and nays 0, as follows:

Those who voted in the affirmative were:

Bang	Hughes	Lessard	Schmitz	Stumpf
Benedict	Johnson	Luther	Schrom	Tennesen
Bernhagen	Keefe, S.	Menning	Setzepfandt	Ueland, A.
Chmielewski	Knaak	Nichols	Sieloff	Ulland, J.
Dunn	Knoll	Olhoft	Sillers	Vega
Gearty	Knutson	Olson	Solon	Willet
Gunderson	Laufenburger	Penny	Spear	

So the bill passed and its title was agreed to.

### CALL OF THE SENATE

Mr. Wegener imposed a call of the Senate for the proceedings on H. F. No. 1881. The following Senators answered to their names:

Bang	Gearty	Luther	Schrom	Ueland, A.
Benedict	Gunderson	Menning	Setzepfandt	Ulland, J.
Bernhagen	Hughes	Nelson	Sieloff	Vega
Borden	Johnson	Olhoft	Sillers	Wegener
Chmielewski	Keefe, J.	Penny	Solon	Willet
Coleman	Knaak	Peterson	Spear	
Dunn	Knutson	Renneke	Strand	
Engler	Lessard	Schmitz	Tennesen	

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

Pursuant to Rule 21, Mr. Humphrey moved that the following members be excused for a Conference Committee on H. F. No. 2261:

Messrs. Humphrey, Anderson and Ogdahl. The motion prevailed.

### SPECIAL ORDER

H. F. No. 1881: A bill for an act relating to agriculture; family farm security program; providing for exclusion from gross income of interest on certain loans; amending Minnesota Statutes 1976, Section 41.58, by adding a subdivision.

Mr. Bernhagen moved to amend H. F. No. 1881, as amended by the Committee on Taxes and Tax Laws, as follows:

Page 1, after line 15, insert:

*"Subd. 4. [TAXABILITY; OTHER LOANS.] The interest earned by the seller of property on a seller-sponsored loan that is not guaranteed by the commissioner shall be excludable from gross income for purposes of chapter 290 for the year in which it is received; provided that the exclusion shall equal what the interest exclusion would have been if the loan were a family farm security loan, and provided that the eligibility requirements set forth in Minnesota Statutes, Section 41.55, Clauses (a), (b), (d), and (f) are determined by the commissioner to have been met."*

Further, amend the amendment placed on H. F. No. 1881 by the Committee on Taxes and Tax Laws, adopted by the Senate March 15, 1978, as follows:

Subdivision 20, Clause (b) (9), in the last line, after "41.60" insert *"or earned by a seller under a loan executed after December 1, 1977 and before January 1, 1982 pursuant to section 41.58, subdivision 4"*

Sec. 3. Subd. 23, after "41.60" insert *"or earned by a seller under a loan executed after December 1, 1977 and before January 1, 1982 pursuant to section 41.58, subdivision 4"*

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 12 and nays 28, as follows:

Those who voted in the affirmative were:

Ashbach	Brataas	Knaak	Renneke	Sieloff
Bang	Engler	Knutson	Schrom	Ueland, A.
Bernhagen	Frederick			

Those who voted in the negative were:

Benedict	Johnson	Nelson	Schmitz	Tennessen
Chmielewski	Laufenburger	Nichols	Setzepfandt	Vega
Dieterich	Lessard	Olhoft	Solon	Wegener
Gearty	Luther	Olson	Spear	Willet
Gunderson	Menning	Penny	Stokowski	
Hughes	Merriam	Purfeerst	Strand	

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

H. F. No. 1881 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 36 and nays 15, as follows:

Those who voted in the affirmative were:

Benedict	Hanson	Merriam	Renneke	Strand
Borden	Hughes	Nelson	Schmitz	Vega
Chmielewski	Johnson	Nichols	Schrom	Wegener
Coleman	Laufenburger	Olhoft	Setzepfandt	Willet
Dunn	Lessard	Olson	Solon	
Engler	Luther	Penny	Spear	
Gearty	McCutcheon	Peterson	Staples	
Gunderson	Menning	Purfeerst	Stokowski	

Those who voted in the negative were:

Ashbach	Brataas	Kleinbaum	Knutson	Tennessen
Bang	Dieterich	Knaak	Sieloff	Ueland, A.
Bernhagen	Frederick	Knoll	Sillers	Ulland, J.

So the bill passed and its title was agreed to.

Pursuant to Rule 21, Mr. Johnson moved that the following members be excused for a Conference Committee on H. F. No. 2250:

Messrs. Johnson, McCutcheon, Hanson, Stokowski and Sillers. The motion prevailed.

#### APPOINTMENTS

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

S. F. No. 2361: Messrs. McCutcheon, Hanson and Sieloff.

H. F. No. 474: Messrs. Gunderson, Penny and Knutson.

H. F. No. 2102: Messrs. Nelson, Vega and Ulland, J.

H. F. No. 2137: Messrs. Moe, Willet and Dunn.

H. F. No. 1781: Messrs. Hughes, Chenoweth and Mrs. Knaak.

H. F. No. 2093: Messrs. Stokowski, Chenoweth and Ogdahl.

H. F. No. 1861: Messrs. Stokowski, Strand and Ogdahl.

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

Without objection, the Senate reverted to the Order of Business of Messages From the House.

### MESSAGES FROM THE HOUSE

Mr. President:

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

S. F. No. 1689: A bill for an act relating to battered women; appropriating money; amending Minnesota Statutes, 1977 Supplement, Sections 241.62, Subdivisions 1 and 4 and by adding a subdivision; 241.63; 241.66, Subdivision 2, and by adding a subdivision.

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

Kahn, Samuelson, McCarron, St. Onge and Zubay.

Senate File No. 1689 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 22, 1978

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 1734.

H. F. No. 1734: A bill for an act relating to courts; permitting referees and judicial officers in certain courts; restricting appointment of referees and judicial officers; requiring the supreme court to submit recommendations; repealing Minnesota Statutes, 1977 Supplement, Sections 484.70 and 487.08.

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

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

House File No. 1734 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 22, 1978

Mr. Tennesen moved that the Senate accede to the request of the House for a Conference Committee on H. F. No. 1734, 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. 1863.

H. F. No. 1863: A bill for an act relating to the operation of state government; allowing the state to make advance payments or deposits for certain items; providing for centralized rental payments to be made from the general services revolving fund; extending the time in which to repay loans from the general fund to revolving funds; allowing the commissioner of administration to publish agency descriptions in the state register biennially instead of annually; amending Minnesota Statutes 1976, Section 16.096; Minnesota Statutes, 1977 Supplement, Sections 15.0412, Subdivision 2; 16.80, Subdivision 1; and 16A.126.

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

Reding; Sieben, H.; Casserly; Kahn and Zubay have been appointed as such committee on the part of the House.

House File No. 1863 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives  
Transmitted March 22, 1978

Mr. Chenoweth moved that the Senate accede to the request of the House for a Conference Committee on H. F. No. 1863, and that a Conference Committee of 5 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. 1916.

H. F. No. 1916: A bill for an act relating to taxation; defining the use of sales ratio studies; requiring social security numbers; providing a procedure for handling ad valorem tax abatements; providing a uniform appeal and demand period; clarifying classification of certain homesteads; recodifying the classification of resort property; allowing a special levy for commuter van program; providing adjustments to the levy limit base; defining resident estate and resident trust for income tax purposes; defining income in computing low income credit; providing apportionment in computing minimum tax on preference items; allowing a carryback period for out-of-state losses; authorizing the commissioner of revenue to release information to assessors; amending Minnesota Statutes 1976, Sections 270.07, by adding a subdivision; 270.075, Subdivision 2; 270.076, Subdivision 1; 272.08; 273.13, Subdivision 19, and by adding a subdivision; 290.01, by adding subdivisions; 290.46; 290.47; 290.48, Subdivi-

sions 1 and 2; 290A.11, Subdivision 1; 290A.12; 292.08, Subdivision 4; 292.09, Subdivision 3; 294.02; 294.021; 297.07, Subdivision 3; 297.09, Subdivision 5; 297.35, Subdivision 3; 297.37, Subdivision 5; 297A.31, Subdivision 1; 297A.33, Subdivision 1; and Chapter 270, by adding a section; Minnesota Statutes, 1977 Supplement, Sections 124.212, Subdivision 11; 273.13, Subdivisions 4 and 6; 275.50, Subdivision 5; 275.51, Subdivision 3d; 290.012, Subdivision 2; 290.091; 290.17; 298.282, Subdivision 2; 298.48, Subdivision 4; repealing Laws 1977, Chapter 307, Section 27.

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

Pehler, Casserly and Skoglund have been appointed as such committee on the part of the House.

House File No. 1916 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives  
Transmitted March 22, 1978

Mr. McCutcheon moved that the Senate accede to the request of the House for a Conference Committee on H. F. No. 1916, 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.

### SPECIAL ORDER

H. F. No. 1813: A bill for an act relating to the town of Leota in Nobles county; authorizing the establishment of detached banking facilities.

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 38 and nays 0, as follows:

Those who voted in the affirmative were:

Ashbach	Gunderson	Lessard	Purfeerst	Stokowski
Bang	Hanson	Luther	Renneke	Tennessen
Benedict	Johnson	McCutcheon	Schmitz	Ueland, A.
Bernhagen	Keefe, S.	Menning	Schrom	Ulland, J.
Chmielewski	Knaak	Nelson	Sieloff	Vega
Dieterich	Knoll	Olhoft	Sikorski	Willet
Engler	Knutson	Penny	Sillers	
Gearty	Laufenburger	Peterson	Spear	

So the bill passed and its title was agreed to.

### SPECIAL ORDER

H. F. No. 2104: A bill for an act relating to the state fire marshal; concerning the uniform fire code; providing for fee, fines and pen-

alties; appropriating money; amending Minnesota Statutes 1976, Sections 299F.011; 299F.04, Subdivision 2, and by adding a subdivision; 299F.05; 299F.06, Subdivision 1; 299F.41, Subdivision 4; 299F.42; 299F.43, Subdivision 1; 299F.44; 299F.46; 299H.23; 299H.25; 299H.26; 299H.27; 299H.28; 299I.22; 299I.24; and Chapters 299F; 299H; and 299I, by adding sections; and Minnesota Statutes, 1977 Supplement, Section 299F.362, Subdivision 6; repealing Minnesota Statutes 1976, Sections 299F.33; 299F.39; 299G.01 to 299G.08; 299H.03 to 299H.21; 299I.01, Subdivisions 6, 7, 8 and 9; 299I.09; and 299I.11 to 299I.19.

Mr. Willet moved to amend H. F. No. 2104, as amended pursuant to Rule 49, adopted by the Senate March 21, 1978, as follows:

(The text of the amended House File is identical to S. F. No. 1924.)

Page 2, line 26, before "*uniform*" insert "*must be*"

Page 3, line 10, after "*made*" insert "*by the fire marshal*" and after "*proceed*" insert "*before the fire marshal*"

Page 3, line 12, strike "*procedures*" and insert "*procedure*"

Page 4, line 3, strike "*When*" and insert "*If*"

Page 4, line 4, strike "*has determined*" and insert "*determines*"

Page 6, line 29, strike "*for*" and insert "*at the rate of \$35 per day plus*"

Page 8, line 29, before the semicolon, insert "*, and which is required to be licensed as a hotel pursuant to chapter 157*"

Pages 9 and 10, strike all of sections 9, 10, 11 and 12

Page 12, line 4, strike "*299F.391*" and insert "*8*"

Page 16, line 32, strike "*less*" and insert "*more*"

Renumber the sections in sequence

Amend the title as follows:

Line 7, strike "*299F.41,*"

Strike line 8

Line 9, strike "*299F.44;*"

The motion prevailed. So the amendment was adopted.

#### CALL OF THE SENATE

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

Bang	Engler	Knutson	Penny	Spear
Benedict	Gearty	Laufenburger	Purfeerst	Stokowski
Bernhagen	Gunderson	Lessard	Renneke	Tennessen
Borden	Hughes	Luther	Schmitz	Ueland, A.
Brataas	Keefe, J.	Menning	Schrom	Ulland, J.
Chmielewski	Keefe, S.	Merriam	Setzepfandt	Vega
Coleman	Knaak	Nelson	Sieloff	
Dunn	Knoll	Olhoff	Sikorski	

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

H. F. No. 2104 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 38 and nays 1, as follows:

Those who voted in the affirmative were:

Ashbach	Dunn	Laufenburger	Peterson	Spear
Bang	Engler	Lessard	Purfeerst	Tennessen
Benedict	Gearty	Luther	Schmitz	Ueland, A.
Bernhagen	Gunderson	Menning	Schrom	Ulland, J.
Borden	Hughes	Merriam	Setzepfandt	Vega
Brataas	Keefe, J.	Nelson	Sieloff	Willet
Chmielewski	Knoll	Olhoft	Sikorski	
Dieterich	Knutson	Penny	Solon	

Mr. Renneke voted in the negative.

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

### SPECIAL ORDER

S. F. No. 1645: A bill for an act relating to veterans; providing for a study of veterans problems; providing a study of academic credit for military training and experience; appropriating money.

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 35 and nays 0, as follows:

Those who voted in the affirmative were:

Ashbach	Dunn	Knutson	Olhoft	Sikorski
Bang	Gearty	Laufenburger	Penny	Solon
Benedict	Gunderson	Lessard	Purfeerst	Spear
Bernhagen	Hughes	Luther	Renneke	Tennessen
Chmielewski	Jensen	Menning	Schmitz	Ulland, J.
Coleman	Keefe, J.	Merriam	Setzepfandt	Vega
Dieterich	Keefe, S.	Nelson	Sieloff	Willet

So the bill passed and its title was agreed to.

Without objection, the Senate reverted to the Order of Business of Messages From the House.

### MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on Senate File No. 1891 and repassed said bill in accordance with the report of the Committee, so adopted.



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.

Senate File No. 1891 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives  
Returned March 22, 1978

Mr. President:

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

S. F. No. 744: A bill for an act relating to elections; defining member of a political party; altering various provisions relating to publication of constitutional amendment explanation, ballots, judges, summary statements, canvasses and returns; amending Minnesota Statutes 1976, Chapter 204A, by adding a section; and Sections 3.21; 200.02, by adding a subdivision; 204A.18, Subdivision 1; 204A.32, Subdivision 4; 204A.42, Subdivision 1; 204A.45, Subdivision 1; 204A.46, Subdivisions 1, 2, 3 and 4; 204A.47; and 204A.51, Subdivisions 2 and 3; repealing Minnesota Statutes 1976, Sections 204A.45, Subdivision 2; and 204A.48.

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

Lehto, Knickerbocker and Cummiskey.

Senate File No. 744 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives  
Returned March 22, 1978

Mr. President:

I have the honor to announce that the House refuses to adopt the Conference Committee Report on House File No. 669.

H. F. No. 669: A bill for an act relating to trespass; prohibiting trespass on certain lands of another for purposes of taking wild animals, fish or plants; limiting discharge of a firearm within 500 feet of an occupied building; amending Minnesota Statutes 1976, Sections 100.273; and 100.29, Subdivision 21; repealing Minnesota Statutes 1976, Section 100.29, Subdivision 22.

The House has appointed new conferees as follows:

Clawson, Searle and Wenstrom.

House File No. 669 has been returned to the Conference Committee.

Edward A. Burdick, Chief Clerk, House of Representatives  
March 22, 1978

Mr. Purfeerst moved that, the House having rejected the adoption of the Conference Committee Report on H. F. No. 669 and having discharged the Committee, the Senate accede to the request of the House for a new Conference Committee on H. F. No. 669, and that a new Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like new Conference Committee appointed on the part of the House. The motion prevailed.

#### **MEMBERS EXCUSED**

Mr. Wegener was excused from the Session of today at 4:00 o'clock p.m.

#### **MOTIONS AND RESOLUTIONS—CONTINUED**

Mr. Coleman moved that the Senate do now adjourn until 9:00 o'clock a.m., Thursday, March 23, 1978. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate