

FIFTY-SECOND DAY

St. Paul, Minnesota, Friday, May 11, 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	Knaak	Olson	Staples
Ashbach	Gearty	Laufenburger	Pillsbury	Strand
Bang	Gunderson	Luther	Purfeerst	Stumpf
Benedict	Hanson	McCutcheon	Rued	Ueland, A.
Brataas	Hughes	Menning	Setzepfandt	Ulland, J.
Coleman	Jensen	Moe	Sieloff	Vega
Davies	Johnson	Nelson	Sikorski	Wegener
Dieterich	Kirchner	Ogdahl	Solon	Willet
Engler	Kleinbaum	Olhoff	Spear	

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

Prayer was offered by the Chaplain, Rev. Michael E. Kartes.

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

Anderson	Frederick	Knoll	Olson	Sillers
Ashbach	Gearty	Knutson	Penny	Solon
Bang	Gunderson	Laufenburger	Perpich	Spear
Benedict	Hanson	Lessard	Peterson	Staples
Bernhagen	Hughes	Luther	Pillsbury	Stokowski
Brataas	Humphrey	McCutcheon	Purfeerst	Strand
Chenoweth	Jensen	Menning	Renneke	Stumpf
Chmielewski	Johnson	Merriam	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

The President declared a quorum present.

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

MEMBERS EXCUSED

Mr. Schrom was excused from the Session of today. Mr. Perpich was excused from the Session of today until 11:00 o'clock a.m.

INTRODUCTION AND FIRST READING OF SENATE BILLS

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

Mr. Frederick introduced —

S. F. No. 1571: A bill for an act relating to taxes; permitting changes in local mill levies when approved in elections; amending Minnesota Statutes 1978, Section 275.58.

Referred to the Committee on Taxes and Tax Laws.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following Senate Files, herewith returned: S. F. Nos. 255, 579, 615, 947, 1040 and 1376.

Edward A. Burdick, Chief Clerk, House of Representatives
Returned May 10, 1979

Mr. President:

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

S. F. No. 830: A bill for an act relating to education; requiring the state board for vocational education and the higher education coordinating board to review a new program for an area vocational-technical institute within a time limit; amending Minnesota Statutes 1978, Chapter 121, by adding a section; and Section 136A.04.

Senate File No. 830 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives
Returned May 10, 1979

Mr. Dieterich moved that S. F. No. 830 be laid on the table. The motion prevailed.

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H. F. Nos. 90, 213, 897, 1364, 907, 1238, 970, 567, 1198 and 1309.

Edward A. Burdick, Chief Clerk, House of Representatives
Transmitted May 10, 1979

FIRST READING OF HOUSE BILLS

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

H. F. No. 90: A bill for an act relating to taxation; inheritance tax; changing provisions for commissioner's certification of satis-

faction of tax lien on affidavits or instruments of conveyance; amending Minnesota Statutes 1978, Section 291.14, Subdivisions 1a, 2, and by adding a subdivision.

Referred to the Committee on Taxes and Tax Laws.

H. F. No. 213: A bill for an act relating to taxation; income tax; clarifying apportionment of charitable contribution deduction for certain taxpayers; amending Minnesota Statutes 1978, Section 290.21, Subdivision 3.

Referred to the Committee on Taxes and Tax Laws.

H. F. No. 897: A bill for an act relating to taxation; income tax and property tax refund; clarifying political checkoff provisions; providing that farm loss modification is adjustment to gross income; clarifying filing dates; providing penalties; clarifying audit procedures; amending Minnesota Statutes 1978, Sections 10A.31, Subdivision 1; 290.01, Subdivision 20; 290.17, Subdivision 1; 290.41, Subdivision 2; 290.42; 290.49, Subdivision 10; 290.56, Subdivision 2; 290.92, Subdivision 23; 290A.03, Subdivision 3; 290A.06; and 290A.11, Subdivisions 2 and 4.

Referred to the Committee on Taxes and Tax Laws.

H. F. No. 1364: A bill for an act relating to the regulation of securities; exempting certain securities from certain registration and filing requirements; amending Minnesota Statutes 1978, Section 80A.15, Subdivision 1.

Referred to the Committee on Rules and Administration for comparison with S. F. No. 1343 now on Special Orders.

H. F. No. 907: A bill for an act relating to retirement; judges retirement fund; including the conciliation court of the city of Duluth in certain provisions governing judicial retirement; transferring the obligations and assets of the county and probate court judges survivors' account to the judges retirement fund; amending Minnesota Statutes 1978, Sections 490.121, Subdivision 2; and 490.124, Subdivision 8; repealing Minnesota Statutes 1978, Section 490.12, Subdivisions 7 and 8.

Referred to the Committee on Rules and Administration for comparison with S. F. No. 959 now on Special Orders.

H. F. No. 1238: A bill for an act relating to crimes; prohibiting the obtaining or retaining of a child in violation of a court order; prescribing penalties; amending Minnesota Statutes 1978, Section 609.26.

Referred to the Committee on Rules and Administration for comparison with S. F. No. 1370 now in the Subcommittee on Bill Scheduling.

H. F. No. 970: A bill for an act relating to unemployment compensation; limiting benefits paid to certain owners and rela-

tives of certain businesses; amending Minnesota Statutes 1978, Section 268.07, Subdivision 3.

Referred to the Committee on Rules and Administration for comparison with S. F. No. 1314 now on Special Orders.

H. F. No. 567: A bill for an act relating to privacy of communications; permissible monitoring; amending Minnesota Statutes 1978, Section 626A.02, Subdivision 2.

Referred to the Committee on Rules and Administration for comparison with S. F. No. 838 now on Special Orders.

H. F. No. 1198: A bill for an act relating to wild animals; altering or eliminating certain provisions in regard to the taking, possessing, or transporting of game or fish; amending Minnesota Statutes 1978, Sections 98.45, Subdivision 1; 100.27, Subdivision 4; 100.29, Subdivisions 7, 14, and 19; and 101.42, Subdivision 18, and by adding a subdivision.

Referred to the Committee on Rules and Administration for comparison with S. F. No. 1292 now on Special Orders.

H. F. No. 1309: A bill for an act relating to mobile homes; regulating space and lot rentals and leases; regulation of mobile home parks; prohibiting unreasonable park rules and regulations; requiring notice; specifying grounds for eviction and access; prohibiting retaliatory conduct; amending Minnesota Statutes 1978, Sections 327.20, by adding a subdivision; 327.42, Subdivision 2, and by adding subdivisions; 327.43, Subdivision 2, and by adding a subdivision; 327.44; and Chapter 327, by adding sections.

Referred to the Committee on Rules and Administration for comparison with S. F. No. 1280 now in the Subcommittee on Bill Scheduling.

REPORTS OF COMMITTEES

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

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

H. F. No. 643: A bill for an act relating to marriage; eliminating certain information from the marriage license application; defining terms; requiring personal service in a dissolution; providing for the court's findings in an uncontested dissolution; providing mutual restraining orders pending a dissolution; providing additional relevant factors for making custody determinations and for awarding maintenance; permitting retroactive modification of support and maintenance orders for inability to pay; amending Minnesota Statutes 1978, Sections 517.03; 517.08, Subdivision 1a; 518.07; 518.09; 518.10; 518.13; 518.135, Subdivision 2; 518.155; 518.156; 518.165; 518.17, Subdivision 1; 518.175, Subdivision 1;

518.176; 518.54, Subdivision 5; 518.55; 518.551; 518.552, Subdivision 2; 518.58; 518.64, Subdivision 2; 518.66; and Chapter 518, by adding a section.

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 517.03, is amended to read:

517.03 [PROHIBITED MARRIAGES.] The following marriages are prohibited:

(a) A marriage entered into ~~prior to~~ *before* the dissolution of an earlier marriage of one of the parties *becomes final, as provided in section 518.145 or by the law of the jurisdiction where the dissolution was granted;*

(b) A marriage between an ancestor and a descendant, or between a brother and a sister, whether the relationship is by the half or the whole blood or by adoption;

(c) A marriage between an uncle and a niece, between an aunt and a nephew, or between first cousins, whether the relationship is by the half or the whole blood, except as to marriages permitted by the established customs of aboriginal cultures; provided, however, that mentally deficient persons committed to the guardianship of the commissioner of public welfare and mentally deficient persons committed to the conservatorship of the commissioner of public welfare in which the terms of the conservatorship limit the right to marry, may marry on receipt of written consent of the commissioner. The commissioner shall grant consent unless it appears from his investigation that the marriage is not in the best interest of the ward or conservatee and the public. The clerk of the district court in the county where the application for a license is made by the ward or conservatee shall not issue the license unless he has received a signed copy of the consent of the commissioner of public welfare.

Sec. 2. Minnesota Statutes 1978, Chapter 518, is amended by adding a section to read:

[518.003] [DEFINITIONS.] *Subdivision 1. For the purposes of chapter 518, the following terms have the meanings provided in this section unless the context clearly requires otherwise.*

Subd. 2. "Residence" means the place where a party has established a permanent home from which the party has no present intention of moving.

Sec. 3. Minnesota Statutes 1978, Section 518.005, Subdivision 3, is amended to read:

Subd. 3. The initial pleading in all proceedings under sections 518.001 to 518.66 shall be denominated a petition. A responsive

pleading shall be denominated a ~~response~~ *an answer*. Other pleadings shall be denominated as provided in the rules of civil procedure.

Sec. 4. Minnesota Statutes 1978, Section 518.06, Subdivision 1, is amended to read:

518.06 [DISSOLUTION OF MARRIAGE; LEGAL SEPARATION.] Subdivision 1. *A dissolution of marriage is the termination of the marital relationship between a husband and wife. A decree of dissolution completely terminates the marital status of both parties. A legal separation is a court determination of the rights and responsibilities of a husband and wife arising out of the marital relationship. A decree of legal separation does not terminate the marital status of the parties. A dissolution of a marriage may shall be granted by a county or district court when the court finds that there has been an irretrievable breakdown of the marriage relationship.*

A decree of legal separation shall be granted when the court finds that one or both parties need a legal separation.

Defenses to divorce, dissolution and legal separation, including but not limited to condonation, connivance, collusion, recrimination, insanity, and lapse of time, are abolished.

Sec. 5. Minnesota Statutes 1978, Section 518.06, Subdivision 3, is amended to read:

Subd. 3. *If a party requests one or both parties petition for a decree of legal separation rather than and neither party contests the granting of the decree nor petitions for a decree of dissolution of marriage, the court shall grant the decree in that form unless the other party objects a decree of legal separation.*

Sec. 6. Minnesota Statutes 1978, Section 518.07, is amended to read:

518.07 [RESIDENCE OF PARTIES.] *No dissolution or legal separation shall be granted unless (1) one of the parties has resided in this state, or has been a member of the armed services stationed in this state, for not less than 180 days immediately preceding the commencement of the proceeding; or (2) one of the parties has been a domiciliary of this state for not less than 180 days immediately preceding commencement of the proceeding.*

Sec. 7. Minnesota Statutes 1978, Section 518.09, is amended to read:

518.09 [PROCEEDING; HOW AND WHERE BROUGHT; VENUE.] *A proceeding for dissolution or legal separation may be brought by either or both spouses and shall be commenced by personal service of the summons and petition venued in the county where the petitioner resides or, if the petitioner is not a resident of the state, then venued in the county where the respondent resides. If neither party resides in the state and jurisdiction is based on the domicile of one or both of the parties, the proceeding may be brought in the county where either party is domiciled. This venue*

shall be subject to the power of the court to change the place of hearing by consent of the parties, or when it appears to the court that an impartial hearing cannot be had in the county where the proceedings are pending, or when the convenience of the parties or the ends of justice would be promoted by the change. *No summons shall be required if a joint petition is filed.*

Sec. 8. Minnesota Statutes 1978, Section 518.10, is amended to read:

518.10 [REQUISITES OF PETITION.] The petition for dissolution of marriage or legal separation shall *state and allege*:

(1) *State the name and address of the petitioner and his attorney and the length of petitioner's residence in this state;*

(2) *State the place and date of marriage of the parties;*

(3) *State the name and address, if known, of the respondent and the length of residence in this state;*

(4) *State the name and age of each minor child by date of birth, whether any child is under the jurisdiction of a juvenile court, and whether the wife is pregnant;*

(5) *State whether or not a separate proceeding for dissolution of marriage has been commenced by the respondent and whether such proceeding is pending in any court in this state or elsewhere;*

(6) *Allege that there has been an irretrievable breakdown of the marriage relationship, or in a proceeding for legal separation, allege the need for legal separation and state the date on which the parties last separated;*

(7) *Set forth any application for temporary support of a spouse and any children; and*

(8) *Set forth any application for permanent maintenance or support, child custody, or disposition of property, as well as attorneys' fees and suit money, without enumerating the amounts.*

(a) *The name and address of the petitioner;*

(b) *The name and, if known, the address of the respondent;*

(c) *The place and date of the marriage of the parties;*

(d) *In the case of a petition for dissolution, that either the petitioner or the respondent or both:*

(1) *Has resided in this state for not less than 180 days immediately preceding the commencement of the proceeding, or*

(2) *Has been a member of the armed services and has been stationed in this state for not less than 180 days immediately preceding the commencement of the proceeding, or*

(3) *Has been a domiciliary of this state for not less than 180 days immediately preceding the commencement of the proceeding;*

(e) *The name, age and date of birth of each minor or dependent child of the parties;*

(f) *Whether or not a separate proceeding for dissolution, legal separation, or custody is pending in a court in this state or elsewhere;*

(g) *In the case of a petition for dissolution, that there has been an irretrievable breakdown of the marriage relationship;*

(h) *In the case of a petition for legal separation, that there is a need for a decree of legal separation; and*

(i) *Any temporary or permanent maintenance, child support, child custody, disposition of property, attorneys' fees, costs and disbursements applied for without setting forth the amounts.*

The petition shall be verified by the petitioner or petitioners, and its allegations established by competent evidence.

Sec. 9. Minnesota Statutes 1978, Section 518.12, is amended to read:

518.12 [TIME FOR ANSWERING.] The respondent shall have 30 days in which to answer the petition. In case of service by publication, the 30 days shall not begin to run until the expiration of the period allowed for publication. *In the case of a counter-petition for dissolution or legal separation to a petition for dissolution or legal separation, no answer shall be required to the counter-petition and the original petitioner shall be deemed to have denied each and every statement, allegation and claim in the counter-petition.*

Sec. 10. Minnesota Statutes 1978, Section 518.13, is amended to read:

518.13 [FAILURE TO ANSWER; FINDINGS; HEARING.] Subdivision 1. If the respondent does not appear after service duly made and proved, the court may hear and determine the proceeding at a general or special term, or in vacation as a default matter.

Subd. 2. If both of the parties by petition or otherwise have stated under oath or affirmation that the marriage is irretrievably broken, or one of the parties has so stated and the other has not denied it, the court, after hearing, shall make a finding whether the marriage is irretrievably broken.

Subd. 3 2. If one of the parties has denied under oath or affirmation that the marriage is irretrievably broken, the court shall consider all relevant factors, including the circumstances that gave rise to the commencement of the proceeding and the prospect of reconciliation, and shall

~~(a) make a finding whether the marriage is irretrievably broken, or.~~

~~(b) unless either party objects, continue the matter for further hearing and may suggest to the parties that they seek counseling. At the adjourned hearing, or after a further continuance ordered~~

by the court, the court shall make a finding whether the marriage is irretrievably broken.

A finding of irretrievable breakdown *under this subdivision* is a determination that there is no reasonable prospect of reconciliation. The finding must be supported by evidence that (i) the parties have lived separate and apart for a period of ~~more~~ *not less* than 180 days immediately preceding the commencement of the proceeding, or (ii) there is serious marital discord adversely affecting the attitude of one or both of the parties toward the marriage.

Subd. 3. If both parties by petition or otherwise have stated under oath or affirmation that the marriage is irretrievably broken, or one of the parties has so stated and the other has not denied it, the court, after hearing, shall make a finding that the marriage is irretrievably broken.

Subd. 4. The court or judge, upon application, may refer the proceeding to a referee to take and report the evidence therein. Hearings for dissolution of marriage shall be heard in open court or before a referee appointed by the court to receive the testimony of the witnesses, or depositions taken as in other equitable actions. However, the court may in its discretion close the hearing.

Sec. 11. Minnesota Statutes 1978, Chapter 518, is amended by adding a section to read:

[518.131] [TEMPORARY ORDERS AND RESTRAINING ORDERS.] *Subdivision 1. In a proceeding brought for custody, dissolution, or legal separation, or for disposition of property, maintenance, or child support following the dissolution of a marriage, either party may, by motion, request from the court and the court may grant a temporary order pending the final disposition of the proceeding to or for:*

(a) Temporary custody and visitation rights of the minor children of the parties;

(b) Temporary maintenance of either spouse;

(c) Temporary child support for the children of the parties;

(d) Award the temporary use and possession, exclusive or otherwise, of the family home, furniture, household goods, automobiles and other property of the parties;

(e) Restrain one or both parties from transferring, encumbering, concealing or disposing of property except in the usual course of business or for the necessities of life, and to account to the court for all such transfers, encumbrances, dispositions and expenditures made after the order is served or communicated to the party restrained in open court;

(f) Restrain one or both parties from harassing, vilifying, mistreating, molesting, disturbing the peace, or restraining the liberty of the other party or the children of the parties;

(g) *Restrain one or both parties from removing any minor child of the parties from the jurisdiction of the court;*

(h) *Exclude a party from the family home of the parties or from the home of the other party; and*

(i) *Require one or both of the parties to perform or to not perform such additional acts as will facilitate the just and speedy disposition of the proceeding, or will protect the parties or their children from physical or emotional harm.*

Subd. 2. No temporary order shall:

(a) *Deny visitation rights to a noncustodial parent unless the court finds that visitation by the noncustodial parent is likely to cause physical or emotional harm to the child; or*

(b) *Exclude a party from the family home of the parties unless the court finds that physical or emotional harm to one of the parties or to the minor children of the parties is likely to result.*

Subd. 3. A party may request and the court may make an ex parte restraining order which may include any matter that may be included in a temporary order except:

(a) *A restraining order may not exclude either party from the family home of the parties except upon a finding by the court of immediate danger of physical harm to the other party or the children of either party; and*

(b) *A restraining order may not deny visitation to either party or grant custody of the minor children to either party except upon a finding by the court of immediate danger of physical harm to the minor children of the parties.*

Subd. 4. Restraining orders shall be personally served upon the party to be restrained and shall be accompanied with a notice of the time and place of hearing for disposition of the matters contained in the restraining order at a temporary hearing. When a restraining order has been issued, a hearing on the temporary order shall be held at the earliest practicable date. The restrained party may upon written notice to the other party advance the hearing date to a time earlier than that noticed by the other party. The restraining order shall continue in full force and effect only until the hearing time noticed, unless the court, for good cause and upon notice extends the time for hearing.

Subd. 5. A temporary order shall continue in full force and effect until the earlier of its amendment or vacation, dismissal of the main action or entry of a final decree of dissolution or legal separation.

Subd. 6. If a proceeding for dissolution or legal separation is dismissed, a temporary custody order is vacated unless one of the parties or the child's custodian moves that the proceeding continue as a custody proceeding and the court finds, after a hearing, that the circumstances of the parties and the best interests of the child require that a custody order be issued.

Subd. 7. The court shall be guided by the factors set forth in sections 518.17 (concerning child support), 518.552 (concerning maintenance) and 518.17 to 518.175 (concerning custody and visitation) in making temporary orders and restraining orders.

Subd. 8. Temporary orders and restraining orders shall be made solely on the basis of affidavits and argument of counsel except upon demand by either party in his motion or responsive motion made within the time limit for making and filing a responsive motion that the matter be heard on oral testimony before the court, or if the court in its discretion orders the taking of oral testimony.

Subd. 9. A temporary order or restraining order:

(a) Shall not prejudice the rights of the parties or the child which are to be adjudicated at subsequent hearings in the proceeding; and

(b) May be revoked or modified by the court before the final disposition of the proceeding upon the same grounds and subject to the same requirements as the initial granting of the order.

Subd. 10. In addition to being punishable by contempt, a violation of a provision of a temporary order or restraining order granting the relief authorized in subdivision 1, clauses (f), (g), or (h) is a misdemeanor.

Sec. 12. Minnesota Statutes 1978, Section 518.145, is amended to read:

518.145 [DECREE.] A decree of dissolution of marriage or of legal separation is final when entered, subject to the right of appeal. An appeal from the decree of dissolution that does not challenge the finding that the marriage is irretrievably broken does not delay the finality of that provision of the decree which dissolves the marriage beyond the time for appealing from that provision. A party may remarry before the time for appeal has run if it is not contested that the marriage is irretrievably broken or if a stipulation that the marriage is irretrievably broken is incorporated in the decree of dissolution.

Sec. 13. Minnesota Statutes 1978, Section 518.155, is amended to read:

518.155 [CUSTODY DETERMINATIONS.] Notwithstanding any law to the contrary, a court in which a proceeding for dissolution ~~or~~, legal separation, or child custody has been commenced shall not issue, revise, modify or amend any order, pursuant to sections 518.16, 518.165, 518.168, 518.17, 518.175 or 518.18, which affects the custody of a minor child or the visitation rights of a noncustodial parent unless the court has jurisdiction over the matter pursuant to the provisions of sections 518A.01 to 518A.25.

Sec. 14. Minnesota Statutes 1978, Section 518.156, is amended to read:

518.156 [COMMENCEMENT OF CUSTODY PROCEEDING.] Subdivision 1. In a court of this state which has jurisdiction to decide child custody matters, a child custody proceeding is commenced:

(a) by a parent

(1) By filing a petition for dissolution or legal separation; or

(2) Where a decree of dissolution or legal separation has been entered or where none is sought, by filing a petition seeking custody of the child in the county where the child is permanently resident or where he is found; or

(b) By a person other than a parent, by filing a petition seeking custody of the child in the county where the child is permanently resident or where he is found.

Subd. 2. *Written* notice of a child custody proceeding shall be given to the child's parent, guardian and custodian, who may appear and be heard and may file a responsive pleading. The court may, upon a showing of good cause, permit the intervention of other interested parties.

Sec. 15. Minnesota Statutes 1978, Section 518.165, is amended to read:

518.165 [GUARDIANS FOR MINOR CHILDREN.] In all proceedings *for child custody or for dissolution or legal separation in which where* custody or visitation of a minor child is in issue, the court may appoint a guardian ad litem from a panel established by the court to represent the interests of the child. The guardian ad litem shall advise the court with respect to custody, support and visitation. The court may enter an order for costs, fees and disbursements in favor of the child's guardian ad litem. The order may be made against either or both parties, except that, ~~if the responsible party is indigent, any part of the costs, fees, and disbursements which the court finds the parties are incapable of paying~~ shall be borne by the county.

Sec. 16. Minnesota Statutes 1978, Section 518.166, is amended to read:

518.166 [INTERVIEWS.] The court may interview the child in chambers to ascertain the child's reasonable preference as to his custodian, if the court deems the child to be of sufficient age to express preference. The court ~~may~~ shall permit counsel to be present at the interview and shall permit counsel to propound reasonable questions to the child either directly or through the court. The court shall cause a record of the interview to be made and to be made part of the record in the case unless waived by the parties.

In contested custody proceedings, and in other custody proceedings if a parent or the child's custodian requests, the court may seek the recommendations of professional personnel whether or not they are employed on a regular basis by the court. The

recommendations given shall be in writing and shall be made available by the court to counsel upon request. Counsel may call for cross-examination of professional personnel consulted by the court.

Sec. 17. Minnesota Statutes 1978, Section 518.17, Subdivision 1, is amended to read:

518.17 [CUSTODY AND SUPPORT OF CHILDREN ON JUDGMENT.] Subdivision 1. "The best interests of the child" means all relevant factors to be considered and evaluated by the court including:

(a) The wishes of the child's parent or parents as to his custody;

(b) The reasonable preference of the child, if the court deems the child to be of sufficient age to express preference;

(c) The interaction and interrelationship of the child with his parent or parents, his siblings, and any other person who may significantly affect the child's best interests;

(d) The child's adjustment to his home, school, and community;

(e) The length of time the child has lived in a stable, satisfactory environment and the desirability of maintaining continuity;

(f) The permanence, as a family unit, of the existing or proposed custodial home; and

(g) The mental and physical health of all individuals involved;

(h) *The capacity and disposition of the parties to give the child love, affection, and guidance, and to continue educating and raising the child in his culture and religion or creed, if any; and*

(i) *The child's cultural background.*

The court shall not consider conduct of a proposed custodian that does not affect his relationship to the child.

Sec. 18. Minnesota Statutes 1978, Section 518.175, Subdivision 1, is amended to read:

518.175 [VISITATION OF CHILDREN AND NONCUSTODIAL PARENT.] Subdivision 1. In all proceedings for dissolution or legal separation, subsequent to the commencement of the proceeding and continuing thereafter during the minority of the child, the court shall, upon the request of the noncustodial parent, grant such rights of visitation as will enable the child and the noncustodial parent to maintain a child to parent relationship that will be ~~beneficial to~~ *in the best interests of the child unless*. If the court finds, after a hearing, that visitation is likely to endanger the child's physical or emotional health or impair his emotional development, *the court may restrict visitation by the noncustodial parent as to time, place, duration, or supervision and may deny visitation entirely, as the circumstances warrant.* The court shall

consider the age of the child and the child's relationship with the noncustodial parent prior to the commencement of the proceeding. A parent's failure to pay support because of the parent's inability to do so shall not be sufficient cause for denial of visitation.

Sec. 19. Minnesota Statutes 1978, Section 518.175, Subdivision 3, is amended to read:

Subd. 3. The custodial parent shall not move the residence of the child to another state ~~or more than 100 miles within this state~~ except upon order of the court or with the consent of the noncustodial parent, when the noncustodial parent has been given visitation rights by the decree.

Sec. 20. Minnesota Statutes 1978, Section 518.176, is amended to read:

518.176 [JUDICIAL SUPERVISION.] ~~(a)~~ *Subdivision 1.* Except as otherwise agreed by the parties in writing at the time of the custody order, the custodian may determine the child's upbringing, including his education, health care, and religious training, unless the court after hearing, finds, upon motion by the noncustodial parent, that in the absence of a specific limitation of the custodian's authority, the child's physical or emotional health is likely to be endangered or his emotional development impaired.

~~(b)~~ *Subd. 2.* If both parents or all contestants agree to the order, or if the court finds that in the absence of the order the child's physical or emotional health is likely to be endangered or his emotional development impaired, the court may order the county welfare board *or the department of court services* to exercise continuing supervision over the case *under guidelines established by the court* to assure that the custodial or visitation terms of the decree are carried out.

Sec. 21. Minnesota Statutes 1978, Section 518.18, is amended to read:

518.18 [MODIFICATION OF ORDER.] (a) Unless agreed to in writing by the parties, no motion to modify a custody order may be made earlier than one year after the date of the ~~order entry of a~~ *decree* of dissolution or legal separation containing a provision dealing with custody, except in accordance with clause (c).

(b) If a motion for modification has been ~~filed~~ *heard*, whether or not it was granted, unless agreed to in writing by the parties no subsequent motion may be filed within two years after disposition of the prior motion on its merits, except in accordance with clause (c).

(c) The time limitations prescribed in clauses (a) and (b) shall not prohibit a motion to modify a custody order if the court finds that there is persistent and wilful denial or interference with visitation, or has reason to believe that the child's present environment may endanger his physical or emotional health or impair his emotional development.

(d) If the court has jurisdiction to determine child custody matters, the court shall not modify a prior custody order unless it finds,

upon the basis of facts that have arisen since the prior order or that were unknown to the court at the time of the prior order, that a change has occurred in the circumstances of the child or his custodian and that the modification is necessary to serve the best interests of the child. In applying these standards the court shall retain the custodian established by the prior order unless:

- (i) The custodian agrees to the modification;
- (ii) The child has been integrated into the family of the petitioner with the consent of the custodian; or
- (iii) The child's present environment endangers his physical or emotional health or impairs his emotional development and the harm likely to be caused by a change of environment is outweighed by the advantage of a change to the child.

Sec. 22. Minnesota Statutes 1978, Section 518.27, is amended to read:

518.27 [NAME OF PARTY.] When a decree of dissolution of marriage is granted in this state, the decree shall completely dissolve the marriage contract as to both parties. If a dissolution is granted, the court shall, if requested by a party whose name was changed by the marriage, change the name of a party who had acquired the name of his spouse back to that person's family name or the name acquired from a prior spouse, and that person shall thereafter be known by that family name and be so designated in the court's decree. *In the final decree of dissolution or legal separation the court shall, if requested by a party whose name was changed by the marriage, change the name of that party to another name as the party requests. The court shall grant a request unless it finds that there is an intent to defraud or mislead. The party's new name shall be so designated in the final decree.*

Sec. 23. Minnesota Statutes 1978, Section 518.54, Subdivision 5, is amended to read:

Subd. 5. [MARITAL PROPERTY; EXCEPTIONS.] "Marital property" means property, real or personal, including ~~nonforfeitable~~ vested pension benefits or rights, acquired by the parties, or either of them, to a dissolution, legal separation, or annulment proceeding at any time during the existence of the marriage relation between them, or at any time during which the parties were living together as husband and wife under a purported marriage relationship which is annulled in an annulment proceeding. All property acquired by either spouse subsequent to the marriage and before a decree of legal separation is presumed to be marital property regardless of whether title is held individually or by the spouses in a form of co-ownership such as joint tenancy, tenancy in common, tenancy by the entirety, or community property. The presumption of marital property is overcome by a showing that the property is of a type listed in clauses (a) to ~~(f)~~ (e).

"Marital property" does not include "Non-marital property" means property real or personal, acquired by either spouse before, during, or after the existence of their marriage, which (a) is ac-

quired as a gift, bequest, devise or inheritance made by a third party to one but not to the other spouse; (b) is acquired in exchange for property acquired before the marriage or in exchange for property acquired by gift, bequest, devise, or inheritance before the marriage; (c) is acquired in exchange for or is the increase in value of property acquired before the marriage which is described in clauses (a), (b), (d), and (e); (d) is acquired by a spouse after a decree of legal separation; ~~(e) is any property transferred from one spouse to the other; or (f) or e~~ is excluded by valid agreement of the parties, including a valid antenuptial contract.

Sec. 24. Minnesota Statutes 1978, Section 518.55, is amended to read:

518.55 [MAINTENANCE OR SUPPORT MONEY.] Every award of maintenance or support money in a judgment of dissolution or legal separation shall clearly designate whether the same is maintenance or support money, or what part of the award is maintenance and what part is support money. An award of payments from future income or earnings of the custodial parent is presumed to be maintenance and an award of payments from the future income or earnings of the noncustodial parent is presumed to be support money, unless otherwise designated by the court. In a judgment of dissolution or legal separation the court may determine, as one of the issues of the case, whether or not either spouse is entitled to an award of maintenance notwithstanding that no award is then made, or it may reserve jurisdiction of the issue of maintenance for determination at a later date.

Sec. 25. Minnesota Statutes 1978, Section 518.551, is amended to read:

[518.551] [MAINTENANCE AND SUPPORT PAYMENTS MADE TO WELFARE AGENCIES.] A court having jurisdiction over proceedings for dissolution or legal separation shall direct that all payments ordered for maintenance and support shall be made to the agency responsible for the welfare payments, when it appears that the party who is to receive the maintenance and support payments will receive public assistance. Amounts received by the agency greater than the amount granted to the party receiving public assistance shall be remitted to that party.

The petitioner shall notify the agency responsible for the welfare payments of all proceedings for dissolution, legal separation or for the custody of a child if either party is receiving aid to families of dependent children or applies for such aid subsequent to the commencement of the proceeding. After receipt of the notice, the agency shall recommend to the court the support that is proper and adequate for the care and support of the child or children before the issuance of the order for judgment and decree in the proceeding.

If the court finds in a dissolution or legal separation proceeding before issuing the order for judgment and decree that notification has not been given to the agency responsible for the welfare payments, the court shall order that notification be made and shall

not issue its order for judgment and decree until the agency has made its recommendations. In those proceedings in which no notification has been made pursuant to this section and in which the agency determines that the judgment is not proper and adequate for the care and support of the child or children, it may petition the court for a redetermination of the support payments ordered.

Sec. 26. Minnesota Statutes 1978, Section 518.552, Subdivision 2, is amended to read:

Subd. 2. The maintenance order shall be in amounts and for periods of time as the court deems just, without regard to marital misconduct, and after considering all relevant factors including:

(a) The financial resources of the party seeking maintenance, including marital property apportioned to him, and his ability to meet his needs independently, including the extent to which a provision for support of a child living with the party includes a sum for that party as custodian;

(b) The time necessary to acquire sufficient education or training to enable the party seeking maintenance to find appropriate employment;

(c) The standard of living established during the marriage;

(d) The duration of the marriage;

(e) The age, and the physical and emotional condition of the spouse seeking maintenance; and

(f) The ability of the spouse from whom maintenance is sought to meet his needs while meeting those of the spouse seeking maintenance; and

(g) *The contribution of each party in the acquisition, preservation, depreciation, or appreciation in the amount or value of the marital property, as well as the contribution of a spouse as a homemaker.*

Sec. 27. Minnesota Statutes 1978, Section 518.58, is amended to read:

518.58 [DISPOSITION OF MARITAL PROPERTY.] Upon a dissolution of a marriage, an annulment, a legal separation, or in a proceeding for disposition of property following a dissolution of marriage by a court which lacked personal jurisdiction over the absent spouse or lacked jurisdiction to dispose of the property and which has since acquired jurisdiction, the court shall set aside to each spouse his property and make a just and equitable disposition of the marital property of the parties without regard to marital misconduct, after making findings regarding the disposition of the property. The court shall base its findings on all relevant factors including the length of the marriage, any prior marriage of a party, the age, health, station, occupation, amount and sources of income, vocational skills, employability, estate, liabilities, needs, and opportunity for future acquisition of capital assets, the amount of support, maintenance and income of each party, whether the property

award is in lieu of or in addition to maintenance or support. The court shall also consider the contribution ~~or dissipation~~ of each in the acquisition, preservation, depreciation or appreciation in *the amount or value of the respective estates marital property*, as well as the contribution of a spouse as a homemaker. It shall be presumed that each spouse made a substantial contribution to the acquisition of income and property while they were living together as husband and wife. The court may also award to either spouse the household goods and furniture of the parties, whether or not acquired during the marriage.

If the court finds that either spouse's resources or property, including his portion of the marital property as defined in section 518.54, subdivision 5 are so inadequate as to work an *extreme unfair hardship, considering all relevant circumstances*, the court may, in addition to the marital property, apportion up to one-half of the property otherwise excluded under section 518.54, subdivision 5, clauses (a) to ~~(e)~~ (d) to prevent the *unfair* hardship. If the court apportions property other than marital property, it shall make findings in support of the apportionment. The findings shall be based on all relevant factors including the length of the marriage, any prior marriage of a party, the age, health, station, occupation, amount and sources of income, vocational skills, employability, estate, liabilities, needs, and opportunity for future acquisition of capital assets and income of each party.

Sec. 28. Minnesota Statutes 1978, Section 518.611, is amended to read:

518.611 [ASSIGNMENTS.] If the person obligated to pay support or maintenance fails to make a required payment, *and is given a reasonable opportunity by the court to allege hardship or that the payment has been made*, the other party or, *in the case of a failure to pay support or support and maintenance combined*, the public authority responsible for support enforcement may, after 30 days, move the court to order, *and the court, unless hardship is shown*, shall order the employer or trustee to withhold from the obligor's periodic earnings or trust income an amount equal to the court's order for support or maintenance. The assignment is binding on the employer, trustee, or other payor of the funds ~~two weeks after upon~~ service upon him of notice that it has been made. The payor shall withhold from the earnings or trust income payable to the person obligated to pay support or maintenance the amount specified in the assignment and shall monthly or more frequently remit the amounts withheld *to the other party or, in the case of a public assistance recipient*, to the public agency responsible for support enforcement. Amounts received by the public authority responsible for support enforcement which are in excess of public assistance expended for the party or for a child shall be remitted to the party. An employer shall not discharge or otherwise discipline an employee as a result of a wage or salary assignment authorized by this section.

Sec. 29. Minnesota Statutes 1978, Section 518.612, is amended to read:

518.612 [INDEPENDENCE OF PROVISIONS OF DECREE OR TEMPORARY ORDER.] Failure by a party to make support payments is not a defense to: interference with visitation rights; or without the permission of the court or the noncustodial parent moving a child more than 100 miles within the state; or removing a child from this state without the permission of the court or of the noncustodial parent. Nor is interference with visitation rights or moving a child more than 100 miles within the state or taking a child from this state without permission of the court or the noncustodial parent a defense to nonpayment of support. If a party fails to make support payments, or interferes with visitation rights, or without permission of the court or the noncustodial parent removes a child from this state or moves a child more than 100 miles within the state, the other party may petition the court for an appropriate order.

Sec. 30. Minnesota Statutes 1978, Section 518.62, is amended to read:

518.62 [TEMPORARY MAINTENANCE.] Temporary maintenance and temporary support may be awarded as provided in section ~~518.135~~ 518.131. The court may also award to either party to the proceeding, having due regard to all the circumstances and the party awarded the custody of the children, the right to the exclusive use of the household goods and furniture of the parties pending the proceeding and the right to the use of the homestead of the parties, exclusive or otherwise, pending the proceeding. The court may order either party to remove from the homestead of the parties upon proper application to the court for an order pending the proceeding.

Sec. 31. Minnesota Statutes 1978, Section 518.64, Subdivision 2, is amended to read:

Subd. 2. ~~Except as otherwise provided in section 518.552, subdivision 2, clause (f),~~ The terms of a decree respecting maintenance or support may be modified only as to installments accruing subsequent to the order for modification and only upon a showing of substantially increased or decreased earnings of a party or substantially increased or decreased need of a party, which makes the terms unreasonable and unfair. On a motion for modification of support, the court shall take into consideration the needs of the children and the financial circumstances of the custodial parent's spouse, if any. *A modification which decreases support may be made retroactive only upon a showing that any failure to pay in accord with the terms of the original order was not willful.* Except for an award of the right of occupancy of the homestead, provided in section 518.63, all divisions of real and personal property provided by section 518.58 shall be final, and may be revoked or modified only where the court finds the existence of conditions that justify reopening a judgment under the laws of this state. The court may impose a lien or charge on the divided property at any time while the property, or subsequently acquired property, is owned by the parties or

either of them, for the payment of maintenance or support money, or may sequester the property as is provided by section 518.24.

Sec. 32. Minnesota Statutes 1978, Section 518.66, is amended to read:

518.66 [POWER OF COURT NOT LIMITED.] Nothing contained in sections 518.54 to 518.67 shall be construed as limiting the power of the court in appropriate cases to make adequate provision for the support and education of any children of the parties to any dissolution, *legal separation* or annulment action where such dissolution, *legal separation* or annulment is denied.

Sec. 33. Minnesota Statutes 1978, Section 518A.09, Subdivision 1, is amended to read:

518A.09 [INFORMATION UNDER OATH TO BE SUBMITTED TO THE COURT.] Subdivision 1. ~~Unless it is alleged in the first pleading of a party to a custody proceeding that he believes in good faith that there is no question of jurisdiction under sections 518A.01 to 518A.26, every party in a custody proceeding in his first pleading or in an affidavit attached to that pleading shall give~~ The court shall, upon motion or request of a party or upon its own initiative require a party to a custody proceeding to provide information under oath by affidavit or otherwise as to the child's present address, the places where the child has lived within the last five years, and the names and present addresses of the persons with whom the child has lived during that period. In this pleading or affidavit every party shall further declare under oath, and whether:

(a) he has participated as a party, witness, or in any other capacity in any other litigation concerning the custody of the same child in this or any other state;

(b) he has information of any custody proceeding concerning the child pending in a court of this or any other state; and

(c) he knows of any person not a party to the proceedings who has physical custody of the child or claims to have custody or visitation rights with respect to the child.

The court may require any party in a custody proceeding to furnish under oath the information specified in this subdivision.

Sec. 34. [INSTRUCTIONS TO REVISOR.] *In the next and succeeding editions of Minnesota Statutes, the Revisor of Statutes is instructed to separately indent clauses (a) through (e) of section 518.54, subdivision 5, to enhance their readability.*

Sec. 35. [REPEALER.] *Minnesota Statutes 1978, sections 518.135 and 518.16 are repealed.*

Sec. 36. [EFFECTIVE DATE.] *This act is effective the day after final enactment, but shall not invalidate any pending action concluded under preexisting law."*

Amend the title as follows:

Delete the title in its entirety and insert:

"A bill for an act relating to marriage; providing for procedures and remedies in actions for dissolution and legal separation; defining terms; requiring personal service in a dissolution; providing for the court's findings in an uncontested dissolution; providing mutual restraining orders pending a dissolution; providing additional relevant factors for making custody determinations and for awarding maintenance; permitting retroactive modification of support and maintenance orders for inability to pay; providing penalties; amending Minnesota Statutes 1978, Sections 517.03; 518.005, Subdivision 3; 518.06, Subdivisions 1 and 3; 518.07; 518.09; 518.-10; 518.12; 518.13; 518.145; 518.155; 588.156; 518.165; 518.166; 518.17, Subdivision 1; 518.175, Subdivisions 1 and 3; 518.176; 518.-18; 518.27; 518.54, Subdivision 5; 518.55; 518.551; 518.552, Subdivision 2; 518.58; 518.611; 518.612; 518.62; 518.64, Subdivision 2; 518.66; 518A.09, Subdivision 1; and Chapter 518, by adding sections; repealing Minnesota Statutes 1978, Sections 518.135 and 518.16."

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. 977: A bill for an act relating to taxation; providing for the use of tax increment financing of redevelopment, housing and economic development projects; establishing standards and procedures for its use; amending Minnesota Statutes 1978, Sections 458.192, Subdivision 11; 462.545, Subdivision 5; 462.585, Subdivisions 1 and 4; 472A.06; 472A.07, by adding a subdivision; 473F.02, Subdivision 3; 474.10, Subdivision 2; and Chapters 273, by adding sections; and 472A, by adding a section; repealing Minnesota Statutes 1978, Sections 458.192, Subdivision 12; and 472A.08, Subdivisions 4 and 5.

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, Chapter 273, is amended by adding a section to read:

[273.71] [CITATION.] *Sections 1 to 14 may be cited as the Minnesota tax increment financing act.*

Sec. 2. Minnesota Statutes 1978, Chapter 273, is amended by adding a section to read:

[273.72] [DEFINITIONS.] *Subdivision 1. For the purposes of sections 1 to 14, the terms defined in this section shall have the meanings given them.*

Subd. 2. [AUTHORITY.] "Authority" means a housing and redevelopment authority created pursuant to chapter 462; a port authority created pursuant to chapter 458; a redevelopment agency

as defined by chapter 474; a rural development finance authority established pursuant to chapter 362A; or a municipality which has formed or is administering a development district created pursuant to chapter 472A or any special law, which undertakes a project pursuant to chapter 474 or which exercises the powers of a port authority pursuant to any general or special law.

Subd. 3. [BONDS.] "Bonds" means any bonds, including but not limited to refunding bonds, notes, interim certificates, debentures, or other obligations issued by an authority under sections 10 to 12 after the effective date of the tax increment financing act, provided that nothing in sections 1 to 14 shall be construed to authorize the issuance of general obligation bonds for the purposes of a municipal industrial development project under chapter 474.

Subd. 4. [MUNICIPALITY.] "Municipality" means any statutory or home rule charter city and, with respect to a project undertaken pursuant to chapter 474, "municipality" has the meaning given in chapter 474. In the case of a rural development finance authority established pursuant to chapter 362A or a county or multi-county project undertaken pursuant to sections 462.426 to 462.4291, "municipality" means a county.

Subd. 5. [GOVERNING BODY.] "Governing body" means the duly elected council or board of a municipality, notwithstanding any contrary definition in chapter 475.

Subd. 6. [ORIGINAL ASSESSED VALUE.] "Original assessed value" means the assessed value of all taxable real property within a tax increment district as most recently certified by the commissioner of revenue prior to the date of request by the authority for certification by the county auditor pursuant to section 6, subdivision 1, provided, however, that the assessed value of real property exempt from taxation at the time of the request by reason of public ownership by the requesting authority, which ownership has been for a period of less than two years prior to the date of the request, shall be the assessed value as most recently determined by the assessor. The value of any other property which is exempt from taxation at the time of the request shall be zero and if it subsequently becomes taxable then its original assessed value shall be as most recently assessed pursuant to section 273.18 or, if that assessment was made more than one year prior to the addition of the property to the project, the value which shall be assessed by the assessor at the time of the addition.

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

Subd. 8. [TAX INCREMENT PROJECT.] "Tax increment project" is a redevelopment project as defined in subdivision 10; an economic development project as defined in subdivision 12, or a housing project as defined in subdivision 11, which is located within a tax increment district. Each such project shall also be one of the following: a project as defined in section 362A.01; an industrial development district as defined in section 458.191, sub-

division 1; a redevelopment project as defined in section 462.421, subdivision 14; a development district as defined in section 472A.02, subdivision 3, or any special law; or a project as defined in section 474.02, subdivisions 1, 1a, or 1b.

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

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

(a) The land is predominantly occupied by buildings, utilities or other improvements and more than 50 percent of the buildings, not including outbuildings, are structurally substandard to a degree requiring substantial renovation or clearance. "Structurally substandard" shall mean containing defects in structural elements or a combination of deficiencies in essential utilities and facilities, light and ventilation, fire protection including adequate egress, layout and condition of interior partitions, or similar factors, which defects or deficiencies are of sufficient total significance to justify substantial renovation or clearance. "Predominantly occupied" shall mean at least 50 percent of the parcels comprising at least 50 percent of the acreage;

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

(c) The land is not predominantly occupied by buildings, streets, utilities or other improvements, but at least 80 percent of the total acreage of the vacant parcels has a fair market value upon inclusion in the project which, when added to the estimated cost of pre-

paring the parcel for use including utilities, if any, exceeds its anticipated fair market value after completion of the site preparation.

In the case of a city of the first or second class, a redevelopment project shall not only meet the requirements set forth in this subdivision but also be located within a public improvement district.

Subd. 11. [HOUSING PROJECT.] *"Housing project" means a project, or that part of a project, intended for occupancy primarily by persons or families of low and moderate income, as defined in chapter 462A, Title II of the National Housing Act of 1934, the National Housing Act of 1959, the United States Housing Act of 1937, as amended, Title V of the Housing Act of 1949, as amended, or the regulations promulgated under any of those acts. Residential construction which does not provide housing intended for occupancy primarily by persons or families of low and moderate income may be included in redevelopment or economic development projects.*

Subd. 12. [ECONOMIC DEVELOPMENT PROJECT.] *"Economic development project" means any project not meeting the requirements found in the definition of "redevelopment project" or "housing project", but which the authority finds to be in the public interest because*

(a) It will discourage commerce, industry or manufacturing from moving their operations to another state; or

(b) It will result in increased employment in the municipality; or

(c) It will result in preservation and enhancement of the tax base of the municipality.

Subd. 13. [ADMINISTRATIVE EXPENSES.] *"Administrative expenses" means all expenditures of an authority other than amounts paid for the purchase of land or amounts paid to contractors or others providing materials and services, including architectural and engineering services, directly connected with the physical development of the real property in the project, relocation benefits paid to persons residing or businesses located in the project area, or amounts used to pay interest on, fund a reserve for, or sell at a discount bonds issued pursuant to sections 1 to 14.*

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

Subd. 15. [PARCEL.] *"Parcel" means a tract or plat of land established as a single unit for purposes of assessment.*

Sec. 3. Minnesota Statutes 1978, Chapter 273, is amended by adding a section to read:

[273.73] [ESTABLISHMENT OF PUBLIC IMPROVEMENT DISTRICT.] *Subdivision 1. [FINDINGS.] The governing body of a city of the first or second class may by resolution designate an*

area within its boundaries to be a public improvement district if it finds that blighting conditions, as described in section 2, subdivision 9, exist throughout the area. Detailed, specific written findings of those conditions shall be made and adopted.

Subd. 2. [PLAN FOR PUBLIC IMPROVEMENT DISTRICT PROGRAMS; CONTENTS.] *When designating an area to be a public improvement district, the governing body shall propose a plan for the area. The public improvement district plan shall contain a detailed statement of the objectives of the city for improvement of the public improvement district. The plan shall include a description of proposed public facilities and open space to be created and the proposed use of the property within the district. It shall contain estimates of the following: cost of any private and public projects; sources of revenue to finance these costs including estimates of tax increments for any tax increment projects; amount of bonded indebtedness to be incurred; and the duration of any tax increment projects.*

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

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

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

Sec. 4. Minnesota Statutes 1978, Chapter 273, is amended by adding a section to read:

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

Subd. 2. [TAX INCREMENT FINANCING PLAN.] *In the application, the authority shall furnish the governing body with its plan for the use of tax increment financing. The tax increment financing plan submitted to the governing body for its approval shall include findings made by the authority that the use of tax increment financing in the proposed tax increment district is necessary because of the lack of private investment activity in the area. If the project is proposed to be located in a public improvement district, the plan shall include a finding that the tax increment financing plan conforms to the public improvement district plan of the municipality. The specific factual bases for these findings shall be set forth. The plan shall also contain the following information: a statement by the authority of the objectives of the project; the development program for the project, including a descriptive listing of any agreements which have been concluded between the municipality or the authority and any contractors or developers with respect to the project; estimates of the following: cost of the project, including administrative expenses; amount of bonded indebtedness to be incurred; sources of revenue to finance project costs; the original assessed value of property in the project; and the projected captured assessed value of the project at the time of its completion. If the authority proposes to use only a portion of the captured assessed value of a district for tax increment financing purposes, the plan shall state what portion is proposed to be used. If the municipality elects the method of tax increment computation set forth in section 6, subdivision 3, clause (b), it shall state that election.*

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

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

Subd. 5. [APPROVAL BY GOVERNING BODY.] *No bonds shall be issued to finance a tax increment project unless the authority has concluded an agreement or agreements with one or more developers which provide for the execution of the project*

plan covering, in the case of a housing or economic development project, 80 percent or, in the case of a redevelopment project, 75 percent of the area of the proposed project and which provide recourse for the authority against the developer should the execution of the project plan fail because of the default of the developer. A copy of the agreement shall be submitted to and approved by the governing body. No plan shall be approved unless the governing body finds that the proposed project will not contribute to urban sprawl. Any proposal to use tax increment financing in relation to any previously unincorporated real property annexed by the municipality pursuant to chapter 414 within three years prior to the date of the application shall be deemed to contribute to urban sprawl. If the authority and the governing body of the municipality are not the same, the governing body shall within 90 days after submission of the application or resubmission as provided herein, give written notice to the authority of its decision with respect to the tax increment financing plan. If approval is not given within 90 days, the application shall be deemed to have been rejected. A plan which has not been approved by the governing body when submitted to it may be again submitted to it with such modifications as are necessary to meet its objections.

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

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

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

Subd. 7. [ELIMINATION OF TAX-EXEMPT PROPERTY.] If, at any time after certification of the original assessed value of a tax increment district pursuant to section 6, a parcel located within the district becomes exempt from property taxation, an authority may eliminate that property from the district. Upon application of the authority, the county auditor shall reduce the original

assessed value of the district by the amount of the value of that parcel at the time of certification of the district.

Subd. 8. [PRIOR PLANNED IMPROVEMENTS.] The authority shall, after due and diligent search, accompany its request for certification to the county auditor pursuant to subdivision 1, or its notice of district enlargement pursuant to subdivision 6, with a listing of all properties within the tax increment financing district or area of enlargement for which building permits have been issued during the 18 months immediately preceding approval of the tax increment financing plan by the municipality. For 12 months after completion of the improvements for which a building permit was issued during that 18 month period, the county auditor shall increase the original assessed value of the district by the assessed valuation of the improvements for which the building permit was issued, as certified by the assessor.

Sec. 5. Minnesota Statutes 1978, Chapter 273, is amended by adding a section to read:

[273.76] [LIMITATION ON INCREMENTS.] If, after five years from the date of certification of the value of the tax increment district pursuant to section 6, no demolition, rehabilitation or renovation of property or other site preparation, including improvement of a street adjacent to a parcel in the district but not installation of utility service property has been commenced on a parcel located within a project by the authority or by the owner of the property in accordance with the tax increment financing plan, no additional tax increments may be taken from that parcel, and the original assessed value of that parcel shall be excluded from the certified value of the tax increment district. If the authority or the owner of the property subsequently commences demolition, rehabilitation or renovation or other site preparation on that parcel in accordance with the tax increment financing plan, the authority shall certify to the county auditor that the activity has commenced, and the parcel may be added into the tax increment district. The county auditor shall certify the most recently assessed value of that parcel and add it to the original assessed value of the tax increment district.

Sec. 6. Minnesota Statutes 1978, Chapter 273, is amended by adding a section to read:

[273.77] [COMPUTATION OF TAX INCREMENT.] Subdivision 1. [ORIGINAL ASSESSED VALUE.] After a tax increment financing plan has been approved by the governing body, the auditor of the county in which the district is situated shall, upon request of the authority, certify the original assessed value of the tax increment district as described in the tax increment financing plan. The county auditor shall certify in each year thereafter the amount by which the original assessed value has increased or decreased as a result of a change in tax exempt status of property within the district, or reduction or enlargement of the district. The amount to be added to the original assessed value of the district as a result of previously tax exempt real property within the district becoming taxable, or enlargement of the geographic area of the dis-

trict, shall be equal to the assessed value of that real property as most recently certified by the commissioner of revenue as of the date of title transfer or modification of the tax increment financing plan. The amount to be subtracted from the original assessed value of the district as a result of previously taxable real property within the district becoming tax exempt, or a reduction in the geographic area of the district, shall be the amount of original assessed value initially attributed to the property becoming tax exempt or being removed from the district. If the assessed value of property located within a tax increment district is reduced by a court-ordered abatement, the original assessed value of the district shall be reduced by that amount. The county auditor shall have the power to specify the form and content of the request for certification of the authority and any modification thereof pursuant to section 4, subdivision 6.

Subd. 2. [CAPTURED ASSESSED VALUE.] The county auditor shall certify the amount of the captured assessed value to the authority each year. If the plan provides that all the captured assessed value is necessary to finance or otherwise make permissible expenditures under section 8, subdivision 3, the authority may retain the full captured assessed value. If the plan provides that only a portion of the captured assessed value is necessary to finance or otherwise make those expenditures, only that portion should be set aside and the remainder shall be distributed among the affected taxing districts by the county auditor.

Subd. 3. [RELATIONSHIP TO FISCAL DISPARITIES; RE-DEVELOPMENT PROJECTS.]

(a) Unless the governing body elects pursuant to clause (b) of this subdivision the following method of computation shall apply in the case of redevelopment projects subject to the provisions of sections 1 to 14:

(1) The original assessed value shall include any portion thereof which is subject to the area-wide tax imposed by section 473F.08, subdivision 6, in the levy and assessment of taxes in the year the district is certified and the current assessed value shall not be reduced to any extent to reflect the contribution of the municipality to the area-wide tax base pursuant to section 473F.08, subdivision 2, clause (a);

(2) In each subsequent year, the county auditor shall compute assessed valuation, mill rates and the tax increment as follows:

(i) If the authority retains the full captured assessed value, the county auditor shall include no more than the original assessed value of the real property in the tax increment financing district for purposes of determining assessed value for local mill rates. The county auditor shall compute the mill rates of all taxes levied by the state, the county, the municipality or town, the school district and every other taxing district in which the district is located in whole or in part on that assessed value. The county auditor shall extend all mill rates against the current assessed value, including the captured assessed value, except for that portion of the current

assessed value which is subject to the area-wide tax rate determined pursuant to section 473F.08, subdivision 5. In each year for which the current assessed value exceeds the original assessed value, the county treasurer shall remit to the authority that portion of all taxes paid that year on real property in the district, including taxes paid as a result of the application of the area-wide tax determined pursuant to section 473F.08, subdivision 5, which exceeds the taxes attributable to the application of local mill rates to the original assessed value. The amount so remitted each year is referred to in this section as the tax increment for that year;

(ii) If the authority retains only a portion of the captured assessed value for its use and returns the remaining portion to the tax rolls of all affected taxing districts, the county auditor shall include the original assessed value which is shared with all the affected taxing districts in determining the assessed value for computing mill rates. He shall compute the mill rates of all taxes levied by the state, county, municipality, school district, and every other taxing district in which the district is located in whole or in part on that assessed value. He shall extend all mill rates against the total current assessed value including that portion of the captured assessed value which the authority is retaining for its exclusive use, except for that portion of the current assessed value which is subject to the area-wide tax rate determined pursuant to section 473F.08, subdivision 5. In each year for which the current assessed value exceeds the original assessed value, the county treasurer shall remit to the authority that portion of all taxes paid on real property in the district, including taxes paid as a result of the area-wide tax rate determined pursuant to section 473F.08, subdivision 5, that exceeds the taxes attributable to the application of local mill rates to the original assessed value and to that portion of the captured assessed value which is shared with all the affected taxing districts. The amount so remitted each year is referred to as the tax increment;

(3) In any year in which the current assessed value of the tax increment financing district is less than the original assessed value, the county auditor shall compute and extend taxes against the current assessed value, which is subject to the area-wide tax rate determined pursuant to section 473F.08, subdivision 5. Taxes, including taxes paid as a result of the application of the area-wide tax rate determined pursuant to section 473F.08, subdivision 5, shall be distributed from the affected property to each of the taxing jurisdictions as determined by the current levy and there will be no tax increment. In any year subsequent to a year in which there exists a tax increment deficit, the tax increment shall be computed without regard to said deficit;

(b) The governing body may, by resolution approving the tax increment financing plan pursuant to section 4, elect the following method of computation:

(1) The original assessed value shall not include any portion thereof which is subject to the area-wide tax imposed by section 473F.08, subdivision 6, in the levy and assessment of taxes in the

year the district is certified and the current assessed value shall not include the portion thereof which is subject to the area-wide tax imposed by section 473F.08, subdivision 6, but shall not otherwise be reduced by the amount of the contribution of the municipality to the area-wide tax base pursuant to section 473F.08, subdivision 2, clause (a);

(2) In each subsequent year, the county auditor shall compute assessed valuation, mill rates and tax increment as follows:

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

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

(3) In any year in which the current assessed value of the tax increment financing district is less than the original assessed value, the county auditor shall compute and extend taxes against the current assessed value. Taxes shall be distributed from the affected property to each of the taxing jurisdictions as determined by the current levy and there is no tax increment. In any year subsequent to a year in which there exists a tax increment deficit, tax increments shall be computed without regard to said deficit;

(4) An election by the governing body pursuant to part (b) of this subdivision shall be submitted to the county auditor by the authority at the time of the request for certification pursuant to section 4;

(c) The method of computation of tax increment applied to a district pursuant to clauses (a) or (b) of this subdivision, once established, shall remain the same for the duration of the district.

Subd. 4. [RELATIONSHIP TO FISCAL DISPARITIES; ECONOMIC DEVELOPMENT PROJECT.] In the case of an economic development project subject to the provisions of this act, the following method of computation shall apply:

The original assessed value of the district shall not include assessed valuation which is contributed to an area-wide tax base under section 473F.08. Any amount by which the current assessed value of a development district exceeds the original assessed value, other than the contribution required under section 473F.08 of 40 percent of the annual increase in the assessed valuation of the commercial-industrial property located within the district, will be the captured assessed value for the district, subject to the provisions of subdivision 2. The provisions of subdivision 3, clauses (b) (2) and (b) (3) shall apply to the computation of the tax increments for economic development districts.

In the event the tax increments received in any year are insufficient to make the payments of interest and principal due that year on bonds issued in connection with an economic development district subject to the provisions of sections 1 to 14, no general levy shall be made against the property in the municipality for the purpose of making up that deficiency.

Sec. 7. Minnesota Statutes 1978, Chapter 273, is amended by adding a section to read:

[273.78] [LIMITATION ON TAX INCREMENT DISTRICTS.] Subdivision 1. **[PERCENTAGE OF VALUE.]** No tax increment district may be certified in a municipality by the county auditor if the sum of the original assessed value of tax increment projects located in the municipality, certification of which has been requested prior to the effective date of sections 1 to 14, plus the estimated original assessed value of a proposed project exceed 2.5 percent of the estimated market value of the municipality. If, on the day following final enactment of sections 1 to 14, the aggregate original assessed value of previously certified projects within a municipality exceeds 2.5 percent of the estimated market value of the municipality, that municipality may, by the certification of one additional project or the addition of property to one existing project pursuant to sections 1 to 14, exceed the current ratio of its aggregate original assessed value of tax increment projects to the municipality's estimated market value by an additional .5 percent.

Subd. 2. [DURATION OF TAX INCREMENT DISTRICTS.] Any pledge of revenues, including tax increments, to the payment of bonds and interest thereon may be discharged and the

tax increment district may be terminated if sufficient funds have been irrevocably deposited in the debt service fund or other escrow account held in trust for all outstanding bonds to provide for the payment of the bonds at maturity or date of redemption and interest thereon to such maturity or redemption date, provided that for bonds issued pursuant to sections 10 or 11 the full faith and credit and any taxing powers of the municipality or authority, as the case may be, shall continue to be pledged to the payment of the bonds until the principal of and interest on the bonds has been paid in full.

Sec. 8. Minnesota Statutes 1978, Chapter 273, is amended by adding a section to read:

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

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

Subd. 3. [LIMITATION ON USE OF TAX INCREMENTS.] *Except in the case of a tax increment project or district for which certification was requested prior to the effective date of sections 1 to 14 pursuant to a law which did not at that date require adoption of a tax increment financing plan, revenues derived from tax increments subsequent to the effective date of sections 1 to 14 shall be used only to pay off bonds or to make any other expenditure authorized by the general or special law under which the authority was created or operates, and only as authorized in the tax increment financing plan.*

Subd. 4. [LIMITATION ON ADMINISTRATIVE EXPENSES.] *No tax increment shall be used to pay any administrative expenses for a district which exceed five percent of the total tax increment expenditures authorized by the tax increment financing plan or the total tax increment expenditures for that district, whichever is less.*

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

ten years after receipt of first increments or twelve years after the approval of the plan pursuant to section 4, whichever is sooner.

Sec. 9. Minnesota Statutes 1978, Chapter 273, is amended by adding a section to read:

[273.80] [RESTRICTION ON FUTURE BOND ISSUES.] *Notwithstanding the provisions of any other law to the contrary, after the effective date of the tax increment financing act, no bonds for payment of which tax increments are pledged shall be issued in connection with any tax increment project or district other than as authorized by sections 10 to 12. Bonds issued pursuant to sections 10 to 12 shall not be included for purposes of computing the net debt of any municipality. The proceeds of any bonds authorized hereby shall be used only in accordance with section 8, subdivision 3, as if the proceeds were tax increments.*

Sec. 10. Minnesota Statutes 1978, Chapter 273, is amended by adding a section to read:

[273.81] [MUNICIPAL GENERAL OBLIGATION BONDS.] *Subdivision 1. [ISSUANCE.] A municipality may authorize general obligation bonds to finance any expenditure which the municipality or any other authority the jurisdiction of which is wholly or partially within that municipality is permitted to make pursuant to section 8, subdivision 3. The bonds shall be issued, sold and secured in the same manner and subject only to the same conditions as those provided in chapter 475, for bonds financing improvement costs reimbursable from special assessments.*

Subd. 2. [PLEDGE.] Any pledge of tax increments, assessments or other revenues for the payment of the principal of and interest on general obligation bonds issued under this section, except when the authority and the municipality are the same, shall be made by written agreement by and between the authority and the municipality and filed with the county auditor. When the authority and the municipality are the same, the municipality may by covenant pledge tax increments, assessments or other revenues for the payment of the principal of and interest on general obligation bonds issued under this section. The resolution containing the covenant shall be filed with the county auditor. When tax increments, assessments and other revenues are pledged, the estimated collections of the tax increments, assessments and other revenues so pledged may be deducted from the taxes otherwise required to be levied before the issuance of the bonds under section 475.61, subdivision 1, or may be certified annually to reduce or cancel the initial tax levies in accordance with section 475.61, subdivision 1 or 3. The pledge of any revenues, including tax increments, to the payment of bonds and interest may be discharged if sufficient funds have been irrevocably deposited in escrow to provide for payment when due of the bonds and interest. The full faith and credit and taxing powers of the municipality shall continue to be pledged to the payment of any general obligation bonds until the principal of and interest on the bonds have been paid in full.

Sec. 11. Minnesota Statutes 1978, Chapter 273, is amended by adding a section to read:

[273.82] [AUTHORITY GENERAL OBLIGATION BONDS.]

Subdivision 1. When the authority and the municipality are not the same, an authority may, by resolution, authorize, issue and sell its general obligation bonds to finance any expenditure which that authority is authorized to make by section 8, subdivision 3. The full faith and credit and taxing power of the authority shall be and are hereby pledged to the payment of the bonds and interest thereon. Any revenues, including tax increments and assessments, derived from a tax increment district, may be pledged to the payment of the bonds and interest thereon. The bonds of the authority shall be authorized by its resolution, shall mature as determined by resolution of the authority in accordance with sections 1 to 14. The bonds may be issued in one or more series and shall bear the date or dates, bear interest at the rate or rates, be in the denomination or denominations, be in the form, either coupon or registered, carry the conversion or registration privileges, have the rank or priority, be executed in the manner, be payable in medium of payment at the place or places, and be subject to the terms of redemption, with or without premium, as the resolution, its trust indenture or mortgage may provide. The bonds may be sold at public or private sale at the price or prices as the authority by resolution shall determine. Notwithstanding any provision of law to the contrary, the bonds shall be fully negotiable. In any suit, action, or proceedings involving the validity or enforceability of any such bonds of the authority or the security therefor, any such bond reciting in substance that it has been issued by the authority to aid in financing a project shall be deemed to have been issued for that purpose, and the project shall be conclusively deemed to have been planned, located, and carried out in accordance with the purposes and provisions of sections 1 to 14.

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

Sec. 12. Minnesota Statutes 1978, Chapter 273, is amended by adding a section to read:

[273.83] [REVENUE BONDS.] Subdivision 1. [ISSUANCE.]

An authority may, by resolution, authorize, issue and sell revenue bonds payable solely from all or a portion of revenues, including but not limited to tax increment revenues and assessments, derived from a tax increment district located wholly or partially within the municipality to finance any expenditure which that authority is authorized to make by section 8, subdivision 3, and may pledge

the revenues to the payment of the bonds and the interest thereon. The bonds shall mature as determined by resolution of the authority in accordance with the provisions of sections 1 to 14 and may be issued in one or more series and shall bear the date or dates, bear interest at the rate or rates, be in the denomination or denominations, be in the form, either coupon or registered, carry the conversion or registration privileges, have the rank or priority, be executed in the manner, be payable in medium of payment at the place or places, and be subject to the terms of redemption, with or without premium, as the resolution, its trust indenture or mortgage may provide. The bonds may be sold at public or private sale at the price or prices as the authority by resolution shall determine. Notwithstanding any provision of law to the contrary, the bonds shall be fully negotiable. In any suit, action, or proceedings involving the validity or enforceability of any such bonds of the authority or the security therefor, any such bond reciting in substance that it has been issued by the authority to aid in financing a project shall be deemed to have been issued for that purpose, and the project shall be deemed to have been planned, located, and carried out in accordance with the purposes and provisions of sections 1 to 14.

Subd. 2. [LIABILITY ON BONDS.] Neither the governing body of the authority nor any person executing the bonds shall be liable personally on the bonds by reason of the issuance thereof. The bonds may be further secured by a pledge and mortgage of all or any portion of the project in aid of which the bonds are issued and the covenants the authority deems by the resolution to be necessary and proper to secure payment of the bonds. The bonds, as they shall state on their face, shall not be payable from nor charged upon any funds other than the revenues and property pledged or mortgaged to the payment thereof, nor shall the authority issuing the same be subject to any liability thereon or have the powers to obligate itself to pay or to pay the bonds from funds other than the revenues and properties pledged and mortgaged and no holder of the bonds shall ever have the right to compel any exercise of any taxing power of the issuing authority or any other public body, other than as is permitted or required under sections 1 to 14 and pledged therefor hereunder, to pay the principal of or interest on the bonds, nor to enforce payment thereof against any property of the authority or other public body other than that expressly pledged or mortgaged for the payment thereof.

Sec. 13. Minnesota Statutes 1978, Chapter 273, is amended by adding a section to read:

[273.84] [ANNUAL DISCLOSURE.] For all tax increment districts, whether created prior or subsequent to the effective date of the tax increment financing act, on or before July 1 each year, the authority shall submit to the county board, the school board, the state planning agency and, if the authority is other than the governing body, the governing body of the municipality a report on the status of the district. The report shall include the following information: the amount and the source of revenue in the account, the amount and purpose of expenditures from the

account, the amount of principal and interest on any outstanding bonded indebtedness, the original assessed value of the district, the captured assessed value retained by the authority, the captured assessed value shared with other taxing districts, the tax increments received and any additional information necessary to demonstrate compliance with any applicable tax increment financing plan. An annual statement showing the tax increments received and expended in that year, the original assessed value, captured assessed value, amount of outstanding bonded indebtedness, and any additional information the authority deems necessary shall be published in a newspaper of general circulation in the municipality.

Sec. 14. Minnesota Statutes 1978, Chapter 273, is amended by adding a section to read:

[273.85] [EXISTING PROJECTS.] *The provisions of sections 1 to 14 shall not affect any redevelopment project as defined in section 462.421, subdivision 13, industrial development district as defined in section 458.191, project as defined in section 474.02, subdivision 1 or section 362A.01, subdivision 2, or development district as defined in section 472A.02, subdivision 3 or any special law, for which certification was requested pursuant to those laws prior to the effective date of sections 1 to 14, or any project carried on by an authority pursuant to Minnesota Statutes, Section 462.545, Subdivision 5 with respect to which the governing body has by resolution designated properties for inclusion in the project prior to the effective date of sections 1 to 14, except:*

(a) *As otherwise provided in sections 1 to 14;*

(b) *As an authority may elect to proceed with an existing redevelopment project, industrial development district, project or development district under the provisions of sections 1 to 14; or*

(c) *That any geographic area added to an existing redevelopment project, industrial development district, project or development district as a result of boundary expansion subsequent to the effective date of sections 1 to 14 shall be added in accordance with and be subject to the terms and conditions of sections 1 to 14.*

Sec. 15. Minnesota Statutes 1978, Section 458.192, Subdivision 11, is amended to read:

Subd. 11. *Upon or after the creation of an industrial development district under section 458.191 which is not subject to the provisions of sections 1 to 14, the auditor of the county in which it is situated shall upon request of the port authority certify the then most recently determined assessed valuation of all or so much of the taxable real property within the district as is identified by legal description in the request, other than that portion of the valuation which is contributed to an area-wide tax base under chapter 473F. The auditor shall certify to the authority in each year thereafter the amounts and percentages of subsequent increases or decreases in such valuation other than that portion of such increases or decreases which is contributed to an area-wide*

tax base under chapter 473F. The auditor shall compute the mill rates of taxes against such original valuation but shall extend such rates also against any incremental value and remit the resulting tax increment to the port authority in the same manner as that provided for the computation and remittance of tax increments under section 462.585, subdivisions 2 and 3. The port authority shall segregate tax increments received with respect to any such property district in a special account on its official books and records. Such tax increments shall be remitted to the port authority until the cost of redevelopment of the marginal land within the district, including interest thereon, has been fully reimbursed from the tax increments. When such full reimbursement has been made, it shall be reported by the port authority to the county auditor, who shall thereafter include the entire assessed valuation of the property in the assessed valuations upon which tax mill rates are computed and extended and taxes are remitted to all taxing districts. Any part or all of such tax, if so directed by the city council, shall be pledged and appropriated for the payment of any general obligation bonds of the port authority. Increases in the value of such property, subsequent to certification of the base for computing the tax increment therefrom, shall not be included in the assessed valuation of any taxing district for the purpose of computing any debt or levy limitation or the amount of any state or federal aid to the taxing district, so long as the tax increment therefrom is segregated under the provisions of this section. *The provisions of this subdivision shall not apply with respect to any project, certification of which is requested subsequent to the effective date of the tax increment financing act.*

Sec. 16. Minnesota Statutes 1978, Section 462.545, Subdivision 5, is amended to read:

Subd. 5. [SPECIAL BENEFIT TAX FUND.] In the event the authority shall issue bonds or other obligations to finance a redevelopment project, the authority may, in its discretion, with the consent of the governing body obtained at the time of the approval of the redevelopment plan as required in section 462.521, notify the county treasurer to set aside in a special fund, for the retirement of such bonds and interest thereon, all or part of the real estate tax revenues derived from the real property in the redevelopment area which is in excess of the tax revenue derived therefrom in the tax year immediately preceding the acquisition of such property by the authority, and it shall be the duty of the county treasurer so to do. Such setting aside of funds shall continue until the bonds or other obligations have been retired. *The provisions of this subdivision shall not apply with respect to any property which the governing body has not by resolution designated for inclusion in a project prior to the effective date of the tax increment financing act.*

Sec. 17. Minnesota Statutes 1978, Section 462.585, Subdivision 1, is amended to read:

462.585 [AGREEMENTS RESPECTING TAX INCREMENTS AND EQUIVALENTS; PLEDGE FOR BONDS.] Sub-

division 1. [GENERAL.] In connection with any project of an authority located wholly or partly within the corporate limits of any municipality or other state public body, such body may agree with the authority with respect to the payment by the authority of such sums in lieu of taxes for any year or period of years in accordance with the provisions of section 462.575, but for no longer period than the period of tax exemption provided for under that section. In any case where property owned by the authority in a redevelopment project area is leased or otherwise made available by the authority to a private individual, firm, or corporation which previously owned the same or other property within the area, not for development in connection with the project but for temporary use pending relocation of such former owner's residence or business, the authority may agree to payment of sums in lieu of taxes for any year or period of such temporary use, not exceeding the amount of the annual rentals or other payments it receives for such use, but during such use the property and the authority shall be exempt from all taxes and special assessments as provided in section 462.575, and the provisions of section 272.01, subdivision 2 and of section 273.19 shall not apply to such property or to such use thereof. In connection with any redevelopment project, an authority may make further agreements respecting taxes as provided below *in the case of projects which are not subject to the provisions of sections 1 to 14. The provisions of subdivisions 2 and 3 shall not apply with respect to any project, certification of which is requested subsequent to the effective date of the tax increment financing act.*

Sec. 18. Minnesota Statutes 1978, Section 462.585, Subdivision 4, is amended to read:

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

to this subdivision subsequent to the effective date of the tax increment financing act.

Sec. 19. Minnesota Statutes 1978, Section 472A.06, is amended to read:

472A.06 [ISSUANCE OF BONDS.] The governing body of the municipality, may authorize, issue and sell general obligation bonds, which shall mature within 30 years from the date of issue, to finance the acquisition and betterment of real and personal property needed to carry out the development program within the development district together with all relocation costs incidental thereto in accordance with sections 475.51, 475.53, 475.54, 475.55, 475.56, 475.60, 475.61, 475.62, 475.63, 475.65, 475.66, 475.69, 475.70, 475.71. All tax increments received by the municipality pursuant to section 472A.08 shall be pledged for the payment of these bonds and used to reduce or cancel the taxes otherwise required to be extended for that purpose, and the bonds shall not be included when computing the municipality's net debt. *Bonds shall not be issued under this section subsequent to the effective date of the tax increment financing act.*

Sec. 20. Minnesota Statutes 1978, Section 472A.07, is amended by adding a subdivision to read:

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

Sec. 21. Minnesota Statutes 1978, Section 472A.08, is amended by adding a subdivision to read:

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

Sec. 22. Minnesota Statutes 1978, Section 473F.02, Subdivision 3, is amended to read:

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

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

(b) Class 3h property.

(c) Class 3j property.

(d) That portion of class 4 property which is either used or zoned for use for any commercial or industrial purpose, except for such property which is, or, in the case of property under construction, will when completed be used exclusively for residential occupancy and the provision of services to residential occupants thereof. Property shall be considered as used exclusively for residential occupancy only if each of not less than 80 percent of its occupied residential units is, or, in the case of property under construction, will when completed be occupied under an oral or written agreement for occupancy over a continuous period of not less than 30 days.

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

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

Sec. 23. Minnesota Statutes 1978, Section 473F.05, is amended to read:

473F.05 [ASSESSED VALUATION; 1972 AND SUBSEQUENT YEARS.] On or before November 20 of 1972 and each subsequent year, the assessors within each county in the area shall determine and certify to the county auditor the assessed valuation in that year of commercial-industrial property subject to taxation within each municipality in his county, *determined without regard to section 6, subdivision 3.*

Sec. 24. Minnesota Statutes 1978, Section 473F.08, Subdivision 2, is amended to read:

Subd. 2. The taxable value of a governmental unit is its assessed valuation, as determined in accordance with other provisions of law *including section 6, subdivision 3*, subject to the following adjustments:

(a) There shall be subtracted from its assessed valuation, in each municipality in which the governmental unit exercises ad valorem taxing jurisdiction, an amount which bears the same proportion to 40 percent of the amount certified in that year pursuant to section 473F.06 in respect to that municipality as the total preceding year's assessed valuation of commercial-industrial property which is subject to the taxing jurisdiction of the governmental unit within the municipality, *determined without regard to section 6, subdivision 3*, bears to the total preceding year's assessed valuation of commercial-industrial property within the municipality, *determined without regard to section 6, subdivision 3*;

(b) There shall be added to its assessed valuation, in each municipality in which the governmental unit exercises ad valorem taxing jurisdiction, an amount which bears the same proportion to the area-wide base for the year attributable to that municipality as the total preceding year's assessed valuation of residential property which is subject to the taxing jurisdiction of the governmental unit within the municipality bears to the total preceding year's assessed valuation of residential property of the municipality.

Sec. 25. Minnesota Statutes 1978, Section 473F.08, Subdivision 4, is amended to read:

Subd. 4. In 1972 and subsequent years, the county auditor shall divide that portion of the levy determined pursuant to subdivision 3, clause (b), by the assessed valuation of the governmental unit, *taking section 6, subdivision 3 into account*, less that portion subtracted from assessed valuation pursuant to subdivision 2, clause (a). The resulting rate shall apply to all taxable property except commercial-industrial property, which shall be taxed in accordance with subdivision 6.

Sec. 26. Minnesota Statutes 1978, Section 473F.08, Subdivision 6, is amended to read:

Subd. 6. The rate of taxation determined in accordance with subdivision 5 shall apply in the taxation of each item of commercial-industrial property subject to taxation within a municipality, *including property located within any tax increment financing district, as defined in section 2, subdivision 8*, to that portion of the assessed valuation of the item which bears the same proportion to its total assessed valuation as 40 percent of the amount determined pursuant to section 473F.06 in respect to the municipality in which the property is taxable bears to: (a) the amount determined pursuant to section 473F.05 minus (b) *the entire portion thereof located within any tax increment financing district, as defined in section 2, subdivision 8 for which tax increment is computed in accordance with section 6, subdivision 3, clause (a)(2), regardless of the extent to which it is or is not included in determining assessed value for purposes of computing local mill rates under section 6, subdivision 3, clause (a)(2).* The rate of taxation determined in accordance with subdivision 4 shall apply in the taxation of the remainder of the assessed valuation of the item.

Sec. 27. Minnesota Statutes 1978, Section 474.10, Subdivision 2, is amended to read:

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

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

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

Sec. 28. [REPEALER.] *Minnesota Statutes 1978, Sections 458.192, Subdivision 12; 472A.02, Subdivision 3; and 472A.08, Subdivisions 4 and 5, are repealed.*

Sec. 30. [EFFECTIVE DATE.] *This act is effective the day following final enactment.*

Amend the title as follows:

Page 1, line 9, before "473F.02" insert "472A.08, by adding a subdivision;"; and after "3;" insert "473F.05; 473F.08, Subdivisions 2, 4, and 6;";

Page 1, line 10, delete "Chapters" and insert "Chapter"

Page 1, line 11, delete "and 472A, by adding a section;";

Page 1, line 13, after "12;" insert "472A.02, Subdivision 3;";

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. 776: A bill for an act relating to accountancy; providing for licensing of public accountants; prohibiting certain practices; appropriating money; providing penalties; amending Minnesota Statutes 1978, Sections 326.17; 326.18; 326.20, Subdivisions 1 and 2; and Chapter 326, by adding sections.

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

Page 2, line 23, delete "*of this act*"

Page 5, after line 14, insert:

"Sec. 4. Minnesota Statutes 1978, Section 326.19, Subdivision 2, is amended to read:

Subd. 2. [QUALIFICATIONS.] The license, certified public accountant, shall be granted to any person:

(a) Who has attained the age of 18 years; and

(b) ~~Who is of good moral character; and~~

(c) Who holds:

(i) a master's degree with a major in accounting from a college or university that is fully accredited by the North Central Association of Colleges and Secondary Schools, or an equivalent accrediting association, or who has in the opinion of the board at

least an equivalent education, providing at least one year of experience of the type specified in subdivision 4, has been completed; or

(ii) a baccalaureate degree, with a major in accounting, from a college or university that is fully accredited by the North Central Association of Colleges and Secondary Schools, or an equivalent accrediting association, or whose credits are acceptable to the University of Minnesota for admission to graduate study, or who has in the opinion of the board at least an equivalent education, providing at least two years experience of the type specified in subdivision 4, has been completed; or

(iii) a baccalaureate degree from a college or university that is fully accredited by the North Central Association of Colleges and Secondary Schools, or an equivalent accrediting association, or whose credits are acceptable to the University of Minnesota for admission to graduate study, or who has in the opinion of the board at least an equivalent education, providing at least three years experience of the type specified in subdivision 4, has been completed; or

(iv) evidence of having completed two or more years of study with passing grade average or above from a college or university that is fully accredited by the North Central Association of Colleges and Secondary Schools, or an equivalent accrediting association, or whose credits are acceptable to the University of Minnesota for admission to graduate study, or an area vocational-technical school, a Minnesota licensed private vocational school which fulfills the requirements of sections 141.21 to 141.36, or who has in the opinion of the board at least an equivalent education, providing at least five years experience of the type specified in subdivision 4, has been completed; or

(v) a diploma as a graduate of an accredited high school or who has in the opinion of the board at least an equivalent education, providing at least six years experience of the type specified in subdivision 4, has been completed; and

~~(d)~~ (c) Who has completed successfully an examination in such subjects and at such times, as the board may prescribe in its rules. The examination shall be administered by the board only to a candidate who holds:

(i) a baccalaureate degree with a major in accounting or higher degree, as described in clause (c) (i) or clause (c) (ii) or to persons having at least an equivalent education, or to candidates for such degree providing such candidate is currently registered in his final semester or quarter preceding graduation, or

(ii) a baccalaureate degree, as described in clause (c) (iii), provided at least one year experience of the type specified in subdivision 4, has been completed, or

(iii) evidence of having completed two or more years of study with passing grade average or above from a college, university, area vocational-technical school or a Minnesota licensed private vocational school which fulfills the requirements of sections 141.21

to 141.36, as described in clause (c) (iv), provided at least three years experience of the type specified in subdivision 4, has been completed, or

(iv) a diploma as a graduate of an accredited high school, as described in clause (c) (v), provided at least five years experience of the type specified in subdivision 4, has been completed."

Page 5, line 18, delete "(a)" and insert "(i)"

Page 5, line 19, delete "(b)" and insert "(ii)"

Page 5, line 20, delete "(c) who is of good moral character;"

Page 5, line 20, delete "(d)" and insert "(iii)"

Page 10, lines 12 and 13, delete "4 of this act" and insert "5"

Page 11, line 9, delete "of this act"

Page 13, line 9, delete "12 of this act" and insert "13"

Page 14, lines 10 and 11, delete "12 of this act" and insert "13"

Page 14, lines 19, 21, 26, and 28, delete "12" and insert "13"

Page 15, lines 11 and 12, delete "12 of this act" and insert "13"

Page 15, line 13, delete "11" and insert "12"

Page 15, line 15, delete "such" and insert "the"

Page 15, line 20, delete "12" and insert "13"

Page 15, line 21, delete "of this act"

Page 15, line 30, delete "act" and insert "section"

Page 16, after line 5, insert:

"Sec. 15. [REPEALER.] *Minnesota Statutes 1978, Sections 326.17; 326.18; 326.19; 326.20; 326.21; 326.22; 326.23 are repealed effective July 1, 1982.*"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 6, after "326.18;" insert "326.19, Subdivision 2;"

Page 1, line 7, before the period, insert "; repealing Minnesota Statutes 1978, Sections 326.17 to 326.23"

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

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

H. F. No. 555: A bill for an act relating to crimes; specifying the crime of offering substances purporting to be prohibited for sale; creating a new category of offense for assault; reclassifying assaults by degrees; specifying the crime of interference with privacy; reclassifying the pecuniary categories of the crime of

theft; redefining certain felonies; authorizing agents of the bureau of criminal apprehension to obtain search warrants; clarifying the locus of venue; providing penalties; amending Minnesota Statutes 1978, Sections 609.02, by adding subdivisions; 609.11; 609.25, Subdivision 2; 609.341, Subdivision 3, and by adding a subdivision; 609.343; 609.344; 609.345; 609.52, Subdivision 3; 609.562; 609.563; 609.595, Subdivision 1; 611.033; 626.05, Subdivision 2; 626.11; 626.13; 627.01; Chapters 152, by adding a section; and 609, by adding sections; repealing Minnesota Statutes 1978, Sections 246.43; 609.22; and 609.225.

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

Pages 1 and 2, delete sections 1 and 2

Page 3, line 33, delete "*, or other significant bodily harm*"

Page 5, after line 25, insert:

"Sec. 10. Minnesota Statutes 1978, Section 609.341, Subdivision 13, is amended to read:

Subd. 13. "Complainant" means a person alleging to have been subjected to criminal sexual conduct, *but need not be the person who signs the complaint.*"

Page 12, line 11, after "*who*" insert "*enters upon another's property and*"

Page 12, line 12, delete "*looks,*"

Page 12, line 18, strike "No" and insert "A"

Page 12, line 19, after "shall" insert "*not*"

Page 12, line 21, delete "*length of*"

Page 12, line 22, strike "such" and insert "*the*"

Page 12, line 22, strike "shall have been" and insert "*is*"

Page 14, line 17, delete "*Section*" and insert "*Sections*"

Page 14, line 17, after "246.43," insert "*and 609.116*" and delete "*is*" and insert "*are*"

Page 14, line 18, after the period insert "*The sections hereby repealed shall continue to be applicable to any person with respect to acts committed prior to the effective date of this subdivision.*"

Page 14, line 20, delete "25" and insert "24"

Page 14, line 20, delete "26" and insert "25"

Page 14, line 24, delete "26" and insert "25"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 14, delete "Subdivision" and insert "Subdivisions" and after "3" insert "and 13"

Page 1, line 18, delete "Chapters 152, by adding a" and insert "Chapter"

Page 1, line 19, delete "section; and"

Page 1, line 20, after "246.43;" insert "609.116;"

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

Mr. Moe from the Committee on Finance, to which was referred

S. F. No. 1032: A bill for an act relating to open space and recreation; providing for the acquisition and betterment of open space lands, state trails, forests, fish and wildlife management, natural and scientific areas, and accesses to public waters; authorizing the issuance of bonds; appropriating money; amending Laws 1977, Chapter 421, Section 13, Subdivision 3.

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

Page 1, after line 10, insert:

"Section 1. [OUTDOOR RECREATION BONDING.] To provide the money appropriated by this act from the state building fund, the commissioner of finance, upon request of the governor, shall sell and issue bonds of the state in the amount of \$46,465,000 in the manner and upon the terms prescribed by Minnesota Statutes, Sections 16A.63 to 16A.67, and the Minnesota Constitution, Article XI, Sections 4 to 7."

Page 1, line 12, delete "AND BONDS"

Page 1, line 13, delete "Subdivision 1."

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

Page 2, delete lines 8 to 23

Page 3, line 1, delete "250,000" and insert "750,000"

Page 4, line 20, delete "1,669,000" and insert "2,081,500"

Page 4, line 26, delete "maintenance,"

Page 4, line 30, after "waters" insert "outside the counties of Hennepin, Ramsey, Anoka, Dakota, Washington, Scott and Carver"

Page 5, after line 32, insert:

"Sec. 6. [BICYCLE TRAIL GRANTS.] Subdivision 1. The sums set forth in this section are appropriated to the commissioner of transportation for the purposes indicated.

Subd. 2. For betterment of public land and improvements needed for state bicycle trails primarily

on existing road rights of way, pursuant to Minnesota Statutes, Section 160.265, Subdivision 1. 1,000,000

Subd. 3. Local bicycle trail grants, pursuant to section 160.265, subdivision 2. 2,000,000

Subd. 4. Of the amounts appropriated by subdivision 2 of this section, not more than 15 percent, and of the amounts appropriated by subdivision 3 of this section, not more than five percent, may be expended by the commissioner for staff and independent professional services needed for the grant program.

Sec. 7. [TETTEGOUCHE STATE PARK.] Subdivision 1. Tettegouche state park is established in Lake County.

Subd. 2. The commissioner of natural resources is authorized to acquire by gift or purchase the lands for Tettegouche state park. Those lands commonly referred to as Tettegouche camp and presently the subject of an option agreement between the owners of Tettegouche camp and the Nature Conservancy may be acquired for a sum not to exceed \$880,000 plus the actual expenses of the Nature Conservancy in negotiating and acquiring the option in an amount not to exceed \$10,000 and any actual interest costs that arise between the time the option is exercised by the Nature Conservancy and the land is acquired by the commissioner. Any land which now is tax-forfeited land and is located within the boundaries of Tettegouche state park is hereby withdrawn from sale and is transferred from the custody, control, and supervision of the county board of the county to the commissioner of natural resources, free from any trust in favor of the interested taxing districts. The transfer of such tax-forfeited land is effective only after an amount equal to the fair market value of the land is paid by the commissioner to the county. Any money appropriated for state park land acquisition may be expended for this payment related to tax-forfeited land. The county auditor shall apportion this money in the manner provided in Minnesota Statutes, Section 282.08 for the apportionment of proceeds from the sale of tax-forfeited lands. The commissioner shall execute a certificate of acceptance of the lands on behalf of the state and shall transmit the same to the county auditor of the county for record as provided by law in the case of tax-forfeited land transferred to the commissioner by resolution of the county board for conservation purposes. All lands within the boundaries of Baptism River state park as it exists on the effective date of this act and which have been acquired for state park purposes are hereby incorporated into and made a part of Tettegouche state park. The previous designation of such lands as Baptism River state park shall be discontinued by the commissioner within three years of the effective date of this act. All lands acquired for Tettegouche state park shall be administered in the same manner as provided for other state parks and shall be perpetually dedicated for such use.

Subd. 3. When the privately owned Tettegouche camp is acquired for inclusion within Tettegouche state park, and when, as a result of the acquisition, taxes are no longer assessed against the tract or improvements thereon, the following amount shall be paid by the commissioner of natural resources to Lake County for distribution

to the taxing district: In the first year after taxes are last required to be paid on the property, 90 percent of the last required payment; in the second year, 80 percent; in the third year, 70 percent; in the fourth year, 60 percent; in the fifth year, 50 percent; in the sixth year, 40 percent; in the seventh year, 30 percent; in the eighth year, 20 percent; and in the ninth year, 10 percent. The commissioner shall make such payments from any money appropriated for state park maintenance and operation. The county auditor shall certify to the commissioner of natural resources the total amount due to a county on or before March 30 of the year in which money must be paid pursuant to this section. Money received by a county pursuant to this subdivision shall be distributed to the various taxing districts in the same proportion as the levy of the taxing district bears to the total levy on the property in the last year taxes were required to be paid on the property.

Subd. 4. Within 30 months after the effective date of this act, the commissioner shall offer for sale in the manner provided by law, or declare surplus for sale in the manner provided by law, lands outside the boundaries of Tettegouche state park valued at not less than \$880,000 or, in the event the lands known as the Tettegouche camp are valued for purposes of federal matching funds at a higher amount, that higher value. In no case shall the amount of land offered for sale exceed 3,400 acres in total area. All lands offered for sale shall be located in Lake County, to offset the removal from the tax rolls of those private lands acquired for Tettegouche state park after the effective date of this act. The commissioner shall select lands for sale that minimize impact on timber production and public recreation and have maximum potential for private development with minimum public costs or allow consolidation of ownership or road development. The commissioner shall consult with the Lake County board before offering lands for sale or declaring lands surplus. Prior to acquiring the private lands for Tettegouche state park, but in no event later than September 1, 1979, the commissioner shall identify the lands to be offered for sale and submit a list of these lands to the legislative commission on Minnesota resources. The commissioner may modify this list thereafter with the approval of the legislative commission on Minnesota resources.

Subd. 5. The following described lands are located within the boundaries of Tettegouche state park: In Township 57 North, Range 7 West.

All of the Southeast Quarter, Northeast Quarter and Southeast Quarter of the Northwest Quarter of Section 31.

All of the Southwest Quarter of the Southwest Quarter of Section 32.

In Township 56 North, Range 8 West.

That part of the Southeast Quarter of the Southeast Quarter of Section 1 lying southeasterly of C.S.A.H.4.

All of Government Lot 7, Section 12.

In Township 56 North, Range 7 West.

All of Sections 5, 7, and 8.

All of the Northeast Quarter, Northwest Quarter, Southeast Quarter, Northwest Quarter of the Southwest Quarter, and the South Half of the Southwest Quarter of Section 9.

All of the Southwest Quarter and the West Half of the Southeast Quarter of Section 4.

All that part of Section 6 lying southeasterly of C.S.A.H.4.

All of the Southwest Quarter, West Half of the Southeast Quarter, Southeast Quarter of the Northwest Quarter, and Southwest Quarter of the Northeast Quarter of Section 10.

All of Government Lots 1, 2, and 3 and the Northwest Quarter of the Northwest Quarter of Section 14. All of the Northeast Quarter, East Half of the Northwest Quarter, and Northwest Quarter of the Southeast Quarter of Section 15.

All of Government Lot 1 of Section 15 except the following described parcel:

Beginning at the water line of Lake Superior on the north and south line between Government Lots 1 and 2 in said Section 15; thence North 5 degrees West, 7 chains; thence North 61 degrees East, 3 chains and 57 links; thence North 47 degrees East, 3 chains and 25 links; thence South 30 degrees East to the water line of Lake Superior; thence westerly along said water line to the point of beginning.

All of the North Half of the Northeast Quarter and the Northeast Quarter of the Northwest Quarter of Section 18.

All of the North Half of the Northwest Quarter and the Northwest Quarter of the Northeast Quarter of Section 17.

Subd. 6. In the next edition of Minnesota Statutes the revisor of statutes is directed to delete "Subd. 3. Baptism River state park, Lake County," from section 85.012, and to insert "Subd. 55a. Tettegouche state park, Lake County." in section 85.012.

Subd. 7. The commissioner may lease land, not to exceed 400 acres, inside the boundaries of Tettegouche state park, on such terms as he deems proper, giving due consideration to insuring the protection of natural resources, for use as an environmental learning center to be constructed and operated by a non-profit group. In no event shall the lease term exceed forty years. If an environmental learning center is established, the commission shall manage the park in a manner consistent with its use by the environmental learning center.

Subd. 8. This section is effective the day following its enactment."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 4, after "state" insert "and local"

Page 1, line 7, after "bonds;" insert "establishing Tettegouche state park; prescribing the powers and duties of the commissioner of natural resources in relation to Tettegouche state park;"

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

Mr. Moe from the Committee on Finance, to which was referred

S. F. No. 1548: A bill for an act relating to claims against the state; appropriating money for the payment thereof.

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

Mr. Moe from the Committee on Finance, to which was referred

S. F. No. 519: A bill for an act relating to shade tree disease control; authorizing grants for municipal shade tree removal and reforestation programs; appropriating money; amending Minnesota Statutes 1978, Sections 18.023, Subdivisions 1 and 3a; and 275.50, Subdivision 6.

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

Page 3, line 29, after "rules" insert "*, including temporary rules,*"

Page 4, line 9, after "system." insert "*Grants for sanitation and reforestation shall be combined into one grant program.*"

Page 4, line 19, before "of" insert "*, but not more than \$50 per tree,*"

Page 4, line 26, after "cost" insert "*, but not more than \$60 per tree,*"

Page 4, line 33, after "the" insert "*cost, but not more than \$60 per tree, of the*"

Page 6, delete lines 18 to 32

Page 6, line 33, before "*The*" insert "Sec. 4."

Page 7, line 2, delete "*specified in clauses*"

Page 7, line 3, delete "*(a) to (c)*" and insert "*appropriated for those purposes*"

Page 7, delete lines 6 and 7

Page 7, line 8, delete "*Subd. 3.*" and insert "Sec. 5."

Page 7, line 8, delete "*by this section*" and insert "*for the biennium 1980-81*"

Page 7, line 9, after the second "*for*" insert "*the combined*"

Page 7, line 13, after the second "*for*" insert "*the combined*"

Page 7, line 15, after the second "*for*" insert "*the combined*"

Page 7, line 16, after "*reforestation*" insert "*programs*"

Page 7, line 17, delete "*All other funds remain available until expended.*"

Amend the title as follows:

Page 1, lines 4 and 5, delete "appropriating money;"

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

Mr. Moe from the Committee on Finance, to which was referred

S. F. No. 437: A bill for an act relating to state property; authorizing the conveyance of certain state property in Kandiyohi County to the city of Willmar; appropriating money.

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

Page 1, line 18, after the dollar sign insert "9,000"

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

Mr. Moe from the Committee on Finance, to which was referred

H. F. No. 912: A bill for an act relating to juries; requiring the department of public safety to provide jury commissioners with drivers' license lists at a reasonable fee; amending Minnesota Statutes 1978, Section 593.37, by adding a subdivision.

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. 699 for comparison with companion Senate File, reports the following House File was found not identical with its companion Senate File as follows:

SPECIAL ORDERS CONSENT CALENDAR CALENDAR

H. F. No.	S. F. No.	H. F. No.	S. F. No.	H. F. No.	S. F. No.
699	352				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H. F. No. 699 be amended as follows:

Page 1, delete lines 8 to 22

Page 2, delete lines 1 to 33

Page 3, delete lines 1 to 9

Page 3, line 10, delete "Sec. 2." and insert "Section 1."

Further, amend the title as follows:

Page 1, delete lines 3 and 4 and insert "amending Minnesota Statutes 1978, Section"

And when so amended H. F. No. 699 will be identical to S. F. No. 352, and further recommends that H. F. No. 699 be given its second reading and substituted for S. F. No. 352, and that the Senate File be indefinitely postponed.

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

SECOND READING OF SENATE BILLS

S. F. Nos. 977, 1032, 1548, 519, 437, 1569 and 1570 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. 699 was read the second time.

H. F. Nos. 643, 555 and 912 were read the second time and referred to the Subcommittee on Bill Scheduling of the Committee on Rules and Administration.

MOTIONS AND RESOLUTIONS

Mr. Wegener moved that the name of Mr. Sikorski be added as co-author to S. F. No. 153. The motion prevailed.

Mr. Vega moved that the name of Mr. Sikorski be added as co-author to S. F. No. 1176. The motion prevailed.

Mr. Sieloff moved that S. F. No. 450 be taken from the table. The motion prevailed.

Mr. Sieloff moved that the Senate do not concur in the amendments by the House to S. F. No. 450 and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a Conference Committee to be appointed on the part of the House. The motion prevailed.

Mr. Kleinbaum moved that S. F. No. 521 be taken from the table. The motion prevailed.

Mr. Kleinbaum moved that the Senate do not concur in the amendments by the House to S. F. No. 521 and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a Conference Committee to be appointed on the part of the House. The motion prevailed.

Mr. Nelson moved that S. F. No. 219 be taken from the table. The motion prevailed.

Mr. Nelson moved that the Senate do not concur in the amendments by the House to S. F. No. 219 and that a Conference

Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a Conference Committee to be appointed on the part of the House. The motion prevailed.

Mr. Nelson moved that H. F. No. 145 be taken from the table. The motion prevailed.

Mr. Nelson moved that the Senate accede to the request of the House for a Conference Committee on H. F. No. 145, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a Conference Committee appointed on the part of the House. The motion prevailed.

Mr. Menning moved that H. F. No. 13 be taken from the table. The motion prevailed.

Mr. Menning moved that the Senate accede to the request of the House for a Conference Committee on H. F. No. 13, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a Conference Committee appointed on the part of the House. The motion prevailed.

Mr. Schaaf moved that H. F. No. 444 be taken from the table. The motion prevailed.

Mr. Schaaf moved that the Senate accede to the request of the House for a Conference Committee on H. F. No. 444, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a Conference Committee appointed on the part of the House. The motion prevailed.

Mr. Davies moved that S. F. No. 118 be taken from the table. The motion prevailed.

Mr. Davies moved that the Senate do not concur in the amendments by the House to S. F. No. 118 and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a Conference Committee to be appointed on the part of the House. The motion prevailed.

Mr. Moe moved that S. F. No. 1510 be taken from the table. The motion prevailed.

Mr. Moe moved that the Senate do not concur in the amendments by the House to S. F. No. 1510 and that a Conference Committee of 5 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a Conference Committee to be appointed on the part of the House. The motion prevailed.

Mr. Moe moved that H. F. No. 1526 be taken from the table. The motion prevailed.

Mr. Moe moved that the Senate accede to the request of the House for a Conference Committee on H. F. No. 1526, and that

a Conference Committee of 5 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a Conference Committee appointed on the part of the House. The motion prevailed.

Mr. Moe moved that H. F. No. 1518 be taken from the table. The motion prevailed.

Mr. Moe moved that the Senate accede to the request of the House for a Conference Committee on H. F. No. 1518, and that a Conference Committee of 5 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a Conference Committee appointed on the part of the House. The motion prevailed.

Mr. Moe moved that S. F. No. 1504 be taken from the table. The motion prevailed.

Mr. Moe moved that the Senate do not concur in the amendments by the House to S. F. No. 1504 and that a Conference Committee of 5 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a Conference Committee to be appointed on the part of the House. The motion prevailed.

Mr. Bang moved that the Message From the House on S. F. No. 572 be taken from the table. The motion prevailed.

Mr. President:

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

S. F. No. 572: A bill for an act relating to the city of Bloomington; authorizing additional on-sale liquor licenses.

Four members of the House have been appointed to such committee on the part of the House as follows:

Peterson, Schreiber, Pehler and Casserly.

Senate File No. 572 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 25, 1979

MOTIONS AND RESOLUTIONS—CONTINUED

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

CONSENT CALENDAR

H. F. No. 982: A bill for an act relating to transportation; authorizing an increase in the mileage of the municipal state-aid street

system; amending Minnesota Statutes 1978, Section 162.09, Subdivision 1.

Mr. Bernhagen moved that H. F. No. 982, No. 2 on the Consent Calendar, be stricken and placed on Special Orders. The motion prevailed.

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.

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 59 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

H. F. No. 59: A bill for an act relating to towns in Houston County; providing a method for determining whether to open or maintain certain town roads.

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

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Coleman, Chairman of the Subcommittee on Bill Scheduling, designated the General Orders Calendar a Special Orders Calendar to be heard immediately.

SPECIAL ORDER

H. F. No. 982: A bill for an act relating to transportation; authorizing an increase in the mileage of the municipal state-aid street system; amending Minnesota Statutes 1978, Section 162.09, Subdivision 1.

Mr. Purfeerst moved to amend H. F. No. 982 as follows:

Page 1, after line 21, insert:

"Sec. 2. Minnesota Statutes 1978, Section 162.02, is amended by adding a subdivision to read:

Subd. 3a. [VARIANCES, RULES AND ENGINEERING STANDARDS.] The commissioner may grant variances from the rules and from the engineering standards developed pursuant to section 162.07, subdivision 2. A political subdivision in which a county state-aid highway is located or is proposed to be located may submit a written request to the commissioner for a variance for that highway. The commissioner shall publish notice of the request in the state register and give notice to all persons known to the commissioner to have an interest in the matter. The commissioner may grant or deny the variance within 30 days of providing notice of the request. If a written objection to the request is received within 20 days of providing notice, the variance shall be granted or denied only after a contested case hearing has been held on the request. If no timely objection is received and the variance is denied without hearing, the political subdivision may request, within 30 days of receiving notice of denial, and shall be granted a contested case hearing.

Sec. 3. Minnesota Statutes 1978, Section 162.07, Subdivision 2, is amended to read:

Subd. 2. [MONEY NEEDS DEFINED.] For the purpose of this section, money needs of each county are defined as the estimated total annual costs of constructing, over a period of 25 years, the county state-aid highway system in that county. Costs incidental to construction, or a specified portion thereof as set forth in the commissioner's rules and regulations may be included in determining money needs. When a county state-aid highway is located over a street in a city having a population of 5,000 or more, only the construction costs of the center 24 feet of the street shall be included in the money needs of that county; provided, that when traffic volumes warrant multiple or divided lane highways the construction costs of the necessary number of 12 foot lanes required for through traffic may be included in the money needs. When a county state-aid highway is located over a street in any city of less than 5,000 population, the construction costs of the entire width of the roadway or street surface shall be included in the money needs of that county. To avoid variances

in costs due to differences in construction policy, construction costs shall be estimated on the basis of the engineering standards developed cooperatively by the commissioner and the county engineers of the several counties. *Any variance granted pursuant to section 2 shall be reflected in the estimated construction costs in determining money needs.*

Sec. 4. Minnesota Statutes 1978, Section 162.09, is amended by adding a subdivision to read:

Subd. 3a. [VARIANCES, RULES AND ENGINEERING STANDARDS.] The commissioner may grant variances from the rules and from the engineering standards developed pursuant to section 162.13, subdivision 2. A political subdivision in which a municipal state-aid street is located or is proposed to be located may submit a written request to the commissioner for a variance for that street. The commissioner shall publish notice of the request in the state register and give notice to all persons known to the commissioner to have an interest in the matter. The commissioner may grant or deny the variance within 30 days of providing notice of the request. If a written objection to the request is received within 20 days of providing notice, the variance shall be granted or denied only after a contested case hearing has been held on the request. If no timely objection is received and the variance is denied without hearing, the political subdivision may request, within 30 days of receiving notice of denial, and shall be granted a contested case hearing.

Sec. 5. Minnesota Statutes 1978, Section 162.13, Subdivision 2, is amended to read:

Subd. 2. [MONEY NEEDS DEFINED.] For the purpose of this section money needs of each city having a population of 5,000 or more are defined as the estimated cost of constructing and maintaining over a period of 25 years the municipal state-aid street system in such city. Right of way costs and drainage shall be included in money needs. Lighting costs and other costs incidental to construction and maintenance, or a specified portion of such costs, as set forth in the commissioner's rules and regulations, may be included in determining money needs. When a county locates a county state-aid highway over a portion of a street in any such city and the remaining portion is designated as a municipal state-aid street only the construction and maintenance costs of the portion of the street other than the portions taken over by the county shall be included in the money needs of the city. To avoid variances in costs due to differences in construction and maintenance policy, construction and maintenance costs shall be estimated on the basis of the engineering standards developed cooperatively by the commissioner and the engineers, or a committee thereof, of the cities. Any variance granted pursuant to section 4 shall be reflected in the estimated construction and maintenance costs in determining money needs.

Sec. 6. [RULES.] *The commissioner shall adopt rules, no later than January 1, 1980, in accordance with sections 15.041 to 15.052, setting forth the criteria to be considered by the commissioner*

in evaluating requests for variances under sections 2 and 4. The rules shall include, but are not limited to, economic, engineering and safety guidelines. The engineering standards adopted pursuant to section 162.07, subdivision 2, or section 162.13, subdivision 2, shall be adopted pursuant to the requirements of chapter 15 by July 1, 1980.

Sec. 7. [EFFECTIVE DATE.] *Sections 2 to 6 are effective the day following final enactment."*

Amend the title as follows:

Page 1, line 4, after the semicolon insert "authorizing the commissioner to grant variances from county state-aid highway and municipal state-aid street rules and engineering standards subject to contested case procedures; requiring the commissioner to adopt certain rules;"

Page 1, line 4, after the comma insert "Sections 162.02, by adding a subdivision; 162.07, Subdivision 2;"

Page 1, line 5, delete "Section" and before the period insert ", and by adding a subdivision; and 162.13, Subdivision 2"

The motion prevailed. So the amendment was adopted.

H. F. No. 982 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 59 and nays 1, as follows:

Those who voted in the affirmative were:

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

Mr. Tennesen voted in the negative.

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

SPECIAL ORDER

H. F. No. 898: A bill for an act relating to traffic regulation; allowing an authorized emergency vehicle to use an oscillating white light; amending Minnesota Statutes 1978, Section 169.55, Subdivision 1.

Mr. Ulland, J. moved to amend H. F. No. 898 as follows:

Page 1, after line 7, insert:

"Section 1. Minnesota Statutes 1978, Chapter 169, is amended by adding a section to read:

[169.215] [SENIOR CITIZEN AND HANDICAPPED CROSSINGS.] *Subdivision 1. [DESIGNATION OF CROSSINGS.] Local authorities may designate a senior citizen or handicapped crossing on any street or highway in the vicinity of a senior citizen housing project, senior citizen nursing home, or residential care facility for handicapped persons on the basis of an engineering and traffic investigation prescribed by the commissioner and subject to the uniform specifications adopted pursuant to subdivision 2. Designation of a senior citizen or handicapped crossing on a trunk highway is subject to the written consent of the commissioner.*

Subd. 2. [UNIFORM SPECIFICATIONS.] The commissioner shall adopt uniform specifications for senior citizen or handicapped crossings. The specifications shall include criteria for determining the need for a crossing and the type and design of traffic control devices or signals that may be used at the crossing. The specifications shall be incorporated as a part of the manual of uniform traffic control devices required pursuant to section 169.06."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, after the semicolon, insert "authorizing establishment of senior citizen crossing in conformance with uniform specifications adopted by the commissioner of transportation;"

Page 1, line 5, before the period, insert "; and Chapter 169, by adding a section"

The motion prevailed. So the amendment was adopted.

H. F. No. 898 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 58 and nays 0, as follows:

Those who voted in the affirmative were:

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

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

SPECIAL ORDER

H. F. No. 361: A bill for an act relating to public contracts;

providing for progress payments; authorizing alternative means of securing full performance; amending Minnesota Statutes 1978, Sections 161.322; 162.04; 162.10; and 429.041, Subdivision 6.

Mr. Knoll moved that the amendment made to H. F. No. 361 by the Committee on Rules and Administration in the report adopted April 30, 1979, pursuant to Rule 49, be stricken. The motion prevailed. So the amendment was stricken.

H. F. No. 361 was then progressed.

SPECIAL ORDER

H. F. No. 882: A bill for an act relating to pollution control; establishing processing procedures for outstanding unpaid charges for solid waste management; providing for certification of certain charges to county auditors for collection of taxes upon the lands served; amending Minnesota Statutes 1978, Section 400.08.

Mr. Johnson moved to amend H. F. No. 882, as amended pursuant to Rule 49, adopted by the Senate May 3, 1979, as follows:

(The text of the amended House File is identical to S. F. No. 1044.)

Page 2, line 7, delete "*auditor*" and insert "*county board*"

Page 2, line 8, delete "*board*" and insert "*auditor*"

The motion prevailed. So the amendment was adopted.

H. F. No. 882 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 56 and nays 0, as follows:

Those who voted in the affirmative were:

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

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

SPECIAL ORDER

S. F. No. 1010: A bill for an act relating to elections; regulating the financing of political campaigns and disclosure of economic interests by certain candidates and elected officials in Hennepin County and certain adjoining municipalities and school districts;

imposing duties on the ethical practices board, county election officials, city clerks and school district administrators; superseding other special laws, home rule charters and local ordinances; imposing late filing fees and criminal penalties; repealing Laws 1977, Chapter 131.

Mr. Dunn moved to amend S. F. No. 1010 as follows:

Page 2, line 31, delete "with territory in" and insert "wholly within"

Page 12, line 1, delete "or partially in" and insert "within"

Page 18, line 20, delete everything after "Hennepin" and insert a period

Page 18, delete line 21

The motion prevailed. So the amendment was adopted.

Mr. Luther moved to amend S. F. No. 1010 as follows:

Page 1, line 21, delete "in Hennepin County"

Page 2, line 29, delete "in Hennepin County"

Page 2, line 32, delete "in Hennepin County"

Page 3, line 23, delete "in Hennepin County"

Page 12, line 2, delete "in"

Page 12, line 3, delete "Hennepin County"

Page 12, line 10, delete "in Hennepin County"

Page 16, line 24, delete "informatin" and insert "information"

Page 16, line 32, delete "county" and delete "in Hennepin County"

Page 17, line 1, delete "other filing"

Page 17, line 2, delete "or elected officials are required to"

Page 17, line 3, delete "reports under sections 6 to 14" and insert "affidavits or applications of candidacy and nominating petitions"

Page 17, line 4, delete everything after "3."

Page 17, delete lines 5 to 8

Page 17, line 9, delete "of five years. A filing" and insert "An"

Page 17, line 9, after "officer" insert "who receives affidavits or applications of candidacy or nominating petitions"

Page 17, line 12, delete "of candidacy" and delete "or other officer of"

Page 17, line 13, delete "that jurisdiction,"

Page 17, line 14, delete "filing"

The motion prevailed. So the amendment was adopted.

Mr. Luther then moved to amend S. F. No. 1010 as follows:

Page 1, line 18, delete "and school district"

Page 1, line 19, delete the comma and insert "and" and delete "and school districts"

Page 1, line 21, delete "5,000" and insert "30,000"

Page 2, line 26, delete "or school district"

Page 2, line 27, delete the comma and insert "or" and delete "or school district"

Page 2, line 29, delete "5,000" and insert "30,000"

Page 2, line 32, delete "5,000" and insert "30,000"

Page 3, line 21, delete the comma and insert "or"

Page 3, lines 21 and 22, delete "or school district"

Page 3, line 23, delete "5,000" and insert "30,000"

Page 4, line 15, delete everything after "census" and insert a period

Page 4, delete line 16

Page 10, line 19, delete the comma and insert "or" and delete "or school district"

Page 11, line 33, delete the comma and insert "or"

Page 12, line 1, delete "or school district"

Page 12, line 2, delete "5,000" and insert "30,000"

Page 12, line 8, delete the comma and insert "or" and delete "or school district"

Page 12, line 10, delete "5,000" and insert "30,000"

Page 13, line 24, delete "or school district"

Page 13, line 25, delete "administrator"

Page 13, line 26, delete "or school district"

Page 13, line 28, delete "or school district"

Page 13, line 29, delete "election" and delete "or school district"

Page 13, line 30, delete "and school district"

Page 13, line 31, delete "administrator"

Page 18, line 3, delete the comma and insert "or"

Page 18, line 4, delete "or school district"

Amend the title as follows:

Page 1, line 7, delete the comma and insert "and" and delete "and school district"

Page 1, line 8, delete "administrators"

Mr. Frederick moved to amend the second Luther amendment to S. F. No. 1010, as follows:

In the Luther amendment, delete "30,000" wherever it appears and insert "75,000"

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

The question recurred on the Luther amendment, as amended.

The motion prevailed. So the Luther amendment, as amended, was adopted.

S. F. No. 1010: A bill for an act relating to elections; regulating the financing of political campaigns and disclosure of economic interests by certain candidates and elected officials in Hennepin County and certain adjoining municipalities and school districts; imposing duties on the ethical practices board, county election officials and city clerks; superseding other special laws, home rule charters and local ordinances; imposing late filing fees and criminal penalties; repealing Laws 1977, Chapter 131.

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 29 and nays 34, as follows:

Those who voted in the affirmative were:

Anderson	Hanson	Knoll	Nichols	Spear
Benedict	Hughes	Laufenburger	Olhoft	Staples
Coleman	Humphrey	Menning	Peterson	Stokowski
Dieterich	Johnson	Merriam	Schaaf	Stumpf
Frederick	Keefe, J.	Moe	Sieloff	Vega
Gearty	Keefe, S.	Nelson	Sikorski	

Those who voted in the negative were:

Ashbach	Dunn	Lessard	Pillsbury	Solon
Bang	Engler	Luther	Purfeerst	Strand
Bernhagen	Jensen	McCutcheon	Renneke	Ueland, A.
Brataas	Kirchner	Ogdahl	Rued	Ulland, J.
Chenoweth	Kleinbaum	Olson	Schmitz	Wegener
Chmielewski	Knaak	Penny	Setzepfandt	Willet
Davies	Knutson	Perpich	Sillers	

So the bill, as amended, failed to pass.

SPECIAL ORDER

H. F. No. 1433: A bill for an act relating to certain political subdivisions; authorizing the issuance of revenue bonds for the acquisition and installation of equipment for hospital and medical purposes; authorizing the issuance of general obligation bonds for the construction of a municipal library and community center.

Mr. Strand moved that the amendment made to H. F. No. 1433 by the Committee on Rules and Administration in the report adopted May 9, 1979, pursuant to Rule 49, be stricken. The motion prevailed. So the amendment was stricken.

H. F. No. 1433 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 56 and nays 4, as follows:

Those who voted in the affirmative were:

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

Messrs. Anderson, Davies, McCutcheon and Merriam voted in the negative.

So the bill passed and its title was agreed to.

MEMBERS EXCUSED

Messrs. Lessard, Perpich, Johnson, Dunn and Solon were excused from the Session of today at 12:10 o'clock p.m.

RECESS

Mr. Coleman moved that the Senate do now recess until 12:40 o'clock p.m. The motion prevailed.

The hour of 12:40 o'clock p.m. having arrived, the President called the Senate to order.

CALL OF THE SENATE

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

Anderson	Dieterich	Kleinbaum	Nelson	Spear
Benedict	Gearty	Knoll	Penny	Stokowski
Bernhagen	Gunderson	Laufenburger	Peterson	Strand
Brataas	Hanson	Luther	Pillsbury	Stumpf
Chmielewski	Hughes	McCutcheon	Schaaf	Ulland, J.
Coleman	Keefe, S.	Merriam	Setzepfandt	Vega
Davies	Kirchner	Moe	Sikorski	Wegener

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

SPECIAL ORDER

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.

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 39 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Dieterich	Knutson	Peterson	Strand
Ashbach	Garty	Laufenburger	Pillsbury	Stumpf
Bang	Gunderson	Luther	Schaaf	Tennessen
Benedict	Hanson	Merriam	Schmitz	Ulland, J.
Brataas	Hughes	Nelson	Setzepfandt	Vega
Chenoweth	Humphrey	Ogdahl	Sikorski	Wegener
Chmielewski	Kirchner	Olson	Spear	Willet
Davies	Knaak	Penny	Stokowski	

So the bill passed and its title was agreed to.

SPECIAL ORDER

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.

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 42 and nays 0, as follows:

Those who voted in the affirmative were:

Bang	Frederick	Knutson	Rued	Strand
Benedict	Garty	Laufenburger	Schaaf	Stumpf
Bernhagen	Gunderson	Luther	Schmitz	Tennessen
Brataas	Hanson	Merriam	Setzepfandt	Ulland, J.
Chenoweth	Hughes	Ogdahl	Sieloff	Wegener
Chmielewski	Humphrey	Olson	Sikorski	Willet
Davies	Kirchner	Penny	Spear	
Dieterich	Knaak	Peterson	Staples	
Engler	Knoll	Pillsbury	Stokowski	

So the bill passed and its title was agreed to.

SPECIAL ORDER

S. F. No. 984: A bill for an act relating to savings associations; authorizing savings associations to establish negotiable order of withdrawal accounts; imposing reserve requirements; amending Minnesota Statutes 1978, Chapter 51A, by adding a section.

Mr. Bang moved that S. F. No. 984, No. 19 on Special Orders, be stricken and re-referred to the Committee on Commerce. The motion prevailed.

SPECIAL ORDER

S. F. No. 1013: A bill for an act relating to elections; prohibiting persons from being in polling places in anticipation of vouching; amending Minnesota Statutes 1978, Section 204A.37.

Mr. Ueland, A. moved that S. F. No. 1013, on Special Orders, be stricken and re-referred to the Committee on Elections. The motion prevailed.

SPECIAL ORDER

H. F. No. 1473: A bill for an act relating to fiduciaries; providing for replacement of trustees; establishing guidelines for compensation of personal representatives; providing that cost considerations are a factor in the removal of trustees and personal representatives; amending Minnesota Statutes 1978, Sections 501.43; 524.3-611; and 524.3-719.

Mr. Luther moved that the amendment made to H.F. No. 1473 by the Committee on Rules and Administration in the report adopted May 7, 1979, pursuant to Rule 49, be stricken. The motion prevailed. So the amendment was stricken.

H. F. No. 1473 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 51 and nays 0, as follows:

Those who voted in the affirmative were:

Bang	Gearly	Luther	Rued	Stumpf
Benedict	Hughes	Merriam	Schaaf	Tennessee
Brataas	Humphrey	Moe	Setzepfandt	Ueland, A.
Chenoweth	Jensen	Nelson	Sieloff	Ulland, J.
Chmielewski	Keefe, S.	Ogdahl	Sikorski	Vega
Coleman	Kirchner	Olhoft	Sillers	Wegener
Davies	Kleinbaum	Olson	Solon	Willet
Dieterich	Knaak	Penny	Spear	
Dunn	Knoll	Perpich	Staples	
Engler	Knutson	Peterson	Stokowski	
Frederick	Laufenburger	Pillsbury	Strand	

So the bill passed and its title was agreed to.

SPECIAL ORDER

H. F. No. 998: A bill for an act relating to corrections; providing for vocational training of the inmates of state correctional facilities; reorganizing and harmonizing the various laws relating to the industrial activities conducted at such facilities; amending Minnesota Statutes 1978, Sections 241.26, Subdivision 7; and 241.27; repealing Minnesota Statutes 1978, Sections 243.19; 243.41; 243.42; 243.43; 243.44; 243.45; 243.46; 243.47; 243.63; 243.66; 243.67; 243.68; 243.80; 243.84; 243.85; 325.45; 325.46; and 325.47.

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 54 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

SPECIAL ORDER

S. F. No. 1199: A bill for an act relating to retirement; state employees; miscellaneous amendments to the state employees, highway patrol officers and unclassified employees retirement plans; amending Minnesota Statutes 1978, Sections 43.051, Subdivision 4; 352.03, Subdivisions 1 and 6; 352.113, Subdivisions 1, 4 and 6; 352.115, Subdivisions 8 and 9; 352.12, Subdivision 2; 352.15, Subdivision 1; 352.23; 352D.02, Subdivision 1; 352D.04, Subdivision 2; and 352D.05, Subdivisions 3 and 4; Laws 1975, Chapter 388, Section 1, as amended, and by adding a subdivision; repealing Minnesota Statutes 1978, Sections 352.115, Subdivision 13; 352B.29; 352D.03; and 352D.10.

Mr. Solon moved to amend S. F. No. 1199 as follows:

Page 17, after line 15, insert:

"Sec. 19. [REPAYMENT OF REFUND BY CERTAIN UNIVERSITY EMPLOYEES.] *Notwithstanding any provision of law to the contrary, any person who is employed on the effective date of this section or was formerly employed between January 1, 1975 and the effective date of this section by the university of Minnesota at the Duluth campus shall be entitled to repay a refund taken from any covered retirement fund enumerated in Minnesota Statutes, Section 356.30, Subdivision 3. The repayment of the refund shall be paid in a lump sum prior to July 1, 1981, and shall be in an amount equal to the amount of any refund taken plus compound interest at the rate of six percent per annum from the date the refund was taken to the date the refund is repaid. If the person repaying the refund is already receiving a retirement annuity from the retirement fund from which the refund was taken, the annuity shall be recomputed based on the service credit reinstated by the repayment of the refund; provided, however, in no event shall the retirement annuity be calculated in the law in effect other than as of the date on which the person terminated covered service and membership in the retirement fund.*"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 5, after "plans;" insert "authorizing the repayment of a refund by certain employees of the university of Minnesota at Duluth;"

The motion prevailed. So the amendment was adopted.

S. F. No. 1199 was then progressed.

SPECIAL ORDER

H. F. No. 389: A bill for an act relating to towns; removing certain levy limitations; amending Minnesota Statutes 1978, Section 164.041; repealing Minnesota Statutes 1978, Section 275.10.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 55 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

The question recurred on S. F. No. 1199.

SPECIAL ORDER

S. F. No. 1199: A bill for an act relating to retirement; state employees; miscellaneous amendments to the state employees, highway patrol officers and unclassified employees retirement plans; authorizing the repayment of a refund by certain employees of the University of Minnesota at Duluth; amending Minnesota Statutes 1978, Sections 43.051, Subdivision 4; 352.03, Subdivisions 1 and 6; 352.113, Subdivisions 1, 4 and 6; 352.115, Subdivisions 8 and 9; 352.12, Subdivision 2; 352.15, Subdivision 1; 352.23; 352D.02, Subdivision 1; 352D.04, Subdivision 2; and 352D.05, Subdivisions 3 and 4; Laws 1975, Chapter 388, Section 1, as amended, and by adding a subdivision; repealing Minnesota Statutes 1978, Sections 352.115, Subdivision 13; 352B.29; 352D.03; and 352D.10.

Mr. Luther moved to amend S. F. No. 1199 as follows:

Page 17, delete Section 18 in its entirety

Renumber the sections in sequence

The motion prevailed. So the amendment was adopted.

S. F. No. 1199 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 53 and nays 8, as follows:

Those who voted in the affirmative were:

Anderson	Engler	Knaak	Penny	Staples
Bang	Frederick	Knoll	Peterson	Strand
Benedict	Gunderson	Lessard	Purfeerst	Stumpf
Bernhagen	Hanson	Luther	Renneke	Tennessen
Brataas	Hughes	Menning	Rued	Ueland, A.
Chenoweth	Humphrey	Merriam	Schaaf	Ulland, J.
Chmielewski	Jensen	Moe	Schmitz	Vega
Coleman	Johnson	Nelson	Setzepfandt	Wegener
Davies	Keefe, J.	Nichols	Sieloff	Willet
Dieterich	Kirchner	Olhoff	Sikorski	
Dunn	Kleinbaum	Olson	Spear	

Those who voted in the negative were:

Ashbach	Knutson	Ogdahl	Sillers	Stokowski
Gearty	McCutcheon	Pillsbury		

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

SPECIAL ORDER

S. F. No. 1218: A bill for an act relating to Polk and Norman Counties; permitting the imposition of a tax on removing gravel; providing for its administration; providing a penalty.

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 57 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

SPECIAL ORDER

H. F. No. 1329: A bill for an act relating to aeronautics; providing representation for affected communities on airport zoning boards; regulating the process of airport zoning; directing the metropolitan airports commission to consider a certain alternative; amending

Minnesota Statutes 1978, Sections 360.061, Subdivision 3; 360.063, Subdivision 3; 360.065; and 473.608, by adding a subdivision.

Mr. Ulland, J. moved to amend H. F. No. 1329, as amended pursuant to Rule 49, adopted by the Senate May 7, 1979, as follows:

(The text of the amended House File is identical to S. F. No. 1212.)

Page 1, line 20, delete "a" and insert "the"

Page 1, line 21, strike everything after "commission"

Page 1, line 22, strike "first class" and insert "established and operated pursuant to chapter 473"

Page 2, line 14, after the period, insert "*The request shall be made by certified mail to the governing body of each county and municipality in which an airport hazard area is located.*"

Page 3, line 6, delete everything after the period

Page 3, delete lines 7 to 9

Page 3, line 10, strike "fails" and insert a comma

Page 3, line 10, after "days" insert "*of receiving a request from an owning or controlling municipality pursuant to clause (1), fails*"

Page 3, line 12, after "or" insert "*fails*"

Page 3, line 13, strike everything after "board"

Page 3, line 14, strike everything before the second comma

Page 3, line 16, strike "all" and insert "the"

Page 3, line 16, strike "in"

Page 3, line 17, strike everything before the comma and insert "*fail to join the board*"

Page 4, line 6, strike "A" and insert "The"

Page 4, line 6, before the period insert "*established and operated pursuant to chapter 473*"

Page 4, line 7, strike "A" and insert "The"

Page 4, line 7, strike "may" and insert "shall"

Page 4, delete lines 11 to 15

Page 4, line 17, delete "Subdivision 1,"

Page 5, line 7, before "shall" insert "*of a hearing*"

Page 5, line 10, after the period, insert "*Notice shall be given by mail at least 15 days before each hearing to any persons or municipalities that own land proposed to be included in safety zones A or B as provided in the rules of the department of transportation and to persons or municipalities that have previously*

requested such notice from the authority. For the purpose of giving mailed notice, the authority may use any appropriate records to determine the names and addresses of owners. A copy of the notice and a list of the owners and addresses to which the notice was sent shall be attested to by the responsible person and shall be made a part of the records of the proceedings. The failure to give mailed notice to individual property owners, or defects in the notice shall not invalidate the proceedings, provided a bona fide attempt to comply with this subdivision has been made."

Page 5, after line 14, insert:

"Subd. 2. [REGULATIONS SUBMITTED TO COMMISSIONER.] Prior to the initial adopting any zoning of regulations for any airport hazard area under sections 360.011 to 360.076, the municipality, county, or joint airport zoning board which is to adopt the regulations shall submit its proposed regulations to the commissioner in order that he may determine whether it conforms to the minimum standards prescribed by him. He shall immediately examine such proposed regulations and report to the municipality, county, or joint airport zoning board his approval, or his objections, if any. If any objections are made by him on the ground that such regulations do not conform to the minimum standards prescribed by him for the class of airport involved, the municipality, county, or joint zoning board shall make such amendments as are necessary to meet such objections. The governing body of the municipality or county or the joint airport zoning board shall not hold its public meeting adopt the regulations or take other action until the proposed regulations are approved by the commissioner as conforming to such minimum standards. A copy of such regulations as adopted shall be filed with the county recorder in each county in which such zoned area is located.

Substantive rights existing prior to the passage of this subdivision and heretofore exercised shall not be affected by the filing of such regulations.

Sec. 4. Minnesota Statutes 1978, Section 473.608, is amended by adding a subdivision to read:

Subd. 21. The corporation shall establish one joint airport zoning board for each airport operated under its authority in accordance with section 360.063, subdivision 3, clause (5). Notwithstanding the provisions of section 360.065, subdivision 1, mailed notice to property owners is not required for hearings concerning adoption of zoning regulations by a joint airport zoning board for Minneapolis-St. Paul International Airport.

Sec. 5. *In assessing the need for the establishment of a new airport in the metropolitan area, as defined in section 473.121, the metropolitan airports commission shall consider the city of St. Cloud municipal airport as a possible site and shall report to the metropolitan council any amendments to the aviation chapter of the metropolitan development guide which would be necessary to implement the St. Cloud site."*

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 6, delete everything after the semicolon

Page 1, line 7, delete "expenditures" and insert "requiring the metropolitan airports commission to establish separate zoning boards for each airport under its control"

Page 1, line 9, after the semicolon, insert "requiring the metropolitan airports commission to consider the St. Cloud municipal airport as the site of an additional airport;"

Page 1, line 11, delete "and"

Page 1, line 11, delete ", Subdivision 1" and insert "; and 473.-608, by adding a subdivision"

The motion prevailed. So the amendment was adopted.

H. F. No. 1329 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 53 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Gearty	Knutson	Perpich	Spear
Ashbach	Gunderson	Laufenburger	Peterson	Staples
Bang	Hanson	Lessard	Pillsbury	Stokowski
Benedict	Hughes	Luther	Purfeerst	Strand
Bernhagen	Humphrey	McCutcheon	Renneke	Stumpf
Brataas	Johnson	Menning	Schaaf	Tennessen
Chenoweth	Keefe, J.	Merriam	Schmitz	Ulland, J.
Davies	Kirchner	Moe	Setzepfandt	Vega
Dieterich	Kleinbaum	Nelson	Sieloff	Willet
Dunn	Knaak	Nichols	Sikorski	
Engler	Knoll	Ogdahl	Solon	

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

SPECIAL ORDER

H. F. No. 627: A bill for an act relating to natural resources; authorizing cities to acquire conservation easements; amending Minnesota Statutes 1978, Sections 84.64, Subdivision 1; and 84.65, Subdivision 1.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 55 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

SPECIAL ORDER

H. F. No. 31: A bill for an act relating to taconite and semi-taconite companies; withdrawing the right to exercise eminent domain; authorizing the grant of licenses, permits and leases of state owned land; amending Minnesota Statutes 1978, Section 117.47; repealing Minnesota Statutes 1978, Sections 117.46; and 117.461.

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 56 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

SPECIAL ORDER

H. F. No. 623: A bill for an act relating to state lands; providing for the conveyance of state land to the city of St. Cloud for use as a fire station.

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 54 and nays 2, as follows:

Those who voted in the affirmative were:

Anderson	Benedict	Chenoweth	Dunn	Gunderson
Ashbach	Bernhagen	Coleman	Engler	Hanson
Bang	Brataas	Dieterich	Gearty	Hughes

Humphrey	Knutson	Ogdahl	Schmitz	Strand
Johnson	Laufenburger	Perpich	Setzepfandt	Stumpf
Keefe, J.	Lessard	Peterson	Sieloff	Ueland, A.
Keefe, S.	Luther	Pillsbury	Sikorski	Ulland, J.
Kirchner	McCutcheon	Purfeerst	Sillers	Vega
Kleinbaum	Menning	Renneke	Spear	Wegener
Knaak	Moe	Rued	Staples	Willet
Knoll	Nelson	Schaaf	Stokowski	

Messrs. Davies and Merriam voted in the negative.

So the bill passed and its title was agreed to.

SPECIAL ORDER

H. F. No. 728: A bill for an act relating to education; allowing not more than ten days used by kindergarten teachers for parent-teacher conferences or teachers' workshops to count as part of the required minimum number of days school is in session; amending Minnesota Statutes 1978, Section 124.19, Subdivision 1.

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 56 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

SPECIAL ORDER

H. F. No. 325: A bill for an act relating to township mutual fire insurance companies; authorizing indemnification of certain expenses incurred by officers, employees, agents and other individuals; amending Minnesota Statutes 1978, Section 67A.06.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 55 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Bernhagen	Davies	Gearty	Johnson
Ashbach	Brataas	Dieterich	Gunderson	Keefe, S.
Bang	Chenoweth	Dunn	Hanson	Kirchner
Benedict	Chmielewski	Engler	Hughes	Knaak

Knoll	Moe	Pillsbury	Sieloff	Stumpf
Laufenburger	Nelson	Purfeerst	Sikorski	Tennessee
Lessard	Nichols	Renneke	Sillers	Ueland, A.
Luther	Ogdahl	Rued	Solon	Ulland, J.
McCutcheon	Penny	Schaaf	Spear	Vega
Menning	Perpich	Schmitz	Stokowski	Wegener
Merriam	Peterson	Setzepfandt	Strand	Willet

So the bill passed and its title was agreed to.

SPECIAL ORDER

H. F. No. 642: A bill for an act relating to commerce; providing attendant services at certain gasoline stations.

Mr. Solon moved to amend H. F. No. 642 as follows:

Page 1, line 10, delete "cars" and insert "vehicles"

The motion prevailed. So the amendment was adopted.

Mr. Sieloff moved to amend H. F. No. 642 as follows:

Page 1, line 8, delete "shall" and insert "should"

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

Mr. Luther moved to amend H. F. No. 642 as follows:

Page 1, line 11, before the period, insert "when the vehicle is occupied by a handicapped person"

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

H. F. No. 642 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 41 and nays 8, as follows:

Those who voted in the affirmative were:

Anderson	Hanson	Laufenburger	Schmitz	Tennessee
Benedict	Hughes	Luther	Setzepfandt	Ueland, A.
Bernhagen	Humphrey	Moe	Sikorski	Vega
Chmielewski	Johnson	Nelson	Solon	Wegener
Davies	Keefe, J.	Olhoft	Spear	Willet
Dieterich	Keefe, S.	Penny	Staples	
Dunn	Kleinbaum	Peterson	Stokowski	
Engler	Knoll	Purfeerst	Strand	
Gunderson	Knutson	Schaaf	Stumpf	

Those who voted in the negative were:

Bang	McCutcheon	Ogdahl	Sieloff	Sillers
Knaak	Merriam	Rued		

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

SPECIAL ORDER

H. F. No. 183: A bill for an act relating to pollution control; authorizing the pollution control agency to assist small businesses;

amending Minnesota Statutes 1978, Section 115.03, by adding subdivisions; and 474.03.

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 56 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

SPECIAL ORDER

H. F. No. 220: A bill for an act relating to prearranged funeral plans; authorizing deposit of trust funds in credit unions; amending Minnesota Statutes 1978, Sections 52.04, Subdivision 1; 149.12; and 149.13.

Mr. Laufenburger moved to amend H. F. No. 220 as follows:

Page 4, after line 31, insert:

"Sec. 2. Minnesota Statutes 1978, Section 52.09, Subdivision 2, is amended to read:

Subd. 2. [PARTICULAR DUTIES.] It shall be the duty of the directors to have general management of the affairs of the credit union, particularly:

(1) To act on applications for membership, provided that this power may be delegated to a membership chairman who shall serve at the pleasure of the board of directors and subject to its rules, however such application shall contain a certification signed by the membership chairman or a member of the board showing the basis of membership;

(2) To determine interest rates on loans and on deposits. The interest period on deposits may be on a daily, monthly, quarterly, semi-annual or annual basis, and may be paid on all deposits whether or not said deposits have been withdrawn during the interest period. Interest may be computed on a daily basis. At the discretion of the board of directors interest may not be paid on deposit accounts of less than \$10;

(3) To fix the amount of the surety bond which shall be required of all officers and employees handling money;

(4) To declare dividends, and to transmit to the members, recommended amendments to the bylaws;

(5) To fill vacancies in the board and in the credit committee until successors are chosen and qualify at the next annual meeting;

(6) To limit the number of shares and deposits which may be owned by a member, not to exceed 10 percent of the outstanding shares and deposits, or \$2,000, whichever is larger, and the maximum individual loan which can be made with and without security, including liability indirectly as a co-maker, guarantor, or endorser to 10 percent of outstanding shares and deposits; provided, however, that the 10 percent share and deposit limitation shall not be applicable to the Minnesota Central Credit Union, or to credit unions insured by the National Credit Union Administration;

(7) To have charge of investments other than loans to members;

(8) To fix the salaries of the treasurer and other employees, which shall be on fixed monthly or annual basis, in dollars (not percentage);

(9) To designate the bank or banks in which the funds of the credit union shall be deposited;

(10) To authorize the officers of the credit union to borrow money from any source, ~~in a total sum which shall not exceed in the aggregate 40 percent of its unimpaired assets as provided in section 52.15;~~

(11) With the permission of the commissioner of banks to suspend any member or members of the credit committees or supervisory committee if it deems such action to be necessary to the proper conduct of the credit union, and to call the members together to act on the suspension within a reasonable time after the suspension. The members at the meeting may, by majority vote of those present, sustain the suspension and remove the committee members permanently or may reinstate the committee members; and

(12) To provide financial assistance to the supervisory committee in carrying out its audit responsibilities.

Sec. 3. Minnesota Statutes 1978, Section 52.15, is amended to read:

52.15 [BORROWING, LIMITATION.] *Subdivision 1.* A credit union may borrow from any source, or sources, sums which shall not exceed in the aggregate 40 percent of its unimpaired assets. *For the purpose of this subdivision, "unimpaired assets" mean total assets less borrowings, including all forms of indebtedness, accounts payable, and any amount by which reserves and undivided earnings will not be adequate to meet the reserve requirements caused by classified assets.*

Subd. 2. Notwithstanding the provisions of subdivision 1, a credit union, with the prior written approval of the commissioner of banks, may borrow additional sums to meet its liquidity needs.

For purposes of this subdivision, "liquidity needs" mean the needs of a credit union for:

(a) Short-term adjustment credit to cushion deposit or share outflows pending an orderly adjustment of assets and liabilities;

(b) Seasonal needs arising from a combination of expected patterns of movement in share and deposit accounts and loans; and

(c) Protracted adjustment needs in the event of unusual or emergency circumstances of a longer-term nature resulting from national, regional or local difficulties."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, after the semicolon, insert "relating to state credit unions; clarifying borrowing limitations;"

Page 1, line 5, after "1;" insert "52.09, Subdivision 2; 52.15;"

The motion prevailed. So the amendment was adopted.

H. F. No. 220 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 55 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Gearty	Knutson	Penny	Sillers
Ashbach	Gunderson	Laufenburger	Peterson	Solon
Bang	Hanson	Lessard	Pillsbury	Spear
Benedict	Hughes	Luther	Purfeerst	Stokowski
Bernhagen	Johnson	McCutcheon	Renneke	Strand
Brataas	Keefe, J.	Menning	Rued	Stumpf
Chmielewski	Keefe, S.	Merriam	Schaaf	Ueland, A.
Davies	Kirchner	Moe	Schmitz	Ulland, J.
Dieterich	Kleinbaum	Nelson	Setzepfandt	Vega
Dunn	Knaak	Ogdahl	Sieloff	Wegener
Engler	Knoll	Olhoft	Sikorski	Willet

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

SPECIAL ORDER

H. F. No. 60: A bill for an act relating to natural resources; modifying certain trespass laws; amending Minnesota Statutes 1978, Section 100.273, Subdivision 1.

Mr. Purfeerst moved to amend H. F. No. 60, the unofficial engrossment, as follows:

Page 1, line 18, delete "*intentionally*"

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

Mr. Ulland, J. moved to amend H. F. No. 60, the unofficial engrossment, as follows:

Page 2, after line 25, insert:

"Sec. 5. Minnesota Statutes 1978, Section 100.273, Subdivision 7, is amended to read:

Subd. 7. In taking raccoon, when treed on private land with the aid of dogs, a person while on foot may, without permission of the landowner, enter such private land to retrieve any dogs and then shall immediately leave the premises. *During the season for taking big game, a hunter may pursue a wounded big game animal onto the private land of another for the purpose of taking that animal and shall then leave the private land as soon as possible.*"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 4, after "5" insert ", 7"

The motion prevailed. So the amendment was adopted.

Mr. Luther moved to amend H. F. No. 60, the unofficial engrossment, as follows:

Page 1, line 12, after "lands" insert "*surrounded by fences used for*"

Page 1, line 13, reinstate "enclosing domestic livestock"

Page 1, lines 14 and 15, delete the new language

The motion prevailed. So the amendment was adopted.

Mr. Peterson moved to amend H. F. No. 60, the unofficial engrossment, as follows:

Page 2, line 29, reinstate "upon a person's"

Page 2, line 29, reinstate "conviction for"

Page 2, reinstate lines 30 to 33

Page 3, line 1, reinstate everything before "Except"

The motion prevailed. So the amendment was adopted.

H. F. No. 60 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 46 and nays 12, as follows:

Those who voted in the affirmative were:

Anderson	Davies	Hanson	Kleinbaum	Moe
Benedict	Dunn	Hughes	Laufenburger	Nelson
Chenoweth	Engler	Humphrey	Lessard	Nichols
Chmielewski	Gearty	Keefe, S.	Luther	Olhoff
Coleman	Gunderson	Kirchner	Menning	Olson

Penny	Schaaf	Sillers	Strand	Willet
Peterson	Schmitz	Solon	Stumpf	Ulland, J.
Pillsbury	Setzepfandt	Spear	Tennessee	Vega
Purfeerst	Sikorski	Stokowski	Ueland, A.	Wegener
Renneke				

Those who voted in the negative were:

Ashbach	Frederick	McCutcheon	Perpich	Sieloff
Bernhagen	Johnson	Merriam	Rued	Staples
Brataas	Keefe, J.			

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

RECESS

Mr. Coleman moved that the Senate do now recess until 7:30 o'clock p.m. The motion prevailed.

The hour of 7:30 o'clock p.m. having arrived, the President called the Senate to order.

MEMBERS EXCUSED

Messrs. Jensen, Lessard, Nichols, Pillsbury, Willet and Wegener were excused from this evening's Session. Mr. Humphrey was excused from the Session of today until 9:30 o'clock p.m. Messrs. Keefe, J. and Purfeerst were excused from this evening's Session at 10:00 o'clock p.m. Mr. Kleinbaum was excused from this evening's Session at 10:45 o'clock p.m. Messrs. Hughes and Solon were excused from this evening's Session at 11:00 o'clock p.m.

CALL OF THE SENATE

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

Anderson	Engler	Menning	Purfeerst	Spear
Benedict	Gearty	Merriam	Rued	Staples
Chenoweth	Hughes	Nelson	Schaaf	Stokowski
Chmielewski	Kirchner	Olhoff	Schmitz	Ueland, A.
Coleman	Knaak	Penny	Sieloff	Ulland, J.
Davies	Laufenburger	Perpich	Sikorski	Vega
Dieterich	Luther	Peterson	Sillers	Willet

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

SPECIAL ORDER

H. F. No. 1444: A bill for an act relating to the cities of McGregor and Heron Lake; authorizing the issuance of bonds for the acquisition and betterment of a municipal fire hall and community center; legalizing proceedings precedent to the issuance of certain general obligation bonds and excluding the bonds from the computation of net debt.

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 40 and nays 1, as follows:

Those who voted in the affirmative were:

Anderson	Gerty	Menning	Renneke	Staples
Benedict	Hanson	Moe	Rued	Stokowski
Chenoweth	Hughes	Nelson	Schaaf	Strand
Coleman	Kirchner	Olhoft	Schmitz	Tennessen
Davies	Knaak	Penny	Sieloff	Ueland, A.
Dieterich	Knoll	Perpich	Sikorski	Ulland, J.
Engler	Laufenburger	Peterson	Sillers	Vega
Frederick	Luther	Purfeerst	Spear	Willet

Mr. Merriam voted in the negative.

So the bill passed and its title was agreed to.

MOTIONS AND RESOLUTIONS—CONTINUED

Mr. Dieterich moved that H. F. No. 1386 be recalled from the House for further consideration. The motion prevailed.

Mr. Dieterich moved that S. F. No. 830 be taken from the table. The motion prevailed.

S. F. No. 830: A bill for an act relating to education; requiring the state board for vocational education and the higher education coordinating board to review a new program for an area vocational-technical institute within a time limit; amending Minnesota Statutes 1978, Chapter 121, by adding a section; and Section 136A.04.

CONCURRENCE AND REPASSAGE

Mr. Dieterich moved that the Senate concur in the amendments by the House to S. F. No. 830 and that the bill be placed on its repassage as amended. The motion prevailed.

S. F. No. 830 was read the third time, as amended by the House, and placed on its repassage.

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

The roll was called, and there were yeas 47 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Frederick	Menning	Rued	Stokowski
Benedict	Gerty	Merriam	Schaaf	Strand
Bernhagen	Gunderson	Moe	Schmitz	Tennessen
Chenoweth	Hanson	Nelson	Setzepfandt	Ueland, A.
Chmielewski	Hughes	Olhoft	Sieloff	Ulland, J.
Coleman	Johnson	Penny	Sikorski	Vega
Davies	Kirchner	Perpich	Sillers	Willet
Dieterich	Kleinbaum	Peterson	Solon	
Dunn	Laufenburger	Purfeerst	Spear	
Engler	Luther	Renneke	Staples	

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

SPECIAL ORDER

H. F. No. 988: A bill for an act relating to banks; altering certain definitions and time limits; amending Minnesota Statutes 1978, Sections 47.51; and 47.54.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 41 and nays 6, as follows:

Those who voted in the affirmative were:

Anderson	Gearty	Luther	Rued	Staples
Benedict	Gunderson	Menning	Schaaf	Stokowski
Bernhagen	Hanson	Merriam	Schmitz	Tennessen
Chenoweth	Hughes	Moe	Setzepfandt	Ulland, J.
Coleman	Johnson	Nelson	Sieloff	Vega
Dieterich	Kleinbaum	Olhoft	Sikorski	
Dunn	Knaak	Olson	Sillers	
Engler	Knoll	Peterson	Solon	
Frederick	Laufenburger	Purfeerst	Spear	

Those who voted in the negative were:

Penny	Renneke	Strand	Ueland, A.	Willet
Perpich				

So the bill passed and its title was agreed to.

SPECIAL ORDER

H. F. No. 792: A bill for an act relating to claims against the state; providing for claims arising out of various restitution programs to be heard by the legislature; amending Minnesota Statutes 1978, Section 3.738, Subdivision 1.

Mr. Sikorski moved to amend H. F. No. 792, as amended pursuant to Rule 49, adopted by the Senate May 2, 1979, as follows:

(The text of the amended House File is identical to S. F. No. 1098.)

Page 1, line 11, delete “, INMATE,”

Page 1, line 12, delete “CONDITIONALLY RELEASED”

Page 1, lines 14 to 16, delete the new language

Page 1, lines 19 to 23, delete the new language

Page 2, delete lines 1 and 2

Page 2, lines 3 and 4, reinstate the stricken language

Page 2, lines 4 to 13, delete the new language

Page 2, after line 13, insert:

“Sec. 2. Minnesota Statutes 1978, Chapter 3, is amended by adding a section to read:

[3.739] [INJURY OR DEATH OF CONDITIONALLY RELEASED INMATE.] *Subdivision 1.* [LEGISLATIVE AUTHORITY.] *Claims and demands arising out of the circumstances described in this subdivision shall be presented to, heard, and determined by the legislature:*

(1) *An injury to or death of an inmate who has been conditionally released from a state correctional facility and ordered to perform uncompensated work for a state agency, a political subdivision or public corporation of this state, or a nonprofit educational, medical, or social service agency, as a condition of his release, while performing the work;*

(2) *An injury to or death of a person who has been placed on probation by a court and who is performing work in restitution pursuant to court order; or*

(3) *An injury to or death of a person, including a juvenile who has been diverted from the court system and who is performing work in restitution pursuant to a written agreement signed by himself, and if a juvenile, by his parent or guardian.*

Subd. 2. [EVALUATION OF CLAIMS.] Claims arising out of this section shall be paid pursuant to legislative appropriation following evaluation of each claim by the appropriate committees of the senate and house of representatives. Compensation will not be paid for pain and suffering.

Subd. 3. [EXCLUSIVE REMEDY.] The procedure established by this section is exclusive of all other legal, equitable and statutory remedies against the state, its political subdivisions, or any employees thereof."

Amend the title as follows:

Page 1, line 6, before the period, insert "; and Chapter 3, by adding a section"

The motion prevailed. So the amendment was adopted.

Mr. Sikorski then moved to amend H. F. No. 792, as amended pursuant to Rule 49, adopted by the Senate May 2, 1979, as follows:

(The text of the amended House File is identical to S. F. No. 1098.)

Page 2, after line 13, insert:

"Sec. 3. [EFFECTIVE DATE.] This act is effective the day following final enactment."

The motion prevailed. So the amendment was adopted.

H. F. No. 792 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 51 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson
Benedict
Bernhagen
Chenoweth

Chmielewski
Coleman
Davies
Dieterich

Dunn
Engler
Frederick
Gearty

Gunderson
Hanson
Hughes
Johnson

Kirchner
Kleinbaum
Knoll
Laufenburger

Luther	Olson	Schaaf	Spear	Ulland, J.
McCutcheon	Penny	Schmitz	Staples	Vega
Menning	Perpich	Setzepfandt	Stokowski	Willet
Merriam	Peterson	Sieloff	Strand	
Moe	Purfeerst	Sikorski	Stumpf	
Nelson	Renneke	Sillers	Tennessen	
Olhoff	Rued	Solon	Ueland, A.	

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

SPECIAL ORDER

H. F. No. 1029: A bill for an act relating to employments licensed by the state; prescribing certain duties of the board of architecture, engineering, land surveying and landscape architecture; limiting certain rule making powers of the board, and extending the time limit for the making of the rules; amending Minnesota Statutes 1978, Section 326.06.

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 52 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Engler	Laufenburger	Purfeerst	Stokowski
Bang	Frederick	Luther	Rued	Strand
Benedict	Gearty	McCutcheon	Schaaf	Stumpf
Bernhagen	Gunderson	Menning	Schmitz	Tennessen
Brataas	Hanson	Merriam	Setzepfandt	Ueland, A.
Chenoweth	Hughes	Nelson	Sieloff	Ulland, J.
Chmielewski	Johnson	Olhoff	Sikorski	Vega
Coleman	Keefe, J.	Olson	Sillers	Willet
Davies	Kleinbaum	Penny	Solon	
Dieterich	Knoll	Perpich	Spear	
Dunn	Knutson	Peterson	Staples	

So the bill passed and its title was agreed to.

The question recurred on H. F. No. 361.

SPECIAL ORDER

H. F. No. 361: A bill for an act relating to public contracts; providing for progress payments; authorizing alternative means of securing full performance; amending Minnesota Statutes 1978, Sections 161.322; 162.04; 162.10; and 429.041, Subdivision 6.

Mr. Knoll moved to amend H. F. No. 361 as follows:

Page 2, lines 26 to 32, delete Subdivision 2

Renumber the subdivisions in sequence

The motion prevailed. So the amendment was adopted.

Mr. Dieterich moved to amend H. F. No. 361 as follows:

Page 2, line 17, delete "five" and insert "ten"

Page 4, line 31, delete the new language and reinstate the stricken language

Page 5, line 2, delete the new language and reinstate the stricken language

Page 5, line 33, delete the new language and reinstate the stricken language

Page 6, line 4, delete the new language and reinstate the stricken language

Page 6, line 32, delete the new language and reinstate the stricken language

Page 7, line 3, delete the new language and reinstate the stricken language

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 18 and nays 30, as follows:

Those who voted in the affirmative were:

Anderson	Gearly	Merriam	Sikorski	Stumpf
Chenoweth	Johnson	Olhoft	Spear	Tennessen
Davies	Luther	Penny	Staples	
Dieterich	Menning	Setzepfandt	Strand	

Those who voted in the negative were:

Ashbach	Engler	McCutcheon	Renneke	Solon
Bang	Gunderson	Nelson	Rued	Stokowski
Bernhagen	Kleinbaum	Olson	Schaaf	Ueland, A.
Brataas	Knoll	Perpich	Schmitz	Ulland, J.
Chmielewski	Knutson	Peterson	Sieloff	Vega
Dunn	Laufenburger	Purfeerst	Sillers	Willet

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

H. F. No. 361 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 29 and nays 21, as follows:

Those who voted in the affirmative were:

Ashbach	Engler	Kleinbaum	Renneke	Staples
Bang	Frederick	Knaak	Rued	Stokowski
Bernhagen	Gearly	Knutson	Schaaf	Ulland, J.
Brataas	Gunderson	Laufenburger	Schmitz	Vega
Chmielewski	Keefe, J.	Moe	Sikorski	Willet
Dunn	Kirchner	Peterson	Solon	

Those who voted in the negative were:

Anderson	Knoll	Olhoft	Sieloff	Tennessen
Davies	Luther	Olson	Sillers	
Dieterich	McCutcheon	Penny	Spear	
Hughes	Menning	Perpich	Strand	
Johnson	Merriam	Setzepfandt	Stumpf	

So the bill failed to pass.

SPECIAL ORDER

H. F. No. 656: A bill for an act relating to probate; clarifying certain witness requirements for inheritance by illegitimates; amending Minnesota Statutes 1978, Section 525.172.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 55 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

SPECIAL ORDER

H. F. No. 1033: A bill for an act relating to wrongful death; a clarification of the time limitations for maintaining an action for death by intentional wrongful act where the act responsible for the death constitutes the crime of murder; amending Minnesota Statutes 1978, Section 573.02, Subdivision 1.

Mr. Sieloff moved to amend H. F. No. 1033 as follows:

Page 2, line 1, after "*murder*" insert "*when the defendant has been convicted of murder*"

The motion prevailed. So the amendment was adopted.

H. F. No. 1033 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 50 and nays 2, as follows:

Those who voted in the affirmative were:

Anderson	Engler	Knoll	Perpich	Solon
Bang	Frederick	Knutson	Peterson	Spear
Benedict	Gearty	Laufenburger	Purfeerst	Staples
Bernhagen	Gunderson	Luther	Renneke	Stokowski
Brataas	Hanson	Menning	Rued	Strand
Chenoweth	Hughes	Merriam	Schaaf	Stumpf
Chmielewski	Johnson	Moe	Schmitz	Tennessen
Davies	Kirchner	Nelson	Setzepfandt	Ueland, A.
Dieterich	Kleinbaum	Olson	Sikorski	Ulland, J.
Dunn	Knaak	Penny	Sillers	Willet

Messrs. Keefe, J. and Sieloff voted in the negative.

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

SPECIAL ORDER

H. F. No. 606: A bill for an act relating to controlled substances; amending the definition of Cannabis; amending certain schedules; adding the precursors of phencyclidine; amending Minnesota Statutes 1978, Sections 152.01, Subdivision 9; and 152.02, Subdivisions 2, 3 and 4.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 53 and nays 1, as follows:

Those who voted in the affirmative were:

Anderson	Engler	Laufenburger	Peterson	Spear
Ashbach	Frederick	Luther	Purfeerst	Staples
Bang	Gearty	McCutcheon	Renneke	Stokowski
Benedict	Gunderson	Menning	Rued	Strand
Bernhagen	Hanson	Merriam	Schaaf	Stumpf
Brataas	Johnson	Moe	Schmitz	Tennessen
Chenoweth	Keefe, J.	Nelson	Setzepfandt	Ueland, A.
Chmielewski	Kirchner	Olhoft	Sieloff	Ulland, J.
Davies	Knaak	Olson	Sikorski	Willet
Dieterich	Knoll	Penny	Sillers	
Dunn	Knutson	Perpich	Solon	

Mr. Kleinbaum voted in the negative.

So the bill passed and its title was agreed to.

SPECIAL ORDER

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.

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 53 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Davies	Johnson	Luther	Penny
Ashbach	Dieterich	Keefe, J.	McCutcheon	Perpich
Bang	Dunn	Keefe, S.	Menning	Peterson
Benedict	Engler	Kirchner	Merriam	Renneke
Bernhagen	Frederick	Kleinbaum	Moe	Rued
Brataas	Gearty	Knaak	Nelson	Schaaf
Chenoweth	Gunderson	Knutson	Olhoft	Schmitz
Chmielewski	Hughes	Laufenburger	Olson	Setzepfandt

Sieloff	Solon	Stokowski	Tennessen	Willet
Sikorski	Spear	Strand	Ueland, A.	
Sillers	Staples	Stumpf	Ulland, J.	

So the bill passed and its title was agreed to.

SPECIAL ORDER

H. F. No. 1256: A bill for an act relating to fire insurance; repealing certain requirements for examination and appraisal of insured structures; repealing Minnesota Statutes 1978, Section 65A.08, Subdivision 1.

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 54 and nays 1, as follows:

Those who voted in the affirmative were:

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

Mr. Setzepfandt voted in the negative.

So the bill passed and its title was agreed to.

SPECIAL ORDER

H. F. No. 1377: A bill for an act relating to financial institutions; providing intervals for examination of institutions by state or federal agencies; amending Minnesota Statutes 1978, Section 46.04.

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 53 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

SPECIAL ORDER

H. F. No. 214: A bill for an act relating to taxation; excise tax on intoxicating liquor and malt beverages; providing for a refund of taxes paid if product is destroyed upon an agency order; appropriating money; amending Minnesota Statutes 1978, Chapter 340, by adding a section.

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 52 and nays 1, as follows:

Those who voted in the affirmative were:

Anderson	Engler	Knutson	Purfeerst	Staples
Ashbach	Frederick	Laufenburger	Renneke	Stokowski
Bang	Gearty	Luther	Rued	Strand
Benedict	Hanson	Menning	Schaaf	Stumpf
Bernhagen	Hughes	Merriam	Schmitz	Tennessen
Brataas	Johnson	Moe	Setzepfandt	Ueland, A.
Chenoweth	Keefe, J.	Nelson	Sieloff	Ulland, J.
Chmielewski	Kirchner	Olhoft	Sikorski	Willet
Davies	Kleinbaum	Penny	Sillers	
Dieterich	Knaak	Perpich	Solon	
Dunn	Knoll	Peterson	Spear	

Mr. Gunderson voted in the negative.

So the bill passed and its title was agreed to.

SPECIAL ORDER

H. F. No. 1251: 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.

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 49 and nays 0, as follows:

Those who voted in the affirmative were:

Ashbach	Frederick	Knaak	Purfeerst	Spear
Bang	Gearty	Knoll	Renneke	Staples
Benedict	Gunderson	Luther	Rued	Stokowski
Bernhagen	Hanson	Menning	Schaaf	Strand
Chenoweth	Hughes	Merriam	Schmitz	Stumpf
Chmielewski	Johnson	Moe	Setzepfandt	Tennessen
Davies	Keefe, J.	Olhoft	Sieloff	Ueland, A.
Dieterich	Keefe, S.	Penny	Sikorski	Ulland, J.
Dunn	Kirchner	Perpich	Sillers	Willet
Engler	Kleinbaum	Peterson	Solon	

So the bill passed and its title was agreed to.

SPECIAL ORDER

H. F. No. 936: A bill for an act relating to education; expanding a definition of "American Indian child"; amending Minnesota Statutes 1978, Sections 126.47, Subdivision 2.

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 54 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Engler	Knaak	Peterson	Spear
Ashbach	Frederick	Knoll	Purfeerst	Staples
Bang	Gearly	Knutson	Renneke	Stokowski
Benedict	Gunderson	Luther	Rued	Strand
Bernhagen	Hanson	Menning	Schaaf	Stumpf
Brataas	Hughes	Merriam	Schmitz	Tennesen
Chenoweth	Johnson	Moe	Setzepfandt	Ueland, A.
Chmielewski	Keefe, J.	Olhoff	Sieloff	Ulland, J.
Davies	Keefe, S.	Olson	Sikorski	Vega
Dieterich	Kirchner	Penny	Sillers	Willet
Dunn	Kleinbaum	Perpich	Solon	

So the bill passed and its title was agreed to.

SPECIAL ORDER

H. F. No. 976: A bill for an act relating to bingo; raising the compensation allowed persons conducting a bingo occasion; amending Minnesota Statutes 1978, Section 349.17, Subdivision 1.

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 48 and nays 4, as follows:

Those who voted in the affirmative were:

Anderson	Engler	Knutson	Peterson	Staples
Ashbach	Frederick	Laufenburger	Purfeerst	Strand
Bang	Gearly	Luther	Rued	Stumpf
Benedict	Hanson	Menning	Schaaf	Tennesen
Bernhagen	Hughes	Merriam	Schmitz	Ueland, A.
Brataas	Johnson	Moe	Setzepfandt	Ulland, J.
Chenoweth	Keefe, J.	Olhoff	Sikorski	Vega
Chmielewski	Keefe, S.	Olson	Sillers	Willet
Dieterich	Kirchner	Penny	Solon	
Dunn	Knaak	Perpich	Spear	

Messrs. Davies, Gunderson, Sieloff and Stokowski voted in the negative.

So the bill passed and its title was agreed to.

SPECIAL ORDER

H. F. No. 227: A bill for an act relating to insurance; regulating homeowner's insurance; requiring insurers to disclose and file information; prescribing certain procedures for an insurer's refusal

to renew or to write homeowner's insurance; prohibiting redlining; amending Minnesota Statutes 1978, Section 72A.20, Subdivision 1; and Chapter 65A, by adding sections.

Mr. Tennessen moved to amend H. F. No. 227, as amended by the Committee on Commerce, adopted by the Senate May 3, 1979, as follows:

Section 3, Subdivision 1, delete "*this act*" and insert "*sections 2 to 4 and section 6, subdivision 13*"

The motion prevailed. So the amendment was adopted.

H. F. No. 227 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 51 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Gearty	Knutson	Renneke	Strand
Ashbach	Gunderson	Luther	Rued	Stumpf
Benedict	Hanson	Menning	Schaaf	Tennessen
Bernhagen	Hughes	Merriam	Setzepfandt	Ueland, A.
Brataas	Humphrey	Moe	Sieloff	Ulland, J.
Chenoweth	Johnson	Olhoft	Sikorski	Vega
Chmielewski	Keefe, J.	Olson	Sillers	Willet
Dieterich	Kirchner	Penny	Solon	
Dunn	Kleinbaum	Perpich	Spear	
Engler	Knaak	Peterson	Staples	
Frederick	Knoll	Purfeerst	Stokowski	

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

SPECIAL ORDER

H. F. No. 107: A bill for an act relating to constables; exempting certain constables from licensing requirements; amending Minnesota Statutes 1978, Section 367.41, Subdivision 2.

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 48 and nays 5, as follows:

Those who voted in the affirmative were:

Anderson	Engler	Knoll	Peterson	Staples
Ashbach	Gearty	Knutson	Renneke	Stokowski
Bang	Gunderson	Laufenburger	Schaaf	Strand
Benedict	Hanson	Luther	Schmitz	Stumpf
Bernhagen	Hughes	McCutcheon	Setzepfandt	Tennessen
Chenoweth	Humphrey	Menning	Sieloff	Ulland, J.
Chmielewski	Johnson	Merriam	Sikorski	Vega
Davies	Kirchner	Moe	Sillers	Willet
Dieterich	Kleinbaum	Nelson	Solon	
Dunn	Knaak	Olhoft	Spear	

Those who voted in the negative were:

Brataas	Frederick	Keefe, J.	Penny	Perpich
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So the bill passed and its title was agreed to.

SPECIAL ORDER

H. F. No. 370: A bill for an act relating to hospitals; providing for payment of election judges; providing hospital board members with travel and other expenses incurred in the performance of their duties; authorizing hospital boards to set compensation for board members; amending Minnesota Statutes 1978, Section 447.32, Subdivision 4, and by adding a subdivision.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 54 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Engler	Knaak	Penny	Solon
Ashbach	Frederick	Knoll	Perpich	Spear
Bang	Gearty	Knutson	Peterson	Staples
Benedict	Gunderson	Laufenburger	Renneke	Stokowski
Bernhagen	Hanson	Luther	Rued	Strand
Brataas	Hughes	McCutcheon	Schaaf	Stumpf
Chenoweth	Humphrey	Menning	Schmitz	Tennessee
Chmielewski	Johnson	Merriam	Setzepfandt	Ulland, J.
Davies	Keefe, J.	Moe	Sieloff	Vega
Dieterich	Kirchner	Nelson	Sikorski	Willet
Dunn	Kleinbaum	Olhoft	Sillers	

So the bill passed and its title was agreed to.

SPECIAL ORDER

H. F. No. 279: A bill for an act relating to the county of St. Louis; providing rights to suspend classified service employees; amending Laws 1941, Chapter 423, Section 22.

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 52 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Gearty	Knutson	Peterson	Stokowski
Ashbach	Gunderson	Laufenburger	Renneke	Strand
Bang	Hanson	Luther	Rued	Stumpf
Benedict	Hughes	McCutcheon	Schaaf	Tennessee
Bernhagen	Humphrey	Menning	Schmitz	Ulland, A.
Brataas	Johnson	Merriam	Setzepfandt	Ulland, J.
Chenoweth	Keefe, S.	Moe	Sieloff	Vega
Chmielewski	Kirchner	Nelson	Sikorski	Willet
Dieterich	Kleinbaum	Olhoft	Sillers	
Dunn	Knaak	Penny	Solon	
Engler	Knoll	Perpich	Staples	

So the bill passed and its title was agreed to.

SPECIAL ORDER

H. F. No. 253: A bill for an act relating to Washington County; authorizing the commissioner of public safety under certain cir-

cumstances to appoint an agent to assist the clerk of the district court in Washington County in accepting applications for drivers licenses and permits; repealing Minnesota Statutes 1978, Section 171.06, Subdivision 5.

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 53 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Engler	Knoll	Peterson	Staples
Asbach	Gearty	Knutson	Renneke	Stokowski
Bang	Gunderson	Luther	Rued	Strand
Benedict	Hanson	McCutcheon	Schaaf	Stumpf
Bernhagen	Hughes	Menning	Schmitz	Tennessen
Brataas	Humphrey	Merriam	Setzepfandt	Ueland, A.
Chenoweth	Johnson	Moe	Sieloff	Ulland, J.
Chmielewski	Keefe, S.	Nelson	Sikorski	Vega
Davies	Kirchner	Olhoft	Sillers	Willet
Dieterich	Kleinbaum	Penny	Solon	
Dunn	Knaak	Perpich	Spear	

So the bill passed and its title was agreed to.

SPECIAL ORDER

H. F. No. 499: A bill for an act relating to Lac qui Parle and Big Stone Counties; changing the boundary lines between the counties; amending Laws 1937, Chapter 423, Section 1, as amended.

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 52 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Gearty	Knutson	Renneke	Stokowski
Asbach	Gunderson	Laufenburger	Rued	Strand
Bang	Hanson	Luther	Schaaf	Stumpf
Benedict	Hughes	McCutcheon	Schmitz	Tennessen
Bernhagen	Humphrey	Menning	Setzepfandt	Ueland, A.
Chenoweth	Johnson	Merriam	Sieloff	Ulland, J.
Chmielewski	Keefe, S.	Nelson	Sikorski	Vega
Davies	Kirchner	Olhoft	Sillers	Willet
Dieterich	Kleinbaum	Penny	Solon	
Dunn	Knaak	Perpich	Spear	
Engler	Knoll	Peterson	Staples	

So the bill passed and its title was agreed to.

SPECIAL ORDER

H. F. No. 357: A bill for an act relating to professional regulation; regulating architects, engineers, surveyors, and landscape architects; amending Minnesota Statutes 1978, Section 326.02, Subdivision 4.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 50 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Engler	Knoll	Penny	Spear
Ashbach	Gearly	Knutson	Perpich	Staples
Bang	Gunderson	Laufenburger	Peterson	Stokowski
Benedict	Hanson	Luther	Renneke	Strand
Bernhagen	Hughes	McCutcheon	Rued	Stumpf
Chenoweth	Humphrey	Menning	Schaaf	Tennessee
Chmielewski	Keefe, S.	Merriam	Schmitz	Ueland, A.
Davies	Kirchner	Moe	Setzepfandt	Ulland, J.
Dieterich	Kleinbaum	Nelson	Sieloff	Vega
Dunn	Knaak	Olhoff	Sillers	Willet

So the bill passed and its title was agreed to.

SPECIAL ORDER

H. F. No. 813: A bill for an act relating to crimes; regulating dance halls; removing the limitation on persons under the age of 16; amending Minnesota Statutes 1978, Section 624.49.

Mr. Davies moved to amend H. F. No. 813 as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1978, Section 624.49, is repealed."

Amend the title as follows:

Page 1, line 3, after "on" insert "certain" and delete "under the age"

Page 1, line 4, delete everything before "Minnesota" and insert "; repealing"

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

H. F. No. 813 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 46 and nays 4, as follows:

Those who voted in the affirmative were:

Anderson	Hughes	McCutcheon	Rued	Stumpf
Bang	Humphrey	Merriam	Schaaf	Tennessee
Benedict	Johnson	Moe	Setzepfandt	Ueland, A.
Chenoweth	Keefe, S.	Nelson	Sieloff	Ulland, J.
Davies	Kirchner	Olhoff	Sikorski	Vega
Dieterich	Kleinbaum	Olson	Sillers	Willet
Dunn	Knoll	Penny	Solon	
Engler	Knutson	Perpich	Staples	
Gunderson	Laufenburger	Peterson	Stokowski	
Hanson	Luther	Renneke	Strand	

Messrs. Bernhagen, Chmielewski, Gearty and Menning voted in the negative.

So the bill passed and its title was agreed to.

SPECIAL ORDER

H. F. No. 677: A bill for an act relating to courts; providing for the interest rate on verdicts and judgments; amending Minnesota Statutes 1978, Sections 549.09 and 550.36.

Mr. Dieterich moved to amend H. F. No. 677, as amended by the Committee on Judiciary, adopted May 7, 1979, as follows:

Page 1, line 9, before "When" insert "*Subdivision 1.*"

Strike the committee amendment to page 1, line 12

Strike the committee amendment to page 1, line 22

Page 1, delete line 22 and insert "*reserve system stating the current average annual yield for the preceding ten weeks on United States treasury bills with one year maturities. This yield, rounded to the nearest one percent, shall be the annual interest rate during the succeeding calendar year; provided, however, that in no event shall the rate of interest be less than eight percent per annum. The state court administrator shall communicate the interest rate to the clerks of court for their use in computing the interest on verdicts.*"

Page 2, after line 3, insert:

"Subd. 2. During each calendar year, interest shall accrue on the unpaid balance of the judgment from the time that it is entered until it is paid, at the annual rate provided in subdivision 1."

Strike the committee amendment to page 3, after line 3, and insert:

"Sec. 3. This act applies to the balance of verdicts and judgments remaining unpaid after January 1, 1980."

The motion prevailed. So the amendment was adopted.

H. F. No. 677 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 47 and nays 1, as follows:

Those who voted in the affirmative were:

Anderson	Engler	Laufenburger	Peterson	Strand
Bang	Gearty	Luther	Renneke	Stumpf
Benedict	Gunderson	McCutcheon	Rued	Tennessen
Bernhagen	Hughes	Menning	Schaaf	Ueland, A.
Brataas	Humphrey	Merriam	Setzepfandt	Ulland, J.
Chenoweth	Johnson	Nelson	Sieloff	Vega
Chmielewski	Keefe, S.	Olhoft	Sillers	Willet
Davies	Kirchner	Olson	Solon	
Dieterich	Kleinbaum	Penny	Staples	
Dunn	Knoll	Perpich	Stokowski	

Mr. Sikorski voted in the negative.

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

SPECIAL ORDER

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.

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 48 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Engler	Knaak	Penny	Staples
Bang	Gearly	Knutson	Perpich	Stokowski
Benedict	Gunderson	Laufenburger	Peterson	Strand
Bernhagen	Hanson	Luther	Renneke	Tennessen
Brataas	Hughes	McCutcheon	Rued	Ueland, A.
Chenoweth	Humphrey	Menning	Schaaf	Ulland, J.
Chmielewski	Johnson	Merriam	Setzepfandt	Vega
Davies	Keefe, S.	Nelson	Sikorski	Willet
Dieterich	Kirchner	Olhoff	Sillers	
Dunn	Kleinbaum	Olson	Solon	

So the bill passed and its title was agreed to.

SPECIAL ORDER

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.

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 50 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Chenoweth	Engler	Humphrey	Knaak
Bang	Chmielewski	Gearly	Johnson	Knoll
Benedict	Davies	Gunderson	Keefe, S.	Knutson
Bernhagen	Dieterich	Hanson	Kirchner	Laufenburger
Brataas	Dunn	Hughes	Kleinbaum	Luther

McCutcheon	Olson	Rued	Solon	Tennessen
Menning	Penny	Schaaf	Staples	Ueland, A.
Merriam	Perpich	Setzepfandt	Stokowski	Ulland, J.
Nelson	Peterson	Sikorski	Strand	Vega
Olhoff	Renneke	Sillers	Stumpf	Willet

So the bill passed and its title was agreed to.

SPECIAL ORDER

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.

Mr. Davies moved to amend H. F. No. 914 as follows:

Page 3, after line 20, insert:

"Sec. 3. [LIMITATION ON NONFORFEITABLE ENTITLEMENT TO BENEFIT INCREASE.] *No current annuitant, disabilitant or survivor benefit recipient and no active or inactive member of any retirement fund to which this act applies shall acquire a nonforfeitable interest in, or entitlement to, any modification in the benefit plan of the fund contained in this act or be entitled to bring any action based on any modification in the benefit plan of the fund contained in this act until a period of two years commencing with the date on which the benefit plan modification becomes effective has expired."*

Renumber the sections in sequence

The motion prevailed. So the amendment was adopted.

H. F. No. 914 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 52 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Gunderson	Laufenburger	Peterson	Stokowski
Bang	Hanson	Luther	Renneke	Strand
Benedict	Hughes	McCutcheon	Rued	Stumpf
Bernhagen	Humphrey	Menning	Schaaf	Tennessen
Brataas	Johnson	Merriam	Setzepfandt	Ueland, A.
Chenoweth	Keefe, S.	Moe	Sieloff	Ulland, J.
Chmielewski	Kirchner	Nelson	Sikorski	Vega
Davies	Kleinbaum	Olhoff	Sillers	Willet
Dunn	Knaak	Olson	Solon	
Engler	Knoll	Penny	Spear	
Gearty	Knutson	Perpich	Staples	

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

SPECIAL ORDER

H. F. No. 198: A bill for an act relating to tort liability; requiring political subdivisions to indemnify officers and employees for certain judgments and settlements; amending Minnesota Statutes 1978, Section 466.07, by adding a subdivision.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 46 and nays 4, as follows:

Those who voted in the affirmative were:

Anderson	Engler	Knaak	Perpich	Staples
Bang	Frederick	Knoll	Peterson	Stokowski
Benedict	Gearty	Knutson	Renneke	Strand
Bernhagen	Gunderson	Laufenburger	Rued	Stumpf
Brataas	Hanson	McCutcheon	Schaaf	Vega
Chenoweth	Hughes	Menning	Schmitz	Willet
Chmielewski	Humphrey	Merriam	Setzepfandt	
Davies	Johnson	Nelson	Sieloff	
Dieterich	Keefe, S.	Olhoff	Sikorski	
Dunn	Kirchner	Penny	Sillers	

Messrs. Luther; Tennesen; Ueland, A. and Ulland, J. voted in the negative.

So the bill passed and its title was agreed to.

SPECIAL ORDER

S. F. No. 1191: A bill for an act relating to insurance; providing for changes in the operation and funding of the comprehensive health association; requiring identification of certain insurers; setting premium standards; amending Minnesota Statutes 1978, Sections 62E.02, Subdivision 10, and by adding a subdivision; 62E.04, Subdivision 4; 62E.08; 62E.10; 62E.11; 62E.13, Subdivision 2; 62E.14, Subdivision 1; and Chapter 62E, by adding a section; repealing Minnesota Statutes 1978, Section 62E.10, Subdivision 5.

Mr. Sikorski moved to amend S. F. No. 1191 as follows:

Page 8, line 24, after "incurred," insert "*or estimated to be incurred*"

Page 8, line 30, delete "*contributing*"

Page 9, line 10, reinstate "*association*" and delete "*contributing*"

Page 9, line 11, before "*Contributing*" insert "*(a) Each*"

Page 9, line 11, strike "*members*" and insert "*member*"

Page 9, line 11, strike "*in the claims*" and insert a colon

Page 9, lines 12 to 23, delete the new language, strike the existing language and insert:

"(1) *Ninety percent of each assessment for claims expenses of the state plan and operating and administrative ex-*

penses of the association in proportion to the ratio of the contributing member's total accident and health insurance premium received from or on behalf of Minnesota residents divided by the total accident and health insurance premium received by all contributing members from or on behalf of Minnesota residents, as determined by the commissioner; and

- (2) *Ten percent of each assessment for claims expenses of the state plan and operating and administrative expenses of the association in proportion to the ratio of the contributing member's total accident and health insurance premium received from or on behalf of Minnesota residents divided by the total cost of self insurance, accident and health insurance premium, subscriber contract charges, and health maintenance organization contract charges received by all association members from or on behalf of Minnesota residents, as determined by the commissioner.*

(b) *Each member which is not a contributing member shall share ten percent of each assessment for claims expenses of the state plan and operating and administrative expenses of the association in proportion to the ratio of the member's total cost of self insurance, accident and health insurance premium, subscriber contract charges, or health maintenance organization contract charges received from or on behalf of Minnesota residents divided by the total cost of self insurance, accident and health insurance premium, subscriber contract charges, and health maintenance organization contract charges received by all association members from or on behalf of Minnesota residents, as determined by the commissioner."*

Page 9, line 26, delete "contributing"

Page 9, line 32, delete "contributing"

Page 10, line 6, delete "contributing"

Page 10, line 7, delete "contributing"

Page 10, line 11, delete "contributing"

Page 10, line 12, delete "contributing"

Page 10, line 13, after "insurance" insert ", self insurance, or health maintenance organization"

Page 10, line 15, after "insurance" insert ", self insurance, or health maintenance organization"

Page 10, line 16, delete "contributing"

Page 10, line 27, after "association" insert "pursuant to section 62E.11, subdivision 5, clause (a) (1)"

Page 12, line 18, after "5" insert "; 62E.11, subdivision 8" and delete "is" and insert "are"

Page 12, line 20, after the period, insert "The provisions of section 62E.11, subdivision 8, shall expire on July 1, 1981."

Amend the title as follows:

Page 1, line 11, delete "Section" and insert "Sections"

Page 1, line 12, before the period, insert "; and 62E.11, subdivision 8"

The motion prevailed. So the amendment was adopted.

Mr. Perpich moved to amend S. F. No. 1191 as follows:

Page 3, after line 2, insert:

"Sec. 5. Minnesota Statutes 1978, Section 62E.06, Subdivision 1, is amended to read:

62E.06 [MINIMUM BENEFITS OF QUALIFIED PLAN.] Subdivision 1. [NUMBER THREE PLAN.] A plan of health coverage shall be certified as a number three qualified plan if it otherwise meets the requirements established by chapters 62A and 62C, and the other laws of this state, whether or not the policy is issued in Minnesota, and meets or exceeds the following minimum standards:

(a) The minimum benefits for a covered individual shall, subject to the other provisions of this subdivision, be equal to at least 80 percent of the cost of covered services in excess of an annual deductible which does not exceed \$150 per person. The coverage shall include a limitation of \$3,000 per person on total annual out-of-pocket expenses for services covered under this subdivision. The coverage shall be subject to a maximum lifetime benefit of not less than \$250,000.

The \$3,000 limitation on total annual out-of-pocket expenses and the \$250,000 maximum lifetime benefit shall not be subject to change or substitution by use of an actuarially equivalent benefit.

(b) Covered expenses shall be the usual and customary charges for the following services and articles when prescribed by a physician:

(1) Hospital services;

(2) Professional services for the diagnosis or treatment of injuries, illnesses, or conditions, other than outpatient mental or dental, which are rendered by a physician or at his direction;

(3) Drugs requiring a physician's prescription;

(4) Services of a nursing home for not more than 120 days in a year if the services would qualify as reimbursable services under medicare;

(5) Services of a home health agency if the services would qualify as reimbursable services under medicare;

(6) Use of radium or other radioactive materials;

(7) Oxygen;

(8) Anesthetics;

(9) Prostheses other than dental;

(10) Rental or purchase, as appropriate, of durable medical equipment other than eyeglasses and hearing aids;

(11) Diagnostic x-rays and laboratory tests;

(12) Oral surgery for partially or completely unerupted impacted teeth, a tooth root without the extraction of the entire tooth, or the gums and tissues of the mouth when not performed in connection with the extraction or repair of teeth;

(13) Services of a physical therapist; and

(14) Transportation provided by licensed ambulance service to the nearest facility qualified to treat the condition.

(c) Covered expenses for the services and articles specified in this subdivision do not include the following:

(1) Any charge for care for injury or disease either (i) arising out of an injury in the course of employment and subject to a workers' compensation or similar law, (ii) for which benefits are payable without regard to fault under coverage statutorily required to be contained in any motor vehicle, or other liability insurance policy or equivalent self-insurance, or (iii) for which benefits are payable under another policy of accident and health insurance, medicare or any other governmental program except as otherwise provided by law;

(2) Any charge for treatment for cosmetic purposes other than surgery for the repair of an injury or birth defect;

(3) Care which is primarily for custodial or domiciliary purposes which would not qualify as eligible services under medicare;

(4) Any charge for confinement in a private room to the extent it is in excess of the institution's charge for its most common semi-private room, unless a private room is prescribed as medically necessary by a physician, provided, however, that if the institution does not have semi-private rooms, its most common semi-private room charge shall be considered to be 90 percent of its lowest private room charge;

(5) That part of any charge for services or articles rendered or prescribed by a physician, dentist, or other health care personnel which exceeds the prevailing charge in the locality where the service is provided; and

(6) Any charge for services or articles the provision of which is not within the scope of authorized practice of the institution or individual rendering the services or articles.

(d) Effective July 1, 1980, The minimum benefits for a qualified plan shall include, in addition to those benefits specified in clauses (a) and (e), benefits for the following services subject to applicable deductibles, coinsurance provisions, and maximum lifetime benefit limitations:

(1) Well baby care , *effective July 1, 1980 ;*

(2) Physicians' services for routine check-ups and annual physicals when prescribed by a physician , *effective July 1, 1982 ;*

(3) Multiphasic screening and other diagnostic testing , *effective July 1, 1982* . The commissioner by rule shall prescribe reasonable limits on the reimbursement required for services listed in this clause.

(e) Effective July 1, 1979, the minimum benefits of a qualified plan shall include, in addition to those benefits specified in clause (a), a second opinion from a physician on all surgical procedures expected to cost a total of \$500 or more in physician, laboratory and hospital fees, provided that the coverage need not include the repetition of any diagnostic tests."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 5, after the second semicolon insert "changing the effective dates of certain mandated benefits;"

Page 1, line 8, after the first semicolon, insert "62E.06, Subdivision 1;"

The motion prevailed. So the amendment was adopted.

S. F. No. 1191 was then progressed.

SPECIAL ORDER

H. F. No. 954: A bill for an act relating to counties; providing for the time for certain welfare board activities; amending Minnesota Statutes 1978, Sections 393.04; and 393.08.

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 50 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Dunn	Knaak	Penny	Sillers
Bang	Engler	Knoll	Perpich	Spear
Benedict	Frederick	Knutson	Peterson	Staples
Bernhagen	Gearty	Luther	Renneke	Stokowski
Brataas	Gunderson	McCutcheon	Rued	Strand
Chenoweth	Hanson	Menning	Schaaf	Stumpf
Chmielewski	Humphrey	Merriam	Schmitz	Tennessen
Coleman	Johnson	Moe	Setzepfandt	Ueland, A.
Davies	Keefe, S.	Nelson	Sieloff	Ulland, J.
Dieterich	Kirchner	Olhoft	Sikorski	Willit

So the bill passed and its title was agreed to.

SPECIAL ORDER

H. F. No. 1101: A bill for an act relating to motor vehicles;

providing for the issuance of handicapped license plates; amending Minnesota Statutes 1978, Section 168.021, Subdivision 1.

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 48 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Dunn	Knoll	Perpich	Spear
Bang	Engler	Knutson	Peterson	Staples
Benedict	Frederick	Luther	Renneke	Strand
Bernhagen	Gearty	McCutcheon	Rued	Stumpf
Brataas	Gunderson	Menning	Schaaf	Tennessen
Chenoweth	Hanson	Merriam	Schmitz	Ueland, A.
Chmielewski	Humphrey	Moe	Setzepfandt	Ulland, J.
Coleman	Johnson	Nelson	Sieloff	Willet
Davies	Kirchner	Olhoft	Sikorski	
Dieterich	Knaak	Penny	Sillers	

So the bill passed and its title was agreed to.

SPECIAL ORDER

H. F. No. 607: A bill for an act relating to public employment labor relations; permitting firefighters to use certain grievance procedures; amending Minnesota Statutes 1978, Section 179.70, Subdivision 1.

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 46 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Dunn	Luther	Renneke	Strand
Bang	Engler	McCutcheon	Rued	Stumpf
Benedict	Frederick	Menning	Schaaf	Tennessen
Bernhagen	Gearty	Merriam	Schmitz	Ueland, A.
Brataas	Humphrey	Moe	Setzepfandt	Ulland, J.
Chenoweth	Johnson	Nelson	Sieloff	Willet
Chmielewski	Keefe, S.	Olhoft	Sikorski	
Coleman	Kirchner	Penny	Sillers	
Davies	Knaak	Perpich	Spear	
Dieterich	Knutson	Peterson	Stokowski	

So the bill passed and its title was agreed to.

SPECIAL ORDER

H. F. No. 686: A bill for an act relating to public health; permitting use of plastic water well casings in additional counties; amending Minnesota Statutes 1978, Section 156A.031, Subdivision 2.

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 50 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Dunn	Knaak	Penny	Sillers
Bang	Engler	Knoll	Perpich	Spear
Benedict	Frederick	Knutson	Peterson	Staples
Bernhagen	Gearty	Luther	Renneke	Stokowski
Brataas	Gunderson	McCutcheon	Rued	Strand
Chenoweth	Hanson	Menning	Schaaf	Stumpf
Chmielewski	Humphrey	Merriam	Schmitz	Tennessen
Coleman	Johnson	Moe	Setzepfandt	Ueland, A.
Davies	Keefe, S.	Nelson	Sieloff	Ulland, J.
Dieterich	Kirchner	Olhoff	Sikorski	Willet

So the bill passed and its title was agreed to.

SPECIAL ORDER

H. F. No. 1144: A bill for an act relating to state lands; authorizing conveyance of certain land to Independent School District No. 281.

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 47 and nays 2, as follows:

Those who voted in the affirmative were:

Anderson	Engler	Knoll	Peterson	Stokowski
Bang	Frederick	Knutson	Renneke	Strand
Benedict	Gearty	Luther	Rued	Stumpf
Bernhagen	Gunderson	McCutcheon	Schaaf	Tennessen
Brataas	Hanson	Menning	Schmitz	Ueland, A.
Chenoweth	Humphrey	Merriam	Sieloff	Ulland, J.
Chmielewski	Johnson	Nelson	Sikorski	Willet
Coleman	Keefe, S.	Olhoff	Sillers	
Dieterich	Kirchner	Penny	Spear	
Dunn	Knaak	Perpich	Staples	

Messrs. Davies and Setzepfandt voted in the negative.

So the bill passed and its title was agreed to.

SPECIAL ORDER

H. F. No. 1324: A bill for an act relating to arson; fire loss information; authorizing certain agencies to request and receive from insurance companies information relating to fire losses; providing for immunity to insurance companies providing fire loss information; providing for confidentiality of released information; providing for testimony in matters under litigation; providing for penalties.

Mr. Dieterich moved to amend H. F. No. 1324, as amended pursuant to Rule 49, adopted by the Senate May 10, 1979, as follows:

(The text of the amended House File is identical to S. F. No. 1484.)

Page 2, line 6, delete "or"

Page 2, line 9, after "loss" insert "; or

(h) The chief administrative officer of the municipal arson squad"

Page 2, lines 15 and 16, delete subdivision 4

Page 2, line 25, delete "and any" and insert "including the"

Page 3, line 6, delete "then, for the purpose of"

Page 3, line 7, delete "notification and for having the fire loss investigated,"

Page 3, line 9, after "all" insert "relevant"

Page 3, line 9, after "material" insert "as specified in this section"

Page 3, line 21, delete "have immunity" and insert "be immune"

Page 3, line 24, delete "Subdivision 1."

Page 3, line 28, delete "such time as"

Page 3, lines 30 to 32, delete subdivision 2

Page 4, line 6, after "persons" insert "notice or"

The motion prevailed. So the amendment was adopted.

H. F. No. 1324 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 49 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Dunn	Knoll	Perpich	Spear
Bang	Engler	Knutson	Peterson	Staples
Benedict	Frederick	Luther	Renneke	Stokowski
Bernhagen	Gearty	McCutcheon	Rued	Strand
Brataas	Gunderson	Menning	Schaaß	Stumpf
Chenoweth	Hanson	Merriam	Schmitz	Tennessen
Chmielewski	Humphrey	Moe	Setzepfandt	Ueland, A.
Coleman	Johnson	Nelson	Sieloff	Ulland, J.
Davies	Keefe, S.	Olhoff	Sikorski	Willet
Dieterich	Knaak	Penny	Sillers	

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

SPECIAL ORDER

H. F. No. 1023: A bill for an act relating to Independent School District No. 911; providing for the sale of certain land.

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 43 and nays 8, as follows:

Those who voted in the affirmative were:

Anderson	Dunn	Laufenburger	Perpich	Spear
Bang	Engler	Luther	Peterson	Staples
Benedict	Frederick	McCutcheon	Renneke	Stokowski
Bernhagen	Gearty	Menning	Rued	Strand
Brataas	Hanson	Moe	Schaaf	Stumpf
Chenoweth	Humphrey	Nelson	Schmitz	Vega
Chmielewski	Johnson	Olhoft	Sieloff	Willet
Coleman	Keefe, S.	Olson	Sikorski	
Dieterich	Knaak	Penny	Sillers	

Those who voted in the negative were:

Davies	Kirchner	Setzepfandt	Ueland, A.	Ulland, J.
Gunderson	Merriam	Tennessen		

So the bill passed and its title was agreed to.

SPECIAL ORDER

H. F. No. 1093: A bill for an act relating to bingo; changing the filing requirements for organizations conducting bingo; amending Minnesota Statutes 1978, Section 349.21, Subdivision 3.

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 42 and nays 10, as follows:

Those who voted in the affirmative were:

Anderson	Dieterich	Knaak	Schaaf	Stumpf
Bang	Dunn	Knoll	Schmitz	Tennessen
Benedict	Engler	Laufenburger	Setzepfandt	Ueland, A.
Bernhagen	Frederick	Luther	Sieloff	Ulland, J.
Brataas	Gearty	Merriam	Sikorski	Vega
Chenoweth	Hanson	Moe	Sillers	Willet
Chmielewski	Humphrey	Olson	Spear	
Coleman	Johnson	Penny	Staples	
Davies	Kirchner	Rued	Strand	

Those who voted in the negative were:

Gunderson	McCutcheon	Nelson	Perpich	Renneke
Keefe, S.	Menning	Olhoft	Peterson	Stokowski

So the bill passed and its title was agreed to.

SPECIAL ORDER

H. F. No. 430: A bill for an act relating to elections; allowing employees of the state or its political subdivisions to serve as election judges; amending Minnesota Statutes 1978, Section 204A.18, Subdivision 3; repealing Minnesota Statutes 1978, Section 204A.17, Subdivision 5.

Mr. Setzepfandt moved to amend H. F. No. 430, as amended by the Committee on Elections, adopted by the Senate May 8, 1979, as follows:

Page 1, line 13, strike "while he is receiving compensation"

Page 1, line 14, strike "as an employee or officer of the United States"

The motion prevailed. So the amendment was adopted.

H. F. No. 430 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 42 and nays 6, as follows:

Those who voted in the affirmative were:

Anderson	Gearty	Menning	Renneke	Strand
Bang	Gunderson	Merriam	Schmitz	Stumpf
Benedict	Humphrey	Moe	Setzepfandt	Ueland, A.
Chenoweth	Johnson	Nelson	Sieloff	Ulland, J.
Chmielewski	Keefe, S.	Olhoff	Sikorski	Vega
Davies	Kirchner	Olson	Sillers	Willet
Dieterich	Knoll	Penny	Spear	
Dunn	Luther	Perpich	Staples	
Engler	McCutcheon	Peterson	Stokowski	

Those who voted in the negative were:

Bernhagen	Frederick	Rued	Schaaf	Tennessen
Brataas				

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

SPECIAL ORDER

H. F. No. 1126: A bill for an act relating to state parks; authorizing the acquisition of certain lands for Afton State Park by eminent domain.

Mr. Sikorski moved to strike the amendment made to H. F. No. 1126 by the Committee on Agriculture and Natural Resources, adopted by the Senate May 8, 1979. The motion prevailed. So the committee amendment was stricken.

H. F. No. 1126 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 42 and nays 7, as follows:

Those who voted in the affirmative were:

Anderson	Dunn	Luther	Peterson	Staples
Bang	Engler	McCutcheon	Renneke	Stokowski
Benedict	Frederick	Menning	Rued	Stumpf
Bernhagen	Gearty	Merriam	Schaaf	Tennessen
Brataas	Humphrey	Moe	Schmitz	Ulland, J.
Chenoweth	Johnson	Nelson	Sieloff	Vega
Coleman	Keefe, S.	Olhoff	Sikorski	
Davies	Kirchner	Olson	Sillers	
Dieterich	Knoll	Perpich	Spear	

Those who voted in the negative were:

Chmielewski	Laufenburger	Setzepfandt	Strand	Willet
Gunderson	Penny			

So the bill passed and its title was agreed to.

SPECIAL ORDER

S. F. No. 1476: A bill for an act relating to banks; authorizing certain additional facilities for banks; amending Minnesota Statutes 1978, Section 47.52.

Mr. Davies moved to amend S. F. No. 1476 as follows:

Page 2, lines 14 to 18, delete the new language and insert "facility which may be located between 150 to 1,500 feet of the main banking house or a detached facility if the site of the main banking house or detached facility is so physically limited as to preclude the addition of a drive-in facility adjacent thereto. The drive-in facility permitted by this"

The motion prevailed. So the amendment was adopted.

S. F. No. 1476 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 36 and nays 12, as follows:

Those who voted in the affirmative were:

Bang	Gearly	Menning	Rued	Tennessen
Bernhagen	Humphrey	Merriam	Schaaf	Ueland, A.
Brataas	Johnson	Moe	Setzepfandt	Ulland, J.
Coleman	Keefe, S.	Nelson	Sieloff	Vega
Davies	Knaak	Olhoff	Sillers	
Dieterich	Knoll	Olson	Spear	
Dunn	Luther	Perpich	Staples	
Engler	McCutcheon	Peterson	Stumpf	

Those who voted in the negative were:

Anderson	Chmielewski	Laufenburger	Renneke	Strand
Benedict	Frederick	Penny	Sikorski	Willet
Chenoweth	Gunderson			

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

Without objection, the Senate reverted to the Order of Business of Reports of Committees and Second Reading of Senate Bills.

REPORTS OF COMMITTEES

Mr. Coleman from the Subcommittee on Bill Scheduling, to which were referred S. F. Nos. 1465, 1427, 1485, 474, 471, 337, 1109, 664, 1280, 1370 and H. F. Nos. 218, 515, 521, 317, 797 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.

Mr. Coleman moved the adoption of the foregoing committee report. The motion prevailed. Report adopted.

APPOINTMENTS

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

H. F. No. 444: Messrs. Schaaf, Chenoweth, and Mrs. Brataas.

H. F. No. 145: Messrs. Nelson, Kirchner, and Davies.

H. F. No. 13: Messrs. Menning, Nelson, and Ulland, J.

S. F. No. 1510: Messrs. Humphrey; Willet; Keefe, S.; Dunn and Chenoweth.

H. F. No. 1518: Messrs. Moe, Perpich, Spear, Kirchner, and Solon.

H. F. No. 1526: Messrs. Moe, Tennesen, Stumpf, Ogdahl, and Renneke.

S. F. No. 1504: Messrs. Moe, Kleinbaum, Menning, Pillsbury, and Ashbach.

S. F. No. 118: Messrs. Davies, Sikorski, and Bernhagen.

S. F. No. 219: Messrs. Nelson, Chenoweth, and Ashbach.

S. F. No. 521: Messrs. Kleinbaum, Bang, and Dieterich.

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

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

S. F. No. 1567: A bill for an act relating to taxation; providing certain modifications of gross income; increasing and extending certain credits against income tax; increasing the maximum standard deduction; providing for valuation of agricultural land for school aids purposes; increasing the state share of certain income maintenance payments; reducing certain property assessment ratios; increasing the homestead credit; eliminating the limited market value; increasing certain property tax refund amounts; abolishing the inheritance tax; establishing an estate tax; repealing the gift tax; reducing the rate of sales and use tax on farm machinery; reducing the rates of tax on corporate and individual income; providing a property tax credit for commercial property; increasing the amount and providing for the distribution of aids to local governments; providing state assistance for municipal pension costs; altering the tax treatment of railroads; providing for payment in lieu of taxes on certain lands; appropriating money; amending Minnesota Statutes 1978, Sections 124.212, Subdivision 10; 256.82; 256D.03, Subdivision 2; 256D.36, Subdivision 1; 272.02, Subdivision 1; 273.11, Subdivision 2; 273.13, Subdivisions 4, 5a, 6, 7, and 14a, and by adding a subdivision; 273.17, Subdivision 1; 275.51, Subdivision 3d; 290.01, Subdivision 20; 290.06, Subdivisions 1, 2c, 3c, 3d, and 12, and by adding subdivisions; 290.081; 290.09, Subdivision 15; 290A.03, Subdivision

11; 290A.04, Subdivisions 2, 2a, 2b, and 3; 291.005, Subdivision 1; 291.01; 291.03; 291.05; 291.051; 291.06; 291.065; 291.07, Subdivision 1; 291.08; 291.09, Subdivisions 5 and 7, and by adding subdivisions; 291.11, Subdivision 1; 291.111, Subdivision 1; 291.-132; 291.14; 291.19, Subdivision 3; 291.20, Subdivision 1; 291.27; 291.33, Subdivision 1; 295.02; 297A.01, by adding a subdivision; 297A.02; 297A.14; 297A.24; 352.15, Subdivision 1; 353.15; 354.10; 354A.11; 477A.01, Subdivisions 1, 2 and 4; 524.3-706; 524.3-916; 524.3-1001; 525.091, Subdivisions 1 and 2; 525.312; 525.71; 525.-74; and 525.841; and Chapters 270, 273 and 291, by adding sections; repealing Minnesota Statutes 1978, Sections 3A.08; 273.11, Subdivision 2; 291.02; 291.07, Subdivisions 2 and 2a; 291.09, Subdivisions 1, 2, 3 and 4; 291.10; 291.11, Subdivisions 2, 3, 4, 5, 6, 7, 8, and 9; 291.12, Subdivision 4; 291.19, Subdivision 5; 291.20, Subdivision 3; 291.22; 291.23; 291.24; 291.25; 291.26; 291.29, Subdivisions 1, 2, 3 and 4; 291.30; 291.34; 291.35; 291.36; 291.37; 291.-38; 291.39; 291.40; 292.01; 292.02; 292.03; 292.031; 292.04; 292.05; 292.06; 292.07; 292.08; 292.09; 292.105; 292.111; 292.112; 292.-12; 292.125; 292.14; 292.15; 295.01, Subdivisions 2 and 3; 295.02; 295.03; 295.04; 295.05; 295.12; 295.13; 295.14; and 477A.01, Subdivisions 3 and 4a.

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

Page 4, line 7, after the period, insert:

"The amendments made to sections 219(c) (3) and 220(c) (4) (extending the time for which a taxpayer is deemed to have made a contribution to an individual retirement account for the taxable year) by section 157(a) of P.L. 95-600 shall be effective for taxable years beginning after December 31, 1977."

Page 6, after line 4, insert:

"(12) To the extent deducted in computing the taxpayer's federal adjusted gross income for the taxable year, losses realized upon a transfer of property to the spouse or former spouse of the taxpayer in exchange for the release of the spouse's marital rights;"

Page 8, after line 25, insert:

"(8) To the extent included in the taxpayer's federal adjusted gross income for the taxable year, gain realized upon a transfer of property to the spouse or former spouse of the taxpayer in exchange for the release of the spouse's marital rights;"

Page 9, line 26, delete "(11)" and insert "(12) The first \$3,000 of"

Page 9, line 27, after "Nations" insert ", and the next \$2,000 of compensation for personal services in the armed forces of the United States or the United Nations"

Page 12, after line 3, insert:

"Sec. 2. Minnesota Statutes 1978, Section 290.012, Subdivision 3, is amended to read:

Subd. 3. "Dependent" means an individual dependent upon and receiving his chief support from the claimant. Payments for support of minor children as provided in section 290.072, subdivision 3 under a temporary or final decree of dissolution or legal separation, shall be considered as payments by the claimant for the support of a dependent. For the purposes of section 290.06, subdivision 3d, a spouse except a divorced or separated spouse shall be considered to be a dependent."

Page 14, after line 19, insert:

"(a) In the case of an unmarried individual who is a quadriplegic at the close of the taxable year, an additional \$65;

(b) In the case of a married individual, living with a spouse, an additional \$65 for each spouse who is a quadriplegic at the close of the taxable year; and

(c) In the case of an individual, another \$65 for each person, other than a spouse, who is dependent upon and receiving his chief support from the taxpayer, and who is a quadriplegic at the close of the taxable year."

Page 14, line 20, reinstate the stricken "(6)"

Page 14, line 27, delete "(6)" and reinstate the stricken "(7)"

Page 14, line 28, delete "and" and reinstate "and 5"

Page 16, after line 27, insert:

"(5) (a) In the case of an unmarried individual who is a quadriplegic at the close of the taxable year, an additional \$87;

(b) In the case of a married individual, living with a spouse, an additional \$87 for each spouse who is a quadriplegic at the close of the taxable year; and

(c) In the case of an individual, another \$87 for each person, other than a spouse, who is dependent upon and receiving his chief support from the taxpayer, and who is a quadriplegic at the close of the taxable year."

Renumber the remaining clauses

Page 17, line 3, delete "and" and after "4" insert "and 5"

Page 17, line 25, delete "and energy"

Page 17, line 26, delete "assistance"

Page 19, delete Section 6 and insert:

"Sec. 7. Minnesota Statutes 1978, Section 290.06, Subdivision 3e, is amended to read:

Subd. 3e. [PARENTS' CREDIT.] A credit of \$50 may be deducted from the tax due from the taxpayer and his spouse, if any, under this chapter if either the taxpayer or his spouse devotes his time to caring for his children and their home and is not employed outside of the home. A taxpayer would qualify for the credit if

(a) he has a child who is twelve years of age or younger residing in his home at any time during the taxable year; and

(b) if the taxpayer is married, either the taxpayer or his spouse remains unemployed throughout the taxable year for the purpose of caring for the child in the home; and

(c) the combined federal adjusted gross income of the taxpayer and his spouse, if any, is not in excess of \$25,000.

A married claimant shall file his income tax return for the year for which he claims the credit either jointly or separately on one form with his spouse. In the case of the married claimant, only one spouse may claim the credit."

Page 24, after line 16, insert:

"Sec. 10. Minnesota Statutes 1978, Section 290.14, is amended to read:

290.14 [GAIN OR LOSS ON DISPOSITION OF PROPERTY, BASIS.] The basis for determining the gain or loss from the sale or other disposition of property acquired on or after January 1, 1933, shall be the cost to the taxpayer of such property, with the following exceptions:

(1) If the property should have been included in the last inventory, it shall be the last inventory value thereof;

(2) If the property was acquired by gift, it shall be the same as it would be if it were being sold or otherwise disposed of by the last preceding owner not acquiring it by gift; if the facts required for this determination cannot be ascertained, it shall be the fair market value as of the date, or approximate date, of acquisition by such last preceding owner, as nearly as the requisite facts can be ascertained by the commissioner;

(3) If the property was acquired by gift through an inter vivos transfer in trust, it shall be the same as it would be if it were being sold or otherwise disposed of by the grantor;

(4) Except as otherwise provided in this clause (4), the basis of property in the hands of a person acquiring the property from a decedent or to whom the property passed from a decedent shall, if not sold, exchanged or otherwise disposed of before the decedent's death by such person, be the fair market value of the property at the date of decedent's death.

For the purposes of the preceding paragraph, the following property shall be considered to have been acquired from or to have passed from the decedent:

(a) Property acquired by bequest, devise, or inheritance, or by the decedent's estate from the decedent;

(b) Property transferred by the decedent during his lifetime in trust to pay the income for life to or on the order or direction of the decedent, with the right reserved to the decedent at all times before his death to revoke the trust;

(c) Property transferred by the decedent during his lifetime in trust to pay the income for life to or on the order or direction of the decedent with the right reserved to the decedent at all times before his death to make any change in the enjoyment thereof through the exercise of a power to alter, amend, or terminate the trust;

(d) Property passing without full and adequate consideration under a general power of appointment exercised by the decedent by will;

(e) In the case of a decedent's dying after December 31, 1956, property acquired from the decedent by reason of death, form of ownership, or other conditions (including property acquired through the exercise or non-exercise of a power of appointment), if by reason thereof the property is required to be included in determining the value of the decedent's gross estate for Minnesota inheritance tax purposes. In such case, if the property is acquired before the death of the decedent, the basis shall be the amount determined under the first paragraph of this clause reduced by the amount allowed to the taxpayer as deductions in computing taxable net income under this chapter or prior Minnesota income tax laws for exhaustion, wear and tear, obsolescence, amortization, and depletion on such property before the death of the decedent. Such basis shall be applicable to the property commencing on the death of the decedent. This paragraph shall not apply to annuities described in section 290.08; and property described in paragraphs (a), (b), (c) and (d) of this clause (4).

Clause (4) shall not apply to property which constitutes a right to receive an item of income in respect of a decedent under section 290.077. Nor shall it apply to restricted stock options described in section 290.078 which the employee has not exercised at death.

(5) If the property was acquired after December 31, 1932, upon an exchange described in section 290.13, subdivision 1, the basis shall be the same as in the case of the property exchanged, decreased in the amount of any money received by the taxpayer and increased in the amount of gain or decreased in the amount of loss to the taxpayer that was recognized upon such exchange under the law applicable to the year in which the exchange was made. If the property so acquired consisted in part of the type of property permitted by section 290.13, subdivision 1, to be received without the recognition of gain or loss, and in part of other property, the basis provided in this clause shall be allocated between the properties, other than money, received, and for the purpose of the allocation there shall be assigned to such other property an amount equivalent to its fair market value at the date of the exchange. This clause shall not apply to property acquired by a corporation by the issuance of its stock or securities as the consideration, in whole or in part, for the transfer of the property to it;

(6) If substantially identical property was acquired in the place of stocks or securities which were sold or disposed of and in

respect of which loss was not allowed as a deduction under section 290.09, subdivision 5, the basis in the case of property so acquired shall be the same as in the case of the stock or securities so sold or disposed of, increased by the excess of the repurchase price of such property over the sale price of such stock or securities, or decreased by the excess of the sale price of such stock or securities over the repurchase price of such property;

(7) If the property was acquired after December 31, 1932, as the result of a compulsory or involuntary conversion described in section 290.13, subdivision 5, the basis shall be the same as in the case of the property so converted, decreased in the amount of any money received by the taxpayer which was not expended in accordance with the provisions of law applicable to the year in which such conversion was made, determining the taxable status of the gain or loss upon such conversion, and increased in the amount of gain or decreased in the amount of loss to the taxpayer recognized upon such conversion under the law applicable to the year in which such conversion was made.

(8) Neither the basis nor the adjusted basis of any portion of real property shall, in the case of a lessor of such property, be increased or diminished on account of income derived by the lessor in respect of such property and excludable from gross income under section 290.08, subdivision 14.

If an amount representing any part of the value of real property attributable to buildings erected or other improvements made by a lessee in respect of such property was included in gross income of the lessor for any taxable year beginning before January 1, 1943, the basis of each portion of such property shall be properly adjusted for the amount so included in gross income.

(9) If the property was acquired by the taxpayer as a transfer of property in exchange for the release of the taxpayer's marital rights, the basis of the property shall be the same as it would be if it were being sold or otherwise disposed of by the person who transferred the property to the taxpayer.

Sec. 11. Minnesota Statutes 1978, Section 290.21, Subdivision 3, is amended to read:

Subd. 3. An amount for contribution or gifts made within the taxable year:

(a) to or for the use of the state of Minnesota, or any of its political subdivisions for exclusively public purposes,

(b) to or for the use of any community chest, corporation, organization, trust, fund, association, or foundation located in and carrying on substantially all of its activities within this state, organized and operating exclusively for religious, charitable, public cemetery, scientific, literary, artistic, or educational purposes, or for the prevention of cruelty to children or animals, no part of the net earnings of which inures to the benefit of any private stockholder or individual,

(c) to a fraternal society, order, or association, operating under the lodge system located in and carrying on substantially all of their activities within this state if such contributions or gifts are to be used exclusively for the purposes specified in subdivision 3(b), or for or to posts or organizations of war veterans or auxiliary units or societies of such posts or organizations, if they are within the state and no part of their net income inures to the benefit of any private shareholder or individual, or to an employee stock ownership trust as defined in section 290.01, subdivision 25. Where the beneficiaries of a stock ownership trust include the transferor, his spouse, children, grandchildren, parents, siblings or their children, the amount of the deduction shall be reduced by the product of multiplying said amount by their percentage interest in the trust,

(d) to or for the use of the United States of America for exclusively public purposes, and to or for the use of any community chest, corporation, trust, fund, association, or foundation, organized and operated exclusively for any of the purposes specified in subdivision 3(b) and (c) no part of the net earnings of which inures to the benefit of any private shareholder or individual, but not carrying on substantially all of their activities within this state, in an amount equal to the ratio of Minnesota taxable net income to total net income, provided, however, that for an individual taxpayer, the credit shall be allowed in an amount equal to the ratio of the taxpayer's gross income from sources within the state assignable to Minnesota to the taxpayer's gross income from all sources,

(e) to a political party, as defined in section 200.02, subdivision 7, or a political candidate, as defined in section 210A.01, or a political cause when sponsored by any party or association or committee, as defined in section 210A.01, in a maximum amount not to exceed the following:

(1) contributions made by individual natural persons, \$100,

(2) contributions made by a national committeeman, national committeewoman, state chairman, or state chairwoman of a political party, as defined in section 200.02, subdivision 7, \$1,000,

(3) contributions made by a congressional district committeeman or committeewoman of a political party, as defined in section 200.02, subdivision 7, \$350,

(4) contributions made by a county chairman or a county chairwoman of a political party, as defined in section 200.02, subdivision 7, \$150; ,

(f) in the case of an individual, the total credit against taxable net income allowable hereunder shall not exceed 30 percent of the taxpayer's Minnesota gross income as follows:

(i) the aggregate of contributions made to organizations specified in (a), (b) and (d) shall not exceed ten percent of the taxpayer's Minnesota gross income,

(ii) the total credits under this subparagraph for any taxable year shall not exceed 20 percent of the taxpayer's Minnesota gross income. For purposes of this subparagraph, the credits under this

section shall be computed without regard to any deduction allowed under subparagraph (i) but shall take into account any contributions described in subparagraph (i) which are in excess of the amount allowable as a credit under subparagraph (i); the sum of:

(i) 20 percent of the taxpayer's Minnesota gross income in the case of contributions described in clauses (c) and (e); and

(ii) 50 percent of the taxpayer's Minnesota gross income in the case of contributions or gifts described in clauses (a), (b) and (d), reduced by the amount of the credit allowable under subparagraph (i),

(g) in the case of an individual, if the amount of the contributions or gifts described in clauses (a), (b) and (d), when added to the amount of contributions described in clauses (c) and (e), payment of which is made in a taxable year, hereinafter referred to in this subdivision as the "contribution year", exceeds 50 percent of the taxpayer's Minnesota gross income for that year, the excess shall be treated as a gift or contribution pursuant to this subdivision, paid in each of the five succeeding taxable years in order of time, but with respect to any succeeding taxable year, only to the extent of the lesser of the following amounts:

(i) the amount by which 50 percent of the taxpayer's Minnesota gross income for such succeeding taxable year exceeds the sum of the contribution and gifts described in this subdivision, payment of which is actually made by the taxpayer within such succeeding taxable year, and the contributions and gifts described in clauses (a), (b) and (d), payment of which was made in taxable years before the contribution year and which are treated pursuant to this clause as having been paid in such succeeding taxable year; or

(ii) in the first succeeding taxable year, the amount of such excess, and in the second, third, fourth and fifth succeeding taxable years, the portion of such excess not treated under this clause as a contribution or gift described in clauses (a), (b) and (d) paid in a taxable year between the contribution year and such succeeding taxable year; or

(iii) if, in a contribution year, the taxpayer's Minnesota gross income exceeds \$100,000, clause (g) shall not apply and no contributions or gifts covered by clause (g) shall be carried forward to a subsequent year,

~~(g)~~ (h) in the case of a corporation, the total credit against net income hereunder shall not exceed 15 percent of the taxpayer's taxable net income less the credits allowable under this section other than those for contributions or gifts,

~~(h)~~ (i) in the case of a corporation reporting its taxable income on the accrual basis, if: (A) the board of directors authorizes a charitable contribution during any taxable year, and (B) payment of such contribution is made after the close of such taxable year and on or before the fifteenth day of the third month following

the close of such taxable year; then the taxpayer may elect to treat such contribution as paid during such taxable year. The election may be made only at the time of the filing of the return for such taxable year, and shall be signified in such manner as the commissioner shall by regulations prescribe,

(i) (j) in the case of a contribution or property placed in trust as described in section 170(f)(2) of the Internal Revenue Code of 1954, as amended through December 31, 1976, a credit shall be allowed under this subdivision to the extent that a deduction is allowable for federal income tax purposes.

Sec. 12. Minnesota Statutes 1978, Section 290.23, is amended by adding a subdivision to read:

Subd. 16. [INCOME FROM OUT-OF-STATE PROPERTY.] There shall be allowed as a deduction in computing the taxable net income of a trust or an estate the amount of income or gains from tangible personal or real property having a situs outside this state allocated to this state according to the provisions of section 290.17, subdivision 1.

Sec. 13. *The withholding of tax on wages pursuant to Minnesota Statutes, Section 290.92 shall be suspended for a period of one month. No employer shall withhold any tax from wages paid with respect to any payroll period ending after September 30, 1979 and prior to November 1, 1979.*

Sec. 14. [REPEALER.] *Minnesota Statutes 1978, Section 290.06, Subdivision 12, is repealed."*

Page 24, line 17, delete "6," and delete "and" and insert a comma and after "8" insert ", 9, 10, 11, 12 and 14"

Page 24, line 19, after the period insert "*Section 2 is effective for taxable years beginning after December 31, 1977.*"

Renumber the sections of Article I in sequence

Page 31, line 6, strike "or" and after "bordering" insert ", or closest to"

Page 35, after line 21, insert:

"Sec. 13. Minnesota Statutes 1978, Section 275.125, Subdivision 6a, is amended to read:

Subd. 6a. (1) In addition to the excess levy authorized in subdivision 6, in 1976 any district within a city of the first class which was authorized in 1975 to make a retirement levy under sections 275.127 and 422A.01 to 422A.25 may levy an amount per pupil unit which is equal to the amount levied in 1975 payable 1976, under sections 275.127 and 422A.01 to 422A.25, divided by the number of pupil units in the district in 1976-1977.

(2) In 1977 1979 and each year thereafter, any district which qualified in 1976 for an extra levy under clause (1) shall be allowed to levy the same amount per pupil unit allowed by that clause, as levied for retirement in 1978 under this clause reduced each year by

ten percent of the difference between the amount levied for retirement in 1971 under Minnesota Statutes 1971, Sections 275.127 and 422.01 to 422.54 and the amount levied for retirement in 1975 under Minnesota Statutes 1974, Sections 275.127 and 422A.01 to 422A.25.

Sec. 14. Minnesota Statutes 1978, Section 290A.03, Subdivision 3, is amended to read:

Subd. 3. [INCOME.] "Income" means the sum of the following:

(a) federal adjusted gross income as defined in the Internal Revenue Code of 1954 as amended through December 31, 1976; and

(b) the sum of the following amounts to the extent not included in clause (a):

(i) additions to federal adjusted gross income as provided in Minnesota Statutes, Section 290.01, Subdivision 20, Clause (a) (1), (a) (2), (a) (3), (a) (10), (a) ~~(13)~~ (14), and (a) ~~(14)~~ (15);

(ii) all nontaxable income;

(iii) recognized net long term capital gains;

(iv) dividends excluded from federal adjusted gross income under section 116 of the Internal Revenue Code of 1954;

(v) cash public assistance and relief;

(vi) any pension or annuity (including railroad retirement benefits, all payments received under the federal social security act, supplemental security income, and veterans disability pensions), which was not exclusively funded by the claimant or spouse, or which was funded exclusively by the claimant or spouse and which funding payments were excluded from federal adjusted gross income in the years when the payments were made;

(vii) nontaxable interest received from the state or federal government or any instrumentality or political subdivision thereof;

(viii) workers' compensation;

(ix) unemployment benefits;

(x) nontaxable strike benefits; and

(xi) the gross amounts of payments received in the nature of disability income or sick pay as a result of accident, sickness, or other disability, whether funded through insurance or otherwise. In the case of an individual who files an income tax return on a fiscal year basis, the term "federal adjusted gross income" shall mean federal adjusted gross income reflected in the fiscal year ending in the calendar year. "Income" does not include

(a) amounts excluded pursuant to the Internal Revenue Code, Sections 101(a), 102, 117, and 121;

(b) amounts of any pension or annuity which was exclusively funded by the claimant or spouse and which funding payments

were not excluded from federal adjusted gross income in the years when the payments were made;

(c) gifts from nongovernmental sources;

(d) surplus food or other relief in kind supplied by a governmental agency; or

(e) relief granted under sections 273.012, subdivision 2 or 290A.01 to 290A.21 ; or

(f) *child support payments received under a temporary or final decree of dissolution or legal separation.*"

Page 37, line 2, delete "\$875" and insert "\$850"

Page 37, line 9, strike "and whose claim is based on taxes paid on the home"

Page 37, line 10, strike "he owns"

Page 37, line 11, strike "and" and insert "or"

Page 39, line 18, after the period, insert "*Section 14 is effective for low income credits claimed for taxable years beginning after December 31, 1977 and for property tax refund claims based on rent paid in 1978 and property taxes payable in 1977.*" and delete "13 to 17" and insert "15 to 19"

Page 39, line 20, delete "19" and insert "21"

Page 40, line 22, delete "decedent"

Renumber the sections of Article II in sequence

Page 101, line 29, delete "FARM MACHINERY" and insert "SALES AND USE TAX"

Page 104, after line 15, insert:

"Sec. 5. Minnesota Statutes 1978, Section 297A.25, Subdivision 1, is amended to read:

297A.25 [EXEMPTIONS.] Subdivision 1. The following are specifically exempted from the taxes imposed by sections 297A.01 to 297A.44:

(a) The gross receipts from the sale of food products including but not limited to cereal and cereal products, butter, cheese, milk and milk products, oleomargarine, meat and meat products, fish and fish products, eggs and egg products, vegetables and vegetable products, fruit and fruit products, spices and salt, sugar and sugar products, coffee and coffee substitutes, tea, cocoa and cocoa products;

(b) The gross receipts from the sale of prescribed drugs and medicine intended for use, internal or external, in the cure, mitigation, treatment or prevention of illness or disease in human beings and products consumed by humans for the preservation of health, including prescription glasses, therapeutic and prosthetic devices, but not including cosmetics or toilet articles notwithstanding the presence of medicinal ingredients therein;

(c) The gross receipts from the sale of and the storage, use or other consumption in Minnesota of tangible personal property,

tickets, or admissions, electricity, gas, or local exchange telephone service, which under the Constitution or laws of the United States or under the Constitution of Minnesota, the state of Minnesota is prohibited from taxing;

(d) The gross receipts from the sale of tangible personal property (i) which, without intermediate use, is shipped or transported outside Minnesota and thereafter used in a trade or business or is stored, processed, fabricated or manufactured into, attached to or incorporated into other tangible personal property transported or shipped outside Minnesota and thereafter used in a trade or business outside Minnesota, and which is not thereafter returned to a point within Minnesota, except in the course of interstate commerce (storage shall not constitute intermediate use); or (ii) which the seller delivers to a common carrier for delivery outside Minnesota, places in the United States mail or parcel post directed to the purchaser outside Minnesota, or delivers to the purchaser outside Minnesota by means of the seller's own delivery vehicles, and which is not thereafter returned to a point within Minnesota, except in the course of interstate commerce;

(e) The gross receipts from the sale of packing materials used to pack and ship household goods, the ultimate destination of which is outside the state of Minnesota and which are not thereafter returned to a point within Minnesota, except in the course of interstate commerce;

(f) The gross receipts from the sale of and storage, use or consumption of petroleum products upon which a tax has been imposed under the provisions of chapter 296, whether or not any part of said tax may be subsequently refunded;

(g) The gross receipts from the sale of clothing and wearing apparel except the following:

(i) all articles commonly or commercially known as jewelry, whether real or imitation; pearls, precious and semi-precious stones, and imitation thereof; articles made of, or ornamented, mounted or fitted with precious metals or imitations thereof; watches; clocks; cases and movements for watches and clocks; gold, gold-plated, silver, or sterling flatware or hollow ware and silver-plated hollow ware; opera glasses; lorgnettes; marine glasses; field glasses and binoculars.

(ii) articles made of fur on the hide or pelt, and articles of which such fur is the component material or chief value, but only if such value is more than three times the value of the next most valuable component material.

(iii) perfume, essences, extracts, toilet waters, cosmetics, petroleum jellies, hair oils, pomades, hair dressings, hair restoratives, hair dyes, aromatic cachous and toilet powders. The tax imposed by this act shall not apply to lotion, oil, powder, or other article intended to be used or applied only in the case of babies.

(iv) trunks, valises, traveling bags, suitcases, satchels, overnight bags, hat boxes for use by travelers, beach bags, bathing

suit bags, brief cases made of leather or imitation leather, salesmen's sample and display cases, purses, handbags, pocketbooks, wallets, billfolds, card, pass, and key cases and toilet cases.

(h) The gross receipts from the sale of and the storage, use, or consumption of all materials, including chemicals, fuels, petroleum products, lubricants, packaging materials, including returnable containers used in packaging food and beverage products, feeds, seeds, fertilizers, electricity, gas and steam, used or consumed in agricultural or industrial production of personal property intended to be sold ultimately at retail, whether or not the item so used becomes an ingredient or constituent part of the property produced. Such production shall include, but is not limited to, research, development, design or production of any tangible personal property, manufacturing, processing (other than by restaurants and consumers) of agricultural products whether vegetable or animal, commercial fishing, refining, smelting, reducing, brewing, distilling, printing, mining, quarrying, lumbering, generating electricity and the production of road building materials. Such production shall not include painting, cleaning, repairing or similar processing of property except as part of the original manufacturing process. Machinery, equipment, implements, tools, accessories, appliances, contrivances, furniture and fixtures, used in such production and fuel, electricity, gas or steam used for space heating or lighting, are not included within this exemption; however, accessory tools, equipment and other short lived items, which are separate detachable units used in producing a direct effect upon the product, where such items have an ordinary useful life of less than 12 months, are included within the exemption provided herein;

(i) The gross receipts from the sale of and storage, use or other consumption in Minnesota of tangible personal property (except as provided in section 297A.14) which is used or consumed in producing any publication regularly issued at average intervals not exceeding three months, and any such publication. For purposes of this subsection, "publication" as used herein shall include, without limiting the foregoing, a legal newspaper as defined by Minnesota Statutes 1965, Section 331.02, and any supplements or enclosures with or part of said newspaper; and the gross receipts of any advertising contained therein or therewith shall be exempt. For this purpose, advertising in any such publication shall be deemed to be a service and not tangible personal property, and persons or their agents who publish or sell such newspapers shall be deemed to be engaging in a service with respect to gross receipts realized from such newsgathering or publishing activities by them, including the sale of advertising. Machinery, equipment, implements, tools, accessories, appliances, contrivances, furniture and fixtures used in such publication and fuel, electricity, gas or steam used for space heating or lighting, are not exempt;

(j) The gross receipts from all sales of tangible personal property to, and all storage, use or consumption of such property by, the United States and its agencies and instrumentalities or a state and its agencies, instrumentalities and political subdivisions;

(k) The gross receipts from the isolated or occasional sale of tangible personal property in Minnesota not made in the normal course of business of selling that kind of property, and the storage, use, or consumption of property acquired as a result of such a sale;

(l) The gross receipts from sales of rolling stock and the storage, use or other consumption of such property by railroads, freight line companies, sleeping car companies and express companies taxed on the gross earnings basis in lieu of ad valorem taxes. For purposes of this clause "rolling stock" is defined as the portable or moving apparatus and machinery of any such company which moves on the road, and includes, but is not limited to, engines, cars, tenders, coaches, sleeping cars and parts necessary for the repair and maintenance of such rolling stock.

(m) The gross receipts from sales of airflight equipment and the storage, use or other consumption of such property by airline companies taxed under the provisions of sections 270.071 to 270.079. For purposes of this clause, "airflight equipment" includes airplanes and parts necessary for the repair and maintenance of such airflight equipment, and flight simulators.

(n) The gross receipts from the sale of telephone central office telephone equipment used in furnishing intrastate and interstate telephone service to the public.

(o) The gross receipts from the sale of and the storage, use or other consumption by persons taxed under the in lieu provisions of chapter 298, of mill liners, grinding rods and grinding balls which are substantially consumed in the production of taconite, the material of which primarily is added to and becomes a part of the material being processed.

(p) The gross receipts from the sale of tangible personal property to, and the storage, use or other consumption of such property by, any corporation, society, association, foundation, or institution organized and operated exclusively for charitable, religious or educational purposes if the property purchased is to be used in the performance of charitable, religious or educational functions, or any senior citizen group or association of groups that in general limits membership to persons age 55 or older and is organized and operated exclusively for pleasure, recreation and other nonprofit purposes, no part of the net earnings of which inures to the benefit of any private shareholders;

(q) The gross receipts from the sale of caskets and burial vaults;

(r) The gross receipts from the sale of cigarettes.

(s) The gross receipts from the sale of an automobile or other conveyance if the purchaser is assisted by a grant from the United States in accordance with 38 United States Code, Section 1901, as amended.

(t) The gross receipts from the sale to the licensed aircraft dealer of an aircraft for which a commercial use permit has been

issued pursuant to section 360.654, if the aircraft is resold while the permit is in effect.

(u) The gross receipts from the sale of building materials to be used in the construction or remodeling of a residence when the construction or remodeling is financed in whole or in part by the United States in accordance with 38 United States Code, Sections 801 to 805, as amended. This exemption shall not be effective at time of sale of the materials to contractors, subcontractors, builders or owners, but shall be applicable only upon a claim for refund to the commissioner of revenue filed by recipients of the benefits provided in Title 38 United States Code, Chapter 21, as amended. The commissioner shall provide by regulation for the refund of taxes paid on sales exempt in accordance with this paragraph.

(v) The gross receipts from the sale of textbooks which are prescribed for use in conjunction with a course of study in a public or private school, college, university and business or trade school to students who are regularly enrolled at such institutions. For purposes of this clause a "public school" is defined as one that furnishes course of study, enrollment and staff that meets standards of the state board of education and a private school is one which under the standards of the state board of education, provides an education substantially equivalent to that furnished at a public school. Business and trade schools shall mean such schools licensed pursuant to section 141.25.

(w) The gross receipts from the sale of and the storage of material designed to advertise and promote the sale of merchandise or services, which material is purchased and stored for the purpose of subsequently shipping or otherwise transferring outside the state by the purchaser for use thereafter solely outside the state of Minnesota.

(x) The gross receipt from the sale of residential heating fuels in the following manner:

(i) all fuel oil, coal, wood, steam, propane gas, and L.P. gas sold to residential customers for residential use;

(ii) natural gas sold for residential use to customers who are metered and billed as residential users and who use natural gas for their primary source of residential heat, for the billing months of November, December, January, February, March and April;

(iii) electricity sold for residential use to customers who are metered and billed as residential users and who use electricity for their primary source of residential heat, for the billing months of November, December, January, February, March and April.

(y) *The gross receipts from either the sales to or the storage, use or consumption of tangible personal property by an organization of military service veterans or an auxiliary unit of an organization of military service veterans, provided that:*

(i) the organization or auxiliary unit is organized within the state of Minnesota and is exempt from federal taxation pursuant

to section 501(c), clause (19), of the Internal Revenue Code as amended through December 31, 1978; and,

(ii) the tangible personal property which is sold to or stored, used or consumed by the organization or auxiliary unit is for charitable, civic, educational, or nonprofit uses and not for social, recreational, pleasure or profit uses.

(z) The gross receipts from the sale of tangible personal property to, and the storage, use or other consumption of such property by a county agricultural society incorporated pursuant to section 38.01 to be used for the purposes of sections 38.01 to 38.28."

Page 104, line 16, delete "This article is" and insert "Sections 1 to 4 are"

Page 104, line 17, after the period, insert "Section 5 is effective for sales made the day following final enactment."

Renumber the sections of Article IV in sequence

Page 104, line 25, delete "the first \$50,000 of estimated"

Page 104, line 26, delete "market value" and insert "property classified pursuant to this subdivision" and delete "ten percent of the amount"

Page 104, line 27, delete "of such tax" and insert "an amount equal to the tax levy that would be produced by applying a rate of ten mills on the first \$25,000 of the assessed value of the property"

Page 107, after line 7, insert:

"Sec. 4. Minnesota Statutes 1978, Section 290.361, Subdivision 2, is amended to read:

Subd. 2. [COMPUTATION OF TAXABLE NET INCOME.] The taxable net income shall be computed in the manner provided by this chapter except that in the case of national and state banks: (a) the rate shall be 13.64 percent until January 1, 1974 and 12 percent thereafter the rate provided in section 290.06, subdivision 1; (b) the basic date for the purpose of computing gain or loss and depreciation shall be January 1, 1940, instead of January 1, 1933; (c) property consisting of investments in bonds, stocks, notes, debentures, mortgages, certificates, or any evidence of indebtedness, and any property acquired in liquidation thereof when such property is held for investment or for sale, shall not be deemed to be capital assets; and (d) in computing net income there shall be allowable as a deduction from gross income, in addition to deductions otherwise provided for in this act, any dividend (not including any distribution in liquidation) paid, within the taxable year, to the United States or to any instrumentality thereof exempt from federal income taxes, on the preferred stock of the bank owned by the United States or such instrumentality."

Page 107, line 10, delete "Section 2 is" and insert "Sections 2 to 4 are"

Renumber sections of Article V in sequence

Page 118, delete lines 1 to 8 and insert *"received more than \$100 per capita in 1979 pursuant to Minnesota Statutes 1978, Section 477A.01, using the population determined pursuant to Minnesota Statutes 1978, Section 275.53, 12 percent; if more than \$75 per capita but less than or equal to \$100 per capita, 15 percent; if more than \$50 per capita but less than or equal to \$75 per capita, 17 percent; or if less than \$50 per capita, 20 percent."*

Page 121, line 1, delete *"one percent of"* and insert *"ten mills multiplied by"*

Page 121, line 32, delete *"\$90"* and insert *"\$100"*

Page 122, line 1, delete *"13"* and insert *"12"*

Page 122, line 2, delete *"\$90"* and insert *"\$100"*

Page 122, line 19, delete *"(ii) and (iii)"* and insert *"(2) and (3)"*

Page 122, line 29, delete *"\$90"* and insert *"\$100"*

Page 122, line 31, delete *"13"* and insert *"12"*

Page 122, line 32, delete *"\$90"* and insert *"\$100"*

Page 123, line 10, delete *"\$90"* and insert *"\$100"*

Page 123, line 12, delete *"13"* and insert *"12"*

Page 123, line 13, delete *"\$90"* and insert *"\$100"*

Page 124, line 2, delete *"(a) and (b)"* and insert *"(1) and (2)"*

Page 124, line 4, delete *"(c)"* and insert *"(3)"*

Page 140, after line 26, insert:

"ARTICLE IX: CIGARETTE TAX ADMINISTRATION

Section 1. Minnesota Statutes 1978, Section 270.06, is amended to read:

270.06 [POWERS AND DUTIES.] It shall be the duty of the commissioner of revenue and he shall have power and authority:

(1) To have and exercise general supervision over the administration of the assessment and taxation laws of the state, over assessors, town, county, and city boards of review and equalization, and all other assessing officers in the performance of their duties, to the end that all assessments of property be made relatively just and equal in compliance with the laws of the state;

(2) To confer with, advise and give the necessary instructions and directions to local assessors and local boards of review throughout the state as to their duties under the laws of the state, and to that end call meetings of local assessors of each county, to be held at the county-seat of such county, for the purpose of receiving necessary instructions from the commissioner as to the laws governing the assessment and taxation of all classes of prop-

erty, which meetings at least one member of each local board of review shall attend.

(3) To direct proceedings, actions, and prosecutions to be instituted to enforce the laws relating to the liability and punishment of public officers and officers and agents of corporations for failure or negligence to comply with the provisions of the laws of this state governing returns of assessment and taxation of property, and to cause complaints to be made against local assessors, members of boards of equalization, members of boards of review, or any other assessing or taxing officer, to the proper authority, for their removal from office for misconduct or negligence of duty.

(4) To require county attorneys to assist in the commencement of prosecutions in actions or proceedings for removal, forfeiture and punishment for violation of the laws of this state in respect to the assessment and taxation of property in their respective districts or counties;

(5) To require town, city, county, and other public officers to report information as to the assessment of property, collection of taxes received from licenses and other sources, and such other information as may be needful in the work of the department of revenue, in such form and upon such blanks as he may prescribe;

(6) To require individuals, copartnerships, companies, associations, and corporations to furnish information concerning their capital, funded or other debt, current assets and liabilities, earnings, operating expenses, taxes, as well as all other statements now required by law for taxation purposes;

(7) To summon witnesses to appear and give testimony, and to produce books, records, papers and documents relating to any tax matter which he may have authority to investigate or determine;

(8) To cause the deposition of witnesses residing within or without the state, or absent therefrom, to be taken, upon notice to the interested party, if any, in like manner that depositions of witnesses are taken in civil actions in the district court, in any matter which he may have authority to investigate or determine;

(9) To investigate the tax laws of other states and countries and to formulate and submit to the legislature such legislation as he may deem expedient to prevent evasions of assessment and taxing laws, and to secure just and equal taxation and improvement in the system of assessment and taxation in this state;

(10) To consult and confer with the governor upon the subject of taxation, the administration of the laws in regard thereto, and the progress of the work of the department of revenue, and to furnish the governor, from time to time, such assistance and information as he may require relating to tax matters;

(11) To transmit to the governor, on or before the third Monday in December of each even-numbered year, and to each member of the legislature, on or before November 15 of each even num-

bered year, the report of the department of revenue for the preceding years, showing all the taxable property in the state and the value of the same, in tabulated form;

(12) To visit at least one-half of the counties of the state annually and every county in the state at least once in two years and inquire into the methods of assessment and taxation and ascertain whether the assessors faithfully discharge their duties, particularly as to their compliance with the laws requiring the assessment of all property not exempt from taxation;

(13) To exercise and perform such further powers and duties as may be required or imposed upon the commissioner of revenue by law;

(14) The commissioner of revenue may promulgate rules and regulations for the administration and enforcement of the property tax. Such rules and regulations shall have the force and effect of law;

(15) To execute and administer any agreement with the secretary of the treasury of the United States regarding the exchange of information and administration of the tax laws of both the United States and the state of Minnesota-;

(16) *To administer and enforce the provisions of sections 325.64 to 325.76, the Minnesota unfair cigarette sales act.*

ARTICLE X: GIFTS TO MINORS

Section 1. Minnesota Statutes 1978, Section 292.04, is amended to read:

292.04 [EXEMPTIONS.] The following transfers by gift shall be exempt from and excluded in computing the tax imposed by this chapter:

(1) Gifts to or for the use of the United States of America or any state or any political subdivision thereof for exclusively public purposes;

(2) Gifts to or for the use of any fund, foundation, trust, association, organization or corporation operated within this state for religious, charitable, scientific, literary, or educational purposes exclusively, including the promotion of the arts, or the conduct of a public cemetery, if no part thereof inures to the profit of any private shareholder or individual. Gifts to or for the use of any corporation, fund, foundation, trust, or association operated for religious, charitable, scientific, literary, or educational purposes, including the promotion of the arts, or the conduct of a public cemetery, no part of which inures to the profit of any private shareholders or individual, shall be exempt, if at the date of the gift, the laws of the state under the laws of which the donee is organized or existing either (1) do not impose a gift tax in respect of property transferred to a similar corporation, fund, foundation, trust, or association, organized or existing under the laws of this state, or (2) contain a reciprocal provision under which gifts to a similar corporation,

fund, foundation, trust, or association organized or existing under the laws of another state are exempt from gift taxes if such other state allows a similar exemption to a similar corporation, fund, foundation, trust, or association, organized or existing under the laws of such state;

(3) Gifts to a fraternal society, order, or association operating under the lodge system, but only if such gifts are to be used exclusively for the purposes designated in clause (2);

(4) Gifts to or for the use of posts or organizations of war veterans, or auxiliary units or societies of any such posts or organizations, if such posts, organizations, units or societies are organized within the state of Minnesota and if such gifts are to be used exclusively for the purposes designated in clause (2);

(5) All property transferred, money, service, or other thing of value, paid, furnished, or delivered by any person, corporation, organization, or association to his or its employees, or to any organization of his or its employees, directly or indirectly, or to any person, firm, or corporation for them or it, including payments to cover insurance, sickness, and death benefits, pensions, relief activities, or to any other employees benefit fund of any kind, and medical service to such employees and their families;

(6) The first \$3,000 in value of gifts (other than of future interests in property) made to any person by the donor during any calendar year. No part of a gift to a minor donee shall be considered a gift of future interest in property for purposes of this clause if it complies with the provisions of the Minnesota uniform gifts to minors act, chapter 527, or if it is a transfer for the benefit of a minor, and if the property and income therefrom:

(a) May be expended by or for the benefit of the donee before his attaining the age of 18 21 years; and

(b) Will to the extent not so expended

(1) pass to the donee on his attaining the age of 18 21 years and

(2) in the event the donee dies before attaining the age of 18 21 years, be payable to the estate of the donee, or as he may appoint under a general power of appointment as defined in section 2514(C) of the Internal Revenue Code of 1954;

(7) Gifts to an employee stock ownership trust as defined in section 290.01, subdivision 5. Where the beneficiaries of a stock ownership trust include the transferor, his spouse, children, grandchildren, parents, siblings or their children, the amount of the exemption shall be reduced by the product of multiplying said amount by their percentage interest in the trust.

Sec. 2. [REFUND.] Persons who paid gift taxes after June 1, 1973 on a transfer excludable pursuant to section 1 shall be entitled to a refund of taxes paid provided a claim is made to the commissioner pursuant to the procedures of section 292.12.

Sec. 3. [APPROPRIATION.] *There is appropriated from the general fund to the commissioner of revenue the amount necessary to make the refunds provided by section 2.*

Sec. 4. [EFFECTIVE DATE.] *This article is retroactively effective June 1, 1973."*

Amend the title as follows:

Page 1, line 5, after the semicolon insert "providing for computation of charitable contribution deduction; imposing one-month moratorium on withholding of tax from wages;"

Page 1, line 9, after the semicolon, insert "extending agricultural homestead treatment to noncontiguous land; providing for certain levies;"

Page 1, line 15, after the semicolon insert "providing sales tax exemptions for certain organizations;" and after "corporate" insert ", banks"

Page 1, line 22, after the semicolon insert "requiring the commissioner of revenue to administer the Minnesota unfair cigarette sales act; providing retroactive gift tax exemption for certain gifts to minors;"

Page 1, line 25, after "1;" insert "270.06;"

Page 1, line 28, after "1;" insert "275.125, Subdivision 6a;"

Page 1, line 29, after "20;" insert "290.012, Subdivision 3;"

Page 1, line 30, delete "12" and insert "3e"

Page 1, line 31, after "15;" insert "290.14; 290.21, Subdivision 3; 290.23, by adding a subdivision; 290.361, Subdivision 2;"

Page 1, line 32, delete "Subdivision" and insert "Subdivisions 3 and"

Page 1, line 39, after "1;" insert "292.04;"

Page 1, line 40, after "297A.24;" insert "297A.25, Subdivision 1;"

Page 2, line 7, after "2;" insert "290.06, Subdivision 12;"

And when so amended the bill do pass.

Mr. McCutcheon moved the adoption of the foregoing committee report. The motion prevailed. Amendments adopted. Report adopted.

SECOND READING OF SENATE BILLS

S. F. No. 1567 was read the second time and referred to the Subcommittee on Bill Scheduling of the Committee on Rules and Administration.

MOTIONS AND RESOLUTIONS—CONTINUED

Messrs. Tennessen, Coleman, Stokowski, Sikorski, Chmielewski and Mrs. Staples introduced—

Senate Resolution No. 32: A Senate resolution relating to Stanislaw Skrowaczewski; extending the gratitude of the people of the state of Minnesota for his contributions to the state.

Referred to the Committee on Rules and Administration.

Mr. Tennessen moved that H. F. No. 738 be taken from the table. The motion prevailed.

Mr. Tennessen moved that H. F. No. 738 be given its second reading. The motion prevailed.

H. F. No. 738 was read the second time.

Mr. Tennessen moved that H. F. No. 738 be laid on the table. The motion prevailed.

Mr. Coleman moved that the Senate do now adjourn until 1:30 o'clock p.m., Monday, May 14, 1979. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate