

## TWENTY-EIGHTH DAY

St. Paul, Minnesota, Wednesday, April 1, 1981

The Senate met at 11:30 a.m. and was called to order by the President.

Prayer was offered by the Chaplain, Rev. Robert Babbitt.

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

Ashbach	Dicklich	Kroening	Olhoft	Sikorski
Bang	Dieterich	Kronebusch	Pehler	Solon
Belanger	Engler	Langseth	Penny	Stern
Benson	Frank	Lantry	Peterson, R. W.	Stokowski
Berg	Frederick	Lessard	Petty	Stumpf
Berglin	Frederickson	Lindgren	Pillsbury	Taylor
Bernhagen	Hanson	Luther	Purfeerst	Tennessee
Bertram	Hughes	Menning	Ramstad	Ulland
Brataas	Humphrey	Merriam	Rued	Vega
Chmielewski	Johnson	Moe, D.M.	Schmitz	Waldorf
Davies	Knoll	Moe, R.D.	Setzepfandt	Wegener
Davis	Knutson	Nelson	Sieloff	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. Dahl was excused from the Session of today.

### EXECUTIVE AND OFFICIAL COMMUNICATIONS

March 30, 1981

The Honorable Harry A. Sieben, Jr.  
Speaker of the House of Representatives

The Honorable Jack Davies  
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 1981 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

S.F. No.	H.F. No.	Session Laws Chapter No.	Date Approved 1981	Date Filed 1981
	87	10	March 27	March 30
97		11	March 27	March 30
175		12	March 27	March 30

Sincerely,

Joan Anderson Growe  
Secretary of State

March 30, 1981

The Honorable Jack Davies  
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. 620 and 366.

Sincerely yours,

Albert H. Quie, Governor

### MESSAGES FROM THE HOUSE

Mr. President:

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

S. F. No. 247: A bill for an act relating to metropolitan government; providing for the maximum amount of the borrowing authorization of the metropolitan airports commission; requiring the installation of certain equipment; mandating a noise abatement plan; amending Minnesota Statutes 1980, Sections 473.608, Subdivision 20, and by adding a subdivision; and 473.667, Subdivision 2.

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

Voss, Skoglund and Schreiber.

Senate File No. 247 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 30, 1981

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 relating to joint rules; adopting permanent joint rules of the Senate and House of Representatives.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 30, 1981

Mr. Moe, R.D. moved that House Concurrent Resolution No. 2 be referred

to the Committee on Rules and Administration. The motion prevailed.

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H. F. Nos. 171, 211, 214, 296, 297, 329, 420, 591, 305, 306, 356, 378, 150, 371, 601, 603, 443, 471, 539 and 829.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 30, 1981

### FIRST READING OF HOUSE BILLS

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

H. F. No. 171: A bill for an act relating to historic sites; changing the classification of the Kensington Runestone historic site; amending Minnesota Statutes 1980, Section 138.56, by adding a subdivision; repealing Minnesota Statutes 1980, Section 138.58, Subdivision 7.

Referred to the Committee on General Legislation and Administrative Rules.

H. F. No. 211: A bill for an act relating to local government; permitting agreements for compensation for transfers of taxable property to the city of Moorhead by certain annexations.

Referred to the Committee on Rules and Administration for comparison with S. F. No. 788, now on General Orders.

H. F. No. 214: A bill for an act relating to labor; regulating certain steam engine and boiler operators; exempting certain operators from testing requirements; amending Minnesota Statutes 1980, Section 183.411.

Referred to the Committee on Governmental Operations.

H. F. No. 296: A bill for an act relating to energy; directing a study of the effect upon energy conservation of smoking in public places.

Referred to the Committee on Energy and Housing.

H. F. No. 297: A bill for an act relating to the town of Great Scott; granting the town certain powers of a municipality.

Referred to the Committee on Rules and Administration for comparison with S. F. No. 253, now on the Calendar.

H. F. No. 329: A bill for an act relating to education; clarifying and removing references to a school district building energy report; repealing an obsolete provision requiring a study and report on school district energy management personnel; amending Minnesota Statutes 1980, Section 116H.126, Subdivisions 2, 4 and 5; repealing Minnesota Statutes 1980, Section 116H.126, Subdivisions 1 and 7.

Referred to the Committee on Energy and Housing.

H. F. No. 420: A bill for an act relating to the bureau of criminal apprehension; including the superintendent within workers' compensation coverage;

amending Minnesota Statutes 1980, Section 299C.19.

Referred to the Committee on Public Employees and Pensions.

H. F. No. 591: A bill for an act relating to the city of St. Paul; repealing the people mover act; repealing Minnesota Statutes 1980, Chapter 458B.

Referred to the Committee on Local Government and Urban Affairs.

H. F. No. 305: A bill for an act relating to crimes; specifying the crime of theft of services; amending Minnesota Statutes 1980, Section 609.52, Subdivisions 1 and 2.

Referred to the Committee on Judiciary.

H. F. No. 306: A bill for an act relating to crimes; establishing the crime of commercial bribery; prescribing penalties; proposing new law coded in Minnesota Statutes, Chapter 609.

Referred to the Committee on Judiciary.

H. F. No. 356: A bill for an act relating to crimes; specifying offenses relating to computers; providing penalties; proposing new law coded in Minnesota Statutes 1980, Chapter 609.

Referred to the Committee on Judiciary.

H. F. No. 378: A bill for an act relating to crimes; authorizing peace officers to make arrest upon probable cause in cases of domestic abuse; amending Minnesota Statutes 1980, Section 629.341, Subdivision 1.

Referred to the Committee on Judiciary.

H. F. No. 150: A bill for an act relating to parks; removing authority to lease certain lands within Tettegouche state park; repealing Laws 1979, Chapter 301, Section 10, Subdivision 7.

Referred to the Committee on Agriculture and Natural Resources.

H. F. No. 371: A bill for an act relating to insurance; prohibiting insurance companies which offer funeral or burial expense policies from designating as beneficiaries under the policies persons who provide funeral or burial services and supplies; removing the prohibition against an insurance company's affiliation with a funeral establishment; proposing new law coded in Minnesota Statutes, Chapter 72A; repealing Minnesota Statutes 1980, Section 72A.321.

Referred to the Committee on Commerce.

H. F. No. 601: A bill for an act relating to cemeteries; requiring public cemeteries having permanent care and improvement funds to file a notice and an annual report with the county auditor; amending Minnesota Statutes 1980, Section 306.761.

Referred to the Committee on Rules and Administration for comparison with S. F. No. 645, now on General Orders.

H. F. No. 603: A bill for an act relating to eminent domain; limiting the authority to acquire certain property by condemnation; repealing certain obsolete provisions of law authorizing acquisition by condemnation; changing certain obsolete language; amending Minnesota Statutes 1980, Sections 84.033; 84.154, Subdivision 3; 84A.10; 84A.39; 84A.55, Subdivision 13;

85.015, Subdivisions 12 and 13; 88.09, Subdivision 2; 89.032, Subdivision 1; 105.39, Subdivision 4; 123.64; 136.65, Subdivision 1; 137.01, Subdivision 2; 137.02, Subdivisions 1 and 3; 190.11; 193.143; 193.144, Subdivisions 2 and 3; 459.06, Subdivision 1; 463.03; and 641.263, Subdivision 2; repealing Minnesota Statutes 1980, Sections 38.05; 85A.02, Subdivision 6; 117.31; 123.40, Subdivision 6; 123.63; 161.29; 163.12; 193.144, Subdivision 4; and 308.39.

Referred to the Committee on Judiciary.

H. F. No. 443: A bill for an act relating to education; specifying the authority of a school board for selection and employment of a superintendent; amending Minnesota Statutes 1980, Section 123.34, Subdivision 9.

Referred to the Committee on Rules and Administration for comparison with S. F. No. 527, now on General Orders.

H. F. No. 471: A bill for an act relating to agriculture; consolidating certain promotional fund accounts; regulating deposit of certain funds; appropriating money; amending Minnesota Statutes 1980, Sections 17.59, Subdivisions 3, 4 and by adding a subdivision; 21A.09, Subdivision 1; 29.17; 30.469; 30.47; 32B.07; and 32B.12.

Referred to the Committee on Rules and Administration for comparison with S. F. No. 244, now on the Calendar.

H. F. No. 539: A bill for an act relating to local government; providing a method for the filling of vacancies on charter commissions; amending Minnesota Statutes 1980, Section 410.05, Subdivision 2.

Referred to the Committee on Local Government and Urban Affairs.

H. F. No. 829: A bill for an act relating to counties; concerning Anoka county; providing for a seven member board of commissioners; amending Minnesota Statutes 1980, Section 375.01.

Referred to the Committee on Local Government and Urban Affairs.

## REPORTS OF COMMITTEES

Mr. Moe, R.D. moved that the Committee Reports at the Desk be now adopted. The motion prevailed.

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

S. F. No. 406: A bill for an act relating to public welfare; authorizing grants to county boards to provide semi-independent living services for mentally retarded persons; appropriating money; proposing new law coded in Minnesota Statutes, Chapter 252.

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

Page 1, after line 23, insert:

*"Subd. 3. [REIMBURSEMENT.] On September 1 of each year, the commissioner shall allocate available funds to the counties which have approved plans and budgets. The commissioner shall disburse the funds on a quarterly*

*basis during the fiscal year to reimburse counties for costs incurred in providing services to individual clients in accordance with the approved plans and budgets."*

Renumber the subdivisions in sequence

Page 2, line 2, after "*promulgate*" insert "*temporary*" and after "*rules*" insert "*in accordance with section 15.0412, subdivision 5*"

Page 2, line 11, after "*legislature*" insert "*by December 31, 1982,*"

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

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

S. F. No. 519: A bill for an act relating to public welfare; establishing and empowering a board for the blind; transferring certain powers and duties of the commissioner of public welfare to the board; appropriating money; proposing new law coded in Minnesota Statutes, Chapter 248; repealing Minnesota Statutes 1980, Sections 248.07; and 248.08.

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

Page 2, line 4, delete "*five*" and insert "*nine*"

Page 3, delete lines 13 to 16

Renumber the subdivisions in sequence

Page 8, line 16, delete "*A person may select a licensed*" and insert "*The board's official*"

Page 8, line 17, delete "*to*" and insert "*shall*"

Page 9, line 29, delete "*persons*" and insert "*positions*"

Page 9, line 30, delete "*by*" and insert "*with*"

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

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

S. F. No. 691: A bill for an act relating to corrections; providing programs for women offenders; establishing an advisory board on women offenders in corrections; appropriating money; proposing new law coded in Minnesota Statutes, Chapter 241.

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

Page 2, delete lines 30 to 36

Page 3, delete lines 1 to 9 and insert:

*"Subdivision 1. [GRANTS.] To assist those counties that have existing programs for women offenders, and to encourage counties to develop and implement programs, the commissioner of corrections, from funds appro-*

appropriated for the purposes of sections 1 to 4, shall make grants in aid not to exceed 40 percent of the costs of the programs in those counties electing to participate in the grant program established by sections 1 to 4.

*Subd. 2. [APPLICATIONS.] To qualify for the grants in aid provided under this section, each county with existing programs and each county that wants to participate shall, by resolution of the county board, request to be allowed to participate and submit a plan in accordance with the provisions of section 1, subdivision 3, and the rules of the commissioner.*

*Subd. 3. [COUNTY CONTRIBUTIONS.] Where several counties combine to provide one or more of the programs under sections 1 to 4, the 60 percent local matching funds shall be borne proportionately by the participating counties on the basis of need or use as determined by the rules of the commissioner."*

Page 3, line 22, delete "and"

Page 3, line 23, delete the period and insert " : and"

Page 3, after line 23, insert:

*"(g) Establish by rule a method of determining the amount of contribution to be made by each county where two or more counties combine to provide one or more programs under sections 1 to 4."*

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

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

S. F. No. 509: A bill for an act relating to corrections; clarifying the transfer of correctional inmates to medical facilities; providing for tuberculosis testing for correctional employees; clarifying unclaimed property of correctional inmates, and diversified labor accounts; changing terminology of correctional facilities; harmonizing furlough provisions; prescribing the time for counties to submit estimates for reimbursement for probation services; amending Minnesota Statutes 1980, Sections 241.07; 241.09; 241.14; 241.22; 242.20; 242.22; 242.43; 242.44; 242.45; 242.48; 243.05; 243.20; 243.211; 243.465; 243.57; 243.58; 243.64; 244.07, Subdivision 1; 260.311, Subdivision 5; repealing Minnesota Statutes 1980, Sections 241.01, Subdivision 8; 241.15; 242.23; 242.24; 242.375; 242.52; 242.53; 243.06; 243.22; 243.25; 243.26 and 243.78.

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

Page 2, line 10; strike "prior to this time" and insert " , before conclusion of treatment" and strike "shall"

Page 2, line 11, strike "have" and insert "has"

Page 2, line 19, strike "thereon" and insert "on the question"

Page 2, line 24, strike "there has heretofore"

Page 2, line 25, strike everything before the last "the"

Page 2, line 27, before "money" insert "obtains"

Page 2, line 29, strike "for which money there is" and insert "*the chief executive officer knows*"

Page 2, line 30, strike everything after "entitled" and insert "*to it,*"

Page 2, line 31, strike the old language and delete the new language

Page 2, line 34, before "*shall*" insert "*the chief executive officer*" and after "*if*" insert "*the money is*" and delete "*be deposited*" and insert "*deposit it*"

Page 2, line 36, strike "used" and insert "*deposited*" and strike "shall have" and insert "*has*"

Page 3, line 2, strike "shall"

Page 3, line 3, strike "they shall be" and insert "*the inmate or heirs are*"

Page 3, line 13, strike "exclusive of" and insert "*other than*"

Page 3, line 14, strike "there is" and insert "*the chief executive officer knows*" and strike "thereto" and insert "*to it*"

Page 3, line 15, strike everything before the comma

Page 3, line 27, delete "*as provided herein*" and insert "*under this subdivision*"

Page 3, line 33, strike "he" and insert "*the chief executive officer*" and strike "for payment"

Page 3, line 34, before the period insert "*for payment to the inmate or heirs*"

Page 4, line 11, after "certificate" insert "*from a duly licensed physician*"

Page 4, line 13, before "been" insert "*undergone a physical examination and has*"

Page 4, line 18, strike "moneys" and insert "*money*"

Page 4, after line 29, insert:

"Sec. 5. Minnesota Statutes 1980, Section 241.64, Subdivision 1, is amended to read:

Subdivision 1. [CREATION.] Within 60 days after the effective date of sections 241.61 to 241.66, the commissioner shall appoint a ~~nine~~ 15 member advisory task force to advise him on the implementation of sections 241.61 to 241.66. The provisions of section 15.059, subdivision 6, shall govern the terms, compensation, and removal of members of the advisory task force.

Sec. 6. Minnesota Statutes 1980, Section 241.64, Subdivision 2, is amended to read:

Subd. 2. [MEMBERSHIP.] Persons appointed shall be knowledgeable in the fields of health, law enforcement, social services or the law. ~~Five~~ Ten members of the advisory task force shall be representatives of community or governmental organizations which provide services to battered women, and ~~four~~ five members of the advisory task force shall be public members."

Page 4, line 35, strike ", subject to the"

Page 4, line 36, strike "provisions of section 242.24,"

Page 5, line 5, delete "*corrections*" and insert "*corrections*"

Page 5, line 6, delete "*department*" and insert "*department's*"

Page 5, line 33, strike "CORRECTIONS BOARD" and insert "COMMISSIONER"

Page 5, line 34, strike "It shall be the duty of" and strike "to" and insert "shall"

Page 6, line 29, delete "*his*" and insert "*the commissioner's*"

Page 6, line 36, strike "such"

Page 7, line 7, strike "INFANTS" and insert "CHILDREN"

Page 7, after line 16, insert:

"Sec. 12. Minnesota Statutes 1980, Section 242.47, is amended to read:  
242.47 [INTERFERENCE WITH INMATES.]

Every person who ~~shall abduct, conceal, entice, carry~~ *abducts, conceals, entices, carries away, or improperly interfere* ~~interferes with,~~ any inmate of ~~the~~ a Minnesota correctional ~~facility Red Wing~~ *facility for juveniles* shall be guilty of a misdemeanor."

Page 7, line 33, after "that" insert ":

(a)"

Page 8, line 1, strike "and provided further that" and insert:

"(b)"

Page 8, line 8, strike "provided further that" and insert:

"(c)"

Page 8, line 11, strike "provided further," and insert "and

(d)"

Page 8, line 13, strike "shall be" and insert "is"

Page 8, line 16, strike "shall have" and insert "has"

Page 8, line 17, strike "shall apply" and insert "applies"

Page 8, line 20, strike "shall be" and insert "is" and strike "remain" and insert "remains"

Page 8, line 28, strike "shall revert" and insert "reverts"

Page 8, line 37, strike "shall be" and insert "is"

Page 9, line 5, strike "to him"

Page 9, line 16, strike "shall not be" and insert "is not"

Page 10, line 15, strike "shall have" and insert "has"

Page 10, line 17, strike "shall bring" and insert "brings" and strike "convey" and insert "conveys"

Page 10, line 19, strike "shall"

Page 10, line 20, strike "be" and insert "is"

Page 11, line 6, strike "whereby" and insert "by which"

Page 11, line 11, strike "should" and insert "if" and strike "be" and insert "is"

Page 11, line 12, strike "so as to become" and insert "and becomes"

Page 11, line 15, strike "thereof" and insert "of inmates" and strike "such other" and insert "another"

Page 11, line 24, strike "for his"

Page 11, strike lines 25 to 28

Page 11, line 30, before the period, insert "to apprehend and return the escapee, which may include the offer of a reward of not more than \$100 to be paid from the state treasury, for information leading to the arrest and return to custody of the escapee"

Page 11, line 36, strike "shall"

Page 11, line 37, strike "acquire" and insert "acquires"

Page 12, line 5, strike "such"

Page 12, line 6, strike "shall be"

Page 12, line 17, strike "him" and insert "the commissioner"

Page 12, line 23, before "apply" insert "also"

Page 12, line 32, strike "of corrections"

Page 13, line 4, after the first "each" insert "even numbered"

Page 13, line 6, strike "hereunder" and insert "under this section"

Page 13, after line 25, insert:

"Sec. 24. [EFFECTIVE DATE.]

*Sections 1 to 23 are effective the day following final enactment.*"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 11, after "241.22;" insert "241.64, Subdivisions 1 and 2;"

Page 1, line 12, after "242.45;" insert "242.47;"

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

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

S. F. No. 611: A bill for an act relating to motor vehicles; requiring certain owners of motorcycles to furnish evidence of security under the Minnesota no-fault automobile insurance act; amending Minnesota Statutes 1980, Section 65B.68, Subdivision 2.

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

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

S. F. No. 568: A bill for an act relating to financial institutions; permitting banks to make adjustable-rate mortgage loans; proposing new law coded in Minnesota Statutes, Chapter 48.

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

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

S. F. No. 529: A bill for an act relating to securities; providing for improved regulation of the sale of securities and the licensing of broker-dealers, agents, and investment advisers; making miscellaneous clarifications and revisions; amending Minnesota Statutes 1980, Sections 80A.04, Subdivision 4; 80A.05, Subdivision 1; 80A.07, Subdivision 1; 80A.12, Subdivision 3; 80A.14; 80A.15, Subdivisions 1 and 2; 80A.16; 80A.21, Subdivision 1; 80A.28, Subdivisions 1, 2, 3, 4 and 7, and by adding a subdivision; 80A.30, Subdivision 2.

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

Page 12, line 2, strike "Coast"

Page 15, line 35, strike "such" and insert "the"

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

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

S. F. No. 358: A bill for an act relating to intoxicating liquor; requiring proof of financial responsibility; amending Minnesota Statutes 1980, Sections 340.11, by adding a subdivision; 340.12; and 340.353, by adding a subdivision.

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

Page 1, line 18, after "policy" insert "or pool"

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

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

S. F. No. 353: A bill for an act relating to local government; setting conditions for group insurance contract bids; amending Minnesota Statutes 1980, Section 471.616, Subdivision 1.

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

Page 2, line 25, after "premium" insert "per covered employee"

Page 2, lines 26 to 28, delete the new language and insert "If additional employees are added to an existing group pursuant to a joint powers agreement under section 471.59, new bids and award are not required."

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

adopted.

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

S. F. No. 64: A bill for an act relating to no-fault automobile insurance; increasing basic economic loss benefits; increasing the weekly maximums for certain first-party benefits; clarifying legislative intent concerning stacking of insurance policies; coordinating the priority of applicability of security for payment of certain benefits; increasing residual liability benefits; increasing certain uninsured benefits; establishing tort threshold limitations on uninsured motorist coverage; prohibiting short-term policies; providing mandatory underinsured motorist coverage; amending Minnesota Statutes 1980, Sections 65B.44, Subdivisions 1, 3, 6, and 7; 65B.47, Subdivision 2, and by adding subdivisions; and 65B.49, Subdivisions 3 and 4, and by adding subdivisions.

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

Page 1, line 28, delete "\$50,000" and insert "\$30,000"

Page 1, line 30, delete "\$50,000" and insert "\$70,000"

Page 2, line 10, delete "\$400" and insert "\$250"

Page 2, line 23, delete "\$400" and insert "\$250"

Page 3, line 7, delete "\$400" and insert "\$250"

Page 4, line 5, delete "\$400" and insert "\$250"

Page 4, line 23, delete "otherwise" and insert "for additional coverage"

Page 4, line 36, after "of" insert "residual"

Page 7, line 4, delete "otherwise" and insert "for additional coverage"

Page 7, delete section 10

Page 7, line 33, after "pay" insert "the insured the"

Page 7, line 36, after "exceed the" insert "available"

Page 8, line 1, after "vehicle" insert ", to the extent that the limits selected by the insured for this coverage exceed the available residual bodily injury liability coverage of the owner of the other vehicle"

Page 8, line 9, delete "11" and insert "10"

Page 8, line 14, after "7;" insert "and"

Page 8, line 14, after "(5)" delete the semicolon

Page 8, line 15, delete "and 10"

Reorder the sections in sequence

Amend the title as follows:

Page 1, line 16, delete "subdivisions" and insert "a subdivision"

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

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

H. F. No. 415: A bill for an act relating to financial institutions; authorizing federal funds transactions for credit unions; removing the limitation on insurance commission income and prohibiting participation of officials in such income; permitting the sale of real estate loans; amending Minnesota Statutes 1980, Section 52.04, Subdivision 1.

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

Page 3, line 33, delete "*or be applied to reduce*"

Page 3, line 34, delete everything before the period

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

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

S. F. No. 463: A bill for an act relating to credit unions; permitting a change of titles of officers; amending Minnesota Statutes 1980, Section 52.09, by adding a subdivision.

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

Page 1, after line 6, insert:

"Section 1. Minnesota Statutes 1980, Section 52.06, Subdivision 1, is amended to read:

Subdivision 1. Credit unions shall be under the supervision of the commissioner of banks. Each credit union shall annually, on or before January 25, file a report with the commissioner of banks on forms supplied by him for that purpose giving such relevant information as he may require concerning the operations during the preceding calendar year. Additional reports may be required. Credit unions shall be examined, at least annually, by the commissioner of banks, except that if a credit union requests, the commissioner may accept the audit of a certified public accountant in place of this examination. Such certified public accountant must be approved by the commissioner. The qualitative type of audit examination to be performed by the certified public accountant shall be defined by banking division regulation and approved by the commission. Further, in lieu of this examination the commissioner may accept any examination made by the National Credit Union Administration, provided a copy of the examination is furnished to the commissioner. A report of the examination by the commissioner of banks shall be forwarded to the president, *or the chairman of the board if the position is so designated pursuant to section 52.09, subdivision 4*, of the examined credit union within 60 days after completion of the examination. Within 60 days of the receipt of such report, a general meeting of the directors and committees shall be called to consider matters contained in the report. For failure to file reports when due, unless excused for cause, the credit union shall pay to the state treasurer \$5 for each day of its delinquency."

Page 1, line 9, before "*The*" insert "*Notwithstanding the other provisions of this chapter,*"

Page 1, line 11, delete "*or chairwoman*"

Page 1, line 12, delete "*or vice-chairwoman*"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 4, delete "Section" and insert "Sections 52.06, Subdivision 1; and"

And when so amended the bill do pass and be placed on the Consent Calendar. Amendments adopted. Report adopted.

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

S. F. No. 687: A bill for an act relating to taxation; income; property tax refund; making technical corrections; deleting obsolete provisions; amending Minnesota Statutes 1980, Sections 290.01, Subdivisions 3, 19, 20, 21, 22, 23, 25, 26, and 27; 290.011; 290.032, Subdivision 2; 290.06, Subdivisions 1, 2c, 3e, 3f, and 11; 290.07, Subdivision 3; 290.071, Subdivisions 2 and 3; 290.075; 290.077, Subdivisions 1 and 2; 290.079, Subdivision 6; 290.081; 290.085; 290.09, Subdivisions 1, 2, 4, 5, 6, 7, 10, 15, 18, 21, and 29; 290.10; 290.101, Subdivision 9; 290.12, Subdivisions 1, 2, and 4; 290.13, Subdivision 5; 290.131, Subdivision 3; 290.132, Subdivision 1; 290.133, Subdivision 2; 290.134, Subdivision 1; 290.135, Subdivision 1; 290.14; 290.16, Subdivisions 1, 3, 7, 8, 9, 12, and 13; 290.17, Subdivision 2; 290.18, Subdivisions 1 and 2; 290.21, Subdivisions 1, 3, 3a, 4, and 7; 290.23, Subdivisions 2, 3, 5, 9, 10, and 15; 290.25, Subdivisions 2, 3, and 4; 290.26, Subdivisions 1, 2a, and 3; 290.28, Subdivision 1; 290.281, Subdivision 2; 290.31, Subdivisions 2, 3, 4, 6, 9, 10, 11, 21, and by adding a subdivision; 290.32; 290.34, Subdivision 3; 290.35; 290.39, Subdivision 1; 290.42; 290.45, Subdivision 3; 290.46; 290.48, Subdivision 2; 290.49, Subdivisions 1 and 4; 290.50, Subdivisions 1, 3, and 5; 290.53, Subdivisions 1 and 4; 290.56, Subdivisions 2, 3, and 4; 290.92, Subdivisions 1, 5, 6, 16, and 19; 290.93, Subdivisions 5 and 6; 290.932, Subdivisions 1 and 4; 290A.03, Subdivisions 3 and 13; 290A.04, Subdivisions 2 and 2c; 290A.06; and 290A.07, Subdivision 2; repealing Minnesota Statutes 1980, Sections 290.076; 290.131, Subdivisions 4, 5, 6, and 7; 290.133, Subdivision 3; 290.134, Subdivisions 2, 3, and 4; 290.135, Subdivisions 2, 3, and 4; 290.23, Subdivisions 11, 12, 13, and 14; 290.24; 290.26, Subdivisions 4 and 7; 290.60; 290.65, Subdivision 17; 290.931, Subdivision 4; 290.932, Subdivision 3; 290.933, Subdivision 3; and 290.934, Subdivision 6.

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

Page 2, line 13, delete "estates, and"

Page 2, line 14, delete "trusts,"

Page 2, line 36, strike "section" and insert "subdivision"

Page 2, line 36, after the period, insert "*For estates and trusts the adjusted gross income shall be their federal taxable income as defined in the Internal Revenue Code of 1954, as amended through the date specified herein for the applicable taxable year, with the modifications specified in this subdivision and with the modification that the federal deduction for personal exemptions for trusts and estates shall not be allowed.*"

Page 6, line 31, after "interest" insert ", taxes"

Page 11, line 13, after "(H)" insert:

"(d)" and reinstate "amounts"

Page 11, lines 14 to 25, reinstate the stricken language

Page 11, line 20, strike "act" and insert "chapter"

Page 11, line 25, strike "act" and insert "chapter"

Page 11, line 26, strike "(d)" and insert "(e)"

Page 30, after line 31, insert:

"Sec. 24. Minnesota Statutes 1980, Section 290.08, Subdivision 8, is amended to read:

Subd. 8. [INTEREST FROM UNITED STATES.] Interest upon obligations of the United States, its possessions, its agencies, or its instrumentalities, so far as immune from state taxation under federal law; and interest upon obligations of the state of Minnesota, any of its political or governmental subdivisions, any of its municipalities, or any of its governmental agencies or instrumentalities. This subdivision shall not apply to corporations taxable under sections 290.02 or 290.361 or to individuals, estates, or trusts."

Page 52, line 18, strike "(E)" and insert "(C)"

Page 53, after line 19, insert:

"Sec. 38. Minnesota Statutes 1980, Section 290.095, Subdivision 2, is amended to read:

Subd. 2. [DEFINED AND LIMITED.] (a) The term "net operating loss," as used in this section shall mean the excess of the deductions of the kind provided for in section 290.09, permitted to be taken in computing a taxpayer's taxable net income, as that term is defined in section 290.01, subdivision 22, over the gross income used in computing such taxable net income, with the modifications specified in subdivision 4. The deductions provided in section 290.21 cannot be used in the determination of a net operating loss.

(b) The term "net operating loss deduction" as used in this section means the aggregate of the net operating loss carrybacks and carryovers to the taxable year, computed in accordance with subdivision 3."

Page 57, line 31, strike "GIFT, DEVISE, BEQUEST, ETC." and insert "GIFTS."

Page 61, after line 25, insert:

"Sec. 45. Minnesota Statutes 1980, Section 290.131, Subdivision 1, is amended to read:

Subdivision 1. [DISTRIBUTIONS OF PROPERTY.] (a) Except as otherwise provided in this chapter, a distribution of property (as defined in section 290.133, subdivision 2, clause (a)) made by a corporation to a shareholder with respect to its stock shall be treated in the manner provided in clause (c).

(b) Amount distributed:

(1) For purposes of this subdivision, the amount of any distribution shall be:

(A) If the shareholder is not a corporation, the amount of money received,

plus the fair market value of the other property received.

(B) If the shareholder is a corporation, the amount of money received, plus whichever of the following is the lesser:

(i) the fair market value of the other property received; or

(ii) the adjusted basis (in the hands of the distributing corporation immediately before the distribution) of the other property received, increased in the amount of gain to the distributing corporation which is recognized under clause (b) or (c) of section ~~290.132, subdivision 1~~ *311 of the Internal Revenue Code of 1954 as amended through December 31, 1980.*

(2) The amount of any distribution determined under paragraph (1) shall be reduced (but not below zero) by:

(A) the amount of any liability of the corporation assumed by the shareholder in connection with the distribution, and

(B) the amount of any liability to which the property received by the shareholder is subject immediately before, and immediately after, the distribution.

(3) For purposes of this subdivision, fair market value shall be determined as of the date of the distribution.

(c) In the case of a distribution to which clause (a) applies:

(1) That portion of the distribution which is a dividend (as defined in section 290.133, subdivision 1) shall be included in gross income.

(2) That portion of the distribution which is not a dividend shall be applied against and reduce the adjusted basis of the stock.

(3) Amount in excess of basis.

(A) Except as provided in subparagraph (B), that portion of the distribution which is not a dividend, to the extent that it exceeds the adjusted basis of the stock, shall be treated as gain from the sale or exchange of property.

(B) That portion of the distribution which is not a dividend, to the extent that it exceeds the adjusted basis of the stock and to the extent that is out of increase in value accrued before January 1, 1933, shall be exempt from tax.

(d) The basis of property received in a distribution to which clause (a) applies shall be:

(1) If the shareholder is not a corporation, the fair market value of such property.

(2) If the shareholder is a corporation, whichever of the following is the lesser:

(A) the fair market value of such property; or

(B) the adjusted basis (in the hands of the distributing corporation immediately before the distribution) of such property, increased in the amount of gain to the distributing corporation which is recognized under clause (b) or (c) of section ~~290.132, subdivision 1~~ *311 of the Internal Revenue Code of 1954 as amended through December 31, 1980.*

Page 83, line 11, strike "290.28" and insert "290.25"

Page 86, line 1, after "290.10" insert "(8)."

Page 86, line 36, delete "estates, and trusts,"

Page 92, after line 13, insert:

"Sec. 67. Minnesota Statutes 1980, Section 290.22, is amended to read:

290.22 [ESTATES AND TRUSTS, IMPOSITION OF TAX.]

The taxes imposed by this chapter upon individuals shall apply to the income of estates or of any kind of property held in trust, including:

(1) Income accumulated in trust for the benefit of unborn or unascertained person or persons with contingent interests, and income accumulated or held for future distribution under the terms of the will or trust;

(2) Income which is to be distributed currently by the fiduciary to the beneficiaries, and income collected by a guardian of an infant which is to be held or distributed as the court may direct;

(3) Income received by estates of deceased persons during the period of administration or settlement of the estate; and,

(4) Income which, in the discretion of the fiduciary, may be either distributed to the beneficiaries or accumulated.

~~The tax shall be computed upon the net income of the estate or trust and paid by the fiduciary, except as provided in section 290.27, relating to revocable trusts, and section 290.28, relating to income for benefit of the grantor."~~

Pages 92 and 93, delete section 64

Page 94, line 17, strike "290.28" and insert "290.25"

Page 94, line 18, after "means" insert "*the same as that term is defined in section 643(a) of the Internal Revenue Code of 1954 as amended through December 31, 1980*"

Page 94, line 18, strike ", with respect to any"

Page 94, strike line 19

Page 94, line 20, strike "computed"

Page 94, line 20, strike "modifications" and insert "*modification:*"

Page 94, strike lines 21 to 36

Page 95, strike lines 1 to 5

Page 95, line 6, strike "(d)"

Page 95, line 7, strike "subdivisions 7 and" and insert "*subdivision*"

Page 95, line 13, strike "subdivision 2" and insert "*section 642(c) of the Internal Revenue Code of 1954, as amended through December 31, 1980*"

Page 95, line 13, strike "specified in"

Page 95, line 14, strike "subparagraph (d)"

Page 95, line 16, strike "subdivision 2" and insert "*that section of the Internal Revenue Code*"

Page 95, line 17, strike "that subparagraph" and insert "*the modification*"

Page 95, line 23, strike "For purposes of this section and section 290.22"

Page 95, line 24, strike "when not preceded by the words "taxable net," " and insert "*and the term "beneficiary" have the same meaning as those terms are defined in section 643(b) and (c) of the Internal Revenue Code of 1954 as amended through December 31, 1980.*"

Page 95, strike lines 25 to 34.

Page 96, line 3, strike "(1) Subject to paragraph 2, there shall be"

Page 96, strike lines 4 to 36

Page 97, strike lines 1 to 23 and insert:

*"The provisions of sections 652, 662, 663 and 664(b) of the Internal Revenue Code of 1954, as amended through December 31, 1980, shall apply to inclusion of amounts in gross income of beneficiaries."*

Pages 97 and 98, delete section 68

Page 99, after line 7, insert:

"Sec: 72. Minnesota Statutes 1980, Section 290.25, Subdivision 1, is amended to read:

Subdivision 1. ~~[TRUST INCOME, DEDUCTIONS, AND CREDITS ATTRIBUTABLE TO GRANTORS AND OTHERS AS SUBSTANTIAL OWNERS.]~~ Where it is specified in this section and sections 290.27 and 290.28 that the grantor or another person shall be treated as the owner of any portion of a trust, there shall then be included in computing the taxable net income and credits of the grantor or the other person those items of income, deductions, and credits against tax of the trust which are attributable to that portion of the trust to the extent that such items would be taken into account under this chapter in computing taxable net income or credits against the tax of an individual. Any remaining portion of the trust shall be subject to section 290.23. No items of a trust shall be included in computing the taxable net income and credits of the grantor or of any other person solely on the grounds of his dominion and control over the trust under section 290.01, subdivision 20 (relating to definition of gross income) or any other provision of this chapter, except as specified in this section and sections 290.27 and 290.28 *The provisions of sections 671 to 679, 681 and 682 of the Internal Revenue Code of 1954, as amended through December 31, 1980, shall apply to grantors and others treated as substantial owners and other provisions concerning estates and trusts."*

Pages 99 to 104, delete sections 70 to 72

Pages 105 and 106, delete section 76

Page 126, line 27, strike "and does report such change or files a"

Page 126, line 28, strike "copy of such amended return"

Page 126, line 28, strike "as required by"

Page 126, line 29, strike "subdivision 2,"

Pages 127 to 130, delete section 105

Page 132, line 13, reinstate "claims" and delete "is allowed" and insert "and which are allowable"

Page 146, line 33, after "290.076;" insert "290.08, Subdivisions 7 and 13;"

Page 146, line 36, after "Subdivisions" insert "1, 2, 6, 7, 8, 10," and after "290.24;" insert "290.25, Subdivisions 2, 3, 4, and 5;"

Page 147, line 1, after "7;" insert "290.27; 290.28;"

Page 147, line 5, delete "113" and insert "111" and delete "121" and insert "119"

Page 147, line 6, delete "114 to 117 and 119" and insert "112 to 115 and 117"

Page 147, line 9, delete "118" and insert "116"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 9, after "6;" insert "290.08, Subdivision 8;"

Page 1, line 11, after "29;" insert "290.095, Subdivision 2;"

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

Page 1, line 18, after "7;" insert "290.22;"

Page 1, line 19, delete "2," and delete "10,"

Page 1, line 20, delete "Subdivisions 2, 3, and 4" and insert "Subdivision 1"

Page 1, line 21, delete "290.28, Subdivision 1;"

Page 1, line 28, delete "1,"

Page 1, line 33, after "290.076;" insert "290.08, Subdivisions 7 and 13;"

Page 1, line 36, after "Subdivisions" insert "1, 2, 6, 7, 8, 10,"

Page 1, line 36, after "290.24;" insert "290.25, Subdivisions 2, 3, 4, and 5;"

Page 1, line 37, after "7;" insert "290.27; 290.28;"

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

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

S. F. No. 443: A bill for an act relating to commerce; regulating franchises; providing a penalty; amending Minnesota Statutes 1980, Sections 80C.01, Subdivisions 4, 13, and by adding subdivisions; 80C.03; 80C.09, by adding a subdivision; 80C.14; 80C.17, Subdivision 3, and by adding a subdivision; 80C.18, Subdivision 2; and 80C.19, Subdivision 1.

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

Page 1, line 25, strike the period and insert "; or"

Page 1, line 26, strike “ “Franchise” shall include”

Page 1, line 27, after “agreement” insert “, either express or implied, whether oral or written, for a definite or indefinite period, between two or more persons,”

Page 2, line 3, strike the period and insert “; or”

Page 2, line 4, delete “ “Franchise” shall include”

Page 2, line 6, after the first “purchaser” insert “, other than the sale of sales demonstration equipment, materials or samples for a total price of \$500 or less to any one person,”

Page 2, after line 24, insert:

“(e) “Franchise” does not include any contract, lease or other agreement whereby the franchisee is required to pay less than \$100 on an annual basis, except those franchises identified in subdivision 4, paragraph (b), clause (2).”

Page 2, delete section 2

Page 4, line 7, after “Minnesota” insert “who has not requested it”

Page 4, delete lines 8 to 22 and insert:

“(c) The franchisor deposits all franchisee fees in an escrow account until all obligations of the franchisor to the franchisee which are, pursuant to the terms of the franchise agreement, to be performed prior to the opening of the franchise, have been performed. The franchisor shall provide the franchisee with a purchase receipt for the franchise fees paid, a copy of the escrow agreement and the name, address and telephone number of the escrow agent. The escrow agent shall be a bank located in Minnesota. All such franchise fees shall be deposited in the escrow account within two business days after receipt.

(d) The franchisor has filed with the commissioner, no later than 10 business days prior to the date of the first sale, a written notice of its intention to offer or sell franchises pursuant to the exemptions set forth in this paragraph, which notice shall be accompanied by a fee of \$50, together with a copy of the disclosure document and standard franchise agreement of the franchisor, which documents are required to be supplied by the franchisor to the franchisee pursuant to rules of the Federal Trade Commission.”

Page 4, delete lines 29 to 31 and insert:

“(8) The offer or sale of a franchise to a resident of a foreign state, territory, or country who is neither domiciled in this state nor actually present in this state, if the franchise business is not to be operated wholly or partly in this state, and if the sale of this franchise is not in violation of any law of the foreign state, territory, or county concerned.”

Renumber the clauses in sequence

Page 4, delete section 6

Page 5, line 8, after the period, insert “For the purpose of rules defining the words “unfair and inequitable” the commissioner may specifically recognize classifications of franchises including but not limited to the classifications of

*motor vehicle fuel franchises, motor vehicle franchises, hardware franchises and franchises which require that the franchisee make an initial, unfinanced investment in excess of \$200,000.*"

Page 5, line 15, after "agreements" insert ", other than those classifications of franchises specifically recognized by the commissioner pursuant to subdivision 1 of this section,"

Page 6, delete section 8

Page 7, line 4, delete "11" and insert "8"

Re-number the sections in sequence

Amend the title as follows:

Page 1, line 4, delete "Subdivisions" and insert "Subdivision" and delete "13,"

Page 1, line 5, delete "80C.09, by adding a subdivision;"

Page 1, line 6, delete "Subdivision.3, and"

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

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

S. F. No. 168: A bill for an act relating to intoxicating liquor; providing for a sharing with towns of county liquor license fees; amending Minnesota Statutes 1980, Section 340.11, by adding a subdivision.

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

Page 1, line 8, before "is" insert "Subdivision 10,"

Page 1, line 9, delete "by adding a subdivision"

Page 1, delete lines 10 to 14 and insert:

"Subd. 10. [ON-SALE LICENSES; COUNTIES.] (1) On-sale licenses may be issued for the sale of intoxicating liquors by any county herein provided for.

(2) A county board may issue an "on-sale" license for the sale of intoxicating liquors within the unorganized or unincorporated area of the county, to a restaurant or to a club, with the approval of the commissioner of public safety. No license shall be issued or renewed under this clause after the application has been made therefor, until the county board shall have secured a written statement of the sheriff concerning the applicant. Such statement shall include a recital that to the best of his knowledge the applicant has not, within a period of five years prior to the date of such application, violated any law relating to the sale of non-intoxicating malt liquor or intoxicating liquors and that in his judgment the applicant will comply with the laws and regulations relating to the conduct of said business in the event said license is issued or renewed. Before issuing or renewing any license, the county board shall consider the statement of the sheriff, the character and reputation of the applicant, the nature of the business to be conducted, and the type of premises and propriety and

location of said business.

All licenses issued pursuant to this clause shall be governed by the appropriate provisions of the intoxicating liquor act except as otherwise provided for herein. The license fee for an on-sale license issued pursuant to this section or pursuant to any other law governing the issuance of a license by a county shall be fixed by the county board. The fee shall be in such an amount as is competitive with similar licensing fees in comparable areas where intoxicating liquor is sold at on-sale. *If the licensed premises to which any license issued pursuant to this section or any other law governing the issuance of a license by a county is located in a town, an additional license fee may be set by the town board in an amount not to exceed 20 percent of the county license fee. No premises located in a town may be licensed by the county board unless a resolution of the town board of supervisors indicating their support or opposition to the granting of the license is filed with the application for the license.*

No license may be issued by the county board of any county pursuant to this section to any person who directly or indirectly has been issued an intoxicating liquor license by the county board or by the governing body of any city located within the county. Nothing in this paragraph shall be construed to prohibit the re-issuance of any intoxicating liquor license already issued pursuant to law as of June 5, 1975."

Amend the title as follows:

Page 1, line 3, delete "sharing with towns of county"

Page 1, line 3, delete "fees" and insert "fee to be set by a town board in certain cases; requiring town board approval of certain county liquor licenses"

Page 1, lines 4 and 5, delete "by adding a"

Page 1, line 5, before the period insert "10"

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

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

S. F. No. 915: A bill for an act relating to sheriff fees; prescribing fees to be charged by the sheriff; amending Minnesota Statutes 1980, Section 357.09, Subdivisions 1 and 2, and by adding a subdivision.

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

Page 2, line 26, after "80,000" insert "according to the latest federal decennial census or the population estimates of the demographer pursuant to section 4.12"

Page 2, line 27, before the period insert " , but the county board in exempt counties shall set the sheriff's fees with the advice and consultation of the sheriff"

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

Mr. Wegener from the Committee on Local Government and Urban Affairs,

to which was referred

S. F. No. 916: A bill for an act relating to local government; fixing dollar limitations for bidding procedures; amending Minnesota Statutes 1980, Sections 160.17, Subdivision 2; 365.37; 375.21, Subdivision 1; 412.311; 429.041, Subdivisions 1 and 2; and 471.345, Subdivisions 3 and 4.

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

Page 5, line 31, delete "wori" and insert "work"

Pages 4 and 5, delete sections 7 and 8

Amend the title as follows:

Page 1, line 5, after "412.311;" insert "and"

Page 1, line 6, delete "; and 471.345, Subdivisions 3 and 4"

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

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

S. F. No. 571: A bill for an act relating to Goodhue county; permitting an additional tax for county fairs.

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

Page 1, line 6, delete "FAIRS" and insert "FAIR LEVY"

Page 1, delete lines 7 to 17 and insert:

*"The levy limit of Goodhue county prescribed by sections 275.50 to 275.56 shall be increased for taxes levied in 1981 payable 1982 by an amount authorized by the county board not to exceed one-twelfth of one mill to cover expenses of public fairs in the county as authorized by section 38.28. For taxes levied in 1982 payable 1983 and subsequent years, the amount authorized pursuant to section 1 for taxes levied in 1981 payable 1982 shall be a permanent adjustment to the levy limit base and allowed to increase in the manner prescribed by Minnesota Statutes, Section 275.52."*

Amend the title as follows:

Page 1, lines 2 and 3, delete "permitting an additional tax" and insert "authorizing an increase in the levy limit to allow a levy"

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

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

S. F. No. 986: A bill for an act relating to corrections; providing for sheriffs expenses incurred in conveying convicts to correctional facilities; amending Minnesota Statutes 1980, Section 243.17, Subdivision 1.

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

Page 1, line 11, strike "Minnesota" and insert "state adult"

Page 1, line 12, strike everything after "correctional"

Page 1, line 13, strike "facility-St. Cloud" and insert "facilities"

Page 1, line 17, strike "Minnesota" and insert "state adult"

Page 1, strike line 18

Page 1, line 19, strike "Cloud" and insert "facilities"

Page 2, line 1, strike "Minnesota" and insert "state adult" and strike everything after "correctional"

Page 2, line 2, strike "Minnesota correctional facility-St. Cloud" and insert "facilities"

Page 2, line 4, strike "Minnesota" and insert "state adult"

Page 2, line 5, strike everything after "correctional"

Page 2, line 6, strike "facility-St. Cloud" and insert "facilities"

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

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

S. F. No. 814: A bill for an act relating to metropolitan government; removing the city of Victoria from the metropolitan transit area and taxing district; amending Minnesota Statutes 1980, Sections 473.403; and 473.446, Subdivision 2.

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

Page 1, delete section 1

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

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 3, delete "area and"

Page 1, line 5, delete "Sections 473.403; and" and insert "Section"

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

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

S. F. No. 885: A bill for an act relating to regional railroad authorities; providing that cities of the first class may join in the organization of a regional railroad authority in conjunction with one or more counties; amending Minnesota Statutes 1980, Sections 398A.02; 398A.03; 398A.04, Subdivisions 8 and 9; and 398A.06, Subdivision 1.

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

Mr. Moe, R. D. from the Committee on Rules and Administration, to which was referred

S. F. No. 457: A resolution memorializing the Congress and the President of

the United States to cease all military and economic aid to El Salvador.

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

Page 1, line 7, delete "indicate" and insert "allege"

Page 1, line 9; delete "right-wing, militaristic"

Page 1, line 9, after "for" insert "tolerating"

Page 1, line 10, delete "junta's"

Page 1, line 16, delete "costly"

Page 1, line 18, delete "could" and insert "may"

Page 1, line 19, delete "keeping" and insert "removing"

Page 1, line 19, delete "out of" and insert "from"

Page 1, line 24, delete "of the El Salvadorean junta" and insert "in that country"

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

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

S. F. No. 227: A bill for an act relating to the organization and operation of government; requiring a study of the proper role and structure of metropolitan government agencies; requiring a review of the distribution of powers and duties between the metropolitan council, the metropolitan commissions, the legislature and political subdivisions within the metropolitan area; mandating a report; providing for certain services to be performed by the state planning agency; appropriating money.

Reports the same back with the recommendation that the report from the Committee on Local Government, shown in the Journal for March 19, 1981, be amended to read:

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

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

S. F. No. 392: A bill for an act relating to meetings of public bodies; allowing public employers to determine negotiation strategy at a nonpublic meeting; amending Minnesota Statutes 1980, Section 471.705, by adding a subdivision.

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

Page 1, delete lines 10 to 13 and insert:

"Subd. 1a. [EXCEPTION.] Subdivision 1 does not apply to a meeting held pursuant to the procedure in this subdivision. The governing body of a public employer shall by a majority vote in a public meeting decide to hold a closed meeting to consider strategy for a labor negotiation with its employees con-

ducted pursuant to sections 179.61 to 179.76. The time of commencement and place of the closed meeting shall be announced at the public meeting. A written roll of members and all other persons present at the closed meeting shall be made available to the public after the closed meeting. The proceedings of a closed meeting to discuss negotiation strategies shall be tape recorded at the expense of the governing body and shall be preserved by it for two years after the contract is signed and shall be made available to the public after all labor contracts are signed by the governing body for the current budget period.

If an action is brought claiming that public business other than discussions of labor negotiation strategies or development, discussion or review of labor negotiation proposals was transacted at a closed meeting held pursuant to this subdivision during the time when the tape is not available to the public, the court shall review the recording of the meeting in camera. If the court determines that no violation of this section is found based on the recording in question, the action shall be dismissed and the recording shall be sealed and preserved in the records of the court, to be made available only to a reviewing court in the event of an appeal. If the court determines that a violation of this section is found based on the recording, the recording may be introduced at trial in its entirety subject to such protective orders as requested by either party and deemed appropriate by the court.

The prevailing party in an action which establishes that a violation of this section has occurred shall recover costs and reasonable attorney's fees as determined by the court."

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

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H. F. No. 349 for comparison with companion Senate File, reports the following House File was found not identical with its companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
349	494				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H. F. No. 349 be amended as follows:

Page 1, line 15, reinstate the stricken comma

Page 1, line 16, delete "or"

Page 1, line 18, delete "or" and insert a comma

Page 1, line 19, after "process" insert ", and the public"

Page 2, line 5, before "Persons" insert "(a)"

Page 2, line 8, before "Persons" insert "(b)"

Page 2, line 16, delete "any of"

Page 2, line 17, delete "and section 4"

And when so amended H. F. No. 349 will be identical to S. F.No. 494, and

further recommends that H. F. No. 349 be given its second reading and substituted for S. F. No. 494, and that the Senate File be indefinitely postponed.

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

### **SECOND READING OF SENATE BILLS**

S. F. Nos. 509, 611, 568, 529, 358, 353, 64, 463, 687, 443, 168, 915, 916, 814, 885, 457 and 392 were read the second time.

### **SECOND READING OF HOUSE BILLS**

H. F. Nos. 415 and 349 were read the second time.

### **MOTIONS AND RESOLUTIONS**

Mr. Frank moved that the name of Mr. Ramstad be added as co-author to S. F. No. 423. The motion prevailed.

Mr. Wegener moved that the name of Mr. Lessard be added as co-author to S. F. No. 772. The motion prevailed.

Mr. Humphrey moved that the name of Mr. Dahl be added as co-author to S. F. No. 873. The motion prevailed.

Mr. Humphrey moved that the name of Mr. Dahl be added as co-author to S. F. No. 874. The motion prevailed.

Mr. Peterson, R.W. moved that the name of Mr. Dahl be added as co-author to S. F. No. 985. The motion prevailed.

Mr. Davies moved that the name of Mr. Merriam be added as co-author to S. F. No. 1028. The motion prevailed.

Mr. Ulland moved that the name of Mr. Solon be added as co-author to S. F. No. 1049. The motion prevailed.

Mr. Stern moved that the name of Mr. Frederick be added as co-author to S. F. No. 1079. The motion prevailed.

Mr. Sikorski moved that the name of Mr. Merriam be added as co-author to S. F. No. 1091. The motion prevailed.

Mr. Humphrey moved that the name of Mr. Willet be added as co-author to S. F. No. 1096. The motion prevailed.

Mrs. Brataas moved that the names of Messrs. Purfeerst and Chmielewski be added as co-authors to S. F. No. 1129. The motion prevailed.

Mr. Johnson moved that S. F. No. 814 be stricken from General Orders and re-referred to the Committee on Taxes and Tax Laws. The motion prevailed.

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

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

Messrs. Rued, Bang and Schmitz introduced—

S.F. No. 1138: A bill for an act relating to the environment; exempting automobile racetracks from certain noise pollution standards; amending Minnesota Statutes 1980, Section 116.07, Subdivision 2a.

Referred to the Committee on Agriculture and Natural Resources.

Messrs. Dieterich, Johnson, Vega and Sieloff introduced—

S.F. No. 1139: A bill for an act relating to taxation; income; property tax refund; adopting federal income tax limitations on the deduction of interest; authorizing the commissioner to provide a short form income tax return; clarifying the computation of the low income alternative tax; providing for the computation of net operating loss; allowing for disclosures of information between the department of economic security and the commissioner of revenue regarding unemployment compensation; allowing for disclosures of information between the commissioner of revenue and the commissioner of public welfare; allowing the commissioner to obtain information required on returns by court action; allowing the commissioner to designate the places returns may be filed; conforming information return requirements to the federal requirements; requiring certain statements to be furnished to subjects of information returns; providing that payment of taxes of a decedent shall be made by successors in the absence of a personal representative; providing an action to enjoin certain tax return preparers from engaging in certain conduct or from preparing returns; adopting the federal requirements for withholding and reporting on tips; clarifying the liability of employers in regard to withholding tax returns; conforming information requirements of withholding statements to federal law; allowing notification of an employer by the department that a withholding certificate is invalid; providing for verification of withholding exemptions and appeal by the claimant; allowing certain spouses to file a joint property tax return claim; altering definitions of dependent for property tax return purposes; providing for payment of property tax refund claims in case of death; conforming estimated tax requirements with federal law; altering the computation of the corporate estimated tax; conforming tax exempt provisions with federal law; altering filing requirements for corporations; allowing the commissioner to adjust the computation of federal adjusted gross income in certain circumstances; specifying or increasing interest rates on certain delinquent taxes and penalties; abolishing an election relating to the lump sum distribution tax; providing penalties; amending Minnesota Statutes 1980, Sections 10A.31, Subdivision 1; 268.12, Subdivision 12; 290.05; 290.06, Subdivision 3d; 290.067, Subdivision 2; 290.09, Subdivision 3; 290.095, Subdivisions 1, 9, and by adding a subdivision; 290.37, Subdivision 1; 290.39, Subdivision 1, and by adding a subdivision; 290.41, Subdivision 2, and by adding subdivisions; 290.42; 290.43; 290.44; 290.46; 290.53, Subdivisions 3 and 3a; 290.61; 290.92, Subdivisions 1, 2a, 7, 15, and by adding subdivisions; 290.93, Subdivisions 1, 3 and 10; 290.931, Subdivision 1; 290.934, Subdivisions 4 and 5; 290A.03, Subdivision 7; 290A.07, Subdivision 4; 290A.08; 290A.11, Subdivisions 2 and 4; 290A.18; 290A.22; proposing new law coded in Minnesota Statutes, Chapters 290 and 290A; repealing Minnesota Statutes 1980, Section 290.032, Subdivision 4.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Wegener, Pehler, Setzepfandt, Engler and Mrs. Lantry introduced—

S.F. No. 1140: A bill for an act relating to statutory cities; raising the limitation on city contracts which the city manager may make; amending Minnesota Statutes 1980, Section 412.691.

Referred to the Committee on Local Government and Urban Affairs.

Mr. Dieterich introduced—

S.F. No. 1141: A bill for an act relating to education; modifying procedures for the dissolution and attachment of a school district; amending Minnesota Statutes 1980, Section 122.22, Subdivisions 3, 4, 5, 8, 9, 11, 13, 14, 20, and by adding a subdivision; repealing Minnesota Statutes 1980, Section 122.22, Subdivisions 10, 12, 15, and 16.

Referred to the Committee on Education.

Mr. Stumpf introduced—

S.F. No. 1142: A bill for an act relating to retirement; providing post retirement annuity or benefit increases for certain retired or disabled public employees; appropriating funds; amending Laws 1979, Chapter 293, Section 10, Subdivisions 1, as amended, 3 and 4.

Referred to the Committee on Public Employees and Pensions.

Mr. Sieloff introduced—

S.F. No. 1143: A bill for an act relating to minors; permitting blood donation by minors; providing circumstances under which minors are emancipated; providing procedures for a declaration of emancipation; amending Minnesota Statutes 1980, Section 145.41; and proposing new law coded in Minnesota Statutes, Chapter 260.

Referred to the Committee on Judiciary.

Messrs. Peterson, D.L.; Setzepfandt; Merriam; Benson and Mrs. Kronebusch introduced—

S.F. No. 1144: A bill for an act relating to agriculture; requiring prompt payment by livestock market agency or livestock dealer; changing legal notice requirements for claims against bonds; amending Minnesota Statutes 1980, Section 17A.06, Subdivision 3; proposing new law coded in Minnesota Statutes, Chapter 17A.

Referred to the Committee on Agriculture and Natural Resources.

Messrs. Purfeerst, Menning, Benson, Penny and Renneke introduced—

S.F. No. 1145: A bill for an act relating to education; permitting the operation of single sex wrestling teams; amending Minnesota Statutes 1980, Section 126.21, Subdivision 3.

Referred to the Committee on Education.

Messrs. Pehler and Davis introduced—

S.F. No. 1146: A bill for an act relating to crimes; establishing minimum

terms of imprisonment for use of a dangerous weapon or possession of a firearm; amending Minnesota Statutes 1980, Sections 609.11, Subdivision 1, and by adding subdivisions; and 609.135, Subdivision 1; repealing Minnesota Statutes 1980, Section 609.11, Subdivision 3.

Referred to the Committee on Judiciary.

Ms. Berglin introduced—

S.F. No. 1147: A bill for an act relating to public welfare; providing medical assistance payments for attendant care on an equivalent basis with other providers; appropriating money; amending Minnesota Statutes 1980, Section 256B.02, Subdivision 8.

Referred to the Committee on Health, Welfare and Corrections.

Mr. Davies introduced—

S.F. No. 1148: A bill for an act relating to taxation; redefining "original assessed value" for purposes of the Minnesota tax increment financing act; amending Minnesota Statutes 1980, Sections 273.73, Subdivision 7; and 273.76, Subdivision 1.

Referred to the Committee on Taxes and Tax Laws.

Mr. Davies introduced—

S.F. No. 1149: A bill for an act relating to insurance; requiring private passenger vehicle insurers to disclose surcharge rates and plans; proposing new law coded in Minnesota Statutes, Chapter 65B.

Referred to the Committee on Commerce.

Mr. Davies introduced—

S.F. No. 1150: A bill for an act relating to the interstate compact on juveniles; amending the compact to require the home state to authorize the return of a runaway juvenile and to permit a state in which a juvenile is found to return him to a state in which the juvenile is charged with being a delinquent by reason of a violation of criminal law; amending Minnesota Statutes 1980, Section 260.51.

Referred to the Committee on Judiciary.

Mr. Peterson, R.W. introduced—

S.F. No. 1151: A bill for an act relating to county recorders; providing for the disposal of various obsolete records including state and federal liens; amending Minnesota Statutes 1980, Section 386.46.

Referred to the Committee on Judiciary.

Messrs. Davies; Peterson, C.C.; Merriam and Sieloff introduced—

S.F. No. 1152: A bill for an act relating to taxation; providing that an

electing small business corporation for federal income tax purposes shall be an electing small business corporation for Minnesota income tax purposes; amending Minnesota Statutes 1980, Sections 290.01, Subdivision 20; 290.974; proposing new law coded in Minnesota Statutes, Chapter 290; repealing Minnesota Statutes 1980, Sections 290.971; 290.972; 290.973; and 290.975.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Solon and Purfeerst introduced—

S.F. No. 1153: A bill for an act relating to state government; establishing a department of health and social services; transferring duties and powers to the new department from the departments of health and public welfare; abolishing the department of health; prescribing salaries; appropriating money; amending Minnesota Statutes 1980, Sections 3.738, Subdivision 1; 3.755; 6.48; 15.01; 15.1691, Subdivision 1; 15.43, Subdivision 3; 15.46; 15A.081, Subdivision 1; 16A.72; 43.09, Subdivision 2a; 62D.02, Subdivision 3; 116C.03, Subdivision 2; 136.11, Subdivision 1; 144.05; 144.053, Subdivisions 1, 3, and 4; 144.1761; 144.218, Subdivision 2; 144.225, Subdivision 2; 144.226, Subdivision 1; 144.417; 144.422, Subdivisions 6, 9, and 10; 144.424, Subdivision 11; 144.425; 144.53; 144.571; 144.653; 144.656; 144.696, Subdivision 2; 144A.01, Subdivision 2; 144A.05; 144A.10, Subdivisions 1, 3, and 8; 144A.19, Subdivision 1; 144A.52, Subdivision 1; 144A.53, Subdivision 4; 144A.611, Subdivision 3; 145.411, Subdivision 3; 145.833, Subdivision 2; 145.896; 181.54; 214.14; 241.07; 241.31, Subdivision 6; 241.69, Subdivisions 1 and 6; 243.24, Subdivision 1; 243.55, Subdivisions 2 and 3; 243.88, Subdivision 2; 245.03; 245.0311; 245.75; 245.781; 245.782, Subdivision 8; 246.01; 246.14; 246.15, Subdivision 1; 246.151; 246.16; 246.18; 246.28; 246.33, Subdivision 1; 246.50, Subdivision 2; 246.59, Subdivisions 2, 3, and 4; 246.60; 252.31; 252A.02, Subdivision 3; 252A.04, Subdivision 4; 253.20; 253A.14, Subdivision 1; 254A.02, Subdivision 13; 256.01, Subdivision 2; 256.012; 256.12, Subdivision 19; 256.482, Subdivision 1; 256.736, Subdivisions 3, 4, 5, and 7; 256.74, Subdivisions 1 and 2; 256.93; 256.94; 256.96; 256.965; 256.971; 256.975, Subdivisions 1 and 2; 256.9753; 256.976, Subdivisions 2, 3, and 4; 256.977, Subdivisions 4 and 5; 256.978; 256B.51, Subdivisions 1 and 2; 257.42; 259.21, Subdivision 5; 259.261, Subdivisions 1 and 3; 376.62; 376.65; 376.66; 462A.03, Subdivision 7; and 473.149, Subdivision 4; proposing new law coded in Minnesota Statutes, Chapter 144; repealing Minnesota Statutes 1980, Sections 15.45, Subdivision 3; 15.47; 144.011; 144.13; 245.04; 245.05; 245.06; 245.07; 253.201; 256.01, Subdivisions 1, 5, 6, 7, 9, and 10; 256.02; 256.05; 256.06; 256.08; 256.09; and 256.10.

Referred to the Committee on Health, Welfare and Corrections.

Mr. Chmielewski introduced—

S.F. No. 1154: A bill for an act relating to state land; authorizing the conveyance of certain state lands in Pine county to the Amherst H. Wilder Foundation.

Referred to the Committee on Agriculture and Natural Resources.

Mr. Chmielewski introduced—

S.F. No. 1155: A bill for an act relating to unemployment compensation;

providing for the collection of contributions; defining employment; providing for contribution rates; regulating extended benefits; regulating benefit eligibility and amount; providing for benefit determination procedures; regulating the use of data; raising the interest rate on late contributions and payments; providing for personal liability for unpaid contributions; providing for recovery of overpayments; and regulating the return and charging of wrongfully paid or received benefits; providing penalties; amending Minnesota Statutes 1980, Sections 268.04, Subdivision 12; 268.06, Subdivisions 19 and 22; 268.071, by adding subdivisions; 268.08, Subdivisions 1, 3, 4, and 6; 268.09, Subdivision 2; 268.10, Subdivisions 1 and 2; 268.11, Subdivision 3; 268.12, Subdivisions 12 and 13; 268.15, Subdivision 3; 268.16, Subdivisions 1 and 2; 268.18, Subdivisions 1, 2, 4, and by adding subdivisions; proposing new law coded in Minnesota Statutes, Chapter 268; repealing Minnesota Statutes 1980, Section 268.16, Subdivision 3.

Referred to the Committee on Employment.

Messrs. Solon and Ulland introduced—

S.F. No. 1156: A bill for an act relating to port authorities; clarifying the exemption of a special county levy for a port authority from certain levy limitations; amending Minnesota Statutes 1980, Section 458.14.

Referred to the Committee on Taxes and Tax Laws.

Mr. Davies introduced—

S.F. No. 1157: A bill for an act relating to education; providing for school bus safety education; eliminating the requirement that a school bus driver wait until children have crossed the road; amending Minnesota Statutes 1980, Section 169.44, Subdivision 2; proposing new law coded in Minnesota Statutes, Chapter 126.

Referred to the Committee on Transportation.

Mr. Davies introduced—

S.F. No. 1158: A bill for an act relating to civil actions; enacting the uniform class actions act; proposing new law coded in Minnesota Statutes, Chapter 540.

Referred to the Committee on Judiciary.

Messrs. Dicklich and Johnson introduced—

S.F. No. 1159: A bill for an act relating to labor; prohibiting the use of certain evidence by employers; proposing new law coded in Minnesota Statutes, Chapter 181.

Referred to the Committee on Employment.

Messrs. Peterson, C.C.; Langseth; Setzepfandt; Moe, R.D. and Benson introduced—

S.F. No. 1160: A bill for an act relating to public utilities; extending an option as to rate regulation by the public utilities commission to certain small

telephone companies; amending Minnesota Statutes 1980, Sections 237.01; 237.075, Subdivision 9; and 237.081, Subdivision 1a.

Referred to the Committee on Commerce.

Messrs. Peterson, C.C.; Setzepfandt; Sieloff and Berg introduced—

S.F. No. 1161: A bill for an act relating to taxation; income; abolishing the farm loss deduction limitation; amending Minnesota Statutes 1980, Sections 290.01, Subdivision 20; and 290A.03, Subdivision 3; repealing Minnesota Statutes 1980, Section 290.09, Subdivision 29.

Referred to the Committee on Taxes and Tax Laws.

Mr. Davies introduced—

S.F. No. 1162: A bill for an act relating to public finance; providing an alternative general system to issue state and local debt obligations; enacting the "Minnesota All-Government Bond Act"; appropriating money; proposing new law coded as Minnesota Statutes, Chapter 16B.

Referred to the Committee on Governmental Operations.

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

### **MOTIONS AND RESOLUTIONS**

Mr. Chmielewski moved that the name of Mr. Kroening be added as co-author to S. F. No. 717. The motion prevailed.

Mr. Wegener moved that his name be stricken as chief author and Mr. Bang be added as chief author to S. F. No. 1140. The motion prevailed.

Mr. Moe, R.D. moved that the Senate do now adjourn until 11:00 a.m., Thursday, April 2, 1981. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate