

THIRTY-EIGHTH DAY

St. Paul, Minnesota, Thursday, April 19, 1979

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

CALL OF THE SENATE

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

Anderson	Frederick	Lewis	Peterson	Strand
Ashbach	Gearty	McCutcheon	Pillsbury	Stumpf
Bang	Gunderson	Menning	Purfeerst	Tennessen
Bernhagen	Hughes	Moe	Renneke	Ueland, A.
Chmielewski	Jensen	Nelson	Rued	Ulland, J.
Coleman	Johnson	Nichols	Schmitz	Vega
Davies	Keefe, S.	Ogdahl	Setzepfandt	Wegener
Dieterich	Kirchner	Olson	Sieloff	Willet
Dunn	Kleinbaum	Penny	Spear	
Engler	Knaak	Perpich	Stokowski	

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

Prayer was offered by the Chaplain, Rev. George C. Stierwald.

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

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

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

Mrs. Brataas, Messrs. Merriam and Schrom were excused from the Session of today.

INTRODUCTION AND FIRST READING OF SENATE BILLS

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

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

S. F. No. 1394: A bill for an act relating to taxation; real property; providing reduced assessment of certain commercial property; providing reimbursement to taxing districts for revenue lost as a result of the reduced assessment; appropriating money; amending Minnesota Statutes 1978, Section 273.13, by adding a subdivision.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Hughes, Stumpf and Strand introduced—

S. F. No. 1395: A bill for an act relating to education; extending the eligibility for secondary vocational education funding; amending Minnesota Statutes 1978, Section 124.573, Subdivision 3.

Referred to the Committee on Education.

Mr. Hughes introduced—

S. F. No. 1396: 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.

Referred to the Committee on Governmental Operations.

Mr. Davies introduced—

S. F. No. 1397: A bill for an act relating to education; providing for school bus safety education; eliminating certain requirements relating to the use of stop signal arms, flashing red signals and school patrol flags and signals in connection with school buses; imposing a duty on the driver of a school bus; amending Minnesota Statutes 1978, Section 169.44, Subdivision 2.

Referred to the Committee on Transportation.

Mr. Davies introduced—

S. F. No. 1398: A bill for an act relating to accounting; providing for the licensing of public accountants and certified public accountants; specifying additional means of satisfying experience requirements; amending Minnesota Statutes 1978, Section 326.19, Subdivision 4.

Referred to the Committee on Commerce.

Messrs. Johnson, Nelson, Hughes, Anderson and Dunn introduced—

S. F. No. 1399: A bill for an act relating to education; establishing a basic skills program; appropriating money.

Referred to the Committee on Education.

Mr. Strand introduced—

S. F. No. 1400: A bill for an act relating to the city of Benson; authorizing the issuance of revenue bonds for the acquisition and installation of equipment for hospital and medical clinic purposes.

Referred to the Committee on Local Government.

Mr. Nichols introduced—

S. F. No. 1401: A bill for an act relating to agriculture; providing annual audits for promotional councils; amending Minnesota Statutes 1978, Section 17.58, by adding a subdivision.

Referred to the Committee on Agriculture and Natural Resources.

Messrs. Pillsbury, Schmitz and Dunn introduced—

S. F. No. 1402: A bill for an act relating to elections; regulating campaign financing; prohibiting contributions and loans between principal campaign committees; amending Minnesota Statutes 1978, Section 10A.27, by adding a subdivision.

Referred to the Committee on Elections.

Messrs. Jensen, Frederick, Laufenburger, Renneke and Peterson introduced—

S. F. No. 1403: A bill for an act relating to workers' compensation; providing that certain farmers owning baling or threshing equipment may be considered as independent contractors; amending Minnesota Statutes 1978, Section 176.011, Subdivision 12.

Referred to the Committee on Employment.

Mr. Menning introduced—

S. F. No. 1404: A bill for an act relating to retirement; authorizing retirement plans for certain ambulance drivers and attendants; providing for the financing thereof.

Referred to the Committee on Governmental Operations.

Messrs. Olhoft, Nelson, Sikorski, Kirchner and Gunderson introduced—

S. F. No. 1405: A bill for an act relating to welfare; establishing a pilot program of subsidies to families caring in the home for cer-

tain physically handicapped or developmentally disabled children or for physically impaired or chronically ill persons over the age of 65; appropriating money; amending Minnesota Statutes 1978, Section 256B.51; and Chapter 245, by adding a section.

Referred to the Committee on Health, Welfare and Corrections.

Mr. Solon introduced—

S. F. No. 1406: A bill for an act relating to aeronautics; providing representation for affected communities on airport zoning boards; regulating the process of airport zoning; amending Minnesota Statutes 1978, Sections 360.061, Subdivision 3; 360.063, Subdivision 3; and 360.065.

Referred to the Committee on Transportation.

Mr. Chmielewski introduced—

S. F. No. 1407: A bill for an act relating to aeronautics; providing compensation for land takings due to airport zoning; regulating airport zoning; amending Minnesota Statutes 1978, Section 360.062; 360.066, Subdivision 1a; and 360.067, Subdivision 1.

Referred to the Committee on Transportation.

Mr. Keefe, S. introduced—

S. F. No. 1408: A bill for an act relating to taxation; motor vehicle excise; exempting used motor vehicle sales; amending Minnesota Statutes 1978, Section 297B.03.

Referred to the Committee on Taxes and Tax Laws.

Mr. Keefe, S. introduced—

S. F. No. 1409: A bill for an act relating to political parties; changing the date for holding precinct caucuses; amending Minnesota Statutes 1978, Section 202A.14, Subdivision 1.

Referred to the Committee on Elections.

Messrs. Kleinbaum, Stokowski and Ogdahl introduced—

S. F. No. 1410: A bill for an act relating to retirement; Minnesota state retirement system correctional employees retirement plan; eliminating the social security offset for certain retired and active correctional officers.

Referred to the Committee on Governmental Operations.

Messrs. Kleinbaum, Stokowski and Ogdahl introduced—

S. F. No. 1411: A bill for an act relating to retirement; increasing annuities and benefits for certain annuitants, disabilitants

and survivors of the highway patrolmen's retirement fund; appropriating funds.

Referred to the Committee on Governmental Operations.

Messrs. Kleinbaum, Stokowski and Ogdahl introduced—

S. F. No. 1412: A bill for an act relating to retirement; providing a surviving spouse annuity to certain surviving spouses of certain former members of the public employees retirement association.

Referred to the Committee on Governmental Operations.

Mr. Perpich introduced—

S. F. No. 1413: A bill for an act relating to the county of St. Louis; permitting the sale of certain tax-forfeited land.

Referred to the Committee on Agriculture and Natural Resources.

Messrs. Kirchner, Nelson, Coleman, Solon and Knutson introduced—

S. F. No. 1414: A bill for an act relating to health; requiring licensing of certain home health agencies; directing the department of health to regulate home health agencies; establishing penalties; appropriating money.

Referred to the Committee on Health, Welfare and Corrections.

Messrs. McCutcheon, Solon and Stokowski introduced—

S. F. No. 1415: A bill for an act relating to taxation; clarifying the taxable status of Title II property owned by a non-profit entity; amending Minnesota Statutes 1978, Section 272.02, Subdivision 1.

Referred to the Committee on Taxes and Tax Laws.

Mr. Nelson introduced—

S. F. No. 1416: A bill for an act relating to taxation; motor vehicle, excise; providing a credit on the excise tax for the value of a motor vehicle destroyed in an accident in certain transactions; amending Minnesota Statutes 1978, Section 297B.01, Subdivision 8.

Referred to the Committee on Taxes and Tax Laws.

Mr. Solon introduced—

S. F. No. 1417: A bill for an act relating to retirement; authorizing purchase of allowable service credit by certain members of

the teachers retirement fund for prior service as nonpublic school teachers; amending Minnesota Statutes 1978, Chapter 354, by adding a section.

Referred to the Committee on Governmental Operations.

Messrs. Knutson and Kirchner introduced—

S. F. No. 1418: A bill for an act relating to public welfare; changing the definition of "near relative"; regarding notice for commissioner's orders and special review boards; concerning appearances before review boards; concerning petitions for adoption; concerning annual meetings and expense estimates of county welfare boards; amending Minnesota Statutes 1978, Sections 252A.02, Subdivision 6; 253A.15, Subdivision 2; 253A.16, Subdivision 2; 259.22, Subdivision 2; 259.24, Subdivision 5; 393.01, Subdivision 2; 393.04; 393.08; repealing Minnesota Statutes 1978, Sections 246.44; 246.45; 246.46; and 260.41 to 260.46.

Referred to the Committee on Health, Welfare and Corrections.

Mr. Schaaf introduced—

S. F. No. 1419: A bill for an act relating to public welfare; adjusting certain eligibility requirements for medical assistance and supplemental aid recipients; amending Minnesota Statutes 1978, Sections 256B.06, Subdivision 1; and 256D.37, Subdivision 2.

Referred to the Committee on Health, Welfare and Corrections.

Messrs. Anderson, Schaaf, Stokowski and Merriam introduced—

S. F. No. 1420: A bill for an act relating to the county of Anoka; authorizing housing finance programs; providing for the issuance of revenue bonds.

Referred to the Committee on Energy and Housing.

Messrs. Davies, Schaaf and Keefe, J. introduced—

S. F. No. 1421: A bill for an act relating to crimes; immunity from prosecution; changing the current transactional immunity to conform with federal use immunity; amending Minnesota Statutes 1978, Section 609.09, Subdivision 1.

Referred to the Committee on Judiciary.

Mr. Knutson introduced—

S. F. No. 1422: A bill for an act relating to public welfare; general assistance; changing the county of financial responsibility for social services in certain cases; amending Minnesota Statutes 1978, Section 256D.18, Subdivision 2.

Referred to the Committee on Health, Welfare and Corrections.

Mr. Knutson introduced—

S. F. No. 1423: A bill for an act relating to the city of Eagan; authorizing a housing finance program; providing for the issuance of bonds to finance the program.

Referred to the Committee on Energy and Housing.

Messrs. Olhoft, McCutcheon, Peterson, Johnson and Davies introduced—

S. F. No. 1424: A bill for an act relating to taxation; sales and use tax; clarifying the definition of a sale; specifying tax on food, meals, drinks, and lodging; providing methods of collecting unpaid taxes; providing requirements for refunds; imposing penalties; providing a credit for sale of automobile in computing motor vehicle excise tax; amending Minnesota Statutes 1978, Sections 297A.01, Subdivision 3; 297A.14; 297A.33, Subdivision 1, and by adding a subdivision; 297A.35, Subdivision 1, and by adding a subdivision; 297A.39, Subdivision 3; and 297B.01, Subdivision 8.

Referred to the Committee on Taxes and Tax Laws.

Mr. Schmitz introduced—

S. F. No. 1425: A bill for an act relating to local government; providing that part of the town of Laketown is in the Lake Minnetonka conservation district for tax purposes.

Referred to the Committee on Local Government.

Mrs. Staples and Mr. Renneke introduced—

S. F. No. 1426: A bill for an act relating to the state civil service; clarifying language and statutory references; providing for modern methods of personnel data record keeping; clarifying the salary setting authority of the attorney general and the higher education systems; adding and deleting certain job categories in the unclassified civil service; clarifying the rights of classified employees appointed to the newly created unclassified positions; providing managerial benefits to department heads and deputies; modifying the expanded certification procedures; modifying promotional procedures; clarifying the appointment process following reallocation of positions; modifying the emergency and temporary appointment provisions; simplifying the time off in emergencies procedure; coordinating human resource planning with biennial budget preparation; authorizing the commissioner to promulgate rules on special expenses and permitting the commissioner of finance to delegate enforcement of expenses to appointing authorities; clarifying continuance of eligibility for health and life insurance benefits for state employees; removing eligibility for health and life insurance benefits from student workers and interns; removing the governor from approving modifications in social security agreements with the secretary of health, education and welfare; amending Minnesota Statutes 1978, Sections 15A.13; 43.01, Subdivisions 10 and 11,

and by adding a subdivision; 43.05, Subdivision 2; 43.051, Subdivision 1; 43.055; 43.062, Subdivision 4; 43.064; 43.09, Subdivisions 2 and 2a; 43.12, Subdivision 15; 43.127, Subdivision 6; 43.15, Subdivision 5; 43.17, Subdivisions 3 and 4a; 43.19; 43.20, Subdivisions 3 and 5; 43.227; 43.32, Subdivision 4; 43.327, Subdivisions 2 and 3; 43.44, Subdivision 2; 43.47, Subdivision 2; 355.12; 355.17; 355.207; 355.23, Subdivision 3; 355.286; 355.295; 355.308; 355.45; 355.60; and 355.76.

Referred to the Committee on Governmental Operations.

Mr. Engler introduced—

S. F. No. 1427: A bill for an act relating to energy; encouraging municipalities to use diseased trees as firewood.

Referred to the Committee on Energy and Housing.

Mr. Sikorski introduced—

S. F. No. 1428: A bill for an act relating to hospitalization and commitment; requiring committing courts to establish result oriented evaluation programs for committed persons; appointment of counsel guardians for committed persons; establishing a central agency within the department of public welfare which shall develop a program of statistical analysis relating to treatment of committed persons.

Referred to the Committee on Judiciary.

Mr. Sikorski introduced—

S. F. No. 1429: A bill for an act relating to the city of Cottage Grove; authorizing a housing finance program and providing for the issuance of bonds to finance the program for single family or multiple family housing, or both.

Referred to the Committee on Energy and Housing.

Messrs. Bang, Engler and Olson introduced—

S. F. No. 1430: A bill for an act relating to motor vehicles; providing for the proration of taxes on certain vehicles on the basis of the registration period; providing for the issuance and use of certain motor vehicle dealer plates; adjusting the bond provisions for certain dealers; authorizing dealers' licenses for the sale of motorized bicycles; specifying grounds for suspension and revocation of dealers' licenses; amending Minnesota Statutes 1978, Sections 168.013, Subdivision 2; and 168.27, Subdivisions 2, 12, 20, 22 and 24.

Referred to the Committee on Commerce.

Mr. Engler introduced—

S. F. No. 1431: A bill for an act relating to taxation; property; increasing the homestead credit for classes 3b, 3c and 3cc property; amending Minnesota Statutes 1978, Section 273.13, Subdivisions 6 and 7.

Referred to the Committee on Taxes and Tax Laws.

Mr. Sikorski introduced—

S. F. No. 1432: A bill for an act relating to the environment; establishing a state program for processing and storing hazardous wastes; establishing a state hazardous waste commission; prescribing the commission's powers and duties; providing for a penalty; appropriating money.

Referred to the Committee on Agriculture and Natural Resources.

Mr. Sikorski introduced—

S. F. No. 1433: A bill for an act relating to Washington County; providing for the appointment and compensation of probation officers; amending Laws 1978, Chapter 693, Section 2.

Referred to the Committee on Local Government.

Mr. Sikorski introduced—

S. F. No. 1434: A bill for an act relating to metropolitan government; providing for reconciliation of various possible conflicts among plans or programs; amending Minnesota Statutes 1978, Section 473.175, Subdivision 1.

Referred to the Committee on Governmental Operations.

Messrs. Sieloff, Knutson, Spear and Dieterich introduced—

S. F. No. 1435: A resolution memorializing the Federal Republic of Germany to repeal the statute of limitations for Nazi crimes.

Referred to the Committee on Judiciary.

Mr. Knutson introduced—

S. F. No. 1436: A bill for an act relating to human services; altering provisions related to membership of human services boards; establishing procedures for planning by the boards; prescribing additional duties of the state planning officer; providing for reports by the board; amending Minnesota Statutes 1978, Sections 402.01; 402.02; 402.03; 402.04, Subdivision 1; 402.045; 402.05, by adding

a subdivision; 402.06; 402.065; 402.07; and 402.095; and Chapter 402, by adding a section; repealing Minnesota Statutes 1978, Sections 402.046; and 402.05, Subdivision 2.

Referred to the Committee on Health, Welfare and Corrections.

Mr. Merriam introduced—

S. F. No. 1437: A bill for an act relating to education; teachers; modifying and providing procedures for termination, discharge or demotion of certain teachers; amending Minnesota Statutes 1978, Sections 125.12, Subdivisions 3, 4, 6b, 8 and 11; 125.17, Subdivisions 2 and 5; and Chapter 125, by adding a section; repealing Minnesota Statutes 1978, Sections 125.12, Subdivisions 9 and 10; and 125.17, Subdivisions 6, 7, 8, 9 and 10.

Referred to the Committee on Education.

Mr. Olhoft introduced—

S. F. No. 1438: A bill for an act relating to towns; providing for the date and notice of town meetings; amending Minnesota Statutes 1978, Section 365.51.

Referred to the Committee on Local Government.

Mr. Moe introduced—

S. F. No. 1439: A bill for an act relating to Polk County; regulating fees charged for acquisition and maintenance of the Polk County law library; amending Laws 1967, Chapter 223, Section 1.

Referred to the Committee on Judiciary.

Mr. Spear introduced—

S. F. No. 1440: A bill for an act relating to public welfare; prohibiting denial or reduction of benefits under certain private health care plans to public assistance recipients; providing subrogation rights for counties to recover costs of services provided; amending Minnesota Statutes 1978, Sections 62A.045; 62C.141; 62E.04, Subdivision 8; 64A.221; and Chapter 393, by adding a section.

Referred to the Committee on Commerce.

Mr. Solon introduced—

S. F. No. 1441: A bill for an act relating to taxation; extending the homemaker income tax credit to certain parents of handicapped children; amending Minnesota Statutes 1978, Section 290.06, Subdivision 3e.

Referred to the Committee on Taxes and Tax Laws.

Mr. Laufenburger introduced—

S. F. No. 1442: A bill for an act relating to taxation; sales; exempting goods and services sold by certain charitable organizations; amending Minnesota Statutes 1978, Section 297A.25, Subdivision 1.

Referred to the Committee on Taxes and Tax Laws.

Mr. Laufenburger introduced—

S. F. No. 1443: A bill for an act relating to transportation; providing for a feasibility study and cost analysis of certain modifications of trunk highway marked No. 74 within Whitewater State Park; including within the study the feasibility and cost of relocating certain park facilities; appropriating money.

Referred to the Committee on Transportation.

Messrs. Davies, Merriam, Bang, Ashbach and Laufenburger introduced—

S. F. No. 1444: A bill for an act relating to insurance; providing a deduction for health and accident benefits paid in the taxation of insurance companies; amending Minnesota Statutes 1978, Section 60A.15, Subdivision 1.

Referred to the Committee on Taxes and Tax Laws.

Mr. McCutcheon introduced—

S. F. No. 1445: A bill for an act relating to taxation; redefining "sales price" to omit federal excise tax on tires for purposes of determining sales tax; amending Minnesota Statutes 1978, Section 297A.01, Subdivision 8.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Stumpf, McCutcheon, Mrs. Knaak, Messrs. Ashbach and Chenoweth introduced—

S. F. No. 1446: A bill for an act relating to Ramsey County; fixing the terms of county commissioners; amending Laws 1974, Chapter 435, Section 2.021, as amended.

Referred to the Committee on Local Government.

Mr. Olson introduced—

S. F. No. 1447: A bill for an act relating to Independent School District No. 836 (Butterfield-Odin) and Independent School District No. 840 (St. James); providing for a transfer of property between the districts.

Referred to the Committee on Education.

EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communications were received and referred to the committees indicated.

February 21, 1979

The Honorable Edward J. Gearty
President of the Senate

Dear Sir:

The following appointment as Chairperson of the Crime Control Planning Board is hereby respectfully submitted to the Senate for confirmation as required by law:

Robert J. Griesgraber, 1995 Prosperity Road, St. Paul, Ramsey County, has been appointed by me, effective February 26, 1979, for a term expiring the first Monday in January, 1983.

(Referred to the Committee on Health, Welfare and Corrections.)

March 26, 1979

The Honorable Edward J. Gearty
President of the Senate

Dear Sir:

The following appointment to the Occupational Safety and Health Review Board is hereby respectfully submitted to the Senate for confirmation as required by law:

Homer A. Childs, 8004 Pennsylvania Road, Bloomington, Hennepin County, has been appointed by me, effective March 26, 1979, for a term expiring the first Monday in January, 1983.

(Referred to the Committee on Employment.)

April 10, 1979

The Honorable Edward J. Gearty
President of the Senate

Dear Sir:

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

Robert A. Barrett, 112 Center St., Mankato, Blue Earth County, has been appointed by me, effective April 13, 1979, for a term expiring the first Monday in January, 1983.

(Referred to the Committee on Health, Welfare and Corrections.)

April 12, 1979

The Honorable Edward J. Gearty
President of the Senate

Dear Sir:

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

Carole R. Achterhof, Rural Route 2, Luverne, Rock County, has been appointed by me, effective April 12, 1979, for a term expiring the first Monday in January, 1983.

(Referred to the Committee on General Legislation and Administrative Rules.)

April 13, 1979

The Honorable Edward J. Gearty
President of the Senate

Dear Sir:

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

Herbert G. Lancaster, 5345 Hodgson Road, St. Paul, Ramsey County, has been appointed by me, effective April 13, 1979, for a term expiring the first Monday in January, 1982.

(Referred to the Committee on Health, Welfare and Corrections.)

April 13, 1979

The Honorable Edward J. Gearty
President of the Senate

Dear Sir:

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

Karen A. Olsen, 1809 41st Avenue NE, Minneapolis, Anoka County, has been appointed by me, effective April 13, 1979, for a term expiring the first Monday in January, 1983.

(Referred to the Committee on Governmental Operations.)

Sincerely,
Albert H. Quie, Governor

April 19, 1979

The Honorable Edward J. Gearty
President of the Senate

Dear Sir:

I have the honor of informing you that I have received, approved, signed, and deposited in the Office of the Secretary of State, S. F. Nos. 530, 51, and 72.

Sincerely,
Albert H. Quie, Governor

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, herewith returned: S. F. No. 322.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 18, 1979

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H. F. Nos. 318, 455, 748, 749, 914, 1065, 1226, 1227, 1235 and 1245.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 18, 1979

FIRST READING OF HOUSE BILLS

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

H. F. No. 318: A bill for an act relating to real estate; providing for the conveyance and limiting the severance of joint tenancy interests; permitting certain contracts and conveyances between husband and wife; amending Minnesota Statutes 1978, Sections 500.19, Subdivision 2, and by adding subdivisions; 507.02; and 519.06.

Referred to the Committee on Rules and Administration for comparison with S. F. No. 153, now in the Subcommittee on Bill Scheduling.

H. F. No. 455: A bill for an act relating to education; providing equal opportunity for members of both sexes to participate in certain athletics; modifying the coverage and terms of the current law providing for equal opportunity in certain athletics; requiring the state board of education to promulgate certain rules and giving it exclusive jurisdiction over certain sex discrimination charges; providing for the rights of certain parties in the case of

certain sex discrimination charges; amending Minnesota Statutes 1978, Sections 126.21 and 363.02, Subdivision 3.

Referred to the Committee on Education.

H. F. No. 748: A bill for an act relating to retirement; actuarial reporting law; implementing a procedure to extend the period for the amortization of unfunded liabilities in the event of changes in actuarial assumptions or increases in annuities and benefits; amending Minnesota Statutes 1978, Sections 356.215, Subdivision 4; 356.22, Subdivision 2; 422A.08, Subdivision 2; and 422A.39, Subdivision 2.

Referred to the Committee on Governmental Operations.

H. F. No. 749: A bill for an act relating to retirement; teachers retirement fund associations in cities of the first class; codification of a coordinated program for the Minneapolis and St. Paul teachers retirement fund associations; recodification of the law governing first class city teachers retirement fund associations; amending Minnesota Statutes 1978, Sections 354A.05; 354A.08; 354A.09; 354A.091; 354A.11; 354A.12; 354A.21; 356.32, Subdivision 2; and Chapter 354A by adding sections; repealing Minnesota Statutes 1978, Sections 354A.01; 354A.02; 354A.03; 354A.04; 354A.10; 354A.13; 354A.22; Laws 1976, Chapter 238, Section 12; and Laws 1977, Chapter 429, Section 60.

Referred to the Committee on Governmental Operations.

H. F. No. 914: A bill for an act relating to retirement; providing for continued membership in public safety employee pension funds for certain current public safety employees who may not have the power of arrest with a warrant; amending Minnesota Statutes 1978, Sections 352B.01, Subdivision 2; and 353.64, Subdivision 1.

Referred to the Committee on Governmental Operations.

H. F. No. 1065: A bill for an act relating to state government; regulating meetings, indemnification and appointment of the investment advisory council and annual reports of the state board of investment; amending Minnesota Statutes 1978, Sections 11.117, Subdivisions 4 and 6; 11.118 and 11.145.

Referred to the Committee on Governmental Operations.

H. F. No. 1226: A bill for an act relating to courts; providing that probate court shall have tort action jurisdiction; amending Minnesota Statutes 1978, Section 524.3-105.

Referred to the Committee on Judiciary.

H. F. No. 1227: A bill for an act relating to health; adding a time limit for hearing appeals under the hospitalization and commitment act; amending Minnesota Statutes 1978, Section 253A.21, Subdivision 5.

Referred to the Committee on Judiciary.

H. F. No. 1235: A bill for an act relating to real estate; setting effective dates for provisions regulating the validation of foreclosure sales; amending Minnesota Statutes 1978, Section 582.27.

Referred to the Committee on Judiciary.

H. F. No. 1245: A bill for an act relating to crime victims reparations; providing that the record of a claim may be used as evidence by the state on its subrogation claim; providing that the state's right of subrogation shall not limit the claimant's right to recover for other damages; amending Minnesota Statutes 1978, Sections 299B.10; and 299B.14.

Referred to the Committee on Judiciary.

REPORTS OF COMMITTEES

Mr. Coleman moved that the Committee Reports at the Desk, with the exception of the reports on S. F. Nos. 765, 787 and 1141, be now adopted. The motion prevailed.

Mr. Olson from the Committee on General Legislation and Administrative Rules, to which was referred

H. F. No. 810: A bill for an act relating to motor vehicles; providing for taxing and registering modified vehicles manufactured prior to 1949; regulating storage of modified vehicles and requiring certain equipment; providing for use of original plates on certain vehicles; amending Minnesota Statutes 1978, Section 168.10.

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

Page 11, line 17, after the period, insert "*Original Minnesota number plates shall not be used if the number on the original plate is identical to a number on any current street rod plate or any other plate in a numbering system used by the registrar.*"

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

Mr. Tennessen from the Committee on Commerce, to which was referred

S. F. No. 624: A bill for an act relating to financial institutions; providing a new interest index for conventional home loans; regulating mortgage insurance; regulating various interest rates; granting enforcement powers to the attorney general; permitting a usury exception to certain loans; extending the contract for deed redemption period; providing penalties; amending Minnesota Statutes 1978, Sections 47.20, Subdivisions 2, 4, 13, and by adding a subdivision; 82.19, by adding a subdivision; 334.01, Subdivision 2; 334.011, Subdivision 1; 559.21; and Chapter 334, by adding sections.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1978, Section 47.20, Subdivision 2, is amended to read:

Subd. 2. For the purposes of this section the terms defined in this subdivision have the meanings given them:

(1) "Actual closing costs" mean reasonable charges for or sums paid for the following, whether or not retained by the mortgagee or lender:

(a) Any insurance premiums including but not limited to premiums for title insurance, fire and extended coverage insurance, flood insurance, and private mortgage insurance, but excluding any charges or sums retained by the mortgagee or lender as self-insured retention.

(b) Abstracting, title examination and search, and examination of public records.

(c) The preparation and recording of any or all documents required by law or custom for closing a conventional loan.

(d) Appraisal and survey of real property securing a conventional loan.

(e) A single service charge, which shall include any consideration, not otherwise specified herein as an "actual closing cost" paid by the borrower and received and retained by the lender for or related to the acquisition, making, refinancing or modification of a conventional loan, and shall also include any consideration received by the lender for making a *borrower's interest rate commitment or for making a borrower's loan commitment for a conventional loan*, whether or not an actual loan follows such commitment. The term service charge shall not include ~~developer's forward~~ commitment fees. The service charge shall not exceed one percent of the original bona fide principal amount of the conventional loan, except that in the case of a construction loan, the service charge shall not exceed two percent of the original bona fide principal amount of the loan. That portion of the service charge imposed because the loan is a construction loan shall be itemized and a copy of the itemization furnished the borrower. A lender shall not collect from a borrower the additional one percent service charge permitted for a construction loan if it does not perform the service for which the charge is imposed or if third parties perform and charge the borrower for the service for which the lender has imposed the charge.

(f) Charges and fees necessary for or related to the transfer of real property securing a conventional loan or the closing of a conventional loan paid by the borrower and received by any party other than the lender.

(2) "Conventional loan" means a loan or advance of credit, other than a loan or advance of credit made by a credit union or made pursuant to section 334.011, to a noncorporate borrower in an original principal amount of less than \$100,000, secured by a mortgage upon real property containing one or more residential units or upon which at the time the loan is made it is intended that one or more residential units are to be constructed, and which

is not insured or guaranteed by the secretary of housing and urban development, by the administrator of veterans affairs, or by the administrator of the farmers home administration. The term mortgage shall not include contracts for deed or installment land contracts.

(3) "~~Developer's Forward commitment fee~~" means a fee or other consideration paid to a lender by a person in the business of building or arranging for building residential units for the purpose of securing a binding forward commitment by or through the lender to make conventional loans to two or more credit worthy purchasers, including future purchasers, of residential units, or a fee or other consideration paid to a lender for the purpose of securing a binding forward commitment by or through the lender to make conventional loans to two or more credit worthy purchasers, including future purchasers, of apartments as defined in section 515.02 to be created out of existing structures pursuant to the Minnesota condominium act, by a person creating the apartments provided that the forward commitment rate of interest does not exceed the maximum lawful rate of interest effective as of the date the forward commitment is issued by the lender.

(4) "~~Borrower's interest rate commitment~~" means a binding commitment made by a lender to a borrower wherein the lender agrees that, if a conventional loan is made following issuance of and pursuant to the commitment, the conventional loan shall be made at a rate of interest not in excess of the rate of interest agreed to in the commitment, provided that the rate of interest agreed to in the commitment is not in excess of the maximum lawful rate of interest effective as of the date the commitment is issued by the lender to the borrower.

(5) "~~Borrower's loan commitment~~" means a binding commitment made by a lender to a borrower wherein the lender agrees to make a conventional loan pursuant to the provisions, including the interest rate, of the commitment, provided that the commitment rate of interest does not exceed the maximum lawful rate of interest effective as of the date the commitment is issued and the commitment, when issued and agreed to, shall constitute a legally binding obligation on the part of the mortgagee or lender to make a conventional loan within a specified time period in the future at a rate of interest not exceeding the maximum lawful rate of interest effective as of the date the commitment is issued by the lender to the borrower; provided that a lender who issues a borrower's loan commitment pursuant to the provisions of a forward commitment is authorized to issue such borrower's loan commitment at a rate of interest not to exceed the maximum lawful rate of interest effective as of the date the forward commitment is issued by the lender.

(4) (6) "Finance charge" means the total cost of a conventional loan including extensions or grant of credit regardless of the characterization of the same and includes interest, finders fees, and other charges levied by a lender directly or indirectly against the person obtaining the conventional loan or against a seller of real property

securing a conventional loan, or any other party to the transaction except any actual closing costs and any ~~developer's forward~~ commitment fee. The finance charges plus the actual closing costs and any ~~developer's forward~~ commitment fee, charged by a lender shall include all charges made by a lender other than the principal of the conventional loan.

~~(5)~~ (7) "Lender" means any person making a conventional loan, or any person *arranging financing for a conventional loan*. The term shall also include the holder or assignee at any time of a conventional loan.

~~(6)~~ (8) "Loan yield" means the annual rate of return obtained by a lender over the term of a conventional loan and shall be computed as the annual percentage rate as computed in accordance with sections 226.5 (b), (c) and (d) of Regulation Z, 12 C.F.R. section 226, but using the definition of finance charge provided for in this subdivision. The finance charge shall be amortized over the contract term of the conventional loan.

~~(7)~~ (9) "Monthly index of long term United States government bond yields" means the monthly unweighted average of the daily unweighted average of the closing bid yield quotations in the over the counter market for all outstanding United States treasury bond issues, based on available statistics, which are either maturing or callable in ten years or more. This index is expressed in terms of percentage interest per annum.

(10) "*Monthly index of the federal national mortgage association auction yields*" means the gross weighted average yield of accepted offers in the second free market system conventional home mortgage auction held by the federal national mortgage association in a month.

~~(8)~~ (11) "Person" means an individual, corporation, business trust, partnership or association or any other legal entity.

~~(9)~~ (12) "Residential unit" means any structure used principally for residential purposes or any portion thereof, and shall include a unit in a townhouse or planned unit development, a condominium apartment, a non-owner occupied residence, and any other type of residence regardless of whether such unit is used as a principal residence, secondary residence, vacation residence or residence of some other denomination.

Sec. 2. Minnesota Statutes 1978, Section 47.20, Subdivision 3, is amended to read:

Subd. 3. Notwithstanding the provisions of section 334.01, lenders are authorized to make conventional loans and purchases of obligations representing conventional loans pursuant to such rules as the commissioner of banks finds to be necessary and proper, if any, at an interest rate not in excess of the maximum lawful interest rate prescribed in subdivision 4 or 4a.

Sec. 3. Minnesota Statutes 1978, Section 47.20, Subdivision 4, is amended to read:

Subd. 4. No conventional loan shall be made at a rate of interest or loan yield in excess of a maximum lawful interest rate which shall be based upon the monthly index of long term United States government bond yields as compiled by the United States treasury department and published by the department in the monthly treasury bulletin. The maximum lawful interest rate shall be computed as follows:

(1) The maximum lawful rate of interest for a conventional loan made or contracted for during any calendar month shall be equal to the monthly index of long term United States government bond yields for the second preceding calendar month plus an additional two percent per annum rounded off to the nearest quarter of one percent per annum or rounded off to the highest quarter of one percent per annum if equidistant.

(2) On or before the 20th day of each month the commissioner of banking shall determine, based on available statistics, the monthly index of long term United States government bond yields for the preceding calendar month and shall determine the maximum lawful rate of interest for conventional loans for the next succeeding month, as defined in clause (1) and shall cause the maximum lawful rate of interest to be published in a legal newspaper in Ramsey county on or before the 20th day of each month and in the state register on or before the last day of each month; the maximum lawful rate of interest to be effective on the first day of the next succeeding month.

(3) A contract rate within the maximum lawful interest rate applicable to a conventional loan at the time the loan is made shall be the maximum lawful interest rate for the term of the conventional loan.

(4) Conventional loans made pursuant to a *borrower's interest rate commitment for a conventional loan, including or made pursuant to a borrower's loan commitment, or made pursuant to a commitment for conventional loans made upon payment of a developer's forward commitment fee including a borrower's loan commitment issued pursuant to a forward commitment*, which commitment provides for consummation within some future time following the issuance of the commitment may be consummated pursuant to the provisions, including the interest rate, of the commitment notwithstanding the fact that the maximum lawful rate of interest at the time such *the* conventional loan is actually made is less than the commitment rate of interest, provided the commitment rate of interest does not exceed the maximum lawful interest rate in effect on the date the commitment was issued and provided that the commitment when issued and agreed to shall constitute a legally binding obligation on the part of the mortgagee or lender to make a conventional loan within a specified time period in the future at a rate of interest not exceeding the maximum lawful rate of interest effective as of the date the commitment was issued. The refinancing of (a) an existing conventional loan, (b) a loan insured or guaranteed by the secretary of housing and urban development, the administrator of veterans affairs, or the administrator of the farmers

home administration, or (c) a contract for deed by making a conventional loan shall be deemed to be a new conventional loan for purposes of determining the maximum lawful rate of interest under this subdivision. A borrower's interest rate commitment or a borrower's loan commitment shall be deemed to be issued on the date the commitment is hand delivered by the lender to the borrower, or mailed to the borrower or to any one of them if there should be more than one. A forward commitment shall be deemed to be issued on the date the forward commitment is hand delivered by the lender to, or mailed to the person paying the forward commitment fee to the lender, or to any one of them if there should be more than one.

(5) A loan made pursuant to a borrower's interest rate commitment, or made pursuant to a borrower's loan commitment, including or made pursuant to a forward commitment for conventional loans made upon payment of a developer's forward commitment fee, including a borrower's loan commitment issued pursuant to a forward commitment, issued on or before July 31, 1979 at a rate of interest not in excess of the rate of interest authorized by this subdivision at the time the contract or commitment for the loan was made shall continue to be enforceable in accordance with its terms until the indebtedness is fully satisfied.

(6) This subdivision expires July 31, 1979.

Sec. 4. Minnesota Statutes 1978, Section 47.20, is amended by adding a subdivision to read:

Subd. 4a. No conventional loan shall be made at a rate of interest or loan yield in excess of a maximum lawful interest rate which shall be based upon the monthly index of the federal national mortgage association auction yields as compiled by the federal national mortgage association. The maximum lawful interest rate shall be computed as follows:

(1) The maximum lawful rate of interest for a conventional loan made or contracted for during any calendar month shall be equal to the monthly index of the federal national mortgage association auction yields for the first preceding calendar month rounded off to the next highest quarter of one percent per annum.

(2) On or before the last day of each month the commissioner of banking shall determine, based on available statistics, the monthly index of the federal national mortgage association auction yields for that calendar month and shall determine the maximum lawful rate of interest for conventional loans for the next succeeding month, as defined in clause (1) and shall cause the maximum lawful rate of interest to be published in the state register on or before the last day of that month and in a legal newspaper in Ramsey County on or before the first day of the next succeeding month, or as soon thereafter as practicable; the maximum lawful rate of interest to be effective on the first day of the next succeeding month. If a federal national mortgage association free market system conventional home mortgage auction is not held in any month, the maximum lawful rate of interest determined by the commis-

sioner of banks pursuant to the last auction shall be the maximum lawful rate of interest through the last day of the month in which the next auction is held.

(3) A contract rate within the maximum lawful interest rate applicable to a conventional loan at the time the loan is made shall be the maximum lawful interest rate for the term of the conventional loan.

(4) Conventional loans made pursuant to a borrower's interest rate commitment or made pursuant to a borrower's loan commitment, or made pursuant to a commitment for conventional loans made upon payment of a forward commitment fee including a borrower's loan commitment issued pursuant to a forward commitment, which commitment provides for consummation within some future time following the issuance of the commitment may be consummated pursuant to the provisions, including the interest rate, of the commitment notwithstanding the fact that the maximum lawful rate of interest at the time the conventional loan is actually made is less than the commitment rate of interest, provided the commitment rate of interest does not exceed the maximum lawful interest rate in effect on the date the commitment was issued. The refinancing of (a) an existing conventional loan, (b) a loan insured or guaranteed by the secretary of housing and urban development, the administrator of veterans affairs, or the administrator of the farmers home administration, or (c) a contract for deed by making a conventional loan shall be deemed to be a new conventional loan for purposes of determining the maximum lawful rate of interest under this subdivision. A borrower's interest rate commitment or a borrower's loan commitment shall be deemed to be issued on the date the commitment is hand delivered by the lender to, or mailed to the borrower. A forward commitment shall be deemed to be issued on the date the forward commitment is hand delivered by the lender to, or mailed to the person paying the forward commitment fee to the lender, or to any one of them if there should be more than one.

(5) A loan made pursuant to a borrower's interest rate commitment, or made pursuant to a borrower's loan commitment, or made pursuant to a forward commitment for conventional loans made upon payment of a forward commitment fee, including a borrower's loan commitment issued pursuant to a forward commitment, at a rate of interest not in excess of the rate of interest authorized by this subdivision at the time the commitment was made shall continue to be enforceable in accordance with its terms until the indebtedness is fully satisfied.

(6) This subdivision supersedes subdivision 4 from the effective date of this act until November 30, 1982.

(7) This subdivision expires November 30, 1982.

Sec. 5. Minnesota Statutes 1978, Section 47.20, Subdivision 6, is amended to read:

Subd. 6. No conventional loan or loan authorized in subdivision 1 made on or after the effective date of Laws 1977, Chapter 350

shall contain a provision requiring or permitting the imposition of a fee or penalty in excess of one-tenth of one percent of the remaining unpaid principal balance in the event the loan or advance of credit and the obligation incurred thereby is assumed by another person. If the purpose of a conventional loan is to enable a borrower to purchase a one to four family dwelling for his or her primary residence, the lender shall consent to the subsequent transfer of the real estate if the existing borrower continues after transfer to be obligated for repayment of the entire remaining indebtedness. The lender shall release the existing borrower from all obligations under the loan instruments, if the transferee (1) meets the standards of credit worthiness normally used by persons in the business of making conventional loans, including but not limited to the ability of the transferee to make the loan payments and satisfactorily maintain the real estate used as collateral, and (2) executes an agreement in writing with the lender whereby the transferee assumes the obligations of the existing borrower under the loan instruments. Any such agreement shall not affect the priority, validity or enforceability of any loan instrument. A lender may charge a fee not in excess of one-tenth of one percent of the remaining unpaid principal balance in the event the loan or advance of credit is assumed by the transferee and the existing borrower continues after the transfer to be obligated for repayment of the entire assumed indebtedness. A lender may charge a fee not in excess of one percent of the remaining unpaid principal balance in the event the remaining indebtedness is assumed by the transferee and the existing borrower is released from all obligations under the loan instruments.

Sec. 6. Minnesota Statutes 1978, Section 47.20, Subdivision 7, is amended to read:

Subd. 7. (1) No conventional loan made on or after the effective date of Laws 1977, Chapter 350, and prior to the effective date of this act shall contain a provision requiring or permitting the imposition, directly or indirectly, of any discount points, whether or not actually denominated as discount points, on any person. Conventional loans made on or after the effective date of this act may contain provisions permitting discount points, if the loan does not provide a loan yield in excess of that permitted by subdivision 4 or 4a. The loan yield is computed using the amount resulting when the discount points are included in the finance charge.

(2) Forward commitment fees are not discount points shall be deemed not to include a developer's commitment fee within the meaning of this subdivision.

(3) No charges, fees, or sums permitted by this section which are paid to and received by a lender may be increased for purposes of evading compliance with this subdivision.

(4) This subdivision shall not apply to conventional loans secured by mortgages committed for purchase, purchased, or sold by the government national mortgage association pursuant to Section 115 of the Housing and Urban Development Act of 1969, Public Law 91-152, if the charge for any discount points when added to the finance charge does not result in a loan yield in excess of that

permitted by subdivision 4. The loan yield shall be computed using the sum resulting when the discount points are so added to the finance charge.

Sec. 7. Minnesota Statutes 1978, Section 47.20, Subdivision 13, is amended to read:

Subd. 13. Any conventional loan having an interest rate or loan yield in excess of the maximum lawful interest rate provided for in subdivision 4 or 4a shall be usurious and subject to the same penalties as a loan made in violation of section 334.01. Any lender intentionally violating any other provision of this section shall be fined not more than \$100 for each offense.

Sec. 8. Minnesota Statutes 1978, Section 47.20, is amended by adding a subdivision to read:

Subd. 14. (a) A lender requiring or offering private mortgage insurance shall make available to the borrower or other person paying the insurance premium the same premium payment plans as are available to the lender in paying the private mortgage insurance premium.

(b) Any refund or rebate for unearned private mortgage insurance premiums shall be paid to the borrower or other person actually providing the funds for payment of the premium.

Sec. 9. *This act is effective the day following final enactment."*

Delete the title and insert:

"A bill for an act relating to financial institutions; providing a new interest index for conventional home loans; regulating mortgage assumptions; regulating private mortgage insurance; regulating various interest rates; amending Minnesota Statutes 1978, Section 47.20, Subdivisions 2, 3, 4, 6, 7, and 13, and by adding subdivisions."

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

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

S. F. No. 921: A bill for an act relating to the city of Duluth; providing for a temporary demonstration purpose income tax credit to individuals who use the Duluth transit system for work commuting.

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

Page 1, line 8, before "A" insert "A taxpayer may take"

Page 1, line 8, delete "in" and insert "against tax due under chapter 290 of one-half"

Page 1, line 8, delete "an"

Page 1, line 9, delete "individual" and insert "the taxpayer"

Page 1, line 10, delete "the individual's" and insert "his"

Page 1, line 10, delete "may be"

Page 1, delete line 11

Page 1, line 12, delete everything before the period, and after the period insert "The credit shall not exceed \$75 for an individual or \$150 for a married couple filing jointly."

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

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

S. F. No. 1061: A bill for an act relating to transportation; providing for performance funding of certain public transit systems; amending Minnesota Statutes 1978, Section 174.28.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1978, Section 174.23, Subdivision 2, is amended to read:

Subd. 2. [FINANCIAL ASSISTANCE.] The commissioner shall seek out and select eligible recipients of financial assistance under sections 174.21 to 174.27. The commissioner shall establish by rule the procedures and standards for review and approval of applications for financial assistance submitted to the commissioner pursuant to sections 174.21 to 174.27. Any applicant shall provide to the commissioner any financial or other information required by the commissioner to carry out his duties. The commissioner may require local contributions from applicants as a condition for receiving financial assistance. *Before the commissioner shall not approve approves any grant unless: (1) the application for the grant has been shall be reviewed and approved by the appropriate regional development commission or the metropolitan council only for consistency with regional transportation plans and development guides; and (2) in the case of a project to be operated in the metropolitan area, . If an applicant proposes a project within the jurisdiction of any transit authority or commission or any transit system assisted or operated by a city or county the application has been shall also be reviewed by the metropolitan transit that commission, authority or political subdivision for consistency with its transportation development program transit programs, policies and plans . Any regional development commission that has not adopted a transportation plan may review but may not approve or disapprove of any application.*

Sec. 2. Minnesota Statutes 1978, Section 174.24, Subdivision 2, is amended to read:

Subd. 2. [ELIGIBILITY; APPLICATIONS.] Any legislatively established public transit commission or authority, any county or

statutory or home rule charter city providing financial assistance to or operating public transit, any private operator of regular route public transit, or any combination thereof is eligible to receive financial assistance through the public transit subsidy program.

Sec. 3. Minnesota Statutes 1978, Section 174.24, Subdivision 3, is amended to read:

Subd. 3. [FINANCIAL ASSISTANCE.] Payment of financial assistance shall be by contract between the commissioner and an eligible recipient. The commissioner shall determine the operating deficit of any public transit system receiving or applying for assistance in accordance with generally accepted accounting principles, provided that any financial assistance received from any agency of the federal government for the operation of a public transit system shall be treated as revenue for the purposes of determining the operating deficit. *To be eligible for financial assistance an applicant or recipient shall provide to the commissioner all financial records and other information and shall permit any inspection reasonably necessary to determine the amount of assistance which may be paid to the applicant or recipient.* Where more than one county or municipality contributes assistance to the operation of a public transit system the commissioner shall identify one as lead agency for the purpose of receiving moneys under this section. *The commissioner may adopt rules establishing performance standards for public transit systems for use in determining the amount of assistance which may be paid to an eligible recipient. Except as otherwise provided in this subdivision, payments shall not exceed two-thirds of the operating deficit of a public transit system; except that . The commissioner shall adopt rules establishing uniform performance standards for private operators of regular route transit systems in the transit taxing district as defined in section 473.446, subdivision 2.* Payments to eligible recipients *who are those private operators in the transit taxing district defined in section 473.446, subdivision 2, may be up to shall be based on the uniform performance standards and shall not exceed 100 percent of the operating deficit.* Payments to the metropolitan transit commission shall be based upon a performance funding system established by the commissioner or otherwise as provided by law in section 174.28 .

Sec. 4. Minnesota Statutes 1978, Section 174.24, Subdivision 4, is amended to read:

Subd. 4. [SOCIAL FARE REIMBURSEMENT.] The commissioner shall reimburse the metropolitan transit commission and any private operators in the transit taxing district defined in section 473.446, subdivision 2 for the difference between the full fare otherwise charged by the commission or private operator and the fare actually charged for any regular route transit service passenger pursuant to the social fare provisions of section 473.408, subdivision 3. Reimbursement shall be paid ~~monthly~~ *bimonthly* upon a report by the commission or private operator of the number of reduced fare passengers carried ~~for during the preceding calendar month~~ *reimbursement period* in each reduced fare category and the total

amount that otherwise would have been charged for the service by the commission or private operator on a full fare basis.

Sec. 5. Minnesota Statutes 1978, Section 174.25, Subdivision 1, is amended to read:

174.25 [PARATRANSIT GRANT PROGRAM.] Subdivision 1. **[PURPOSE.]** A paratransit service demonstration grant program is established to plan, promote, demonstrate, and evaluate the effectiveness, cost, and efficiency of provide grants for paratransit as a means of accomplishing projects designed to accomplish the following objectives:

(a) to provide transportation services in those areas inefficiently or inadequately served by regular route transit;

(b) to provide transportation services which improve the accessibility and productivity of regular route transit;

(c) to provide transportation services for persons who because of age or incapacity are unable to drive a private automobile or use existing modes of public transit.

Grants may be made for demonstration projects or for projects of a type which the commissioner has determined to be successful on the basis of demonstration projects already implemented and evaluated. Except as otherwise provided in this subdivision, grants for a paratransit project shall not exceed two-thirds of the operating deficit and 50 percent of any non-federal share of the capital costs. Grants for a demonstration project, other than grants to the metropolitan transit commission, shall not exceed 90 percent of the capital costs and operating deficit of the project. Grants to the metropolitan transit commission for any paratransit project may be up to 100 percent of the operating deficit but may not include any portion of the capital costs.

Sec. 6. Minnesota Statutes 1978, Section 174.26, Subdivision 1, is amended to read:

174.26 [REGULAR ROUTE TRANSIT IMPROVEMENT PROGRAM.] Subdivision 1. **[PURPOSE.]** A regular route transit demonstration improvement program is established to demonstrate new regular route transit services and provide temporary financial assistance for the operation of new regular routes for a period necessary to determine the effectiveness and efficiency of the routes but not to exceed one year for any route. Grants may also be made under the program for projects designed to improve the patronage and productivity of existing regular route transit services.

Sec. 7. Minnesota Statutes 1978, Section 174.28, is amended to read:

174.28 [PERFORMANCE FUNDING.] Subdivision 1. **[DEFINITIONS.]** For the purpose of this section the following terms have the meanings given them in this subdivision.

(a) "Commissioner" means the commissioner of transportation.

(b) "Contract" means a contract made pursuant to section 174.24.

(c) "Subsidy per passenger" means the amount calculated pursuant to subdivision 3, clause (b) plus the amount paid under any contract pursuant to subdivision 2, divided by the number of passengers carried on regular route bus service operated by the commission during that year, excluding passengers carried on demonstration routes for which assistance is received pursuant to section 174.26 transfers.

(d) "Municipality" means any statutory or home rule charter city, county or town.

(e) "Route" means any route on which the commission operates regular route bus service.

(f) "Revenue attributable to the route" means the total of: (i) the fares actually paid on the route; (ii) amounts reimbursed social fare reimbursement paid pursuant to section 174.24, subdivision 4 attributable to service on the route; and (iii) all payments received by the commission from municipalities for retention of service on the route.

(g) "Route deficit" means the difference between the actual operating cost of any route and the revenue attributable to the route divided by the number of passengers carried on that route including transfers.

Subd. 2. [BASIS AND FORM OF CONTRACT.] Any contract entered into by the commissioner and the commission which provides financial assistance to the commission during any year subsequent to December 31, 1977, shall provide for payment to the commission of an amount which, when added to the amount calculated under subdivision 3, clause (b), and divided by the passengers carried during that period, will provide the commission with a 48 cent subsidy per passenger in calendar year 1978 and a 49 cent subsidy in the first half of 1979. In addition the commissioner shall provide assistance by contract with the commission for general administrative and planning expenses. Pursuant to the public transit subsidy program the commissioner shall enter one or more contracts with the commission to pay amounts sufficient to provide the commission with a subsidy per passenger of 47 cents in the last half of calendar year 1979, 48 cents in calendar year 1980, and 48 cents in the first half of calendar year 1981. Except as otherwise provided in this subdivision, the amount paid under all contracts entered during fiscal years 1980 and 1981 shall not exceed an amount specifically appropriated for such contracts.

If the commission becomes eligible as a result of ridership increases to receive an additional contract payment in excess of an amount specifically appropriated, the commissioner shall submit a report to the governor showing the amount of the additional payment, the contractual provisions and ridership statistics on which the payment is based and the commissioner's recommendation concerning whether the payment should be made. The governor, after

consultation with the legislative advisory commission as provided in section 3.30, may authorize the payment to the commission.

Subd. 3. [SUBSIDY PER PASSENGER.] (a) After the close of each month, the commission shall report to the commissioner the number of passengers carried during that month on regular route bus service operated by the commission. The commissioner shall use these figures reported by the commission in computing payments due under any contract entered into pursuant to this section. The commission shall make available to the commissioner any information required to permit the commissioner to carry out his duties under this section.

(b) The commissioner shall calculate the total amount of money received by the commission from all sources to pay the expenses of operating regular route bus service *including all planning and administration expenses of the commission* during the calendar year and shall include the following items in that amount:

(i) *grants for operating assistance and transit planning received from the federal government pursuant to 49 U.S.C. 1604 ;*

(ii) *proceeds of any property tax levied by the commission under section 473.446, clause (a);*

(iii) *financial assistance received from political subdivisions, public agencies other than the department of transportation, or private entities or persons whether received as a grant, payment of a contractual obligation or otherwise. The commissioner shall exclude from that amount any revenue received by the commission from in the form of regular route bus fares paid for regular route bus service and money paid by the commissioner to reimburse the commission for providing reduced , social fare service reimbursement pursuant to section 473.408 174.24, subdivision 4 or to permit the commission to operate and regular route demonstration services improvement grants pursuant to section 174.26. The commissioner shall periodically examine the commission's data concerning the number of passengers carried on regular route bus service and the procedures for collecting that data.*

Subd. 4. [PROCEDURE FOR BIMONTHLY PAYMENT.] Sums owed under any contract made pursuant to this section shall be paid *monthly bimonthly* in a manner determined by the commissioner consistent with subdivisions 1 to 3.

Subd. 5. [ROUTE DEFICIT LIMIT.] *The commission shall set a maximum route deficit limit which shall not be exceeded on any of its routes except a route which provides the only regular route bus service to a statutory or home rule charter city located within the transit taxing district as defined in section 473.446, subdivision 2. A route deficit limit set by the commission shall remain in effect for at least six months before a new limit may be set. The commission shall set a route deficit limit and implement that limit not later than January 1, 1980.*

Sec. 8. Minnesota Statutes 1978, Section 473.411, Subdivision 1, is amended to read:

473.411 [TRANSPORTATION DEVELOPMENT PROGRAM.] Subdivision 1. **[DEVELOPMENT PROGRAM.]** The commission shall prepare and submit in the manner provided in and satisfying the requirements of section 473.161, a transportation development program, providing for the implementation of the policy plan adopted by the council. In preparing the program, the commission shall consult with counties and municipalities in the metropolitan area, the state transportation department and the state planning agency, and for that purpose may create such advisory committees as may be necessary.

Such program shall provide for coordination of routes and operations of all publicly and privately owned transportation facilities within the transit area to the end that combined efficient and rapid transportation may be provided for the use of the public in the entire area. The commission may designate a segment of the system planned as a pilot or demonstration transportation project using, without limitation, new technology including airborne systems, or traditional systems of evolved or modern form. The transportation development program shall include the general alignment and profile, approximate points of access, facility classification, approximate cost, relation to other existing and planned transportation routes and facilities, and a statement of the expected general effect on present and future use of the property within the corridor. The program shall be accompanied with a statement of need for the proposed construction or improvement, a description of alternate routes which were considered, and an explanation of the advantages and disadvantages in the selection of any route considered. The transportation development program shall also contain a description of the type of right of way or routes required; the type of transit service to be provided in each portion of the system; designation of transit mode; and appropriate general operating criteria. The program shall also contain an operational improvement program which shall at least describe performance objectives and standards which the commission proposes to achieve in satisfying policies, purposes, and goals established by the legislature and the council; identify performance indicators by which to monitor and assess progress in achieving the objectives and standards; and establish a route deficit limit *as provided in section 174.28, subdivision 5*. The program may include such other information as the council or the commission deems necessary.

Delete the title in its entirety and insert:

"A bill for an act relating to public transit; providing for certain administrative procedures under the public transit subsidy program; authorizing grants for ongoing paratransit projects; establishing matching fund formulas for paratransit grants; clarifying the purposes of the regular route improvement program; establishing subsidy per passenger levels for the metropolitan transit commission; requiring the metropolitan transit commission to establish a route deficit limit; amending Minnesota Statutes 1978, Sections 174.23, Subdivision 2; 174.24, Subdivisions 2, 3 and 4; 174.25, Subdivision 1; 174.26, Subdivision 1; 174.28; and 473.411, Subdivision 1."

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

Mr. Tennesen from the Committee on Commerce, to which was referred

S. F. No. 913: A bill for an act relating to banks and other financial institutions; regulating open end loan accounts; removing certain restrictions; providing for computation of finance charges; amending Minnesota Statutes 1978, Section 48.185, Subdivisions 2 and 3.

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

Mr. Tennesen from the Committee on Commerce, to which was referred

S. F. No. 320: A bill for an act relating to banks and banking; authorizing state banks to lease personal property under certain conditions; amending Minnesota Statutes 1978, Section 48.152.

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

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

S. F. No. 445: A bill for an act relating to the range association of municipalities and schools; providing for the court standing of the association; amending Minnesota Statutes 1978, Section 471.-58.

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

Page 2, line 7, delete *"any other manner proper for a corporation"* and insert *"which the outcome of the action will have an effect upon the interest of any of its members"*

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

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

S. F. No. 1158: A bill for an act relating to children; requiring that adoptive parents and the adoptive child shall be made parties to certain proceedings related to terminating adoptions; prohibiting a presumption that biological parents should be favored in such proceedings; amending Minnesota Statutes 1978, Sections 259.24, Subdivision 6; and 259.25, Subdivision 2.

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

Page 1, line 16, after "after" insert "a"

Page 1, line 17, strike "findings" and insert "*finding*"

Page 1, line 17, strike "such" and insert "*the*"

Page 1, line 17, strike "for" and insert "*in*"

Page 1, line 19, delete "*such a*" and insert "*the*"

Page 1, line 23, after the period, insert "*The proceedings shall be conducted so as to preserve the confidentiality of the adoption process.*"

Page 2, line 2, strike "Such" and insert "*The*"

Page 2, line 4, strike "such" and insert "*the*"

Page 2, line 5, strike "for" and insert "*in*"

Page 2, line 6, delete "*such a*" and insert "*the*"

Page 2, line 10, after the period, insert "*The proceedings shall be conducted so as to preserve the confidentiality of the adoption process.*"

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

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

S. F. No. 1211: A bill for an act relating to the city of St. Paul; fixing the rate of the franchise fee for utility supplies to residential dwellings.

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

Delete everything after the enacting clause and insert:

"Section 1. Notwithstanding any provision of law, franchise, or charter to the contrary, the city of Saint Paul shall not impose on nor collect from a public utility a franchise fee based upon the sale of gas or electricity to residential customers, for the public utility's billing months of January, February, March, April, November and December, greater than an amount equal to the corresponding percentage of the public utility's gross operating revenue from such residential customers for such billing months in the following years:

1980	7.2 percent
1981	5.8 percent
1982	4.3 percent
1983	2.9 percent
1984	1.4 percent

1985 and all years thereafter, zero percent.

Sec. 2. For the purposes of this act, "residential customer" means a customer classified by the public utility as a residential heating or residential non-heating customer of the public utility within the city of Saint Paul and "gross operating revenue" means

all sums received by the public utility from the sale of gas or electricity, excluding any amounts received which result from a surcharge on the public utility's rate schedule for the purpose of collecting the franchise fee.

Sec. 3. This act becomes effective upon approval by a majority of the governing body of the city of Saint Paul and compliance with Minnesota Statutes, Section 645.021."

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

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

S. F. No. 272: A bill for an act relating to taxation; property tax; exempting certain wetlands from taxation; providing a wetlands credit; providing for state reimbursement of lost local revenues; appropriating money; amending Minnesota Statutes 1978, Section 272.02, Subdivision 1; and Chapter 273, by adding a section; repealing Minnesota Statutes 1978, Section 272.59.

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

Page 5, delete lines 12 and 13

Page 5, line 14, delete "wetlands" and insert "average level of estimated market value of tillable land in the township of the qualifying wetland"

Page 5, line 19, delete "based on valuations of"

Page 5, delete line 20

Page 5, line 24, after the period, insert "The amount of revenue lost as a result of the exemption shall be computed each year by applying the current mill rates of the taxing jurisdictions in which the wetlands are located to the assessed valuation of the wetlands for purposes of taxes levied in 1979, payable in 1980."

Page 5, line 27, delete "Any prior year"

Page 5, delete line 28

Page 5, line 29, delete "lists."

Page 6, after line 19, insert:

"Sec. 3. Minnesota Statutes 1978, Section 275.51, Subdivision 3d, is amended to read:

Subd. 3d. The property tax levy limitation for governmental subdivisions in 1977 payable in 1978 and subsequent years shall be calculated as follows:

(a) The sum of the following amounts shall be computed: (1) the property tax permitted to be levied in 1976 payable 1977 computed pursuant to Minnesota Statutes 1976, Section 275.51, Subdivision 3c, plus

(2) the amount of any state aids the governmental subdivision was entitled to receive in calendar year 1977 pursuant to sections 477A.01; 298.26; 298.28, subdivisions 1 and 1a; 298.281, subdivision 1; 298.282; and 294.26, plus

(3) the amount levied in 1976 payable 1977 pursuant to Minnesota Statutes 1976, Section 275.50, Subdivision 5, Clauses (a), (c), (d), (e), and (f), except for levies made to pay tort judgments and make settlements of tort claims or to pay the salaries and benefits of municipal and probate court judges, plus

(4) the amount levied in 1976 payable 1977 pursuant to Minnesota Statutes 1976, Section 275.50, Subdivision 5, Clause (g) for the administrative costs of public assistance programs or county welfare systems, plus

(5) one-half of the amount of the special levy authorized under section 275.50, subdivision 5, clause (n) shall be added to the permanent levy limit base of the governmental subdivision in the year following the year in which it has been discontinued as a special levy pursuant to the provisions of section 275.50, subdivision 5, clause (n).

(b) The sum computed in clause (a) shall be increased annually in the manner provided in section 275.52 to derive the levy limit base for successive years.

(c) For taxes levied in 1978 payable 1979 and subsequent years, the levy limit base is the levy limit base which was computed for the immediately preceding year under the provisions of this section increased according to the provisions of section 275.52. Any amount levied in 1976 payable 1977 under the provisions of section 275.50, subdivision 5, clauses (a), (c), (d), (e) or (f) to meet the costs of programs, services or legal requirements which cease to exist in a subsequent year shall be subtracted from the levy limit base in the year in which the programs, services or legal requirements for which the levy was made cease to exist.

(d) The levy limit base shall be reduced by the total amount of state formula aids pursuant to section 477A.01 and taconite taxes and aids pursuant to sections 294.26; 298.26; 298.28, subdivision 1; and 298.282 ; and *state reimbursements for wetlands property tax exemptions* , to be paid in the calendar year in which property taxes are payable. As provided in section 298.28, subdivision 1, for taxes payable in 1978 and 1979, two cents per taxable ton, and for taxes payable in 1980 and thereafter, one cent per taxable ton of the amount distributed under section 298.28, subdivision 1, clause (4)(c) shall not be deducted from the levy limit base of the counties that receive that aid. The resulting figure is the amount of property taxes which a governmental subdivision may levy for all purposes other than those for which special levies and special assessments are made."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 5, after "revenues;" insert "reducing local levies to the extent of state reimbursement;"

Page 1, line 6, delete "Section" and insert "Sections"

Page 1, line 7, after "1" insert "; and 275.51, Subdivision 3d"

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

Mr. Anderson from the Committee on Energy and Housing, to which was re-referred

S. F. No. 859: A bill for an act relating to municipal industrial development; excepting certain projects; amending Minnesota Statutes 1978, Section 474.02, by adding a subdivision.

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

Delete everything after the enacting clause and insert:

"Section 1. [462C.01] [AUTHORIZATION.] *Subdivision 1. A statutory or home rule charter city may develop and administer programs of purchasing mortgage loans to finance the acquisition of single family housing by low and moderate income persons and families anywhere within its boundaries upon the following conditions:*

(a) *The city develops a housing plan as required by section 2;*

(b) *A public hearing is held thereon after one publication of notice in a newspaper circulating generally in the city, at least 30 days before the hearing, after which the plan may be adopted by resolution of the governing body with or without amendment; and*

(c) *The plan is submitted to and approved by the Minnesota housing finance agency.*

Subd. 2. "Single family housing" in sections 1 to 6 means new or existing housing occupied by the owner of the housing and containing not more than one additional dwelling unit, or an individual condominium dwelling unit.

Sec. 2. [462C.02] [CITY HOUSING PLAN.] *Subdivision 1. The housing plan shall set forth:*

(a) *The housing needs of the city and the data demonstrating those needs;*

(b) *The plan of the city to meet identified housing needs, and the specific methods to be used to carry out the plan;*

(c) *Target areas of the city for each method;*

(d) *The financing program or programs to be included in the plan;*

(e) *The number and qualifications of lenders eligible to participate in the program;*

(f) *The estimated amount of mortgage loans to be purchased in each program and the estimated amounts and timing of the sale of revenue bonds required to finance such loans, fund appropriate reserves, and pay costs of issuance;*

(g) *Methods for monitoring the implementation by participants to insure that the programs will be consistent with the plan and its objectives;*

(h) *The administrative capacity of the city to monitor and supervise housing finance programs;*

(i) *The cost to the city, including administrative costs; and*

(j) *An analysis of how the programs will meet the needs of low and moderate income families in the city.*

Subd. 2. For each program limits on gross income for persons and families to be served shall be established. The moderate income limit may not exceed 110 percent of the median family income as estimated by the United States department of housing and urban development for the nonmetropolitan county or standard metropolitan statistical area, as the case may be, in which the city is located; except that if a city proposes special target areas in which redevelopment requires reestablishment of a proper balance of income levels among residents or target areas with a high concentration of incomes below the HUD median, no more than a maximum of 20 percent of the bonds issued may be used for mortgage loans with no income limits for programs serving those areas. The Minnesota housing finance agency shall provide the relevant income data to any city requesting the data.

Subd. 3. The plan shall establish maximum purchase prices or appraised values for homes eligible for mortgage loans in each program. The maximum price allowable shall not exceed three times the median family income established for any area served except for special target areas as provided in subdivision 2. The maximum purchase price for special target areas shall be three times the income limit established for the area.

Subd. 4. Any financial institution as defined in Minnesota Statutes, Section 47.0151, doing business within the city which is an approved FHA/VA or FNMA/FHLMC lender shall be eligible for consideration for origination of loans in any city housing finance program. Other lenders may be eligible as provided in the program. Origination of loans in the program may not be limited to a single lender unless other eligible lenders are not interested in participating or the program clearly sets forth why a public purpose would be served by confining participation to one lender.

Subd. 5. Financing under a single family housing bond issue may not be provided to a developer or builder or restricted to housing provided by one developer or builder.

Sec. 3. [462C.03] [PLAN REVIEW.] *Upon receiving a city's housing plan, the Minnesota housing finance agency shall determine whether the plan appears to:*

(a) *Further local, regional and statewide housing policies;*

(b) *Be capable of implementation without material adverse effect on financing programs of the agency, and without exceeding the limitation provided in section 5;*

(c) *Provide for administrative and bond issuance costs which are reasonable;*

(d) *Meet adequately the stated housing needs of the city; and*

(e) *Comply with all other requirements of sections 1 to 10.*

Sec. 4. [462C.04] [MULTIFAMILY HOUSING DEVELOPMENTS.] *Subdivision 1. A statutory or home rule charter city may also plan, administer, and make a loan or loans to finance one or more multifamily housing facilities anywhere within its boundaries, upon the following conditions:*

(a) *The facility consists of one or more buildings with four or more dwelling units, each intended and designed for rental or for sale, to a person or family as a permanent residence;*

(b) *Except as permitted in clause (c), a rental facility is intended for occupancy by persons and families of low or moderate income, and by other persons and families when determined to be necessary in furtherance of the policy of economic integration stated in section 462A.02, subdivision 6, and will receive, upon completion, housing assistance payments for the benefit of the occupants of at least 10 percent of the dwelling units under section 8 of the United States Housing Act of 1937, as amended, or another amendatory or supplemental law of the United States; or*

(c) *The facility is restricted to occupancy primarily by elderly or handicapped persons.*

Subd. 2. *Each plan for a multifamily housing development described in subdivision 1 shall be adopted after public hearing and approved by the agency as provided in section 1, on the basis of the considerations stated in section 3.*

Subd. 3. *The plan shall demonstrate need for the rental or sale development, describe the method of financing proposed, provide for a limit on income for persons and families of low and moderate income to be served which shall not exceed the limits provided in section 2, subdivision 2. The plan shall also state whether the development is intended for special target areas, for occupancy by the elderly or handicapped, or for a stated percentage of section 8 subsidy recipients.*

Sec. 5. [462C.05] [HOUSING REVENUE BONDS.] *To finance a program or development described in any plan the city council may, upon approval of the plan as provided in section 1, subdivision 1, clause (c), issue and sell revenue bonds or obligations which shall be payable exclusively from the revenues of the program or development. In the purchase of single family housing loans and the making of multifamily housing loans and the issuance of revenue bonds or other obligations the city may exercise or authorize an existing agency or one created by ordinance*

to exercise, within the corporate limits of the city, any of the powers the Minnesota housing finance agency may exercise under chapter 462A. The aggregate principal amount of revenue bonds or other obligations issued by all cities after the effective date of this section, for the purpose of single family housing programs referred to in section 1, shall not exceed \$300,000,000 for the biennium unless otherwise provided by law.

Sec. 6. [462A.05] [OTHER HOUSING LEGISLATION.] Sections 1 to 6 do not impair or otherwise affect the validity or provisions for the security of any obligations issued or agreements made pursuant to law before the effective date of these sections. Sections 1 to 6 do not preclude the issuance of bonds or obligations under authority of any other general or special law in effect on the effective date of these sections, except that no city or agency thereof may issue obligations after January 1, 1980, for the purpose of financing single family housing programs, unless its plan therefor has previously been reviewed and approved by the agency.

Sec. 7. Minnesota Statutes 1978, Section 474.01, Subdivision 7a, is amended to read:

Subd. 7a. No municipality or redevelopment agency shall undertake any project authorized by this chapter unless its governing body finds that the project furthers the purposes stated in this section, nor until the commissioner of securities has approved the project, on the basis of preliminary information which the commissioner may require, as tending to further the purposes and policies of this chapter. Approval shall not be deemed to be an approval by the commissioner of securities or the state of the feasibility of the project or the terms of the revenue agreement to be executed or the bonds to be issued therefor, and the commissioner shall state this in communicating approval.

Sec. 8. Minnesota Statutes 1978, Section 474.01, is amended by adding a subdivision to read:

Subd. 7b. Prior to submitting an application to the commissioner of securities requesting approval of a project pursuant to subdivision 7a, the governing body of the municipality or redevelopment agency shall conduct a public hearing on the proposal to undertake and finance the project. Notice of the time and place of hearing, and stating the general nature of the project and an estimate of the principal amount of bonds or other obligations to be issued to finance the project, shall be published at least once not less than 15 days nor more than 30 days prior to the date fixed for the hearing, in the official newspaper and a newspaper of general circulation of the municipality or redevelopment agency. The notice shall state that a draft copy of the proposed application to the commissioner of securities, together with all attachments and exhibits thereto, shall be available for public inspection following the publication of such notice and shall specify the place and times where and when it will be so available. At the time and place fixed for the public hearing, the governing body of the municipality or the redevelopment

agency shall give all parties who appear at the hearing an opportunity to express their views with respect to the proposal to undertake and finance the project. Following the completion of the public hearing, the governing body of the municipality or redevelopment agency shall adopt a resolution determining whether or not to proceed with the project and its financing and may thereafter apply to the commissioner of securities for approval of the project.

Sec. 9. Minnesota Statutes 1978, Section 474.02, is amended by adding a subdivision to read:

Subd. 1d. Notwithstanding any provision of this chapter, the term "project" shall not include any property to be sold or to be affixed to or consumed in the production of property for sale, and shall not include any housing facility to be rented or used as a permanent residence.

Sec. 10. [EFFECTIVE DATE.] *This act is effective the day following final enactment. Sections 7 and 8 do not apply to a project which has been given preliminary approval by the governing body of a municipality or redevelopment agency before the effective date. Section 9 does not apply to multi-family rental projects approved by the commissioner of securities prior to April 15, 1979."*

Amend the title as follows:

Delete the title and insert

"A bill for an act relating to municipal development; limiting the objects and methods of financing residential, industrial, and economic development; regulating the planning and implementation of single family housing programs and multifamily housing developments; amending Minnesota Statutes 1978, Sections 474.01, Subdivision 7a, and by adding a subdivision; and 474.02, by adding a subdivision."

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

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

S. F. No. 134: A bill for an act relating to public welfare; providing pre-trial proceedings and hearings to determine paternity of illegitimate children; requiring a notice to be given a father when a mother intends to relinquish a child for purposes of adoption; enacting the uniform parentage act; revising Minnesota Statutes to conform with the uniform parentage act; amending Minnesota Statutes 1978, Sections 62A.041; 62C.14, Subdivision 5a; 64A.22, Subdivision 1; 144.215, Subdivision 3; 257.025; 257.175; 257.28; 257.33; 259.24, Subdivisions 1 and 2; 259.25, Subdivision 1; 259.26, Subdivision 1; 259.29, Subdivision 1; 260.111, Subdivision 2; 260.221; and 260.231, Subdivision 3; repealing Minnesota Statutes 1978, Sections 257.251; 257.252; 257.253; 257.254; 257.255; 257.256; 257.257; 257.258; 257.259; 257.261; 257.262; 257.263; 257.264; 257.27; 257.29; 257.30; 257.31; 259.261; and 517.19.

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

Page 1, line 24, delete "*uniform*"

Page 2, line 3, delete "*extends equally to every child*"

Page 2, line 4, delete "*and to every parent,*" and insert "*may exist*"

Page 8, lines 1 to 15, delete subdivision 2

Renumber the subdivisions in sequence

Page 8, line 21, delete "*require*" and insert "*request*"

Page 8, after line 29, insert:

"Subd. 4. The refusal to submit to blood tests or genetic tests, or both, may be admitted into evidence."

Page 10, line 20, after "*tests*" insert "*or genetic tests, or both,*"

Page 11, line 14, delete "*may*" and insert "*shall*"

Page 11, line 16, delete "*already incurred*"

Page 11, line 16, after "*just*" insert "*, which were incurred in the immediate preceding two years*"

Page 16, line 5, delete everything after the comma and insert "*notice of the adoption proceeding shall be given as required by sections 259.26 and 259.261, and further as required by due process.*"

Page 16, delete lines 6 to 12

Pages 16 and 17, delete subdivisions 3 to 6

Page 23, line 17, reinstate "*not entitled to notice of the*"

Page 23, line 18, reinstate "*proceedings*"

Page 23, lines 18 and 19, delete the new language

Page 25, lines 9 to 30, reinstate the stricken language

Page 25, lines 30 and 31, delete the new language

Page 26, lines 1 and 2, reinstate the stricken language

Page 26, line 3, reinstate "*section 259.261 has been successfully challenged,*"

Pages 27 to 29, delete sections 39 and 40

Page 29, lines 9 to 12, reinstate the stricken language

Page 29, line 25, delete "*259.261,*"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 4, delete "*requiring a notice to be*"

Page 1, delete lines 5 to 6

Page 1, line 7, delete "uniform parentage act;"

Page 1, line 14, delete "260.111, Subdivision 2;"

Page 1, line 15, delete "260.221;"

Page 1, line 20, delete "259.261;"

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

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

S. F. No. 765: A bill for an act relating to the state civil service; including veterans in the protected group for the purpose of the statewide affirmative action program; amending Minnesota Statutes 1978, Section 43.15, Subdivision 1.

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

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

Page 2, line 2, strike "not"

Page 2, line 3, after "be" insert "*in accordance with*"

Page 2, line 3, strike the first "as"

And when so amended the bill do pass. Mr. Tennesen questioned the reference thereon and, under Rule 35, the bill was referred to the Committee on Rules and Administration.

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

S. F. No. 1186: A bill for an act relating to state government; providing for the distribution of state publications and documents; amending Minnesota Statutes 1978, Sections 3.195; 15.047, Subdivision 2; 15.051, Subdivision 4; 15.18; and 648.39, Subdivision 1.

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

Page 2, line 13, delete the first "a" and insert "one"

Page 2, line 14, delete "*upon paying the issuing agency for costs incurred*" and insert "*without charge*"

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

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

S. F. No. 107: A bill for an act relating to state government; extending the contract preference for United States materials to include Mexican and Canadian made materials; amending Minnesota Statutes 1978, Section 16.073.

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

Mr. Laufenburger from the Committee on Employment, to which was referred

S. F. No. 999: A bill for an act relating to labor; providing special benefits for employees of certain businesses closed by order of federal or state courts or federal agencies; appropriating money.

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

Page 1, after line 17, insert:

"Sec. 2. Minnesota Statutes 1978, Section 124.572, is amended by adding a subdivision to read:

Subd. 10. Notwithstanding the provisions of subdivision 4, an employee of a business in this state which was the subject of an agreement between the business and the pollution control agency to stay open in violation of pollution standards no later than April 1, 1981, which business is forced to close by order of a federal or state court or a federal agency for environmental reasons prior to April 1, 1981, shall be entitled to enroll in an adult vocational education program free of charge until April 1, 1981."

Page 2, line 4, delete "employee's" and insert "employer's"

Page 2, delete sections 3 and 4 and insert:

"Sec. 4. [268.072] [ENVIRONMENTAL CLOSING BENEFITS.] *Subdivision 1. [ELIGIBILITY.] Benefits are payable to persons who:*

(1) Exhausted entitlement to benefits as defined by sections 268.03 to 268.25 and cannot establish entitlement to unemployment compensation under the law of any other state or the federal government; and

(2) Last worked for an employing unit in this state at a work location which was the subject of an agreement between the employing unit and the pollution control agency to stay open no later than April 1, 1981, notwithstanding the provisions of the Federal Clean Air Act of 1977, which employing unit is forced to close at an earlier date by a final order of a federal or state court or a federal agency issued because of a violation of the Federal Clean Air Act of 1977 and lost his employment because of the closure order.

Subd. 2. [ELIGIBILITY REQUIREMENTS FOR ENVIRONMENTAL CLOSING BENEFITS.] An individual shall be eligible to receive benefits with respect to any week of unemployment if the commissioner finds that with respect to the week:

(1) He has exhausted benefits as defined in subdivision 1 of this section; or

(2) *He has satisfied the eligibility requirements of sections 268.03 to 268.25 for the receipt of regular benefits including not being subject to a disqualification from receipt of benefits.*

Subd. 3. [WEEKLY EXTENDED BENEFIT AMOUNT.] *The weekly benefit amount payable to an individual for a week of total unemployment shall be an amount equal to the weekly benefit amount payable to him during his most recent benefit year.*

Subd. 4. [DURATION OF BENEFITS.] *Benefits payable to any eligible individual under this law shall not be denied by expiration of a benefit year, provided payment shall not be made for any week of unemployment ending after April 1, 1981.*

Subd. 5. [EFFECT OF STATE LAW PROVISIONS RELATING TO REGULAR BENEFITS ON CLAIMS FOR, AND THE PAYMENT OF, EXTENDED BENEFITS.] (1) *Except when the result would be inconsistent with the other provisions of this section, the provisions of chapter 268 which apply to claims for, or the payment of, regular benefits shall apply to claims for, and the payment of, benefits under this section.*

(2) *For the purposes of this section, regular and extended benefits means benefits payable to any individual under the Minnesota employment services law.*

Subd. 6. [ENVIRONMENTAL BENEFIT FUND.] *There is established a special fund, separate and apart from all public moneys or funds of this state, which shall be administered by the commissioner exclusively for the purpose of this section. Any balance of moneys after payment of all claims and administrative expenses shall be redeposited in the state treasury.*

Subd. 7. [NONLIABILITY OF THE STATE.] *Benefits shall be deemed to be due and payable under this section only to the extent provided therein and to the extent that moneys are available, and neither the state nor the commissioner shall be liable for any amount in excess of such sums.*

Subd. 8. [SEVERANCE PAYMENTS.] *The provisions of section 268.08, subdivision 3 notwithstanding, severance payments received by an individual who qualifies under subdivision 1 of this section shall not have such payments deducted from regular, extended or benefits under this section."*

Page 3, line 2, delete "section" and insert "sections"

Page 3, line 2, after "1" insert "and 2"

Page 3, delete subdivision 3 and insert:

"Subd. 3. There is appropriated from the general fund in the state treasury to the commissioner of economic security \$, or as much of that as is necessary for reasonable administrative costs and benefits, for the biennium ending June 30, 1981, for the purposes of section 3."

Renumber the sections in sequence

Underline all new language in the bill

Amend the title as follows:

Page 1, line 5, before the period, insert “; amending Minnesota Statutes 1978, Section 124.572, by adding a subdivision”

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

Mr. Laufenburger from the Committee on Employment, to which was referred

S. F. No. 1312: A bill for an act relating to unemployment compensation; providing for conformity with federal requirements; altering certain definitions; altering certain provisions as to employer contributions; altering provisions as to deductions from benefits; altering provisions as to between term denial of benefits to certain educational employees; altering certain provisions for disqualification from benefits; altering certain appeal provisions; removing limitation on certain reciprocal benefit arrangements; amending Minnesota Statutes 1978, Sections 268.04, Subdivisions 10, 12 and 23; 268.06, Subdivisions 5, 8, 21, 22, and by adding a subdivision; 268.08, Subdivisions 3, 4 and 6; 268.09, Subdivisions 1, 2 and 3; 268.10, Subdivision 2; 268.12, Subdivision 13; 268.13, Subdivision 2; and 268.18, Subdivisions 1 and 2.

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

Pages 29 to 31, delete section 11

Page 47, after line 17, insert:

“Sec. 19. Minnesota Statutes 1978, Section 268.08, Subdivision 6, as amended by Laws 1979, Chapter 24, is amended to read:

Subd. 6. [SERVICES PERFORMED FOR STATE, MUNICIPALITIES OR CHARITABLE CORPORATION.] Effective January 1, 1978 benefits based on service in employment defined in section 268.04, subdivision 12, clauses (7), (8) and (9), shall be payable in the same amount, on the same terms and subject to the same conditions as benefits payable on the basis of other service subject to this chapter; except that

(a) With respect to weeks of unemployment after December 31, 1977, benefits based upon service performed in an instructional, research, or principal administrative capacity for an institution of higher education or a public school, or a nonpublic school or the Minnesota school for the deaf or Minnesota braille and sight saving school, ~~or in a public or nonpublic school for an educational cooperative service unit established under section 123.58, or any other educational service agency as defined in section 3304 (a) (6) (A) (IV) of the federal unemployment tax act, or a developmental achievement center operating pursuant to sections 252.21 to 252.26 and licensed pursuant to section 245.783,~~ shall not be paid for any week of unemployment commencing during the period between two successive academic years or terms, or during a similar period be-

tween two regular but not successive terms, or during a period of paid sabbatical leave provided for in the individual's contract, to any individual if the individual performs the services in the first of the academic years or terms and if there is a contract or a reasonable assurance that the individual will perform services in any such capacity for any institution of higher education, public school, nonpublic school, state deaf and sight saving schools, an educational cooperative service unit, other educational service agency, or developmental achievement center in the second of the academic years or terms, and

(b) With respect to service performed after December 31, 1977 in any capacity, other than those capacities described in clause (a) of this subdivision, for a public school or nonpublic school, or the Minnesota school for the deaf or Minnesota braille and sight saving school, and for service with a political subdivision with respect to a school, or in a public or nonpublic school for an educational cooperative service unit established under section 123.58, or any other educational service agency as defined in section 3304 (a) (6) (A) (IV) of the federal unemployment tax act, or a developmental achievement center operating pursuant to sections 252.21 to 252.26 and licensed pursuant to section 245.783, benefits shall not be paid on the basis of these services to any individual for any week which commences during a period between two successive academic years or terms if the individual performs the services in the first of the academic years or terms and there is a reasonable assurance that the individual will perform the services in the second of the academic years or terms, and

(c) With respect to any services described in clause (a) or (b), compensation benefits payable on the basis of the services shall not be paid to any individual for any week which commences during an established and customary vacation period or holiday recess if the individual performs the services in the period immediately before the vacation period or holiday recess, and there is a reasonable assurance that the individual will perform the services in the period immediately following the vacation period or holiday recess. School year for a developmental achievement center operating pursuant to sections 252.21 to 252.26 and licensed pursuant to section 245.783, means that period established by resolution of its board of directors.

Sec. 20. [EFFECTIVE DATES.] *Subdivision 1. Sections 1, 2 and 3 of this act shall be effective January 1, 1979.*

Subd. 2. Sections 5 and 6 of this act shall be effective January 1, 1980.

Subd. 3. Sections 4, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18 and 19 of this act shall be effective the day following final enactment."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 15, after "3" delete the comma and insert "and"

Page 1, line 15, after "4" insert a comma

Page 1, line 15, after "6" insert ", as amended"

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

Mr. Laufenburger from the Committee on Employment, to which was referred

S. F. No. 787: A bill for an act relating to commerce; creating a business assistance center within the department of economic development; appropriating money; amending Minnesota Statutes 1978, Sections 161.321, Subdivision 1; 362.42; and Chapter 362, by adding sections; repealing Minnesota Statutes 1978, Section 16.082.

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

Page 2, line 27, delete "*Subdivision 1.*"

Page 2, line 30, delete "*The center shall be headed by an*"

Page 2, delete line 31

Page 2, line 32, delete "*commissioner.*"

Pages 3 and 4, delete subdivision 2

Page 4, line 10, delete "*The staff of the bureau of small business*"

Page 4, delete line 11

Page 4, line 12, delete "*commissioner.*"

Page 4, line 12, delete "*director*" and insert "*bureau*"

Page 4, line 29, delete "*and*"

Page 5, line 1, delete the period and insert "; and

(g) Develop an information system, with due regard to privacy statutes, which will enable the commissioner and other state agencies to efficiently store, retrieve, analyze and exchange data regarding business development and growth in the state."

Page 5, line 2, delete "*director shall*" and insert "*bureau may*"

Page 5, line 3, delete "*shall*" and insert "*may*"

Page 5, delete lines 11 and 12

Page 5, line 13, delete "*economic development.*"

Page 5, line 21, delete "*shall be limited to*" and insert "*may include*"

Page 6, delete subdivision 1

Re-number the subdivisions in sequence

Page 6, line 25, after the period insert "*The bureau shall also study applications and forms not necessarily related to licenses, which are required by state agencies to operate a business within the state.*"

Page 6, line 27, delete "report to the" and insert "issue a preliminary report to the appropriate standing committee of the legislature no later than January 1, 1980, and shall issue its final report to the governor and the legislature by January 1,"

Page 6, delete line 28

Page 6, line 29, after "The" insert "final"

Page 7, line 18, delete "and"

Page 7, line 20, delete the period and insert "; and

(i) *Modifying, simplifying and combining applications and forms required to operate a business within the state.*"

Page 7, line 24, delete "on" and insert "between"

Page 7, line 25, after "1981" insert "and July 1, 1982"

Pages 7 and 8, delete section 5

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 7, delete "; repealing Minnesota Statutes" and insert a period

Page 1, delete line 8

And when so amended the bill do pass and be re-referred to the Committee on Finance. Mr. Schaaf questioned the reference thereon and, under Rule 35, the bill was referred to the Committee on Rules and Administration.

Mr. Anderson from the Committee on Energy and Housing, to which was referred

S. F. No. 815: A bill for an act relating to building codes; defining "earth sheltered" construction; requiring modification of zoning and building codes and ordinances so as to allow earth sheltered construction; appropriating funds; amending Minnesota Statutes 1978, Sections 394.22, by adding a subdivision; 394.25, Subdivision 3; 394.27, Subdivision 7; 462.352, by adding a subdivision; and 462.357, Subdivisions 1 and 6.

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

Page 1, line 15, delete "building"

Delete lines 16 to 21 and insert "structure which complies with applicable building standards and which is constructed so that:

(1) 80 percent or more of the roof area is covered with a minimum depth of twelve inches of earth;

(2) 50 percent or more of the wall area is covered with a minimum depth of twelve inches of earth; and

(3) Those portions of the structure not insulated with a minimum of seven feet of earth shall have additional insulation."

Page 3, line 8, delete "*shall*" and insert "*may*"

Page 3, line 20, delete "*building*"

Page 3, delete lines 21 to 26 and insert "*structure which complies with applicable building standards and which is constructed so that:*

(1) *80 percent or more of the roof area is covered with a minimum depth of twelve inches of earth;*

(2) *50 percent or more of the wall area is covered with a minimum depth of twelve inches of earth; and*

(3) *Those portions of the structure not insulated with a minimum of seven feet of earth shall have additional insulation."*

Page 5, line 24, delete "*shall*" and insert "*may*"

Page 6, line 4, delete "*Minnesota energy agency*" and insert "*department of administration, building code division,*"

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

Mr. Anderson from the Committee on Energy and Housing, to which was referred

S. F. No. 943: A bill for an act relating to housing; creating a demonstration program in congregate housing; appropriating money; amending Minnesota Statutes 1978, Sections 462A.02, by adding a subdivision; 462A.03, by adding a subdivision; 462A.05, by adding a subdivision; and 462A.21, by adding a subdivision.

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

Page 2, line 16, after "*health*" insert "*, and the governor's board on aging*"

Page 2, line 21, after "*health*" insert "*, and area agencies on aging*"

Page 3, line 10, delete "\$3,000,000" and insert "\$....."

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

Mr. Anderson from the Committee on Energy and Housing, to which was referred

S. F. No. 760: A bill for an act relating to publicly assisted property development; setting a property tax classification; fixing the terms and other conditions of certain industrial development bonds; amending Minnesota Statutes 1978, Sections 273.13, by adding a subdivision; and 474.06.

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

Page 2, delete section 2

Page 2, line 27, delete "3. Section 1" and insert "2. This act"

Amend the title as follows:

Page 1, line 4, delete "fixing the terms and other"

Page 1, delete line 5

Page 1, line 6, delete "bonds;"

Page 1, line 6, delete "Sections" and insert "Section"

Page 1, line 7, delete "; and 474.06"

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

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

S. F. No. 888: A bill for an act relating to tuberculosis; closing the Glen Lake State Sanatorium; requiring the treatment of tuberculosis; allocating costs of tuberculosis treatment for persons in the welfare system; amending Minnesota Statutes 1978, Sections 144.422, Subdivisions 6 and 9; 144.424, Subdivisions 8 and 11; 144.425; 197.01; 251.043, Subdivision 1; 251.053; and 256.01, Subdivision 2; repealing Minnesota Statutes 1978, Sections 246.014, Subdivision 8; 251.01; 251.011, Subdivisions 2 and 5; 251.02; 251.03; and 251.11.

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

Page 1, lines 25 and 26, strike "superintendent of the tuberculosis sanatorium or" and insert "*chief medical officer of the*"

Page 2, line 2, strike "said superintendent or" and insert "*the*"

Page 2, line 7, strike "the tuberculosis unit at"

Page 2, line 10, strike "sanatorium or"

Page 2, line 13, strike "sanatorium or"

Page 2, line 15, strike "the superintendent of"

Page 2, line 15, delete "*the*" and strike "sanatorium or"

Page 2, line 28, strike "or sanatorium"

Page 3, line 3, strike "or sanatorium"

Page 3, line 15, strike everything after the period

Page 3, strike lines 16 to 21

Page 3, line 22, strike everything before "Any"

Page 3, line 28, strike "public sanatorium or"

Page 3, line 31, strike "sanatorium or"

Page 4, line 2, strike "county sanatorium or"

Page 4, line 7, strike "institution" and insert "*hospital*"

Page 4, lines 7 and 8, strike "superintendent or"

Page 4, line 8, strike "thereof"

Page 4, line 10, strike "superintendent or"

Page 4, lines 13 and 14, strike "superintendent and the"

Page 4, line 22, strike "sanatorium or"

Page 4, line 23, strike "superintendent or"

Page 4, line 24, strike everything after the comma

Page 4, line 32, strike everything after "commissioner"

Page 4, strike line 33 before the period and insert "*designates*"

Page 5, line 3, strike "*The*"

Page 5, lines 4 to 22, strike the old language and delete the underlined language

Page 5, line 23, delete "*the person's*" and strike "residence" and insert "*The commissioner of public welfare shall arrange appropriate medical care for any patient who contracts tuberculosis at a state-operated hospital or nursing home. The cost of the care including transportation costs shall be paid from appropriations to the commissioner for state-operated hospitals and nursing homes.*"

Page 6, line 6, strike "superintendent,"

Page 6, line 7, strike "insane"

Page 6, lines 9 and 10, strike "or sanatorium for consumptives"

Page 7, line 8, strike "tuberculosis"

Page 7, line 9, strike everything before the comma and insert "*hospital or nursing home*"

Page 7, line 10, strike "department of social"

Page 7, strike lines 11 and 12

Page 7, line 13, strike "sanatoria" and insert "*commissioner of public welfare*"

Page 7, line 16, after "department" strike the old language and delete "*any*"

Page 7, strike line 17

Page 7, line 18, strike "body may determine"

Page 7, line 26, strike everything before "where" and insert "*chief medical officer of the hospital*"

Page 8, line 8, strike "SANATORIUM" and insert "HOSPITAL"

Page 10, line 31, strike "febleminded" and insert "*mentally retarded*"

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

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

S. F. No. 1141: A bill for an act relating to hearing impaired persons; establishing regional service centers and advisory committees; establishing a statewide interpreter referral service; providing for a program of training and employment; prescribing duties for the commissioner of public welfare; establishing an office on hearing impairment; providing for an advisory committee for the state council for the handicapped; prescribing duties for the department of health; appropriating money.

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

Page 6, line 20, delete "section" and insert "sections"

Page 6, line 20, after "9" insert "and 10"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Mr. Schaaf questioned the reference thereon and, under Rule 35, the bill was referred to the Committee on Rules and Administration.

Mr. Olson from the Committee on General Legislation and Administrative Rules, to which was referred

S. F. No. 1215: A bill for an act relating to public safety; prohibiting scuba diving during certain hours; amending Minnesota Statutes 1978, Section 361.09, Subdivision 2.

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

Page 1, delete line 8 and insert "is amended by adding a subdivision to read:"

Page 1, delete lines 9 to 14 and insert:

"Subd. 3. No person shall scuba or skin dive in any waters of this state at any time from one hour after sunset to sunrise on the day following unless the diver has in his possession a diver's light visible from a distance of at least 150 feet. No person shall scuba or skin dive from one hour after sunset to sunrise on the day following while in possession of a spear."

Amend the title as follows:

Page 1, line 2, after "scuba" insert "or skin"

Page 1, line 3, after "hours" insert "and under certain conditions"

Page 1, line 4, delete "Subdivision 2" and insert "by adding a subdivision"

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

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

S. F. No. 732: A bill for an act relating to game and fish; modifying the definitions of rough fish and minnows; amending Minnesota Statutes 1978, Section 97.40, Subdivisions 11 and 12.

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

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

S. F. No. 797: A bill for an act relating to game and fish; authorizing, licensing and regulating nonresidents' fish houses or dark houses; amending Minnesota Statutes 1978, Section 98.46, Subdivision 15.

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

Page 1, line 17, delete "*or dark house*"

Page 1, line 18, delete "\$10" and insert "\$15"

Page 1, line 18, delete "*or dark house*"

Page 2, line 2, delete "*or dark houses*"

Amend the title as follows:

Page 1, line 3, delete "*or dark*"

Page 1, line 4, delete "*houses*"

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

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

S. F. No. 1313: A bill for an act relating to Beltrami County; providing for disposition of the proceeds from the sale or rental of tax forfeited lands or from the sale of their products; increasing the amount that may be spent for promotion of tourist, agricultural and industrial developments; amending Laws 1967, Chapter 558, Section 1, Subdivision 5.

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

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

H. F. No. 235 for comparison with companion Senate File, reports the following House File was found identical and recommends the House File be given its second reading and substituted for its companion Senate File as follows:

GENERAL ORDERS CONSENT CALENDAR CALENDAR

H. F. No.	S. F. No.	H. F. No.	S. F. No.	H. F. No.	S. F. No.
235	350				

and that the above Senate File be indefinitely postponed.

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

Mr. Coleman from the Subcommittee on Bill Scheduling, to which were referred S. F. Nos. 608, 927, 856, 935, 951, 801, 920, 799, 509, 807, 273, 506, 188, 683, 704, 971, 1149, 579, 1047, 562, 983, 263, 486, 436, 843, 666, 618, 1245, 963, 552, 119, 303, 808, 27, 1002, 923, 1143, 1073, 332, 153, 133, 1074, 722, 937, 756, and H. F. Nos. 116, 757 and 487 makes the following report:

That the above Senate Files and House Files be placed on the General Orders Calendar in the order indicated.

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

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

S. F. No. 1110: A bill for an act relating to Independent School District No. 275; providing for the consolidation of Independent School District No. 275.

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

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

S. F. No. 929: A bill for an act relating to small businesses; increasing state procurement from small businesses; amending Minnesota Statutes 1978, Section 16.083, Subdivisions 1 and 4.

Reports the same back with the recommendation that the report from the Committee on Employment shown in the Journal for April 11, 1979, be amended to read: "And when so amended the bill do pass and the bill be re-referred to the Committee on Governmental Operations." Amendments adopted. Report adopted.

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

S. F. No. 966: A bill for an act relating to county human services facilities; providing authority to issue and sell revenue bonds, lease facilities, pledge revenues, and pledge full faith and credit; amending Minnesota Statutes 1978, Chapter 402, by adding a section.

Reports the same back with the recommendation that the report from the Committee on Local Government shown in the Journal

for April 11, 1979, "And when so amended the bill do pass," be adopted and the bill be re-referred to the Committee on Taxes and Tax Laws. Amendments adopted. Report adopted.

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

S. F. No. 936: A bill for an act relating to adult vocational education; restricting tuition for adult small business management programs; appropriating money to provide adult small business management programs at additional locations; amending Minnesota Statutes 1978, Section 124.572, by adding a subdivision.

Reports the same back with the recommendation that the report from the Committee on Employment shown in the Journal for April 11, 1979, "And when so amended the bill do pass and be re-referred to the Committee on Finance" be adopted. Amendments adopted. Report adopted.

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

S. F. No. 1015: A bill for an act relating to natural resources; providing a public policy directed to preservation of these lands; establishing a temporary joint legislative committee on agricultural and forest land preservation; requiring studies and reports by the state planning agency; providing for staffing of the joint legislative committee.

Reports the same back with the recommendation that the report from the Committee on Agriculture and Natural Resources shown in the Journal for April 11, 1979, "And when so amended the bill do pass" be adopted and the bill be re-referred to the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Coleman from the Committee on Rules and Administration, to which were referred for proper reference under Rule 35:

S. F. Nos. 1331, 1348 and 1389 reports the same back with the recommendation that the bills be re-referred as follows:

S. F. No 1331 to the Committee on Judiciary.

S. F. No. 1348 to the Committee on Local Government.

S. F. No. 1389 to the Committee on Taxes and Tax Laws.

Report adopted.

SECOND READING OF SENATE BILLS

S. F. No. 1110 was read the second time.

S. F. Nos. 624, 913, 320, 445, 1158, 1211, 859, 134, 107, 1312, 888, 1215, 732, 797 and 1313 were read the second time and referred to the Subcommittee on Bill Scheduling of the Committee on Rules and Administration.

SECOND READING OF HOUSE BILLS

H. F. No. 235 was read the second time.

H. F. No. 810 was read the second time and referred to the Subcommittee on Bill Scheduling of the Committee on Rules and Administration.

MOTIONS AND RESOLUTIONS.

Mr. Lewis moved that H. F. No. 1158 be withdrawn from the Committee on Education and re-referred to the Committee on Rules and Administration for comparison with S. F. No. 1110 now on the Consent Calendar. The motion prevailed.

Mr. Willet moved that the name of Mr. Chmielewski be added as co-author to S. F. No. 791. The motion prevailed.

Mr. Peterson moved that the names of Messrs. Schmitz and Wegener be added as co-authors to S. F. No. 1099. The motion prevailed.

Mr. Lewis moved that his name be stricken as co-author to S. F. No. 1241. The motion prevailed.

Mr. Knoll moved that the name of Mr. Frederick be added as co-author to S. F. No. 1259. The motion prevailed.

Mr. Strand moved that the names of Mr. Schmitz and Mrs. Knaak be added as co-authors to S. F. No. 1318. The motion prevailed.

Mr. Sieloff moved that the name of Mr. Johnson be stricken and Mr. Penny be added as co-author to S. F. No. 1331. The motion prevailed.

Mr. Sikorski moved that the names of Messrs. Nelson and Johnson be added as co-authors to S. F. No. 1336. The motion prevailed.

Mr. Laufenburger moved that the name of Mr. Lessard be added as co-author to S. F. No. 1442. The motion prevailed.

Mr. Menning moved that S. F. No. 160 be withdrawn from the Committee on Finance and re-referred to the Committee on Health, Welfare and Corrections. The motion prevailed.

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.

Monsignor Terrence J. Murphy, Chaplain, effective April 16, 1979

Rev. George C. Stierwald, Chaplain, effective April 19, 1979

Rev. Ralph Loges, Chaplain, effective April 23, 1979

Rev. Katherine Austin Mahle, Chaplain, effective April 26, 1979

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

CALENDAR

S. F. No. 668: A bill for an act relating to Blue Earth County; authorizing the county to enter into various agreements for acquisition of property; amending Laws 1973, Chapter 38, Section 1.

Mr. Ueland, A. moved to amend S. F. No. 668 as follows:

Amend the title as follows:

Page 1, line 2, delete "County" and insert ", Redwood, Kandiyohi, and Renville Counties"

Page 1, line 3, delete "county" and insert "counties"

The motion prevailed. So the amendment was adopted.

S. F. No. 668: A bill for an act relating to Blue Earth, Redwood, Kandiyohi, and Renville Counties; authorizing the counties to enter into various agreements for acquisition of property; amending Laws 1973, Chapter 38, Section 1.

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 57 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Gunderson	Lessard	Peterson	Spear
Ashbach	Hughes	Luther	Pillsbury	Stokowski
Bang	Humphrey	McCutcheon	Purfeerst	Strand
Benedict	Jensen	Menning	Renneke	Stumpf
Bernhagen	Johnson	Moe	Rued	Tennessee
Chenoweth	Keefe, J.	Nelson	Schaaf	Ueland, A.
Chmielewski	Keefe, S.	Nichols	Schmitz	Ueland, J.
Dieterich	Kirchner	Ogdahl	Setzepfandt	Vega
Dunn	Knaak	Olhoft	Sieloff	Wegener
Engler	Knoll	Olson	Sikorski	
Frederick	Knutson	Penny	Sillers	
Gearty	Laufenburger	Perpich	Solon	

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

S. F. No. 719: A bill for an act relating to education; permitting a school district to sell certain buildings at auction; setting conditions for the sale.

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 61 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

Without objection, the Senate reverted to the Order of Business of Motions and Resolutions.

MOTIONS AND RESOLUTIONS

Mr. Keefe, S. moved that S. F. No. 1351 be withdrawn from the Committee on Governmental Operations and re-referred to the Committee on Taxes and Tax Laws. The motion prevailed.

GENERAL ORDERS

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

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

S. F. No. 919, which the committee recommends to pass with the following amendment offered by Mr. Laufenburger:

Delete everything after the enacting clause and insert:

"Section 1. [TOWN OF WINONA; EMPLOYMENT OF A BUILDING OFFICIAL.] The town of Winona in Winona County may employ a building official to administer the provisions of the state building code within the town. Any building official appointed by the town of Winona shall serve at the pleasure of the town board and shall exercise the duties and authority of a building official notwithstanding the provisions of Minnesota Statutes, Section 16.861, relating to the qualifications and certification of a building official.

Sec. 2. This act is effective upon the approval of the town board of supervisors of the town of Winona and upon compliance with Minnesota Statutes, Section 645.021."

Amend the title as follows:

Page 1, line 2, delete "buildings" and insert "the town of Winona"

Page 1, line 3, delete "certain towns;" and insert "the town of Winona."

Page 1, delete lines 4 and 5

The motion prevailed. So the amendment was adopted.

H. F. No. 13 which the committee recommends to pass, after the following motions:

Mr. McCutcheon moved that the amendment made to H. F. No. 13 by the Committee on Judiciary, adopted by the Senate March 15, 1979, be stricken.

The question was taken on the adoption of the motion.

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

Those who voted in the affirmative were:

Bernhagen	Jensen	Lessard	Penny	Setzepfandt
Chmielewski	Johnson	McCutcheon	Peterson	Solon
Engler	Keefe, J.	Menning	Purfeerst	Strand
Frederick	Kirchner	Moe	Renneke	Vega
Gearty	Knaak	Olhoff	Rued	Wegener
Hanson	Knutson	Olson	Schmitz	Willet

Those who voted in the negative were:

Anderson	Davies	Laufenburger	Pillsbury	Staples
Ashbach	Dieterich	Lewis	Schaaf	Stokowski
Bang	Dunn	Luther	Sieloff	Stumpf
Benedict	Humphrey	Nelson	Sikorski	Tennessen
Chenoweth	Keefe, S.	Ogdahl	Sillers	Ueland, A.
Coleman	Knoll	Perpich	Spear	Ulland, J.

The motion did not prevail.

Mr. Anderson moved to amend H. F. No. 13 as follows:

Page 2, delete subdivisions 3 and 4

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 18 and nays 32, as follows:

Those who voted in the affirmative were:

Anderson	Nelson	Penny	Sikorski	Stumpf
Ashbach	Nichols	Perpich	Sillers	Ulland, J.
Humphrey	Ogdahl	Pillsbury	Spear	
Keefe, S.	Olson	Schaaf	Staples	

Those who voted in the negative were:

Benedict	Frederick	Laufenburger	Peterson	Strand
Bernhagen	Gearty	Lessard	Purfeerst	Vega
Chenoweth	Gunderson	Luther	Renneke	Wegener
Chmielewski	Hanson	McCutcheon	Schmitz	Willet
Dieterich	Jensen	Menning	Setzepfandt	
Dunn	Johnson	Moe	Sieloff	
Engler	Knoll	Olhoff	Solon	

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

Mr. Olhoff moved to amend H. F. No. 13 as follows:

Page 1, after line 8, insert:

"ARTICLE I"

Page 4, after line 6, insert:

"ARTICLE II"

Section 1. Minnesota Statutes 1978, Chapter 609, is amended by adding a section to read:

[609.691] [DEFINITIONS.] *Subdivision 1. For the purposes of sections 1 to 4, the terms defined in this section have the meanings given them.*

Subd. 2. "Work" means any material or performance.

Subd. 3. "Material" means anything tangible which is capable of being used or adapted to arouse interest, whether through the medium of reading, observation, sound or in any other manner.

Subd. 4. "Performance" means any play, motion picture, dance or other exhibition performed before an audience.

Subd. 5. "An obscene work" is a work which taken as a whole appeals to the prurient interest in sex, which portrays sexual conduct in a patently offensive way, and which, taken as a whole, does not have serious literary, artistic, political or scientific value. In determining whether or not a work is an obscene work the trier of the fact must find (a) that the average person, applying contemporary community standards, would find that the work, taken as a whole, appeals to the prurient interest in sex and (b) that the work depicts or describes, in a patently offensive way, sexual conduct specifically defined by section 1, subdivision 9 or conduct authoritatively construed by the courts of this state as being a patently offensive portrayal of sexual conduct and (c) that the work, taken as a whole, lacks serious literary, artistic, political or scientific value.

Subd. 6. "Community standards" means the standards of the community from which the jury is drawn or would be drawn if it were the trier of the fact.

Subd. 7. "Patently offensive" means so offensive on its face as to affront current standards of decency.

Subd. 8. "Standards of decency" means community standards of decency.

Subd. 9. "Sexual conduct" includes any of the following depicted or described sexual or excretory conduct:

(a) An act of sexual intercourse, normal or perverted, actual or simulated, including genital-genital, anal-genital, or oral-genital intercourse, whether between human beings or between a human being and an animal.

(b) Sado-masochistic abuse, meaning flagellation or torture by or upon a person who is nude or clad in undergarments or in a revealing costume or the condition of being fettered, bound or otherwise physically restrained on the part of one who is so clothed as an act of sexual stimulation or gratification.

(c) *Masturbation, excretory functions and lewd exhibitions of the genitals including any explicit, close up representation of a human genital organ.*

(d) *Physical contact or simulated physical contact with the clothed or unclothed pubic areas or buttocks of a human male or female, or the breasts of the female, whether alone or between members of the same or opposite sex or between humans and animals in an act of apparent sexual stimulation or gratification.*

(e) *Use of a device designed and marketed as useful primarily for stimulation of the human genital organs.*

(f) *Male or female genitals in a state of sexual stimulation or arousal.*

(g) *Covered male genitals in a discernably turgid state.*

Subd. 10. "Promote" means to manufacture, issue, sell, give, provide, lend, mail, deliver, transfer, transmute, publish, distribute, circulate, disseminate, present, exhibit or advertise, or to offer or agree to do the same.

Subd. 11. "Wholesale promote" means to manufacture, issue, sell, provide, mail, deliver, transfer, transmute, publish, distribute, circulate, disseminate or to offer or agree to do the same for purposes of resale.

Sec. 2. Minnesota Statutes 1978, Chapter 609, is amended by adding a section to read:

[609.692] [OBSCENITY IN THE FIRST DEGREE.] *Subdivision 1. A person is guilty of obscenity in the first degree when, knowing its content and character, he wholesale promotes, or possesses with intent to wholesale promote any obscene material.*

Subd. 2. (a) A person convicted of a violation of subdivision 1 is guilty of a gross misdemeanor, and shall be sentenced to imprisonment for not more than one year or to payment of a fine of not more than \$1,000 or both.

(5) Any person convicted of a second or subsequent violation of subdivision 1 within a period of three years is guilty of a felony, and shall be sentenced to imprisonment for not less than one year nor more than five years or to payment of a fine of not less than \$1,000 nor more than \$10,000, or both.

Sec. 3. Minnesota Statutes 1978, Chapter 609, is amended by adding a section to read:

[609.693] [OBSCENITY IN THE SECOND DEGREE.] *Subdivision 1. A person is guilty of obscenity in the second degree when, knowing its content and character, he:*

(a) Promotes for profit, or possesses with intent to promote for profit, any obscene material; or

(b) For profit produces, presents or directs an obscene performance or participates in a portion thereof which is obscene or which contributes to its obscenity.

Subd. 2. (a) A person convicted of a violation of subdivision 1 is guilty of a misdemeanor, and may be sentenced to imprisonment for not more than 90 days, or to payment of a fine of not more than \$500, or both.

(b) Any person convicted of a second or subsequent violation of subdivision 1 within a three year period is guilty of a gross misdemeanor and may be sentenced to imprisonment for not more than one year or to payment of a fine of not more than \$5,000, or both.

Sec. 4. Minnesota Statutes 1978, Chapter 609, is amended by adding a section to read:

[609.695] [SEVERABILITY PROVISION.] *If any depiction or description of sexual conduct described in section 1, subdivision 9 is declared by a court of competent jurisdiction to be unlawfully included therein because the depiction or description is constitutionally protected or for any other reason, the declaration shall not invalidate sections 2 to 4 as to patently offensive depictions or descriptions of other sexual conduct included in section 1, subdivision 9.*

Sec. 5. Minnesota Statutes 1978, Section 617.291, Subdivision 2, is amended to read:

Subd. 2. It is in the best interest of the health, welfare and safety of the citizens of this state, and especially of minors within the state, that commercial dissemination of such sexually provocative written, photographic, printed, sound or published materials deemed harmful to minors be restricted to persons over the age of 17 years; or, if available to minors under the age of 18 years, that the availability of such materials be restricted to sources within established and recognized schools, churches, museums, medical clinics and physicians, hospitals, public libraries, or government sponsored organization.

Sec. 6. Minnesota Statutes 1978, Section 617.292, Subdivision 4, is amended to read:

Subd. 4. "Sexual conduct" means acts of masturbation, ~~homosexuality~~ sodomy, sexual intercourse, or physical contact with a person's clothed or unclothed genitals, pubic area, buttocks, or, if such a the person be a female, her breast.

Sec. 7. Minnesota Statutes 1978, Section 617.292, Subdivision 6, is amended to read:

Subd. 6. "Sadomasochistic abuse" means flagellation or torture by or upon a person *who is nude, or clad in undergarments, a mask or bizarre costume, or the condition of being fettered, bound or otherwise physically restrained on the part of one who is so clothed as an act of sexual stimulation or gratification.*

Sec. 8. Minnesota Statutes 1978, Section 617.292, Subdivision 7, is amended to read:

Subd. 7. "Harmful to minors" means that quality of any description or representation, in whatever form, of nudity, sexual

conduct, sexual excitement, or sadomasochistic abuse, when *taken as a whole* it:

(1) ~~predominantly~~ appeals to the prurient, ~~shameful or merbid~~ interest in sex of minors, and

(2) is patently offensive to prevailing standards in the adult community as a whole with respect to what is suitable material for minors, and

(3) is ~~utterly without redeeming social importance~~ lacks serious literary, artistic, political or scientific value for minors.

Sec. 9. Minnesota Statutes 1978, Section 617.292, Subdivision 8, is amended to read:

Subd. 8. "Knowingly" means having general knowledge of, or reason to know, or a belief or ground for belief which warrants further inspection or inquiry or both; of:

(1) the character and content of any material which is reasonably susceptible of examination by the defendant, and

(2) the age of the minor, provided however that an honest mistake shall constitute an excuse from liability ~~hereunder~~ *under sections 617.291 to 617.297* if the defendant made a reasonable bona fide attempt to ascertain the true age of ~~such the~~ minor.

Sec. 10. Minnesota Statutes 1978, Section 617.26, is amended to read:

617.26 [MAILING AND CARRYING OBSCENE MATTER.] Every person who shall deposit or cause to be deposited in any post office in the state, or place in charge of any express company or other common carrier or person for transportation, any of the *materials*, articles or things specified in ~~section 617.241~~ *section 1, subdivision 5, or 617.25*, or any circular, book, pamphlet, advertisement or notice relating thereto, with the intent of having the same conveyed by mail, express, or in any other manner; or who shall knowingly or wilfully receive the same with intent to carry or convey it, or shall knowingly carry or convey the same by express, or in any other manner except by United States mail, ~~shall be~~ *is* guilty of a misdemeanor. The provisions of this section and section 617.25 shall not be construed to apply to an article or instrument used by physicians lawfully practicing, or by their direction or prescription, for the cure or prevention of disease.

Sec. 11. Minnesota Statutes 1978, Section 617.27, is amended to read:

617.27 [SEARCH WARRANT; DESTRUCTION OF PROPERTY.] ~~Every municipal~~ *A county court and justice of the peace judge, upon complaint under oath that any person has in his possession or under his control, in violation of sections 1 to 4 of this article, or sections 617.243, 617.25 and 617.26, any of the obscene books, papers, or other matter specified in sections 617.241 to 617.26 those sections,* shall issue a warrant directed to the sheriff or any constable of the county, therein directing him to search for, seize, and take possession of ~~such the~~ obscene matter; and,

upon conviction of the person in whose possession the same shall be found, shall cause such *the* matter to be destroyed, and the fact to be entered upon the records of the court.

Sec. 12. [REPEALER.] *Minnesota Statutes 1978, Section 617.241, is repealed.*"

Underline new language in the bill

Amend the title as follows:

Page 1, line 2, after the semicolon insert "prohibiting the promotion and dissemination of obscene materials;"

Page 1, line 6, after "penalties" insert "; amending Minnesota Statutes 1978, Sections 617.26; 617.27; 617.291, Subdivision 2; 617.292, Subdivisions 4, 6, 7 and 8; and Chapter 609, by adding sections; repealing Minnesota Statutes 1978, Section 617.241."

Mr. Olhoff moved to amend the Olhoff amendment to H. F. No. 13, as follows:

Page 5, delete section 5

Renumber the sections in sequence

Amend the title amendment as follows:

Page 8, lines 7 and 8, delete "617.291, Subdivision 2;"

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

Mr. Sieloff moved to amend the Olhoff amendment to H. F. No. 13, as follows:

Page 1, lines 14 to 17, delete subdivision 3

Page 3, line 32, delete "*material*" and insert "*work*"

Renumber the subdivisions in sequence

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

The roll was called, and there were yeas 33 and nays 19, as follows:

Those who voted in the affirmative were:

Anderson	Gunderson	Lewis	Penny	Strand
Benedict	Humphrey	Luther	Pillsbury	Stumpf
Chenoweth	Keefe, J.	Moe	Renneke	Tennessen
Coleman	Keefe, S.	Nelson	Schaaf	Ueland, A.
Davies	Kleinbaum	Nichols	Sieloff	Ulland, J.
Dunn	Knoll	Ogdahl	Sillers	
Engler	Laufenburger	Olson	Spear	

Those who voted in the negative were:

Ashbach	Johnson	Menning	Schmitz	Vega
Bernhagen	Knaak	Olhoff	Setzepfandt	Wegener
Chmielewski	Lessard	Perpich	Sikorski	Willet
Gearty	McCutcheon	Rued	Solon	

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

The question recurred on the Olhoff amendment, as amended.

The question was taken on the adoption of the Olhoff amendment, as amended.

The roll was called, and there were yeas 19 and nays 38, as follows:

Those who voted in the affirmative were:

Bernhagen	Hanson	McCutcheon	Rued	Solon
Chmielewski	Kleinbaum	Menning	Schmitz	Wegener
Engler	Knaak	Olhoff	Setzepfandt	Willet
Gearty	Lessard	Renneke	Sikorski	

Those who voted in the negative were:

Anderson	Dunn	Lewis	Perpich	Strand
Ashbach	Gunderson	Luther	Pillsbury	Stumpf
Bang	Humphrey	Moe	Purfeerst	Tennessee
Benedict	Johnson	Nelson	Schaaf	Ueland, A.
Chenoweth	Keefe, J.	Nichols	Sieloff	Ulland, J.
Coleman	Keefe, S.	Ogdahl	Sillers	Vega
Davies	Knutson	Olson	Spear	
Dieterich	Laufenburger	Penny	Staples	

The motion did not prevail. So the Olhoff amendment, as amended, was not adopted.

The question was taken on the recommendation to pass H. F. No. 13.

The roll was called, and there were yeas 49 and nays 7, as follows:

Those who voted in the affirmative were:

Anderson	Gearty	Lessard	Penny	Solon
Ashbach	Gunderson	Lewis	Pillsbury	Stokowski
Benedict	Hanson	Luther	Purfeerst	Strand
Bernhagen	Humphrey	McCutcheon	Renneke	Stumpf
Chenoweth	Johnson	Menning	Rued	Ueland, A.
Chmielewski	Keefe, J.	Moe	Schaaf	Ulland, J.
Coleman	Kleinbaum	Nelson	Schmitz	Vega
Dieterich	Knaak	Nichols	Setzepfandt	Wegener
Dunn	Knoll	Olhoff	Sieloff	Willet
Engler	Laufenburger	Olson	Sikorski	

Those who voted in the negative were:

Davies	Ogdahl	Spear	Staples	Tennessee
Keefe, S.	Sillers			

The motion prevailed. So H. F. No. 13 was recommended to pass.

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

MOTIONS AND RESOLUTIONS—CONTINUED

Mr. Coleman moved that the Senate do now adjourn until 9:00 o'clock a.m., Saturday, April 21, 1979. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate