

FIFTY-FOURTH DAY

St. Paul, Minnesota, Tuesday, May 15, 1979

The Senate met at 1:30 o'clock p.m. and was called to order by the President.

CALL OF THE SENATE

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

Anderson	Frederick	Knaak	Olson	Staples
Benedict	Gearty	Knutson	Penny	Strand
Bernhagen	Gunderson	Laufenburger	Pillsbury	Stumpf
Brataas	Hanson	Luther	Purfeerst	Tennessen
Chenoweth	Hughes	McCutcheon	Rued	Ulland, J.
Chmielewski	Humphrey	Menning	Schmitz	Vega
Davies	Johnson	Merriam	Sieloff	Wegener
Dieterich	Kirchner	Moe	Sikorski	Willet
Dunn	Kleinbaum	Nichols	Spear	

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

Prayer was offered by the Chaplain, Rev. Katherine Austin Mahle.

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. Keefe, J. was excused from the Session of today from 1:30 to 2:30 o'clock

p.m. Mr. Anderson was excused from the Session of today from 2:00 to 4:00 o'clock p.m. Mr. Schmitz was excused from the Session of today at 3:00 o'clock p.m.

INTRODUCTION AND FIRST READING OF SENATE BILLS

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

Mr. Stokowski introduced—

S. F. No. 1572: A bill for an act relating to taxation; assigning administration and enforcement of the Minnesota unfair cigarette sales act to the commissioner of revenue; amending Minnesota Statutes 1978, Section 270.06.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Hughes, Purfeerst and Nelson introduced—

S. F. No. 1573: A bill for an act relating to employment; prohibiting certain cities from establishing residency requirements as a condition of employment.

Referred to the Committee on Local Government.

Mr. Olson introduced—

S. F. No. 1574: A bill for an act relating to motor vehicles; providing for refunds of license fees; amending Minnesota Statutes 1978, Section 168.16.

Referred to the Committee on General Legislation and Administrative Rules.

Messrs. Peterson, Nichols, Strand, Hanson and Dunn introduced—

S. F. No. 1575: A bill for an act relating to state government; establishing and empowering a temporary joint legislative study commission to examine the feasibility of consolidating water management programs into a single agency and abolishing the multiple agencies presently dealing with water management; appropriating money.

Referred to the Committee on Agriculture and Natural Resources.

Mr. Johnson introduced—

S. F. No. 1576: A bill for an act relating to the operation of state government; regulating acquisitions of real property by state agencies and departments; requiring local approval by county boards of commissioners.

Referred to the Committee on Agriculture and Natural Resources.

EXECUTIVE AND OFFICIAL COMMUNICATIONS**May 14, 1979**

The Honorable Edward J. Gearty
President of the Senate

Dear Sir:

I have the honor of informing you that I have received, approved, signed and deposited in the Office of the Secretary of State, S. F. Nos. 807, 935, 1245, 236, 876, and 478.

Sincerely yours,
Albert H. Quie, Governor

May 15, 1979

The Honorable Edward J. Gearty
President of the Senate

Dear Sir:

I have the honor of informing you that I have received, approved, signed and deposited in the Office of the Secretary of State, S. F. Nos. 345, 484 and 444.

Sincerely yours,
Albert H. Quie, Governor

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following Senate Files, herewith returned: S. F. Nos. 988, 1288 and 1310.

Edward A. Burdick, Chief Clerk, House of Representatives
Returned May 14, 1979

Mr. President:

I have the honor to announce the passage by the House of the following Senate Files, herewith returned: S. F. Nos. 334, 623 and 1327.

Edward A. Burdick, Chief Clerk, House of Representatives
Returned May 14, 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. 905: A bill for an act relating to public lands; authorizing the transfer of titles to lands of the state and local units of government; specifying powers and duties of the land exchange board, the commissioner of natural resources, and local units of government in relation to title transfers.

Senate File No. 905 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives
Returned May 14, 1979

CONCURRENCE AND REPASSAGE

Mr. Willet moved that the Senate concur in the amendments by the House to S. F. No. 905 and that the bill be placed on its repassage as amended. The motion prevailed.

S. F. No. 905 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 53 and nays 0, as follows:

Those who voted in the affirmative were:

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

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

MESSAGES FROM THE HOUSE—CONTINUED

Mr. President:

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

S. F. No. 1351: A bill for an act relating to metropolitan government; providing for financing of metropolitan sports facilities; authorizing a revised site determination and establishing conditions for issuance of bonds; providing for appointment of members of the metropolitan sports facilities commission; exempting events sponsored at the metropolitan sports center from the three percent admission tax; appropriating money; amending Minnesota Statutes 1978, Sections 473.553, Subdivisions 2 and 4; 473.581, Subdivisions 2, 3, as amended, 4, as amended, and 5, as amended;

473.595, Subdivision 1; and Chapter 473, by adding sections; repealing Minnesota Statutes 1978, Section 473.568.

Senate File No. 1351 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 14, 1979

Mr. Keefe, S. moved that the Senate do not concur in the amendments by the House to S. F. No. 1351 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. 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. 219: A bill for an act relating to state government; abolishing achievement awards for commissioners and deputy constitutional officers; amending Minnesota Statutes 1978, Sections 15A.081, Subdivision 6; 43.062, Subdivision 3; and 43.067, Subdivision 4; repealing Minnesota Statutes 1978, Section 43.069.

Four members of the House have been appointed to such committee on the part of the House as follows: Reding, Wenzel, Esau and Zubay.

Senate File No. 219 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 14, 1979

Mr. President:

I have the honor to announce the adoption by the House of the following House Concurrent Resolution, herewith transmitted:

House Concurrent Resolution No. 2: A House concurrent resolution urging the Food and Drug Administration and the National Cancer Institute to proceed with scientific testing of laetrile.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 14, 1979

Referred to the Committee on Health, Welfare and Corrections.

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H. F. Nos. 597, 1084 and 1111.

Edward A. Burdick, Chief Clerk, House of Representatives
Transmitted May 14, 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. 1193: A bill for an act relating to housing rehabilitation; permitting members of the city council of a city to serve as commissioners of the housing and redevelopment authority in and for the city; expanding housing rehabilitation loan and grant programs; amending Minnesota Statutes 1978, Sections 462.425, Subdivision 6; 462.445, Subdivision 9.

Senate File No. 1193 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives
Returned May 14, 1979

CONCURRENCE AND REPASSAGE

Mr. Luther moved that the Senate concur in the amendments by the House to S. F. No. 1193 and that the bill be placed on its repassage as amended. The motion prevailed.

S. F. No. 1193: A bill for an act relating to housing rehabilitation; permitting members of the city council of a city to serve as commissioners of the housing and redevelopment authority in and for that city; expanding housing rehabilitation loan and grant programs; amending Minnesota Statutes 1978, Sections 462.425, Subdivision 6; 462.445, Subdivision 9; and 462.581.

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 52 and nays 1, as follows:

Those who voted in the affirmative were:

Aashbach	Dunn	Jensen	Luther	Penny
Benedict	Engler	Johnson	McCutcheon	Pillsbury
Bernhagen	Frederick	Keefe, S.	Menning	Purfeerst
Brataas	Gearty	Kirchner	Merriam	Renneke
Chenoweth	Gunderson	Knaak	Nelson	Rued
Chmielewski	Hanson	Knoll	Nichols	Schaaf
Davies	Hughes	Knutson	Olhoft	Schmitz
Dieterich	Humphrey	Laufenburger	Olson	Setzepfandt

Sieloff
Sikorski
Spear

Staples
Strand
Stumpf

Tennessen
Ueland, A.

Ulland, J.
Vega

Wegener
Willet

Mr. Lessard voted in the negative.

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

MESSAGES FROM THE HOUSE—CONTINUED

Mr. President:

I have the honor to announce that the House 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. 118: A bill for an act relating to crimes; defining the crime of receiving stolen property; amending Minnesota Statutes 1978, Section 609.53, Subdivision 2.

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

Pavlak, Sherwood, Moe and Novak.

Senate File No. 118 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives
Returned May 14, 1979

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. 521: A bill for an act relating to the city of St. Cloud; authorizing sale of liquor at the Municipal Sports Complex.

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

Patton, Pehler, Blatz and Biersdorf.

Senate File No. 521 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives
Returned May 14, 1979

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. 1504: A bill for an act relating to the organization and operation of state government; appropriating money for main-

tenance of various semi-state activities and for other purposes with certain conditions; authorizing basic life insurance and health benefits coverage for employees of semi-state agencies; amending Minnesota Statutes 1978, Sections 43.43, Subdivision 2; 138.01, by adding a subdivision; 139.10, Subdivision 2; 139.17, Subdivision 2; and 139.18, Subdivision 1.

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

Dean; Laidig; Stadum; Sieben, M.; Osthoff and Hokanson.

Senate File No. 1504 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives
Returned May 14, 1979

Mr. President:

I have honor to announce that the House refuses to concur in the Senate amendments to the following House File:

H. F. No. 223: A bill for an act relating to education; providing for aids to education, aids to libraries, tax levies and the distribution of tax revenues; granting certain powers and duties to teachers, school bus drivers, school boards, school districts, educational cooperative service units, the Minnesota educational computing consortium, courts, the commissioner of education, the commissioner of health, the department of education, the state board of education and the state board for vocational education and other state agencies; creating a legislative school finance study commission; changing the method of computing foundation aid and levy limitations; providing aid for sparsely populated school districts, basic skills programs, new jobs programs and programs for gifted and talented students; changing procedures for decisions concerning the education of handicapped children; increasing tuition at area vocational-technical institutes; appropriating money; amending Minnesota Statutes 1978, Sections 3.9271, Subdivision 1, and by adding a subdivision; 3.9272; 16.93; 120.075; 120.17, Subdivisions 3b and 7a; 121.912, by adding a subdivision; 121.92, Subdivision 2; 123.34, Subdivision 8; 123.35, by adding a subdivision; 123.58, Subdivision 6, and by adding a subdivision; 123.702, Subdivision 1, and by adding a subdivision; 123.703, Subdivisions 1 and 3; 123.705; 123.741, Subdivision 1; 123.937; 124.01; 124.11, Subdivision 4; 124.17, Subdivision 1; 124.212, Subdivisions 1, 6c, 7c, 11, 20, and by adding subdivisions; 124.222, Subdivisions 1a, 1b, 2a, 2b and 6; 124.223; 124.245, Subdivisions 1 and 2; 124.26, Subdivision 3; 124.271, Subdivisions 2, 5, and by adding a subdivision; 124.32, Subdivisions 1, 1a, 5, 7 and 10; 124.561, Subdivision 3a; 124.562, Subdivisions 1 and 2; 124.563, Subdivision 1; 124.565, Subdivision 3, 4, and by adding a subdivision; 124.572, Subdivision 2; 124.574, Subdivision 2; 124.646, Subdivision 1; 125.60, Subdivisions 1, 2, 3, 4, and by adding subdivisions; 125.61, Subdivisions 1, 2, 3, 4, and by adding subdivi-

visions; 126.39, Subdivision 10; 126.40, Subdivision 3; 126.41, Subdivision 1; 126.52, Subdivision 10; 126.53, Subdivision 3; 126.54, Subdivision 1; 128A.02, Subdivision 6; 134.30, by adding a subdivision; 134.32, Subdivision 5; 134.33, Subdivision 1; 134.34, Subdivisions 1 and 2; 134.35, Subdivisions 1 and 2; 169.44, Subdivisions 1, 2, and by adding subdivisions; 275.125, Subdivisions 1, 2a, 2b, 8, 11a, and by adding subdivisions; 354.094, Subdivisions 3 and 6; 354.66, Subdivisions 1, 2, 3, 8, and by adding subdivisions; 354A.091, Subdivisions 1, 3, 6, and by adding a subdivision; 354A.22, Subdivisions 1, 2, 3, 8, and by adding subdivisions; 471.61, Subdivision 1b; and Chapters 124, by adding sections; and 134, by adding sections; repealing Minnesota Statutes 1978, Sections 120.171; 124.212, Subdivisions 6b and 7b; 124.241; 126.16; 126.18; 134.33, Subdivision 2; 169.44, Subdivisions 5 and 7; and 275.125, Subdivisions 6 and 7.

Six members of the House have been appointed to a Conference Committee on the part of the House as follows:

Eken; Johnson, C.; McEachern; Knickerbocker; Olsen and Jennings.

House File No. 223 is herewith transmitted to the Senate with the request that the Senate appoint a Conference Committee.

Edward A. Burdick, Chief Clerk, House of Representatives
Transmitted May 14, 1979

Mr. Merriam moved that the Senate accede to the request of the House for a Conference Committee on H. F. No. 223, 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. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to the following House File:

H. F. No. 455: A bill for an act relating to education; providing equal opportunity for members of both sexes to participate in certain athletics; modifying the coverage and terms of the current law providing for equal opportunity in certain athletics; requiring the state board of education to promulgate certain rules and giving it exclusive jurisdiction over certain sex discrimination charges; providing for the rights of certain parties in the case of certain sex discrimination charges; amending Minnesota Statutes 1978, Section 126.21 and 363.02, Subdivision 3.

Four members of the House have been appointed to a Conference Committee on the part of the House as follows:

Johnson, C.; McEachern; Weaver and Olsen.

House File No. 455 is herewith transmitted to the Senate with the request that the Senate appoint a Conference Committee.

Edward A. Burdick, Chief Clerk, House of Representatives
Transmitted May 14, 1979

Mr. Merriam moved that the Senate accede to the request of the House for a Conference Committee on H. F. No. 455, and that a Conference Committee of 5 members 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.

FIRST READING OF HOUSE BILLS

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

H. F. No. 597: A bill for an act relating to the state transportation system; authorizing the issuance and sale of Minnesota state transportation bonds; authorizing the expenditure of the proceeds for grants for construction and reconstruction of certain bridges and for certain preliminary studies; appropriating money; amending Minnesota Statutes 1978, Section 174.50, by adding a subdivision.

Referred to the Committee on Rules and Administration for comparison with S. F. No. 664 now on Special Orders.

H. F. No. 1084: A bill for an act relating to financial reports; requiring the preparation of annual reports on state finances; appropriating money; amending Minnesota Statutes 1978, Sections 16A.055, 16A.50, 16A.55, Subdivision 1; repealing Minnesota Statutes 1978, Section 16A.55, Subdivisions 2 to 9.

Referred to the Committee on Finance.

H. F. No. 1111: A bill for an act relating to pollution; authorizing water pollution control fund grants for certain wastewater treatment projects; providing for use of state and federal funds in certain proportions; authorizing issuance of Minnesota state water pollution control bonds; appropriating money; amending Minnesota Statutes 1978, Section 116.18, Subdivisions 1 and 4.

Referred to the Committee on Rules and Administration for comparison with S. F. No. 1465 now on Special Orders.

REPORTS OF COMMITTEES

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

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

S. F. No. 202: A bill for an act relating to health; providing for several types of life support transportation service; providing for health systems agencies to be involved in the licensing process; providing factors to be used in making licensing recommendations; providing for standards for services; forbidding inquiry as to ability to pay before provision of life support transportation services; requiring rules for nonemergency transportation reimbursement under medical assistance; exempting certain providers; appropriating money; amending Minnesota Statutes 1978, Sections 144.801; 144.802; 144.803; 144.804; 144.805; 144.807, Subdivision 1; 144.808; 144.809 and 144.8091, Subdivision 1.

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

Page 3, line 22, delete "300h" and insert "300k"

Page 9, line 19, before "life" insert "basic"

Page 9, lines 21 to 24, reinstate the stricken language

Page 9, after line 24, insert "or issued by the commissioner pursuant to section 214.13."

Page 9, delete lines 25 to 33

Page 10, delete lines 1 to 8

Page 10, line 14, after "plan" insert "as promulgated in rule"

Pages 15 and 16, delete section 10

Page 16, line 10, delete "11" and insert "10"

Page 16, line 29, delete "valid"

Page 16, line 30, after "license" insert "issued by the department of health"

Page 17, line 2, after "of" insert "section 1 and"

Page 17, line 3, delete "1 to 10" and insert "3 to 11"

Page 17, line 4, delete "13" and insert "12"

Page 17, line 8, delete "11" and insert "10"

Page 17, delete section 15

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 12, 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 re-referred

S. F. No. 405: A bill for an act relating to transportation; establishing a state policy of coordinating public and private programs providing transportation for elderly, handicapped and others with

special transportation needs; establishing an interagency task force on coordination of special transportation programs; authorizing the commissioner of transportation to adopt and enforce operating standards for special transportation services; exempting services that meet standards from other license and permit requirements; directing the establishment of a demonstration project for coordinating special transportation service in the metropolitan area; providing for state assistance for driver training and insurance and establishing accessibility requirements for paratransit projects; authorizing medical assistance reimbursement to qualified public and private nonprofit providers of special transportation service; requiring certain provisions in the medical assistance reimbursement rules of the department of public welfare; amending Minnesota Statutes 1978, Chapter 174, by adding sections; and Sections 174.23, by adding a subdivision; and 256B.04, Subdivision 12.

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

Page 13, after line 8, insert:

"Sec. 7. [TRANSFERS.] The commissioner of transportation may transfer the following amounts from appropriations for paratransit grants to the appropriation for transit administration:

(a) Up to \$25,000 for administrative support for the interagency task force on coordination of special transportation programs; and

(b) Up to \$75,000 for development of operating standards for vehicles providing special transportation service and of procedures for enforcing the standards. Any amount transferred in the first year of the biennium shall not cancel but shall be available until June 30, 1981. This section is effective July 1, 1979."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 22, after the semicolon, insert "permitting transfer of paratransit grant appropriations for certain purposes;"

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

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

H. F. Nos. 1238 and 1037 for comparison with companion Senate Files, reports the following House Files were found identical and recommends the House Files be given their second reading and substituted for their companion Senate Files 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.
1238	1370				
1037	1041				

and that the above Senate Files be indefinitely postponed.

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

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

H. F. No. 877 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.
877	1339				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H. F. No. 877 be amended as follows:

Page 1, line 20, after "Sec. 2." insert "[EFFECTIVE DATE.]"

And when so amended H. F. No. 877 will be identical to S. F. No. 1339, and further recommends that H. F. No. 877 be given its second reading and substituted for S. F. No. 1339, 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.

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

H. F. No. 257 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.
257	977				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H. F. No. 257 be amended as follows:

Strike all the language after the enacting clause of H. F. No. 257 and insert the language after the enacting clause of S. F. No. 977, as amended by the Committee on Taxes and Tax Laws, adopted by the Senate May 11, 1979; further, strike the title of H. F. No. 257 and insert the title of S. F. No. 977, as amended.

And when so amended H. F. No. 257 will be identical to S. F. No. 977, and further recommends that H. F. No. 257 be given its second reading and substituted for S. F. No. 977, 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.

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

H. F. Nos. 277, 1392, 1309, 1206 for comparison with companion Senate Files, reports the following House Files were found not identical with their companion Senate Files 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.
277	519				
1392	1485				
1309	1280				
1206	1427				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H. F. No. 277 be amended as follows:

Page 2, line 31, after "property" insert *"and the planting of any species of tree or shrub"*

Page 4, line 19, after ~~"number"~~ insert a new comma

Page 4, line 20, after "tree" insert a new comma

Page 4, line 27, strike "up to" and before "but" insert a new comma

Page 4, line 28, after "tree" insert a new comma

Page 4, line 33, reinstate "1,000" and delete "4,000"

Page 5, line 1, strike "up to"

Page 5, line 2, after "cost" insert a new comma and after "tree" insert a new comma

Page 5, lines 3 and 4, delete "or 1980"

Page 5, line 4, after the period insert *"The governing body of any municipality which receives a reforestation grant pursuant to this section shall appoint up to seven residents of the municipality or designate an existing municipal board or committee to serve as a reforestation advisory committee to advise the governing body of the municipality in the administration of the reforestation program."*

Page 6, line 22, delete "program" and insert "programs"

Page 6, line 26, delete "program" and insert "programs"

Page 6, line 28, after "reforestation" insert "programs"

And when so amended H. F. No. 277 will be identical to S. F. No. 519, and further recommends that H. F. No. 277 be given its second reading and substituted for S. F. No. 519, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H. F. No. 1392 be amended as follows:

Page 1, line 7, delete "[179.131]" and insert "[179.121]"

Page 1, line 10, after "progress" insert a comma

And when so amended H. F. No. 1392 will be identical to S. F. No. 1485, and further recommends that H. F. No. 1392 be given its second reading and substituted for S. F. No. 1485, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H. F. No. 1309 be amended as follows:

Page 1, delete lines 14 to 18

Page 4, lines 8 and 9, delete "*the home be moved*" and insert "*you move your home*"

Page 4, lines 23 and 24, delete "*the effective date of sections 1 to 8*" and insert "*August 1, 1979*"

Page 5, line 25, after "*noncompliance*" insert a comma

Renumber the sections accordingly

Further, amend the title as follows:

Page 1, lines 3 and 4, delete "regulation of mobile home parks;"

Page 1, line 8, delete "327.20, by adding a subdivision;"

And when so amended H. F. No. 1309 will be identical to S. F. No. 1280, and further recommends that H. F. No. 1309 be given its second reading and substituted for S. F. No. 1280, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H. F. No. 1206 be amended as follows:

Page 1, line 7, delete "energy agency" and insert "department of agriculture"

Page 1, line 8, delete "department of agriculture" and insert "energy agency"

Page 1, line 9, delete "develop guidelines" and insert "adopt temporary rules promulgated pursuant to chapter 15"

Page 1, line 11, delete "Guidelines" and insert "Rules"

Page 1, line 12, after "trees" insert "as firewood"

Page 1, line 13, delete "guidelines" and insert "rules"

Page 1, line 16, delete "operating" and insert "may operate"

Page 1, line 18, delete everything before "pursuant" and insert "which shall include rules adopted"

Page 1, line 19, delete "institute" and insert "and may include"

Page 1, line 21, delete "including but not"

Page 2, line 1, delete "limited to" and insert "removed by"

Further, amend the title as follows:

Page 1, line 3, after "trees" insert "as firewood"

And when so amended H. F. No. 1206 will be identical to S. F. No. 1427, and further recommends that H. F. No. 1206 be given its second reading and substituted for S. F. No. 1427, 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.

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

S. F. No. 1151: A bill for an act relating to retirement; providing for the reimbursement of certain employer contributions; providing determination of service credits; Minneapolis municipal employees retirement fund; increasing the employee contribution rate; appropriating money; amending Minnesota Statutes 1978, Sections 275.51, Subdivision 3d; 422A.08, Subdivision 2; and 422A.10, Subdivision 1; and Chapter 355, by adding a section.

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

Pages 1 to 3, delete sections 1 and 2

Pages 8 and 9, delete section 7

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, delete "providing for the"

Page 1, delete line 3

Page 1, line 7, delete "appropriating money;"

Page 1, line 8, delete "275.51, Subdivision 3d;"

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. 1261: A bill for an act relating to public transit; authorizing the acquisition, betterment, operation and maintenance of a people mover system in St. Paul; authorizing financial participation in its construction and operation by the metropolitan transit commission; providing for assistance by the state; appropriating money; amending Minnesota Statutes 1978, Section 473.446, Subdivision 1; repealing Laws 1977, Chapter 454, Section 45.

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

Page 2, line 29, delete "seven" and insert "nine"

Page 3, line 4, after "council." insert *"Two members of the Ramsey County board of commissioners shall be appointed by the county board."*

Page 3, line 6, delete "seventh" and insert "ninth"

Page 3, line 15, delete everything after the period

Page 3, delete lines 16 to 18

Page 3, line 19, delete "system."

Page 3, line 19, delete "The commission" and insert "Ramsey County"

Page 3, line 21, delete "7" and insert "11"

Page 5, line 18, delete everything after the period

Page 5, delete lines 19 to 21

Page 5, line 27, delete "without federal"

Page 5, line 28, delete everything before the comma and insert *"until the board receives written notice"*

Page 5, line 31, delete "and" and insert *"," that it meets the criteria for acceptance established by the authority that let the construction and equipment purchase contracts with the concurrence of the administration, and that it"*

Page 5, line 33, after the period insert *"The written notice from the administration shall not imply any legal liability for the federal government for construction or operation of the people mover system."*

Page 6, line 2, after "facilities" insert *"," including the seventh place pedestrian mall and public galleria facilities,"*

Page 7, delete Section 7 in its entirety

Page 8, lines 15 and 25, delete "10" and insert "9"

Page 9, lines 5 and 20, delete "10" and insert "9"

Page 9, line 11, after "deficit" insert *"for the calendar year in which service begins,"*

Page 9, line 12, after "(b)" insert a comma

Page 10, lines 9 and 21, delete "10" and insert "9"

Page 13, delete subdivisions 3 and 4 in their entirety

Pages 13 and 14, delete Section 12 in its entirety and insert:

"Sec. 11. Laws 1979, Chapter 46, Section 1, is amended by adding a subdivision to read:

Subd. 6. [PEOPLE MOVER SYSTEM.] Ramsey County may issue certificates of indebtedness, bonds or other obligations in

an amount not exceeding \$9,000,000 for the purpose of acquisition and betterment of the people mover system as determined in section 1. The proceeds of the obligations shall be expended as provided in the joint powers agreement entered into pursuant to section 2. Proceeds of the obligations which are not needed for acquisition and betterment of the people mover system shall be expended to pay the operating deficit of the people mover system pursuant to section 8. No obligations shall be issued under this subdivision until the county board determines that agreements have been executed between the authority that will let the construction contract for the people mover system and the appropriate labor organizations and construction contractor organizations which provide that no labor strike or management lockout will halt, delay or impede construction.

The obligations authorized by this section shall be sold, issued and secured in the manner provided in Minnesota Statutes, Chapter 475, for general obligation bonds. The full faith and credit and taxing powers of Ramsey County, with respect to the commercial and industrial property located therein shall be pledged to the payment of the principal and interest of the bonds. The county board of commissioners shall levy an amount of tax necessary to pay the principal and interest of the bonds upon all parcels of taxable real estate, including buildings and improvements thereon, which are situated in the county and are devoted to a commercial or industrial use. For the purpose of this section, commercial and industrial property includes all real property in class 4 as described in section 273.13, subdivision 9, except real property and buildings and improvements thereon that are used exclusively to provide residential, nontransient housing, and for functionally related and subordinate purposes. The approval of the electors of Ramsey County is not required for the issuance of bonds authorized by this section."

Page 15, after line 7, insert

"Sec. 13. [LIMIT ON CAPITAL EXPENDITURES.] Subdivision 1. [TOTAL EXPENDITURES.] Except as otherwise provided in this subdivision, the sum of all expenditures by the city and the commission, including federal grants and in-kind expenditures, for acquisition, construction and betterment of the people mover system shall not exceed \$90,000,000. This amount may be increased by up to 20 percent if the federal urban mass transportation administration provides 80 percent matching grants for any amount exceeding \$90,000,000 and that all of the non-federal share required to match the federal grants is provided by the city.

Subd. 2. [COMMISSION EXPENDITURES.] The commission shall expend no money for the acquisition, construction or betterment of the people mover system except the proceeds of the bonds authorized in section 11."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 5, delete "and"

Page 1, line 6, delete "operation" and insert "by Ramsey County; establishing a procedure for payment of the operating deficit"

Page 1, line 6, after "commission" insert ", the city of St. Paul and benefited property owners"

Page 1, line 7, after the semicolon insert "authorizing issuance of bonds by Ramsey County and payment from a tax levied on commercial and industrial property in Ramsey County;"

Page 1, line 8, delete "Minnesota Statutes"

Page 1, line 9, delete "1978, Section 473.446, Subdivision 1" and insert "Laws 1979, Chapter 46, Section 1, by adding a subdivision"

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

SECOND READING OF SENATE BILLS

S. F. Nos. 202, 405, 1151 and 1261 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. Nos. 1238, 1037, 877, 257, 277, 1392, 1309 and 1206 were read the second time.

MOTIONS AND RESOLUTIONS

Mr. Peterson moved that the name of Mr. Wegener be stricken as co-author and the name of Mr. Lessard be added as co-author to S. F. No. 1099. The motion prevailed.

Mr. Luther moved that the name of Mr. Sikorski be added as co-author to S. F. No. 1250. The motion prevailed.

Mr. Knutson moved that S. F. No. 801 be taken from the table. The motion prevailed.

CONCURRENCE AND REPASSAGE

Mr. Knutson moved that the Senate concur in the amendments by the House to S. F. No. 801 and that the bill be placed on its repassage as amended.

S. F. No. 801: A bill for an act relating to non-alcoholic beverages; requiring laboratory examination of certain beverages; deleting registration exemption for identified beverages; amending Minnesota Statutes 1978, Section 34.05, Subdivision 1; repealing Minnesota Statutes 1978, Section 34.05, Subdivision 2.

CALL OF THE SENATE

Mr. Luther imposed a call of the Senate for the balance of the proceedings on S. F. No. 801. The following Senators answered to their names:

Bang	Gunderson	Lessard	Pillsbury	Stokowski
Benedict	Hughes	Luther	Purfeerst	Strand
Bernhagen	Humphrey	McCutcheon	Renneke	Stumpf
Brataas	Jensen	Menning	Schaaf	Tennessen
Chenoweth	Johnson	Merriam	Setzepfandt	Ueland, A.
Davies	Keefe, J.	Nelson	Sieloff	Vega
Dieterich	Kirchner	Olhoff	Sikorski	Wegener
Dunn	Kleinbaum	Olson	Sillers	Willet
Engler	Knaak	Penny	Solon	
Frederick	Knoll	Perpich	Spear	
Gearty	Knutson	Peterson	Staples	

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

The question was taken on the motion of Mr. Knutson.

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

The roll was called, and there were yeas 25 and nays 30, as follows:

Those who voted in the affirmative were:

Bang	Gearty	Laufenburger	Pillsbury	Sieloff
Bernhagen	Gunderson	Lessard	Purfeerst	Sillers
Brataas	Jensen	Menning	Renneke	Solon
Dunn	Knaak	Nichols	Rued	Ueland, A.
Engler	Knutson	Olson	Setzepfandt	Wegener

Those who voted in the negative were:

Benedict	Humphrey	Luther	Perpich	Strand
Chenoweth	Johnson	McCutcheon	Peterson	Stumpf
Davies	Keefe, J.	Merriam	Schaaf	Tennessen
Dieterich	Keefe, S.	Nelson	Sikorski	Ulland, J.
Hanson	Kleinbaum	Olhoff	Spear	Vega
Hughes	Knoll	Penny	Staples	Willet

The motion did not prevail.

Mr. Knutson moved that the Senate do not concur in the amendments by the House to S. F. No. 801, 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.

SUSPENSION OF RULES

Mr. Knoll moved that the rules of the Senate be so far suspended as to allow reconsideration of the vote whereby H. F. No. 361 failed to pass the Senate on Friday May 11, 1979.

The question was taken on the adoption of the motion.

The roll was called, and there were yeas 28 and nays 19, as follows:

Those who voted in the affirmative were:

Brataas	Jensen	Nelson	Schaaf	Ueland, A.
Gearty	Keefe, J.	Perpich	Setzepfandt	Ulland, J.
Gunderson	Knoll	Peterson	Sillers	Vega
Hanson	Knutson	Pillsbury	Staples	Willet
Hughes	Laufenburger	Renneke	Stokowski	
Humphrey	Menning	Rued	Strand	

Those who voted in the negative were:

Bernhagen	Keefe, S.	Luther	Purfeerst	Stumpf
Chenoweth	Kleinbaum	McCutcheon	Sieloff	Tennessen
Davies	Knaak	Merriam	Sikorski	Wegener
Dieterich	Lessard	Olhoft	Spear	

The motion did not prevail.

Pursuant to Rule 21, Mr. Kleinbaum moved that the following members be excused at 3:30 o'clock p.m. for a Conference Committee on S. F. No. 1504:

Messrs. Kleinbaum, Menning, Moe, Ashbach and Pillsbury. The motion prevailed.

Pursuant to Rule 10, Mr. Hanson, for 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. 123: A bill for an act relating to crimes; prohibiting solicitation or inducement concerning prostitution, promoting the prostitution of a person, receiving profit derived from prostitution, engaging in prostitution, and patronizing a prostitute; limiting defenses to prosecution; establishing rules of evidence; establishing immunity from prosecution for certain testimony; providing penalties; amending Minnesota Statutes 1978, Sections 626.556, Subdivision 2; and 626A.05, Subdivision 2; repealing Minnesota Statutes 1978, Section 609.32.

Mr. Sikorski moved to amend H. F. No. 123, the unofficial engrossment, as follows:

Page 2, line 4, delete "*a position in*" and insert "*the circumstances under*"

Page 3, line 1, after "*if*" insert "*the acts can reasonably be construed as being*"

Page 3, line 1, after "*satisfying*" insert "*the actor's*"

Page 3, line 12, delete "*this*" and insert "*the*"

Page 3, line 12, after "*purpose*" insert "*of satisfying sexual impulses*"

Page 4, line 1, after "*The*" insert "*actor knows that the*"

Page 4, line 3, before "*A*" insert "*The actor knows that*"

Page 4, line 21, after "*The*" insert "*actor knows that the*"

Page 4, line 24, before "*An*" insert "*The actor knows that*"

The motion prevailed. So the amendment was adopted.

Mr. Sieloff moved to amend H. F. No. 123, the unofficial engrossment, as follows:

Page 7, line 7, delete "*Subdivision 1.*"

Page 7, delete lines 10 to 15

The motion prevailed. So the amendment was adopted.

H. F. No. 123 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:

Bang	Gunderson	Laufenburger	Purfeerst	Strand
Bernhagen	Hanson	Lessard	Rued	Stumpf
Chenoweth	Hughes	Luther	Schaaf	Tennessen
Chmielewski	Humphrey	McCutcheon	Setzepfandt	Ueland, A.
Coleman	Jensen	Merriam	Sieloff	Ulland, J.
Davies	Johnson	Nelson	Sikorski	Vega
Dieterich	Keefe, J.	Olhoft	Sillers	Wegener
Dunn	Keefe, S.	Olson	Solon	Willet
Engler	Kirchner	Penny	Spear	
Frederick	Knaak	Perpich	Staples	
Gearty	Knoll	Peterson	Stokowski	

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

SPECIAL ORDER

H. F. No. 1062: A bill for an act relating to the city of Windom; authorizing the purchase of annuity contracts for retiring firefighters.

Mr. Olson moved to amend H. F. No. 1062, as follows:

Page 1, line 17, delete "This act" and insert "Section 1"

Page 1, line 17, after "effective" insert "in the city of Windom in Cottonwood county"

Page 1, after line 19, insert:

"Sec. 3. All actions and proceedings taken by the city of Heron Lake, in Jackson County, Minnesota, precedent to the issuance of general obligation bonds of the city in an amount not to exceed \$60,000, which bonds were authorized by the voters of the city at an election held on November 7, 1978 for the purpose of providing funds for the improvement of the Heron Lake Municipal Hospital, are legalized and validated, and the bonds when issued shall be valid and binding general obligations of the city, and shall not be included for the purpose of any computation of net debt of the city. This section is effective the day after final enactment."

Delete the title and insert:

"A bill for an act relating to local government; authorizing the purchase of annuity contracts for retiring Windom firefighters; legalizing proceedings precedent to the issuance of certain Heron

Lake general obligation bonds and excluding them from the net debt computation."

The motion prevailed. So the amendment was adopted.

Mr. Olson then moved to amend H. F. No. 1062 as follows:

Page 1, line 10, delete "funds" and insert "the amount of the accrued"

Page 1, line 11, delete "available for the payment of a" and after "pension" insert "otherwise payable"

Page 1, line 11, after "to" insert "a retiring firefighter to"

The motion prevailed. So the amendment was adopted.

H. F. No. 1062 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:

Benedict	Gunderson	Knoll	Peterson	Staples
Bernhagen	Hanson	Laufenburger	Purfeerst	Stokowski
Chenoweth	Hughes	Lessard	Rued	Strand
Chmielewski	Humphrey	Luther	Schaaf	Stumpf
Coleman	Jensen	McCutcheon	Setzepfandt	Tennessen
Dieterich	Johnson	Nelson	Sieloff	Ueland, A.
Dunn	Keefe, J.	Olhoft	Sikorski	Ulland, J.
Engler	Keefe, S.	Olson	Sillers	Vega
Frederick	Kirchner	Penny	Solon	Willet
Gearty	Knaak	Perpich	Spear	

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

SPECIAL ORDER

H. F. No. 1353: A bill for an act relating to motor vehicles; establishing fees for motorized bicycle operator permits; excepting motorized bicycles from seat belt requirements; amending Minnesota Statutes 1978, Sections 169.223, Subdivision 1; 169.685, Subdivision 1; and 171.02, 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 48 and nays 2, as follows:

Those who voted in the affirmative were:

Benedict	Gearty	Knutson	Peterson	Staples
Bernhagen	Gunderson	Laufenburger	Purfeerst	Stokowski
Chenoweth	Hanson	Lessard	Rued	Strand
Chmielewski	Hughes	Luther	Schaaf	Stumpf
Coleman	Humphrey	McCutcheon	Setzepfandt	Tennessen
Davies	Jensen	Nelson	Sieloff	Ueland, A.
Dieterich	Johnson	Olhoft	Sikorski	Vega
Dunn	Kirchner	Olson	Sillers	Willet
Engler	Knaak	Penny	Solon	
Frederick	Knoll	Perpich	Spear	

Messrs. Keefe, J. and Ulland, J. voted in the negative.

So the bill passed and its title was agreed to.

SPECIAL ORDER

H. F. No. 546: A bill for an act relating to insurance; prohibiting discrimination in the sale of automobile insurance solely on the basis of a disability; amending Minnesota Statutes 1978, Section 65B.13; repealing Minnesota Statutes 1978, Section 65B.131.

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 45 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Gearty	Knoll	Peterson	Staples
Benedict	Gunderson	Knutson	Purfeerst	Stokowski
Bernhagen	Hanson	Laufenburger	Rued	Strand
Chenoweth	Hughes	Luther	Schaaf	Stumpf
Chmielewski	Humphrey	McCutcheon	Setzepfandt	Tennessen
Coleman	Johnson	Nelson	Sieloff	Ueland, A.
Dieterich	Keefe, J.	Olhoff	Sikorski	Ulland, J.
Engler	Kirchner	Penny	Solon	Vega
Frederick	Knaak	Perpich	Spear	Willet

So the bill passed and its title was agreed to.

SPECIAL ORDER

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.

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 1, as follows:

Those who voted in the affirmative were:

Anderson	Gearty	Lessard	Schaaf	Strand
Benedict	Hughes	Luther	Setzepfandt	Stumpf
Bernhagen	Humphrey	McCutcheon	Sieloff	Tennessen
Chenoweth	Johnson	Nelson	Sikorski	Ueland, A.
Chmielewski	Keefe, J.	Olhoff	Sillers	Ulland, J.
Dieterich	Kirchner	Perpich	Solon	Vega
Dunn	Knaak	Peterson	Spear	Willet
Engler	Knutson	Renneke	Staples	
Frederick	Laufenburger	Rued	Stokowski	

Mr. Merriam voted in the negative.

So the bill passed and its title was agreed to.

SPECIAL ORDER

S. F. No. 471: A bill for an act relating to taxation; providing that joint tenants shall apportion property tax refund claims; amending Minnesota Statutes 1978, Sections 290A.03, Subdivisions 8 and 13; and 290A.05.

Mr. Tennesen moved to amend S. F. No. 471 as follows:

Page 2, line 17, delete *"who are related by blood or by marriage"*

The motion prevailed. So the amendment was adopted.

S. F. No. 471 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 40 and nays 14, as follows:

Those who voted in the affirmative were:

Anderson	Hanson	Knaak	Perpich	Staples
Benedict	Hughes	Knoll	Renneke	Stokowski
Chenoweth	Humphrey	Knutson	Schaaf	Stumpf
Davies	Jensen	Laufenburger	Sieloff	Tennesen
Dieterich	Johnson	Luther	Sikorski	Ueland, A.
Engler	Keefe, J.	Merriam	Sillers	Ulland, J.
Frederick	Keefe, S.	Nelson	Solon	Vega
Gunderson	Kirchner	Nichols	Spear	Wegener

Those who voted in the negative were:

Bernhagen	Gearty	Olhoft	Purfeerst	Strand
Chmielewski	Lessard	Penny	Rued	Willet
Coleman	McCutcheon	Peterson	Setzepfandt	

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

SPECIAL ORDER

S. F. No. 337: A bill for an act relating to taxation; providing for allocation of items of income to the state; restricting the deduction of net operating losses incurred in connection with out-of-state sources; providing a deduction for trust and estate income from out-of-state sources; amending Minnesota Statutes 1978, Sections 290.01, Subdivision 20; 290.095, Subdivision 4; 290.17, Subdivision 1; and 290.23, by adding a subdivision.

Mr. Merriam moved to amend S. F. No. 337 as follows:

Page 13, line 8, delete *"Section 3 is"* and insert *"Sections 1 and 4 are"*

Page 13, line 9, delete the language after the period

Page 13, line 10, delete *"act"* and insert *"Section 3"*

The motion prevailed. So the amendment was adopted.

Mr. Sieloff moved to amend S. F. No. 337 as follows:

Page 11, lines 13 to 16, reinstate the stricken language

Page 11, line 16, after "income" insert ", and, with respect to individuals, estates and trusts, no deduction shall be allowed for or with respect to losses"

The motion prevailed. So the amendment was adopted.

S. F. No. 337 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	Gunderson	Lessard	Purfeerst	Stokowski
Bernhagen	Hanson	Luther	Renneke	Strand
Chenoweth	Hughes	McCutcheon	Rued	Stumpf
Coleman	Humphrey	Merriam	Schaaf	Tennessen
Davies	Jensen	Nelson	Setzepfandt	Ueland, A.
Dieterich	Johnson	Nichols	Sieloff	Ulland, J.
Dunn	Kirchner	Olhoff	Sikorski	Vega
Engler	Knaak	Penny	Sillers	Wegener
Frederick	Knoll	Perpich	Solon	Willett
Gearty	Laufenburger	Peterson	Staples	

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

SPECIAL ORDER

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.

Mr. Davies moved to amend H. F. No. 907, as amended pursuant to Rule 49, adopted by the Senate May 14, 1979, as follows:

(The text of the amended House File is identical to S. F. No. 959.)

Page 3, after line 33, insert:

"Sec. 6. [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. 907 was then progressed.

SPECIAL ORDER

H. F. No. 747: A bill for an act relating to retirement; miscellaneous amendments to the public employees retirement law; amending Minnesota Statutes 1978, Sections 353.01, Subdivisions 2b, 10, 16, and 27; 353.017, Subdivision 2; 353.03, Subdivision 3; 353.29, Subdivisions 2 and 8; 353.31, Subdivision 1; 353.32, Subdivisions 1, 3, and 9; 353.33, Subdivision 1; 353.34, Subdivision 3; 353.35; 353.64, Subdivision 1; 353.65, Subdivision 2; 353.656, Subdivision 2; 353.71, Subdivision 5.

Mr. Stokowski moved to amend H. F. No. 747, 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. 809.)

Page 4, line 15, after "21" insert a period

Page 4, delete lines 16 to 26

Page 7, line 22, strike " , whichever is later"

Page 16, line 19, after "firefighter" insert a comma

Page 17, line 14, delete "unless the" and insert a period

Page 17, delete lines 15 to 20

Page 18, line 9, delete "without" and insert " , who actually receives annual compensation from hourly wage payments for service as a firefighter in an amount which does not exceed \$3,000 and who is annually stipulated by the employing municipality or independent nonprofit firefighting corporation in advance on a form prescribed by the executive director as not being eligible during the year for annual compensation from hourly wage payments for service as a firefighter in excess of \$3,000."

Page 18, delete lines 10 to 27

Page 19, line 27, after "356.41" insert "applies"

The motion prevailed. So the amendment was adopted.

Mr. Sillers moved to amend H. F. No. 747, 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. 809.)

Page 21, after line 4, insert:

"Sec. 27. Laws 1967, Chapter 775, Section 2, is amended to read:

Sec. 2. [MEMBER'S CONTRIBUTIONS.] Each member of the Association shall pay into the retirement funds of the Association during his term of covered employment, for retirement, disability and survivor benefits, a contribution of 6 *eight* percent of his total salary. The contributions shall be deducted from his salary by the City of Moorhead, transmitted to the Association, and deposited to the credit of the proper fund thereof. For the purposes of this section, covered employment shall be ~~30~~ 35 years, so that no member shall be required to make contributions to the Association for any term of employment in excess of ~~30~~ 35 years.

Sec. 28. Laws 1967, Chapter 775, is amended by adding a section to read:

Sec. 3a. [RETIREMENT ANNUITY UPON SEPARATION FROM PUBLIC SERVICE.] *Upon separation from public service, any member of the association who has attained the age of at least 55 years and who has received credit for not less than ten years of allowable service is entitled upon application to a retirement annuity. The annuity shall be determined by multiplying the average of the highest salary earned as a police officer upon which employee contributions were paid for any five successive years of allowable service by two and one-half percent per year of allowable service for the first 20 years of service and two percent per year of allowable service thereafter, to a maximum of 35 years.*

Sec. 29. Laws 1967, Chapter 775, Section 4, is amended to read:

Sec. 4. [DEFERRED ANNUITY.] A member of the Association may elect to withdraw from membership upon termination of his employment as a ~~policesman~~ *police officer*. In case of withdrawal from membership the Association shall refund the member's contributions *plus interest thereon at the rate of three percent compounded annually*, except that on the request of a withdrawing member with ~~4~~ *four* or more years of membership credit *who was employed prior to July 1, 1979, or a member with ten or more years of membership credit who was employed on or after July 1, 1979*, the Association shall, in lieu of a refund, issue to him a deferred pension certificate providing for pension payments to commence at the time he would be entitled to receive a retirement pension if he had continued his membership in the Association.

The amount of the monthly payments under the deferred pension certificate shall be the proportion of the monthly pension to which he would be entitled if he had the necessary minimum age and minimum years of service for retirement at the time of withdrawal, as his actual years of service at the time of withdrawal bear to the minimum years of service required for retirement. The monthly annuity payments shall commence upon the date the withdrawing member would have first been entitled to a retirement annuity had he continued his employment.

In the case of the death before commencement of payment to a holder of a deferred pension certificate, his contributions on

which the certificate was based shall be paid to his surviving spouse, if living, otherwise to his designated beneficiary, if any, otherwise to his heirs. *The surviving spouse or a person appointed by the court to act for any minor children may elect to take a retirement annuity based on a regular survivor's benefit on the proportion of the monthly pension to which the person would have been entitled under the deferred pension certificate on the date of death.*

Sec. 30. Laws 1967, Chapter 775, Section 5, is amended to read:

Sec. 5. [DISABILITY BENEFIT.] Should a member of the Association become totally and permanently disabled from performing his duties as a police officer for the City of Moorhead, he shall be paid a disability benefit for the term of his life in accordance with the following schedule:

0 to 10 years of membership, \$75 per month

10 to 11- $\frac{1}{2}$ years of membership, 11/20 of his retirement annuity

11- $\frac{1}{2}$ to 12- $\frac{1}{2}$ years of membership, 12/20 of his retirement annuity

12- $\frac{1}{2}$ to 13- $\frac{1}{2}$ years of membership, 13/20 of his retirement annuity

13- $\frac{1}{2}$ to 14- $\frac{1}{2}$ years of membership, 14/20 of his retirement annuity

14- $\frac{1}{2}$ to 15- $\frac{1}{2}$ years of membership, 15/20 of his retirement annuity

15- $\frac{1}{2}$ to 16- $\frac{1}{2}$ years of membership, 16/20 of his retirement annuity

16- $\frac{1}{2}$ to 17- $\frac{1}{2}$ years of membership, 17/20 of his retirement annuity

17- $\frac{1}{2}$ to 18- $\frac{1}{2}$ years of membership, 18/20 of his retirement annuity

18- $\frac{1}{2}$ to 19- $\frac{1}{2}$ years of membership, 19/20 of his retirement annuity

19- $\frac{1}{2}$ to 20 years or more of membership, his retirement annuity equal to the annuity which he would have received under section 2 of this act if he had retired with 20 years of service on the date he became disabled and was on that date at least 55 years of age. If he has not been employed by the police department of the City of Moorhead for five years, the average salary for the years during which he was employed shall be used in computing the benefit to which he is entitled.

Determination of disability shall be made by a physician designated by the council, at Association expense. Should either the council or the member not be satisfied with the decision of the physician engaged by the council, the matter shall be referred to a board of three physicians, one selected by the council, one selected

by the member, and the third to be selected by the two physicians so selected. In default of the two physicians so selected to agree upon a third, the third shall be appointed within one month by the chief judge of the judicial district in which the City of Moorhead is located. The decision of the board of physicians shall be final. The costs of the panel of physicians shall be paid by the city. Their determination, however, shall not be construed to prevent the member from bringing action against the Association to recover disability benefits.

Disability benefits shall commence 90 days after the date of the disability except that where the member is receiving salary continuation under *injury on duty provisions*, annual or sick leave provisions of his employment with the City of Moorhead, the disability benefits shall commence on the date the *injury on duty* or annual or sick leave terminates, not to commence, however, less than 90 days from the date of disability. Disability payments hereunder shall be reduced by the amount, if any, which a member receives by way of ~~Workmen's~~ *workers'* compensation benefits.

Sec. 31. Laws 1967, Chapter 775, Section 6, is amended to read:

Sec. 6. [SURVIVOR BENEFIT.] Upon the death of a member before retirement or upon the death of a member who was disabled and receiving disability benefits at the time of his death or upon the death of a retired member, ~~his~~ *the* surviving dependent spouse and dependent children under the age of 18 shall receive the monthly benefit provided below:

(a) Surviving dependent spouse, ~~\$75 per month or 50 percent of the earned retirement at 30 percent of the member's average salary during the most recent six months of employment prior to the date of death.~~

(b) Each dependent child, ~~\$20 per month ten percent of the member's average monthly salary during the most recent six months of employment prior to the date of death.~~

The payment to a surviving dependent spouse shall terminate upon her remarriage. The payment to a surviving dependent child may continue to the age of 22, provided the surviving dependent child is a full-time student. *Total survivor benefits to the dependent spouse and all the dependent children of any one deceased member shall not exceed the sum of \$100 \$450 per month. Payments for the benefit of a dependent child shall be made to the surviving parent or, if none, to the legal guardian of the child.*

Sec. 32. Laws 1967, Chapter 775, Section 7, is amended to read:

Sec. 7. [NO ESCALATION.] No benefits payable hereunder shall be altered by reason of change in salary or other benefits paid to active members of the Association. Any member who has retired prior to the effective date of this act *July 1, 1979*, upon either his a retirement annuity or his disability annuity, shall continue to receive the same monthly benefit which he was receiving on the effective date of this act *a 20 percent increase in said annuity commencing July 1, 1979*. Any survivor who was receiv-

ing or was entitled to receive benefits on the effective date of this act July 1, 1979 shall continue to receive the same benefits he was receiving or entitled to receive on the effective date of this act a 20 percent increase in said benefits commencing July 1, 1979.

Sec. 33. Laws 1967, Chapter 775, Section 3, is repealed.

Sec. 34. Laws 1955, Chapter 75, Section 10, Subdivision 3, as added by Laws 1969, Chapter 138, Section 1, is amended to read:

Subd. 3. Each member of the association who is a regular, full time ~~fireman~~ *firefighter* shall pay into the retirement funds of the association during his term of covered employment, for retirement, disability, and survivor benefits, a contribution of ~~six~~ *eight* percent of his salary. The contributions shall be deducted from his salary by the city of Moorhead, transmitted to the association, and deposited to the credit of the proper fund thereof. The contributions of a member who is a volunteer ~~fireman~~ *firefighter* shall be in an amount prescribed by the bylaws and shall be paid to the treasurer of the association, who shall place the same in a special fund to the credit of the individual ~~fireman~~ *firefighter*. No member shall be required to make contributions to the association for any term of service in excess of ~~30~~ *35* years.

Sec. 35. Laws 1955, Chapter 75, Section 14, Subdivision 2, as added by Laws 1965, Chapter 190, Section 1, renumbered and amended by Laws 1969, Chapter 138, Section 1, and amended by Laws 1975, Chapter 120, Section 1, is amended to read:

Subd. 2. [MOORHEAD, CITY OF; FIREFIGHTERS' RELIEF FUNDS AND PENSIONS.] The funds of the association shall be invested in securities that are designated by Minnesota Statutes, Section 11.16, as legal investments for funds of the state employees retirement association. The investment of such funds shall be subject to all the restrictions provided in Minnesota Statutes, Section 11.16, except that the percentage of the funds which may be invested in common and preferred stocks in any year is not restricted, and up to ~~\$20,000~~ *\$10,000* may be invested in the stock of any one corporation. The advice of a trust company concerning investments shall be given with the exercise of that degree of judgment and care, under circumstances then prevailing, which men of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation but for investment, considering the probable safety of their capital as well as the probable income to be derived. The trust company shall have the duty to advise the association relative to the sale, conveyance, and exchange of such securities, and investment and reinvestment of funds, when it deems it desirable to do so. The trust company shall sell securities upon request of the association, when the association determines that funds are needed for the ~~firemen's~~ *firefighter's* relief association.

Sec. 36. Laws 1955, Chapter 75, Section 16, as amended by Laws 1965, Chapter 190, Section 1, and renumbered and amended

by Laws 1969, Chapter 138, Section 1, and Laws 1975, Chapter 120, Section 2, is amended to read:

Sec. 13. The amounts paid to the relief association by the state and city, including deductions from firemen's *firefighters'* salaries together with the earnings on the special fund, and set aside as the "association special fund" shall be appropriated and disbursed only for:

(a) the payment of survivors' benefits to widows and orphans of members of the association,

(b) the payment of disability or service pensions to members of the association,

(c) the payment of premiums on the official bonds of officers of the association,

(d) the payment of salaries to the officers of the association but not to exceed \$500 \$2,000 per year in total of all salaries,

(e) necessary administrative expenses including, but not limited to, actuarial, auditing, trustee's fees, and legal expenses.

(f) the payment of dues to the Minnesota volunteer firemen's *firefighters'* benefit association.

Sec. 37. Laws 1955, Chapter 75, Section 14, Subdivision 1, as added by Laws 1969, Chapter 138, Section 1, and amended by Laws 1975, Chapter 120, Section 3, is amended to read:

Sec. 14. Subdivision 1. [RETIREMENT BENEFIT; FULL TIME FIREFIGHTERS.] The basic retirement benefit for a full time fireman *firefighter* shall be 50 percent of the average salary of the fireman during the last ten years of employment. For all years of employment prior to the calendar year 1967, the average salary for such employment shall be the salary paid to said fireman during the calendar year 1967. A fireman who has been a member of the relief association for not less than 20 years shall be eligible to retire at the conclusion of 20 years of employment as a full time fireman, or at the conclusion of a period or periods with the fire department as a regular full time fireman equal to ten years and a combined record of active service with the fire department as a regular full time fireman and volunteer fireman equal to 20 years; if he was on January 1, 1965, a member of the association. For every year of service in excess of 20 years, the retirement benefit shall increase by one-half of one percent of the average salary for the last ten years of employment, said total retirement benefit not to exceed, however, 55 percent of the average salary for the last ten years of employment *firefighter* based on the average salary of the highest five successive years of service. A firefighter shall be eligible to retire at the conclusion of 20 or more years of service as a full time firefighter; or at the conclusion of a period or periods of service with the fire department as a full time firefighter and a volunteer firefighter totaling 20 or more years, provided at least ten years of such service are as a full time firefighter, if he was a member of the association on January 1, 1965.

Retirement shall be based on 2-1/2 percent per year of average salary for 20 years of service and two percent per year thereafter, to a maximum of 35 years. The minimum age at which retirement benefits may be drawn is the age of 55 years, except that a member with 18 years of service on July 1, 1967, may draw retirement benefits at the age of 50 years.

Sec. 38. Laws 1955, Chapter 75, Section 14, Subdivision 2, as added by Laws 1969, Chapter 138, Section 1, is amended to read:

Subd. 2. [RETIREMENT BENEFIT; VOLUNTEER FIRE-FIGHTERS.] A member of said association, who has completed a period or periods of service within the fire department as a volunteer ~~fireman~~ *firefighter* equal to 20 years or more; or a member of said association who is not eligible for the maximum service pension, but who has served as a volunteer ~~fireman~~ *firefighter* and as a regular full time ~~fireman~~ *firefighter*, the combined record of service with the fire department as a regular full time ~~fireman~~ *firefighter* and as a volunteer ~~fireman~~ *firefighter* being equal to 20 years, shall after he has arrived at the age of 60 years and has retired from the payroll of the fire department, be entitled to receive a service pension of \$40 \$48 per month.

Sec. 39. Laws 1955, Chapter 75, Section 14, Subdivision 4, as added by Laws 1969, Chapter 138, Section 1, is amended to read:

Subd. 4. [DEFERRED ANNUITY.] A member of the association may elect to withdraw from membership upon termination of his employment as a full time or volunteer ~~fireman~~ *firefighter*. In case of withdrawal from membership the association shall refund the member's contributions, *plus interest thereon at the rate of three percent compounded annually*, except that on the request of a withdrawing member with four or more years of membership credit, the association shall, in lieu of a refund, issue to him a deferred pension certificate providing for pension payments to commence at the time he would be entitled to receive a retirement pension if he had continued his membership in the association. *A member first becoming such after July 1, 1979 shall not acquire a vested interest in a deferred pension until completion of ten years of service.*

The amount of the monthly payments under the deferred pension certificate shall be the proportion of the monthly pension to which he would be entitled if he had the necessary minimum age and minimum years of service for retirement at the time of withdrawal, as his actual years of service at the time of withdrawal bear to the minimum years of service required for retirement. The monthly annuity payments shall commence upon the date the withdrawing member would have first been entitled to a retirement annuity had he continued his employment.

In the case of the death before commencement of payments to a holder of a deferred pension certificate, his contributions on which the certificate was based shall be paid to his surviving spouse, if living, otherwise to his designated beneficiary, if any, otherwise to his heirs. *The surviving spouse or a person appointed by the*

court to act for any minor children may elect to take a retirement annuity based on a regular survivor's benefit on the proportion of the monthly pension to which the person would have been entitled under the deferred pension certificate on the date of death.

Sec. 40. Laws 1955, Chapter 75, Section 14, Subdivision 5, as added by Laws 1969, Chapter 138, Section 1, is amended to read:

Subd. 5. [DISABILITY BENEFIT.] If a member of the association who is a full time ~~fireman~~ firefighter becomes totally and permanently disabled from ~~performing~~ being able to perform his duties as a ~~fireman~~ firefighter he shall be paid a disability benefit for the term of his disability equal to the retirement benefit which he would have received under subdivision 1 if he had retired with 20 years of service on the date he becomes disabled and were on that date at least 55 years of age. If he has not then been employed by the fire department for ~~ten~~ five years, the average salary for the years during which he was employed shall be used in computing the benefit to which he is entitled. If a member of the association who is a volunteer ~~fireman~~ firefighter becomes totally and permanently disabled from performing his duties as a ~~fireman~~ firefighter he shall be paid a disability benefit for the term of his disability in such amount, not to exceed \$150 per month, as the bylaws of the association may prescribe.

Determination of disability shall be made by a physician designated by the Moorhead city council, at association expense. Should either the council or the member not be satisfied with the decision of the physician engaged by the council, the matter shall be referred to a board of three physicians, one selected by the council, one selected by the member, and the third to be selected by the two physicians so selected. In default of the two physicians so selected to agree upon a third, the third shall be appointed within one month by the chief judge of the judicial district in which the city of Moorhead is located. The decision of the board of physicians shall be final. The costs of the panel of physicians shall be paid by the city. Their determination, however, shall not be construed to prevent the member from bringing action against the association to recover disability benefits.

Disability benefits shall commence 90 days after the date of the disability except that where the member is receiving salary continuation under *injury on duty*, annual or sick leave provisions of his employment with the city of Moorhead, the disability benefits shall commence on the date the *injury on duty*, annual or sick leave terminates, not to commence, however, less than 90 days from the date of disability. Disability payments hereunder shall be reduced by the amount, if any, which a member receives by way of ~~work-~~men's workers' compensation benefits.

Sec. 41. Laws 1955, Chapter 75, Section 14, Subdivision 6, as added by Laws 1969, Chapter 138, Section 1, and as amended by Laws 1975, Chapter 120, Section 4, is amended to read:

Subd. 6. [SURVIVOR BENEFIT.] Upon the death of a member before retirement or upon the death of a member who was

disabled and receiving disability benefits at the time of his death or upon the death of a retired member, his surviving dependent spouse and dependent children under the age of 18 shall receive the monthly benefit provided below:

(a) If the member was a full time ~~fireman~~ *firefighter* prior to his death, disability, or retirement, the surviving dependent spouse shall receive 30 percent of the member's average monthly salary for the six months prior to his death, disability or retirement, and each dependent child shall receive ten percent of the member's average monthly salary for the six months prior to his death, disability or retirement.

(b) If the member was a volunteer ~~fireman~~ *firefighter* prior to his death, disability, or retirement, the surviving dependent spouse shall receive \$40 per month and each dependent child shall receive such amount not less than \$15 per month as the board of trustees of the association may prescribe.

The payment to a surviving dependent spouse shall terminate upon her remarriage. The payment to a surviving dependent child may continue to the age of 22, provided the surviving dependent child is a full time student. The total amount of survivor benefits to all the dependent children and the dependent spouse of any one deceased member shall not exceed the sum of ~~\$400~~ *\$450* per month. Payments for the benefit of a dependent child shall be made to the surviving parent, or if there be none, to the legal guardian of the child.

No allowance for disability shall be made unless notice of such disability and application on account thereof shall be made on behalf of the disabled member to the secretary of the association within 30 days after the beginning of such disability.

Sec. 42. Laws 1955, Chapter 75, Section 14, as added by Laws 1969, Chapter 138, Section 1, is amended by adding a subdivision to read:

Subd. 7. [ESCALATION PROHIBITED.] No benefits payable pursuant to this section shall be altered by reason of change in salary or other benefits paid to active members of the association. Any member who is retired prior to July 1, 1979 upon either a retirement annuity or disability annuity, shall receive a 20 percent increase in said annuity commencing July 1, 1979. Any survivor who was receiving or was entitled to receive benefits on July 1, 1979, shall receive a 20 percent increase in said benefits commencing July 1, 1979.

Sec. 43. Laws 1955, Chapter 75, Section 19, as amended by Laws 1965, Chapter 190, Section 1, renumbered and amended by Laws 1969, Chapter 138, Section 1, is amended to read:

Sec. 16. If a member, subsequent to his entry into the service of such fire department, has served in the military forces of the United States during any war or emergency or entered the employment of the government of the United States and in such service rendered fire prevention service during any war or emergency

and has returned after his honorable discharge from such service and resumed active duty in said fire department, the period of his absence in such service of the United States shall not be deducted in computing the period of service for the purpose of any benefit under Laws 1955, Chapter 75, as amended, but shall be construed and counted as a part and portion of his active duty in said fire department, provided that credit allowed for such service shall not exceed a total of five years. Any such member, who was a full time regular ~~fireman~~ *firefighter* at the time of his entry into government service, who seeks credit for such military service shall, upon his return to employment in the department, pay into the association's special fund for each year of military service, prior to January 1, 1965, three percent of his last full year's salary paid by the city; and for each year of such service subsequent to January 1, 1965, six percent of such salary ; and for each year of service *subsequent to July 1, 1979, eight percent of such salary* . If such member be a volunteer member of the fire department at the time of his entry into government service, he shall pay into the association's special fund the sum prescribed in the bylaws.

Sec. 44. Sections 27 to 43 are effective upon approval by the Moorhead city council and upon compliance with Minnesota Statutes, Section 645.021. Changes in benefits and contributions shall be effective July 1, 1979."

Renumber the remaining section

Amend the title as follows:

Page 1, line 3, after "law;" insert "contributions and benefits of the Moorhead police and firefighters' relief associations;"

Page 1, line 11, before the period, insert " ; Laws 1967, Chapter 775, Sections 2; 4; 5; 6; and 7; and by adding a section; Laws 1955, Chapter 75, Sections 10, Subdivision 3; 14, Subdivisions 1, 2, 4, 5, 6, and by adding a Subdivision; 16; and 19, as added, amended or renumbered; repealing Laws 1967, Chapter 775, Section 3"

The motion prevailed. So the amendment was adopted.

Mr. Davies moved to amend H. F. No. 747, 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. 809.)

Page 21, after line 4, insert:

"Sec. 27. [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. 747 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 54 and nays 0, as follows:

Those who voted in the affirmative were:

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

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

SPECIAL ORDER

H. F. No. 970: A bill for an act relating to unemployment compensation; limiting benefits paid to certain owners and relatives of certain businesses; amending Minnesota Statutes 1978, Section 268.07, Subdivision 3.

Mr. Pillsbury moved that the amendment made to H. F. No. 970 by the Committee on Rules and Administration in the report adopted May 14, 1979, pursuant to Rule 49, be stricken. The motion prevailed. So the amendment was stricken.

H. F. No. 970 was then progressed.

SPECIAL ORDER

H. F. No. 218: A bill for an act relating to public utilities; removing cooperative telephone associations from the rate jurisdiction of the public service commission; granting associations an option as to rate regulation; amending Minnesota Statutes 1978, Section 237.06.

Mr. Schaaf moved to amend the amendment placed on H. F. No. 218 by the Committee on Commerce, adopted by the Senate May 9, 1979, as follows:

Before Section 1, insert:

"Section 1. Minnesota Statutes 1978, Chapter 216B, is amended by adding a section to read:

[216B.075] [PRE-AUTHORIZED DRAFTS.] *A public utility serving 25,000 or more customers shall make available, to any customer desiring to utilize it, a system of pre-authorized drafts*

upon the account of the customer at a bank or other financial institution for payment of periodic utility bills."

Before Sec. 4, insert:

"Sec. 5. Minnesota Statutes 1978, Chapter 237, is amended by adding a section to read:

[237.48] [PRE-AUTHORIZED DRAFTS.] *A telephone company serving 25,000 or more customers shall make available, to any customer desiring to utilize it, a system of pre-authorized drafts upon the account of the customer at a bank or other financial institution for payment of periodic utility bills."*

Section 4, after "[EFFECTIVE DATE.]" delete "This act is" and insert "Sections 1 and 5 are effective March 1, 1980. The remaining sections are"

Section 4, after "enactment." delete "This act is" and insert "Sections 2 to 4 are"

Renumber the sections in sequence

Amend the title amendment as follows:

In the title amendment, after "relating to" delete "telephone companies;" and insert "public utilities; requiring certain gas and electric and telephone utilities to make the use of pre-authorized drafts available to customers;" and before "Sections" insert "Chapters 216B, by adding a section; and 237, by adding a section;"

Mr. Bernhagen questioned whether the amendment was germane.

The Chair ruled that the amendment was not germane.

H. F. No. 218 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 8, as follows:

Those who voted in the affirmative were:

Anderson	Frederick	Laufenburger	Peterson	Staples
Bang	Gearly	Lessard	Purfeerst	Stokowski
Benedict	Gunderson	Luther	Renneke	Strand
Bernhagen	Hanson	Menning	Rued	Tennessen
Brataas	Hughes	Moe	Schaaf	Ueland, A.
Chenoweth	Humphrey	Nichols	Setzepfandt	Ulland, J.
Chmielewski	Jensen	Ogdahl	Sieloff	Vega
Davies	Kleinbaum	Olhoft	Sikorski	Wegener
Dunn	Knoll	Olson	Sillers	Willet
Engler	Knutson	Penny	Solon	

Those who voted in the negative were:

Dieterich	Keefe, J.	Merriam	Spear	Stumpf
Johnson	Keefe, S.	Perpich		

So the bill passed and its title was agreed to.

SPECIAL ORDER

H. F. No. 515: A bill for an act relating to motor vehicles; defining the gross weight of a wrecker for the purposes of registration and taxation; amending Minnesota Statutes 1978, Sections 168.011, Subdivision 16; and 168.013, 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 53 and nays 1, as follows:

Those who voted in the affirmative were:

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

Mr. Davies voted in the negative.

So the bill passed and its title was agreed to.

Pursuant to Rule 21, Mr. Moe moved that the following members be excused from 6:00 to 8:00 o'clock p.m., for a Conference Committee on H. F. No. 1518:

Messrs. Moe, Perpich, Spear, Kirchner and Solon. The motion prevailed.

Pursuant to Rule 21, Mr. Moe moved that the following members be excused at 8:00 o'clock p.m. for a Conference Committee on H. F. No. 1526:

Messrs. Moe, Tennessen, Stumpf, Ogdahl and Renneke. The motion prevailed.

SPECIAL ORDER

H. F. No. 521: A bill for an act relating to domestic abuse; authorizing judicial intervention to provide protection from domestic abuse; prescribing penalties.

Mr. Sikorski moved to amend H. F. No. 521, as amended by the Committee on Judiciary, adopted by the Senate May 10, 1979, as follows:

Page 3, line 4, delete "on the other"

Page 3, line 7, after "(c)" insert "On the same basis as is provided in chapter 518,"

Page 3, line 9, after "(d)" insert "On the same basis as is provided in chapter 518,"

Page 3, line 14, delete "the petitioner" and insert "a family or household member"

Page 3, line 21, delete "to the petitioner"

Page 3, line 26, delete "on the other"

The motion prevailed. So the amendment was adopted.

Mr. Sieloff moved to amend H. F. No. 521, as amended by the Committee on Judiciary, adopted by the Senate May 10, 1979, as follows:

Page 2, line 3, after the period, insert "In a jurisdiction which utilizes referees in dissolution actions, the court or judge may refer actions under this section to a referee to take and report the evidence therein in the same manner and subject to the same limitations as is provided in section 518.13."

The motion prevailed. So the amendment was adopted.

CALL OF THE SENATE

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

Anderson	Frederick	Lessard	Purfeerst	Stumpf
Bang	Gearty	Luther	Renneke	Tennessen
Benedict	Gunderson	Menning	Rued	Ueland, A.
Bernhagen	Hanson	Merriam	Schaaf	Ulland, J.
Chenoweth	Hughes	Moe	Setzepfandt	Vega
Chmielewski	Humphrey	Nelson	Sieloff	Wegener
Coleman	Jensen	Nichols	Sikorski	Willet
Davies	Keefe, S.	Olhoft	Sillers	
Dieterich	Knaak	Penny	Staples	
Dunn	Knoll	Peterson	Stokowski	
Engler	Knutson	Pillsbury	Strand	

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

H. F. No. 521 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 2, as follows:

Those who voted in the affirmative were:

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

Messrs. Chmielewski and Rued voted in the negative.

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

The question recurred on H. F. No. 970.

RECONSIDERATION

Mr. Pillsbury moved that the vote whereby the Rule 49 amendment to H. F. No. 970 was stricken, on May 15, 1979, be now reconsidered. The motion prevailed. So the vote was reconsidered. The Rule 49 amendment remains on H. F. No. 970.

H. F. No. 970: A bill for an act relating to unemployment compensation; limiting benefits paid to certain owners and relatives of certain businesses; amending Minnesota Statutes 1978, Section 268.07, 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 50 and nays 4, as follows:

Those who voted in the affirmative were:

Anderson	Engler	Knaak	Olhoft	Sillers
Ashbach	Frederick	Knoll	Penny	Staples
Bang	Gearty	Knutson	Peterson	Stokowski
Benedict	Gunderson	Lessard	Pillsbury	Strand
Bernhagen	Hanson	Luther	Purfeerst	Stumpf
Brataas	Hughes	McCutcheon	Rued	Tennessen
Chenoweth	Humphrey	Menning	Schaaf	Ueland, A.
Davies	Jensen	Merriam	Setzepfandt	Ulland, J.
Dieterich	Keefe, J.	Nelson	Sieloff	Wegener
Dunn	Kleinbaum	Nichols	Sikorski	Willet

Messrs. Chmielewski; Johnson; Keefe, S. and Vega voted in the negative.

So the bill passed and its title was agreed to.

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

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to the following House File:

H. F. No. 1495: A bill for an act relating to taxation; providing for an ad valorem tax on railroads in lieu of the gross earnings tax; repealing limited market value; changing homestead base value; decreasing classification ratios on certain property; establishing a new category for certain residential non-homestead property; increasing homestead credit percentages and maximum amounts; increasing agricultural aid credit; extending 3cc classification to qualifying mobile homeowners; extending 3cc classification to the surviving spouse of certain deceased veterans, blind and disabled persons; changing income

sources and requirements for owners of 3cc property; allowing homestead owned by joint tenant to qualify for 3cc classification; providing for deferred assessment of value added by historical preservation; providing an exclusion of \$12,000 for pension income; excluding pensions of nonresidents from gross income; expanding the taxable net income brackets for individuals, estates and trusts; increasing personal, dependent, special credits and credits for certain low income taxpayers; providing for inflation adjustment to income tax and property tax refund brackets and credits; providing residential energy credit; allowing use of lump sum distribution tax computation for certain severance pay; altering the definition of gross income for income tax purposes for individuals, trusts and estates; placing restrictions on certain deductions; making certain changes in the minimum tax and in the treatment of small business corporations; allowing a ten year carryback of products liability losses; allowing adjustments to basis; allowing deductions for employer contributions to simplified employee plans; excluding from income certain payments to members of the armed services; increasing the maximum income tax credit for political contributions; providing an income tax deduction for certain political contributions; conforming individual deductions for business expenses, taxes, disaster losses, medical expenses and charitable contributions to federal deductions; removing certain limitations on the dependent care credit; standardizing the personal, dependent and special credits; increasing the standard deduction; updating the definition of income for property tax refund purposes; expanding inheritance and gift tax exemptions and credits; establishing a presumption of contribution by a spouse in property held jointly with the decedent; adjusting homestead exemption for inheritance tax purposes; providing a tax credit for feedlot and pollution control equipment; providing an income tax credit to a Minnesota resident for income taxes paid to a province or territory of Canada; reducing the income tax rate applicable to corporations; clarifying the purposes for which an additional property tax levy by governmental subdivisions is authorized; authorizing an additional property tax levy by governmental subdivisions in certain cases; providing for the calculation of tax levy limitations for governmental subdivisions; clarifying the taxable status of Title II property owned by a non-profit entity; providing that the commissioner of revenue shall administer and enforce the Minnesota unfair cigarette sales act; reducing the sales tax on newsprint and ink; excluding certain feminine hygiene products from the sales tax; exempting from the sales tax the furnishing of water and sewer services for residential use; providing for municipal regulation of subdivisions; providing penalties; appropriating money; amending Minnesota Statutes 1978, Sections 270.06; 272.02, Subdivision 1; 273.11; 273.122; 273.13, Subdivisions 4, 6, 6a, 7, 14a and 19; 273.132; 273.17, Subdivision 1; 275.11, Subdivision 2; 275.50, Subdivisions 5 and 6; 275.51, by adding a subdivision; 275.52, Subdivisions 2 and 5; 290.01, Subdivision 20; 290.032, by adding a subdivision; 290.06, Subdivisions 1, 2c, 3c, 3d, 9, 9a, 11, and by adding subdivisions; 290.067, Subdivisions 1 and 2; 290.081; 290.09, Subdivisions 2, 4, 5, 10, 15, 28, and

by adding a subdivision; 290.091; 290.095, by adding a subdivision; 290.14; 290.17, Subdivision 2; 290.21, Subdivision 3; 290.26, Subdivision 2; 290.971, Subdivisions 1, 3 and 6; 290.972, Subdivisions 1, 3, and 5; 290A.03, Subdivisions 3, 11 and 13; 290A.04, Subdivisions 2, 2a, 2b, 3, and by adding a subdivision; 291.01, Subdivision 4; 291.05; 291.065; 292.04; 292.07, Subdivisions 1, 5, and by adding a subdivision; 295.02; 297A.01, Subdivision 3; 297A.14; 297A.25, Subdivision 1; 462.358, by adding subdivisions; 462.36, Subdivision 1; Chapters 270, by adding sections; 272, by adding a section; 273, by adding a section; and 298, by adding a section; repealing Minnesota Statutes 1978, Sections 275.51, Subdivision 3d; 290.06, Subdivisions 3e and 12; 290.21, Subdivision 3a; 290.971, Subdivision 5; 295.01, Subdivisions 2 and 3; 295.02; 295.03; 295.04; 295.05; 295.12; 295.13; 295.14; and 462.352, Subdivision 4.

Six members of the House have been appointed to a Conference Committee on the part of the House as follows:

Sieben, H.; Anderson, I.; Tomlinson; Kvam; Searles and Dempsey.

House File No. 1495 is herewith transmitted to the Senate with the request that the Senate appoint a Conference Committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 15, 1979

Mr. McCutcheon moved that the Senate accede to the request of the House for a Conference Committee on H. F. No. 1495, 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.

The question recurred on H. F. No. 907.

SPECIAL ORDER

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.

Mr. Sikorski moved to amend H. F. No. 907, as amended pursuant to Rule 49, adopted by the Senate May 14, 1979, as follows:

(The text of the amended House File is identical to S. F. No. 959.)

Page 3, after line 33, insert:

"Sec. 7. Minnesota Statutes 1978, Section 43.051, Subdivision 3, is amended to read:

Subd. 3. Notwithstanding the provisions of subdivision 1, any employee of the state of Minnesota in a covered classification as defined in *section 352.91, who is a member of the special retirement program for correctional personnel defined in chapter 352 established pursuant to sections 352.90 to 352.95, must shall retire from such employment in the covered classification correctional position upon having reached or upon reaching the mandatory retirement age as of the effective dates established herein:*

Effective Date	Mandatory Retirement Age
July 1, 1974	65
January 1, 1975	62
July 1, 1975	59
January 1, 1976	57
July 1, 1976	55

55 years, unless the person applies for and receives from the commissioner of corrections, or the commissioner of public welfare if the appointing authority is the Minnesota security hospital an extension beyond the conditional mandatory retirement age.

A covered correctional employee may be employed beyond the mandatory retirement age for a period not to extend beyond July 1, 1980, but in no event not beyond the age of 62, subject to an annual medical examination and the written approval of the commissioner of corrections, whose decision shall be final 65 years. A correctional employee desiring employment beyond mandatory retirement age shall be examined at his own expense and the results and findings of the medical examination shall be transmitted to the commissioner of corrections prior to the date the employee would otherwise have to retire pursuant to this subdivision. , prior to the date of reaching the conditional mandatory retirement age, and annually thereafter, request in writing to the person's appointing authority that he be authorized to continue in employment. Upon receiving the request, the appointing authority shall have a medical examination made of the employee. The results of the medical examination, together with the determination and certification of the appointing authority as to the mental and physical ability of the employee to continue to fulfill the duties of his employment for the following year, shall be transmitted to the commissioner of corrections or the commissioner of public welfare if the appointing authority is the Minnesota security hospital. If the determination of the appointing authority relating to an employee is adverse, the disposition of the matter shall be decided by the commissioner of corrections or of public welfare, whichever is applicable, based on the information provided to him. The decision of the applicable commissioner shall be made in writing and shall be final."

Page 4, line 3, before "This" insert "Section 7 shall be effective May 1, 1979. The balance of"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 7, after "fund" insert "certain requirements for correctional employees;"

Page 1, line 8, after "Sections" insert "43.051, Subdivision 3;"

The motion prevailed. So the amendment was adopted.

Mr. Sillers moved to amend H. F. No. 907, as amended pursuant to Rule 49, adopted by the Senate May 14, 1979, as follows:

(The text of the amended House File is identical to S. F. No. 959.)

Page 3, after line 33, insert:

"Sec. 8. Minnesota Statutes 1978, Chapter 490, is amended by adding a section to read:

[490.133] [COVERAGE BY MORE THAN ONE RETIREMENT SYSTEM OR ASSOCIATION.] *Subdivision 1. [ELIGIBILITY.] Any judge who has been an employee covered by the Minnesota state retirement system, or a member of the public employees retirement association including the public employees retirement association police and fire fund, or the teachers retirement association, or the highway patrol retirement association, or a contributing employee covered by the Minneapolis municipal employees retirement fund, or a member of any other public employee retirement system in the state of Minnesota having a like provision, but excluding all other funds providing retirement benefits for police officers and fire fighters, shall be entitled when qualified to an annuity from each fund if the person's total allowable service for which he has credit in all funds or in any two of these funds totals ten or more years, provided no portion of the allowable service upon which the retirement annuity from one fund is based is again used in the computation for benefits from another fund. The annuity from each fund shall be determined by the appropriate provisions of the law governing each fund except that the requirement that a person shall have at least ten years of allowable service in the respective system or association shall not apply for the purposes of this section, provided that the aggregate service in two or more of these funds equals ten or more years.*

Subd. 2. [REFUND REPAYMENT.] Any judge who has received a refund from any public employee retirement system referred to in subdivision 1 may repay that refund with interest at the applicable rate to the retirement system from which it was taken. Any former judge who has received a refund from the judges' retirement fund pursuant to section 490.124, subdivision 12 and who is a member of any public employee retirement system referred to in subdivision 1 may repay the refund with interest at the applicable rate to the judges' retirement fund as provided in section 490.124, subdivision 12."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 7, after "fund;" insert "providing for retirement coverage for a judge with service in more than one pension fund; providing for repayment of refunds;"

Page 1, line 9, delete "and"

Page 1, line 10, after "8;" insert "and Chapter 490, by adding a section;"

The motion prevailed. So the amendment was adopted.

H. F. No. 907 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 0, as follows:

Those who voted in the affirmative were:

Anderson	Engler	Kleinbaum	Olson	Sillers
Ashbach	Frederick	Knaak	Penny	Staples
Bang	Gearty	Knoll	Peterson	Stokowski
Benedict	Gunderson	Knutson	Pillsbury	Strand
Bernhagen	Hanson	Lessard	Purfeerst	Stumpf
Brataas	Hughes	Luther	Rued	Tennessen
Chmielewski	Humphrey	Menning	Schaaf	Ueland, A.
Davies	Jensen	Merriam	Setzepfandt	Vega
Dieterich	Johnson	Nichols	Sieloff	Wegener
Dunn	Keefe, J.	Olhoft	Sikorski	Willet

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

SPECIAL ORDER

H. F. No. 317: A bill for an act relating to highway traffic regulations; passing a stopped school bus displaying stop arm signals; providing remedies; prescribing penalties; amending Minnesota Statutes 1978, Section 169.44, 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 42 and nays 4, as follows:

Those who voted in the affirmative were:

Anderson	Engler	Knaak	Penny	Strand
Ashbach	Gearty	Knoll	Peterson	Tennessen
Bang	Gunderson	Knutson	Pillsbury	Ulland, J.
Benedict	Hughes	Lessard	Purfeerst	Vega
Bernhagen	Humphrey	Luther	Rued	Wegener
Brataas	Johnson	Menning	Schaaf	Willet
Chmielewski	Keefe, J.	Nichols	Setzepfandt	
Dieterich	Keefe, S.	Olhoft	Sikorski	
Dunn	Kleinbaum	Olson	Stokowski	

Messrs. Davies, Merriam, Sieloff and Ueland, A. voted in the negative.

So the bill passed and its title was agreed to.

SPECIAL ORDER

H. F. No. 797: A bill for an act relating to juveniles; juvenile traffic offenders; requiring prosecution of juveniles who commit minor traffic offenses under laws controlling adult offenders; amending Minnesota Statutes 1978, Sections 260.111, Subdivision 1; 260.115, Subdivision 1; 260.121, Subdivision 3; and 260.193.

Mr. Anderson moved to amend H. F. No. 797 as follows:

Page 3, line 8, delete "a"

Page 3, delete lines 9 to 10 and insert "an offense punishable only by fine of not more than \$100."

The motion prevailed. So the amendment was adopted.

H. F. No. 797 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 28 and nays 18, as follows:

Those who voted in the affirmative were:

Bang	Gunderson	Merriam	Rued	Strand
Davies	Hanson	Nichols	SchAAF	Tennessen
Dieterich	Hughes	Olson	Setzeptandt	Ulland, J.
Engler	Jensen	Penny	Sieloff	Vega
Frederick	Lessard	Purfeerst	Sikorski	
Gerty	Luther	Renneke	Stokowski	

Those who voted in the negative were:

Anderson	Chmielewski	Keefe, J.	Olhoft	Ueland, A.
Benedict	Dunn	Knaak	Peterson	Willet
Bernhagen	Humphrey	Knutson	Pillsbury	
Brataas	Johnson	Menning	Staples	

So the bill, as amended, failed to pass.

SPECIAL ORDER

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.

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:

Bang	Dieterich	Humphrey	Luther	Olson
Benedict	Engler	Jensen	McCutcheon	Penny
Bernhagen	Frederick	Johnson	Menning	Peterson
Chenoweth	Gerty	Keefe, J.	Merriam	Pillsbury
Chmielewski	Gunderson	Knaak	Nelson	Purfeerst
Coleman	Hanson	Knutson	Nichols	Renneke
Davies	Hughes	Lessard	Olhoft	Rued

Schaaf
Setzepfandt
Sieloff

Sikorski
Staples
Stokowski

Strand
Stumpf

Tennessen
Ueland, A.

Ulland, J.

So the bill passed and its title was agreed to.

RECESS

Mr. Coleman moved that the Senate do now recess subject to the call of the President. The motion prevailed.

After a brief recess, the President called the Senate to order.

MEMBERS EXCUSED

Messrs. Laufenburger and Ogdahl were excused from the Session of today at 5:45 o'clock p.m. Messrs. Keefe, S. and Sillers were excused from this evening's Session at 6:30 o'clock p.m. Mr. Knoll was excused from this evening's Session at 6:40 o'clock p.m. Messrs. McCutcheon and Tennessen were excused from this evening's Session at 7:00 o'clock p.m. Mr. Bang was excused from this evening's Session at 7:20 o'clock p.m.

SPECIAL ORDER

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.

Mr. Sieloff moved to amend H. F. No. 643, the unofficial engrossment, as follows:

Page 25, line 27, after the period, insert "*A modification which increases support or maintenance shall not be made retroactive if the obligor has substantially complied with the previous order.*"

The motion prevailed. So the amendment was adopted.

Mr. Davies moved to amend H. F. No. 643, the unofficial engrossment, as follows:

Page 10, line 21, delete "*temporary*" and after "*hearing*" insert "*for a temporary order*"

Page 11, line 13, delete "*and restraining orders*"

Page 18, lines 17 and 18, delete "*whose name was changed by the marriage*"

The motion prevailed. So the amendment was adopted.

Mr. Chmielewski moved to amend H. F. No. 643, the unofficial engrossment, as follows:

Page 1, line 30, delete "*before*" and insert "*within the six month period following the time when*"

The question was taken on the adoption of amendment.

The roll was called, and there were yeas 12 and nays 35, as follows:

Those who voted in the affirmative were:

Bernhagen	Knutson	Olhoff	Renneke	Strand
Chmielewski	Lessard	Penny	Rued	Willet
Kleinbaum	Menning			

Those who voted in the negative were:

Anderson	Dieterich	Hughes	Merriam	Sieloff
Ashbach	Dunn	Humphrey	Nelson	Sikorski
Benedict	Engler	Jensen	Nichols	Staples
Brataas	Frederick	Johnson	Pillsbury	Stokowski
Chenoweth	Gearity	Keefe, J.	Purfeerst	Stumpf
Coleman	Gunderson	Knaak	Schaaf	Ueland, A.
Davies	Hanson	Luther	Setzepfandt	Ulland, J.

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

Mr. Sieloff moved to amend H. F. No. 643, the unofficial engrossment, as follows:

Page 3, line 10, after "SEPARATION" insert "; GROUNDS; UNCONTESTED LEGAL SEPARATION"

Page 21, after line 7, insert:

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

518.552 [MAINTENANCE.] Subdivision 1. In a proceeding for dissolution of marriage or legal separation, or in a proceeding for maintenance following dissolution of the marriage by a court which lacked personal jurisdiction over the absent spouse and which has since acquired jurisdiction, the court may grant a maintenance order for either spouse if it finds that the spouse seeking maintenance:

(a) Lacks sufficient property, including marital property apportioned to him, to provide for his reasonable needs, especially during a period of training or education, and

(b) Is unable to *adequately* support himself *after considering all relevant circumstances* through appropriate employment or is the custodian of a child whose condition or circumstances make it appropriate that the custodian not be required to seek employment outside the home.

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."*

Page 21, delete lines 8 to 33

Page 22, delete line 1

Page 25, line 24, after "support" insert "or maintenance"

Amend the title as follows:

Page 1, line 19, delete ", Subdivision 2"

Mr. Davies requested division of the amendment as follows:

First portion:

Page 25, line 24, after "support" insert "or maintenance"

Second portion:

Page 3, line 10, after "SEPARATION" insert "; GROUNDS; UNCONTESTED LEGAL SEPARATION"

Page 21, after line 7, insert:

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

518.552 [MAINTENANCE.] Subdivision 1. In a proceeding for dissolution of marriage or legal separation, or in a proceeding for maintenance following dissolution of the marriage by a court which lacked personal jurisdiction over the absent spouse and which has since acquired jurisdiction, the court may grant a maintenance order for either spouse if it finds that the spouse seeking maintenance:

(a) Lacks sufficient property, including marital property apportioned to him, to provide for his reasonable needs, especially during a period of training or education, and

(b) Is unable to *adequately* support himself *after considering all relevant circumstances* through appropriate employment or is the custodian of a child whose condition or circumstances make it appropriate that the custodian not be required to seek employment outside the home.

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."*

Page 21, delete lines 8 to 33

Page 22, delete line 1

Amend the title as follows:

Page 1, line 19, delete " , Subdivision 2"

The question was taken on the first portion of the amendment. The motion prevailed. So the first portion of the amendment was adopted.

The question was taken on the second portion of the amendment.

The roll was called, and there were yeas 26 and nays 21, as follows:

Those who voted in the affirmative were:

Anderson	Engler	Knutson	Renneke	Ulland, J.
Ashbach	Frederick	Menning	Rued	Wegener
Bernhagen	Gearty	Merriam	Sieloff	
Brataas	Hughes	Penny	Sikorski	
Chmielewski	Keefe, J.	Pillsbury	Staples	
Dunn	Knaak	Purfeerst	Ueland, A.	

Those who voted in the negative were:

Benedict	Gunderson	Nelson	Schaaf	Willet
Chenoweth	Humphrey	Nichols	Setzepfandt	
Coleman	Kleinbaum	Olhoff	Strand	
Davies	Lessard	Olson	Stumpf	
Pieterich	Luther	Peterson	Vega	

The motion prevailed. So the second portion of the amendment was adopted.

H. F. No. 643 was then progressed.

Without objection, the Senate reverted to the Order of Business of Messages from the House, Reports of Committees, Second Reading of Senate Bills and Second Reading of House Bills.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to the following House File:

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.

Four members of the House have been appointed to a Conference Committee on the part of the House as follows:

Wieser, Den Ouden, Prael and Begich.

House File No. 60 is herewith transmitted to the Senate with the request that the Senate appoint a Conference Committee.

Edward A. Burdick, Chief Clerk, House of Representatives
Transmitted May 15, 1979

Mr. Purfeerst moved that the Senate accede to the request of the House for a Conference Committee on H. F. No. 60, 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. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to the following House File:

H. F. No. 248: A bill for an act relating to banks and banking; authorizing state banks to lease personal property under certain conditions; amending Minnesota Statutes 1978, Section 48.152.

Four members of the House have been appointed to a Conference Committee on the part of the House as follows:

Wieser, Sviggum, Brinkman and Wenzel.

House File No. 248 is herewith transmitted to the Senate with the request that the Senate appoint a Conference Committee.

Edward A. Burdick, Chief Clerk, House of Representatives
Transmitted May 15, 1979

Mr. Sikorski moved that the Senate accede to the request of the House for a Conference Committee on H. F. No. 248, 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.

Pursuant to Rule 21, Mr. Johnson moved that the following members be excused at 7:30 o'clock p.m. for a Conference Committee on H. F. No. 1495:

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

REPORTS OF COMMITTEES

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

APPOINTMENTS

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

S. F. No. 856: Mrs. Staples, Messrs. Keefe, J. and Nelson.

S. F. No. 1351: Messrs. Keefe, S.; Setzepfandt; Nichols; Nelson and Mrs. Brataas.

H. F. No. 772: Messrs. Penny, Peterson and Frederick.

H. F. No. 261: Messrs. Humphrey, Anderson, Ogdahl, Knoll and Chenoweth.

S. F. No. 450: Messrs. Sieloff, Dieterich and Mrs. Knaak.

H. F. No. 223: Messrs. Merriam, Anderson, Dunn, Hughes and Dieterich.

H. F. No. 455: Mr. Merriam, Mmes. Knaak, Staples, Brataas, and Mr. Peterson.

H. F. No. 1495: Messrs. McCutcheon, Johnson, Hanson, Stokowski, and Sillers.

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

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

S. F. No. 129: A bill for an act relating to reapportionment of the legislature and congressional districts; proposing an amendment to the Minnesota Constitution, Article IV, Sections 2, 3 and 4 to provide for establishment of the boundaries of congressional and legislative districts by a commission, removing the requirement that all senators be elected at the first general election following an apportionment and limiting the power of the legislature to change the number of senators and representatives; implementing the proposed amendment by providing by law for the duties, powers and operation of the commission; and repealing Minnesota Statutes 1978, Sections 2.041 to 2.712 and 2.731 to 2.811.

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. 917: A bill for an act relating to workers' compensation; changing certain insurance rate making procedures; increasing the membership of the workers' compensation court of appeals; directing certain studies; providing for certain schedules and lists; increasing certain staff; relocating workers' compensation court of appeals; changing availability amounts for certain benefits; changing rehabilitation procedures; changing certain presumptions; changing basis for attorneys' fees; changing notice provisions; establishing a reopened case fund; appropriating money; amending Minnesota Statutes 1978, Sections 79.01, by adding subdivisions; 79.095; 79.10; 79.21; 79.22, by adding a subdivision; 175.006, Subdivision 1; 175.08; 176.011, Subdivisions 9 and 15; 176.021, Subdivision 3; 176.061, Subdivision 5; 176.081, Subdivision 5; 176.101, Subdivisions 1, 3 and 4; 176.111, Subdivision 1; 176.131, Subdivisions 3, 10 and by adding a subdivision; 176.135, by adding a subdivision; 176.141; 176.155, Subdivision 2; 176.179; 176.191; 176.231, Subdivisions 1 and 2; 176.235, Subdivision 1; 176.271; 176.391, Subdivision 2; 176.521, Subdivision 1; Chapters 79, by adding sections; and 176, by adding a section; repealing Minnesota Statutes 1978, Sections 79.05; 79.06; 79.07; 175.092; and 176.101, Subdivision 7.

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

Page 1, after line 31, insert:

"Section 1. Minnesota Statutes 1978, Section 79.01, Subdivision 2, is amended to read:

Subd. 2. [INSURER.] The word "insurer" means any insurance carrier authorized by license issued by the commissioner of insurance to transact the business of workers' compensation insurance in this state *and includes the Minnesota voluntary group self insurance association established by section 60.*"

Page 2, line 32, delete "*which*" and insert "*that*"

Page 3, line 5, after "*rates*" insert a comma

- Page 3, line 9, delete "*In the event*" and insert "*If*"
- Page 3, line 10, after the comma insert "*he shall notify*"
- Page 3, line 10, delete "*shall be*"
- Page 3, line 11, delete "*notified*"
- Page 3, line 13, delete "*with*" and insert "*on*"
- Page 3, line 14, delete "*respect to*"
- Page 3, line 17, delete "*, provided that*" and insert a period
- Page 3, line 18, delete "*and*" and insert a period
- Page 3, line 22, delete "*matter*" and insert "*matters,*"
- Page 3, line 28, delete "*as*" and insert "*made by*"
- Page 3, line 29, delete "*shall make*"
- Page 4, line 2, delete "*; provided that*" and insert a period
- Page 4, line 7, delete "*In the event that*" and insert "*If*"
- Page 4, line 10, delete "*shall*"
- Page 4, line 10, delete "*a*" and insert "*the*"
- Page 4, line 11, delete "*is authorized to*" and insert "*may*"
- Page 4, line 12, delete "*as*"
- Page 4, line 19, delete "*is authorized to*" and insert "*may*"
- Page 4, line 27, delete "*of this act*"
- Page 4, line 27, delete "*2*" and insert "*3*"
- Page 4, line 32, delete "*Any*" and insert "*An*"
- Page 5, line 6, delete "*which shall be*" and insert "*that are*"
- Page 5, line 7, delete "*shall be*" and insert "*is*"
- Page 5, line 8, delete "*2*" and insert "*3*"
- Page 5, lines 8 and 23, delete "*of this act*"
- Page 5, line 16, after "*after*" insert "*a*"
- Page 5, line 17, delete "*which*" and insert "*that*"
- Page 5, line 23, delete "*2 and 3*" and insert "*3 and 4*"
- Page 5, line 25, delete "*any*" and insert "*an*"
- Page 5, line 27, delete "*shall*" and insert "*is*" and delete "*be*"
- Page 5, line 27, delete "*such*" and insert "*judicial*"
- Page 5, line 30, after the comma insert "*the order under review and*"
- Page 5, line 32, delete "*shall be deemed to be*" and insert "*is*"
- Page 6, line 13, delete "*shall*" and insert "*are*" and delete "*be*"

Page 6, line 14, delete "*deemed to be*"

Page 6, line 24, delete "*such*" and insert "*the*"

Page 6, line 26, delete "*basis*" and insert "*bases*"

Page 6, line 33, delete "*which*" and insert "*that*"

Page 7, line 8, delete "*shall be*" and insert "*is*"

Page 7, line 9, delete "*shall*" and insert "*is*" and delete "*be*"

Page 7, line 11, delete "*2*" and insert "*3*"

Page 7, line 11, delete "*of*"

Page 7, line 12, before "*or*" delete "*this act*"

Page 7, line 12, delete "*3*" and insert "*4*"

Page 7, line 12, after "*3*" delete "*of this act*"

Page 7, line 25, delete "*2 or 3*" and insert "*3 or 4*"

Page 7, line 25, delete "*of this act*"

Page 7, line 25, delete "*shall be*" and insert "*apply*"

Page 7, line 26, delete "*applicable*"

Page 7, line 28, delete "*shall be*" and insert "*apply*"

Page 7, line 29, delete "*applied*"

Page 7, line 33, delete "*Shall be*" and insert "*Is*"

Page 8, lines 2 and 4, delete "*2 and 3*" and insert "*3 and 4*"

Page 8, lines 2 and 4, delete "*of this act*"

Page 9, lines 6, 25 and 33, delete "*which*" and insert "*that*"

Page 9, after line 21, insert:

"Sec. 11. Minnesota Statutes 1978, Chapter 79, is amended by adding a section to read:

[79.171] [INFORMATION.] *In addition to other information that the commissioner requests pursuant to section 3, the rating association shall: (a) separate the incurred but not reported losses of its members; (b) separate paid and outstanding losses of its members; (c) provide information indicating cases in which its members have established a reserve in excess of \$50,000; and (d) provide information on the income on invested reserves of its members.*

The commissioner shall consider this information in an appropriate manner in adopting a schedule of rates and shall decline to grant a hearing pursuant to section 3 if the association fails to provide the information."

Page 10, line 12, delete "*29*" and insert "*42*"

Page 10, line 12, delete "*of this act*"

Page 10, after line 20, insert:

"Sec. 15. Minnesota Statutes 1978, Section 79.25, is amended to read:

79.25 [BUREAU TO FIX PREMIUM RATES.] *Subdivision 1.* When any ~~such~~ rejected risk is called to its attention and it ~~appearing~~ *appears* that the risk is in good faith entitled to coverage the bureau shall fix the initial premium therefor and may fix an additional charge to compensate the agent of record for his services and, upon its payment, the bureau shall designate a member, whose duty it shall be to issue a policy containing the usual and customary provisions found in such policies therefor, but for which undertaking all members of the bureau shall be reinsurers as among themselves in the amount which the compensation insurance written in this state during the preceding calendar year by that member bears to the total compensation insurance written in this state during the preceding year by all the members of the bureau.

Subd. 2. *An insurer that issues a policy pursuant to this section shall not receive an expense allowance that exceeds an expense allowance approved by the commissioner for other insurers.*

Sec. 16. Minnesota Statutes 1978, Chapter 79, is amended by adding a section to read:

[79.33] [ADDITIONAL DUTIES OF THE COMMISSIONER.] *In addition to other duties prescribed to the commissioner, he shall: (a) establish a maximum wage base, relative to maximum benefits, upon which premiums are calculated; (b) study the feasibility of extending the experience rating system to employers who are not covered by it; and (c) require insurers when establishing reserves to use life expectancy tables, when available, that are appropriate for persons with equivalent disabilities. If these life expectancy tables are not available, the commissioner shall require insurers to develop them unless their development is not feasible.*

Sec. 17. Minnesota Statutes 1978, Chapter 79, is amended by adding a section to read:

[79.34] [CREATION OF REINSURANCE ASSOCIATION.] *Subdivision 1.* *An unincorporated, nonprofit association known as the workers' compensation reinsurance association is created. Each insurer as defined by section 79.01, subdivision 2, shall as a condition of its authority to transact workers' compensation insurance in this state, be a member of the reinsurance association. Employers who self insure pursuant to section 176.181, subdivision 2 shall also be members. Each member shall be bound by the plan of operation of the reinsurance association.*

Subd. 2. *The reinsurance association shall provide and each member shall accept indemnification for 100 percent of the amount of ultimate loss sustained under chapter 176 in excess of \$200,000 in each loss occurrence. Ultimate loss means the actual loss amounts that a member is obligated to pay and that are paid or payable by the member and does not include claim expenses. An ultimate*

loss is incurred by the reinsurance association on the date when the loss occurs.

Subd. 3. An insurer may withdraw from the reinsurance association only upon ceasing to write workers' compensation insurance in this state.

An insurer whose membership in the reinsurance association is terminated shall continue to be bound by the plan of operation. All unpaid premiums that have been charged to the withdrawing member are payable on the effective date of the withdrawal.

Subd. 4. An unsatisfied net liability to the reinsurance association of an insolvent member shall be apportioned among the remaining members of the reinsurance association as provided in the plan of operation. The reinsurance association has all rights allowed by law on behalf of the remaining members against the assets of the insolvent member for sums due the reinsurance association.

Subd. 5. When a member has merged or consolidated with another insurer or another insurer has reinsured a member's entire business that provides the insurance required by chapter 176, the member and successors in interest of the member remain liable for the member's obligations.

Subd. 6. No insurer or self insurer shall establish a reserve to cover losses in excess of its maximum liability of \$200,000 for each loss.

Sec. 18. Minnesota Statutes 1978, Chapter 79, is amended by adding a section to read:

[79.35] [DUTIES; RESPONSIBILITIES; POWERS.] *The reinsurance association shall do the following on behalf of its members:*

(a) Assume 100 percent of the liability as provided in section 16;

(b) Establish procedures by which members shall promptly report to the reinsurance association each claim that, on the basis of the injury sustained, may reasonably be anticipated to involve the reinsurance association if the member is held liable under chapter 176. Solely for the purpose of reporting claims, the member shall in all instances consider itself legally liable for the injury. The member shall advise the reinsurance association of subsequent developments likely to materially affect the interest of the reinsurance association in the claim;

(c) Maintain relevant loss and expense data relative to all liabilities of the reinsurance association and require each member to furnish statistics in connection with liabilities of the reinsurance association at the times and in the form and detail required by the plan of operation;

(d) Calculate and charge to members a total premium sufficient to cover the expected losses of the reinsurance association that the reinsurance association will likely pay during the period

for which the premium is applicable. Each member shall be charged an amount equal to the proportion of that member's earned premium for workers' compensation insurance, relative to the total earned premium for workers' compensation insurance written in this state during the period to which the premium applies. The board shall establish an equitable basis for premium charges to self insurers. The reinsurance association shall not establish a reserve in anticipation of expected losses;

(e) Require and accept the payment of premiums from members of the reinsurance association. The reinsurance association shall (1) require payment of the premium in full within 45 days after the premium charge; or (2) require payment of the premium to be made periodically to cover the actual cash obligations of the reinsurance association;

(f) Receive and distribute all sums required by the operation of the reinsurance association; and

(g) Establish procedures for reviewing claims procedures and practices of members of the reinsurance association. If the claims procedures or practices of a member are considered inadequate to properly service the liabilities of the reinsurance association, the reinsurance association may undertake or may contract with another person, including another member, to adjust or assist in the adjustment of claims that create a potential liability to the association and may charge the cost of the adjustment to the member.

Sec. 19. Minnesota Statutes 1978, Chapter 79, is amended by adding a section to read:

[79.36] [ADDITIONAL POWERS.] In addition to the powers granted in section 18, the reinsurance association may do the following:

(a) Sue and be sued. A judgment against the reinsurance association does not create a direct liability against the individual members of the reinsurance association;

(b) Reinsure all or any portion of its potential liability with reinsurers licensed to transact insurance in this state;

(c) Provide for appropriate housing, equipment, and personnel necessary to assure the efficient operation of the reinsurance association;

(d) Contract for goods and services, including independent claims management, actuarial, investment, and legal services from others within or without this state to assure the efficient operation of the reinsurance association;

(e) Adopt rules for the administration of the reinsurance association, enforce those rules, and delegate authority as necessary to assure its proper administration and operation;

(f) Intervene at any time, in any proceeding under chapter 79 or 176 in which liability of the reinsurance association may, in the

opinion of its board of directors, be established, or the reinsurance association affected in any other way;

(g) Hear and determine complaints of a company or other interested party concerning the operation of the reinsurance association; and

(h) Perform other acts not specifically enumerated in this section that are necessary or proper to accomplish the purposes of the reinsurance association and that are not inconsistent with sections 17 to 25 or the plan of operation.

Sec. 20. Minnesota Statutes 1978, Chapter 79, is amended by adding a section to read:

[79.37] [BOARD OF DIRECTORS.] *A board of directors is created and is responsible for the operation of the reinsurance association consistent with the plan of operation and sections 17 to 25. The board consists of nine directors appointed by the commissioner of insurance. Three directors shall be representatives of insurers, three shall be representatives of employers, and three shall be representatives of employees. Each director serves until his successor is appointed and qualifies. Terms of the directors shall be staggered so that the terms of the directors do not all expire at the same time and so that a director does not serve a term of more than four years. The board shall select a chairman and other officers it deems appropriate.*

A majority of the board constitutes a quorum, notwithstanding any vacancies. Action may be taken by a majority vote of the directors present.

Sec. 21. Minnesota Statutes 1978, Chapter 79, is amended by adding a section to read:

[79.38] [PLAN OF OPERATION.] *Subdivision 1. The board of directors shall adopt a proposed plan of operation consistent with the objectives and provisions of sections 17 to 25 that provides for the economical, fair, and nondiscriminatory administration of the reinsurance association and for the prompt and efficient provision of indemnity. The plan of operation shall provide for all of the following:*

(a) The establishment of necessary facilities;

(b) The management and operation of the reinsurance association;

(c) A preliminary premium, payable by each member in proportion to its total first-year premium, for initial expenses necessary to commence operation of the reinsurance association;

(d) Procedures to be utilized in charging premiums, including adjustments from excess or deficient premiums from prior periods;

(e) Procedures governing the actual payment of premiums to the reinsurance association;

(f) Reimbursement of each member of the board by the reinsurance association for actual and necessary expenses incurred on reinsurance association business;

(g) The investment policy of the reinsurance association; and

(h) Any other matters required by or necessary to effectively implement sections 17 to 25.

Subd. 2. The proposed plan of operation and amendments to the plan of operation are subject to majority approval by the board, ratification by a majority of the membership having a vote, with voting rights being apportioned according to the premiums charged, and approval by the commissioner.

Subd. 3. Upon approval by the commissioner, or upon the promulgation of a plan by the commissioner, each insurer authorized to write workers' compensation insurance is bound by and shall formally subscribe to and participate in the approved plan as a condition of maintaining its authority to transact insurance in this state.

Sec. 22. Minnesota Statutes 1978, Chapter 79, is amended by adding a section to read:

[79.39] [APPLICABILITY OF CHAPTER 79.] The reinsurance association is subject to all the provisions of this chapter. The commissioner or an authorized representative of the commissioner may visit the reinsurance association at any time and examine any and all the reinsurance association's affairs.

Sec. 23. Minnesota Statutes 1978, Chapter 79, is amended by adding a section to read:

[79.40] [PREMIUM INCLUSION IN RATEMAKING.] Premiums charged members by the reinsurance association shall be recognized in the ratemaking procedures for insurance rates in the same manner that expenses and premium taxes are recognized.

Sec. 24. [ORGANIZATIONAL MEETING.] Not more than 30 days after the effective date of sections 17 to 25, the commissioner shall convene an organizational meeting of the board. The board is initially composed of nine members of the reinsurance association appointed by the commissioner to serve as directors and the commissioner or his designee serving as an ex officio member. The initial term of office of a director is two years.

Sec. 25. [SUBMISSION OF PLAN.] Subdivision 1. Not more than 60 days after the initial organizational meeting of the board, the board shall submit to the commissioner for approval the proposed plan of operation. If a plan is not submitted within this 60-day period, the commissioner shall formulate and place into effect a plan consistent with this chapter.

Subd. 2. The plan of operation, unless approved sooner in writing, meets the requirements of this section if it is not disapproved by written order of the commissioner within 30 days after the date of its submission. Before disapproval of all or any part of the pro-

posed plan of operation, the commissioner shall notify the board in what respect the plan of operation fails to meet the requirements and objectives of this section. If the board fails to submit a revised plan of operation that meets the requirements and objectives of this section within the 30-day period, the commissioner shall enter an order accordingly and shall immediately formulate and place into effect a plan consistent with the requirements and objectives of section 19.

Subd. 3. The reinsurance association is not liable for losses occurring before the effective date of sections 17 to 25."

Page 16, line 24, strike "upon"

Page 16, line 25, delete "cessation" and strike "of"

Page 16, line 25, reinstate "as soon as"

Page 16, line 26, reinstate the stricken language and delete the new language

Page 16, line 27, delete the new language

Page 20, line 20, reinstate "(1)" and delete the comma

Page 20, lines 25 to 30, reinstate the stricken language

Page 26, line 14, strike "the workers'" and insert "this subdivision"

Page 26, line 15, strike everything before the second comma

Page 26, delete lines 24 to 33

Page 27, delete lines 1 to 6

Page 28, lines 29 to 33, delete the new language and reinstate the stricken language

Page 29, lines 1 to 11, delete the new language

Page 30, line 15, delete "who shall be"

Page 30, line 29, after "terms" insert a comma

Page 30, line 32, delete "final"

Page 31, line 5, delete "shall constitute" and insert "constitutes"

Page 31, line 22, delete "should" and insert "if"

Page 31, line 25, delete "shall be authorized to" and insert "may"

Page 32, line 5, after "plan" insert a comma

Page 32, lines 23 and 28, delete "which" and insert "that"

Page 32, line 31, delete "is" and insert ", are"

Page 33, line 8, delete "is" and insert "may"

Page 33, line 9, delete "final" and insert "be appealed to the workers' compensation court of appeals"

Page 33, line 28, after "provided" insert a comma

Page 34, line 19, delete "shall be" and insert "is"

Page 34, line 23, delete "shall be considered to be" and insert "is"

Page 34, line 28, after "the" insert "portion of the"

Page 34, line 28, delete "which" and insert "that"

Page 35, line 33, delete "17" and insert "36"

Page 36, lines 1, 7 and 10, delete "which" and insert "that"

Page 36, line 10, delete "that" and insert "the"

Page 39, line 17, delete everything after "[CREATED.]"

Page 39, delete line 18

Page 39, line 22, delete "12" and insert "14"

Page 39, line 22, delete "of this act"

Page 39, line 23, after "of" insert "a special account to be known as"

Page 39, line 27, after "fund" insert ", and any loss from investment shall be borne by it"

Page 39, line 32, after "death" insert a comma

Page 40, line 25, delete "which" and insert "that"

Page 41, line 4, delete "shall be" and insert "is"

Page 41, line 5, delete "pursuant to this section"

Page 43, line 25, delete "shall"

Page 44, line 3, after "be" insert "; provided that when an interested party requests, at any time prior to a prehearing conference, that a neutral physician be designated, the compensation judge shall make such a designation. When a party has requested the designation of a neutral physician prior to a prehearing conference, that party may withdraw the request at any time prior to the hearing"

Page 45, line 8, delete "such" and insert "the"

Page 45, line 11, delete "shall be allowed to" and insert "may"

Page 45, line 16, delete "which" and insert "that"

Page 45, after line 17, insert:

"Sec. 49. Minnesota Statutes 1978, Section 176.181, is amended by adding a subdivision to read:

Subd. 1a. [POLICY.] It is the policy of the state to assure that all employers are provided with the opportunity to obtain workers' compensation insurance at a cost that is reasonable, does not cause an undue burden on the employer or place the employer at a competitive disadvantage with employers from neighboring states.

Self insurance has been demonstrated to be a practical, feasible and economic approach for large employers in providing the required workers' compensation coverage for their employees. However, smaller employers have not been able to select this method of insuring their employees against work related injuries and have therefore been unable to take advantage of the benefits of self insuring. Therefore, it is the declared policy of the state to provide a mechanism by which employers of all sizes may voluntarily join with other employers to obtain workers' compensation insurance at the lowest possible cost. Subdivision 2 provides employer groups the alternative of self insuring at a cost that is reasonable.

Sec. 50. Minnesota Statutes 1978, Section 176.181, Subdivision 2, is amended to read:

Subd. 2. [COMPULSORY INSURANCE; SELF-INSURERS.]
(1) Every employer, except the state and its municipal subdivisions, liable under this chapter to pay compensation shall insure payment of ~~such~~ compensation with some insurance carrier authorized to insure ~~such workers' compensation~~ liability in this state, or obtain a written order from the commissioner of ~~labor and industry insurance~~ exempting ~~such the~~ employer from insuring his liability for compensation and permitting him to self-insure ~~such the~~ liability. *The terms, conditions and requirements governing self-insurance shall be established by the commissioner pursuant to chapter 15. The commissioner may also allow as he deems appropriate shall also adopt, pursuant to clause (2)(c) of this subdivision, rules permitting two or more employers in the same industry to enter into agreements to pool their liabilities under this chapter for the purpose of qualifying as group self-insurers. With the approval of the commissioner of labor and industry insurance, any employer may exclude medical, chiropractic and hospital benefits as required by this chapter. An employer conducting distinct operations at different locations may either insure or self-insure such the other portion of his operations which may be determined by the commissioner of labor and industry insurance to be a distinct and separate risk. An employer desiring to be exempted from insuring his liability for compensation shall make application to the commissioner of labor and industry insurance, showing his financial ability to pay such the compensation, whereupon by written order the commissioner of labor and industry insurance may make such an exemption as it he deems proper. The commissioner of labor and industry insurance may require further statements of financial ability of the employer to pay compensation. Upon ten days written notice the commissioner of labor and industry insurance may revoke his order granting such an exemption, in which event the employer shall immediately insure his liability. As a condition for the granting of an exemption the commissioner of labor and industry insurance may require the employer to furnish such security as it the commissioner considers sufficient to insure payment of all claims under this chapter. If the required security is in the form of currency or negotiable bonds, the commissioner of labor and industry insurance shall deposit same it with the state treasurer. In the event of any default upon the part of a self-insurer to abide by any final order or decision of the commissioner of labor and industry*

directing and awarding payment of compensation and benefits to any employee or the dependents of any deceased employee, then upon at least ten days notice to ~~such~~ *the* self-insurer, the commissioner of ~~labor and industry insurance~~ may by written order to the state treasurer require him to sell the pledged and assigned securities or ~~such a part thereof as is necessary to pay the full amount of any such claim or award with interest thereon.~~ This authority to sell may be exercised from time to time to satisfy any order or award of the commissioner of labor and industry or any judgment obtained thereon. When ~~such~~ securities are sold the money ~~so~~ obtained shall be deposited in the state treasury to the credit of the commissioner of ~~labor and industry insurance~~ and awards made against any such self-insurer by the commissioner of ~~labor and industry insurance~~ shall be paid to the persons entitled thereto by the state treasurer upon warrants prepared by the commissioner of ~~labor and industry insurance~~ and approved by the commissioner of finance out of the proceeds of the sale of ~~such~~ securities. Where the security is in the form of a surety bond or personal guaranty the commissioner of ~~labor and industry insurance~~, at any time, upon at least ten days notice and opportunity to be heard, may require the surety to pay the amount of the award, the payments to be enforced in like manner as the award may be enforced.

(2)(a) *No association, corporation, partnership, sole proprietorship, trust or other business entity shall provide services in the design, establishment or administration of a group self-insurance plan under rules adopted pursuant to this subdivision unless it is licensed to do so by the commissioner of insurance. An applicant for a license shall state in writing the type of activities it seeks authorization to engage in and the type of services it seeks authorization to provide. The license shall be granted only when the commissioner of insurance is satisfied that the entity possesses the necessary organization, background, expertise, and financial integrity to supply the services sought to be offered. The commissioner of insurance may issue a license subject to restrictions or limitations, including restrictions or limitations on the type of services which may be supplied or the activities which may be engaged in. The license is for a two year period.*

(b) *To assure that group self-insurance plans are financially solvent, administered in a fair and capable fashion, and able to process claims and pay benefits in a prompt, fair and equitable manner, entities licensed to engage in such business are subject to supervision and examination by the commissioner of insurance.*

(c) *To carry out the purposes of this subdivision, the commissioner of insurance may promulgate administrative rules, including emergency rules, pursuant to sections 15.0411 to 15.052. These rules may:*

(1) *establish reporting requirements for administrators of group self-insurance plans;*

(2) *establish standards and guidelines to assure the adequacy of the financing and administration of group self-insurance plans;*

(3) *establish bonding requirements or other provisions assuring the financial integrity of entities administering group self-insurance plans;*

(4) *establish standards, including but not limited to minimum terms of membership in self-insurance plans, as necessary to provide stability for those plans;*

(5) *establish standards or guidelines governing the formation, operation, administration and dissolution of self-insurance plans; and*

(6) *establish other reasonable requirements to further the purposes of this subdivision."*

Page 47, line 7, after "*injury*" insert a comma

Page 47, line 9, after "Statutes" insert "1978, Section"

Page 47, line 27, after "Statutes" insert "1978, Section"

Page 49, after line 2, insert:

"Sec. 55. Minnesota Statutes 1978, Section 176.241, is amended to read:

176.241 [NOTICE TO DIVISION OF INTENTION TO DISCONTINUE COMPENSATION PAYMENTS.] Subdivision 1. [NECESSITY FOR NOTICE AND SHOWING; CONTENTS.] Where an employee claims that the right to compensation continues, or refuses to sign or objects to signing a final receipt for compensation, the employer may not discontinue payment of compensation until he notifies the division in writing of his intention to do so he provides the division with notice in writing of his intention to do so, together with a statement of facts clearly indicating the reasons for the discontinuance.

The notice to the division shall state the date of intended discontinuance, the reason for such the action, and the fact that the employee objects to the discontinuance. The notice shall be accompanied by a statement of facts in support of the discontinuance of compensation payments and whatever medical reports are in the possession of the employer bearing on the physical condition of the employee at the time of the proposed discontinuance.

Subd. 2. [CONTINUANCE OF EMPLOYER'S LIABILITY; SUSPENSION.] Except where the commissioner of the department of labor and industry orders otherwise, until the notice and reports have been filed with the division, the liability of the employer to make payments of compensation continues.

When the division has received a notice of discontinuance, the statement of facts and available medical reports, the duty of the employer to pay compensation is suspended pending an investigation, hearing, and determination of the matter by the division as provided in the following subdivisions.

Subd. 3. [COPY OF NOTICE TO EMPLOYEE, INVESTIGATION, HEARING.] When the division has received a notice of discontinuance, it shall immediately send the employee a copy of the notice and copies of whatever medical reports supporting documents which have been submitted in conjunction with the notice.

The commissioner of the department of labor and industry shall make an investigation to determine whether the right to compensation has terminated. If it appears from the investigation that the right to compensation may not have terminated, the commissioner of the department of labor and industry shall schedule a hearing before a compensation judge, to determine the right of the employee, or his dependent, to further compensation.

The hearing shall be held within a reasonable time after the division has received the notice of discontinuance. The commissioner of the department of labor and industry shall give eight days notice of the hearing to interested parties.

Subd. 4. [ORDER.] When the hearing has been held, and he has duly considered the evidence, the person who held the hearing shall promptly enter an order directing the payment of further compensation or confirming the termination of compensation. Where the order confirms a termination of compensation, the commissioner of the department of labor and industry shall notify the employer of such the action. This notification relieves the employer from further liability for compensation subject to the right of review afforded by this chapter, and to the right of the division to set aside the order at any time prior to the review and grant a new hearing pursuant to this chapter."

Page 49, line 16, delete "which" and insert "that"

Page 49, line 21, delete "shall" and insert "is"

Page 49, line 21, delete "be"

Page 50, after line 16, insert:

"Sec. 59. [176A.02] [DEFINITIONS.] *Subdivision 1. For the purposes of sections 59 to 65 the following terms have the meanings given to them, unless the context clearly indicates a different meaning.*

Subd. 2. "Association" means the Minnesota voluntary group self insurance association.

Subd. 3. "Member" means a political subdivision that, as a participant in the association, has purchased workers' compensation insurance from the association.

Subd. 4. "Board" means the board of directors.

Subd. 5. "Coverage" means insurance that is required pursuant to chapter 176.

Subd. 6. "Director" means the executive director of the association.

Sec. 60. [176A.03] [MINNESOTA VOLUNTARY GROUP SELF INSURANCE ASSOCIATION.] *Subdivision 1. [CREATED.] There is created the Minnesota voluntary group self insurance association for the purpose of providing coverage required by chapter 176 to its members.*

Subd. 2. [POLITICAL SUBDIVISIONS.] Political subdivisions that are not self insured may obtain coverage from the association.

Subd. 3. [BOARD OF DIRECTORS: COMPOSITION.] The board of directors of the association is composed of the commissioner of labor and industry and eight individuals appointed by the governor with the advice and consent of the senate. Three of the governor's appointees shall be members of the association, three shall represent employees of members, and two shall represent the public.

Subd. 4. [TERMS.] The membership terms, compensation, removal of members, and filling of vacancies for the members of the board appointed by the governor are as provided in section 15.0575.

Subd. 5. [OFFICERS; QUORUM.] The board shall select a chairman and other officers it deems necessary from its membership.

A majority of the board constitutes a quorum for purposes of conducting its business, notwithstanding the existence of any vacancies. Action may be taken by the board upon a vote of a majority of the directors present.

Subd. 6. [BOARD POWERS.] The board of directors of the association is vested with full power, authority and jurisdiction over the association. The board may perform acts that are necessary or proper in exercising its power, authority and jurisdiction in providing coverage to its members.

Subd. 7. [EXECUTIVE DIRECTOR.] The association is under the administrative control of the executive director, who is appointed by the board and serves at the pleasure of the board.

The director may appoint a deputy director and other permanent and temporary employees he deems necessary. All permanent employees of the association, except the director, deputy director and five additional positions reporting directly to the director, are in the classified service. The five additional unclassified positions permitted by this subdivision shall be filled pursuant to section 43.09, subdivision 2a; no additional deputy director position may be created.

Subd. 8. [LIABILITY OF OFFICERS AND EMPLOYEES.] The board, director, and employees of the association are not personally liable, either jointly or severally, for any debt incurred or obligation created by the association.

Sec. 61. [176A.04] [POWERS.] For the purpose of exercising the power and authority granted in sections 59 to 65, the association has the following powers:

- (a) It may sue and be sued;*
- (b) It may have a seal and alter it at will;*
- (c) It may make, amend and repeal rules pursuant to chapter 15;*

(d) *It may make and enter into contracts of insurance with members and other contracts or obligations relating to the association as are necessary;*

(e) *It may perform other acts not specifically enumerated in this section that are necessary or proper to accomplish the purposes of the association.*

Sec. 62. [176A.05] [COST OF COVERAGE.] *The cost of providing the coverage for each member of the association shall be determined by the director and shall be at the lowest possible cost consistent with the maintenance of a solvent association including the creation and maintenance of reasonable and adequate reserves.*

Sec. 63. [176A.06] [REGULATION BY INSURANCE COMMISSIONER.] *The association is subject to the provisions of chapter 79.*

Sec. 64. [176A.07] [MONEY OF THE ASSOCIATION.] *Subdivision 1. [ACCOUNT IN STATE TREASURY.] All money paid by members for coverage and all other money derived from property and securities acquired by and through the use of money belonging to the association shall be paid to the state treasurer who shall deposit it in a special account and shall not commingle the money of the association with any other money. Interest or profit accruing from investment of money in the account shall be credited to the account. Money in the account does not cancel and is appropriated to the director for the purposes of section 59 to 65.*

Subd. 2. [LIABILITIES OF THE ASSOCIATION.] *Payment of losses sustained by and liabilities incurred by the association shall be made solely from money in the account.*

All operating expenses, including salaries for employees and rent for facilities shall be paid from money in the account. General fund revenue shall not be used to pay any losses sustained by, liabilities incurred by, or operating expenses of the association, except as provided by section 72, subdivision 2.

Sec. 65. [176A.10] [REPORTS.] *The board shall report to the governor and legislature by November 15 of each even numbered year. The report shall contain information on the condition of the association, including incurred losses, investment return, adequacy of reserves, number of members and other information deemed appropriate. The report may also contain recommendations designed to improve the operation of the association."*

Page 50, line 31, delete "which" and insert "that"

Page 51, after line 17, insert:

"Sec. 70. Upon the effective date of section 26, the governor shall appoint two judges to the workers' compensation court of appeals in order to bring the number of judges to the required complement. One judge shall represent employees and one shall represent employers. Upon the first expiration of the term of one of the current judges the governor shall appoint a judge to act as the neutral mem-

ber. Of the remaining current judges one shall be designated by the governor as representing employees and one designated as representing employers."

Page 51, line 22, before *"The"* insert *"Subdivision 1."*

Page 51, line 23, delete *"section"* and insert *"subdivision"*

Page 51, line 30, in the first blank insert *"35,000"*

Page 51, line 30, in the second blank insert *"72,500"*

Page 51, line 33, after *"person"* insert *"in fiscal year 1980 and by 3 persons in fiscal year 1981"*

Page 52, delete lines 1 to 6

Page 52, line 9, delete *"2 and 3"* and insert *"3 to 14"*

Page 52, line 9, after *"3"* insert *"and"*

Page 52, line 10, in the first blank insert *"\$144,900"*

Page 52, line 10, in the second blank insert *"\$141,200"*

Page 52, delete line 12

Page 52, line 14, delete *"8"* and insert *"6"*

Page 52, line 14, after the period insert *"These additional persons shall be provided to the insurance division."*

Page 52, line 17, delete *"6, 7, 17, 23, 25"* and insert *"26, 36, 44, 47"*

Page 52, line 20, in the first blank insert *"\$360,000"*

Page 52, line 20, in the second blank insert *"\$300,000"*

Page 52, line 23, after *"by"* insert *"6"*

Renumber the clauses in sequence

Page 52, after line 23, insert:

"Subd. 2. There is appropriated from the general fund to the special account of the association the sum of \$6,000,000, to be available until expended. This amount plus interest at five percent per year shall be amortized over a 30 year period and shall be repaid by the association to the general fund in equal installments at the end of each fiscal year."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 12, after the second semicolon insert *"establishing a workers' compensation reinsurance association; transferring self-insuring duties to the commissioner of insurance;"*

Page 1, line 13, after the semicolon insert *"establishing a voluntary group self insurance association;"*

Page 1, line 15, after *"79.01,"* insert *"Subdivision 2, and"*

Page 1, line 16, after the second semicolon, insert *"79.25;"*

Page 1, line 22, after "176.235" delete ", Subdivision 1"

Page 1, line 23, after "176.179;" insert "176.181, Subdivision 2, and by adding a subdivision;"

Page 1, line 24, after "1;" insert "176.241;"

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

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

H. F. No. 1091: A bill for an act relating to natural resources; providing a public policy directed to preservation of agricultural lands; establishing a temporary joint legislative committee on agricultural land preservation; requiring studies and reports by the state planning agency; providing for staffing of the joint legislative committee.

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

Page 2, line 4, delete "and forest"

Page 2, line 30, after "the" delete "committee" and insert "sub-committee"

Page 3, line 3, insert a period after "senate"

Page 3, delete lines 4 and 5

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

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

H. F. No. 900: A bill for an act relating to municipalities; authorizing creation of storm sewer reserve funds within storm sewer improvement districts; authorizing special levies in anticipation of capital improvements and bond retirement in storm sewer improvement districts; amending Minnesota Statutes 1978, Chapter 444, by adding a section.

Reports the same back with the recommendation that the report from the Committee on Local Government shown in the Journal for May 7, 1979 "the bill do pass" be adopted and the bill be re-referred to the Committee on Taxes and Tax Laws. Report adopted.

SECOND READING OF SENATE BILLS

S. F. Nos. 129 and 917 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. 1091 was read the second time and referred to the Subcommittee on Bill Scheduling of the Committee on Rules and Administration.

MOTIONS AND RESOLUTIONS—CONTINUED

Mr. Coleman moved that the Senate do now adjourn until 1:30 o'clock p.m., Wednesday, May 16, 1979. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate