

FIFTY-SEVENTH DAY

St. Paul, Minnesota, Monday, May 18, 1981

The Senate met at 9:00 a.m. and was called to order by the President.

Prayer was offered by the Chaplain, Sister Michelle McGurran.

CALL OF THE SENATE

Mr. Moe, R. D. imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

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

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

The President declared a quorum present.

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

MEMBERS EXCUSED

Messrs. Knoll and Peterson, D. L. were excused from the Session of today from 9:00 to 10:00 a.m.

EXECUTIVE AND OFFICIAL COMMUNICATIONS

May 15, 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
	6	197	May 15	May 15
	619	198	May 15	May 15
	704	199	May 15	May 15
	979	200	May 15	May 15
	276	201	May 15	May 15
145		202	May 15	May 15
159		203	May 15	May 15
209		204	May 15	May 15
215		205	May 15	May 15
399		206	May 15	May 15
558		207	May 15	May 15
805		208	May 15	May 15
835		209	May 15	May 15
876		210	May 15	May 15
1087		211	May 15	May 15

Sincerely,

Joan Anderson Growe
Secretary of State

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, herewith returned: S. F. No. 278.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 16, 1981

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. 574: A bill for an act relating to judicial procedures; changing certain provisions relating to guardianship and conservatorship; amending Minnesota Statutes 1980, Sections 525.539, Subdivision 3, and by adding a subdivision; 525.54; 525.541; 525.542; 525.543; 525.55; 525.551; 525.5515; 525.56, Subdivisions 3 and 4; 525.58; 525.591, Subdivisions 2 and 3; 525.618, Subdivision 1; 525.6185; 525.619; 525.6192; 525.6196; 525.6198; 525.62; 525.67; 525.69; and 525.703; proposing new law coded in Minnesota Statutes, Chapter 525; repealing Minnesota Statutes 1980, Section 525.504.

Senate File No. 574 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 16, 1981

CONCURRENCE AND REPASSAGE

Mr. Spear moved that the Senate concur in the amendments by the House to S. F. No. 574 and that the bill be placed on its repassage as amended. The motion prevailed.

S. F. No. 574: A bill for an act relating to judicial procedures; changing certain provisions relating to guardianship, conservatorship, and actions brought on behalf of minor children; amending Minnesota Statutes 1980, Sections 525.539, by adding a subdivision; 525.54; 525.541; 525.542; 525.543; 525.55; 525.551; 525.5515; 525.56, Subdivisions 3 and 4; 525.58; 525.591, Subdivisions 2 and 3; 525.618, Subdivision 1; 525.6185; 525.619; 525.6192; 525.6196; 525.6198; 525.62; 525.67; 525.69; 525.703; and 540.08; proposing new law coded in Minnesota Statutes, Chapter 525; repealing Minnesota Statutes 1980, Section 525.504.

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 60 and nays 0, as follows:

Those who voted in the affirmative were:

Ashbach	Dicklich	Kroening	Olhoft	Solon
Bang	Dieterich	Kronebusch	Pehler	Spear
Belanger	Engler	Langseth	Penny	Stern
Benson	Frank	Lantry	Peterson, C. C.	Stokowski
Berg	Frederick	Lessard	Peterson, R. W.	Stumpf
Berglin	Frederickson	Lindgren	Petty	Taylor
Bernhagen	Hanson	Luther	Pillsbury	Tennessee
Bertram	Hughes	Menning	Purfeerst	Ulland
Chmielewski	Humphrey	Merriam	Ramstad	Vega
Dahl	Kamrath	Moe, D. M.	Renneke	Waldorf
Davies	Keefe	Moe, R. D.	Rued	Wegener
Davis	Knutson	Nelson	Schmitz	Willet

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 House File, herewith transmitted: H. F. No. 990.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 16, 1981

FIRST READING OF HOUSE BILLS

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

H. F. No. 990: A resolution memorializing the President and Congress to adopt legislation requiring a health hazard notice be required on all bottles of

alcoholic beverage.

Referred to the Committee on Rules and Administration.

MOTIONS AND RESOLUTIONS

Mr. Moe, R.D. for the Committee on Rules and Administration, introduced—

Senate Resolution No. 62: A Senate resolution relating to conduct of Senate business during the interim between sessions.

BE IT RESOLVED, by the Senate of the state of Minnesota:

The powers, duties and procedures set forth in this resolution apply during the interim between the adjournment of the 72nd Legislature, 1981 session and the convening of the 72nd Legislature, 1982 session.

All Senate records, including committee books, are subject to the direction of the Committee on Rules and Administration.

The Senate Chamber, retiring room, committee rooms, all conference rooms, storage rooms, Secretary of the Senate's office, Rules and Administration office, and any and all other space assigned to the Senate, shall be reserved for use by the Senate and its standing committees only and shall not be released or used for any other purpose except upon the authorization of the Secretary of the Senate with the approval of the Committee on Rules and Administration, or the Chairman thereof.

The Subcommittee on Committees of the Committee on Rules and Administration shall appoint persons as necessary to fill any vacancies that may occur in committees, commissions, and other bodies whose members are to be appointed by the Senate authorized by rule, statute, resolution, or otherwise.

The Committee on Rules and Administration shall establish positions, set compensation and benefits, and appoint employees and authorize expense reimbursement as it deems proper to carry out the work of the Senate.

The Secretary of the Senate shall classify as "permanent" for purposes of Minnesota Statutes, Sections 3.095 and 43.43 those Senate employees heretofore or hereafter certified as "permanent" by the Committee on Rules and Administration.

The Secretary of the Senate is authorized to employ after the close of the session such employees as may be necessary to finish the business of the Senate at the salaries paid such employees under the rules of the Senate for the 1981 regular session. He is authorized to employ the necessary employees to prepare for the 1982 session at the salaries in effect at that time.

The Secretary of the Senate, as authorized and directed by the Committee on Rules and Administration, shall furnish each member of the Senate with postage and supplies, and may reimburse each member for long distance telephone calls and answering service not to exceed \$55 per month, upon proper verification of the expenses incurred, and for such other expenses as may be authorized from time to time by the Committee on Rules and Administration.

The Secretary of the Senate shall correct and approve the Journal of the

Senate for those days that have not been corrected and approved by the Senate, and shall correct printing errors found in the Journal of the Senate for the 1981 session. He may include in the Senate Journal proceedings of the last day, appointments by the Subcommittee on Committees to interim commissions created by legislative action, permanent commissions or committees established by statute, standing committees, official communications and other matters of record received on or after the 18th day of May, 1981.

The Secretary of the Senate may pay election and litigation costs as authorized by the Committee on Rules and Administration.

The Secretary of the Senate, with the approval of the Committee on Rules and Administration, shall secure bids and enter into contracts for remodeling and improvement of Senate office space, and shall purchase all supplies, equipment, and other goods and services necessary to carry out the work of the Senate. Any contracts in excess of \$5,000 shall be signed by the Chairman of the Committee on Rules and Administration and another member designated by the Chairman.

The Secretary of the Senate shall draw warrants from the legislative expense fund in payment of the accounts herein referred to.

The Custodian of the Capitol shall continue to provide parking space for members and staff of the Legislature pursuant to Senate Concurrent Resolution No. 2.

Mr. Moe, R.D. moved the adoption of the foregoing resolution.

The question was taken on the adoption of the resolution.

The roll was called, and there were yeas 62 and nays 0, as follows:

Those who voted in the affirmative were:

Ashbach	Dieterich	Lantry	Peterson, R. W.	Stern
Bang	Engler	Lessard	Petty	Stokowski
Belanger	Frank	Lindgren	Pillsbury	Stumpf
Benson	Frederick	Luther	Purfeerst	Taylor
Berg	Frederickson	Menning	Ramstad	Tennessee
Berglin	Hanson	Merriam	Renneke	Ulland
Bernhagen	Hughes	Moe, D. M.	Rued	Vega
Bertram	Humphrey	Moe, R. D.	Schmitz	Waldorf
Chmielewski	Kamrath	Nelson	Setzepfandt	Wegener
Dahl	Keefe	Olhoft	Sieloff	Willett
Davies	Knutson	Pehler	Sikorski	
Davis	Kroening	Penny	Solon	
Dicklich	Kronebusch	Peterson, C. C.	Spear	

The motion prevailed. So the resolution was adopted.

RECONSIDERATION

Mr. Spear moved that the vote whereby H. F. No. 295 was passed by the Senate on May 16, 1981, be now reconsidered. The motion prevailed.

H. F. No. 295: A bill for an act relating to retirement; providing post retirement annuity or benefit increases for certain retired or disabled public employees; appropriating funds.

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

The roll was called, and there were yeas 63 and nays 1, as follows:

Those who voted in the affirmative were:

Ashbach	Dieterich	Kronebusch	Peterson, C. C.	Spear
Bang	Engler	Langseth	Peterson, R. W.	Stern
Belanger	Frank	Lantry	Petty	Stokowski
Benson	Frederick	Lessard	Pillsbury	Stumpf
Berg	Frederickson	Lindgren	Purfeerst	Taylor
Berglin	Hanson	Luther	Ramstad	Tennessen
Bernhagen	Hughes	Menning	Renneke	Ulland
Bertram	Humphrey	Merriam	Rued	Vega
Brataas	Johnson	Moe, R. D.	Schmitz	Waldorf
Dahl	Kamrath	Nelson	Setzepfandt	Wegener
Davies	Keefe	Olhoff	Sieloff	Willet
Davis	Knutson	Pehler	Sikorski	
Dicklich	Kroening	Penny	Solon	

Mr. Moe, D. M. voted in the negative.

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

CALL OF THE SENATE

Mr. Stern imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

RECONSIDERATION

Mr. Stern moved that the vote whereby S. F. No. 1084 failed to pass the Senate on May 16, 1981, be now reconsidered. The motion prevailed.

S. F. No. 1084: A bill for an act relating to intoxicating liquor; hours for Sunday sale; amending Minnesota Statutes 1980, Section 340.14, Subdivision 5.

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

The roll was called, and there were yeas 37 and nays 28, as follows:

Those who voted in the affirmative were:

Ashbach	Engler	Lessard	Pillsbury	Stern
Bang	Frederick	Luther	Purfeerst	Stokowski
Belanger	Hanson	Merriam	Ramstad	Stumpf
Berglin	Hughes	Moe, D. M.	Setzepfandt	Tennessen
Brataas	Johnson	Moe, R. D.	Sieloff	Wegener
Dahl	Keefe	Nelson	Sikorski	
Dicklich	Kronebusch	Peterson, R. W.	Solon	
Dieterich	Lantry	Petty	Spear	

Those who voted in the negative were:

Benson	Davis	Kroening	Penny	Ulland
Berg	Frank	Langseth	Peterson, C. C.	Vega
Bernhagen	Frederickson	Lindgren	Renneke	Waldorf
Bertram	Humphrey	Menning	Rued	Willet
Chmielewski	Kamrath	Olhoff	Schmitz	
Davies	Knutson	Pehler	Taylor	

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

MOTIONS AND RESOLUTIONS - CONTINUED

S. F. No. 939 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S. F. NO. 939

A bill for an act relating to human rights; authorizing injunctions for acts of reprisal; increasing the award of punitive damages; permitting the recovery of damages for mental anguish and suffering; amending Minnesota Statutes 1980, Sections 363.06, Subdivision 4; and 363.071, Subdivision 2.

May 15, 1981

The Honorable Jack Davies
President of the Senate

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

We, the undersigned conferees for S. F. No. 939, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and that S.F. No. 939 be amended as follows:

Page 4, line 11, reinstate the stricken language and before the reinstated language insert "including"

Page 4, line 14, delete "\$4,000", insert "\$8,000" and after the period, insert "*Punitive damages shall be awarded pursuant to section 549.20. In any case where a political subdivision is a respondent the total of punitive damages awarded an aggrieved party may not exceed \$8,000 and in that case if there are two or more respondents the punitive damages shall be apportioned equally among them.*"

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

Senate Conferees: (Signed) Linda Berglin, Donald M. Moe, Randolph W. Peterson

House Conferees: (Signed) Randy W. Staten, Lee Greenfield, Marnie J. Luknic

Ms. Berglin moved that the foregoing recommendations and Conference Committee Report on S. F. No. 939 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

S. F. No. 939 was read the third time, as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 30 and nays 36, as follows:

Those who voted in the affirmative were:

Berglin	Hughes	Luther	Peterson, C. C.	Spear
Dahl	Humphrey	Merriam	Peterson, R. W.	Stern
Davies	Johnson	Moe, D. M.	Petty	Stokowski
Dicklich	Knoll	Moe, R. D.	Purfeerst	Stumpf
Dieterich	Kroening	Nelson	Sikorski	Tennessee
Hanson	Lantry	Penny	Solon	Vega

Those who voted in the negative were:

Ashbach	Chmielewski	Kronebusch	Pillsbury	Ulland
Bang	Davis	Langseth	Ramstad	Waldorf
Belanger	Engler	Lessard	Renneke	Wegener
Benson	Frank	Lindgren	Rued	Willet
Berg	Frederick	Menning	Schmitz	
Bernhagen	Frederickson	Olhoft	Setzepfandt	
Bertram	Kamrath	Pehler	Sieloff	
Brataas	Keefe	Peterson, D. L.	Taylor	

So the bill, as amended by the Conference Committee, failed to pass.

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R. D. moved that the Senate take up the Calendar. The motion prevailed.

CALENDAR

H. F. No. 1210: 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 1980, Sections 290.971; 290.972; and 290.975.

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 60 and nays 0, as follows:

Those who voted in the affirmative were:

Ashbach	Engler	Langseth	Penny	Sieloff
Bang	Frank	Lantry	Peterson, C. C.	Solon
Benson	Frederick	Lessard	Peterson, D. L.	Spear
Berg	Frederickson	Lindgren	Peterson, R. W.	Stern
Bernhagen	Hanson	Luther	Petty	Stokowski
Bertram	Hughes	Menning	Pillsbury	Stumpf
Brataas	Humphrey	Merriam	Purfeerst	Taylor
Dahl	Kamrath	Moe, D. M.	Ramstad	Tennesen
Davies	Keefe	Moe, R. D.	Renneke	Ulland
Davis	Knoll	Nelson	Rued	Vega
Dicklich	Knutson	Olhoft	Schmitz	Waldorf
Dieterich	Kronebusch	Pehler	Setzepfandt	Wegener

So the bill passed and its title was agreed to.

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R. D. moved that the Senate proceed to the Order of Business of Introduction and First Reading of Senate Bills. 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, Belanger, Bertram, Engler and Menning introduced—

S.F. No. 1447: A resolution memorializing the United States Congress relating to amending the United States Constitution to protect human life; applying to Congress to call a constitutional convention to provide for protec-

tion of all human life.

Referred to the Committee on Health, Welfare and Corrections.

Messrs. Benson and Knutson introduced—

S.F. No. 1448: A resolution memorializing the United States Congress relating to amending the United States Constitution to protect human life; applying to Congress to call a constitutional convention to provide for protection of all human life.

Referred to the Committee on Health, Welfare and Corrections.

Messrs. Belanger, Stern and Bang introduced—

S.F. No. 1449: A bill for an act relating to commerce; revising and modernizing laws relating to hotels; providing for the rights and duties of innkeepers and their guests; prohibiting certain practices; imposing penalties; amending Minnesota Statutes 1980, Section 363.03, by adding a subdivision; proposing new law coded in Minnesota Statutes, Chapter 327; repealing Minnesota Statutes 1980, Sections 327.01 to 327.095.

Referred to the Committee on Commerce.

Messrs. Luther, Johnson, Rued, Ulland and Solon introduced—

S.F. No. 1450: A bill for an act relating to snowmobiles; increasing registration fees and appropriating collections for recreational purposes; amending Minnesota Statutes 1980, Sections 84.82, Subdivision 3; and 84.83.

Referred to the Committee on Agriculture and Natural Resources.

Mr. Merriam introduced—

S.F. No. 1451: A bill for an act relating to metropolitan government; providing for the establishment and operation of a water planning and management program in the metropolitan area; requiring watershed and local water management plans; establishing a metropolitan water resources advisory board; providing for the establishment and operation of watershed management organizations; establishing a program of planning and capital improvement grants; authorizing county and metropolitan debt; authorizing taxes; amending Minnesota Statutes 1980, Sections 112.35, by adding a subdivision; 112.37, Subdivision 1, and by adding a subdivision; 112.42, Subdivision 3 and by adding subdivisions; 112.43; by adding a subdivision; 112.46; proposing new law coded in Minnesota Statutes, Chapter 473.

Referred to the Committee on Agriculture and Natural Resources.

Mr. Peterson, C.C. introduced—

S.F. No. 1452: A bill for an act relating to local water management; establishing a natural resources management fund; providing for duties of counties, cities, towns, watershed districts, and soil and water conservation districts; appropriating money; amending Minnesota Statutes 1980, Sections 40.03, Subdivision 4; 40.036, by adding a subdivision; 40.07, Subdivision 9, and by adding a subdivision; 40.072, by adding a subdivision; 106.021,

Subdivisions 3 and 6, and by adding a subdivision; 112.39, Subdivision 3, and by adding a subdivision; 112.411, Subdivision 1, and by adding a subdivision; 112.43, Subdivision 1, and by adding subdivisions; 112.46; 112.47; 378.31, Subdivision 2; and 459.20; proposing new law coded as Minnesota Statutes, Chapter 105A.

Referred to the Committee on Agriculture and Natural Resources.

Mr. Davies introduced—

S.F. No. 1453: A bill for an act relating to Special School District No. 1 of the city of Minneapolis; providing for alley system of electing members of the board of education; amending Laws 1959, Chapter 462, Section 3, Subdivision 3, as amended.

Referred to the Committee on Elections and Reapportionment.

Mr. Sieloff introduced—

S.F. No. 1454: A bill for an act relating to taxation; providing a homestead rebate; repealing the homestead credit; appropriating money; amending Minnesota Statutes 1980, Sections 273.13, Subdivisions 6, 6a, 7, 14a, and 16; 273.135, Subdivision 5; 290A.03, Subdivision 13; 290A.04, Subdivisions 2 and 3, and by adding a subdivision; repealing Minnesota Statutes 1980, Section 273.13, Subdivision 15a.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Frederickson, Spear, Renneke, Mrs. Lantry and Mr. Kamrath introduced—

S.F. No. 1455: A bill for an act relating to retirement; including employees at the state ceremonial building in the unclassified employees plan; amending Minnesota Statutes 1980, Section 352D.02, Subdivision 1.

Referred to the Committee on Public Employees and Pensions.

Mr. Stumpf introduced—

S.F. No. 1456: A bill for an act relating to driver licensing; requiring certain reports to be made to the commissioner of public safety; making insurance coverage inapplicable in certain instances; proposing new law coded in Minnesota Statutes, Chapters 65B and 171.

Referred to the Committee on Transportation.

Messrs. Davies and Peterson, R. W. introduced—

S.F. No. 1457: A bill for an act relating to highway traffic regulations; providing for administrative driving privilege revocations for failure to submit to chemical testing or exceeding prescribed alcohol concentration; authorizing revocations prior to judicial review; revising the procedure for hearings and appeals on administrative revocations; authorizing introduction into evidence certain peace officer records and reports; amending Minnesota Statutes 1980, Section 169.123, Subdivisions 5, 5a, 6, 7, and by adding a subdivision.

Referred to the Committee on Judiciary.

Mr. Davies introduced—

S.F. No. 1458: A bill for an act relating to courts; authorizing the awarding of costs and disbursements, witness fees and attorney's fees in certain actions or proceedings; amending Minnesota Statutes 1980, Section 549.21.

Referred to the Committee on Judiciary.

Mr. Spear introduced—

S.F. No. 1459: A bill for an act relating to the hospitalization and commitment of persons who are mentally ill, mentally ill and dangerous, mentally deficient, or inebriate; providing for informal hospitalization by consent, involuntary emergency hospitalization and for involuntary commitment by civil judicial procedures; providing for rights of persons hospitalized under voluntary, emergency or involuntary judicial procedures; requiring pre-petition screening prior to filing a petition for commitment; providing for commitment hearings and procedures in conformance with due process; requiring a final hearing within 60 days before final determination of commitment; providing for commitment for determinate periods; providing for provisional discharge and partial hospitalization; requiring special review boards for mentally ill and dangerous and psychopathic personalities; establishing review boards for civilly committed persons; providing penalties; proposing new law coded in Minnesota Statutes, Chapter 253A; repealing Minnesota Statutes 1980, Sections 253A.01 to 253A.21.

Referred to the Committee on Judiciary.

Mr. Engler introduced—

S.F. No. 1460: A bill for an act relating to safety; imposing an additional registration tax on motorcycles for motorcycle safety education programs; providing for the disposition of the proceeds of the additional tax; prescribing duties of commissioner of education; appropriating money; amending Minnesota Statutes 1980, Section 168.013, Subdivisions 1b and 8; proposing new law coded in Minnesota Statutes, Chapter 126.

Referred to the Committee on Transportation.

Messrs. Olhoft, Sieloff, Merriam, Lessard and Kroening introduced—

S.F. No. 1461: A bill for an act relating to tort actions; prohibiting the causes of action for wrongful life and wrongful birth; prohibiting a defense, an award of damages, or a penalty based on the failure or refusal to prevent a live birth; proposing new law coded in Minnesota Statutes, Chapter 145.

Referred to the Committee on Judiciary.

Messrs. Kroening, Frederickson, Knoll, Frank and Ashbach introduced—

S.F. No. 1462: A bill for an act relating to occupations and professions; providing for the licensing of burglar alarm contractors; requiring the commissioner of public safety to promulgate rules establishing performance and maintenance standards for burglar alarms; prescribing penalties; appropriating money; amending Minnesota Statutes 1980, Section 326.338, Subdivision 3;

proposing new law coded in Minnesota Statutes, Chapter 326.

Referred to the Committee on Commerce.

Messrs. Frank, Pehler, Luther and Keefe introduced—

S.F. No. 1463: A bill for an act relating to local government; enlarging the class of cities that may maintain cable television systems; clarifying the description of a system; removing a debt limit; amending Minnesota Statutes 1980, Section 465.70.

Referred to the Committee on Commerce.

Mr. Bertram, Mrs. Kronebusch and Mr. Rued introduced—

S.F. No. 1464: A resolution memorializing the United States Congress relating to amending the United States Constitution to protect human life; applying to Congress to call a constitutional convention to provide for protection of all human life.

Referred to the Committee on Health, Welfare and Corrections.

Mrs. Kronebusch, Messrs. Belanger, Rued, Bertram and Olhoft introduced—

S.F. No. 1465: A resolution memorializing the United States Congress relating to amending the United States Constitution to protect human life; applying to Congress to call a constitutional convention to provide for protection of all human life.

Referred to the Committee on Health, Welfare and Corrections.

Messrs. Kamrath, Rued and Menning introduced—

S.F. No. 1466: A resolution memorializing the United States Congress relating to amending the United States Constitution to protect human life; applying to Congress to call a constitutional convention to provide for protection of all human life.

Referred to the Committee on Health, Welfare and Corrections.

Messrs. Berg, Bernhagen, Engler and Rued introduced—

S.F. No. 1467: A resolution memorializing the United States Congress relating to amending the United States Constitution to protect human life; applying to Congress to call a constitutional convention to provide for protection of all human life.

Referred to the Committee on Health, Welfare and Corrections.

Mr. Humphrey introduced—

S.F. No. 1468: A bill for an act relating to corrections; providing funds for a Hennepin County work-study release facility; appropriating money.

Referred to the Committee on Health, Welfare and Corrections.

Messrs. Renneke, Benson and Frederickson introduced—

S.F. No. 1469: A resolution memorializing the United States Congress

relating to amending the United States Constitution to protect human life; applying to Congress to call a constitutional convention to provide for protection of all human life.

Referred to the Committee on Health, Welfare and Corrections.

Mr. Schmitz introduced—

S.F. No. 1470: A resolution memorializing the United States Congress relating to amending the United States Constitution to protect human life; applying to Congress to call a constitutional convention to provide for protection of all human life.

Referred to the Committee on Health, Welfare and Corrections.

Messrs. Frederickson, Belanger, Renneke and Kamrath introduced—

S.F. No. 1471: A resolution memorializing the United States Congress relating to amending the United States Constitution to protect human life; applying to Congress to call a constitutional convention to provide for protection of all human life.

Referred to the Committee on Health, Welfare and Corrections.

Mr. Peterson, C.C. introduced—

S.F. No. 1472: A bill for an act relating to taxation; providing for the valuation of income producing property; amending Minnesota Statutes 1980, Section 273.12.

Referred to the Committee on Taxes and Tax Laws.

RECESS

Mr. Moe, R.D. 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.

APPOINTMENTS

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

H. F. No. 1143: Messrs. Dieterich, Pillsbury and Merriam.

S. F. No. 537: Messrs. Purfeerst, Belanger and Schmitz.

Mr. Moe, R.D. moved that the foregoing appointments be approved. The motion prevailed.

SPECIAL ORDER

Pursuant to Rule 10, Mr. Moe, R.D., Chairman of the Subcommittee on Bill Scheduling, designated S. F. No. 635 a Special Order to be heard immediately.

S. F. No. 635: A bill for an act relating to taxation; imposing certain requirements and restrictions on the use of tax increment financing; amending Minnesota Statutes 1980, Sections 124.212, Subdivision 10; 273.73, Subdivisions 10 and 13; 273.74, Subdivisions 1, 2, 3, and 4, and by adding subdivisions; 273.75, Subdivisions 3, 4 and 6, and by adding a subdivision; 273.76, Subdivision 4; and 273.77.

Mr. Frederickson moved to amend S.F. No. 635 as follows:

Page 8, line 3, after "less" insert "if the expenditure is in excess of \$500,000; 10 percent if that amount is more than \$300,000 but less than or equal to \$500,000; 12 percent if that amount is more than \$100,000 but less than or equal to \$300,000; and 15 percent if that amount is \$100,000 or less"

The motion prevailed. So the amendment was adopted.

CALL OF THE SENATE

Mr. Hanson imposed a call of the Senate for the proceedings on S. F. No. 635. The Sergeant at Arms was instructed to bring in the absent members.

S. F. No. 635 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 18 and nays 43, as follows:

Those who voted in the affirmative were:

Berglin	Hughes	Menning	Peterson, R. W.	Tennessen
Dahl	Johnson	Merriam	Sieloff	Waldorf
Davies	Kroening	Olhoft	Spear	
Dieterich	Luther	Peterson, C. C.	Stumpf	

Those who voted in the negative were:

Ashbach	Dicklich	Knoll	Pehler	Setzepfandt
Bang	Engler	Knutson	Penny	Stern
Belanger	Frank	Kronebusch	Peterson, D. L.	Stokowski
Benson	Frederick	Langseth	Petty	Taylor
Berg	Frederickson	Lantry	Pillsbury	Ulland
Bernhagen	Hanson	Lindgren	Ramstad	Vega
Bertram	Humphrey	Moe, D. M.	Renneke	Wegener
Brataas	Kamrath	Moe, R. D.	Rued	
Davis	Keefe	Nelson	Schmitz	

So the bill, as amended, failed to pass.

RECONSIDERATION

Mr. Hanson moved that the vote whereby S. F. No. 635 failed to pass the Senate on May 18, 1981, be now reconsidered.

The question was taken on the adoption of the motion.

The roll was called, and there were yeas 31 and nays 32, as follows:

Those who voted in the affirmative were:

Berg	Hughes	Menning	Peterson, R. W.	Ulland
Berglin	Johnson	Merriam	Setzepfandt	Vega
Dahl	Keefe	Moe, R. D.	Sieloff	Waldorf
Davies	Kroening	Nelson	Sikorski	
Dicklich	Langseth	Olhoft	Spear	
Dieterich	Lindgren	Pehler	Stumpf	
Hanson	Luther	Peterson, C. C.	Tennessen	

Those who voted in the negative were:

Ashbach
Bang
Belanger
Benson
Bernhagen
Bertram
Brataas

Davis
Engler
Frank
Frederick
Frederickson
Humphrey
Kamrath

Knoll
Knutson
Kronebusch
Lantry
Lessard
Moe, D. M.
Penny

Peterson, D.L.
Petty
Pillsbury
Ramstad
Renneke
Rued
Schmitz

Stern
Stokowski
Taylor
Wegener

The motion did not prevail.

RECONSIDERATION

Mr. Frank moved that the vote whereby S. F. No. 939 failed to pass the Senate on May 18, 1981, be now reconsidered. The motion prevailed.

RECONSIDERATION

Having voted on the prevailing side, Ms. Berglin moved that the vote whereby the recommendations and Conference Committee Report on S. F. No. 939 were adopted on May 18, 1981, be now reconsidered. The motion prevailed.

Ms. Berglin moved that S. F. No. 939 be re-referred to the Conference Committee as formerly constituted for further consideration. The motion prevailed.

SPECIAL ORDER

Pursuant to Rule 10, Mr. Moe, R.D., Chairman of the Subcommittee on Bill Scheduling, designated H. F. No. 1132 a Special Order to be heard immediately.

H. F. No. 1132: A bill for an act relating to the revenue recapture act; expanding the definition of claimant agencies to include counties and state district courts; amending Minnesota Statutes 1980, Sections 270A.02; and 270A.03, Subdivisions 2 and 5.

Mr. Johnson moved to amend H. F. No. 1132, the unofficial engrossment, as follows:

Page 3, line 30, delete "as follows" and insert "is amended to read"

Page 25, line 7, delete "Sections 16 to 23"

Page 25, delete lines 8 to 11 and insert "*Sections 16 to 19 are effective for cigarettes and tobacco products sold, used or consumed in this state after the date of final enactment of this act. Section 20 is effective for sales made after May 31, 1981. Sections 21 to 23 are effective for liquor, wine and fermented malt beverages sold after May 31, 1981.*"

The motion prevailed. So the amendment was adopted.

Mr. Dicklich moved to amend H.F. No. 1132, the unofficial engrossment, as follows:

Page 3, line 29, delete "as added in"

Page 3, line 30, delete "as follows" and insert "is amended to read"

Page 25, line 6, before the period, insert "*, notwithstanding that House File*

No. 70 may be enacted at a later date than this act"

Page 25, line 6, after the period, insert *"Sections 7, 8, 9, and 11 supersede the law enacted at the 1981 regular session styled as House File No. 1446, Article II, Sections 26, 27, 28, and 2, Subdivision 1, respectively, notwithstanding that House File No. 1446 may be enacted at a later date than this act."*

The motion prevailed. So the amendment was adopted.

H. F. No. 1132 was then progressed.

RECESS

Mr. Moe, R.D. 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.

CALL OF THE SENATE

Mr. Moe, R. D. imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Ms. Berglin moved that the following members be excused for a Conference Committee on S. F. No. 368:

Ms. Berglin, Messrs. Humphrey and Belanger. The motion prevailed.

Pursuant to Rule 21, Mr. Menning moved that the following members be excused for a Conference Committee on H. F. No. 1475 at 1:00 p.m.:

Messrs. Luther, Menning, Purfeerst, Ashbach and Willet. The motion prevailed.

The question recurred on H. F. No. 1132.

Mr. Hughes moved to amend H. F. 1132, the unofficial engrossment, as follows:

Page 24, after line 29, insert:

"Sec. 24. A law enacted at the 1981 regular session styled as House File No. 70, Article I, Section 45, is amended to read:

Sec. 45. [LEVY ADJUSTMENTS.]

In 1981, the maximum levy limitation under Minnesota Statutes, Section 275.125, Subdivision 2a or 2e, as applicable, for each district shall be reduced by any difference between the amount of the basic maintenance levy certified by the district in 1980 and the amount of the 1980 basic maintenance levy limitation which would have been computed for the district using a formula allowance of \$1,318 \$1,338."

Renumber the sections in sequence

Page 24, line 31, delete "Section 5 is" and insert "Sections 5 and 24 of this act are"

Page 25, line 3, delete "and 6" and insert ", 6 and 24"

Page 25, line 4, delete ", and" and insert a semicolon

Page 25, line 4, after "11" delete the comma and insert "; and Article I, Section 45,"

Amend the title as follows:

Page 1, line 18, after the semicolon, insert "H. F. No. 70, Article I, Section 45,"

The motion prevailed. So the amendment was adopted.

CALL OF THE SENATE

Mr. Ashbach imposed a call of the Senate for the proceedings on H. F. No. 1132. The Sergeant at Arms was instructed to bring in the absent members.

Mr. Ashbach moved to amend H.F. No. 1132, the unofficial engrossment, as follows:

Page 12, line 2, after the period, insert "*Expenditures from the general fund shall be reduced by at least \$40,000,000 under the provisions of this section.*"

Pages 15 to 22, delete section 20

Page 25, line 7, delete "23" and insert "22"

Page 25, line 8, after "cigarettes" delete the comma and insert "and" and delete "candy, and"

Page 25, line 9, delete "beverages sold,"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 9, delete everything after the semicolon

Page 1, line 10, delete "drinks;"

Page 1, line 15, delete "297A.25, Subdivision 1;"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 23 and nays 44, as follows:

Those who voted in the affirmative were:

Ashbach	Bernhagen	Kamrath	Peterson, D.L.	Sieloff
Bang	Brataas	Keefe	Pillsbury	Taylor
Belanger	Engler	Knutson	Ramstad	Ulland
Benson	Frederick	Kronebusch	Renneke	
Berg	Frederickson	Lindgren	Rued	

Those who voted in the negative were:

Berglin	Hanson	Luther	Peterson, C. C.	Stern
Bertram	Hughes	Menning	Peterson, R. W.	Stokowski
Chmielewski	Humphrey	Merriam	Petty	Stumpf
Dahl	Johnson	Moe, D. M.	Purfeerst	Tennessee
Davies	Knoll	Moe, R. D.	Schmitz	Vega
Davis	Kroening	Nelson	Setzepfandt	Waldorf
Dicklich	Langseth	Olhoft	Sikorski	Wegener
Dieterich	Lantry	Pehler	Solon	Willet
Frank	Lessard	Penny	Spear	

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

H. F. No. 1132 was read the third time, as amended, and placed on its final passage.

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

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

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

The roll was called, and there were yeas 57 and nays 10, as follows:

Those who voted in the affirmative were:

Ashbach	Frank	Lantry	Peterson, C. C.	Stern
Benson	Frederick	Lessard	Peterson, D. L.	Stokowski
Berglin	Frederickson	Lindgren	Peterson, R. W.	Stumpf
Bernhagen	Hanson	Luther	Petty	Taylor
Bertram	Hughes	Menning	Purfeerst	Tennessee
Brataas	Humphrey	Merriam	Ramstad	Vega
Chmielewski	Johnson	Moe, D. M.	Renneke	Waldorf
Dahl	Keefe	Moe, R. D.	Schmitz	Wegener
Davies	Knoll	Nelson	Setzepfandt	Willet
Davis	Knutson	Olhoft	Sikorski	
Dicklich	Kroening	Pehler	Solon	
Dieterich	Langseth	Penny	Spear	

Those who voted in the negative were:

Bang	Berg	Kamrath	Pillsbury	Sieloff
Belanger	Engler	Kronebusch	Rued	Ulland

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

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate revert to the Order of Business of Messages From the House. The motion prevailed.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 1474 and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 1474 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 18, 1981

CONFERENCE COMMITTEE REPORT ON H. F. NO. 1474

A bill for an act relating to public improvements; authorizing the acquisition and betterment of public land and buildings and other public improvements of a capital nature with certain conditions; authorizing issuance of state bonds; appropriating money; proposing new law coded in Minnesota Statutes, Chapter 121.

May 18, 1981

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

The Honorable Jack Davies
President of the Senate

We, the undersigned conferees for H. F. No. 1474, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment and H.F. No. 1474 be amended as follows:

Delete everything after the enacting clause and insert:

Section 1. [PUBLIC LAND AND BUILDINGS; APPROPRIATIONS.] The sums set forth in the column designated "APPROPRIATIONS" are appropriated from the state building fund, or any other fund designated, to the state agencies indicated, to be expended for the acquisition and betterment of public land and buildings and other public improvements of a capital nature, as more specifically described in the following sections of this act.

SUMMARY

EDUCATION	\$14,145,300
STATE UNIVERSITIES	1,621,000
COMMUNITY COLLEGES	620,000
UNIVERSITY OF MINNESOTA	38,057,100
BOND SALE EXPENSES	50,000
TOTAL	54,493,400
Building Fund	54,493,400

APPROPRIATIONS**Sec. 2. [EDUCATION.]**

Subdivision 1. To the state board of education for post-secondary vocational-technical construction in the school districts listed in this subdivision

14,145,300

Independent School District No. 241,
Albert Lea 253,000

The total cost of the project shall not exceed \$297,000 whether paid from state, local, or federal money.

Independent School District No. 31,
Bemidji 654,500

The total cost of the construction shall not exceed \$770,000, whether paid from state, local, or federal money.

Independent School District No. 917,
Dakota County 300,000

The total cost of the construction shall not exceed \$352,000, whether paid from state, local, or federal money.

Independent School District No. 22,
Detroit Lakes 318,700

The total cost of the construction shall not exceed \$375,000, whether paid from state, local, or federal money.

Independent School District No. 595,
East Grand Forks 680,000

The total cost of the construction shall not exceed \$800,000, whether paid from state, local, or federal money.

Independent School District No. 894,
Granite Falls 362,000

The total cost of the construction shall not exceed \$425,900, whether paid from state, local, or federal money.

Independent School District No. 324,
Jackson 234,000

The total cost of the construction shall not exceed \$275,000, whether paid from state, local, or federal money.

Independent School District No. 77,
Mankato 234,000

This appropriation is for construction at the main campus of the Mankato Area Vocational Technical Institute.

The total cost of the project shall not exceed \$275,000, whether paid from state, local, or federal money.

Independent School District No. 916 203,000

The local portion of the cost of this project is \$87,000.

The total cost of the construction shall not exceed \$290,000, whether paid from state, local, or federal money.

Independent School District No. 152,
Moorhead 202,000

The total cost of the construction shall not exceed \$237,400, whether paid from state, local, or federal money.

Independent School District No. 742,
St. Cloud 1,100,000

The local portion of the cost of this project shall be a minimum of \$194,000 and a maximum of \$900,000. The total cost of the project shall not exceed \$2,000,000, whether paid from state, local, or federal money.

Independent School District No. 625,
St. Paul 3,825,000

This appropriation is for a construction project on the grounds of the main campus of the St. Paul Technical Vocational Institute.

The total cost of the project shall not exceed \$4,500,000, whether paid from state, local, or federal money.

Independent School District No. 793,
Staples 3,059,000

This amount shall not be paid unless the district, with the approval of the voters as provided in Minnesota Statutes, Chapter 475, finances \$741,000 of the cost of the post-secondary vocational-technical construction project approved in this clause through the issuance of local bonds.

Notwithstanding the provisions of Minnesota Statutes, Section 124.564, starting in fiscal year 1983, the district shall not receive post-secondary vocational debt service aid for the state portion of debt service costs with respect to bonds issued in 1960 and that portion of bonds issued in 1969 and in 1971 to finance the "South Campus" post-secondary vocational-technical wing of the district's high school building and interest thereon, but instead, starting with the levy certified in 1981, shall provide fully for the payments due on these bonds and interest thereon through local tax levies as provided in Minnesota Statutes, Chapter 475.

The total cost of the new construction project shall not exceed \$3,849,100, whether paid from state, local, or federal money.

Joint Independent School District
No. 287, Suburban Hennepin 1,533,900

The local portion of the cost of this project shall be a minimum of \$655,200 and a maximum of \$1,210,100. The total cost of the project including money from post-secondary vocational, secondary vocational, and special education services shall not exceed \$2,744,000, whether paid from state, local, or federal money.

Independent School District No. 819,
Wadena 698,300

The local portion of the cost of this project shall be a minimum of \$121,500 and a maximum of \$253,900. The total cost of the project shall not exceed \$952,200, whether paid from state, local, or federal money.

Independent School District No. 347,
Willmar 187,900

The total cost of the construction shall not exceed \$221,000, whether paid from state, local, or federal money.

Independent School District No. 861,
Winona 300,000

The local portion of this project shall be a minimum of \$53,000 and a maximum of \$1,000,000. The total cost of the construction shall not exceed \$1,300,000, whether paid from state, local, or federal money.

Subd. 2. The Minneapolis area vocational-technical institute shall provide temporary space for the Minneapolis community college during the period in which the college is undergoing construction.

Sec. 3. [STATE UNIVERSITIES.]

Subdivision 1. To the commissioner of administration for the purposes more specifically described in the following subdivisions of this section 1,621,000

Subd. 2. Winona Campus

Rehabilitate Somsen Hall 700,000

This appropriation is for the following projects:

(1) Replace windows 399,000
(2) Install elevator 225,000
(3) Architect fees and other
related expenses 76,000

The state university board may transfer amounts among clauses (1) to (3) as needed.

Subd. 3. Moorhead Campus

Rehabilitate Lommen Hall 800,000

Subd. 4. Mankato Campus

Improve heating, ventilation, and
air conditioning at Armstrong Hall 121,000

Sec. 4. [COMMUNITY COLLEGES.]

Subdivision 1. To the commissioner of administration for the purposes more specifically

described in the following subdivisions of this section 620,000

Subd. 2. Preparation of plans for expansion of college center, and physical education classroom facilities at Vermillion and Rainy River community colleges 120,000

Subd. 3. Roof replacement, construct roads and parking lots 500,000

Sec. 5. [UNIVERSITY OF MINNESOTA.]

Subdivision 1. To the regents of the university of Minnesota for the purposes more specifically described in the following subdivisions of this section 38,057,100

Subd. 2. Minneapolis Campus 18,284,000

(a) Construct two interconnected buildings on the West Bank to serve the needs of the Hubert H. Humphrey Institute and the College of Business Administration 16,484,000

\$480,000 of this appropriation is for planning and working drawings for the Hubert H. Humphrey Institute. Upon completion of the working drawings, the regents shall report to the house appropriations and senate finance committees on the progress and cost of the project.

The two buildings shall be designed and constructed in a manner which avoids duplication between facilities and duplication of existing facilities. The buildings shall maximize access and sharing of facilities common to both programs. Construction of either facility may commence following completion of working drawings. The total cost shall not exceed \$16,484,000. This total amount is less than the amount requested by the regents. The regents shall apportion the reduction to each of the buildings in proportion to the number of gross square feet in the regents' request for the two buildings.

(b) Complete basement space in Kolthoff Hall 900,000

(c) Prepare working drawings for remodeling Smith Hall 900,000

The total cost of this project shall not exceed \$22,000,000.

Subd. 3. St. Paul Campus 17,300,000

Construct agronomy and plant genetics, plant pathology, and soil science building

Subd. 4. Duluth Campus 851,000

(a) Construct greenhouse	319,000
(b) Business building remodeling	532,000
Subd. 5. Morris Campus Remodel Behmler Hall	320,000
Subd. 6. Waseca Campus	551,000
Construct livestock laboratory and holding facility	
Subd. 7. Crookston Campus	52,800
Prepare plans for Owen hall remodeling	
Subd. 8. Southern Experiment Station - Waseca	184,800
Construct dairy heifer facility	
This building is considered an agricultural building and is exempt from the provisions of the state designer selection board and the state building code relating to public buildings.	
Subd. 9. The Northwest Experiment Station - Crookston	20,000
Construct chemical storage facility	
Subd. 10. Southwest Experiment Station - Lamberton	154,500
Construct a field laboratory and addition to plot building	
Subd. 11. North Central Experiment Station - Grand Rapids	
The board of regents is authorized to purchase, using nonstate funds only, a 39 acre parcel of land near the North Central Experiment Station at Grand Rapids.	
Subd. 12. Hormel Institute	339,000
Completion and equipping of animal research facility	

Sec. 6. [BOND SALE EXPENSES.]

To the commissioner of finance for bond sale
expenses pursuant to Minnesota Statutes, Sec-
tion 16A.64, Subdivision 4. 50,000

Sec. 7. [BOND SALE; DEBT SERVICE.] *To provide the money appro-
priated in this act from the state building fund the commissioner of finance
upon request of the governor shall sell and issue bonds of the state in an
amount up to \$54,495,000 in the manner, upon the terms, and with the effect
prescribed by Minnesota Statutes, Sections 16A.63 to 16A.67 and by the
Constitution, Article XI, Sections 4 to 7.*

Sec. 8. [CONSULTATION REQUIRED.] *No land shall be purchased and
no buildings shall be purchased, constructed, or erected on lands of the
university of Minnesota until the regents have first consulted with the chairman
of the senate finance committee and the chairman of the house appropriations*

committee and obtained their recommendations, which are advisory only.

Sec. 9. [REVIEW OF PLANS.] *The commissioner of administration and the board of regents of the university of Minnesota shall not prepare final plans and specifications for any construction or major remodeling authorized by this act until the using agency or department has presented the program and schematic plans to the chairman of the house appropriations committee and the chairman of the senate finance committee and the chairmen have made their recommendations thereon. The recommendations are advisory only. Failure or refusal to make a recommendation promptly is deemed a negative recommendation.*

Sec. 10. [APPROPRIATIONS FOR CONSTRUCTION; TRANSFER.] *Upon the awarding of final contracts for the completion of any project for construction or other permanent improvement authorized by this act, the commissioner of administration and the board of regents of the university of Minnesota as to appropriations made to them may transfer any unencumbered balance in the project account to any other project enumerated in the same section of the appropriation act as the project about to be completed. The money transferred pursuant to this section is appropriated for the purposes for which transferred. The commissioner of administration and the board of regents of the university of Minnesota shall report to the chairman of the house appropriations committee and the chairman of the senate finance committee on any transfer made pursuant to this section.*

Sec. 11. [APPROPRIATIONS FOR CONSTRUCTION; FEDERAL MONEY; EXCEEDING AUTHORIZED COST.] *The commissioner of administration and the board of regents of the university of Minnesota shall apply for the maximum federal share for each capital improvement project for which money is appropriated by this act. Encumbrance or expenditure of money in excess of the project authorization shall be made only after the commissioner of administration and the board of regents, as appropriate, have consulted with the chairman of the house appropriations committee and the chairman of the senate finance committee and the chairmen have made their recommendations thereon. The recommendations are advisory only. Failure or refusal to make a recommendation promptly is deemed a negative recommendation.*

Sec. 12. [METHODS OF ACQUISITION.] *Where money has been appropriated by this act to the commissioner of administration to acquire lands or sites for public buildings or real estate, acquisition may be by gift, purchase, or condemnation proceedings. Condemnation proceedings shall be pursuant to chapter 117.*

Sec. 13. [121.2155] [VOCATIONAL-TECHNICAL BUILDING APPROPRIATIONS.]

Money appropriated from the state building fund to the state board of education for post-secondary vocational-technical construction in school districts shall be used for grants to school districts for the acquisition and betterment of land, buildings, and capital improvements for area vocational-technical institutes. These grants shall only be made upon the conditions and in accordance with all standards and criteria established in state board rules and in the legislative act authorizing the specific post-secondary vocational facilities project. A grant shall cover 85 percent of the cost of the post-secondary vocational facilities authorized by the specific legislative act, and 15 percent of the cost of these facilities shall be financed by the school district operating the post-secondary vocational-technical school, unless otherwise provided by the specific legislative act. No local bonds shall be authorized, issued, or sold, nor

shall any election be held to authorize the issuance of bonds, if the proceeds will be used to finance a project for which specific legislative approval is required, until after that specific legislative approval has been given.

Sec. 14. [EFFECTIVE DATE.]

This act is effective the day following final enactment."

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

House Conferees: (Signed) Michael R. Sieben, Lyndon R. Carlson, Richard J. Welch, Bruce G. Nelson, Wendell O. Erickson

Senate Conferees: (Signed) Tom A. Nelson, Timothy J. Penny, Gerald L. Willet, John B. Keefe, Peter P. Stumpf

CALL OF THE SENATE

Mr. Nelson imposed a call of the Senate for the proceedings on H. F. No. 1474. The Sergeant at Arms was instructed to bring in the absent members.

Mr. Nelson moved that the foregoing recommendations and Conference Committee Report on H. F. No. 1474 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H. F. No. 1474 was read the third time, as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 61 and nays 5, as follows:

Those who voted in the affirmative were:

Ashbach	Dieterich	Langseth	Peterson, C. C.	Stern
Belanger	Engler	Lantry	Peterson, D. L.	Stokowski
Benson	Frank	Lessard	Peterson, R. W.	Stumpf
Berg	Frederick	Lindgren	Petty	Taylor
Berglin	Frederickson	Luther	Pillsbury	Ulland
Bernhagen	Hanson	Menning	Purfeerst	Vega
Bertram	Hughes	Merriam	Ramstad	Waldorf
Brataas	Humphrey	Moe, D. M.	Renneke	Wegener
Chmielewski	Johnson	Moe, R. D.	Rued	Willet
Dahl	Keefe	Nelson	Schmitz	
Davies	Knoll	Olhoft	Setzepfandt	
Davis	Kroening	Pehler	Sikorski	
Dicklich	Kronebusch	Penny	Solon	

Those who voted in the negative were:

Bang	Kamrath	Sieloff	Spear	Tennessen
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So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce that the House has acceded to the request of the Senate for the appointment of a Conference Committee, consisting of 3 members of the House, on the amendments adopted by the House to the following

Senate File:

S. F. No. 537: A bill for an act relating to highway traffic regulations; increasing the length of certain vehicles; establishing permit fees for certain oversize vehicles; directing the commissioner of transportation to conduct certain studies; clarifying the operation of certain combination vehicles; amending Minnesota Statutes 1980, Sections 169.81, Subdivision 3; 169.86, Subdivision 5, and by adding a subdivision; and 169.861.

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

Mehrkens, Dahlvang and Pogemiller.

Senate File No. 537 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 18, 1981

Mr. President:

I have the honor to announce that the House has acceded to the request of the Senate for the appointment of a new Conference Committee on:

S. F. No. 452: A bill for an act relating to the state board of investment; establishing standards for the selection of certain prudent investments; amending Minnesota Statutes 1980, Section 11A.09.

The House has appointed to such committee: Sarna; Clark, K. and Dean.

Senate File No. 452 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 18, 1981

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. 818: A bill for an act relating to game and fish; increasing the amount set aside from any increased deer license fees for deer habitat improvement; restricting the taking of bear to adult bear; amending Minnesota Statutes 1980, Sections 97.49, Subdivision 1a; and 100.27, Subdivision 2.

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

Reding, Battaglia and Drew.

Senate File No. 818 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 18, 1981

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on Senate File No. 31 and repassed said bill in accordance with the report of the Committee, so adopted.

S. F. No. 31: A bill for an act relating to transportation; restricting the powers of the commissioner of transportation with respect to a certain trunk highway within the city of St. Paul; proposing new law coded in Minnesota Statutes, Chapter 161.

Senate File No. 31 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 18, 1981

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 697 and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 697 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 18, 1981

CONFERENCE COMMITTEE REPORT ON H. F. NO. 697

A bill for an act relating to agriculture; regulating alien use of agricultural land; providing penalties; amending Minnesota Statutes 1980, Section 500.221.

May 16, 1981

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

The Honorable Jack Davies
President of the Senate

We, the undersigned conferees for H. F. No. 697, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that H.F. No. 697 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1980, Section 500.221, is amended to read:
500.221 [RESTRICTIONS ON ACQUISITION OF TITLE.]

Subdivision 1. [DEFINITIONS.] For purposes of this section, "agricultural land" means land capable of use in the production of agricultural crops, livestock or livestock products, poultry or poultry products, milk or dairy products, or fruit and other horticultural products but does not include any land zoned by a local governmental unit for a use other than and nonconforming with agricultural use. For the purposes of this section, "interest in agricultural land" includes any leasehold interest. *For the purposes of this section, a "permanent resident alien of the United States" is a natural person who has been lawfully admitted to the United States for permanent residence and in fact maintains his principal, actual dwelling place within the United States for at least six months out of every consecutive 12 month period without regard to intent. For the purposes of this section, "commissioner" means the commissioner of agriculture.*

Subd. 1a. [DETERMINATION OF ALIEN STATUS.] An alien who has been physically absent from the United States for more than six months out of any 12 month period shall be presumed not to be a permanent resident alien.

Every permanent resident alien of the United States who owns property subject to this section shall annually, at some time during the month of January, file with the commissioner a statement setting forth the dates and places of that person's residence in the United States during the prior calendar year. The statement shall include an explanation of absences totaling more than six months during the prior calendar year and any facts which support the continuation of permanent resident alien status. Upon receipt of the statement, the commissioner shall have 30 days to review the statement and notify the resident alien whether the facts support continuation of the permanent resident alien status.

Subd. 2. [ALIENS AND NON-AMERICAN CORPORATIONS.] Except as hereinafter provided, no natural person shall ~~hereafter~~ acquire directly or indirectly any interest in agricultural land unless ~~he be the person~~ is a citizen of the United States or a permanent resident alien of the United States ~~and~~. In addition to the restrictions in section 500.24, no corporation, partnership, limited partnership, trustee, or other business entity shall ~~hereafter~~, directly or indirectly, acquire or otherwise obtain any interest, whether legal, beneficial or otherwise, in any title to agricultural land unless at least 80 percent of each class of stock issued and outstanding or 80 percent of the ultimate beneficial interest of ~~such~~ the entity is held directly or indirectly by citizens of the United States or permanent resident aliens. This section shall not apply:

(1) to agricultural land that may be acquired by devise, inheritance, as security for indebtedness, by process of law in the collection of debts, or by any procedure for the enforcement of a lien or claim thereon, whether created by mortgage or otherwise; ~~provided, that~~. All agricultural land so acquired in the collection of debts or by the enforcement of a lien or claim shall be disposed of within three years after acquiring ownership. ~~Further, the provisions of this section shall not apply;~~

(2) to citizens or subjects of a foreign country whose rights to hold land are secured by treaty ~~or~~;

(3) to lands used for transportation purposes by a common carrier, as defined in section 218.011, subdivision 2, ~~or~~;

(4) to lands or interests in lands acquired for use in connection with mining and mineral processing operations ~~provided, however, that~~. Pending the development of agricultural land for mining purposes ~~such~~ the land may not be used for farming except under lease to a family farm, a family farm corporation or an authorized farm corporation. ~~Further, the provisions of this section shall not apply; and~~

(5) to agricultural land operated for research or experimental purposes; ~~provided that~~ if the ownership of the agricultural land ~~shall be~~ is incidental to the research or experimental objectives of the person or business entity; and ~~provided that~~ the total acreage owned by the person or business entity does not exceed the acreage owned on May 27, 1977.

Subd. 2a. [LOSS OF EXEMPT STATUS.] *If any person or business entity acquires an interest in agricultural land as permitted by subdivision 2 and thereafter ceases to be a person or entity qualified to acquire an interest in agricultural land as permitted by subdivision 2 by reason of the loss of citizenship or permanent residence status or the loss of citizenship or permanent*

residence status of its shareholders or the holders of ultimate beneficial interests, the person or entity shall:

(a) Notify the commissioner within 30 days of the loss of qualification and file a report with the commissioner of agriculture giving a description of all agricultural land owned by the person or entity within the state, the date upon which the land was acquired, the date upon which the person or entity ceased to be qualified, and other information reasonably required by the commissioner;

(b) Divest itself of any agricultural land acquired after May 27, 1981 within one year of the date upon which the person or entity ceased to be qualified;

(c) Report the divestiture to the commissioner of agriculture within 90 days after it occurs;

(d) Make other reports as the commissioner may reasonably require; and

(e) Continue to file periodic reports as required by subdivision 4 with respect to any land acquired on or before May 27, 1977.

Subd. 2b. [INVESTIGATION BY COMMISSIONER.] The commissioner, upon the request of any person or upon receipt of any information which leads him to believe that a violation of this section may exist, may issue subpoenas requiring the appearance of witnesses, the production of relevant records and the giving of relevant testimony. If, as a result of his investigation, the commissioner concludes that a violation of this section may have occurred, he shall provide the landowner or his designee with the opportunity to meet with the commissioner or his designee in the county where the land is located to exchange information relating to the compliance with this section and any necessity for divestiture. The commissioner shall have the power to issue additional subpoenas for the meeting. The landowner and any person subpoenaed by the commissioner may be represented by counsel. Notwithstanding the provisions of chapter 15, the preliminary investigation and the meeting do not constitute a contested case hearing.

Subd. 3. [ENFORCEMENT.] If, after investigation, the ~~attorney general~~ commissioner has reason to believe that any person is violating ~~subdivision 2~~ this section, he shall commence an action in the district court in which any agricultural land relative to the violation is situated, or if situated in two or more counties, in any county in which a substantial part of the land is situated. The ~~attorney general~~ commissioner shall file for record with the county recorder or the registrar of titles of each county in which any portion of ~~said~~ the land is located a notice of the pendency of the action as provided in section 557.02. If the court finds that the land in question is being held in violation of subdivision 2, it shall enter an order so declaring. The ~~attorney general~~ commissioner shall file for record any ~~such~~ order with the county recorder or the registrar of titles of each county in which any portion of ~~said~~ the land is located. Thereafter, the natural person, corporation, partnership, limited partnership, trustee or other business entity, ~~owning such land~~ shall have a period of one year from the date of the order to divest itself of the lands. The aforementioned one year limitation period shall be deemed a covenant running with the title to the land against any grantee or assignee or successor corporation or any non-corporation entity acting as agent, assignee, or successor on behalf of a corporation. Any land not so divested within the time prescribed shall be sold

at public sale in the manner prescribed by law for the foreclosure of a mortgage by action. ~~In addition, any prospective or threatened violation may be enjoined by an action brought by the attorney general in the manner provided by law.~~ No title to land shall be invalid or subject to forfeiture by reason of the alienage of any former owner or person having a former interest therein.

Subd. 3a. [INJUNCTION.] The commissioner may seek injunctive relief whenever a violation of this section is threatened.

Subd. 3b. [AGREEMENT.] The commissioner is authorized to enter into a written agreement in settlement of any alleged violation, whether or not a hearing is held on the violation. An agreement may provide for an extension of the time period for divestiture but shall not include a waiver of a divestiture required by this section. The agreement shall be construed as a "No Contest" pleading and may include any sanctions, penalties, or affirmative actions which are mutually satisfactory and are consistent with this section. The agreement shall be final and conclusive with respect to the action, except upon a showing of fraud, malfeasance, or misrepresentation of a material fact. The matter agreed upon shall not be reopened or modified by an officer, employee, or agent of the state. The agreement shall be filed in Ramsey county district court and shall be enforceable by it or the district court of the county in which the person resides or principally does business. Any violator of an agreement may, after notice is given to the alleged violator and a hearing is held, be punished by the district court as for contempt, in addition to other remedies in this section.

Subd. 4. [REPORTS.] Any natural person, corporation, partnership, limited partnership, trustee, or other business entity prohibited from future acquisition of agricultural land may retain title to any agricultural land lawfully acquired within this state ~~acquired~~ prior to ~~May 27, 1977~~ June 1, 1981, but it shall file a report with the commissioner of agriculture ~~within 90 days after May 27, 1977 and annually before April 15 thereafter,~~ January 31 containing a description of all agricultural land held within this state, the purchase price and market value of the land, the use to which it is put, the date of acquisition and any other reasonable information required by the commissioner. The commissioner shall make the information available to the public. All required annual reports shall include a filing fee of \$35.

Subd. 5. [PENALTY.] Willful failure to properly register any parcel of land as required by subdivision 4 is a gross misdemeanor. Each full month of failure to register is a separate offense.

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

House Conferees: (Signed) LeRoy Stumpf, Bruce Anderson, Elton R. Redalen

Senate Conferees: (Signed) Marv Hanson, Gregory Dahl, Darrel L. Peterson

Mr. Hanson moved that the foregoing recommendations and Conference Committee Report on H. F. No. 697 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H.F. No. 697 was read the third time, as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 40 and nays 24, as follows:

Those who voted in the affirmative were:

Benson	Engler	Lantry	Olhoft	Schmitz
Berg	Frederickson	Lessard	Pehler	Setzepfandt
Bernhagen	Hanson	Lindgren	Penny	Sikorski
Bertram	Humphrey	Luther	Peterson, C. C.	Stern
Chmielewski	Johnson	Menning	Peterson, D. L.	Taylor
Dahl	Kroening	Merriam	Peterson, R. W.	Waldorf
Davies	Kronebusch	Moe, R. D.	Purfeerst	Wegener
Davis	Langseth	Nelson	Renneke	Willet

Those who voted in the negative were:

Ashbach	Dicklich	Keefe	Pillsbury	Stumpf
Bang	Dieterich	Knoll	Ramstad	Tennessen
Belanger	Frank	Knutson	Sieloff	Ulland
Berglin	Hughes	Moe, D. M.	Spear	Vega
Brataas	Kamrath	Petty	Stokowski	

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

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 817, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 817 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 18, 1981

CONFERENCE COMMITTEE REPORT ON H. F. NO. 817

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.

May 16, 1981

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

The Honorable Jack Davies
President of the Senate

We, the undersigned conferees for H. F. No. 817, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment, and that H.F. No. 817 be further amended as follows:

Page 2, line 16, after "limited" insert " , provided that programs or events are provided for each sex to the extent the educational institution or public

service determines that these programs or events are necessary to accommodate the demonstrated interest of each sex to participate in wrestling"

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

House Conferees: (Signed) Jerry E. Schoenfeld, Leo J. Reding, John L. Weaver

Senate Conferees: (Signed) Clarence M. Purfeerst, Allan H. Spear, Nancy Brataas

Mr. Purfeerst moved that the foregoing recommendations and Conference Committee Report on H. F. No. 817 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H.F. No. 817 was read the third time, as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 56 and nays 1, as follows:

Those who voted in the affirmative were:

Ashbach	Dieterich	Langseth	Peterson, D.L.	Stokowski
Bang	Engler	Lantry	Peterson, R.W.	Stumpf
Benson	Frank	Lessard	Petty	Taylor
Berg	Frederickson	Lindgren	Pillsbury	Tennessen
Bernhagen	Hanson	Luther	Ramstad	Vega
Bertram	Hughes	Menning	Renneke	Waldorf
Brataas	Johnson	Moe, R. D.	Schmitz	Wegener
Chmielewski	Kamrath	Nelson	Setzepfandt	Willet
Dahl	Keefe	Olhoft	Sieloff	
Davies	Knutson	Pehler	Solon	
Davis	Kroening	Penny	Spear	
Dicklich	Kronebusch	Peterson, C.C.	Stern	

Mr. Ulland voted in the negative.

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

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 769 and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 769 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 18, 1981

CONFERENCE COMMITTEE REPORT ON H. F. NO. 769

A bill for an act relating to transportation; establishing a rail bank account; providing for the deposit of money in the rail bank account and specifying the

purposes for which it may be expended; appropriating money; amending Minnesota Statutes 1980, Sections 222.49; 222.50, Subdivision 7; 222.63, by adding a subdivision; and Laws 1980, Chapter 610, Section 1.

May 16, 1981

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

The Honorable Jack Davies
President of the Senate

We, the undersigned conferees for H. F. No. 769, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that H.F. No. 769 be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1980, Section 174.50, is amended by adding a subdivision to read:

Subd. 1a. An additional need of the state transportation system is the acquisition and betterment of rail lines and right-of-way for preservation in the state rail bank as provided in section 222.63.

Sec. 2. Minnesota Statutes 1980, Section 222.49, is amended to read:

222.49 [RAIL SERVICE IMPROVEMENT ACCOUNT.]

The rail service improvement account is created in the special revenue fund in the state treasury. The commissioner shall deposit *in this account* all money appropriated to or received by the department for the purpose of rail service improvement, including federal money, ~~in this account~~ *but excluding proceeds of state bonds or other funds appropriated to the commissioner from the state transportation fund for the acquisition or betterment of property pertaining to the state rail bank established by section 222.63, and excluding income of the state rail bank and any other funds appropriated for its maintenance or improvement.* All money so deposited is appropriated to the department for expenditure for rail service improvement in accordance with applicable state and federal law. This appropriation shall not lapse but shall be available until the purpose for which it was appropriated has been accomplished. No money appropriated to the department for the purposes of administering the rail service improvement program shall be deposited in the rail service improvement account nor shall such administrative costs be paid from the account.

Sec. 3. Minnesota Statutes 1980, Section 222.50, Subdivision 7, is amended to read:

Subd. 7. The commissioner may expend money from the rail service improvement account for the following purposes:

(a) To pay interest adjustments on loans guaranteed under the state rail user loan guarantee program;

(b) To pay a portion of the costs of capital improvement projects designed to improve rail service including construction or improvement of short segments of rail line such as side track, team track and connections between existing lines, and construction and improvement of loading, unloading, storage and

transfer facilities of a rail user;

(c) To acquire, maintain, manage and dispose of railroad right-of-way pursuant to subdivision 8 and the state rail bank program;

(d) To provide for aerial photography survey of proposed and abandoned railroad tracks for the purpose of recording and reestablishing by analytical triangulation the existing alignment of the in-place track.

All money derived by the commissioner from the disposition of railroad right-of-way or of any other property acquired pursuant to sections 222.46 to 222.62 shall be deposited in the *state rail service bank* improvement account.

Sec. 4. Minnesota Statutes 1980, Section 222.63, Subdivision 1, is amended to read:

Subdivision 1. [DEFINITION.] ~~For the purpose of~~ *The terms defined in section 222.48 have the same meanings when used in this section the term.* *Other terms used in this section have the following meanings:*

(a) "Abandoned", when used with reference to a ~~railroad~~ rail line or right-of-way, means a line or right-of-way with respect to which the interstate commerce commission or other responsible federal regulatory agency has ~~found that the public convenience and necessity permit~~ *permitted* discontinuance of rail service;

(b) "Right-of-way" means any real property, including any interest in the real property that is or has been owned by a railroad company as the site, or is adjacent to the site, of an existing or former rail line;

(c) "State rail bank" means abandoned rail lines and right-of-way acquired by the commissioner of transportation pursuant to this section.

Sec. 5. Minnesota Statutes 1980, Section 222.63, Subdivision 2, is amended to read:

Subd. 2. [ESTABLISHMENT; ACQUISITION; ELIGIBLE PROPERTIES PURPOSE.] A state rail bank ~~is shall be established for the acquisition, and preservation and disposition of abandoned railroad rail lines and right-of-way for future public use, or for disposition for commercial use in serving the public, by providing transportation and of persons or freight or transmission of energy, fuel, or other commodities.~~

Subd. 2a. [ACQUISITION.] The commissioner of transportation may acquire by purchase or otherwise all or part of any abandoned ~~railroad~~ rail line or right-of-way which is necessary for ~~inclusion~~ *preservation* in the state rail bank to meet the future *public and commercial transportation and transmission* needs of the state. The commissioner shall not acquire any interest in an abandoned rail line or right-of-way for inclusion in the state rail bank by eminent domain except to quiet title or when all owners as defined in section 117.025 that are known to the court have no objection to the taking.

Subd. 2b. [ELIGIBLE PROPERTY.] An abandoned rail line or right-of-way is eligible for ~~inclusion~~ *preservation* in the state rail bank if the ~~right-of-way meets~~ *commissioner determines that it provides or may be used to provide* one or more of the following ~~criteria~~:

(a) ~~Provides or is expected to provide~~ Access to a present or proposed major

energy generating or using facility such as an electrical generating plant, major heating plant or other major industrial user of energy;

(b) ~~Provides or is expected to provide~~ Access to a major storage or terminal facility in the marketing of agricultural commodities ~~and or~~ forest products;

(c) ~~Provides~~ Important access to surrounding states;

(d) ~~Is~~ A present or potential corridor for a pipeline, electrical transmission line, highway, transit route, rail freight or passenger line or other similar ~~commercial transportation or transmission use; or~~

(e) ~~Provides~~ Access to an extractive resource requiring rail or other transportation ~~and or transmission rail services service~~ for its development.

Subd. 2c. [PRESERVATION.] The commissioner shall provide for the maintenance, including control of weeds, of any rail line or right-of-way that is ~~included in acquired for the rail bank-~~ ~~The commissioner shall provide for the maintenance, and for its management of any right-of-way that is acquired under the rail bank program~~ in a manner that minimizes maintenance costs and provides a benefit to the state. The commissioner may also require that any existing railroad track that is included in the rail line on acquired right-of-way shall not be removed during any part or all of the period for which the right-of-way is included in the state rail bank.

Sec. 6. Minnesota Statutes 1980, Section 222.63, Subdivision 4, is amended to read:

Subd. 4. [DISPOSITION PERMITTED.] The commissioner ~~shall~~ may, in his discretion, lease any rail line or right-of-way ~~acquired under held in the state rail bank program or enter into an agreement with any person for the operation of any rail line or right-of-way for any of the purposes set forth in subdivision 2 in accordance with a fee schedule to be developed by the commissioner in consultation with the advisory task force established in section 222.65. The commissioner may after consultation convey any rail line or right-of-way, for consideration or for no consideration and upon other terms as the commissioner may determine to be in the public interest, to a governmental subdivision of the state having power by law to utilize it for any of the purposes set forth in subdivisions 2, 2a, 2b and 2c.~~

Sec. 7. Minnesota Statutes 1980, Section 222.63, is amended by adding a subdivision to read:

Subd. 8. [RAIL BANK MAINTENANCE AND IMPROVEMENT ACCOUNTS.] Special accounts shall be maintained in the state treasury, designated as the rail bank maintenance account and the rail bank improvement account, to record the receipts and expenditures of the commissioner of transportation for the maintenance and for the acquisition and betterment of rail bank property. Expenditures of proceeds of state transportation bonds and any other amounts appropriated to the commissioner from the state transportation fund shall be recorded in the improvement account. Funds received by the commissioner of transportation from rentals, fees, or charges for the use of rail bank property shall be credited to the maintenance account and used for the maintenance of that property and held as a reserve for maintenance expenses in an amount determined by the commissioner, and amounts received in the maintenance account in excess of the reserve requirements shall be transferred

to the improvement account. All proceeds of the sale of abandoned rail lines shall be deposited in the improvement account. The improvement account shall be used only for the acquisition and betterment of abandoned rail lines and right-of-way. All money to be deposited in those accounts as provided in this subdivision is appropriated to the commissioner of transportation for the purposes of this section. The appropriations shall not lapse but shall be available until the purposes for which the funds are appropriated are accomplished.

Sec. 8. Laws 1980, Chapter 610, is amended to read:

Section 1. [RAILROAD ASSISTANCE; APPROPRIATION.]

The sum of \$13,500,000 is appropriated from the state ~~building transportation~~ fund to the ~~rail service improvement account in the special revenue fund, to be expended by the~~ commissioner of transportation for the acquisition and betterment of public land and buildings and public improvements of a capital nature determined to be needed for preservation in the state rail bank in the manner and for the purposes specified in Minnesota Statutes, ~~Sections 222.49 to 222.62~~ Sections 222.50, Subdivision 7, Clause (c) and 222.63.

Sec. 2. [~~BOND SALE; DEBT SERVICE STATE TRANSPORTATION BONDS.~~]

Subdivision 1. To provide the money appropriated in this act from the state ~~building transportation~~ fund the commissioner of finance upon request of the governor shall sell and issue bonds of the state in an amount up to \$13,500,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, ~~Sections 16A.63 to 16A.67~~ Section 174.51, and by the Constitution, Article XI, Sections 4 ~~to~~, 5, and 7.

Sec. 9. [EFFECTIVE DATE.]

Sections 1 to 8 are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to transportation; appropriating money for acquisition, betterment, and maintenance of the state rail bank; authorizing the issuance of state transportation bonds; amending Minnesota Statutes 1980, Sections 174.50, by adding a subdivision; 222.49; 222.50, Subdivision 7; and 222.63, Subdivisions 1, 2, 4, and by adding a subdivision; and Laws 1980, Chapter 610."

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

House Conferees: (Signed) Bruce Anderson, Henry J. Kalis, Warren Stowell

Senate Conferees: (Signed) Timothy J. Penny, Irving M. Stern, George S. Pillsbury

Mr. Penny moved that the foregoing recommendations and Conference Committee Report on H. F. No. 769 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H. F. No. 769 was read the third time, as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the

Conference Committee.

The roll was called, and there were yeas 57 and nays 0, as follows:

Those who voted in the affirmative were:

Ashbach	Dieterich	Langseth	Peterson, C. C.	Stokowski
Bang	Engler	Lantry	Peterson, D. L.	Stumpf
Benson	Frank	Lessard	Peterson, R. W.	Taylor
Berg	Frederick	Lindgren	Petty	Tennessee
Bernhagen	Frederickson	Luther	Pillsbury	Ulland
Bertram	Hanson	Merriam	Ramstad	Vega
Brataas	Hughes	Moe, D. M.	Renneke	Waldorf
Chmielewski	Kamrath	Moe, R. D.	Rud	Wegener
Dahl	Keefe	Nelson	Schmitz	Willet
Davies	Knutson	Olhoft	Setzepfandt	
Davis	Kroening	Pehler	Sieloff	
Dicklich	Kronebusch	Penny	Stern	

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

MOTIONS AND RESOLUTIONS - CONTINUED

S. F. No. 1132 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S. F. NO. 1132

A bill for an act relating to education; allowing area vocational-technical institutes to grant degrees under certain conditions; proposing new law coded in Minnesota Statutes, Chapter 121.

May 16, 1981

The Honorable Jack Davies
President of the Senate

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

We, the undersigned conferees for S. F. No. 1132, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and that S. F. No. 1132 be amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. [121.218] [VOCATIONAL-TECHNICAL INSTITUTES; AWARDING DEGREES.]

The state board for vocational education may approve, disapprove, or modify a plan for awarding associate degrees at an area vocational-technical institute. The state board shall approve a plan only when an associate degree is required by a licensing authority and is offered in cooperation with a collegiate institution. The state board may approve an area vocational-technical institute plan for awarding an associate degree which is not offered in cooperation with a collegiate institution only if cooperation is not practicable. All associate degree plans approved by the state board for vocational education shall be presented to the higher education coordinating board for review and recom-

mentation pursuant to section 136A.04, subdivision 1, clause (d) and in accordance with the provisions of this section.

Sec. 2. [EXCEPTION.]

Associate degrees offered by the area vocational-technical institutes prior to January 1, 1981, shall not be subject to the provisions of section 1.

Sec. 3. [REPORT.]

By January 15, 1982, the higher education coordinating board, in cooperation with the state board for vocational education, shall submit a report to the education committees of the legislature regarding the awarding of associate degrees by area vocational-technical institutes. The report shall include identification and evaluation of the factors which affect the feasibility of cooperation with collegiate institutions. By January 1, 1983, the higher education coordinating board shall promulgate rules establishing criteria for determining when cooperation with a collegiate institution is not practicable.

Sec. 4. [EFFECTIVE DATE.]

Sections 1, 2 and 3 are effective the day following final enactment."

Amend the title as follows:

Page 1, line 3, after "grant" insert "associate"

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

Senate Conferees: (Signed) Jerome M. Hughes, Gene Merriam, Steven O. Lindgren

House Conferees: (Signed) Jim Heap, Carl M. Johnson, Kenneth P. Zubay

Mr. Hughes moved that the foregoing recommendations and Conference Committee Report on S. F. No. 1132 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

S. F. No. 1132 was read the third time, as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 50 and nays 2, as follows:

Those who voted in the affirmative were:

Ashbach	Engler	Langseth	Pehler	Stern
Benson	Frank	Lantry	Penny	Stokowski
Berg	Frederick	Lessard	Peterson, C. C.	Stumpf
Bernhagen	Frederickson	Lindgren	Peterson, D. L.	Taylor
Bertram	Hughes	Luther	Peterson, R. W.	Tennessee
Chmielewski	Kamrath	Merriam	Petty	Ulland
Dahl	Keefe	Moe, D. M.	Ramstad	Vega
Davies	Knoll	Moe, R. D.	Rued	Waldorf
Davis	Knutson	Nelson	Setzepfandt	Wegener
Dieterich	Kroening	Olthoff	Sieloff	Willer

Mmes. Brataas and Kronebusch voted in the negative.

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

MOTIONS AND RESOLUTIONS - CONTINUED

S. F. No. 179 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S. F. NO. 179

A bill for an act relating to economic development; regulating business loans to Indians; amending Minnesota Statutes 1980, Section 362.40, Subdivisions 2, 8, 9, 11, 12, 14, and by adding a subdivision; repealing Minnesota Statutes 1980, Section 362.40, Subdivisions 4, 5, and 10.

May 18, 1981

The Honorable Jack Davies
President of the Senate

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

We, the undersigned conferees for S. F. No. 179, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments.

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

Senate Conferees: (Signed) Florian Chmielewski, Bob Lessard, William V. Belanger, Jr.

House Conferees: (Signed) John A. Ainley, C. Thomas Osthoff, Glen A. Sherwood

Mr. Chmielewski moved that the foregoing recommendations and Conference Committee Report on S. F. No. 179 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

S. F. No. 179 was read the third time, as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 50 and nays 6, as follows:

Those who voted in the affirmative were:

Ashbach	Engler	Lantry	Peterson, C. C.	Stern
Benson	Frank	Lessard	Peterson, R. W.	Stokowski
Berg	Frederick	Lindgren	Petty	Stumpf
Bernhagen	Frederickson	Luther	Pillsbury	Taylor
Brataas	Hanson	Menning	Purfeerst	Tennessee
Chmielewski	Hughes	Merriam	Ramstad	Ulland
Dahl	Knoll	Moe, R. D.	Renneke	Vega
Davies	Knutson	Nelson	Schmitz	Waldorf
Davis	Kroening	Pehler	Setzepfand	Wegener
Dieterich	Langseth	Penny	Sieloff	Willet

Those who voted in the negative were:

Bertram
Kamrath

Keefe

Kronebusch

Olhoft

Peterson, D.L.

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

SPECIAL ORDER

Pursuant to Rule 10, Mr. Moe, R.D., Chairman of the Subcommittee on Bill Scheduling, designated S. F. No. 1370 a Special Order to be heard immediately.

S. F. No. 1370: A resolution declaring Raoul Wallenberg to be an honorary citizen of the State of Minnesota and memorializing the Union of Soviet Socialist Republics to return him to his native country.

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

The question was taken on the passage of the resolution.

The roll was called, and there were yeas 53 and nays 0, as follows:

Those who voted in the affirmative were:

Ashbach	Frank	Lantry	Penny	Stern
Bang	Frederick	Lessard	Peterson, C.C.	Stokowski
Benson	Frederickson	Lindgren	Peterson, D.L.	Stumpf
Bernhagen	Hughes	Luther	Peterson, R.W.	Taylor
Bertram	Kamrath	Menning	Petty	Tennesen
Chmielewski	Keefe	Merriam	Purfeerst	Ulland
Dahl	Knoll	Moe, D. M.	Ramstad	Vega
Davies	Knutson	Moe, R. D.	Rued	Wegener
Davis	Kroening	Nelson	Schmitz	Willet
Dietrich	Kronebusch	Olhoft	Setzepfandt	
Engler	Langseth	Pehler	Solon	

So the resolution passed and its title was agreed to.

SPECIAL ORDER

Pursuant to Rule 10, Mr. Moe, R.D., Chairman of the Subcommittee on Bill Scheduling, designated H. F. No. 1139 a Special Order to be heard immediately.

H. F. No. 1139: A bill for an act relating to courts; providing for certain reorganization of the court system in the state; providing that Hennepin and Ramsey municipal courts shall also be probate courts; abolishing the office of referee; providing for continuance of certain referee positions for a limited time; providing for continuance of certain judicial officer positions for a limited time; abolishing the office of court commissioner; providing for continuance of the Ramsey county court commissioner position for a limited time; changing the jurisdiction of county courts and county municipal courts; providing for the prosecution of gross misdemeanors by municipalities; creating certain judicial positions; abolishing certain judicial positions by attrition; appropriating money; amending Minnesota Statutes 1980, Sections 2.722, Subdivision 1, and by adding a subdivision; 260.031, Subdivision 1; 484.70, Subdivision 1, and by adding subdivisions; 487.03, by adding a subdivision;

487.08, Subdivisions 2 and 3; 487.15; 487.16; 487.18; 487.25, Subdivision 10; 488A.01, Subdivisions 4, 6, and 8; 488A.18, Subdivisions 4, 7, 9, and 13; 488A.27, Subdivision 11; 489.01; 525.10; repealing Minnesota Statutes 1980, Sections 484.67; 484.70, Subdivisions 2, 3, 4 and 5; 487.08, Subdivision 4; 487.09; 489.05; and 525.04.

Mr. Tennessen moved to amend H. F. No. 1139, as amended pursuant to Rule 49, adopted by the Senate May 15, 1981, as follows:

(The text of the amended House File is identical to S. F. No. 1094.)

Page 2, line 1, strike "five" and insert "seven"

Page 2, line 10, delete "25" and insert "24"

Page 2, line 32, delete "11" and insert "ten"

Page 3, line 19, delete "June 30, 1977" and insert "August 15, 1980"

Page 4, line 4, delete "June 30, 1978" and insert "August 15, 1980"

Page 8, delete lines 3 to 12 and insert:

"Sec. 13. [487.14] [MERGER WITH DISTRICT COURTS.]

(a) One year following certification to the secretary of state of intention to reorganize the trial courts by a majority of the district judges and a majority of the county or municipal judges of a judicial district, there shall be one general trial court of the judicial district to be known as the district court which shall also be a probate court.

(b) Upon the effective date of a judicial district reorganization pursuant to paragraph (a), the district court, except in districts two and four, shall also exercise the powers, duties, and jurisdiction conferred upon courts by chapters 487, 491, 492, 493, and 525.

(c) Upon the effective date of a judicial district reorganization of districts two or four pursuant to paragraph (a), the district court shall also exercise the powers conferred upon courts by chapters 488A, 492, and 493.

(d) Notwithstanding any other law, the county or municipal judges of the district in office on the effective date of a reorganization pursuant to paragraph (a) shall be district judges and shall continue in office for the balance of the term for which they were elected or appointed and shall be entitled to run for reelection as incumbent judges of the district court."

Page 13, line 15, delete "\$215,000" and insert "\$110,500"

Page 13, line 15, delete "\$541,000" and insert "\$331,500"

Page 13, line 18, delete "13,"

Page 13, line 20, after "that" insert "the two new judge positions created in the first district,"

Page 13, line 23, delete "nor"

Page 13, line 23, delete "until July 1, 1982" and insert "by election at the 1982 state primary and general elections for terms beginning on the first Monday in January of 1983"

Amend the title as follows:

Page 1, line 21, delete "487.25, Subdivision"

Page 1, line 22, delete "10;"

Page 1, line 24, before "repealing" insert "proposing new law coded in Minnesota Statutes, Chapter 487;"

The motion prevailed. So the amendment was adopted.

CALL OF THE SENATE

Mr. Lessard imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

Mr. Lessard moved to amend H.F. No. 1139, as amended pursuant to Rule 49, adopted by the Senate May 15, 1981, as follows:

(The text of the amended House File is identical to S.F. No. 1094.)

Page 3, after line 33, insert:

"Sec. 4. Minnesota Statutes 1980, Section 484.69, Subdivision 3, is amended to read:

Subd. 3. [ADMINISTRATIVE AUTHORITY.] In each judicial district, the chief judge, subject to the authority of the chief justice, shall exercise general administrative authority over the courts within the judicial district. The chief judge shall make assignments of judges to serve on the courts within the judicial district, and assignments may be made without the consent of the judges affected, *except consent of the affected judge shall be required when assignment of a judge is from county or county municipal court to district court or from district court to county or county municipal court.* The chief judge may assign any judge of any court within the judicial district to hear any matter in any court of the judicial district. When a judge of a court is assigned to another court he is vested with the powers of a judge of the court to which he is assigned. A judge may not be assigned to hear matters outside his judicial district pursuant to this subdivision."

Page 13, line 17, delete "7" and insert "8"

Page 13, line 18, delete "11, 12, 13, 15, 18, 19, and 20" and insert "12, 13, 14, 16, 19, 20, and 21"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 5, after the semicolon, insert "requiring consent of affected judge in certain assignments;"

Page 1, line 19, after "1;" insert "484.69, Subdivision 3;"

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

Mr. Penny moved to amend H.F. No. 1139, as amended pursuant to Rule 49, adopted by the Senate May 15, 1981, as follows:

(The text of the amended House File is identical to S.F. No. 1094.)

Pages 5 and 6, delete section 7

Page 13, delete line 17

Page 13, line 18, delete "11, 12, 13, 15, 18, 19, and 20" and insert "10, 11, 12, 14, 17, 18, and 19"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 20, delete "487.03, by adding a subdivision;"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 31 and nays 34, as follows:

Those who voted in the affirmative were:

Bang	Davis	Langseth	Penny	Taylor
Belanger	Engler	Lessard	Peterson, C. C.	Wegener
Benson	Frederick	Menning	Peterson, D. L.	Willet
Berg	Frederickson	Moe, R. D.	Renneke	
Bernhagen	Hanson	Nelson	Rued	
Bertram	Kamrath	Olhoft	Setzepfandt	
Chmielewski	Kronebusch	Pehler	Solon	

Those who voted in the negative were:

Ashbach	Frank	Kroening	Petty	Stern
Berglin	Hughes	Lantry	Pillsbury	Stokowski
Brataas	Humphrey	Lindgren	Ramstad	Stumpf
Dahl	Johnson	Luther	Schmitz	Tennessen
Davies	Keefe	Merriam	Sieloff	Vega
Dicklich	Knoll	Moe, D. M.	Sikorski	Waldorf
Dieterich	Knutson	Peterson, R. W.	Spear	

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

Mr. Menning moved to amend H.F. No. 1139, as amended pursuant to Rule 49, adopted by the Senate May 15, 1981, as follows:

(The text of the amended House File is identical to S.F. No. 1094.)

Page 1, after line 28, insert:

"ARTICLE I"

Page 13, after line 23, insert:

"ARTICLE II

Section 1. [CONSTITUTIONAL AMENDMENT PROPOSED.]

The following amendment to the Minnesota Constitution, Article VI, Section 8, is proposed to the people. If the amendment is adopted, the section will read as follows:

Sec. 8. [VACANCY.] Whenever there is a vacancy in the office of judge the governor shall appoint in the manner provided by law a qualified person call an election to fill the vacancy until a successor is elected and qualified. The successor shall be elected for a six year term at the next general election occurring more than one year after the appointment for the remainder of the unexpired term.

Sec. 2. [SUBMISSION TO VOTERS.]

The amendment proposed in section 1 shall be submitted to the people at the 1982 general election. The question submitted shall be:

“Shall the Minnesota Constitution be amended to require the governor to call an election in order to fill a vacancy in the office of judge?”

Sec. 3. Minnesota Statutes 1980, Section 487.03, Subdivision 5, is amended to read:

Subd. 5. [VACANCY.] Whenever there is a vacancy in the office of judge, the governor shall ~~appoint a qualified person~~ *call a special election* to fill the vacancy; ~~to hold office until his successor is elected and qualified. The successor shall be elected for a six year term at the next general election occurring more than one year after such appointment for the remainder of the unexpired term.~~

Sec. 4. Minnesota Statutes 1980, Section 488A.021, Subdivision 3, is amended to read:

Subd. 3. [TERM; VACANCIES; APPOINTMENTS AND ELECTION.]

(a) Each elected judge holds office for six years beginning the first Monday in January next succeeding his election.

(b) Whenever there is a vacancy in the office of judge, the governor shall ~~appoint a qualified person~~ *call a special election* to fill the vacancy; ~~to hold office until his successor is elected and qualified. The successor shall be elected for a six year term at the next general election occurring more than one year after such appointment for the remainder of the unexpired term.~~

(c) At the general election immediately preceding the expiration of his term, the qualified voters of the county of Hennepin shall elect the successor to any elected or appointed judge.

(d) Each judge holds a separate nonpartisan office.

(e) When one or more judges of the court are to be nominated or elected at an election, the notice of election shall state the name of each judge whose successor is to be nominated or elected. The official ballot shall contain the names of all candidates for each such office, state the number of judges to be elected and the number of candidates for whom an elector may vote, and designate each candidacy as “For the office of Judge of the Municipal Court of the county of Hennepin to which(name of judge)..... was elected for the regular term”, or: “For the office of Judge of the Municipal Court of the county of Hennepin to which(name of judge)..... was appointed,” as the case may be. The official ballots shall show in the spaces for the purpose the name of the judge whose successor is to be elected. When any judge is a candidate to succeed himself, the word “incumbent” shall be printed after his name where it appears among the names of the candidates for the office. When voting machines are used and such statements cannot be inserted in full, the designation shall be “Successor to(name of judge)..... (elected)”, or “Successor to(name of judge).....(appointed)”, as the case may be.

(f) Each person desiring to have his name placed upon the primary ballot as a candidate for judge shall state in his affidavit of candidacy the office of the particular judge for which he is a candidate. The filing of this affidavit with the county auditor and a compliance with all other requirements constitutes such person a candidate for that office, and for that office only. No person shall at any election be a candidate for more than one such office.

Sec. 5. Minnesota Statutes 1980, Section 488A.19, Subdivision 3, is

amended to read:

Subd. 3. [TERM; VACANCIES; APPOINTMENTS AND ELECTION.]

(a) Each elected judge holds office for six years beginning the first Monday in January next succeeding his election.

(b) Whenever there is a vacancy in the office of judge the governor shall ~~appoint a qualified person call a special election to fill the vacancy, to hold office until his successor is elected and qualified. The successor shall be elected for a six-year term at the next general election occurring more than one year after such appointment for the remainder of the unexpired term.~~

(c) At the general election immediately preceding the expiration of his term the qualified voters of the county of Ramsey shall elect the successor to any elected judge.

(d) Each judge holds a separate nonpartisan office.

(e) When one or more judges of the court are to be nominated or elected at an election, the notice of election shall state the name of each judge whose successor is to be nominated or elected. The official ballot shall contain the names of all candidates for each such office, state the number of judges to be elected and the number of candidates for whom an elector may vote, and designate each candidacy as "For the office of Judge of the Municipal Court of the county of Ramsey to which (Name of Judge)..... was elected for the regular term," or "For the office of Judge of the Municipal Court of the county of Ramsey to which (Name of Judge)..... was appointed," as the case may be. The official ballots shall show in the spaces for the purpose the name of the judge whose successor is to be elected. When any judge is a candidate to succeed himself, the word "incumbent" shall be printed after his name where it appears among the names of the candidates for the office. When voting machines are used and such statements cannot be inserted in full, the designation shall be "Successor to (Name of Judge) (elected)", or "Successor to (Name of Judge)..... (appointed)", as the case may be.

(f) Each person desiring to have his name placed upon the primary ballot as a candidate for judge shall state in his affidavit of candidacy the office of the particular judge for which he is a candidate. The filing of this affidavit with the county auditor and a compliance with all other requirements constitutes such person a candidate for that office, and for that office only. No person shall at any election be a candidate for more than one such office.

Sec. 6. Minnesota Statutes 1980, Section 525.052, is amended to read:

525.052 [INSANITY OF JUDGE.]

When a verified petition of five voters of any county is presented to a judge of the district court stating that the probate judge of such county is insane and incapacitated to act by reason of mental disability, such district judge shall examine into such alleged insanity or mental disability in the manner provided by law for examinations of insane persons by probate judges. If, upon the examination, such probate judge is found to be insane or incapacitated to act by reason of mental disability, the district judge shall certify such findings to the governor, who shall thereupon declare the office of such probate judge vacant and ~~fill the same by appointment~~ *call a special election to fill the vacancy for the remainder of the unexpired term.*

Sec. 7. [EFFECTIVE DATE.]

Sections 3 to 6 are effective upon ratification of the amendment proposed in section 1 of this article as provided in the Minnesota Constitution."

Amend the title as follows:

Page 1, line 16, after the first semicolon, insert "proposing an amendment to the Minnesota Constitution, Article VI, Section 8, to provide for an election to be called to fill vacancies in the office of judge;"

Page 1, line 20, after "487.03," insert "Subdivision 5, and"

Page 1, line 22, after "8;" insert "488A.021, Subdivision 3;"

Page 1, line 23, after "13;" insert "488A.19, Subdivision 3;"

Page 1, line 26, delete "and" and before the period, insert "; and 525.052"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 23 and nays 37, as follows:

Those who voted in the affirmative were:

Benson	Dicklich	Lessard	Pehler	Taylor
Berg	Engler	Lindgren	Penny	Wegener
Bertram	Frederickson	Menning	Peterson, D.L.	Willet
Chmielewski	Kamrath	Nelson	Renneke	
Davis	Kronebusch	Olhoft	Setzepfandt	

Those who voted in the negative were:

Ashbach	Dieterich	Knutson	Peterson, C.C.	Stokowski
Bang	Frank	Kroening	Peterson, R.W.	Stumpf
Belanger	Frederick	Langseth	Petty	Tennessen
Berglin	Hanson	Lantry	Pillsbury	Vega
Bernhagen	Hughes	Luther	Ramstad	Waldorf
Brataas	Humphrey	Merriam	Sieloff	
Dahl	Keefe	Moe, D. M.	Solon	
Davies	Knoll	Moe, R. D.	Spear	

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

RECONSIDERATION

Having voted on the prevailing side, Mr. Dicklich moved that the vote whereby the Penny amendment to H. F. No. 1139 was not adopted on May 18, 1981, be now reconsidered. The motion did not prevail.

Mr. Keefe moved to amend H.F. No. 1139, as amended pursuant to Rule 49, adopted by the Senate May 15, 1981, as follows:

(The text of the amended House File is identical to S.F. No. 1094.)

Page 3, line 17, delete everything after the period

Page 3, line 18, delete everything before the period and insert "However, the chief judge of the district court may fill the position of any full time referee whose employment is terminated"

Page 3, line 36, delete "No"

Page 4, delete lines 1 and 2

Page 4, line 3, delete "*office created.*"

Page 4, line 7, before the period, insert "*and be replaced if their employment is terminated*"

The motion prevailed. So the amendment was adopted.

Mr. Luther moved to amend H.F. No. 1139, as amended pursuant to Rule 49, adopted by the Senate May 15, 1981, as follows:

(The text of the amended House File is identical to S.F. No. 1094.)

Page 9, after line 11, insert:

"Sec. 17. Minnesota Statutes 1980, Section 488A.12, Subdivision 3, is amended to read:

Subd. 3. [JURISDICTION.] (a) Excepting actions involving title to real estate, the court has jurisdiction to hear, conciliate, try and determine civil actions at law where the amount in controversy does not exceed the sum of ~~\$1000~~ \$1,500. The territorial jurisdiction of the court is coextensive with the geographic boundaries of the county of Hennepin.

(b) Notwithstanding the provisions of clause (a), or any rule of court to the contrary, the conciliation court of Hennepin county has jurisdiction to determine an action brought pursuant to section 504.20 for the recovery of a deposit on rental property located in whole or in part in Hennepin county, and the summons in the action may be served anywhere within the state of Minnesota.

Sec. 18. Minnesota Statutes 1980, Section 488A.14, Subdivision 6, is amended to read:

Subd. 6. [REPLEVIN.] If the controversy concerns the ownership or possession, or both, of personal property the value of which does not exceed the sum of ~~\$1000~~ \$1,500, the judge in his discretion, may direct an officer of the court to take possession of the property immediately and hold it subject to the further order of the court, without the giving of any bond whatever."

Page 11, after line 20, insert:

"Sec. 24. Minnesota Statutes 1980, Section 488A.29, Subdivision 3, is amended to read:

Subd. 3. [JURISDICTION.] (a) Excepting actions involving title to real estate, the court has jurisdiction to hear, conciliate, try and determine civil actions at law where the amount in controversy does not exceed the sum of ~~\$1000~~ \$1,500. The territorial jurisdiction of the court is coextensive with the geographic boundaries of the county of Ramsey.

(b) Notwithstanding the provisions of clause (a) or any rule of court to the contrary, the conciliation court of Ramsey county has jurisdiction to determine an action brought pursuant to section 504.20 for the recovery of a deposit on rental property located in whole or in part in Ramsey county, and the summons in the action may be served anywhere in the state of Minnesota.

Sec. 25. Minnesota Statutes 1980, Section 488A.31, Subdivision 6, is amended to read:

Subd. 6. [REPLEVIN.] If the controversy concerns the ownership or possession, or both, of personal property the value of which does not exceed the

sum of ~~\$1000~~ \$1,500, the judge, in his discretion, may direct an officer of the court to take possession of the property immediately and hold it subject to the further order of the court, without the giving of any bond whatever."

Page 13, line 18, delete "18, 19, and 20" and insert "20, 21, and 22"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 12, delete "and" and insert a comma

Page 1, line 13, after "courts" insert ", and conciliation courts in Hennepin and Ramsey Counties"

Page 1, line 22, after "8;" insert "488A.12, Subdivision 3; 488A.14, Subdivision 6;"

Page 1, line 23, after "11;" insert "488A.29, Subdivision 3; 488A.31, Subdivision 6;"

The motion prevailed. So the amendment was adopted.

Mr. Penny moved to amend H.F. No. 1139, as amended pursuant to Rule 49, adopted by the Senate May 15, 1981, as follows:

(The text of the amended House File is identical to S.F. No. 1094.)

Page 5, delete lines 10 to 36

Page 6, delete lines 1 to 15

Page 6, line 16, delete "(c)" and insert "Subd. 6. [JUDGE POSITIONS; CREATION; ABOLITION.]"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 31 and nays 35, as follows:

Those who voted in the affirmative were:

Benson	Engler	Lessard	Peterson, C.C.	Taylor
Berg	Frederickson	Menning	Peterson, D.L.	Wegener
Bernhagen	Hanson	Moe, R. D.	Purfeerst	Willet
Bertram	Johnson	Nelson	Renneke	
Chmielewski	Kamrath	Olhoft	Rued	
Davis	Kronebusch	Pehler	Schmitz	
Dicklich	Langseth	Penny	Setzepfandt	

Those who voted in the negative were:

Ashbach	Dieterich	Kroening	Petty	Stern
Bang	Frank	Lantry	Pillsbury	Stokowski
Belanger	Frederick	Lindgren	Ramstad	Stumpf
Berglin	Hughes	Luther	Sieloff	Tennesen
Brataas	Humphrey	Merriam	Sikorski	Ulland
Dahl	Keefe	Moe, D. M.	Solon	Vega
Davies	Knoll	Peterson, R.W.	Spear	Waldorf

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

H. F. No. 1139 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 27, as follows:

Those who voted in the affirmative were:

Ashbach	Davies	Knoll	Peterson, R. W.	Spear
Bang	Dicklich	Knutson	Petty	Stern
Belanger	Dieterich	Kroening	Pillsbury	Stokowski
Berglin	Frank	Lantry	Ramstad	Stumpf
Bernhagen	Hughes	Lindgren	Renneke	Tennessen
Brataas	Humphrey	Luther	Sieloff	Ulland
Chmielewski	Johnson	Merriam	Sikorski	Vega
Dahl	Keefe	Moe, D. M.	Solon	Waldorf

Those who voted in the negative were:

Benson	Frederickson	Menning	Peterson, C. C.	Taylor
Berg	Hanson	Moe, R. D.	Peterson, D. L.	Wegener
Bertram	Kamrath	Nelson	Purfeerst	Willet
Davis	Kronebusch	Olhoft	Rued	
Engler	Langseth	Pehler	Schmitz	
Frederick	Lessard	Penny	Setzepfandt	

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

MOTIONS AND RESOLUTIONS - CONTINUED

Mrs. Lantry moved that H. F. No. 553 be taken from the table. The motion prevailed.

SUSPENSION OF RULES

Mrs. Lantry moved that an urgency be declared within the meaning of Article IV, Section 19, of the Constitution of Minnesota, with respect to H. F. No. 553 and that the rules of the Senate be so far suspended as to give H. F. No. 553 its second and third reading and place it on its final passage. The motion prevailed.

H. F. No. 553: A bill for an act relating to transportation; providing for the financing of certain services of the department of transportation; adjusting the motor vehicle registration tax on certain vehicles; increasing the fee for personalized license plates; increasing fees for motorized bicycle operator permits and for driver licenses; establishing a fee for the Minnesota identification card; providing for uniform application fees; requiring reexamination before issuance of new drivers license after revocation; authorizing married applicants to use their maiden name as their middle name; increasing bicycle registration fees; providing that the proceeds of the motor vehicle excise tax be allocated between the general fund and the highway user tax distribution fund for a period of four years, and thereafter all the proceeds to be deposited in the highway user tax distribution fund; authorizing the issuance of state bonds and appropriating the proceeds for the purpose of providing money to acquire and better public land, buildings, and capital improvements comprising key bridges, segments of interstate highway, and interstate highway substitution projects needs for an integrated state transportation system; providing for financial assistance for local transit service; providing for the coordination and financing of metropolitan transit service demonstration program; establishing a metropolitan transit service demonstration program; providing for alternative uses of metropolitan transit tax levies; authorizing the city of Moorhead to increase its mill rate for public transportation services; appropriating money;

amending Minnesota Statutes 1980, Sections 84.87, Subdivision 2; 168.011, Subdivisions 7 and 10; 168.013, Subdivisions 1a, 1b, 1c, 1d, 1e, 1f, 1g, 1h and by adding a subdivision; 168.12, Subdivisions 2 and 2a; 168.16; 168.27, Subdivision 16; 168C.11, Subdivision 1; 169.11; 169.79; 169.95; 171.02, Subdivision 3; 171.04; 171.06, Subdivisions 1, 2, 4 and by adding a subdivision; 171.07, Subdivisions 1 and 3; 171.17; 171.29; 174.24, Subdivision 3, and by adding a subdivision; 174.31; 174.50, Subdivision 1; 297B.035, Subdivision 2; 297B.09; 299D.03, Subdivision 5; 473.408, Subdivisions 6 and 7; 473.411, Subdivision 1; 473.446; Laws 1969, Chapter 192, Section 1; proposing new law coded in Minnesota Statutes, Chapters 168 and 174; repealing Minnesota Statutes 1980, Sections 168.013, Subdivision 17; 174.28; and 174.31, Subdivisions 6 and 7.

H. F. No. 553 was read the second time.

Mrs. Lantry moved to amend H. F. No. 553 as follows:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1980, Section 84.87, Subdivision 2, is amended to read:

Subd. 2. [OPERATION GENERALLY.] It shall be unlawful for any person to drive or operate any snowmobile in the following unsafe or harassing ways:

(a) At a rate of speed greater than reasonable or proper under all the surrounding circumstances;

(b) In a careless, reckless or negligent manner so as to endanger the person or property of another or to cause injury or damage thereto;

(c) While under the influence of ~~intoxicating liquor~~ *an alcoholic beverage or narcotics or habit forming drugs* ~~a controlled substance~~;

(d) Without a lighted head and tail light when required for safety;

(e) In any tree nursery or planting in a manner which damages or destroys growing stock.

Sec. 2. Minnesota Statutes 1980, Section 168.011, Subdivision 7, is amended to read:

Subd. 7. [PASSENGER AUTOMOBILE.] “Passenger automobile” means any motor vehicle designed and used for the carrying of not more than ~~eight ten~~ persons but excluding motorcycles, ~~and~~ motor scooters, ~~and~~ station wagons. *“Passenger automobile” includes pickup trucks and station wagons.*

Sec. 3. Minnesota Statutes 1980, Section 168.011, Subdivision 10, is amended to read:

Subd. 10. [TRUCK.] “Truck” means any motor vehicle designed and used for carrying things other than passengers, *except pickup trucks included within the definition of passenger automobile in subdivision 7.*

Sec. 4. Minnesota Statutes 1980, Section 168.011, Subdivision 16, is amended to read:

Subd. 16. [GROSS WEIGHT.] “Gross weight” means the actual unloaded weight of the vehicle, either a truck or tractor, or the actual unloaded combined weight of a truck-tractor and semitrailer or semitrailers, or of the truck-tractor,

semitrailer and one additional semitrailer, fully equipped for service, plus the weight of the maximum load which the applicant has elected to carry on such vehicle or combined vehicles. The term gross weight applied to a truck used for towing a trailer means the unloaded weight of the truck, fully equipped for service, plus the weight of the maximum load which the applicant has elected to carry on such truck, including the weight of such part of the trailer and its load as may rest upon the truck. The term gross weight applied to school buses means the weight of the vehicle fully equipped with all fuel tanks full of fuel, plus the weight of the passengers and their baggage computed at the rate of 100 pounds per passenger seating capacity, including that for the driver. The term gross weight applied to other buses means the weight of the vehicle fully equipped with all fuel tanks full of fuel, plus the weight of passengers and their baggage computed at the rate of 150 pounds per passenger seating capacity, including that for the driver. For bus seats designed for more than one passenger, but which are not divided so as to allot individual seats for the passengers that occupy them, allow two feet of its length per passenger to determine seating capacity. The term gross weight applied to a truck, truck-tractor or a truck used as a truck-tractor used exclusively by the owner thereof for transporting unfinished forest products or used by the owner thereof to transport agricultural, horticultural, dairy and other farm products including livestock produced or finished by the owner of the truck and any other personal property owned by the farmer to whom the license for such truck is issued, from the farm to market, and to transport property and supplies to the farm of the owner, as described in subdivision 17, shall be the actual weight of the truck, truck-tractor or truck used as a truck-tractor or the combined weight of the truck-tractor and semitrailer plus the weight of the maximum load which the applicant has elected to carry on such vehicle or combined vehicles and shall be licensed and taxed as provided by section 168.013, subdivision 1c. The term gross weight applied to a truck-tractor or a truck used as a truck-tractor used exclusively by the owner thereof, or by a for hire carrier hauling exclusively for one owner, for towing an equipment dolly shall be the actual weight of the truck-tractor or truck used as a truck-tractor plus the weight of such part of the equipment dolly and its load as may rest upon the truck-tractor or truck used as a truck-tractor, and shall be licensed separately and taxed as provided by section 168.013, subdivision 1e, and the equipment dolly shall be licensed separately and taxed as provided in section 168.013, subdivision 1d, which is applicable for the balance of the weight of the equipment dolly and the balance of the maximum load the applicant has elected to carry on such combined vehicles. The term "equipment dolly" as used in this subdivision means a heavy semitrailer used solely by the owner thereof, or by a for hire carrier hauling exclusively for one owner, to transport his construction machinery, equipment, implements and other objects used on a construction project, but not to be incorporated in or to become a part of a completed project. The term gross weight applied to a wrecker defined in section 169.01, subdivision 52, means the weight of the wrecker fully equipped for service, including the weight of the crane, winch and other equipment to control the movement of a towed vehicle, but does not include the weight of a wrecked or disabled vehicle towed or drawn by the wrecker.

Sec. 5. Minnesota Statutes 1980, Section 168.011, Subdivision 17, is amended to read:

Subd. 17. [FARM TRUCK.] "Farm truck" means all single unit trucks,

truck-tractors, tractors, semitrailers, and trailers used by the owner thereof to transport agricultural, horticultural, dairy, and other farm products, including livestock, produced or finished by the owner of the truck, and any other personal property owned by the farmer to whom the license for ~~such the~~ truck is issued, from the farm to market, and to transport property and supplies to the farm of the owner. Trucks, truck-tractors, tractors, semitrailers, and trailers registered as "farm trucks" may be used by the owner thereof to occasionally transport unprocessed and raw farm products, not produced by the owner of the truck, from the place of production to market when ~~such the~~ transportation constitutes the first haul of ~~such the~~ products, and may be used by the owner thereof, either farmer or logger who harvests and hauls forest products only, to transport logs, pulpwood, lumber, chips, railroad ties and other raw and unfinished forest products from the place of production to an assembly yard or railhead when ~~such the~~ transportation constitutes the first haul thereof, provided that the owner and operator of ~~such the~~ vehicle transporting planed lumber shall have in his immediate possession a statement signed by the producer of ~~such the~~ lumber designating the governmental subdivision, section and township where ~~such the~~ lumber was produced and that this haul, indicating the date, is the first haul thereof. ~~Such~~ The licensed vehicles may also be used by the owner thereof to transport, to and from timber harvesting areas, equipment and appurtenances incidental to timber harvesting, and gravel and other road building materials for timber haul roads.

"Farm trucks" shall also include only single unit trucks, which, because of their construction, cannot be used for any other purpose and are used exclusively to transport milk and cream enroute from farm to an assembly point or place for final manufacture, and for transporting milk and cream from an assembly point to a place for final processing or manufacture. This section shall not be construed to mean that the owner or operator of ~~any such the~~ truck cannot carry on his usual accommodation services for his patrons on regular return trips, such as butter, cream, cheese, and other dairy supplies.

Sec. 6. Minnesota Statutes 1980, Section 168.011, Subdivision 25, is amended to read:

Subd. 25. [RECREATIONAL EQUIPMENT.] "Recreational equipment" means house trailers including those which telescope or fold down, chassis mounted campers, house cars, motor homes, tent trailers, slip in campers, converted buses and converted vans.

(1) House trailers, chassis mounted campers, house cars, motor homes, tent trailers, slip in campers, converted buses and converted vans are units designed and used for human living quarters and meeting the following qualifications:

- (a) Are not used as the residence of the owner or occupant.
- (b) Are used for temporary living quarters by the owner or occupant while engaged in recreational or vacation activities.
- (c) Are self propelled or towed on the public streets or highways incidental to ~~such the~~ recreational or vacation activities.

For the purposes of this subdivision, a motor home includes a unit designed to provide temporary living quarters, built into as an integral part of, or permanently attached to, a self propelled motor vehicle chassis or van that contains a permanently installed independent life support system and provides

at least four of the following facilities: cooking, refrigeration or ice box, self contained toilet, heating or air conditioning, a potable water supply system including a faucet and sink, separate 110-125 volt electrical power supply, or a liquid propane gas supply. The units include, but are not limited to, the following:

(i) A raw chassis upon which is built a driver's compartment and an entire body that provides temporary living quarters;

(ii) A completed van-type vehicle that has been altered to provide temporary living quarters; and

(iii) An incomplete vehicle upon which is permanently attached a body designed to provide temporary living quarters as defined above.

(2) Slip in campers are mounted into a pickup truck in the pickup box, either by bolting through the floor of the pickup box or by firmly clamping to the side of the pickup box. The vehicle ~~may be registered, at the owner's choice, as either a recreational vehicle under this definition or may be registered as a truck, defined by subdivision 10~~ must be registered as a passenger automobile.

Sec. 7. Minnesota Statutes 1980, Section 168.013, Subdivision 1a, is amended to read:

Subd. 1a. [PASSENGER AUTOMOBILES; AMBULANCES; HEARSEs.] On passenger automobiles as defined in section 168.011, subdivision 7, ambulances, and hearses, except as otherwise provided, the tax shall be \$10 plus an additional tax equal to 1.25 percent of the base value, except that on pickup trucks the tax shall be:

(a) for the 1982 registration year, \$10 plus an additional tax equal to .75 percent of base value;

(b) for the 1983 registration year, \$10 plus an additional tax equal to .75 percent of base value

(c) for the 1984 registration year and each succeeding year, \$10 plus an additional tax equal to 1.25 percent of the base value.

Subject to the classification provisions herein, "base value" means the manufacturer's suggested retail price of the vehicle including destination charge as reflected on the price listing affixed to the vehicle in conformity with 15 U.S.C. 1231 to 1233 (Public Law 85-506) or otherwise suggested by the manufacturer or determined by the registrar if no suggested retail price exists, and shall not include the cost of each accessory or item of optional equipment separately added to the vehicle and the suggested retail price.

If the registrar is unable to determine the base value because the vehicle is specially constructed, or for any other reason, he may establish such value upon the cost price to the purchaser or owner as evidenced by a certificate of cost but not including Minnesota sales or use tax or any local sales or other local tax.

The registrar shall classify every vehicle in its proper base value class as follows:

FROM	TO
\$ 0	\$199.99
200	399.99

and thereafter a series of classes successively set in brackets having a spread of \$200 consisting of such number of classes as will permit classification of all vehicles.

The base value for purposes of this section shall be the middle point between the extremes of its class.

The registrar shall establish the base value, when new, of every passenger automobile, ambulance and hearse registered prior to the effective date of Extra Session Laws 1971, Chapter 31, using list price information published by the manufacturer or any nationally recognized firm or association compiling such data for the automotive industry. If the registrar is unable to ascertain the base value of any registered vehicle in the foregoing manner, he may use any other available source or method. The tax on all previously registered vehicles shall be computed upon the base value thus determined taking into account the depreciation provisions of Extra Session Laws 1971, Chapter 31.

The annual additional tax computed upon the base value as provided herein, during the first year of vehicle life shall be computed upon 100 percent of the base value; for the second year, 90 percent of such value; for the third year, 75 percent of such value; for the fourth year, 60 percent of such value; for the fifth year, 45 percent of such value; for the sixth year, 35 percent of such value; for the seventh year, 30 percent of such value; for the eighth year, 20 percent of such value; for the ninth year, 15 percent of such value; for the tenth year, 10 percent of such value; for the eleventh and each succeeding year, the sum of \$2 \$5; *provided that for registrations renewed on or after January 1, 1982, the annual additional tax for the eleventh and each succeeding year of vehicle life shall be \$5, for registrations renewed on or after January 1, 1983, the annual additional tax shall be \$10 and for registrations renewed on or after January 1, 1984, the annual additional tax shall be \$15.*

In no event shall the annual additional tax be less than \$5 for any registration renewed after January 1, 1982, nor less than \$10 for any registration renewed after January 1, 1983, and \$15 for any registration renewed after January 1, 1984.

Sec. 8. Minnesota Statutes 1980, Section 168.013, Subdivision 1b, is amended to read:

Subd. 1b. [MOTORCYCLES.] On motorcycles the tax is ~~\$5~~ \$10, which includes the surtax provided for in subdivision 14.

Sec. 9. Minnesota Statutes 1980, Section 168.013, Subdivision 1c, is amended to read:

Subd. 1c. [FARM TRUCKS.] (1) On farm trucks having a gross weight of not more than 57,000 pounds, the tax shall be based on total gross weight and shall be ~~30~~ 45 percent of the Minnesota base rate prescribed by subdivision 1e ~~under Schedule I~~ during each of the first ~~six~~ eight years of vehicle life, but in no event less than ~~\$19~~ \$35, and during the ~~seventh~~ ninth and succeeding years of vehicle life as ~~taken from Schedule II, but in no event less than \$11~~ the tax shall be 27 percent of the Minnesota base rate prescribed by subdivision 1e, but in no event less than \$21, except as otherwise provided in this subdivision. On

farm trucks having a gross weight of not more than 57,000 pounds during each of the first eight years of vehicle life, the tax shall be:

(a) for the registration year 1982, 34 percent of the tax imposed in the Minnesota base rate schedule;

(b) for the registration year 1983, 38 percent of the tax imposed in the Minnesota base rate schedule;

(c) for the registration year 1984, 42 percent of the tax imposed in the Minnesota base rate schedule;

(d) for the registration year 1985, and each succeeding year, 45 percent of the tax imposed in the Minnesota base rate schedule.

On farm trucks having a gross weight of not more than 57,000 pounds during the ninth and succeeding years of vehicle life, the tax shall be:

(a) for the 1982 registration year, 20 percent of the tax imposed in the Minnesota base rate schedule;

(b) for the 1983 registration year, 22 percent of the tax imposed in the Minnesota base rate schedule;

(c) for the 1984 registration year, 24 percent of the tax imposed in the Minnesota base rate schedule;

(d) for the 1985 registration year, and each succeeding year, 27 percent of the Minnesota base rate schedule.

(2) On farm trucks having a gross weight of more than 57,000 pounds, the tax shall be 60 percent of the Minnesota base rate during the first eight years of vehicle life and 36 percent of the Minnesota base rate during the tenth and succeeding years, except as otherwise provided in this subdivision. On farm trucks having a gross weight of more than 57,000 pounds during the first eight years of vehicle life, the tax shall be:

(a) for the registration year 1982, 38 percent of the tax imposed in the Minnesota base rate schedule;

(b) for the registration year 1983, 45 percent of the tax imposed in the Minnesota base rate schedule;

(c) for the registration year 1984, 53 percent of the tax imposed in the Minnesota base rate schedule;

(d) for the registration year 1985, and each succeeding year, 60 percent of the tax imposed in the Minnesota base rate schedule.

On farm trucks having a gross weight of more than 57,000 pounds, during the ninth and succeeding years of vehicle life, the tax shall be:

(a) for the 1982 registration year, 23 percent of the tax imposed in the Minnesota base rate schedule;

(b) for the 1983 registration year, 27 percent of the tax imposed in the Minnesota base rate schedule;

(c) for the 1984 registration year, 31 percent of the tax imposed in the Minnesota base rate schedule;

(d) for the 1985 registration year, and each succeeding year, 36 percent of

the tax imposed in the Minnesota base rate schedule.

In addition to ~~such~~ the gross weight tax imposed on a truck-tractor or truck used as a truck-tractor, each semitrailer shall be taxed a fee of \$10 for a one year period or \$50 for a five year period whichever the applicant elects.

Sec. 10. Minnesota Statutes 1980, Section 168.013, Subdivision 1d, is amended to read:

Subd. 1d. [TRAILERS.] On trailers the annual tax shall be based on total gross weight and shall be 30 percent of the Minnesota base rate prescribed in subdivision 1e, ~~Schedule I~~, but in no event less than \$2 \$5, provided, that the tax on trailers with a total gross weight of 3,000 pounds or less shall be payable biennially.

Sec. 11. Minnesota Statutes 1980, Section 168.013, Subdivision 1e, is amended to read:

Subd. 1e. [TRUCKS; TRACTORS; COMBINATIONS; EXCEPTIONS.] On all trucks and tractors except those in this chapter defined as farm trucks, and urban trucks, and on all truck-tractor and semi-trailer combinations except those defined as farm combinations and urban combinations *and on commercial zone vehicles*, the tax based on total gross weight ~~during the first six years of vehicle life~~ shall be graduated according to ~~Schedule I~~ of the Minnesota base rate schedule prescribed in this subdivision, but in no event less than \$28; ~~and during the seventh and succeeding years of vehicle life the tax shall be graduated according to Schedule II of this subdivision, but in no event less than \$17 \$120.~~

MINNESOTA BASE RATE SCHEDULE

Scheduled taxes include five percent
surtax provided for in subdivision 14

TOTAL GROSS WEIGHT IN POUNDS		SCHEDULE I		SCHEDULE II
		Tax		Tax
A	0 - 1,500	\$ 5.00	15	\$ ----
B	1,501 - 3,000	9.00	20	----
C	3,001 - 4,500	14.00	25	8.00
D	4,501 - 6,000	19.00	35	11.00
E	6,001 - 9,000	28.00	45	17.00
F	9,001 - 12,000	39.00	70	23.00
G	12,001 - 15,000	62.00	105	37.00
H	15,001 - 18,000	86.00	145	52.00
I	18,001 - 21,000	114.00	190	68.00
J	21,001 - 27,000	158.00	270	95.00
K	27,001 - 33,000	230.00	360	138.00
L	33,001 - 39,000	320.00	470	192.00
M	39,001 - 45,000	420.00	590	252.00
N	45,001 - 51,000	540.00	710	324.00
O	51,001 - 57,000	690.00	860	414.00
P	57,001 - 63,000	830.00	1010	498.00
Q	63,001 - 69,000	970.00	1180	582.00
R	69,001 - 73,280	1,050.00	1320	630.00
S	73,281 - 77,000	1,155.00	1520	693.00
T	77,001 - 81,000	1,260.00	1620	746.00

For each vehicle with a gross weight in excess of 81,000 pounds an addi-

tional tax of \$36 \$50 is imposed for each ton or fraction thereof in excess of 81,000 pounds, subject to provisions of subdivision 12.

Provided however, that on all trucks, except those in this chapter defined as farm trucks and urban trucks, having a gross weight in excess of 18,000 pounds but less than 27,001 pounds, the tax shall be:

(a) For the registration year 1976, 70 percent of the applicable Schedule I or Schedule H of this subdivision;

(b) For the registration year 1977, 80 percent of the applicable Schedule I or Schedule H of this subdivision;

(c) For the registration year 1978, 90 percent of the applicable Schedule I or Schedule H of this subdivision;

(d) For the registration year 1979 and thereafter, 100 percent of the applicable Schedule I or Schedule H of this subdivision.

On vehicles having a gross weight in excess of 27,000 pounds, and used for the transportation of livestock or unprocessed and raw farm products shall be taxed at 90 percent of the Minnesota base rate prescribed by this subdivision under Schedule I during each of the first six years of vehicle life and during the seventh and succeeding years of vehicle life as taken from Schedule H, provided the gross receipts derived from such use equal or exceed 60 percent of the owner's total gross receipts from the operation of such vehicle during the 12 month period immediately preceding the date set by law for the reregistration of such vehicle. The owner shall furnish such information as the commissioner of public safety may require, including sworn statements of fact, and the commissioner of public safety shall thereupon determine whether such owner comes within the provisions of this paragraph.

If an owner has not used such vehicle for the transportation of livestock or unprocessed and raw farm products so as to be able to report gross receipts for the 12 month period as herein set forth, he may, nevertheless, apply for registration hereunder and pay the reduced tax and the commissioner of public safety shall, after consideration of the established facts, determine whether such owner is entitled to have such registration approved.

If an owner fails to operate under the conditions and limitations herein set forth, he shall immediately notify the commissioner of public safety of such fact and pay the difference between the scheduled gross weight tax and the reduced tax proportionate to the number of months remaining in the year, 1/12 of the difference for each month or fraction thereof, beginning with the month in which such operations were discontinued or changed.

If an owner first uses such vehicle for the transportation of livestock and unprocessed and raw farm products after the tax becomes due without reduction, no adjustment of refund of tax shall be made during that calendar year for reasons of transporting livestock and unprocessed and raw farm products.

All truck-tractors except those herein defined as farm and urban truck-tractors and commercial zone vehicles shall be taxed in accord with the foregoing gross weight tax schedule on the basis of the combined gross weight of such truck-tractor and any semi-trailer or semitrailers which the applicant proposes to combine with the truck-tractor. In addition, to such the gross weight tax imposed on the truck-tractor, each semi-trailer shall be taxed a fee of \$10 for a one year period or \$50 for a five year period whichever the applicant elects.

Urban Commercial zone trucks include only all trucks and all truck-tractors and semi-trailers used exclusively in transporting property within the metropolitan area consisting of Hennepin, Ramsey, Scott, Dakota, Anoka, Washington and Carver counties, or within the corporate limits of any city or contiguous cities or within one mile of cities of the first and second class. For the purposes of this clause a land area ceded to the United States of America under General Laws 1889, Chapter 57, is a statutory city. The vehicle shall not be operated outside the metropolitan area or corporate limits of such city or contiguous cities, or beyond one mile of cities of the first and second class; except that the commissioner of public safety may, by special permit, authorize the permanent removal of such vehicle from any registration area to another. The license plates issued therefor shall be plainly marked. On urban trucks and combinations the tax shall be based on total gross weight and shall be 30 percent of the Minnesota base rate prescribed in this subdivision under Schedule I during each of the first six years of vehicle life, but in no event less than \$19, and during the seventh and succeeding years of vehicle life as taken from Schedule II, but in no event less than \$11. In addition to such gross weight tax imposed on the truck-tractor, each semitrailer shall be taxed a fee of \$10 for a one year period or \$50 for a five year period whichever the applicant elects. Provided that on vehicles used by an authorized local cartage carrier operating under a permit issued pursuant to section 221.296 and whose gross transportation revenue consist of at least 60 percent obtained solely from local cartage carriage, shall be taxed at 90 percent of the prescribed urban truck and combination rates for the life of the vehicle during each year such vehicle is used, provided that the gross revenues obtained from transportation services is obtained from local cartage carriage is at least 60 percent of all revenue obtained from transportation services by said person; and provided further, that said tax shall in no event be less than \$10. and semi-trailers which are:

(1) used by an authorized local cartage carrier operating under a permit issued pursuant to section 221.296 and whose gross transportation revenue consists of at least 60 percent obtained solely from local cartage carriage, and are operated solely within the area defined in section 221.296, subdivision 1; or,

(2) operated by an interstate carrier registered pursuant to section 221.61 or 221.62, or by an authorized local cartage carrier or other carrier receiving operating authority pursuant to chapter 221, and operated solely within a zone exempt from regulation by the Interstate Commerce Commission pursuant to 49 U.S.C. 10526(b).

The license plates issued for commercial zone vehicles shall be plainly marked. Any person operating a commercial zone vehicle outside the zone or area in which its operation is authorized is guilty of a misdemeanor and, in addition to the penalty therefor, shall have the registration of the vehicle as a commercial zone vehicle revoked by the registrar and shall be required to re-register the vehicle at 100 percent of the full annual tax prescribed in the Minnesota base rate schedule, and no part of this tax shall be refunded during the balance of the registration year.

On commercial zone trucks the tax shall be based on the total gross weight of the vehicle and during the first eight years of vehicle life shall be 75 percent of the Minnesota base rate schedule. During the ninth and succeeding years of vehicle life the tax shall be 50 percent of the Minnesota base rate schedule,

except as otherwise provided in this subdivision. On commercial zone trucks, during the ninth and succeeding years of vehicle life, the tax shall be:

(a) for the 1982 registration year, 35 percent of the tax imposed in the Minnesota base rate schedule;

(b) for the 1983 registration year, 40 percent of the tax imposed in the Minnesota base rate schedule;

(c) for the 1984 registration year, 45 percent of the tax imposed in the Minnesota base rate schedule;

(d) for the 1985 registration year, and each succeeding year, 50 percent of the tax imposed in the Minnesota base rate schedule.

On all trucks, truck-tractors and semi-trailer combinations, except those defined as farm trucks and farm combinations, and except for those urban trucks and combinations and commercial zone vehicles specifically provided for in this subdivision, the tax for the first eight years of vehicle life shall be 100 percent of the tax imposed in the Minnesota base rate schedule, and during the ninth and succeeding years of vehicle life, the tax shall be 75 percent of the Minnesota base rate prescribed by subdivision 1e, except as otherwise provided in this subdivision.

On all trucks, truck-tractors and semi-trailer combinations, except those defined as farm trucks and farm combinations, and except for those urban trucks and combinations and commercial zone vehicles specifically provided for in this subdivision, during each of the first eight years of vehicle life the tax shall be:

(a) for the registration year 1982, 83 percent of the tax imposed in the Minnesota base rate schedule;

(b) for the registration year 1983, 89 percent of the tax imposed in the Minnesota base rate schedule;

(c) for the registration year 1984, 95 percent of the tax imposed in the Minnesota base rate schedule;

(d) for the registration year 1985, and each succeeding year, 100 percent of the tax imposed in the Minnesota base rate schedule.

Sec. 12. Minnesota Statutes 1980, Section 168.013, Subdivision 1f, is amended to read:

Subd. 1f. ~~INTERCITY BUSES.~~ On all intercity buses, the tax during each the first two years of vehicle life shall be based on the gross weight of the vehicle and graduated according to the following schedule:

Gross Weight of Vehicle	Tax
Under 6,000 lbs.	\$125
6,000 to 8,000 lbs., incl.	125
8,001 to 10,000 lbs., incl.	125
10,001 to 12,000 lbs., incl.	150
12,001 to 14,000 lbs., incl.	190
14,001 to 16,000 lbs., incl.	210
16,001 to 18,000 lbs., incl.	225
18,001 to 20,000 lbs., incl.	260

20,001 to 22,000 lbs., incl.	300
22,001 to 24,000 lbs., incl.	350
24,001 to 26,000 lbs., incl.	400
26,001 to 28,000 lbs., incl.	450
28,001 to 30,000 lbs., incl.	500
30,001 and over	550

During each of the third and fourth years of vehicle life, the tax shall be 75 percent of the foregoing scheduled tax; during the fifth year of vehicle life, the tax shall be 50 percent of the foregoing scheduled tax; during the sixth year of vehicle life, the tax shall be 37 1/2 percent of the foregoing scheduled tax; and during the seventh and each succeeding year of vehicle life, the tax shall be 25 percent of the foregoing scheduled tax; provided that the annual tax paid in any year of its life for an intercity bus shall be not less than \$175 for a vehicle of over 25 passenger seating capacity and not less than \$125 for a vehicle of 25 passenger and less seating capacity.

On all intracity buses operated by an auto transportation company in the business of transporting persons for compensation as a common carrier and operating within the limits of cities having populations in excess of 200,000 inhabitants, the tax during each year of the vehicle life of each such bus shall be \$40; on all of such intracity buses operated in cities having a population of less than 200,000 and more than 70,000 inhabitants, the tax during each year of vehicle life of each bus shall be \$10; and on all of such intracity buses operating in cities having a population of less than 70,000 inhabitants, the tax during each year of vehicle life of each bus shall be \$2.

On all other buses the tax during each of the first three years of the vehicle life shall be based on the gross weight of the vehicle and graduated according to the following schedule: Where the gross weight of the vehicle is 6,000 pounds or less, \$25. Where the gross weight of the vehicle is more than 6,000 pounds, and not more than 8,000 pounds, the tax shall be \$25 plus an additional tax of \$5 per ton for the ton or major portion in excess of 6,000 pounds. Where the gross weight of the vehicle is more than 8,000 pounds, and not more than 20,000 pounds, the tax shall be \$30 plus an additional tax of \$10 per ton for each ton or major portion in excess of 8,000 pounds. Where the gross weight of the vehicle is more than 20,000 pounds and not more than 24,000 pounds, the tax shall be \$90 plus an additional tax of \$15 per ton for each ton or major portion in excess of 20,000 pounds. Where the gross weight of the vehicle is more than 24,000 pounds and not more than 28,000 pounds, the tax shall be \$120 plus an additional tax of \$25 per ton for each ton or major portion in excess of 24,000 pounds. Where the gross weight of the vehicle is more than 28,000 pounds, the tax shall be \$170 plus an additional tax of \$30 per ton for each ton or major portion in excess of 28,000 pounds.

During each of the fourth, fifth and sixth and succeeding years of vehicle life, the tax shall be 80 percent of the foregoing scheduled tax but in no event less than \$20 per vehicle.

During each of the seventh, eighth and ninth years of vehicle life, the tax shall be 60 percent of the foregoing scheduled tax but in no event less than \$16 per vehicle.

During the tenth and succeeding years of vehicle life, the tax shall be 40 percent of the foregoing scheduled tax but in no event less than \$12 per vehicle.

Sec. 13. Minnesota Statutes 1980, Section 168.013, Subdivision 1g, is amended to read:

Subd. 1g. [RECREATIONAL VEHICLES.] Selfpropelled recreational vehicles shall be separately licensed and taxed annually on the basis of total gross weight ~~at 100 percent of and the tax shall be graduated according to the~~ Minnesota base rate schedule prescribed in subdivision 1e ~~under Schedule I during each of the first six years of vehicle life, but in no event less than \$14, and during the seventh and succeeding years of vehicle life as taken from Schedule II, but in no event less than \$8 \$20, except as otherwise provided in this subdivision.~~

For all self-propelled recreational vehicles, the tax for the ninth and succeeding years of vehicle life shall be:

(a) for the 1982 registration year, 64 percent of the tax imposed in the Minnesota base rate schedule;

(b) for the 1983 registration year, 68 percent of the tax imposed in the Minnesota base rate schedule;

(c) for the 1984 registration year, 72 percent of the tax imposed in the Minnesota base rate schedule;

(d) for the 1985 registration year and each succeeding year, 75 percent of the tax imposed in the Minnesota base rate schedule.

Towed recreational vehicles shall be separately licensed and taxed annually on the basis of total gross weight at 30 percent of the Minnesota base rate prescribed in subdivision 1e ~~under Schedule I~~ but in no event less than \$5.

~~The annual tax on a slip-in camper as defined in section 168.011, subdivision 25, shall be as provided for selfpropelled recreational vehicles unless such owner elects to register such slip-in camper as a truck. If the owner elects to register such slip-in camper as a truck, the annual tax shall be either the tax imposed for selfpropelled recreational vehicles or the tax imposed for trucks on the basis of gross weight in subdivision 1e, whichever is higher. Notwithstanding any law to the contrary, all trailers and semitrailers taxed pursuant to this section shall be exempt from any wheelage tax now or hereafter imposed by any political subdivision or political subdivisions.~~

Sec. 14. Minnesota Statutes 1980, Section 168.013, Subdivision 1h, is amended to read:

Subd. 1h. [MOTORIZED BICYCLES.] On motorized bicycles the tax is ~~\$3~~ \$6, which includes the surtax provided for in subdivision 14.

Sec. 15. Minnesota Statutes 1980, Section 168.013, is amended by adding a subdivision to read:

Subd. 1i. [URBAN TRUCKS.] *On all vehicles registered as urban trucks for the registration year 1981, or any part thereof, and which are not registered as commercial zone trucks for the registration year 1982 and succeeding years, the tax shall be:*

(a) for the registration year 1982, 50 percent of the tax imposed in the Minnesota base rate schedule;

(b) for the registration year 1983, 67 percent of the tax imposed in the

Minnesota base rate schedule;

(c) for the registration year 1984, 84 percent of the tax imposed in the Minnesota base rate schedule;

(d) for the registration year 1985, and each succeeding year, 100 percent of the tax imposed in the Minnesota base rate schedule.

Beginning with the registration year 1985, the registrar shall not issue urban license plates.

Sec. 16. Minnesota Statutes 1980, Section 168.013, Subdivision 2, is amended to read:

Subd. 2. [PRORATED FEES.] When a motor vehicle first becomes subject to taxation during the registration period for which the tax is paid, the tax shall be for the remainder of the period prorated on a monthly basis, 1/12 of the annual tax for each calendar month or fraction thereof; provided, however, that for a vehicle having an annual tax of \$5 \$10 or less there shall be no reduction until on and after September 1 when ~~such~~ the annual tax shall be reduced one-half.

Sec. 17. Minnesota Statutes 1980, Section 168.013, Subdivision 3, is amended to read:

Subd. 3. [APPLICATION; ~~CANCELLATION~~ CANCELLATION; EXCESSIVE GROSS WEIGHTS FORBIDDEN.] The applicant for all licenses based on gross weight shall state in writing upon oath, among other things, the unloaded weight of such vehicle or trailer and the maximum load the applicant proposes to carry thereon, the sum of which shall constitute the gross weight upon which the license tax shall be paid, but in no case shall the declared gross weight upon which the tax is paid be less than $4\frac{1}{2}$ $1\frac{1}{4}$ times the declared unloaded weight of the vehicle or trailer to be registered, except recreational vehicles taxed under subdivision 1g, school buses taxed under subdivision 18 and wreckers defined in section 169.01, subdivision 52. The gross weight of a wrecker is the actual weight of the wrecker fully equipped, but does not include the weight of a wrecked or disabled vehicle towed or drawn by the wrecker.

The gross weight of no vehicle or trailer shall exceed the gross weight upon which the license tax has been paid by more than four percent or 1000 pounds, whichever is greater.

The gross weight of the vehicle or trailer for which such license tax is paid shall be indicated by a distinctive character on the license plate or plates except as provided in subdivision 12 and the plate or plates shall be kept clean and clearly visible at all times.

The owner, driver, or user of a vehicle or trailer upon conviction for transporting a gross weight in excess of the gross weight for which it was registered or for operating a vehicle with an axle weight exceeding the maximum lawful axle load weight shall be guilty of a misdemeanor and be subject to increased registration or re-registration according to the following schedule:

(1) The owner, driver or user of a vehicle or trailer upon conviction for transporting a gross weight in excess of the gross weight for which it is registered by more than four percent or 1000 pounds, whichever is greater, but less than 25 percent or for operating or using a vehicle or trailer with an axle

weight exceeding the maximum lawful axle load as provided in section 169.83 by more than four percent or 1000 pounds, whichever is greater, but less than 25 percent, in addition to any penalty imposed on him for the misdemeanor shall apply to the registrar to increase the authorized gross weight to be carried on the vehicle to a weight equal to or greater than the gross weight of which the owner, driver, or user was convicted of carrying, the increase computed for the balance of the calendar year on the basis of 1/12 of the annual tax for each month remaining in the calendar year beginning with the first day of the month in which the violation occurred. If the additional registration tax computed upon that weight, plus the tax already paid, amounts to more than the regular tax for the maximum gross weight permitted for such a vehicle under section 169.83, that additional amount shall nevertheless be paid into the highway fund, but the additional tax thus paid shall not be deemed to permit the vehicle to be operated with a gross weight in excess of the maximum legal weight as provided by section 169.83. Unless the owner within 30 days after such a conviction shall apply to increase the authorized weight and pay the additional tax as herein provided, the registrar shall revoke the registration on the vehicle and demand the return of the registration card and plates issued by him on that registration.

(2) The owner or driver or user of a vehicle or trailer upon conviction for transporting a gross weight in excess of the gross weight for which the vehicle or trailer was registered by 25 percent or more, or for operating or using a vehicle or trailer with an axle weight exceeding the maximum lawful axle load as provided in section 169.83 by 25 percent or more, in addition to any penalty imposed on him for the misdemeanor, shall have the reciprocity privileges on the vehicle involved if the same is being operated under reciprocity canceled by the registrar, or if the vehicle is not being operated under reciprocity, the certificate of registration on the vehicle so operated shall be canceled by the registrar and the registrar shall demand the return of the registration certificate and registration plates. The registrar may investigate any allegation of gross weight violations and demand that the operator show cause why all future operating privileges in the state should not be revoked unless the additional tax assessed be paid.

(3) When the registration on a motor vehicle, trailer or semitrailer has been revoked by the registrar according to provisions of this section, such vehicle shall not be again operated on the highways of the state until it is registered or re-registered, as the case may be, and new plates issued, and the registration fee therefor shall be the annual tax for the total gross weight of the vehicle at the time of violation.

Sec. 18. Minnesota Statutes 1980, Section 168.017, Subdivision 1, is amended to read:

Subdivision 1. All passenger automobiles, ambulances, hearses, *pickup trucks*, and station wagons, ~~beginning April 1, 1975,~~ shall be registered by the registrar according to the monthly series system of registration prescribed by this section.

Sec. 19. Minnesota Statutes 1980, Section 168.017, Subdivision 3, is amended to read:

Subd. 3. All vehicles subject to registration under the monthly series system shall be registered by the registrar for a period of 12 consecutive calendar

months, except as follows:

- (a) If the application is an original rather than renewal application; or,
- (b) The application is the next registration occurring after a dealer or distributor has registered a motor vehicle prior to its assessment or taxation as personal property pursuant to section 168.28; or,
- (c) The application is a renewal application for a pickup truck for the registration year of ~~1975~~ 1982.

In such instance the registrar may register the vehicle which is the subject of the application for a period of not less than three nor more than 15 calendar months, when the registrar determines that such registration will help to equalize the registration and renewal work load of the department.

Sec. 20. [168.018] [QUARTERLY REGISTRATION OF FARM TRUCKS.]

The owner of any farm truck as defined in section 168.011, subdivision 17, may elect to register and license the farm truck only for one or more quarters of a registration year, at a tax of one-fourth of the annual tax on the vehicle plus \$5 for each quarterly registration. The expiration date of a quarterly registration shall be displayed on the license plate in such a manner as the registrar shall direct. No farm truck registered on a quarterly basis shall be operated on the public streets and highways more than ten days beyond the end of the quarter for which it is registered unless the registration has been renewed for another quarter or for the remainder of the registration year.

For purposes of this section registration quarters shall begin on March 1, June 1, September 1, and December 1.

Sec. 21. Minnesota Statutes 1980, Section 168.12, Subdivision 2, is amended to read:

Subd. 2. [AMATEUR RADIO STATION LICENSEE; SPECIAL LICENSE PLATES.] Any applicant who is an owner or joint owner of a motor vehicle and a resident of this state, and who holds an official amateur radio station license, or a citizens radio service class D license, in good standing, issued by the Federal Communications Commission shall upon compliance with all laws of this state relating to registration and the licensing of motor vehicles and drivers, be furnished with license plates for ~~such the~~ motor vehicle, as prescribed by law for passenger cars, upon which, in lieu of the numbers required for identification under subdivision 1, shall be inscribed the official amateur call letters of ~~such the~~ applicant, as assigned by the Federal Communications Commission. The applicant shall pay in addition to the registration tax required by law, the sum of ~~\$2.50~~ \$10 for ~~such the~~ special license plates, and at the time of delivery of ~~such the~~ special license plates the applicant shall surrender to the registrar the current license plates issued for ~~such the~~ motor vehicle. This provision for the issue of special license plates shall apply only if the applicant's passenger automobile is already registered in Minnesota so that the applicant has valid regular Minnesota plates issued for that passenger automobile under which to operate it during the time that it will take to have the necessary special license plates made. If the applicant owns or jointly owns more than one motor vehicle he may apply for special plates for each of not more than two vehicles, and, if each application complies with this subdivi-

sion, the registrar shall furnish the applicant with ~~such~~ the special plates, inscribed with the official amateur call letters and ~~such~~ other distinguishing information as the registrar considers necessary, for each of the two vehicles. And the registrar may make ~~such~~ reasonable regulations governing the use of ~~such~~ the special license plates as will assure the full compliance by the owner and holder of ~~such~~ the special plates, with all existing laws governing the registration of motor vehicles, the transfer and the use thereof. When the ownership of a motor vehicle for which ~~such~~ special license plates have been furnished by the registrar, changes from one person to another, the special license plates herein authorized shall be promptly removed from the motor vehicle by the seller and returned to the registrar, at which time the seller or the buyer of ~~such~~ the motor vehicle shall be entitled to receive license plates for ~~such~~ the motor vehicle as provided in section 168.15.

Sec. 22. Minnesota Statutes 1980, Section 168.12, Subdivision 2a, is amended to read:

Subd. 2a. [PERSONALIZED LICENSE PLATES.] Personalized license plates shall be issued to any applicant for registration of a passenger automobile, station wagon, van or pickup truck with a gross weight of 9,000 pounds or less, or self-propelled recreational vehicle, upon compliance with all laws of this state relating to registration of the vehicle, and upon payment of a fee of ~~\$50~~ \$100 in addition to the registration tax required by law for the vehicle. In lieu of the numbers assigned as provided in subdivision 1, such personalized license plates shall have imprinted thereon a series of not to exceed any combination of six numbers and letters. When an applicant has once obtained personalized plates, he shall have a prior claim for similar personalized plates in the next succeeding year that plates are issued if he makes application for them at least 30 days prior to the first date on which his registration can be renewed. The commissioner of public safety shall adopt rules and regulations in the manner provided by chapter 15, regulating the issuance and transfer of such personalized license plates. No words or combination of letters placed on such personalized license plates may be used for commercial advertising or be of an obscene, indecent or immoral nature, or such as would offend public morals or decency. The call signals or letters of a radio or television station shall not be construed as commercial advertising for the purposes of this subdivision.

Notwithstanding the provisions of subdivision 1, personalized license plates issued pursuant to this subdivision may be transferred to another motor vehicle upon the payment of a fee of \$5, which fee shall be paid into the state treasury and credited to the highway user tax distribution fund. The registrar may by regulation provide a form for such notification.

The fee prescribed for personalized license plates shall be paid only in those years in which the number plate itself is issued, and shall not be payable in any year in which a year plate, tab or sticker is issued in lieu of a number plate.

All fees from the sale of personalized license plates shall be paid into the state treasury and credited to the highway user tax distribution fund.

Sec. 23. Minnesota Statutes 1980, Section 168.16, is amended to read:

168.16 [REFUNDS; APPROPRIATION.]

After the tax upon any motor vehicle shall have been paid for any year,

refund shall be made for errors made in computing the tax or fees and for the error on the part of an owner who may in error have registered a motor vehicle that was not before, nor at the time of ~~such~~ registration, nor at any time thereafter during the current past year, subject to ~~such~~ tax in this state, provided that after more than two years after ~~such~~ the tax was paid no refund shall be made for any tax paid on any vehicle exempted from taxation by reasons of nonuse as provided by section 168.012. ~~Such~~ The refundment shall be made from any fund in possession of the registrar and shall be deducted from his monthly report to the commissioner of finance. A detailed report of ~~such~~ the refundment shall accompany the report. The former owner of a transferred vehicle by an assignment in writing endorsed upon his registration certificate and delivered to the registrar within the time provided herein may sell and assign to the new owner thereof the right to have the tax paid by him accredited to ~~such~~ the owner who duly registers ~~such~~ the vehicle. Any owner at the time of such occurrence, whose vehicle shall be permanently destroyed, ~~permanently removed from the state~~, or sold to the federal government, the state, or political subdivision thereof, shall upon filing a verified claim be entitled to a refund of the unused portion of the tax paid upon the vehicle, computed as follows:

(1) If the vehicle is registered under the calendar year system of registration, the refund is computed pro rata by the month, one-twelfth of the annual tax paid for each month of the year remaining after the month in which the plates and certificate were returned to the registrar;

(2) In the case of a vehicle registered under the monthly series system of registration, the amount of the refund is equal to the sum of the amounts of the license fee attributable to those months remaining in the licensing period after the month in which the plates and certificate were returned to the registrar.

~~Provided, however, that in the case of a vehicle permanently removed from the state and the registrar is satisfied that the registration plates and certificate have been surrendered to and canceled by the motor vehicle department of another state or country, he may compute the refund in the same manner as if such plates and certificate were returned to him as of the date of such surrender and cancellation.~~

There is hereby appropriated to the persons entitled to ~~such~~ a refund, from the fund or account in the state treasury to which the money was credited, an amount sufficient to make the refund and payment.

Sec. 24. Minnesota Statutes 1980, Section 168.27, Subdivision 16, is amended to read:

Subd. 16. [PLATES, DISTINGUISHING NUMBERS.] (a) The registrar shall issue to every motor vehicle dealer, upon a request from such motor vehicle dealer licensed as provided in subdivisions 2 or 3, one or more pair of number plates displaying a general distinguishing number upon the payment of \$10 to the registrar. In addition the dealer shall pay a motor vehicle excise tax of \$15 annually for each pair of dealer plates purchased as required by section 297B.035. The registrar shall deposit the tax in the state treasury and it shall be credited to ~~the general fund as provided in section 297B.09~~. Motor vehicles, new or used, owned by such motor vehicle dealer and bearing such number plates, except vehicles leased to the user who is not an employee of the dealer during the term of the lease, held for hire, or customarily used by the dealer as a tow truck, service truck, or parts pickup truck, may be driven upon the streets

and highways of this state by such motor vehicle dealer, or any employee of such motor vehicle dealer or by any member of the immediate family of such dealer or employee for either private or business purposes; or may be driven upon the streets and highways for demonstration purposes by any prospective buyer thereof for a period of 48 hours or in the case of a truck, truck-tractor, or semi-trailer, for a period of seven days.

(b) A new or used motor vehicle sold by such motor vehicle dealer and bearing the motor vehicle dealer's number plates may be driven upon the public streets and highways for a period of 72 hours by the buyer for either of the following purposes: (1) Removing the vehicle from this state for registration in another state, or (2) permitting the buyer to use the motor vehicle before he receives number plates pursuant to his own registration. Use of a motor vehicle by the buyer under the provisions of clause (2) of the preceding sentence before he receives number plates pursuant to his own registration constitutes a use of the public streets or highways for the purpose of the time requirements for registration of motor vehicles.

Sec. 25. Minnesota Statutes 1980, Section 168C.11, Subdivision 1, is amended to read:

Subdivision 1. [APPOINTMENT.] Subject to the provisions of subdivision 2, the commissioner shall appoint as deputy registrars of bicycles any bicycle dealer, or agent or employee thereof, or any agent or employee designated by a municipality that sells bicycles at public auction who applies for appointment in a manner prescribed by the commissioner; provided that concurrently there may be no more than one such deputy for each separate place of business of a bicycle dealer. Deputy registrars of bicycles shall act as agents of the commissioner and may accept registrations as provided in Laws 1976, Chapter 199, except that no deputy registrar of bicycles shall be required to register bicycles sold by other bicycle dealers. The commissioner, deputy registrars of motor vehicles, and deputy registrars of bicycles may charge and retain an additional ~~50 cents~~ \$1 per registration granted for their services. In the case of a deputy registrar of motor vehicles, the ~~50 cents~~ \$1 shall be deposited in the treasury of the place for which he is appointed, or if the deputy is not a public official he shall retain the filing fee. All other registration fees collected by the commissioner, deputy registrars of motor vehicles and deputy registrars of bicycles shall be processed, accounted for and transmitted to the state treasurer as required by the commissioner.

Sec. 26. Minnesota Statutes 1980, Section 169.11, is amended to read:

169.11 [CRIMINAL NEGLIGENCE.]

The commissioner of public safety shall revoke the driver's license, ~~and shall revoke the chauffeur's license,~~ of any person convicted of the crime of criminal negligence in the operation of a vehicle resulting in the death of a human being.

Sec. 27. Minnesota Statutes 1980, Section 169.79, is amended to read:

169.79 [VEHICLE REGISTRATION.]

No person shall operate, drive or park a motor vehicle on any highway unless the vehicle is registered in accordance with the laws of this state and has the number plates for the current year only, as assigned to it by the commissioner of public safety, conspicuously displayed thereon in a manner that the view of

any plate is not obstructed. If the vehicle is a motorcycle, motor scooter, motorized bicycle, motorcycle sidecar, trailer, or semitrailer, one such plate shall be displayed on the rear thereof; if the vehicle is a truck-tractor or, road-tractor or farm truck, as defined in section 168.011, subdivision 17, but excluding from that definition semitrailers and trailers, one such plate shall be displayed on the front thereof; if it is any other kind of motor vehicle, one such plate shall be displayed on the front and one on the rear thereof. All plates shall be securely fastened so as to prevent them from swinging. The person driving the motor vehicle shall keep the plate legible and unobstructed and free from grease, dust, or other blurring material so that the lettering shall be plainly visible at all times.

Sec. 28. Minnesota Statutes 1980, Section 169.95, is amended to read:

169.95 [COURTS TO KEEP SEPARATE RECORDS OF VIOLATIONS.]

Every magistrate or judge of a court not of record, and every clerk of a court of record, shall keep a full record of every case in which a person is charged with any violation of this chapter or of any other law, or city ordinance, regulating the operation of vehicles on highways.

Within ten days after the conviction or forfeiture of bail of a person upon a charge of violating any provisions of this chapter or other law, or city ordinance, regulating the operation of vehicles on highways, every magistrate of the court, or clerk of the court of record in which such conviction was had or bail was forfeited, shall prepare and immediately forward to the department of public safety an abstract of the record of the court covering the case in which the person was so convicted or forfeited bail, which abstract must be certified by the person so required to prepare the same to be true and correct.

The abstract must be made upon a form furnished by the department of public safety, and shall include the name and address of the party charged, the driver's license number or chauffeur's license number of the person involved, the nature of the offense, the date of hearing, the plea, the judgment, or whether bail forfeited, and the amount of the fine or forfeiture, as the case may be.

Every court of record shall also forward a like report to the department of public safety upon the conviction of any person of manslaughter or other felony in the commission of which a vehicle was used.

The failure, refusal, or neglect of any such judicial officer to comply with any of the requirements of this section shall constitute misconduct in the office and shall be ground for removal therefrom.

Sec. 29. Minnesota Statutes 1980, Section 171.02, Subdivision 3, is amended to read:

Subd. 3. [MOTORIZED BICYCLES.] No motorized bicycle shall be operated on any public roadway by any person who does not possess a valid drivers license, unless the person has obtained a motorized bicycle operator's permit from the commissioner of public safety. The permit may be issued to any person who has attained the age of 15 years and who has passed the examination prescribed by the commissioner. The commissioner may promulgate rules and regulations prescribing the content of the examination and the information to be contained on the permit.

The fees for motorized bicycle operator's permit are as follows:

- | | |
|--|-------------|
| (a) Examination and operator's permit,
valid for one year | \$2.50 \$ 4 |
| (b) Duplicate | \$1.50 \$ 2 |
| (c) Renewal permit before age 18
and valid until age 18 | \$3 \$ 6 |
| (d) Renewal permit after age 18
and valid for four years | \$5 \$10 |
| (e) Duplicate of any renewal permit | \$2 \$ 3 |

Sec. 30. Minnesota Statutes 1980, Section 171.04, is amended to read:

171.04 [PERSONS NOT ELIGIBLE FOR DRIVER'S LICENSES.]

The department shall not issue a driver's license hereunder:

(1) To any person who is under the age of 16 years; to any person under 18 years unless such person shall have successfully completed a course in driver education, including both classroom and behind-the-wheel instruction, approved by the department of public safety or, in the case of a course offered by a private, commercial driver education school or institute employing driver education instructors, by the department of public safety, except when such person has completed a course of driver education in another state or has a previously issued valid license from another state or country; nor to any person under 18 years unless the application of license is approved by either parent when both reside in the same household as the minor applicant, otherwise the parent having custody or with whom the minor is living in the event there is no court order for custody, or guardian having the custody of such minor, or in the event a person under the age of 18 has no living father, mother or guardian, the license shall not be issued to such person unless his application therefor is approved by his employer. Behind-the-wheel driver education courses offered in any public school shall be open for enrollment to persons between the ages of 15 and 18 years residing in the school district or attending school therein. Any public school offering behind-the-wheel driver education courses may charge an enrollment fee for the behind-the-wheel driver education course which shall not exceed the actual cost thereof to the public school and the school district. The approval required herein shall contain a verification of the age of the applicant;

(2) To any person whose license has been suspended during the period of suspension except that a suspended license may be reinstated during the period of suspension upon the licensee furnishing proof of financial responsibility in the same manner as provided in the Minnesota no-fault automobile insurance act;

(3) To any person whose license has been revoked except upon furnishing proof of financial responsibility in the same manner as provided in the Minnesota no-fault automobile insurance act and if otherwise qualified;

(4) To any person who is ~~an habitual drunkard as determined by competent authority or is addicted to the use of narcotic drugs~~ a drug-dependent person as defined in section 254A.02, subdivision 5;

(5) To any person who has been adjudged legally incompetent by reason of mental illness, mental deficiency, or inebriation, and has not been restored to

capacity, unless the department is satisfied that such person is competent to operate a motor vehicle with safety to persons or property;

(6) To any person who is required by this chapter to take an examination, unless such person shall have successfully passed such examination;

(7) To any person who is required under the provisions of the Minnesota no-fault automobile insurance act of this state to deposit proof of financial responsibility and who has not deposited such proof;

(8) To any person when the commissioner has good cause to believe that the operation of a motor vehicle on the highways by such person would be inimical to public safety or welfare;

(9) To any person when, in the opinion of the commissioner, such person is afflicted with or suffering from such physical or mental disability or disease as will affect such person in a manner to prevent him from exercising reasonable and ordinary control over a motor vehicle while operating the same upon the highways; nor to a person who is unable to read and understand official signs regulating, warning, and directing traffic.

Sec. 31. Minnesota Statutes 1980, Section 171.06, Subdivision 1, is amended to read:

Subdivision 1. [FORMS OF APPLICATION.] Every application for an instruction permit or for a driver's license shall be made upon a form furnished by the department, and every application shall be accompanied by the proper fee. All such applications ~~except applications for renewal~~ shall be signed in the presence of the person authorized to accept ~~such the~~ applications, or the signature on the application ~~shall may~~ be verified by a notary public. ~~Payment of the fee for the Class B license and Class A license upon initial application will be at the place of application.~~

Sec. 32. Minnesota Statutes 1980, Section 171.06, Subdivision 2, is amended to read:

Subd. 2. [FEES.] (a) The fees for ~~a license shall be and Minnesota identification card are~~ as follows:

Classified Driver License	C- \$5 \$10	B- \$10 \$15	A- \$15 \$20
Classified Provisional D.L.		C- \$6 \$10	B- \$5 \$10
Instruction Permit			2.00 \$4
Duplicate Driver or Provisional License			1.50 \$3
<i>Minnesota identification card, except as otherwise provided in section 171.07, subdivisions 3 and 3a</i>			
			\$6

Sec. 33. Minnesota Statutes 1980, Section 171.06, Subdivision 3, is amended to read:

Subd. 3. [CONTENTS OF APPLICATION.] Every application shall state the full name, date of birth, sex and residence address of the applicant, a description of the applicant in such manner as the commissioner may require, and shall state whether or not the applicant has theretofore been licensed as a driver; and, if so, when and by what state or country and whether any such license has ever been suspended or revoked, or whether an application has ever

been refused; and, if so, the date of and reason for such suspension, revocation, or refusal, together with such facts pertaining to the applicant and his ability to operate a motor vehicle with safety as may be required by the commissioner. ~~Such~~ *The application form shall contain a notification to the applicant of the availability of the donor document provided pursuant to section 171.07, subdivision 5, and shall contain spaces where the applicant must indicate a desire to receive or not to receive the donor document. The application shall be in the form prepared by the commissioner.*

Sec. 34. Minnesota Statutes 1980, Section 171.06, is amended by adding a subdivision to read:

Subd. 3a. [MIDDLE NAME MAY BE MAIDEN NAME.] For the purposes of subdivision 3, and section 171.07, subdivision 1, the full name of a married applicant may include, at the option of the applicant, the applicant's family name prior to marriage instead of the applicant's given middle name, notwithstanding the middle name specified on the applicant's marriage certificate.

Sec. 35. Minnesota Statutes 1980, Section 171.06, Subdivision 4, is amended to read:

Subd. 4. [APPLICATION, FILING.] Any applicant for an instruction permit, a driver's license, restricted license, or duplicate license may file his application with a clerk of the district court or at a state office. ~~Such~~ The clerk or state office shall ~~and is hereby authorized to receive and accept such the application. To cover all expenses involved in receiving, accepting or forwarding to the department applications and fees, the state office may charge 50 cents for each application for an instruction permit, duplicate license, driver license or restricted license; such additional fee shall also be forwarded to the department.~~ To cover all expenses involved in receiving, accepting, or forwarding to the department applications and fees, the clerk of the district court may ~~charge and~~ retain a county fee of \$1 for each application for ~~an a~~ Minnesota identification card, instruction permit, duplicate license, driver license, or restricted license; ~~the county fee of \$1 shall be in addition to the fees otherwise provided by law.~~ The amount allowed to be retained by the clerk of the district court shall be paid into the county treasury and credited to the general revenue fund of the county. The clerk of court shall forward all applications and fees, less the amount herein allowed to be retained for expense, to the department within ~~45~~ ten days of the receipt by him. The clerks of the district courts may appoint agents to assist in accepting applications, but the clerks shall require every ~~such~~ agent to forward to the clerk by whom he is appointed all applications accepted and fees collected by him, except that an agent may retain one-half of the \$1 county fee to cover his expenses involved in receiving, accepting or forwarding the applications and fees. The clerks of court shall be responsible for the acts of agents appointed by them and for the forwarding to the department of all applications accepted and those fees collected by ~~such~~ agents and by themselves as are required to be forwarded to the department.

Sec. 36. Minnesota Statutes 1980, Section 171.07, Subdivision 1, is amended to read:

Subdivision 1. The department shall, upon the payment of the required fee, issue to every applicant qualifying therefor a license designating the type or class of vehicles he is authorized to drive as applied for, which license shall

bear thereon a distinguishing number assigned to the licensee, the full name, date of birth, residence address and permanent mailing address if different, a description of the licensee in such manner as the commissioner deems necessary, and a space upon which the licensee shall write his usual signature with pen and ink. No license shall be valid until it has been so signed by the licensee. Except in the case of an instruction permit, every license shall bear thereon a colored photograph of the licensee. Every license issued to an applicant under the age of 18 shall be of a distinguishing color and plainly marked "provisional". The department shall use such process or processes in the issuance of licenses that prohibits as near as possible, the ability to alter or reproduce the licenses, or prohibit the ability to superimpose a photo on such licenses without ready detection. ~~Each license certificate issued shall be on an all plastic or laminated plastic card with the identifying information embossed thereon.~~ A license issued to an applicant of age 65 or over shall be plainly marked "senior" if requested by the applicant.

Sec. 37. Minnesota Statutes 1980, Section 171.07, is amended by adding a subdivision to read:

Subd. 1a. [PHOTOGRAPHIC NEGATIVES; FILING; DATA CLASSIFICATION.] The department shall file, or contract to file, all photographic negatives obtained in the process of issuing driver licenses or Minnesota identification cards. The negatives shall be private data pursuant to section 15.162, subdivision 5a. Notwithstanding section 15.165, subdivision 3, the department shall not be required to provide copies of photographic negatives to data subjects. The use of the files is restricted to the issuance and control of driver licenses and for law enforcement purposes in the investigation and prosecution of felonies.

Sec. 38. Minnesota Statutes 1980, Section 171.07, Subdivision 3, is amended to read:

Subd. 3. Upon payment of the required fee for a driver's license bearing a colored photograph, the department may issue to every applicant who does not physically qualify for a driver's license, or any person not currently licensed to drive, who does not intend to apply for a driver's license under this section or who wishes to discontinue driving and surrenders his current driver's license, a Minnesota identification card. The card shall bear thereon a distinguishing number assigned to the applicant, a colored photograph, the full name, date of birth, residence address, a description of the applicant in such the manner as the commissioner deems necessary, and a space upon which the applicant shall write his usual signature with pen and ink.

Each Minnesota identification card shall be on an all plastic or laminated plastic card of a distinguishing color and plainly marked "non-driver". The fee for a Minnesota identification card issued to any person who is mentally retarded, as defined in section 252A.02, subdivision 2, shall be 50 cents.

Sec. 39. Minnesota Statutes 1980, Section 171.17, is amended to read:

171.17 [REVOCATION.]

The department shall forthwith revoke the license of any driver upon receiving a record of such driver's conviction of any of the following offenses:

(1) Manslaughter or criminal negligence resulting from the operating of a motor vehicle;

(2) ~~Operating a motor vehicle while under the influence of intoxicating liquor or narcotic drug~~ Any violation of section 169.121;

(3) Any felony in the commission of which a motor vehicle was used;

(4) Failure to stop and disclose identity and render aid, as required under the laws of this state, in the event of a motor vehicle accident resulting in the death or personal injury of another;

(5) Perjury or the making of a false affidavit or statement to the department under any law relating to the ownership or operation of a motor vehicle;

(6) Except as this section otherwise provides, conviction, plea of guilty, or forfeiture of bail not vacated, upon three charges of violating, within a period of 12 months any of the provisions of chapter 169, or of the rules, regulations, or municipal ordinances enacted in conformance therewith for which the accused may be punished upon conviction by imprisonment;

(7) Conviction of an offense in another state which, if committed in this state, would be grounds for the revocation of the driver's license.

When any judge of a juvenile court, or any of its duly authorized agents, shall determine, formally or informally, that any person under the age of 18 years has committed any offense defined in this section, such judge, or duly authorized agent, shall immediately report such determination to the department, and the commissioner shall immediately revoke the license of that person.

Upon revoking the license of any person, as hereinbefore in this chapter authorized, the department shall immediately notify the licensee, in writing, by depositing in the United States post-office a notice addressed to the licensee at his last known address, with postage prepaid thereon.

Sec. 40. Minnesota Statutes 1980, Section 171.29, is amended to read:

171.29 [REVOKED LICENSES; EXAMINATION FOR NEW LICENSES.]

Subdivision 1. No person whose drivers license has been revoked by reason of conviction, plea of guilty, or forfeiture of bail not vacated, ~~upon three charges of careless or reckless driving, committed within a period of 12 months, or a person who is convicted of a charge of driving under the influence of alcoholic beverage or narcotic drug, under section 171.17 or 65B.67, or revoked under section 169.123~~ shall be issued another license unless and until he shall have successfully passed an examination as required for an initial license.

Subd. 2. Any person ~~who is required to take an examination as provided in subdivision 1 shall pay a fee of \$2.50 for each examination whose drivers license has been revoked as provided in subdivision 1 shall pay a \$30 fee before his drivers license is reinstated.~~

Sec. 41. Minnesota Statutes 1980, Section 174.23, Subdivision 1, is amended to read:

Subdivision 1. [GENERAL.] The commissioner shall have all powers necessary and convenient to carry out the provisions of sections 174.21 to 174.27 including the power to: (a) review applications for financial assistance, execute

contracts, and obligate and expend program funds, upon conditions and limitations as the commissioner deems necessary for purposes of program and project implementation, operation, and evaluation, (b) accept and disburse federal funds available for the purposes of sections 174.21 to 174.27, and (c) act upon request as the designated agent of any eligible person for the receipt and disbursement of federal funds. The commissioner shall perform the duties and exercise the powers under sections 174.21 to 174.27 in coordination with and in furtherance of statewide, regional, and local transportation plans and transportation development programs. *The commissioner shall set guidelines for financial assistance under the public transit subsidy program. The commissioner shall present any proposed guidelines to a legislative committee composed of equal numbers appointed by the house local and urban affairs and senate transportation committees. The commissioner shall not implement any new guidelines, between the period January 1, 1981 to April 15, 1982, without the prior approval of that committee.*

Sec. 42. Minnesota Statutes 1980, Section 174.24, Subdivision 3, is amended to read:

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

Sec. 43. Minnesota Statutes 1980, Section 174.24, is amended by adding a subdivision to read:

Subd. 3a. [TRANSIT COMMISSION.] *The commissioner shall provide financial assistance by contract to the metropolitan transit commission from appropriations provided for that purpose.*

Sec. 44. [174.265] [METROPOLITAN TRANSIT SERVICE DEMONSTRATION PROGRAM.]

Subdivision 1. [DEFINITIONS.] For the purposes of this section, the terms defined in this subdivision have the meanings given them, unless the context requires otherwise.

(a) "Available local transit funds" means an amount equal to 90 percent of the tax proceeds which would accrue to the metropolitan transit commission from a tax levied in the applicant community or communities in accordance with section 473.446, subdivision 1, clauses (a) to (c).

(b) "Off-peak hours" has the meaning given it in section 473.408, subdivision 1.

Subd. 2. [ESTABLISHMENT OF PROGRAM.] A metropolitan transit service demonstration program is established to provide financial assistance for projects designed to test the efficiency and effectiveness of alternative methods of providing public transit service for communities that are within the metropolitan transit taxing district but are not adequately served by existing regular route transit.

Subd. 3. [ELIGIBILITY.] The commissioner may provide assistance under the program to any statutory or home rule charter city or town, or group of such cities or towns, which: (a) is located within the metropolitan transit taxing district, as defined in section 473.446, subdivision 2; (b) is not served by the metropolitan transit commission or is served only with bus routes which end or begin within the city or town, or group of cities or towns; and (c) has fewer than four scheduled runs of bus service provided by the commission during off-peak hours. Eligible cities or towns may apply on behalf of any operator of public transit with whom they propose to contract for service.

Subd. 4. [ASSISTANCE FOR REPLACEMENT SERVICE.] An application for financial assistance for replacement services shall: describe the existing service provided to the applicant by the metropolitan transit commission, including the estimated number of passengers carried and the routes, schedules, and fares; describe the transit service proposed for funding under the demonstration program, including the anticipated number of passengers and the routes, schedules, and fares; and indicate the total amount of available local transit funds, the portion of the available local transit funds proposed to be used to subsidize replacement services, and the amount of state assistance requested for the replacement services. Financial assistance shall not be granted under this subdivision unless the commissioner determines that the service proposed for funding is intended and designed to replace and substitute for that provided by the metropolitan transit commission at the time of application and that the average subsidy per passenger for the replacement service will not exceed the average subsidy per passenger during the six months preceding the application on the commission's routes which serve the applicant communities. If the applicant communities are not served by the commission at the time of the application, the average subsidy per passenger for the replacement service shall not exceed the average subsidy per passenger during the six months preceding the application on all routes of the commission extending into zone four. After the first year of replacement service, the maximum subsidy shall be escalated at a rate equal to the rate of inflation in the revised consumer price index for all urban consumers in the Minneapolis-St. Paul metropolitan area. The amount of financial assistance provided for replacement service under this subdivision shall not exceed the sum of: (a) the portion of the

available local transit funds which the applicant proposes to use to subsidize the service, and (b) an amount of state assistance bearing an identical proportional relationship to the amount under (a) as the total amount of state assistance available to the metropolitan transit commission under section 33 bears to the total amount of taxes collected by the commission under section 473.446, subdivision 1, clauses (a) to (c). The commissioner shall transfer the amounts provided to the recipient from the assistance available to the metropolitan transit commission pursuant to section 174.24, subdivision 3.

Subd. 5. [ASSISTANCE FOR ADDITIONAL SERVICE.] Any city or town or group of cities or towns receiving financial assistance under subdivision 4 may also receive assistance pursuant to section 174.24, subdivision 3, or section 174.25. In addition to the information required of applicants for assistance under those sections, an application shall describe the portion of the available local transit funds which are not obligated to subsidize replacement service, under the assistance contract entered into pursuant to subdivision 4, and which the applicant proposes to use to subsidize additional services. An applicant which has exhausted its available local transit funds may use any other local subsidy funds to complete the required local share. If the commissioner grants financial assistance pursuant to this subdivision, the commissioner shall transfer the portion of the available local transit funds which the applicant proposes to use to subsidize the additional service from the assistance available to the metropolitan transit commission pursuant to section 174.24, subdivision 3.

Sec. 45. Minnesota Statutes 1980, Section 174.31, is amended to read:

174.31 [SPECIAL DEMONSTRATION PROJECT; COORDINATION OF SPECIAL TRANSPORTATION SERVICE IN THE METROPOLITAN AREA.]

Subdivision 1. [ESTABLISHMENT; OBJECTIVES.] A special demonstration project for coordination of special transportation service in the metropolitan area as defined in section 473.121, subdivision 2, shall be established and implemented by the commissioner with the following objectives:

(a) To provide greater access to transportation for the elderly, handicapped and others with special transportation needs in the metropolitan area and particularly to fill all unmet needs for that transportation in the transit taxing district as defined in section 473.446, subdivision 2; and

(b) To develop an integrated system of special transportation service providing transportation tailored to meet special individual needs in the most cost-efficient manner using existing public and private providers of service; and

(c) To use existing public and private providers of service wherever possible, to supplement rather than replace existing service, and to increase the productivity of all special transportation vehicles available in the area.

For the purpose of this section "project" means the demonstration project established under this subdivision.

Subd. 2. [FINANCING; IMPLEMENTATION; MANAGEMENT AND ADVISORY GROUPS.] The project shall be operated pursuant to the rules governing and funded with money available under the paratransit grant pro-

gram. The commissioner shall not operate the project but shall contract for services necessary for its operation. All transportation service provided through the project shall be provided under a contract between the commissioner and the provider which specifies the service to be provided and the rates for providing it. The commissioner shall establish a committee to set management policies for the project. The management policy committee shall include the commissioner or his designee, representatives of persons contracting to provide services for the project, a representative of the metropolitan council, a representative of the metropolitan transit commission and at least two representatives of the task force established to advise the committee. The meetings of the management policy committee shall be public and minutes of all meetings shall be taken, preserved and made available for public inspection. The commissioner shall establish an advisory task force of individuals representing the elderly, handicapped and other users of service provided by the project to advise the management policy committee.

Subd. 3. [DUTIES OF COMMISSIONER.] In implementing the project the commissioner shall:

(a) Encourage participation in the project by public and private providers of special transportation service currently receiving capital or operating assistance from a public agency;

(b) Contract with public and private providers that have demonstrated their ability to effectively provide service at a reasonable cost;

(c) Encourage individuals using service provided through the project to use the type of service most appropriate to their particular needs;

(d) Insure that all persons providing service through the project receive equitable treatment in the allocation of the ridership;

(e) Encourage shared rides to the greatest extent practicable;

(f) Insure that a full range of service is made available through the project to all parts of the metropolitan transit taxing district;

(g) Encourage public agencies that provide transportation to eligible individuals as a component of human services and educational programs to coordinate with the project and to allow reimbursement for services provided through the project at rates that reflect the public cost of providing those services.

(h) *Adopt rules by January 15, 1982, establishing criteria to be used in determining individual eligibility for special transportation services.*

Subd. 4. [COORDINATION REQUIRED.] The commissioner shall not grant any financial assistance under section 174.24 or 174.25 to any recipient that proposes to use any part of the grant to provide special transportation service in the metropolitan area unless the program is coordinated with the project in the manner determined by the commissioner. ~~A recipient of a grant made before June 8, 1979 shall coordinate its program with the project as far as practicable but shall not be denied any additional grant for which it is otherwise qualified solely because it is not coordinated with the project.~~

Subd. 4a. [EQUITABLE ALLOCATION AND ANNUAL REALLOCATION.] *The commissioner shall distribute all available funding under this*

section in a manner designed to achieve an equitable allocation of special transportation services based on the proportion of the number of elderly, handicapped, disabled, or economically disadvantaged individuals with special transportation needs who actually use the special transportation service and who reside in the east and west service areas, including suburbs.

Subd. 5. [~~COMPLIANCE WITH OPERATING AND SERVICE STANDARDS.~~] A vehicle providing special transportation service which is subject to the operating standards adopted pursuant to section 174.30 shall not be allowed to provide service through the project after January 1, 1981, unless a current certificate of compliance has been issued to the vehicle. A person operating or assisting the operation of a vehicle may leave the vehicle to enter premises in order to help a passenger who does not require emergency ambulance service. Operators and assistants shall provide the help necessary for door-through-door service, including help in entering and leaving the vehicle and help through the exterior entrance and over any exterior steps at either departure or destination buildings, provided that both the steps and the wheelchair are in good repair. If an operator or assistant refuses help because of the condition of the steps or the wheelchair, the operator of the service shall send letters to the commissioner of transportation and the person denied service describing the corrective measures necessary to qualify for service.

Subd. 6. [EVALUATION AND REPORTS.] The commissioner shall evaluate the project and submit a report to the legislature in January, 1981, including the following information:

(a) All amounts of money spent or obligated for the project by the commissioner and the persons receiving those amounts;

(b) The types of service provided, number of individuals served and areas covered;

(c) A comparison of the cost of providing different types of service;

(d) A review of the achievements or failures of the project, problems encountered in implementation and conclusions and recommendations concerning future action.

The commissioner shall submit a preliminary report to the legislature in January, 1980, covering the above information to the extent it is available at that time.

Subd. 7. [EXPIRATION OF PROJECT.] The project shall expire June 30, 1981, and the commissioner shall not enter a contract or make any grant the proceeds of which may be expended for the purpose of implementing or continuing the project beyond June 30, 1981.

Sec. 46. Minnesota Statutes 1980, Section 296.02, Subdivision 1, is amended to read:

Subdivision 1. [TAX IMPOSED FOR MOTOR VEHICLE USE.] There is hereby imposed an excise tax of ~~14~~ 13 cents per gallon on all gasoline used in producing and generating power for propelling motor vehicles used on the public highways of this state. This tax shall be payable at the times, in the manner, and by persons specified in this chapter.

(a) Notwithstanding any other provision of law to the contrary, the tax

imposed on special fuel sold by a qualified service station shall not exceed, or the tax on gasoline delivered to a qualified service station shall be reduced to, a rate not more than 3 cents per gallon above the state tax rate imposed on such products sold by a service station in a contiguous state located within the distance indicated in clause (b).

(b) A "qualifying service station" means a service station located within 7.5 miles, measured by the shortest route by public road, from a service station selling like product in the contiguous state.

(c) A qualified service station shall be allowed a credit by the supplier or distributor, or both, for the amount of reduction computed in accordance with clause (a).

A qualified service station, before receiving the credit, shall be registered with the commissioner of revenue.

Sec. 47. Minnesota Statutes 1980, Section 297B.035, Subdivision 2, is amended to read:

Subd. 2. Motor vehicles which satisfy the definitions of subdivision 1, shall be taxed at a yearly rate of \$15 per set of dealer plates. This tax shall be paid when dealer plates are purchased and shall be deposited in the state treasury and credited to the general fund as provided in section 297B.09. This tax shall be in lieu of any other state sales, excise, or use tax.

Sec. 48. Minnesota Statutes 1980, Section 297B.09, is amended to read:

297B.09 [ALLOCATION OF REVENUE.]

Subdivision 1. [GENERAL FUND SHARE.] All moneys collected and received under Laws 1971, Chapter 853, under this chapter shall be allocated monthly by the motor vehicle registrar to the state commissioner of revenue and by him shall be paid to the state treasurer and shall be deposited as provided in section 297A.44, in the state treasury and credited as follows:

(a) All of the proceeds collected until June 30, 1983 shall be credited to the general fund;

(b) Three-fourths of the proceeds collected after June 30, 1983 and before July 1, 1985 shall be credited to the general fund;

(c) One-half of the proceeds collected after June 30, 1985 and before July 1, 1987 shall be credited to the general fund;

(d) One-fourth of the proceeds collected after June 30, 1987 and before July 1, 1989 shall be credited to the general fund;

(e) After June 30, 1989, none of the proceeds collected shall be credited to the general fund.

Subd. 2. [HIGHWAY USER TAX DISTRIBUTION FUND SHARE.] The proceeds collected under this chapter and not credited to the general fund shall be deposited in the highway user tax distribution fund for apportionment in the same manner and for the same purposes as other money in that fund.

Sec. 49. Minnesota Statutes 1980, Section 299D.03, Subdivision 5, is amended to read:

Subd. 5. [FINES AND FORFEITED BAIL MONEY.] (a) All fines and

forfeited bail money, from traffic and motor vehicle law violations, collected from persons apprehended or arrested by such employees, shall be paid by the justice of the peace, or such other person or officer collecting such fines, forfeited bail money or installments thereof, on or before the tenth day after the last day of the month in which such moneys were collected, to the county treasurer of the county where the violation occurred. Three-eighths of such receipts shall be credited to the general revenue fund of the county. The other five-eighths of such receipts shall be transmitted by that officer to the state treasurer and shall be credited to the trunk highway fund. If, however, the violation occurs within a municipality and the city attorney prosecutes the offense, and a plea of not guilty is entered, one-third of the receipts shall be credited to the general revenue fund of the county, one-third of the receipts shall be paid to the municipality prosecuting the offense, and one-third shall be transmitted to the state treasurer as provided in this subdivision. All costs of participation in a nation-wide police communication system chargeable to the state of Minnesota shall be paid from appropriations for that purpose.

(b) Notwithstanding any other provisions of law, all fines and forfeited bail money from violations of statutes governing the maximum weight of motor vehicles, collected from persons apprehended or arrested by employees of the state of Minnesota, by means of stationary or portable scales operated by such employees, shall be paid by the person or officer collecting the fines or forfeited bail money, on or before the tenth day after the last day of the month in which the collections were made, to the county treasurer of the county where the violation occurred. All such receipts shall be transmitted by that officer to the state treasurer and shall be credited to the trunk highway fund.

Sec. 50. Minnesota Statutes 1980, Section 473.164, Subdivision 3, is amended to read:

Subd. 3. At the conclusion of each budget year, the council, in cooperation with each commission, shall adopt a final statement of costs incurred by the council for each commission. Where costs incurred in the budget year have exceeded the amount budgeted, each commission shall transfer to the council the additional moneys needed to pay the amount of the costs in excess of the amount budgeted, and shall include a sum in its next budget. Any excess of budgeted costs over actual costs may be retained by the council and applied to the payment of budgeted costs in the next year. Costs incurred during 1976 shall be reimbursed to the council by each commission on or before December 31, 1976 following receipt and in accordance with a statement of costs transmitted by the council. *Notwithstanding the provisions of this section, after July 1, 1981, the metropolitan council shall not charge the metropolitan transit commission for any costs incurred by the council for the study of light rail transit unless the study plan and budget have been approved by the metropolitan transit commission.*

Sec. 51. Minnesota Statutes 1980, Section 473.408, Subdivision 6, is amended to read:

Subd. 6. [MONTHLY PASSES.] The commission ~~shall~~ *may* offer monthly passes for regular route bus service for sale to the general public. ~~The passes shall be offered at a discount at least as great as the discount provided on passes sold by the commission in January, 1979.~~

Sec. 52. Minnesota Statutes 1980, Section 473.408, Subdivision 7, is

amended to read:

Subd. 7. [EMPLOYEE PLAN.] The commission ~~shall~~ *may* offer monthly passes for regular route bus service for sale to employers at a special discount subject to the provisions of this subdivision. An employer ~~is~~ *may be* eligible to purchase passes at a special discount if the employer agrees to establish a payroll deduction plan as a means for its employees to purchase the passes at a price at or below the amount charged by the commission. The special discount on passes sold pursuant to this subdivision shall be ~~two dollars on a single zone pass and a proportionate amount on other passes. The special discount is in addition to the discount provided on passes sold to the general public determined by the commission.~~

Sec. 53. Minnesota Statutes 1980, Section 473.411, Subdivision 1, is amended to read:

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

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

Sec. 54. Minnesota Statutes 1980, Section 473.446, is amended to read:

473.446 [TRANSIT TAX LEVIES.]

Subdivision 1. [AMOUNT TAXATION WITHIN TRANSIT TAXING DISTRICT.] For the purposes of sections 473.401 to 473.451 and the metropolitan transit system, *except as otherwise provided in this subdivision* the metropolitan transit commission shall levy each year upon all taxable property within the metropolitan transit taxing district, defined ~~herein~~ *in subdivision 2*, a transit tax consisting of:

(a) An amount equal to 1.72 mills times the assessed value of all such property, the proceeds of which shall be used for payment of the expenses of operating ~~regular route bus transit and paratransit~~ service;

(b) An additional amount, if any, as the commission determines to be necessary to provide for the full and timely payment of its certificates of indebtedness and other obligations outstanding on July 1, 1977, to which property taxes under this section have been pledged; and

(c) An additional amount necessary to provide full and timely payment of certificates of indebtedness, bonds, or other obligations issued pursuant to section 473.436 for purposes of acquisition and betterment of property and other improvements of a capital nature and to which the commission has specifically pledged tax levies under this clause.

In any statutory or home rule charter city or town in the metropolitan transit taxing district which is receiving financial assistance under section 44, the commission shall levy a tax equal to ten percent of the sum of levies provided for in clauses (a) to (c), plus a levy sufficient to yield the amounts of available local transit funds transferred pursuant to section 44 from the state assistance available to the commission, less any amount paid to the commission by the city or town under a contract for service entered into pursuant to subdivision 2 of this section.

Subd. 1a. [TAXATION WITHIN TRANSIT AREA.] For the purposes of sections 473.401 to 473.451, and the metropolitan transit system, the metropolitan transit commission shall levy upon all taxable property within the metropolitan transit area but outside of the metropolitan transit taxing district, defined ~~herein~~ *in subdivision 2*, a transit tax, which shall be equal to ten percent of the sum of the levies provided in subdivision 1, *clauses (a) to (c)*. *The proceeds of this tax shall be used only for paratransit services or ride sharing programs designed to serve persons located within the transit area but outside of the transit taxing district.*

Subd. 2. [TRANSIT TAXING DISTRICT.] The metropolitan transit taxing district is hereby designated as that portion of the metropolitan transit area lying within the following named cities, towns, or unorganized territory within the counties indicated:

(a) Anoka county. Anoka, Blaine, Centerville, Columbia Heights, Coon Rapids, Fridley, Circle Pines, Hilltop, Lexington, Lino Lakes, Spring Lake Park;

(b) Carver county. Chanhassen, the city of Chaska; ~~Victoria;~~

(c) Dakota county. Apple Valley, Burnsville, Eagan, Inver Grove Heights, Lillydale, Mendota, Mendota Heights, Rosemount, South St. Paul, Sunfish Lake, West St. Paul;

(d) Ramsey county. All of the territory within Ramsey county;

(e) Hennepin county. Bloomington, Brooklyn Center, Brooklyn Park, Champlin, Chanhassen, Crystal, Deephaven, Eden Prairie, Edina, Excelsior, Golden Valley, Greenwood, Hopkins, Long Lake, Maple Grove, Medicine Lake, Minneapolis, Minnetonka, Minnetonka Beach, Mound, New Hope, Orono, Osseo, Plymouth, Richfield, Robbinsdale, St. Anthony, St. Louis Park, Shorewood, Spring Park, Tonka Bay, Wayzata, Woodland, the unorganized territory of Hennepin county;

(f) Scott county. Prior Lake, Savage, Shakopee;

(g) Washington county. Baytown, the city of Stillwater, White Bear Lake, Bayport, Birchwood, Cottage Grove, Dellwood, Lake Elmo, Landfall, Mahomed, Newport, Oakdale, Oak Park Heights, Pine Springs, St. Paul Park, Willernie, Woodbury.

The commission in its sole discretion may provide transit service by contract beyond the boundaries of the metropolitan transit taxing district *or to cities and towns within the taxing district which are receiving financial assistance under section 44*, upon petition therefor by an interested city, township or political subdivision within the metropolitan transit area. The commission may establish such terms and conditions as it deems necessary and advisable for providing the transit service, including such combination of fares and direct payments by the petitioner as will compensate the commission for the full capital and operating cost of the service and the related administrative activities of the commission. The amount of the levy made by any municipality to pay for the service shall be disregarded when calculation of levies subject to limitations is made, *provided that cities and towns receiving financial assistance under section 44 shall not make a special levy under this subdivision without having first exhausted the available local transit funds as defined in section 44*. The commission shall not be obligated to extend service beyond the boundaries of the taxing district, *or to cities and towns within the taxing district which are receiving financial assistance under section 44*, under any law or contract unless or until payment therefor is received.

Subd. 2a. [PROTECTION OF RIGHTS OF HOLDERS OF OUTSTANDING INDEBTEDNESS.] The provisions of ~~subdivision~~ *subdivisions 1 and 2* or any other law changing the boundaries of the metropolitan transit taxing district *or reducing the levy otherwise required to be levied within the district* shall not be deemed to impair the rights of holders of outstanding indebtedness of the commission to require the levy of property taxes, if necessary to provide for any deficiency in accordance with the conditions of such indebtedness, on all property within the limits of the metropolitan transit taxing district as such limits were in effect at the date of issuance of such indebtedness.

Subd. 3. [CERTIFICATION AND COLLECTION.] On or before October 10 in each year the commission shall certify the total amount of the tax levied pursuant to subdivision 1 to the auditor of each metropolitan county. Each county auditor shall then assess and extend upon the tax rolls in his county that proportion of the tax which the assessed value of taxable property in his county bears to the assessed value of all taxable property in the metropolitan area. Each county treasurer shall collect and make settlement of such taxes with the treasurer of the commission. The levy of transit taxes pursuant to this section shall not affect the amount or rate of taxes which may be levied by any county or

municipality or by the commission for other purposes authorized by law and shall be in addition to any other property tax authorized by law.

Sec. 55. [APPROPRIATION.]

Subdivision 1. [PUBLIC TRANSIT.] The sum of \$50,925,000 is appropriated from the general fund to the commissioner of transportation. Of this appropriation, \$21,675,000 shall be available for expenditure the first year and \$29,250,000 for expenditure the second year of the biennium. The appropriation shall be available for the purpose of providing the following:

- (a) metropolitan transit commission operating grants;*
- (b) metropolitan transit commission social fares;*
- (c) metropolitan transit commission project mobility;*
- (d) metro mobility projects;*
- (e) metro mobility control center;*
- (f) private operators — metropolitan area;*
- (g) non-metropolitan transit commission operating assistance statewide;*

For purposes of this subdivision, the payments to the non-metropolitan transit systems shall be made in the following manner:

- 50 percent of the total contract amount in the first month of operation;*
- 40 percent of the total contract amount in the sixth month of operation; and*
- 10 percent of the total contract amount after final audit.*

- (h) public transit capital grants;*

(i) Amtrak rail subsidy - Duluth-Twin Cities. The funds are available to match federal Amtrak funds. This appropriation is available until December 31, 1981.

The metropolitan transit commission shall not raise its base fare more than ten cents over the level existing on January 1, 1981.

The metropolitan transit commission shall not increase its support staff beyond the actual level existing on December 1, 1980. For purposes of this subdivision, support staff includes all staff other than drivers, mechanics, and security personnel.

The commission may request additional funding from the fuel and utilities contingent account in order to offset unanticipated fuel cost increases.

The sum of \$20,000 is appropriated from the general fund to the legislative coordinating commission to conduct a study of state subsidies to public transit. The commission may delegate responsibility and appropriations for the study to an existing staff office of the house of representatives or the senate, a joint legislative commission or office, a state agency, or contract independently for research services. The purpose of the study is to evaluate transit systems receiving financial and technical assistance under sections 174.24 and 174.25, to evaluate alternative methods of allocating state subsidy funds, and to develop state policy on the subsidy of local transit systems. The commission shall require preparation of a research design and work plan as a condition of

delegation of responsibility and appropriations.

Subd. 2. [RIDE SHARING.] The sum of \$75,000 for the first year and \$50,000 for the second year of the biennium are appropriated from the trunk highway fund to the commissioner of transportation to continue operation of the rideshare program implemented pursuant to section 174.257. The commissioner shall complete program development and transfer responsibility for local program planning and operation activity to private operators or local authorities, or any combination of them, by June 30, 1983, when the state participation in the program shall cease. A status report shall be presented to the legislature by January 15, 1982. The rideshare program shall be administered so as to ensure maximum use of available federal aid. The commissioner shall not expend more than \$250,000 for the first year and \$150,000 for the second year of federal aid funds for any activities related to ridesharing, including but not limited to, promoting ridematching and professional services if federal funds are or may be available for highway improvement or maintenance purposes.

Subd. 3. [BALANCES.] Any encumbered balance remaining in the first year shall not cancel but be available for the second year of the biennium.

Sec. 56. Laws 1969, Chapter 192, Section 1, is amended to read:

Section 1. [MOORHEAD, CITY OF; BUS SERVICE.] ~~The governing body of the city of Moorhead may contract with the owners or operators of a bus transportation service upon such terms and conditions as may be agreed upon between them for public transportation service is authorized to provide and assist public transportation services through acquisition, construction or operation, directly or by lease or contract, within the city Moorhead-Fargo urbanized area. The city's annual obligation, if any, under such contract shall not exceed the amount produced by applying one mill two mills to the dollar value of all taxable property within the city. The limitation imposed under this section is expressed as an amount determined after the enactment of Minnesota Statutes, Sections 273.1101 to 273.1103. The levy permitted by this section shall be disregarded in the calculation of any other levies or limitations on levies permitted or provided by other law or charter.~~

Sec. 57. Laws 1969, Chapter 720, Section 11, Subdivision 1, as amended by Laws 1973, Chapter 325, Section 1, is amended to read:

Sec. 11. [DULUTH, CITY OF; TRANSIT AUTHORITY.]

Subdivision 1. Notwithstanding anything to the contrary contained in the charter of the city of Duluth, any ordinance thereof, or any statute applicable thereto, limiting the amount levied in any one year for general or special purposes, the city council of the city of Duluth shall each year, at the time the tax levies for the support of the city are made, levy a tax on all taxable property in an amount not to exceed 4.53 mills in any year, by ordinance, ~~subject to the referendum provisions of the home rule charter of the city of Duluth. An ordinance fixing the levy shall take effect immediately upon its passage and approval.~~ The proceeds from such levy shall be paid into the city treasury, and shall be deposited in the operating fund provided for in section 4, subdivision 3, of this act.

Sec. 58. [REPEALER.]

Minnesota Statutes 1980, Sections 168.013, Subdivision 17; 174.28; and

174.31, Subdivisions 6 and 7, are repealed.

Sec. 59. [EFFECTIVE DATE.]

Sections 2 to 21 and 27, and the repeal of Minnesota Statutes 1980, Section 168.013, Subdivision 17, are effective November 15, 1981, for the year 1982 and subsequent years, provided that for vehicles registered under the monthly system on November 15, 1981, the increases provided in section 7 are effective on the date of the first renewal application. Sections 23, 25, 29, 31, 32, 33, 36, 38, 40, 42, 43, 44, 45, 49, 51, 52, 53, 54, 55, and 58 are effective July 1, 1981. Sections 22, 37, 41 and 50 are effective the day following final enactment. Section 34 is effective January 1, 1983. Section 46 is effective June 1, 1981, and applies to all gasoline in distributor storage on that date. Section 56 is effective the day after the filing of a certificate of local approval by the governing body of the city of Moorhead in compliance with Minnesota Statutes, Section 645.021, Subdivision 3. Section 57 is effective only with approval of a majority of the voters of the city voting on the question of its approval at a special or regular election. It shall then take effect the day after compliance with Minnesota Statutes, Section 645.021, Subdivision 2."

Amend the title as follows:

Page 1, line 6, after "plates" insert "; defining and clarifying certain gross weights; providing for temporary farm truck licenses; increasing the tax on gasoline"

Page 1, line 16, after "a" insert "certain" and delete "of four years"

Page 1, line 18, delete everything after the semicolon

Page 1, delete lines 19 to 24

Page 1, line 25, delete "transportation system;"

Page 1, line 31, delete "city" and insert "cities"

Page 1, line 31, after "Moorhead" insert "and Duluth"

Page 1, line 35, delete "and" and insert a comma

Page 1, line 35, after "10" insert ", 16, 17, and 25"

Page 1, line 36, after "1h" insert ", 2, 3"

Page 1, line 36, after "subdivision" insert "; 168.017, Subdivisions 1 and 3;"

Page 1, line 40, after "2" insert ", 3"

Page 1, line 41, delete "and" and insert a comma

Page 1, line 41, after "3" insert "and by adding a subdivision"

Page 1, line 41, after "171.29" insert "; 174.23, Subdivision 1"

Page 1, line 43, delete "174.50" and insert "296.02"

Page 1, line 44, after "5;" insert "473.164, Subdivision 3;"

Page 1, line 46, delete "Chapter" and insert "Chapters"

Page 1, line 46, after "1" insert "; and 720, Section 11"

The motion prevailed. So the amendment was adopted.

Mrs. Lantry then moved to amend the Lantry amendment to H. F. No. 553 as follows:

Page 6, line 24, after "year" insert "*and each succeeding year*"

Page 6, line 25, delete ".75" and insert "1.25"

Page 6, delete lines 26 and 27

Page 6, line 28, delete "base value"

Page 8, lines 4, 7, and 11, delete "\$5" and insert "\$13"

Page 8, lines 8 and 13, delete "\$10" and insert "\$18"

Page 8, line 8, delete "and" and insert a comma

Page 8, line 10, delete "\$15" and insert "\$22, and for registrations renewed on or after January 1, 1985, the annual additional tax shall be \$25"

Page 8, line 13, delete "and"

Page 8, line 14, delete "\$15" and insert "\$22"

Page 8, line 14, after "1984" insert ", and \$25 for any registration renewed after January 1, 1985"

Page 48, line 5, delete "until" and insert "before"

Page 48, line 17, after "FUND" insert "AND TRANSIT ASSISTANCE FUND"

Page 48, line 20, after "fund" insert "*and the transit assistance fund*"

Page 48, line 20, delete "same" and insert "following"

Page 48, line 20, delete "and for" and insert a colon

Page 48, delete line 21 and insert:

"(a) *None of the proceeds collected before June 30, 1983 shall be credited to either fund.*

(b) *18.75 percent of the proceeds collected after June 30, 1983 and before July 1, 1985 shall be credited to the highway user tax distribution fund for apportionment in the same manner and for the same purposes as other money in that fund. The remaining 6.25 percent of the proceeds shall be credited to the transit assistance fund account to be appropriated to the commissioner of transportation for transit assistance within the state.*

(c) *37.5 percent of the proceeds collected after June 30, 1985 and before July 1, 1987 shall be credited to the highway user tax distribution fund for apportionment in the same manner and for the same purposes as other money in that fund. The remaining 12.5 percent of the proceeds shall be credited to the transit assistance fund account to be appropriated to the commissioner of transportation for transit assistance within the state.*

(d) *56.25 percent of the proceeds collected after June 30, 1987 and before July 1, 1989 shall be credited to the highway user tax distribution fund for apportionment in the same manner and for the same purposes as other money in that fund. The remaining 18.75 percent of the proceeds shall be credited to the transit assistance fund account to be appropriated to the commissioner of*

transportation for transit assistance within the state.

(e) 75 percent of the proceeds collected after June 30, 1989 shall be credited to the highway user tax distribution fund for apportionment in the same manner and for the same purposes as other money in that fund. The remaining 25 percent of the proceeds shall be credited to the transit assistance fund account to be appropriated to the commissioner of transportation for transit assistance within the state."

Page 55, line 16, delete "\$50,925,000" and insert "\$50,800,000"

Page 55, line 18, delete "\$21,675,000" and insert "\$21,600,000"

Page 55, line 19, delete "\$29,250,000" and insert "\$29,200,000"

Page 55, line 20, after the period, insert "*The actual line item amounts shall be detailed on the worksheets of the appropriate standing committees of the senate and house of representatives, a true copy of which is on file in the office of the commissioner of transportation.*"

Amend the title amendment as follows:

Page 59, after line 5, insert:

"Page 1, line 15, after "fund" insert ", the transit assistance fund,""

Page 59, after line 7, insert:

"Page 1, line 16, delete "four" and insert "eight"

Page 1, line 17, delete "all"

Page 1, line 18, after "distribution" insert "and transit assistance"

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

Mrs. Kronebusch moved to amend the Lantry amendment to H. F. No. 553 as follows:

Page 32, line 11, strike "shall not exceed" and insert "*will be equal to*"

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

Mr. Sieloff moved to amend the Lantry amendment to H.F. No. 553, as follows:

Page 15, line 5, delete "*eight*" and insert "*six*"

Page 15, line 7, delete "*ninth*" and insert "*seventh*"

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

The roll was called, and there were yeas 16 and nays 43, as follows:

Those who voted in the affirmative were:

Bang	Frederick	Kronebusch	Peterson, R. W.	Rued
Berg	Hughes	Merriam	Ramstad	Sieloff
Bernhagen	Kamrath	Peterson, D. L.	Renneke	Vega
Davis				

Those who voted in the negative were:

Belanger	Frank	Lessard	Peterson, C.C.	Stokowski
Benson	Frederickson	Luther	Petty	Stumpf
Berglin	Hanson	Menning	Pillsbury	Taylor
Chmielewski	Humphrey	Moe, D. M.	Purfeerst	Tennessen
Dahl	Johnson	Moe, R. D.	Schmitz	Waldorf
Davies	Keefe	Nelson	Setzépand	Wegener
Dicklich	Knoll	Olhoft	Sikorski	Willet
Dieterich	Langseth	Pehler	Solon	
Engler	Lantry	Penny	Stern	

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

Mr. Pehler moved to amend the Lantry amendment to H. F. No. 553 as follows:

Page 39, line 20, after "guidelines" insert "regarding public transit financial assistance"

Page 39, line 24, after "guidelines" insert "regarding public transit financial assistance"

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

Mr. Moe, D. M. moved to amend the Lantry amendment to H. F. No. 553 as follows:

Page 29, lines 30 to 32, reinstate the stricken language

Page 29, line 30, strike "such"

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

CALL OF THE SENATE

Mr. Frederickson imposed a call of the Senate for the proceedings on H. F. No. 553. The Sergeant at Arms was instructed to bring in the absent members.

Mr. Frederickson moved to amend the Lantry amendment to H. F. No. 553, as follows:

Page 47, line 1, delete "13" and insert "15"

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

The roll was called, and there were yeas 15 and nays 48, as follows:

Those who voted in the affirmative were:

Belanger	Frederickson	Knutsen	Peterson, D.L.	Rued
Brataas	Kamrath	Merriam	Pillsbury	Taylor
Engler	Knoll	Moe, D. M.	Renneke	Ulland

Those who voted in the negative were:

Benson	Dieterich	Lantry	Peterson, R.W.	Stern
Berg	Frank	Lessard	Petty	Stokowski
Berglin	Frederick	Lindgren	Purfeerst	Stumpf
Bernhagen	Hanson	Luther	Ramstad	Tennessen
Bertram	Hughes	Menning	Schmitz	Vega
Chmielewski	Johnson	Nelson	Setzépand	Waldorf
Dahl	Keefe	Olhoft	Sieloff	Wegener
Davies	Kroening	Pehler	Sikorski	Willet
Davis	Kronebusch	Penny	Solon	
Dicklich	Langseth	Peterson, C.C.	Spear	

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

adopted.

Mr. Frederickson then moved to amend the Lantry amendment to H.F. No. 553, as follows:

Page 47, line 1, delete "13" and insert "14"

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

The roll was called, and there were yeas 24 and nays 36, as follows:

Those who voted in the affirmative were:

Bang	Chmielewski	Kamrath	Peterson, D. L.	Schmitz
Belanger	Davis	Knutson	Pillsbury	Stern
Berg	Engler	Lindgren	Ramstad	Taylor
Bernhagen	Frederick	Merriam	Renneke	Ulland
Brataas	Frederickson	Moe, D. M.	Rued	

Those who voted in the negative were:

Benson	Hughes	Lessard	Peterson, R. W.	Tennessen
Berglin	Humphrey	Luther	Petty	Vega
Bertram	Johnson	Menning	Sieloff	Waldorf
Dahl	Knoll	Moe, R. D.	Sikorski	Willet
Dicklich	Kroening	Nelson	Solon	
Dieterich	Kronebusch	Olhoft	Spear	
Frank	Langseth	Pehler	Stokowski	
Hanson	Lantry	Penny	Stumpf	

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

Mr. Bang moved to amend the Lantry amendment to H. F. No. 553, as follows:

Page 56, after line 5, insert:

"The commissioner of transportation shall develop a program whereby any person who does not wish to use rail services provided by Amtrak may apply to the commissioner of transportation for a free bus pass plus the cost of lunch, and not to exceed \$5 in cash. The amounts necessary for this purpose may be appropriated from the Amtrak rail subsidy."

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

Mr. Belanger moved to amend the Lantry amendment to the Lantry amendment to H. F. No. 553, as follows:

Page 55, line 16, delete "\$50,800,000" and insert "\$50,600,000"

Page 55, line 18, delete "\$21,600,000" and insert "\$21,500,000"

Page 55, line 19, delete "\$29,200,000" and insert "\$29,100,000"

Page 56, delete lines 3 to 5

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

The roll was called, and there were yeas 24 and nays 39, as follows:

Those who voted in the affirmative were:

Ashbach	Bernhagen	Keefe	Olhoft	Sieloff
Bang	Brataas	Knutson	Peterson, D. L.	Taylor
Belanger	Frederick	Kronebusch	Peterson, R. W.	Tennessen
Benson	Frederickson	Lindgren	Pillsbury	Waldorf
Berg	Kamrath	Merriam	Ramstad	

Those who voted in the negative were:

Berglin	Frank	Lantry	Peterson, C. C.	Spear
Bertram	Hanson	Lessard	Petty	Stern
Chmielewski	Hughes	Luther	Purfeerst	Stokowski
Dahl	Humphrey	Menning	Rued	Stumpf
Davies	Johnson	Moe, D. M.	Schmitz	Ulland
Davis	Knoll	Moe, R. D.	Setzepfandt	Vega
Dicklich	Kroening	Nelson	Sikorski	Willet
Dieterich	Langseth	Pehler	Solon	

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

Mr. Sieloff moved to amend the Lantry amendment to H.F. No. 553, as follows:

Page 23, lines 11 and 12, delete "FARM TRUCKS" and insert "VEHICLES"

Page 23, line 13, after "truck" insert ", truck, truck tractor, or semi-trailer combination"

Page 23, line 19, delete "farm truck" and insert "vehicle"

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

RECONSIDERATION

Having voted on the prevailing side, Mr. Taylor moved that the vote whereby the Kronebusch amendment to the Lantry amendment to H. F. No. 553 was adopted by the Senate on May 18, 1981, be now reconsidered. The motion prevailed.

The question recurred on the Kronebusch amendment. The motion did not prevail. So the amendment to the amendment was not adopted.

Mr. Tennessen moved to amend the Lantry amendment to H. F. No. 553 as follows:

Page 47, delete lines 6 to 22

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

The roll was called, and there were yeas 35 and nays 23, as follows:

Those who voted in the affirmative were:

Ashbach	Davies	Kroening	Peterson, R. W.	Spear
Bang	Frank	Kronebusch	Petty	Stokowski
Belanger	Frederick	Lindgren	Pillsbury	Stumpf
Berg	Frederickson	Luther	Ramstad	Taylor
Berglin	Kamrath	Menning	Renneke	Tennessen
Bernhagen	Keefe	Merriam	Rued	Ulland
Brataas	Knutson	Moe, D. M.	Sieloff	Waldorf

Those who voted in the negative were:

Benson	Dieterich	Langseth	Penny	Vega
Bertram	Engler	Lantry	Peterson, C. C.	Wegener
Chmielewski	Hanson	Lessard	Peterson, D. L.	Willer
Davis	Humphrey	Moe, R. D.	Purfeerst	
Dicklich	Johnson	Olhoft	Schmitz	

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

Mr. Berg moved to amend the Lantry amendment to H.F. No. 553, as follows:

Page 23, line 15, delete "*quarters*" and insert "*trimesters*"

Page 23, line 16, delete "*one-fourth*" and insert "*one-third*"

Page 23, line 17, delete "*quarterly*" in both places and insert "*trimesterly*"

Page 23, line 20, delete "*quarterly*" and insert "*trimesterly*"

Page 23, lines 21 and 23, delete "*quarter*" and insert "*trimester*"

Page 23, line 25, delete "*quarters*" and insert "*trimesters*"

Page 23, delete line 26 and insert "*begin on March 1, July 1, and November 1.*"

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

RECONSIDERATION

Having voted on the prevailing side, Mr. Ashbach moved that the vote whereby the Tennesen amendment to H. F. No. 553 was adopted by the Senate on May 18, 1981, be now reconsidered.

The question was taken on the adoption of the motion.

The roll was called, and there were yeas 53 and nays 9, as follows:

Those who voted in the affirmative were:

Ashbach	Dicklich	Kroening	Pehler	Sikorski
Belanger	Dieterich	Kronebusch	Penny	Solon
Benson	Engler	Langseth	Peterson, C. C.	Spear
Berg	Frank	Lantry	Peterson, D. L.	Stern
Berglin	Frederick	Lessard	Peterson, R. W.	Stokowski
Bernhagen	Frederickson	Luther	Petty	Taylor
Bertram	Hanson	Menning	Purfeerst	Vega
Brataas	Johnson	Moe, D. M.	Ramstad	Wegener
Chmielewski	Keefe	Moe, R. D.	Renneke	Willet
Dahl	Knoll	Nelson	Rued	
Davis	Knutson	Olhoft	Setzepfandt	

Those who voted in the negative were:

Bang	Kamrath	Pillsbury	Tennesen	Waldorf
Davies	Merriam	Stumpf	Ulland	

The motion prevailed.

The question recurred on the Tennesen amendment.

Mr. Tennesen withdrew his amendment.

H. F. No. 553 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 13, as follows:

Those who voted in the affirmative were:

Ashbach	Frederick	Lantry	Peterson, D. L.	Spear
Bang	Frederickson	Lessard	Peterson, R. W.	Stern
Belanger	Hanson	Luther	Petty	Stokowski
Berg	Humphrey	Menning	Purfeerst	Taylor
Bernhagen	Johnson	Merriam	Ramstad	Ulland
Brataas	Kamrath	Moe, R. D.	Renneke	Vega
Chmielewski	Knoll	Nelson	Rued	Waldorf
Dahl	Knutson	Olhoft	Schmitz	Wegener
Davies	Kroening	Pehler	Setzepfandt	Willet
Engler	Kronebusch	Penny	Sikorski	
Frank	Langseth	Peterson, C. C.	Solon	

Those who voted in the negative were:

Benson	Davis	Keeffe	Pillsbury	Tennessen
Berglin	Dicklich	Lindgren	Sieloff	
Bertram	Dieterich	Moe, D. M.	Stumpf	

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

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R. D. moved that the Senate revert to the Order of Business of Messages From the House. The motion prevailed.

MESSAGES FROM THE HOUSE

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. 775: A bill for an act relating to health; providing for home health services through the community health services act; appropriating money; amending Minnesota Statutes 1980, Sections 144A.51, by adding a subdivision; 144A.52, Subdivision 3; 144A.53; 144A.54, Subdivision 1; 145.915, by adding a subdivision; 145.918, by adding subdivisions; 145.919; and 145.95, Subdivision 5.

Senate File No. 775 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 18, 1981

Mr. Nelson moved that the Senate do not concur in the amendments by the House to S. F. No. 775, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House. The motion prevailed.

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. 1164: A bill for an act relating to crimes; providing for application for relief of sentences imposed prior to adoption of sentencing guidelines; amending Minnesota Statutes 1980, Section 590.01, by adding a subdivision.

Senate File No. 1164 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 18, 1981

CONCURRENCE AND REPASSAGE

Mr. Spear moved that the Senate concur in the amendments by the House to S. F. No. 1164 and that the bill be placed on its repassage as amended. The motion prevailed.

S. F. No. 1164 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 36 and nays 30, as follows:

Those who voted in the affirmative were:

Berglin	Humphrey	Luther	Ramstad	Tennessen
Brataas	Johnson	Merriam	Schmitz	Ulland
Davies	Kamrath	Moe, D. M.	Sikorski	Vega
Dicklich	Knoll	Moe, R. D.	Solon	Wegener
Dieterich	Knutson	Nelson	Spear	
Frederick	Kronebusch	Peterson, R. W.	Stern	
Hanson	Lantry	Petty	Stokowski	
Hughes	Lessard	Pillsbury	Stumpf	

Those who voted in the negative were:

Ashbach	Bertram	Frederickson	Pehler	Rued
Bang	Chmielewski	Keefe	Penny	Setzepfandt
Belanger	Dahl	Langseth	Peterson, C. C.	Sieloff
Benson	Davis	Lindgren	Peterson, D. L.	Taylor
Berg	Engler	Menning	Purfeerst	Waldorf
Bernhagen	Frank	Olhoft	Renneke	Willet

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

MOTIONS AND RESOLUTIONS - CONTINUED

S. F. No. 368 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S. F. NO. 368

A bill for an act relating to housing; requiring municipal housing plans to incorporate policies to minimize displacement and encourage citizen participation; encouraging the use of bond proceeds for housing for persons and families of low income; providing that multifamily housing loans may be used to acquire structures for conversion to cooperative ownership; amending Minnesota Statutes 1980, Sections 462C.03, Subdivisions 1 and 2; and 462C.05,

Subdivision 1.

May 18, 1981

The Honorable Jack Davies
President of the Senate

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

We, the undersigned conferees for S. F. No. 368, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and that S.F. No. 368 be further amended as follows:

Page 2, delete lines 33 to 36 and insert "A city issuing bonds subject to this chapter for the purpose of financing single family housing, as defined in section 462C.02, subdivision 4, shall make every effort to use not less than 20 percent of the aggregate dollar amount of loans made or purchased within any calendar year for loans or housing for persons and families with"

Page 3, after line 4, insert:

"In any calendar year in which a city issues bonds pursuant to this chapter, the city shall prepare a report describing actions taken to achieve the goals of this subdivision. The report shall be submitted to the agency by January 1 of the following year."

Page 4, after line 15, insert:

"Sec. 4. [APPLICABILITY.]

The provisions of sections 1 and 2 shall not apply to any programs which were approved or are considered approved pursuant to section 462C.04, subdivision 2, by the Minnesota housing finance agency on or before the effective date of this act, nor to the Minneapolis/St. Paul joint housing program specifically exempted from the provisions of section 103A of the Internal Revenue Code by Section 1104(n) of the Mortgage Subsidy Bond Tax Act of 1980."

Page 4, line 17, delete everything after "effective" and insert "June 30, 1981."

Renumber the sections accordingly

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

Senate Conferees: (Signed) Linda Berglin; Hubert H. Humphrey, III; William V. Belanger, Jr.

House Conferees: (Signed) Karen Clark, Randy W. Staten

Ms. Berglin moved that the foregoing recommendations and Conference Committee Report on S. F. No. 368 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

S. F. No. 368 was read the third time, as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the

Conference Committee.

The roll was called, and there were yeas 52 and nays 7, as follows:

Those who voted in the affirmative were:

Ashbach	Engler	Lantry	Peterson, R. W.	Stokowski
Bang	Frank	Lindgren	Petty	Stumpf
Belanger	Frederickson	Luther	Pillsbury	Taylor
Benson	Hanson	Merriam	Purfeerst	Tennesen
Bernhagen	Hughes	Moe, D. M.	Ramstad	Ulland
Brataas	Humphrey	Nelson	Schmitz	Waldorf
Chmielewski	Keefe	Olhoft	Setzepfandt	Wegener
Dahl	Knoll	Pehler	Sikorski	Willet
Davies	Kroening	Penny	Solon	
Dicklich	Kronebusch	Peterson, C. C.	Spear	
Dieterich	Langseth	Peterson, D. L.	Stern	

Those who voted in the negative were:

Bertram	Kamrath	Lessard	Renneke	Rued
Davis	Knutson			

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

MOTIONS AND RESOLUTIONS - CONTINUED

S. F. No. 1154 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON 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.

May 18, 1981

The Honorable Jack Davies
President of the Senate

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

We, the undersigned conferees for S. F. No. 1154, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendment and that S. F. No. 1154 be further amended as follows:

Page 3, after line 33, insert:

“Sec. 2. [EDUCATIONAL PROGRAM.]

Notwithstanding Minnesota Statutes, Section 120.17, Subdivision 6, the commissioner of education may assign the entire responsibility for the educational program of all handicapped children who are placed at the Amherst H. Wilder Foundation youth conservation camp to Independent School District No. 573, Hinckley, to Independent School District No. 576, Sandstone, or to a joint board established by these districts pursuant to Minnesota Statutes, Section 471.59, if that district or joint board requests the commissioner to assign it this responsibility and if the commissioner determines that this assignment is

necessary to ensure the efficiency of the educational program.

Sec. 3. [CLOQUET WATER TREATMENT PLAN APPROPRIATION; EXTENSION.]

Notwithstanding any other provision of law to the contrary, so much of the appropriation made available to the city of Cloquet for use in constructing a water filtration system pursuant to Laws 1975, Chapter 437, Article XI, Section 2, Subdivision 2, as has not been expended shall remain available to the city for such use or for developing an alternative permanent source of drinking water until July 1, 1986, unless expended earlier.

Sec. 4. [HERMANTOWN AND DULUTH; WATER SERVICE.]

Subdivision 1. [REQUEST FOR SERVICE.] By September 1, 1981, the city of Hermantown shall submit to the city of Duluth a request for water service including the volume of water needed and the number of years for which the service is requested.

Subd. 2. [CONTRACT OFFER; RATE.] By April 1, 1982, the city of Duluth shall offer a contract to the city of Hermantown to provide the service requested by the city of Hermantown at a rate determined by the city of Duluth. The rate shall be based on a reasonable allocation of the capital, repair and operating expenses of the Duluth water system which are attributable to the water service requested by the city of Hermantown, including the full cost of any capital construction and repairs required by the volume of service to the city of Hermantown. The rate shall provide for an amortization of any construction costs reflected in the rate over a reasonable period not to exceed the terms of the proposed contract.

Subd. 3. [APPEAL TO PUBLIC UTILITIES COMMISSION.] Not later than 90 days after the city of Duluth offers a contract under subdivision 2, the city of Hermantown may appeal the rate determined by the city of Duluth by filing a petition with the public utilities commission. If a petition is filed, the city shall file its answer within 30 days after the petition is filed. The commission, after public notice and hearing, shall determine whether the rate is just and reasonable consistent with the provisions of subdivision 2. Not later than 120 days after a petition of the city of Hermantown is filed, the commission shall affirm the rate or, if it finds that the rate is not just and reasonable, determine a just and reasonable rate. The rulemaking and contested case procedures of sections 15.0412 to 15.0422 shall not apply to any proceeding required by this subdivision.

Subd. 4. [CONTRACT.] Not later than 90 days after the rate is affirmed or determined by the commission or, if no appeal is taken under subdivision 3, not later than 90 days after a contract is offered under subdivision 2, the cities of Hermantown and Duluth shall enter a contract for provision of water service by the city of Duluth to the city of Hermantown. The rate for the service shall be the rate determined by the city of Duluth pursuant to subdivision 2 or, if the commission has affirmed or determined a rate, the rate affirmed or determined by the commission."

Page 3, line 35, delete "Section 1 is" and insert "Sections 1 and 3 are"

Page 3, line 35, delete "its"

Page 3, line 36, after the period, insert "Pursuant to Minnesota Statutes,

Section 645.023, Subdivision 1, Clause (a), sections 2 and 4 are effective without local approval on the day following final enactment."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, delete "state land" and insert "public resources"

Page 1, line 4, before the period insert "; permitting Independent School District No. 573, Independent School District No. 576, or a joint powers board to request and assume responsibility for educating children at an Amherst H. Wilder Foundation camp; extending the availability of an appropriation to the city of Cloquet for the purpose of constructing a water filtration plant; providing a procedure for determination of a rate and making of a contract for water service between the cities of Hermantown and Duluth"

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

Senate Conferees: (Signed) Florian Chmielewski, Dave Rued, Bob Lessard

House Conferees: (Signed) Douglas W. Carlson, Mary Murphy

Mr. Chmielewski moved that the foregoing recommendations and Conference Committee Report on S. F. No. 1154 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

S. F. No. 1154 was read the third time, as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 46 and nays 15, as follows:

Those who voted in the affirmative were:

Berglin	Hanson	Merriam	Rued	Tennessen
Bernhagen	Hughes	Moe, D. M.	Setzepfandt	Ulland
Chmielewski	Johnson	Moe, R. D.	Sieloff	Vega
Dahl	Keefe	Nelson	Sikorski	Waldorf
Davies	Knoll	Penny	Solon	Wegener
Davis	Kroening	Peterson, C. C.	Spear	Willet
Dicklich	Kronebusch	Peterson, R. W.	Stern	
Dieterich	Lantry	Petty	Stokowski	
Engler	Lessard	Pillsbury	Stumpf	
Frank	Luther	Renneke	Taylor	

Those who voted in the negative were:

Ashbach	Benson	Brataas	Knutson	Olhoft
Bang	Berg	Frederick	Lindgren	Peterson, D. L.
Belanger	Bertram	Frederickson	Menning	Ramstad

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

MOTIONS AND RESOLUTIONS - CONTINUED

S. F. No. 818 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S. F. NO. 818

A bill for an act relating to game and fish; increasing the amount set aside from any increased deer license fees for deer habitat improvement; restricting the taking of bear to adult bear; amending Minnesota Statutes 1980, Sections 97.49, Subdivision 1a; and 100.27, Subdivision 2.

May 18, 1981

The Honorable Jack Davies
President of the Senate

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

We, the undersigned conferees for S. F. No. 818, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendment and that S.F. No. 818 be amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1980, Section 97.4841, Subdivision 2, is amended to read:

Subd. 2. [STAMP REQUIRED.] *Except for residents under the age of 18 and over the age of 65 years*, no person ~~over the age of 18 and under the age of 65 years~~ who is otherwise required to possess a Minnesota small game license shall hunt or take migratory waterfowl within this state without first purchasing a stamp and having the stamp in his possession while hunting or taking migratory waterfowl. Each stamp shall be validated by the signature of the licensee written across its face. The commissioner shall determine the form of the stamp and shall furnish and distribute stamps to county auditors for sale by them and their authorized subagents as prescribed by order of the commissioner. The commissioner shall encourage the purchase of stamps by nonhunters who are interested in the preservation and development of habitat for migratory waterfowl. People who are hunting on their own property shall not be required to possess a Minnesota waterfowl stamp.

Sec. 2. Minnesota Statutes 1980, Section 97.49, Subdivision 1a, is amended to read:

Subd. 1a. (a) For purposes of this subdivision, “deer license” means a license issued by the commissioner under the provisions of section 98.46, subdivision 2, clauses (2) and (3) and subdivision 14, clauses (2) and (3).

(b) It is the policy of this state that at least \$4-\$2 from each deer license issued by the commissioner shall be used for the purpose of deer habitat improvement.

Sec. 3. Minnesota Statutes 1980, Section 98.45, Subdivision 1, is amended to read:

Subdivision 1. Except as specifically permitted in chapters 97 to 102, no person may take, buy, sell, transport, or possess any protected wild animals of this state or any aquatic plants without first procuring a license therefor as provided in section 98.46 or in section 98.48. Every license is issued for a year beginning on the first day of March and is void after the last day of the open

season or the lawful time within that year during which the acts authorized may be performed. Except as provided in this section, no license to take deer with firearm ~~or with bow and arrow~~ may be issued after the day prior to the first day of the regular ~~rifle~~ firearm season; ~~and. A license to take deer with bow and arrow may be issued after the opening of a bow and arrow season. A bow and arrow license issued after the opening of a season shall not be valid until the fifth day after it is issued.~~ All license agents shall return all stubs and unsold license blanks to the county auditor on the first business day following the ~~first~~ last day of ~~such~~ the regular bow and arrow season or the last day of any December bow and arrow season. A resident who is discharged from the military or naval forces of the United States, or any active reserve or component thereof, during the regular season for taking deer by firearm or within ten days before its commencement, may be issued, at any time during the firearm deer season and upon a showing of ~~his~~ an official discharge paper, a license to take deer with firearm. Only one license of each kind, except as authorized by order of the commissioner adopted pursuant to section 97.53 and except the non-resident short term angling license, may be issued to a person in any licensing year. No license may be transferred except as expressly authorized.

Sec. 4. Minnesota Statutes 1980, Section 98.47, Subdivision 7, is amended to read:

Subd. 7. No license to buy or sell fish or to take fish commercially in international waters extending from Pigeon Point West to the North Dakota boundary line shall be issued to any person or member of ~~his~~ the person's household, or employee, engaged in the business of conducting a summer resort.

Sec. 5. Minnesota Statutes 1980, Section 98.52, Subdivision 1, is amended to read:

Subdivision 1. Except as otherwise provided herein, the license of any person who is convicted of violating any provisions of chapters 97 to 102, or any order or regulation duly prescribed by the commissioner under authority thereof, relating to the license or to the wild animals covered thereby, shall immediately become null and void, and no big game license of any kind shall be issued to such person for three years after the date of:

(1) A conviction for a violation relating to big game which is classified as a gross misdemeanor, or for doing any act without a big game license for which chapters 97 to 102 require a big game license, or;

(2) A second conviction within a three year period for any other violation of chapters 97 to 102 relating to big game; or

(3) A conviction for taking any big game animal out of season.

No license of the kind related to the conviction shall be issued to ~~such~~ a person for one year after the date of conviction if the license is other than a big game license. Every person convicted of doing anything without a license for which chapters 97 to 102 require a license, shall forfeit ~~his~~ their right to secure ~~such~~ a that license for a period of one year from a conviction other than a conviction related to big game.

Sec. 6. Minnesota Statutes 1980, Section 99.27, Subdivision 1, is amended to read:

Subdivision 1. Breeding and propagating fur-bearing animals, game birds, bear or deer, shall be authorized under license only upon privately owned or leased lands and waters. "Private waters," as used herein, includes all bodies of waters or streams, whether meandered or not, of a shallow, swampy, marshy, or boggy nature, not navigable in fact, and of no substantial beneficial use to the general public. The owner or lessee, applying for the license, shall have first enclosed the area, in the manner approved by the commissioner, sufficiently to confine the respective birds or animals to be raised thereon. Licenses shall be granted only in cases where the commissioner finds the application is made in good faith with intention to actually carry on the business described in the application and where the facilities, in his judgment, are adequate therefor.

Sec. 7. Minnesota Statutes 1980, Section 100.27, Subdivision 1, is amended to read:

Subdivision 1. Except as otherwise specifically provided, there shall be no open season on elk, caribou, antelope, marten, cougar, or wolverine.

Sec. 8. Minnesota Statutes 1980, Section 100.27, Subdivision 2, is amended to read:

Subd. 2. Deer, moose and *adult bear one year of age or older* may be taken in such areas of the state, under such restrictions and on such dates within the periods hereafter prescribed as the commissioner may, by order, provide:

(1) Deer and bear by bow and arrow; legal muzzle loading firearms as defined in section 100.29, subdivision 3, clause (2), or both, between September 1 and December 31 and in any areas of the state designated by the commissioner. Legal muzzle loading firearms shall be permitted by the commissioner on public lands only;

(2) Deer, by legal firearms and with bow and arrow, between November 1 and December 15, with the length of the season to be determined by the commissioner; and

(3) Moose, between January 1 and December 31 as determined by the commissioner, by legal firearms and with bow and arrow, in areas of the state, and under such restrictions and on such dates as the commissioner may by order provide; for purposes of this section a split season in any one calendar year shall be considered as one season.

Sec. 9. Minnesota Statutes 1980, Section 100.29, Subdivision 3, is amended to read:

Subd. 3. ~~It shall be unlawful to have in possession out of doors, except upon target ranges operated under a permit from the commissioner, unless unloaded and contained in a gun case, or unloaded and broken down:~~

(1) Any rifle or handgun, except a 22 caliber rim-fire rifle or handgun carried for the sole purpose of taking small game when lawful and using 22 caliber short, long, or long rifle bullets, or any shotgun with slugs, in any territory wherein there is an open season for taking deer with firearms, for a period of ten days preceding and five days succeeding such season;

(2) Any rifle, except those described in this clause, in a territory open for the taking of deer with shotguns and slugs but not with rifles, during such season;

(a) smooth-bore muzzle loading muskets of not less than 45 caliber and rifle muzzle loading muskets of not less than 40 caliber that are incapable of being loaded at the breech; may be possessed and used for the hunting of deer during such open season and (b) 22 caliber rim-fire rifles or handguns carried for the sole purpose of taking small game when lawful and using 22 caliber short, long, or long rifle bullets, may be possessed and used during such open deer season;

(3) Any slugs for use in a shotgun in any territory open for the taking of deer with firearms during the open season, except for slugs carried for the sole purpose of taking deer or bear.

Within any area where deer may be taken by firearms, it shall be unlawful during the period beginning the tenth day before the open firearms season and ending the fifth day after the close of the season, inclusive, to have any firearm or ammunition in possession out of doors other than:

(1) Shotguns using shot;

(2) Handguns and rifles using .22 caliber short cartridges; and

(3) Firearms described in subdivision 9, as legal for taking big game subject to weapon zone restrictions as prescribed by the commissioner, provided the bearer has a big game license on his person and is afield during the time and within the area the big game license is valid.

Except for pistols and revolvers carried in compliance with sections 624.714 to 624.715 and firearms in possession upon target ranges operated under a permit from the commissioner, all firearms carried out of doors other than in conformity with this subdivision must be unloaded and contained in a case or unloaded and contained in the trunk of a car with the trunk door closed.

Sec. 10. Minnesota Statutes 1980, Section 100.29, Subdivision 9, is amended to read:

Subd. 9. Except as provided in subdivision 3, and in this subdivision, it shall be unlawful to take deer, moose, or any other wild animal during deer or moose season in open deer or moose hunting territory with a rifle or firearm which discharges a projectile, the diameter of which is less than twenty-three hundredths of an inch, or to use any cartridge less than 1-3/4 inches in length, and not containing a soft point or expanding bullet, the measurement to include the cartridge or shell and the bullet seated in the usual manner, provided cartridges of 35 caliber or larger may be used, regardless of length, or to use shells containing buckshot, or fine shot except for game birds, and except that smooth-bore muzzle loading muskets of not less than 45 caliber and rifled muzzle loading muskets of not less than 40 caliber that are incapable of being loaded at the breech may be used, and provided further that handguns of the .357, .41, and .44 magnum caliber, using ammunition with a case length of not less than 1.285 inches, and other calibers of similar performance as determined by the commissioner, may be used to take deer, moose, bear, or any wild animal.

A firearm or ammunition may be used to take big game if it meets the following requirements:

(1) Handguns, rifles, shotguns and all projectiles used therein shall be at least 23/100ths of an inch in caliber;

(2) All firearms shall be loaded only with ammunition containing single projectiles;

(3) All projectiles shall be of a soft point or an expanding bullet type;

(4) All ammunition shall have a case length of at least 1.285 inches; and

(5) Muzzleloaders must be incapable of being loaded at the breech. Smooth-bore muzzleloaders shall be at least .45 caliber and rifled muzzleloaders shall be at least .40 caliber.

It is unlawful to take big game with a .30 caliber M-1 carbine cartridge or with any other firearm or ammunition which does not meet the requirements provided in clauses (1) to (5).

Sec. 11. [REPEALER.]

Minnesota Statutes 1980, Section 101.42, Subdivision 10, is repealed.

Sec. 12. [EFFECTIVE DATE.]

Sections 1, 3, 5, 7, 8, 9 and 10 are effective August 1, 1981. Sections 6 and 11 are effective the day after final enactment. Sections 2 and 4 are effective for licensing years beginning March 1, 1982, except that section 2 is effective only if deer license fees are increased by 1981 law."

Delete the title and insert:

"A bill for an act relating to game and fish; altering requirements for taking and possession; increasing the deer license habitat amount; prescribing requirements for carrying and use of firearms and ammunition; prescribing penalties; restricting the season on cougar; restricting the taking of bear to adult bear; amending Minnesota Statutes 1980, Sections 97.4841, Subdivision 2; 97.49, Subdivision 1a; 98.45, Subdivision 1; 98.47, Subdivision 7; 98.52, Subdivision 1; 99.27, Subdivision 1; 100.27, Subdivisions 1 and 2; and 100.29, Subdivisions 3, and 9; repealing Minnesota Statutes 1980, Section 101.42, Subdivision 10."

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

Senate Conferees: (Signed) Collin C. Peterson, Bob Lessard, Steve Engler

House Conferees: (Signed) Leo J. Reding, David P. Battaglia, John Drew

Mr. Peterson, C.C. moved that the foregoing recommendations and Conference Committee Report on S. F. No. 818 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

S. F. No. 818 was read the third time, as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 59 and nays 1, as follows:

Those who voted in the affirmative were:

Ashbach	Dicklich	Kronebusch	Penny	Spear
Bang	Engler	Langseth	Peterson, C. C.	Stern
Belanger	Frank	Lantry	Peterson, D. L.	Stokowski
Benson	Frederick	Lessard	Peterson, R. W.	Stumpf
Berg	Frederickson	Lindgren	Petty	Taylor
Bernhagen	Hanson	Luther	Pillsbury	Tennessen
Bertram	Hughes	Menning	Ramstad	Ulland
Brataas	Kamrath	Merriam	Renneke	Vega
Chmielewski	Keefe	Moe, D. M.	Rued	Waldorf
Dahl	Knoll	Moe, R. D.	Sieloff	Wegener
Davies	Knutson	Nelson	Sikorski	Willet
Davis	Kroening	Olhoft	Solon	

Mr. Dieterich voted in the negative.

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

MOTIONS AND RESOLUTIONS - CONTINUED

S. F. No. 937 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S. F. NO. 937

A bill for an act relating to insurance; prohibiting the issuance or renewal of certain health policies or plans which exclude or limit coverage on DES related conditions; proposing new law coded in Minnesota Statutes, Chapter 62A.

May 16, 1981

The Honorable Jack Davies
President of the Senate

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

We, the undersigned conferees for S. F. No. 937, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate concur in the House amendments and that S.F. No. 937 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [62A.154] [BENEFITS FOR DES RELATED CONDITIONS.]

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

(a) "Covered person" means a natural person who is covered under a policy.

(b) "Insurer" means an insurer providing health, medical, hospitalization, or accident and sickness insurance regulated under this chapter, a nonprofit health services plan corporation regulated under chapter 62C, a health maintenance organization regulated under chapter 62D or a fraternal beneficiary association regulated under chapter 64A.

(c) "Policy" means a policy or plan of health, medical, hospitalization or

accident and sickness insurance, a health maintenance contract, or a health benefit certificate provided by an insurer which provides coverage of, or reimbursement for, hospital, medical, or surgical expenses on a group or individual basis, but does not include a policy designed primarily to provide coverage payable on a per diem, fixed indemnity or nonexpense incurred basis, or a policy that provides only accident coverage.

Subd. 2. [REQUIRED COVERAGE.] No policy shall be issued or renewed in this state after August 1, 1981 if it provides an exclusion, reduction, or other limitation as to coverage, deductible, coinsurance or copayment applicable solely to conditions attributable to diethylstilbestrol or exposure to diethylstilbestrol, unless the covered person has been diagnosed as having diethylstilbestrol-related cancer prior to the date on which coverage for that person begins. In the absence of credible evidence of a higher morbidity rate due to exposure to diethylstilbestrol, no insurer shall surcharge or in any other manner increase the premium. If there is credible evidence of a higher morbidity rate due to exposure to diethylstilbestrol, no insurer shall surcharge or in any other manner increase the premium without the prior approval of the commissioner.

Subd. 3. [REFUSAL TO ISSUE OR RENEW.] No insurer shall refuse to issue or renew a policy, or to provide coverage under a policy, in this state after August 1, 1981 solely because of conditions attributable to diethylstilbestrol or exposure to diethylstilbestrol, unless the covered person has been diagnosed as having diethylstilbestrol-related cancer prior to the date on which an initial premium payment is received by the insurer. "

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

Senate Conferees: (Signed) Eric D. Petty, Don Frank, Patricia L. Kronebusch

House Conferees: (Signed) Ann Wynia, James C. Swanson, Merlyn O. Valan

Mr. Petty moved that the foregoing recommendations and Conference Committee Report on S. F. No. 937 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

S. F. No. 937 was read the third time, as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 62 and nays 0, as follows:

Those who voted in the affirmative were:

Bang	Dieterich	Kronebusch	Peterson, C. C.	Stern
Belanger	Engler	Langseth	Peterson, D. L.	Stokowski
Benson	Frank	Lantry	Peterson, R. W.	Stumpf
Berg	Frederick	Lessard	Petty	Taylor
Berglin	Frederickson	Lindgren	Pillsbury	Tennessen
Bernhagen	Hanson	Luther	Ramstad	Ulland
Bertram	Hughes	Menning	Renneke	Vega
Brataas	Johnson	Merriam	Rued	Waldorf
Chmielewski	Kamrath	Moe, D. M.	Setzepfandt	Wegener
Dahl	Keefe	Moe, R. D.	Sieloff	Willet
Davies	Knoll	Nelson	Sikorski	
Davis	Knutson	Olhoft	Solon	
Dicklich	Kroening	Penny	Spear	

So the bill, as amended by the Conference Committee, was repassed and its

title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

S. F. No. 939 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S. F. NO. 939

A bill for an act relating to human rights; authorizing injunctions for acts of reprisal; increasing the award of punitive damages; permitting the recovery of damages for mental anguish and suffering; amending Minnesota Statutes 1980, Sections 363.06, Subdivision 4; and 363.071, Subdivision 2.

May 18, 1981

The Honorable Jack Davies
President of the Senate

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

We, the undersigned conferees for S. F. No. 939, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and that S.F.No. 939 be amended as follows:

Page 4, line 11, reinstate the stricken language and before the reinstated language insert "including"

Page 4, line 14, delete "\$4,000", insert "\$6,000" and after the period, insert "*Punitive damages shall be awarded pursuant to section 549.20. In any case where a political subdivision is a respondent the total of punitive damages awarded an aggrieved party may not exceed \$6,000 and in that case if there are two or more respondents the punitive damages may be apportioned among them. Punitive damages may only be assessed against a political subdivision in its capacity as a corporate entity and no regular or exofficio member of a governing body of a political subdivision shall be personally liable for payment of punitive damages pursuant to this subdivision.*"

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

Senate Conferees: (Signed) Linda Berglin, Donald M. Moe, Randolph W. Peterson

House Conferees: (Signed) Randy W. Staten, Lee Greenfield, Marnie J. Luknic

Ms. Berglin moved that the foregoing recommendations and Conference Committee Report on S. F. No. 939 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

S. F. No. 939 was read the third time, as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 35 and nays 31, as follows:

Those who voted in the affirmative were:

Berglin	Hanson	Lindgren	Peterson, C.C.	Stern
Dahl	Hughes	Luther	Peterson, R.W.	Stokowski
Davies	Humphrey	Merriam	Petty	Stumpf
Davis	Johnson	Moe, D. M.	Setzepfandt	Tennessen
Dicklich	Knoll	Moe, R. D.	Sikorski	Vega
Dieterich	Kroening	Nelson	Solon	Waldorf
Frank	Lantry	Penny	Spear	Willet

Those who voted in the negative were:

Ashbach	Brataas	Knutson	Peterson, D.L.	Taylor
Bang	Chmielewski	Kronebusch	Pillsbury	Ulland
Belanger	Engler	Langseth	Purfeerst	Wegener
Benson	Frederick	Lessard	Ramstad	
Berg	Frederickson	Menning	Renneke	
Bernhagen	Kamrath	Olhoft	Rued	
Bertram	Keefe	Pehler	Sieloff	

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

RECESS

Mr. Moe, R. D. 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.

APPOINTMENTS

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

S. F. No. 775: Messrs. Nelson, Sikorski and Renneke.

Mr. Moe, R.D. moved that the foregoing appointments be approved. The motion prevailed.

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R. D. moved that the Senate revert to the Order of Business of Messages From the House. The motion prevailed.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, herewith returned: S. F. No. 1370.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 18, 1981

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on Senate File No. 1132 and

repassed said bill in accordance with the report of the Committee, so adopted.

S. F. No. 1132: A bill for an act relating to education; allowing area vocational-technical institutes to grant degrees under certain conditions; proposing new law coded in Minnesota Statutes, Chapter 121.

Senate File No. 1132 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 18, 1981

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on Senate File No. 179, and repassed said bill in accordance with the report of the Committee, so adopted.

S. F. No. 179: A bill for an act relating to economic development; regulating business loans to Indians; amending Minnesota Statutes 1980, Section 362.40, Subdivisions 2, 8, 9, 11, 12, 14, and by adding a subdivision; repealing Minnesota Statutes 1980, Section 362.40, Subdivisions 4, 5, and 10.

Senate File No. 179 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 18, 1981

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 3, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 3 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 18, 1981

CONFERENCE COMMITTEE REPORT ON H. F. NO. 3

A bill for an act relating to community social services; defining groups of persons for whom counties are responsible; establishing certain funding levels; clarifying sections of the community social services act; amending Minnesota Statutes 1980, Sections 245.64; 245.66; 245.84, Subdivisions 2 and 5; 252.21; 252.24, Subdivisions 1, 3 and 4; 252.27, Subdivisions 1 and 2; 254A.03, Subdivision 1; 254A.05, Subdivision 1; 254A.07, Subdivision 2; 254A.08, Subdivision 1; 256E.03, Subdivision 2; 256E.04, Subdivision 1; 256E.05, Subdivisions 2 and 3; 256E.06, Subdivisions 1, 2, 4, and 5; 256E.07, Subdivision 2; 256E.08, Subdivisions 1, 7 and 9; 256E.09, Subdivisions 1, 3, and by adding a subdivision; 256E.10; and 256E.12, Subdivision 3; repealing Minnesota Statutes 1980, Sections 245.67; 245.68; 245.72; 252.26; 256E.06, Subdivision 11; and 261.27.

May 18, 1981

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

The Honorable Jack Davies

President of the Senate

We, the undersigned conferees for H. F. No. 3, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that H. F. No. 3, the third engrossment, be further amended as follows:

Page 1, after line 20, insert:

"Section 1. Minnesota Statutes 1980, Section 256D.18, Subdivision 2, is amended to read:

Subd. 2. "County of financial responsibility" means (a) the county in which an individual resides; or (b) if an individual is a patient in a hospital or nursing home, as defined in sections 144.50, or 144A.01, *or if an individual participates in a long-term sheltered workshop as defined in chapter 129A*, or is placed in a county as a result of a correctional program or a treatment plan for health, rehabilitation, foster care, child care or training, at the time of making application, and immediately prior thereto resided in another county, then that other county.

Sec. 2. Minnesota Statutes 1980, Section 256D.18, Subdivision 3, is amended to read:

Subd. 3. Notwithstanding the provisions of subdivision 2, the county of financial responsibility shall not change as a result of successive placements in one or more counties pursuant to a plan of treatment for health, rehabilitation, foster care, child care or training; nor as a result of placement in any correctional program; *nor as a result of participation in a sheltered workshop as defined in chapter 129A.*"

Page 1, line 30, delete "10" and insert "12"

Page 3, line 9, after "and" delete the comma

Page 7, line 4, delete "1982" and insert "1983"

Page 7, lines 5 and 7, delete "1981" and insert "1982"

Page 7, line 7, delete "Laws 1979, Chapter 336, Section 2" and insert "the health, welfare, and corrections appropriations act for the biennium ending June 30, 1983"

Pages 7 and 8, delete section 7

Page 8, line 10, after "tax" insert "for community social services"

Page 8, line 11, strike "subdivision 1" and insert "subdivisions 1 and 2. Money for community social services provided to a county by a municipal levy may, for the purposes of this section, be counted as partial fulfillment of the local levy requirement"

Page 8, line 19, delete "department" and insert "commissioner"

Page 9, line 15, delete "department" and insert "commissioner"

Page 9, after line 18, insert:

"Sec. 10. Minnesota Statutes 1980, Section 256E.07, is amended by adding a subdivision to read:

Subd. 3. [PRIORITIES.] If any proposed federal block grant program affecting Title XX funds becomes operative, the state shall, within the limits set by federal law, adopt the following priority when allocating funds: provide that in each calendar year 1982 and 1983, each county shall, for the purposes of providing the same or similar services, receive priority for an allocation of Title XX funds that is equal to or greater than the amount received by the county in 1981."

Page 10, line 3, delete "persons whose" and delete "is at"

Page 10, line 4, delete "risk"

Page 10, lines 27, 29 and 30, delete "settlement" and insert "residence"

Page 10, line 27, after the period, insert "Disputes concerning the county of financial responsibility shall be settled in the manner prescribed in section 256D.18, subdivision 4."

Page 11, line 1, strike "years" and insert "year" and delete "1982" and strike "and"

Page 11, line 2, delete "1980" and insert "1982"

Page 11, line 30, after "responsibilities" insert "identified" and delete "10" and insert "12"

Page 13, line 18, after "temporary" insert "and permanent"

Page 13, line 25, strike "1981" and insert "1983"

Page 17, after line 24, insert:

"The commissioner shall promulgate temporary and permanent rules in accordance with section 15.0412 to implement this section. No more than seven percent of any grant shall be used for the grantee's administration expenses."

Page 17, line 35, reinstate the stricken "MAY MAKE"

Page 17, line 36, after the stricken "CENTERS" insert "CENTER SERVICES" and reinstate the stricken "FOR THE MENTALLY RETARDED AND CEREBRAL"

Page 18, line 1, reinstate the stricken language and delete the new language

Page 18, line 5, before "services" insert "center"

Page 18, line 8, reinstate the stricken language and delete the new language

Page 18, line 9, after the stricken "the" insert "services to"

Page 18, line 9, reinstate the stricken "mentally retarded and cerebral palsied" and delete "services" and insert "persons" and after the period insert "In order to fulfill its responsibilities to the mentally retarded and cerebral palsied as required by section 12, a county board may, beginning January 1, 1983, contract with developmental achievement centers or other providers."

Page 18, line 15, delete "and" and insert ". The county board shall ensure that"

Page 18, line 16, delete "provide for" and after "transportation" insert "is provided"

Page 18, line 17, delete "if" and insert "*utilizing the most efficient and reasonable means available.*"

Page 18, delete lines 18 and 19

Page 18, line 20, delete everything before "The"

Page 18, line 34, strike "funds to" and insert "money for"

Page 20, lines 14 and 15, reinstate the stricken "and of the child"

Page 21, line 27, after "individuals" insert a comma

Page 22, line 20, delete "using" and insert "which use"

Page 23, line 13, delete "245.72;"

Page 23, line 14, delete "Subdivision" and insert "Subdivisions 4 and"

Page 23, line 14, after the period insert "*Minnesota Statutes 1980, Section 245.72 is repealed effective January 1, 1983.*"

Page 23, line 16, delete "This act is" and insert "Sections 1 to 21, 23 to 27, and 29 to 34 are" and delete "except that" and insert a period

Page 23, line 17, delete "20" and insert "22"

Page 23, line 23, delete "sections 1 to 3" and insert "section 22"

Page 23, line 24, delete "1" and insert "22"

Page 23, line 25, before the period, insert "1"

Page 23, line 25, after the period, insert "*Section 28 is effective January 1, 1983.*"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, after "to" insert "public welfare; amending the" and before the semicolon insert "act"

Page 1, after line 5, insert "defining the county of financial responsibility for participants in long term sheltered workshops;"

Page 1, line 10, after the second semicolon insert "256D.18, Subdivisions 2 and 3;"

Page 1, line 13, before the first semicolon insert "and by adding a subdivision"

Page 1, line 13, delete "4,"

Page 1, line 18, delete "Subdivision" and insert "Subdivisions 4 and"

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

House Conferees: (Signed) Paul McCarron, Don Samuelson, John R. Kaley

Senate Conferees: (Signed) Robert J. Tennessen, Howard A. Knutson, Allan H. Spear

Mr. Tennessen moved that the foregoing recommendations and Conference Committee Report on H. F. No. 3 be now adopted, and that the bill be repassed

as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H. F. No. 3 was read the third time, as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 44 and nays 18, as follows:

Those who voted in the affirmative were:

Bang	Frederick	Kronebusch	Petty	Spear
Benson	Frederickson	Lantry	Pillsbury	Stern
Bernhagen	Hughes	Lessard	Purfeerst	Stokowski
Brataas	Humphrey	Lindgren	Ramstad	Stumpf
Chmielewski	Kamrath	Luther	Renneke	Taylor
Dahl	Keefe	Moe, R. D.	Rued	Tennessen
Davies	Knoll	Olhoft	Schmitz	Waldorf
Engler	Knutson	Peterson, D. L.	Sieloff	Willet
Frank	Kroening	Peterson, R. W.	Sikorski	

Those who voted in the negative were:

Belanger	Davis	Menning	Pehler	Ulland
Berg	Dicklich	Merriam	Penny	Vega
Berglin	Dieterich	Moe, D. M.	Peterson, C. C.	
Bertram	Johnson	Nelson	Setzepfandt	

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

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 1445 and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 1445 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 18, 1981

CONFERENCE COMMITTEE REPORT ON H. F. NO. 1445

A bill for an act relating to taxation; appropriating money for state payments to local units of government; adjusting the school agricultural credit, increasing the rate and acreage and imposing maximum acreage restrictions; limiting the amount of homestead credits; limiting certain local levies; imposing additional income taxes on corporations; limiting certain deductions; changing interest rates on delinquent taxes; rescheduling certain payments to local governments; changing definition of claimant for property tax refund and offsetting credit based on amount of medical assistance; providing for declaration and estimated payments of gross earnings tax; requiring deduction of federal taxes on the accrual basis; repealing distribution of estate taxes to counties; increasing the local effort levy for school districts to 23 mills; adjusting the maximum amount of market value subject to certain homestead classification ratios based upon average sale price of homes; providing a new method of calculating the inflation adjustments for income tax brackets, personal credits

and standard deduction; increasing the rate of tax on vending machine sales; providing an accelerated payment schedule of June sales tax liability for certain vendors; providing property tax open space treatment for archery and firearms ranges; modifying the notification procedure prior to forfeiture of real property in certain cases; changing the definition of "sale" for purposes of the sales tax; exempting certain feminine hygiene products from the sales tax; limiting the sales tax exemption on foods; imposing a gross receipts tax on wrestling; providing that intoxicating liquor must be registered by the brand owner; modifying the notification procedure prior to forfeiture of real property in certain cases; providing that the disallowance of income tax deductions relating to substandard housing shall not expire; clarifying which parties are to be served with notices of appeal; changing requirements for filing certain abstracts and statements of exemption; changing certain fees to be charged by county auditors and treasurers; changing method of computing attached machinery aids; clarifying assessment of property of cooperative associations; providing certain dates for delivery and return of tax lists; providing interest rates on delinquent taxes; repealing publisher's bonds; changing certain definitions for the property tax refund; providing additional authority for county boards to reduce values; providing county valuation of certain airport property; amending Minnesota Statutes 1980, Sections 124.01, Subdivision 3; 124.213; 270.051, Subdivision 2; 270.11, Subdivision 2; 270.75; 271.10, Subdivision 2; 272.02, Subdivision 1; 272.025, Subdivision 3; 272.46; 272.47; 273.112, Subdivision 3; 273.115, Subdivision 4; 273.116, Subdivision 4; 273.13, Subdivisions 6, 6a, 7 and 15a; 273.136, Subdivision 3; 273.138, Subdivisions 2 and 5; 273.139, Subdivision 3; 273.40; 275.075; 275.08; 275.50, Subdivision 2; 275.51, Subdivision 1, and by adding subdivisions; 275.55; 276.01; 277.15; 279.02; 279.03; 279.14; 279.37, Subdivision 6; 281.23, Subdivision 5; 290.01, Subdivisions 20 and 23; 290.06, Subdivisions 2d, 3g, and by adding a subdivision; 290.067, Subdivision 2; 290.09, Subdivisions 4, 10 and 15; 290.10; 290.18, Subdivision 2; 290A.03, Subdivision 8 and 13; 290A.04, by adding a subdivision; 290A.07, Subdivision 2; 297A.01, Subdivision 3; 297A.02; 297A.25, Subdivision 1; 340.621; 375.192, Subdivision 2; 423A.02; 473.626; 477A.01, Subdivision 4b; 477A.03; 477A.13; Laws 1975, Chapter 226, Section 4, as amended; proposing new law coded in Minnesota Statutes, Chapters 273, 275, 295 and 297A; repealing Minnesota Statutes 1980, Sections 275.50, Subdivisions 5 and 6; 275.51, Subdivisions 3d, 4 and 5; 275.52; 275.53; 275.54; 275.551; 275.552; 275.58; 275.59; 279.11; and 291.33.

May 18, 1981

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

The Honorable Jack Davies
President of the Senate

We, the undersigned conferees for H. F. No. 1445, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that H.F. No. 1445 be amended as follows:

Delete everything after the enacting clause and insert:

"ARTICLE I

INCOME TAX

Section 1. Minnesota Statutes 1980, Section 290.06, Subdivision 2d, is amended to read:

Subd. 2d. [INFLATION ADJUSTMENT OF BRACKETS.] For taxable years beginning after December 31, 1978, the taxable net income brackets in subdivision 2c shall be adjusted for inflation. The commissioner of revenue shall determine the percentage increase for each year in the revised consumer price index for all urban consumers for the Minneapolis-St. Paul metropolitan area prepared by the United States department of labor with 1967 as a base year. The commissioner shall determine the percentage increase from August, 1978 to, in 1979, August, 1979 and in each subsequent year, from August of the preceding year to August of the current year, and shall announce the percentage figure by October 1 each year. The dollar amounts in each taxable net income bracket for the prior year in subdivision 2c shall be multiplied by a figure equal to 85 percent of that percentage. The product of the calculation shall be added to each inflation adjusted taxable net income bracket for the prior year to produce the inflation adjusted taxable net income brackets for each succeeding year. If the product exceeds a whole dollar amount, it shall be raised to the next highest whole dollar. For taxable years beginning after December 31, 1980, the taxable net income brackets in subdivision 2c shall be adjusted for inflation. For the purpose of making the adjustment as provided in this subdivision all of the brackets provided in subdivision 2c shall be the adjusted brackets as they existed for taxable years beginning after December 31, 1979 and before January 1, 1981. The commissioner shall determine: (a) the percentage increase in the revised consumer price index for all urban consumers for the Minneapolis-St. Paul metropolitan area prepared by the United States department of labor. He shall then determine the percent change from August, 1980, to, in 1981, August, 1981, and in each subsequent year, from August of the preceding year to August of the current year; and (b) the percentage increase in average Minnesota gross income from tax year 1980 to, in 1981, tax year 1981, and in each subsequent tax year between the previous tax year and the current tax year. The percent increases in Minnesota gross income shall be estimated using the best available data sources and reasonable forecasting procedures. The determination of the commissioner pursuant to this section shall not be considered a "rule" and shall not be subject to the administrative procedures act contained in chapter 15.

The dollar amount in each taxable net income bracket for the prior year in subdivision 2c shall be multiplied by a figure calculated as one plus 100 percent of the consumer price index increase or 100 percent of the Minnesota gross income increase, whichever is smaller. The product of the calculation shall yield the inflation adjusted tax brackets for each succeeding year. If the product exceeds a whole dollar amount, it shall be rounded to the nearest whole dollar.

No later than October 1 of each year, the commissioner shall announce both percentage increases and the specific percentage that will be used to adjust the tax brackets, the maximum standard deduction amount, and the personal credit amounts.

Sec. 2. Minnesota Statutes 1980, Section 290.06, Subdivision 3g, is amended to read:

Subd. 3g. [INFLATION ADJUSTMENT OF CREDITS.] For taxable years beginning after December 31, 1980, the credits provided for individuals in subdivision 3f shall be adjusted for inflation. The commissioner of revenue shall determine the percentage increase for each year in the revised consumer price index for all urban consumers for the Minneapolis-St. Paul metropolitan area prepared by the United States department of labor with 1967 as a base year. The commissioner shall determine the percentage increase from August, 1980 to, in 1981, August, 1981 and in each subsequent year, from August of the preceding year to August of the current year, and shall announce the percentage figure by October 1 each year. The dollar amount of each inflation adjusted credit for the prior year in subdivision 3f shall be multiplied by a figure equal to that percentage. The product of the calculation shall be added to the inflation adjusted credit for the prior year to produce the inflation adjusted individual credits for each succeeding year. If the product exceeds a whole dollar amount, it shall be rounded to the nearest whole dollar. The dollar amount of each credit for the prior year in subdivision 3f shall be increased in the same manner as provided in subdivision 2d for the expansion of the taxable net income brackets.

Sec. 3. Minnesota Statutes 1980, Section 290.06, is amended by adding a subdivision to read:

Subd. 1a. [ADDITIONAL CORPORATE TAX.] In addition to the tax computed according to subdivision 1 and section 290.361, there is hereby imposed an additional privilege and income tax which shall be computed by applying the following rates to the tax computed pursuant to subdivision 1, sections 290.361 and 290.091 less the credits allowed by section 62E.11, subdivision 8 and section 290.06, subdivisions 3f, 9, 9a, and 14:

(1) For taxable years beginning after December 31, 1980, but before January 1, 1982, 2-1/2 percent;

(2) For taxable years beginning after December 31, 1981, but before January 1, 1983, five percent;

(3) For taxable years beginning after December 31, 1982, but before January 1, 1984, 2-1/2 percent.

For corporations that change their accounting period while the subdivision is in effect, the surtax assessment applying to the tax on the annual basis would be determined by multiplying five percent by the ratio determined by dividing the number of months in the accounting period which falls between June 30, 1981 and July 1, 1983 by the number of months in the accounting period. The additional privilege and income tax imposed pursuant to this subdivision shall be computed and shown as a separate item on returns filed by the corporations subject to the tax.

Sec. 4. Minnesota Statutes 1980, Section 290.06, is amended by adding a subdivision to read:

Subd. 2e. [ADDITIONAL INCOME TAX.] In addition to the tax computed pursuant to subdivisions 2c and 2d or subdivision 3d, there is hereby imposed an additional income tax on individuals, estates, and trusts, other than those taxable as corporations. The additional tax shall be computed by applying the rate of one percent to the tax computed pursuant to subdivision 3d or, in the case of an individual who does not qualify for the low income alternative tax

and estates and trusts, the tax computed pursuant to subdivisions 2c and 2d and sections 290.032 and 290.091 less the credits allowed by sections 290.06, subdivisions 3e, 3f, 9, 9a, 11 and 14, and 290.081, for taxable years beginning after December 31, 1980, and before January 1, 1984.

The additional income tax imposed pursuant to this subdivision shall be computed and shown as a separate item on returns filed by individuals, estates and trusts subject to the tax.

Sec. 5. Minnesota Statutes 1980, Section 290.067, Subdivision 2, is amended to read:

Subd. 2. [LIMITATIONS.] The credit for expenses incurred for the care of each dependent shall not exceed \$400 in any taxable year, and the total credit for all dependents of a claimant shall not exceed \$800 in a taxable year. The total credit shall be reduced by five percent of the amount by which the combined federal adjusted gross income of the claimant and his spouse, if any, exceeds \$15,000. A married claimant shall file his income tax return for the year for which he claims the credit either jointly or separately on one form with his spouse. In the case of a married claimant only one spouse may claim the credit. ~~No expense for which a medical expense deduction is claimed pursuant to section 290.09, subdivision 10, shall be claimed as a dependent care expense.~~

Sec. 6. Minnesota Statutes, 1980, Section 290.09, Subdivision 4, is amended to read:

Subd. 4. [TAXES.] Taxes paid or accrued within the taxable year, except (a) income or franchise taxes imposed by this chapter and income or franchise taxes paid to any other state or to any province or territory of Canada for which a credit is allowed under section 290.081; (b) taxes assessed against local benefits of a kind deemed in law to increase the value of the property assessed; (c) inheritance, gift and estate taxes except as provided in section 290.077, subdivision 4; (d) cigarette and tobacco products excise tax imposed on the consumer; (e) that part of Minnesota property taxes for which a credit or refund is claimed and allowed under chapter 290A; (f) federal income taxes, by corporations, national and state banks except as provided in section 290.18; (g) mortgage registry tax; (h) real estate transfer tax; (i) federal telephone tax; (j) federal transportation tax; ~~and (k) state and local taxes on the sale of gasoline, diesel fuel, and other motor fuels; and (l) tax paid by any corporation or national or state bank to any foreign country or possession of the United States to the extent that a credit against federal income taxes is allowed under the provisions of the Internal Revenue Code of 1954, as amended through December 31, 1979. If the taxpayer's foreign tax credit consists of both foreign taxes deemed paid and foreign taxes actually paid or withheld, it will be conclusively presumed that foreign taxes deemed paid were first used by the taxpayer in its foreign tax credit. Minnesota gross income shall include the amount of foreign tax paid which had been allowed as a deduction in a previous year, provided such foreign tax is later allowed as a credit against federal income tax. Income taxes permitted to be deducted hereunder shall, regardless of the methods of accounting employed, be deductible only in the taxable year in which paid.~~ Taxes imposed upon a shareholder's interest in a corporation which are paid by the corporation without reimbursement from the shareholder shall be deductible only by such corporation.

Sec. 7. Minnesota Statutes 1980, Section 290.09, Subdivision 10, is amended to read:

Subd. 10. [MEDICAL EXPENSES.] Payments (not compensated for by insurance or otherwise) for *medical, dental, and other expenses for hospital, nursing, medical, surgical, dental, and other healing services, including institutional care and treatment for the mentally ill and physically handicapped and the cost, feeding and maintenance expenses of a guide dog for a blind or deaf person, as defined in section 290.06, subdivision 3e, clauses (4) (d) and (h), and for medical supplies and ambulance hire, incurred by the taxpayer on account of sickness, mental illness, physical handicap or personal injury to himself or his dependents and premiums paid for hospitalization and medical insurance including nonprofit hospital service and nonprofit medical service plans. Payments for traveling expenses shall not be deductible under the provisions of this subdivision. Payments for hotel or similar lodging expenses shall be deductible in the same manner as payments for hospital services, if the taxpayer or his dependent is not hospitalized but is nevertheless required to remain in a medical center away from his usual place of abode, for the purpose of receiving prescribed medical treatment as provided and as limited by section 213 of the Internal Revenue Code of 1954, as amended through December 31, 1980.*

Sec. 8. Minnesota Statutes 1980, Section 290.09, Subdivision 15, is amended to read:

Subd. 15. [STANDARD DEDUCTION.] In lieu of all deductions provided for in this chapter other than those enumerated in section 290.18, subdivision 2, and in lieu of the credits enumerated in section 290.21, subdivision 3, an individual may claim or be allowed a standard deduction as follows:

(a) Subject to modification pursuant to clause (b), the standard deduction shall be an amount equal to ten percent of the adjusted gross income of the taxpayer, up to a maximum deduction of \$2,000; in the case in which a standard deduction tax table is provided by the commissioner of revenue pursuant to the provisions of section 290.06, subdivision 2, the standard deduction shall be available to individuals with adjusted gross income of less than \$20,000 only through the use of such table.

In the case of a husband and wife living together, the standard deduction shall not be allowed to either if the net income of one of the spouses is determined without regard to the standard deduction. For the purposes of this paragraph the determination of whether an individual is living with his spouse shall be made as of the last day of the taxable year unless the spouse dies during the taxable year in which case such determination shall be made as of the date of such spouse's death.

(b) For each taxable year beginning after December 31, 1980, the maximum amount of the standard deduction shall be adjusted for inflation. That amount shall be multiplied each year by a figure equal to the percentage increase in the revised consumer price index for all urban consumers for the Minneapolis-St. Paul metropolitan area used for purposes of section 290.06, subdivision 3g. The product of the calculation shall be added to the dollar amount of the maximum standard deduction established in clause (a) to produce the inflation-adjusted maximum standard deduction for each succeeding year in the same manner as provided in section 290.06, subdivision 2d, for the expansion

of the taxable net income brackets.

(c) The commissioner of revenue may establish a standard deduction tax table incorporating the rates set forth in section 290.06, subdivision 2c, and the standard deduction. The tax of any individual taxpayer whose adjusted gross income is less than \$20,000 shall, if an election is made not to itemize non-business deductions, be computed in accordance with tables prepared and issued by the commissioner of revenue. The tables shall be prepared to reflect the allowance of the standard deduction and the personal and dependent credits.

Sec. 9. Minnesota Statutes 1980, Section 290.10, is amended to read:

290.10 [NONDEDUCTIBLE ITEMS.]

In computing the net income no deduction shall in any case be allowed for:

- (1) Personal, living or family expenses;
- (2) Amounts paid out for new buildings or for permanent improvements or betterments made to increase the value of any property or estate, except as otherwise provided in this chapter;
- (3) Amounts expended in restoring property or in making good the exhaustion thereof for which an allowance is or has been made;
- (4) Premiums paid on any life insurance policy covering the life of the taxpayer or of any other person;
- (5) The shrinkage in value, due to the lapse of time, of a life or terminable interest of any kind in property acquired by gift, devise, bequest or inheritance;
- (6) Losses from sales or exchanges of property, directly or indirectly, between members of a family, or, except in the case of distributions in liquidation, between an individual and a corporation in which such individual owns, directly or indirectly, more than 50 percent in value of the outstanding stock; or between any person or corporation and a trust created by him or it or of which he or it is a beneficiary, directly or indirectly; for the purpose of this clause, an individual shall be considered as owning the stock owned, directly or indirectly, by his family; and the family of an individual shall include only his brothers and sisters (whether by the whole or half blood), spouse, ancestor, and lineal descendants, but such losses shall be allowed as deductions if the taxpayer shows to the satisfaction of the commissioner that the sale or exchange was bona fide and for a fair and adequate consideration;
- (7) In computing net income, no deduction shall be allowed under section 290.09, subdivision 2, relating to expenses incurred or under section 290.09, subdivision 3, relating to interest accrued;
 - (a) If such expenses or interest not paid within the taxable year or within two and one-half months after the close thereof; and
 - (b) If, by reason of the method of accounting of the person to whom the payment is to be made, the amount thereof is not, unless paid, includible in the gross income of such person for the taxable year in which or with which the taxable year of the taxpayer ends; and
 - (c) If, at the close of the taxable year of the taxpayer or at any time within two and one-half months thereafter, both the taxpayer and the person to whom the payment is to be made are persons between whom losses would be dis-

allowed under clause (6);

(8) (a) Contributions by employees under the federal railroad retirement act, and the federal social security act, or . (b) Payments to Minnesota or federal public employee retirement funds; and that. (c) Three-fourths (75 percent) of the amount of taxes imposed on self-employment income under section 1401 of the Internal Revenue Code of 1954, as amended through December 31, 1979, which would have been imposed on the same amount of income if such income had been treated as wages from employment and subject to tax under the provisions of section 3101 of the Internal Revenue Code of 1954, as amended through December 31, 1979.

(9) Expenses, interest and taxes connected with or allocable against the production or receipt of all income not included in the measure of the tax imposed by this act. When the federal income tax liability is joint and several under a joint federal return of husband and wife, the allowable federal income tax paid on the income included in the joint federal return may be taken as a deduction from gross income by the spouse who paid the federal income tax.

(10) In situations where this chapter provides for an exclusion from gross income of a specific dollar amount of an item of income assignable to this state, and within the measure of the tax imposed by this chapter, that portion of the federal income tax paid liability assessed upon such income excluded, and any expenses attributable to earning such income, shall not be deductible in computing net income.

(11) Amounts paid or accrued for such taxes and carrying charges as, under regulations prescribed by the commissioner, are chargeable to capital account with respect to property, if the taxpayer elects, in accordance with such regulations, to treat such taxes or charges as so chargeable.

Sec. 10. Minnesota Statutes 1980, Section 290.18, Subdivision 2, is amended to read:

Subd. 2. [FEDERAL INCOME TAX PAYMENTS AND REFUNDS.] (a) The adjusted gross income shall, except insofar as section 290.19 is applicable, be computed by deducting from the gross income assignable to this state under section 290.17, the following deductions: deduction for

allowable federal income taxes determined under the provisions of sections 290.09, subdivision 4, 290.10(9) and 290.18.

The deduction enumerated in this subdivision This deduction shall be allowed to the extent provided in subdivision 1 and as provided in clauses (b) and (e).

(b) In the case of corporations, national and state banks for taxable years beginning prior to July 1, 1971 and ending subsequent thereto, federal income taxes allowable as a deduction shall be that part of the federal income tax determined by multiplying the federal income tax liability for such taxable year as reflected on the return filed with the Internal Revenue Service by a fraction, the numerator of which is the number of months in the taxable year prior to July 1, 1971 and the denominator which is the number of months in the entire taxable year; provided that if the taxable period is other than a full year the denominator of the fraction shall be the total number of months for which the federal return is filed.

(c) The amount of any additional federal income taxes for 1971 and prior years, where such additional federal income taxes would have been allowed as a deduction from gross income under clause (b) or under prior law, shall be allowed as a deduction in the year in which such additional federal income taxes are paid.

(d) The amount of any overpayment of federal income taxes, whether allowed as a refund or allowed as a credit to any liability, where such overpayment has previously been allowed as a deduction from gross income under Extra Session Laws 1971, Chapter 31, Article 6 or under prior law, shall be added to gross income in the year in which received or credited. individuals, estates, or trusts (i) for taxable years beginning after December 31, 1980 in the taxable year to which the liability applies. Such liability includes the portion of self-employment tax allowed under section 290.10, clause (8). The self-employment tax must be deducted by the person who is deriving the income. When the federal tax liability is joint and several under the computation of a joint federal return of husband and wife, the federal tax liability must be split between the spouses in the same ratio that the federal adjusted gross income of that spouse bears to the total federal adjusted gross income.

(ii) taxes paid for a taxable year beginning before January 1, 1981 shall be allowed as follows:

(1) Those taxes paid in a taxable year beginning before January 1, 1981, shall be claimed in the year in which the payment was made.

(2) Those paid in a taxable year beginning after December 31, 1980 shall be divided and deducted in equal installments reflected by the yearly periods beginning with the first day of the taxable year in which the payment was made and ending December 31, 1986.

(iii) In the case of a person who was self employed during all or a portion of the taxable year, the federal income tax liability for purposes of this section shall be increased by the self-employment tax allowed under section 290.10, clause (8).

(iv) If a taxpayer's federal tax liability is eventually not paid by reason of compromise, discharge, or court order, the deduction allowed pursuant to this subdivision shall be disallowed for the taxable year in which the liability was accrued.

(v) In the event a federal tax liability for a taxable year commencing after December 31, 1980 is increased, decreased or modified, and such increase, decrease or modification has resulted in a change in the amount of Minnesota income tax in the year to which such increase, decrease or modification is attributable, the taxpayer's deduction under this section shall be modified for such year.

(vi) If the readjustments required in (iv) or (v) are for taxes reflected in the transition rule described in (ii)(2), the readjustment shall be made equally to the remaining installments and if a reduction to such installments is required under this readjustment which exceeds the total of all remaining installments, the remaining installments will be reduced to zero and the excess included in income as a federal income tax refund.

(vii) Refunds which are not involved with any readjustments under the

transition rule shall be included in income under section 290.01, subdivision 20, clause (a)(6) if it is from a year beginning before January 1, 1981.

(viii) Refunds of taxes for years beginning after December 31, 1980, shall be used to adjust the deduction in the taxable year of the liability unless that year is closed by statute and no other adjustments are to be required or allowable in which case such refund shall be reportable in the year received.

Sec. 11. Minnesota Statutes 1980, Section 290.18, is amended by adding a subdivision to read:

Subd. 4. [TAXABLE NET INCOME ADJUSTMENT FACTOR.] For the taxable year beginning after December 31, 1980 and ending before January 1, 1982, the commissioner of revenue shall adjust taxable net income by multiplying the taxable net income of each individual, estate and trust by a fraction, the numerator of which is one plus the predicted rate of growth in average Minnesota gross income between tax year 1980 and tax year 1981. The denominator of the adjustment fraction shall be one plus the product of (a) the predicted rate of growth in average Minnesota gross income as determined above, and (b) the difference between the ratio of Minnesota gross income to Minnesota adjusted gross income and the product of the ratio of federal taxes paid to Minnesota adjusted gross income and an estimate of average federal income tax elasticity relating percent changes in federal adjusted gross income to percent changes in net federal income tax liabilities.

For each taxable year beginning after December 31, 1981, the commissioner of revenue shall adjust taxable net income by multiplying the taxable net income of each individual, estate, and trust by an adjustment factor determined by multiplying the previous year's adjustment factor by the current year adjustment factor as defined above using data appropriate to the current year.

The data used shall reflect the most current aggregate tax statistics collected and tabulated by the department of revenue. The estimate of the percentage increase in Minnesota gross income shall be based on the best available data sources and reasonable forecasting procedures. The estimate of federal income tax elasticity shall reflect the best available sources of information, including the judgment of the United States Internal Revenue Service and the United States Treasury, Office of Tax Analysis. The determination of the commissioner pursuant to this section shall not be considered a "rule" and shall not be subject to the administrative procedures act contained in chapter 15.

No later than October 1 of each tax year, the commissioner shall announce the adjustment factor to be applied to taxable net income, including its separate components, and the estimate of federal elasticity.

Sec. 12. Minnesota Statutes 1980, Section 290.37, Subdivision 3, is amended to read:

Subd. 3. [INFORMATION INCLUDED IN RETURN.] The return provided for herein shall require a statement of the name of the taxpayer, or taxpayers, if the return be a joint return, and the address of such taxpayer in the same name or names and same address as the taxpayer has used in making his income tax return to the United States under the terms of the internal revenue act code of 1954, and shall include the social security number of the taxpayer, or taxpayers, if a social security number has been issued by the United States with respect to said taxpayers, and shall include the amount of the adjusted

gross income of such taxpayer as the same appears on said return to the United States internal revenue service for the taxable year to which such Minnesota state return is applicable; or, in lieu thereof, and the commissioner may require the taxpayer shall to attach to his Minnesota state income tax return a copy of the federal income tax return which he has filed or is about to file for such period. The commissioner of revenue, if necessary to audit the return of the taxpayer for a particular period, may require a detailed schedule of the items used to compute the adjusted gross income of such taxpayer as the same appears on said return to the United States internal revenue service for the taxable year to which such Minnesota return is applicable; or, in lieu thereof, a copy of the federal income tax return filed for such period.

Sec. 13. [ADJUSTMENT TO WITHHOLDING AND DECLARATIONS.]

For taxable years beginning after December 31, 1982, but before January 1, 1984, the commissioner of revenue shall adjust the withholding tables, notwithstanding section 290.92, subdivision 2a, so that the additional tax imposed by section 4, is withheld and remitted by employers during the first six months of the taxable year.

For the same period, the commissioner shall require that declarations filed during the first six months of the taxable year by individuals, estates, trusts, and corporations shall include the additional tax imposed by sections 3 and 4.

Sec. 14. Laws 1975, Chapter 226, Section 4, as amended by Laws 1979, Chapter 311, Section 1, is amended to read:

Sec. 4. Section 1 is effective for taxable years commencing after December 31, 1975 and shall, unless reenacted, expire after the taxable year ending December 31, 1981.

Sec. 15. [EFFECTIVE DATE.]

Sections 5, 6, 7, 9, and 10 are effective for taxable years beginning after December 31, 1980.

ARTICLE II

PROPERTY TAX

Section 1. Minnesota Statutes 1980, Section 124.213, is amended to read:

124.213 [STATE SCHOOL AGRICULTURAL CREDIT.]

The county auditor shall reduce the tax for school purposes on all property receiving the homestead credit pursuant to section 273.13, subdivision 6, by an amount equal to the tax levy that would be produced by applying a rate of ~~47~~ 18 mills on up to 320 acres of the property. The county auditor shall reduce the tax for school purposes on all other agricultural lands and all real estate devoted to temporary and seasonal residential occupancy for recreational purposes, but not devoted to commercial purposes, by an amount that would be produced by applying a rate of ten mills on the property. *The agricultural credit shall be applied at a rate of 8 mills on any agricultural property in excess of 640 acres.* The amounts so computed by the county auditor shall be submitted to the commissioner of revenue as part of the abstracts of tax lists required to be filed with the commissioner under the provisions of section 275.29. Any prior year adjustments shall also be certified in the abstracts of tax lists. The commissioner of revenue shall review such certifications to determine their accuracy.

He may make such changes in the certification as he may deem necessary or return a certification to the county auditor for corrections.

In 1977, payment shall be made according to the procedure provided in section 273.13, subdivision 15a, for the purpose of replacing revenue lost as a result of the reduction of property taxes provided in this section. In 1978, payment shall be made pursuant to sections 124.212, subdivision 7b and 124.11, for the purpose of replacing revenue lost as a result of the reduction in property taxes provided in this section. There is appropriated from the general fund in the state treasury to the commissioner of revenue the amount necessary to make these payments in fiscal year 1978. There is appropriated from the general fund in the state treasury to the department of education the amount necessary to make these payments in fiscal year 1979 and thereafter.

Sec. 2. Minnesota Statutes 1980, Section 272.01, Subdivision 2, is amended to read:

Subd. 2. (a) When any real or personal property which for any reason is exempt from ad valorem taxes, and taxes in lieu thereof, is leased, loaned, or otherwise made available and used by a private individual, association or corporation in connection with a business conducted for profit, there shall be imposed a tax, for the privilege of so using or possessing such real or personal property, in the same amount and to the same extent as though the lessee or user was the owner of such property.

(b) The tax imposed by this subdivision shall not apply to (1) property leased or used by way of a concession in or relative to the use in whole or part of a public park, market, fair grounds, port authority, municipal auditorium, *airport owned by a city, town, county or group thereof but not the metropolitan airports commission*, municipal museum or municipal stadium or (2) property constituting or used as a public pedestrian ramp, concourse, passenger check-in area or ticket sale counter, boarding area or luggage claim area in connection with a public airport; *provided that real estate which is owned by a municipality in connection with the operation of a public airport and which is leased or used for agricultural purposes shall not be exempt.*

(c) Taxes imposed by this subdivision shall be due and payable as in the case of personal property taxes and such taxes shall be assessed to such lessees or users of real or personal property in the same manner as taxes assessed to owners of real or personal property, except that such taxes shall not become a lien against the property. When due, the taxes shall constitute a debt due from the lessee or user to the state, township, city, county and school district for which the taxes were assessed and shall be collected in the same manner as personal property taxes. If property subject to the tax imposed by this subdivision is leased or used jointly by two or more persons, each lessee or user shall be jointly and severally liable for payment of the tax.

Sec. 3. Minnesota Statutes 1980, Section 273.11, Subdivision 1, is amended to read:

Subdivision 1. [GENERALLY.] Except as provided in subdivisions 2 and 6 and 7 or section 273.17, subdivision 1, all property shall be valued at its market value. In estimating and determining such value, the assessor shall not adopt a lower or different standard of value because the same is to serve as a basis of taxation, nor shall he adopt as a criterion of value the price for which

such property would sell at auction or at a forced sale, or in the aggregate with all the property in the town or district; but he shall value each article or description of property by itself, and at such sum or price as he believes the same to be fairly worth in money. In assessing any tract or lot of real property, the value of the land, exclusive of structures and improvements, shall be determined, and also the value of all structures and improvements thereon, and the aggregate value of the property, including all structures and improvements, excluding the value of crops growing upon cultivated land. In valuing real property upon which there is a mine or quarry, it shall be valued at such price as such property, including the mine or quarry, would sell for a fair, voluntary sale, for cash. In valuing real property which is vacant, the fact that such property is platted shall not be taken into account. An individual lot of such platted property shall not be assessed in excess of the assessment of the land as if it were unplatted until the lot is improved with a permanent improvement all or a portion of which is located upon the lot, or for a period of three years after final approval of said plat whichever is shorter. When a lot is sold or construction begun, the assessed value of that lot or any single contiguous lot fronting on the same street shall be eligible for reassessment. All property, or the use thereof, which is taxable under sections 272.01, subdivision 2, or 273.19, shall be valued at the market value of such property and not at the value of a leasehold estate in such property, or at some lesser value than its market value.

Sec. 4. Minnesota Statutes 1980, Section 273.11, is amended by adding a subdivision to read:

Subd. 7. [AGRICULTURAL LAND.] Agricultural land shall be valued at the lesser of its market value or the value which could be derived from its free market gross rental rate capitalized at a rate of 5.8 percent. Each county assessor shall survey the farm rental values of each grade of farmland in each township in the county. This information shall be used in reviews of valuations by the town boards of review.

Sec. 5. Minnesota Statutes 1980, Section 273.112, Subdivision 3, is amended to read:

Subd. 3. Real estate shall be entitled to valuation and tax deferment under this section only if it is:

(a) actively and exclusively devoted to golf ~~or~~, skiing or archery or firearms range recreational use or uses and other recreational uses carried on at ~~such golf or skiing~~ the establishment;

(b) five acres in size or more, *except in the case of an archery or firearms range*; and

(c) (1) operated by private individuals and open to the public; or

(2) operated by firms or corporations for the benefit of employees or guests; or

(3) operated by private clubs having a membership of 50 or more.

Sec. 6. [273.117] [CONSERVATION PROPERTY TAX VALUATION.]

Real property which is subject to a conservation restriction or easement shall be entitled to reduced valuation under this section if:

(a) *The restriction or easement is for a conservation purpose as defined in*

section 84.64, subdivision 2, and is recorded on the property;

(b) The property is being used in accordance with the terms of the conservation restriction or easement.

Sec. 7. Minnesota Statutes 1980, Section 273.13, Subdivision 6, is amended to read:

Subd. 6. [CLASS 3B.] Agricultural land, except as provided by class 1 hereof, and which is used for the purposes of a homestead shall constitute class 3b and shall be valued and assessed for taxes payable in 1981 and thereafter as follows: the first \$50,000 of market value shall be valued and assessed at 14 percent; the remaining market value shall be valued and assessed at 19 percent. *Effective for taxes payable in 1982 and thereafter, the maximum amount of the market value of the homestead bracket subject to the 14 percent rate shall be adjusted by the commissioner of revenue as provided in section 12.* The property tax to be paid on class 3b property as otherwise determined by law less any reduction received pursuant to section 273.135 shall be reduced by 58 percent of the tax for taxes payable in 1981 and thereafter; provided that the amount of said reduction shall not exceed \$650. Valuation subject to relief shall be limited to 240 acres of land, most contiguous surrounding, bordering, or closest to the house occupied by the owner as his dwelling place, and such other structures as may be included thereon utilized by the owner in an agricultural pursuit, provided that noncontiguous land shall constitute class 3b only if the homestead is classified as class 3b and the detached land is located in the same township or city or not farther than two townships or cities or combination thereof from the homestead. The first \$12,000 market value of each tract of real estate which is rural in character and devoted or adaptable to rural but not necessarily agricultural use, used for the purpose of a homestead shall be exempt from taxation for state purposes; except as specifically provided otherwise by law.

Agricultural land as used herein, and in section 273.132, shall mean contiguous acreage of ten acres or more, primarily used during the preceding year for agricultural purposes. Agricultural use may include pasture, timber, waste, unusable wild land and land included in federal farm programs.

Real estate of less than ten acres used principally for raising poultry, livestock, fruit, vegetables or other agricultural products, shall be considered as agricultural land, if it is not used primarily for residential purposes.

Effective for the 1981 assessment and in subsequent years, the assessor shall determine and list separately on his records the market value of the homestead dwelling and the one acre of land on which that dwelling is located. If any farm buildings or structures are located on this homesteaded acre of land, their market value shall not be included in this separate determination.

Sec. 8. Minnesota Statutes 1980, Section 273.13, Subdivision 7, is amended to read:

Subd. 7. [CLASS 3C, 3CC.] All other real estate and class 2a property, except as provided by classes 1 and 3cc, which is used for the purposes of a homestead, shall constitute class 3c, and shall be valued and assessed for taxes payable in 1981 and thereafter as follows: the first \$25,000 of market value shall be valued and assessed at 16 percent; the next \$25,000 of market value shall be valued and assessed at 22 percent; and the remaining market value shall

be valued and assessed at 28 percent. *Effective for taxes payable in 1982 and thereafter, the maximum amounts of the market value of the homestead brackets subject to the 16 percent and 22 percent rates shall be adjusted by the commissioner of revenue as provided in section 12.* The property tax to be paid on class 3c property as otherwise determined by law, less any reduction received pursuant to section 273.135 shall be reduced by 58 percent of the tax for taxes payable in 1981 and thereafter; provided that the amount of said reduction shall not exceed \$650. The first \$12,000 market value of each tract of such real estate used for the purposes of a homestead shall be exempt from taxation for state purposes; except as specifically provided otherwise by law. Class 3cc property shall include real estate or mobile homes used for the purposes of a homestead by (a) any blind person, if such blind person is the owner thereof or if such blind person and his or her spouse are the sole owners thereof; or (b) any person (hereinafter referred to as veteran) who: (1) served in the active military or naval service of the United States and (2) is entitled to compensation under the laws and regulations of the United States for permanent and total service-connected disability due to the loss, or loss of use, by reason of amputation, ankylosis, progressive muscular dystrophies, or paralysis, of both lower extremities, such as to preclude motion without the aid of braces, crutches, canes, or a wheelchair, and (3) with assistance by the administration of veterans affairs has acquired a special housing unit with special fixtures or movable facilities made necessary by the nature of the veteran's disability, or the surviving spouse of such a deceased veteran for as long as the surviving spouse retains the special housing unit as his or her homestead; or (c) any person who: (1) is permanently and totally disabled and (2) is receiving (i) aid from any state as a result of that disability, or (ii) supplemental security income for the disabled, or (iii) workers' compensation based on a finding of total and permanent disability, or (iv) social security disability, or (v) aid under the Federal Railroad Retirement Act of 1937, 45 United States Code Annotated, Section 228b(a)5, or (vi) a pension from any local government retirement fund located in the state of Minnesota as a result of that disability; which aid is at least 90 percent of the total income of such disabled person from all sources. Class 3cc property shall be valued and assessed for taxes payable in 1981 and thereafter as follows: in the case of agricultural land, including a mobile home, used for a homestead, the first \$33,000 of market value shall be valued and assessed at five percent, the next \$17,000 of market value shall be valued and assessed at 14 percent, and the remaining market value shall be valued and assessed at 19 percent; and in the case of all other real estate and mobile homes, the first \$33,000 of market value shall be valued and assessed at five percent, the next \$17,000 of market value shall be valued and assessed at 22 percent, and the remaining market value shall be valued and assessed at 28 percent. *Effective for taxes payable in 1982 and thereafter, in the case of agricultural land including a mobile home used for purposes of a homestead, the commissioner of revenue shall adjust, as provided in section 12, the maximum amount of the market value of the homestead brackets subject to the five percent and 14 percent rates; and for all other real estate and mobile homes, the commissioner of revenue shall adjust, as provided in section 12, the maximum amount of the market value of the homestead brackets subject to the five percent and 22 percent rates.* Permanently and totally disabled for the purpose of this subdivision means a condition which is permanent in nature and totally incapacitates the person from working at an occupation which brings him an income. The property tax to be paid on class 3cc property as otherwise determined by law, less any reduction received pursuant to section 273.135 shall be reduced by 58 percent of the tax for taxes payable in 1981 and thereafter; provided that the amount of said reduction shall not exceed \$650.

Sec. 9. Minnesota Statutes 1980, Section 273.13, is amended by adding a subdivision to read:

Subd. 7d. [LEASED HOMESTEAD PROPERTY.] Class 3g consists of all buildings and appurtenances located upon land owned by the occupant and used for the purposes of a homestead together with the land upon which they are located shall be valued and assessed as if they were homestead property within the scope of class 3c or 3cc, whichever is applicable, if all of the following criteria are met:

- (a) the occupant is using such property as his permanent residence; and*
- (b) the occupant is paying the ad valorem property taxes and any special assessments levied against such property; and*
- (c) the occupant has signed a lease which has an option to purchase the buildings and appurtenances; and*
- (d) the term of the lease is at least five years.*

Any taxpayer meeting all the requirements herein must notify the county assessor, or the assessor who has the powers of the county assessor pursuant to section 273.063, in writing, prior to September 1, 1981 and in future years, as soon as possible after signing the lease agreement and occupying the buildings as his homestead.

Sec. 10. Minnesota Statutes 1980, Section 273.13, Subdivision 9, is amended to read:

Subd. 9. [CLASS 4A AND 4B AND 4C.] All property not included in the preceding classes shall constitute class 4a and shall be valued and assessed at 43 percent of the market value thereof; except that real property which is not improved with a structure and which is not utilized as part of a commercial or industrial activity shall constitute class 4b and shall be valued and assessed at 40 percent of market value; and except that commercial and industrial property shall constitute class 4c and shall be valued and assessed at 40 percent of the first \$50,000 of market value and 43 percent on the remainder, provided that in the case of state-assessed commercial or industrial property owned by one person or entity, only one parcel shall qualify for the 40 percent assessment. In the case of commercial or industrial property, other than state-assessed properties, owned by one person or entity, only one parcel in each county shall qualify for the 40 percent assessment.

Sec. 11. Minnesota Statutes 1980, Section 273.13, Subdivision 19, is amended to read:

Subd. 19. [CLASS 3D, 3DD.] Residential real estate containing four or more units, other than seasonal residential, recreational and homesteads shall be classified as class 3d property and shall have a taxable value equal to 38 36 percent of market value for taxes levied in 1981 and 34 percent of market value for taxes levied in 1982 and thereafter. Residential real estate containing three or less units, other than seasonal residential, recreational and homesteads, shall be classified as class 3dd property and shall have a taxable value equal to 28 percent of market value.

Residential real estate as used in this subdivision means real property used or held for use by the owner thereof, or by his tenants or lessees as a residence for

rental periods of 30 days or more, but shall not include homesteads, or real estate devoted to temporary or seasonal residential occupancy for recreational purposes. Where a portion of a parcel of property qualified for class 3d or 3dd and a portion does not qualify for class 3d or 3dd the valuation shall be apportioned according to the respective uses.

Residential real estate containing less than three units when entitled to homestead classification for one or more units shall be classed as 3b, 3c or 3cc according to the provisions of subdivisions 6 and 7.

Sec. 12. [273.1311] [FLEXIBLE HOMESTEAD BRACKETS.]

Effective for taxes payable in 1982 and subsequent years, the maximum amount of the market value of the homestead brackets shall be adjusted as provided in this section. The equalization aid review committee shall divide the statewide average purchase price of a residential home as indicated by bona fide real estate sales during the previous assessment year by the statewide average purchase price of a residential home during the year immediately preceding the previous assessment year. The resulting quotient shall be multiplied by the maximum amounts of the homestead brackets as provided in section 273.13, subdivisions 6 and 7 for the preceding assessment year, to obtain the revised homestead brackets for the current assessment year. The revised homestead brackets shall be rounded to the nearest \$100. On or before December 1, 1981 and each subsequent year the commissioner of revenue shall announce the revised homestead brackets as adjusted by this section.

Sec. 13. Minnesota Statutes 1980, Section 273.19, Subdivision 1, is amended to read:

Subdivision 1. Except as provided in subdivision 3 or 4, property held under a lease for a term of three or more years, and not taxable under section 272.01, subdivision 2, clause (b)(1), or under a contract for the purchase thereof, when the property belongs to the United States, to the state, or to any religious, scientific, or benevolent society or institution, incorporated or unincorporated, or to any railroad company or other corporation whose property is not taxed in the same manner as other property, or when the property is school or other state lands, shall be considered, for all purposes of taxation, as the property of the person so holding the same.

Sec. 14. Minnesota Statutes 1980, Section 273.19, is amended by adding a subdivision to read:

Subd. 4. Property held under a lease for a term of three or more years which is owned by the United States and located within a national park shall be exempt, provided the property was acquired by the United States by condemnation or purchased by the United States under threat of condemnation, and within a reasonable time leased back for noncommercial residential purposes to the person owning the property at the time of acquisition by the United States. If property exempt under this subdivision is subsequently leased or subleased for a term of three or more years to another person, it shall no longer qualify for the exemption provided in this subdivision and shall be placed on the assessment rolls as provided in section 272.02, subdivision 4, and taxed pursuant to subdivision 1 of this section.

The value of improvements made to property otherwise exempt pursuant to this subdivision which are owned by the lessee or to which the lessee has

salvage rights shall be taxable to the lessee pursuant to subdivision 1.

Sec. 15. Minnesota Statutes 1980, Section 273.42, Subdivision 2, is amended to read:

Subd. 2. Owners of land defined as class 3, 3b, 3c, 3cc, 3d or 3f pursuant to section 273.13 listed on records of the county auditor or county treasurer over which runs a high voltage transmission line as defined in section 116C.52, subdivision 3, except a high voltage transmission line the construction of which was commenced prior to July 1, 1974, shall receive a property tax credit in an amount determined by multiplying a fraction, the numerator of which is the length of high voltage transmission line which runs over that parcel and the denominator of which is the total length of that particular line running over all property within the city, township or unorganized township by ten percent of the transmission line tax revenue derived from the tax on that portion of the line within the city, township or unorganized township pursuant to section 273.36. Where a right-of-way width is shared by more than one property owner, the numerator shall be adjusted by multiplying the length of line on the parcel by the proportion of the total width on the parcel owned by that property owner. The amount of credit for which the property qualifies shall not exceed 20 percent of the total gross tax on the parcel prior to deduction of the state paid agricultural credit and the state paid homestead credit, provided that, if the property containing the right of way is included in a parcel which exceeds 40 acres, the total gross tax on the parcel shall be multiplied by a fraction, the numerator of which is the sum of the number of acres in each quarter-quarter section or portion thereof which contains a right of way and the denominator of which is the total number of acres in the parcel set forth on the tax statement, and the maximum credit shall be 20 percent of the product of that computation, prior to deduction of those credits. The auditor of the county in which the affected parcel is located shall calculate the amount of the credit due for each parcel and transmit that information to the county treasurer. The county auditor, in computing the credits received pursuant to sections 273.13 and 273.135, shall reduce the gross tax by the amount of the credit received pursuant to this section, unless the amount of the credit would be less than \$10.

Sec. 16. Minnesota Statutes 1980, Section 279.37, Subdivision 6, is amended to read:

Subd. 6. The county auditor shall give notice by mail not later than November 30 of each year to the person or persons making such confession of judgment at the address given therein of the payment due under the confession on the following December 31. *If the county auditor has not received the installment payment by December 31, he shall give notice by certified mail at the last known address of the person making the confession of judgment, without regard to the county or state of his residency. This notice shall state that the property shall be subject to the tax forfeiture laws if payment is not made within 60 days from the preceding December 31. Failure to send or receive the notice shall not operate to postpone any payment or excuse any default under the confession of judgment. Proof of such mailing shall be made by the certificate of the auditor filed in his office.*

Sec. 17. Minnesota Statutes 1980, Section 281.23, Subdivision 5, is amended to read:

Subd. 5. [SERVICE BY SHERIFF OR CERTIFIED MAIL.] Forthwith after

the commencement of such publication the county auditor shall deliver to the sheriff of the county a sufficient number of copies of such published notice for service upon the persons in possession of all parcels of such land as are actually occupied, together with a copy of the posted notice or notices referred to in such published notice. Within 30 days after receipt thereof, the sheriff shall make such investigation as may be necessary to ascertain whether the parcels covered by such notice are actually occupied or not, and shall serve a copy of such published notice upon the person in possession of each parcel found to be so occupied, in the manner prescribed for serving summons in a civil action. The sheriff shall make prompt return to the auditor as to all notices so served and as to all parcels found vacant and unoccupied. Such return shall be made upon a copy of such published notice and of the posted notice or notices covered thereby and shall be prima facie evidence of the facts therein stated. Unless compensation for such services is otherwise provided by law, the sheriff shall receive from the county, in addition to his other compensation prescribed by law, such fees and mileage for service on persons in possession as are prescribed by law for such service in other cases, and shall also receive such compensation for making investigation and return as to vacant and unoccupied lands as the county board may fix, subject to appeal to the district court as in case of other claims against the county.

Forthwith after the commencement of such publication, the county auditor shall also give notice by certified mail to the taxpayer as shown on the last statement without regard to the county or state of residency, and give notice by certified mail at the last known address of the person in whose name the property is assessed on the latest tax statement without regard to the county or state of residency. Failure to receive the notice shall not operate to postpone any payment or excuse any default under this section. Proof of such mailing shall be made by the certificate of the auditor filed in his office.

Sec. 18. [TRANSITIONAL PROVISION.]

Any parcel of property forfeited subsequent to January 1, 1978 and prior to December 31, 1978, the landowner of which would have received the notice provided in section 16 if section 16 had been in effect at the time the installment payment on his property became overdue, and which has not been sold pursuant to chapter 282, may be repurchased pursuant to section 282.241 without the approval of the board of county commissioners. This provision shall apply only if

(a) the landowner or if the landowner is a corporation, the corporation or the shareholders of the corporation individually, have been the owner or owners of the property for a period of at least 15 years prior to the date of forfeiture, and during the period of ownership current taxes were timely paid for at least seven successive years; and

(b) the investment of the landowner or if the landowner is a corporation, of the corporation or the shareholders of the corporation individually, in taxes, special assessments, penalties, interest and costs paid prior to the forfeiture exceeds \$8,000; and

(c) prior to June 15, 1981, the landowner tenders to the county treasurer of the county in which the land is located, notwithstanding the provisions of section 282.261, full payment of the total cost of repurchase of the land as computed pursuant to sections 282.241 and 282.251.

Sec. 19. Minnesota Statutes 1980, Section 290A.04, Subdivision 2c, is amended to read:

Subd. 2c. If the net property taxes payable on a homestead in 1981 increase more than ten percent over the net property taxes payable in 1980 on the same property, a claimant who is a homeowner shall be allowed an additional refund equal to 50 percent of the amount by which the increase exceeds ten percent. This subdivision shall not apply to any increase in the net property taxes payable attributable to improvements made to the homestead. The refund shall not exceed ~~\$300~~ \$500.

For purposes of this subdivision, "net property taxes payable" means property taxes payable after reductions made pursuant to sections 273.13, subdivisions 6, 7 and 14a; and 273.115, subdivision 1; and Laws 1980, Chapter 432, Section 7; and after the deduction of tax refund amounts for which the claimant qualifies pursuant to subdivisions 2, 2a and 2b.

In addition to proofs required pursuant to this chapter, each claimant under this subdivision shall file with the property tax refund return a copy of the property tax statement for taxes payable in the preceding year or other documents required by the commissioner.

Sec. 20. Minnesota Statutes 1980, Section 290A.04, is amended by adding a subdivision to read:

Subd. 2d. If the net property taxes payable on a homestead increase more than 20 percent over the net property taxes payable in the previous year on the same property, a claimant who is a homeowner shall be allowed an additional refund equal to 75 percent of the amount by which the increase exceeds 20 percent. This subdivision shall not apply to any increase in the net property taxes payable attributable to improvements made to the homestead. The refund shall not exceed \$200.

For purposes of this subdivision, "net property taxes payable" means property taxes, whether or not the taxes are eligible for reimbursement pursuant to section 273.13, subdivision 15b, payable after reductions made pursuant to sections 273.13, subdivisions 6, 7 and 14a; 273.115, subdivision 1; 273.116, subdivision 1; 124.213; 273.135; and 273.1391; and after the deduction of tax refund amounts for which the claimant qualifies pursuant to subdivisions 2, 2a and 2b but with no deduction of the amount received pursuant to this subdivision for the preceding year.

In addition to proofs required pursuant to this chapter, each claimant under this subdivision shall file with the property tax refund return a copy of the property tax statement for taxes payable in the preceding year or other documents required by the commissioner.

On or before December 1, 1981, the commissioner shall redetermine the estimated total amount of the refunds paid or payable pursuant to Minnesota Statutes 1980, Section 290A.04, Subdivision 2c. If the amount so redetermined is less than \$13,800,000, the commissioner shall add the difference to the appropriation provided in section 24 to make the payments.

On or before December 1, 1981, the commissioner shall estimate the cost of making the payments provided by this section. If the estimated total refund claims exceed the total funds available to pay the refunds, the commissioner

shall reduce the allowable refunds on a proportional basis.

Sec. 21. [AGRICULTURAL LAND VALUATION REPORT.]

By November 1, 1981, each county assessor shall report to the department of revenue on the 1981 estimated market values of each grade of tillable agricultural land and the average rental values of each grade of tillable agricultural land that would be used in a property tax assessment system based on an income capitalization approach for each township in the county.

By January 15, 1982, the department shall report to the legislature its findings and recommendations, derived from that information, regarding valuations to be used in a property tax assessment system based on an income capitalization approach.

Sec. 22. [CITY OF AUSTIN; PROPERTY TAX EXEMPTION.]

The holding of property by the city of Austin for later resale for economic development purposes shall be considered a public purpose in accordance with Minnesota Statutes, Section 272.02, Subdivision 1, Clause (7) for a period not to exceed six years. This subdivision shall not operate to create an exemption from sections 272.01, subdivision 2; 272.68; 273.19; or 462.575, subdivision 3; or other provision of law providing for the taxation of or for payments in lieu of taxes for publicly held property which is leased, loaned, or otherwise made available and used by a private person.

Sec. 23. Minnesota Statutes 1980, Section 360.035, is amended to read:

360.035 [EXEMPTION FROM TAXATION.]

Any properties, real or personal, acquired, owned, leased, controlled, used, or occupied by a municipality for any of the purposes of sections 360.011 to 360.076, are declared to be acquired, owned, leased, controlled, used, or occupied for public, governmental, and municipal purposes, and shall be exempt from taxation by the state or any of its political subdivisions. Nothing contained in sections 360.011 to 360.076 shall be construed as exempting properties, real or personal, leased from the municipality to a tenant or lessee who is a private person, association, or corporation from assessments or taxes. ~~If any such Leased municipal airport property is taxable to the lessee, the municipality that is not located at the airport operated by the metropolitan airports commission shall not be subject to payment of any portion of rentals under section 272.68, subdivision 3.~~

Sec. 24. [APPROPRIATION.]

There is appropriated from the general fund to the commissioner of revenue \$14,000,000 to be used during either fiscal year 1982 or 1983 to make the refunds provided in section 20. This appropriation shall expire June 30, 1983.

Sec. 25. [EFFECTIVE DATE.]

Sections 1, 2, 5 to 15, 20, and 22 are effective for taxes levied in 1981 and thereafter, payable in 1982 and thereafter. Sections 3 and 4 are effective for taxes levied in 1983 and thereafter, payable in 1984 and thereafter. Section 18 is effective the day following final enactment. Section 19 is effective for taxes levied in 1980, payable in 1981. If a claimant filed a property tax refund for property taxes payable in 1981 and, if as a result of section 19 the amount of the eligible refund has changed, the claimant may file an amended return

pursuant to section 290.391 to obtain any additional refund due. Taxpayers who meet the requirements in section 9 and who notify the assessor prior to September 1, 1981, shall receive homestead classification on the qualifying property for the 1981 assessment to the same extent as other 3c and 3cc property.

ARTICLE III

PAYMENT RESCHEDULING AND LIMITATIONS

Section 1. Minnesota Statutes 1980, Section 270.75, is amended to read:

270.75 [INTEREST PAYABLE TO COMMISSIONER.]

Subdivision 1. If any tax payable to the commissioner of revenue or to the department of revenue is not paid within the time specified by law for payment, the unpaid tax shall bear interest at the rate of ~~eight~~ 12 percent per annum from the date such tax should have been paid until the date that the tax was paid, unless otherwise provided by law. ~~Unpaid taxes collected under section 290.92 or under chapter 297A shall bear interest at the rate of ten percent per annum from the date such tax should have been paid until the date that the tax was paid.~~

Subd. 2. When an extension of time has been granted by the commissioner, interest shall be paid at the rate of ~~eight~~ 12 percent per annum from the date such payment should have been made, if no extension had been granted, until the date of payment of such tax. ~~Unpaid taxes collected under section 290.92 or under chapter 297A shall bear interest at the rate of ten percent per annum from the date such payment should have been made, if no extension had been granted, until the date of payment of such tax.~~

Subd. 3. If any penalty payable to the commissioner of revenue shall by law bear interest, such penalty shall bear interest at the rate of ~~eight~~ 12 percent per annum from the date the penalty was assessable until the date that such penalty was paid, unless a different rate of interest is otherwise provided by law. ~~Any penalty collected under section 290.92 or under chapter 297A shall bear interest at the rate of ten percent per annum from the date the penalty was assessable until the date that such penalty was paid.~~

Subd. 4. There shall be added to the amount of any underpayment of estimated income tax, computed pursuant to chapter 290, an amount in lieu of interest determined at the rate of ~~eight~~ 12 percent per annum.

Sec. 2. Minnesota Statutes 1980, Section 273.136, Subdivision 3, is amended to read:

Subd. 3. The commissioner of finance shall pay out of the taconite property tax relief account to each county treasurer one-half of the amount certified under subdivision 2 not later than ~~June 15~~ July 15 and the remaining half not later than November 15 of each year commencing in ~~1974~~ 1982.

Sec. 3. Minnesota Statutes 1980, Section 290A.03, Subdivision 8, is amended to read:

Subd. 8. [CLAIMANT.] "Claimant" means a person, other than a dependent, who filed a claim authorized by sections 290A.01 to 290A.21 and who was domiciled in this state during the calendar year for which the claim for relief was filed. In the case of a claim relating to rent constituting property

taxes, the claimant shall have resided in a rented or leased unit on which ad valorem taxes or payments made in lieu of ad valorem taxes, *including payments of special assessments imposed in lieu of ad valorem taxes*, are payable at some time during the calendar year covered by the claim, except that a claimant who is disabled or who has attained the age of 65 on the date specified in section 290A.04, subdivision 1, may file a claim based on residence in a ~~unit~~ nursing home on which ad valorem taxes were not payable. "Claimant" shall not include a resident of a nursing home, intermediate care facility, or long term residential facility whose rent constituting property taxes is paid pursuant to the supplemental security income program under Title XVI of the social security act, the Minnesota supplemental aid program under sections 256D.35 to 256D.41, the medical assistance program pursuant to Title XIX of the social security act, or the general assistance medical care program pursuant to section 256D.03, Subdivision 3. If only a portion of the rent constituting property taxes is paid by these programs, the resident shall be a claimant for purposes of this chapter, but the refund calculated pursuant to section 290A.04 shall be multiplied by a fraction, the numerator of which is income as defined in subdivision 3 reduced by the total amount of income from the above sources and the denominator of which is income as defined in subdivision 3, to determine the allowable refund pursuant to this chapter. In the case of a part year resident, the income and rental reflected in this computation shall be for the period of Minnesota residency only. Any rental expenses paid which may be reflected in arriving at federal adjusted gross income cannot be utilized for this computation. When two individuals of a household are able to meet the qualifications for a claimant, they may determine among them as to who the claimant shall be. If they are unable to agree, the matter shall be referred to the commissioner of revenue and his decision shall be final.

If a homestead is occupied by two or more renters, who are not husband and wife, the rent shall be deemed to be paid equally by each, and separate claims shall be filed by each. The income of each shall be his household income for purposes of computing the amount of credit to be allowed:

Sec. 4. Minnesota Statutes 1980, Section 290A.07, Subdivision 2, is amended to read:

Subd. 2. A claimant ~~who is a renter or~~ who had attained the age of 65 or had been disabled prior to June 1 of the year following the year for which the taxes were levied or in which the rent was paid shall receive full payment no later than 60 days after receipt of the application or may elect to take as a credit against his income tax the full amount.

Sec. 5. Minnesota Statutes 1980, Section 290A.07, is amended by adding a subdivision to read:

Subd. 2a. A claimant not included in subdivision 2 who is a renter shall receive full payment prior to August 15 or 60 days after receipt of the application, whichever is later.

Sec. 6. Minnesota Statutes 1980, Section 290A.07, Subdivision 3, is amended to read:

Subd. 3. Any claimant not included in subdivision 2 or section 5 shall receive full payment after September 30 and prior to October 15.

Sec. 7. [295.365] [DECLARATIONS OF ESTIMATED GROSS EARN-

INGS TAX BY TELEGRAPH AND TELEPHONE COMPANIES.]

Every telegraph company subject to taxation pursuant to section 295.32 and every telephone company subject to taxation pursuant to section 295.34, shall make a declaration of estimated gross earnings tax for the calendar year. The declaration of estimated tax shall be filed on or before March 15. The amount of estimated tax with respect to which a declaration is required shall be paid in four equal installments on or before the 15th day of March, June, September, and December. An amendment of a declaration may be filed in any interval between installment dates prescribed above but only one amendment may be filed in each such interval.

If any amendment of a declaration is filed, the amount of each remaining installment shall be the amount which would have been payable if the new estimate had been made when the first estimate for the calendar year was made, increased or decreased, as the case may be, by the amount computed by dividing

(1) the difference between (A) the amount of estimated tax required to be paid before the date on which the amendment was made, and (B) the amount of estimated tax which would have been required to be paid before such date if the new estimate had been made when the first estimate was made, by

(2) the number of installments remaining to be paid on or after the date on which the amendment is made.

The commissioner of revenue may grant a reasonable extension of time for filing any declaration but such extension shall not be for more than six months.

Sec. 8. [295.366] [FAILURE BY TELEGRAPH OR TELEPHONE COMPANY TO PAY ESTIMATED GROSS EARNINGS TAX.]

Subdivision 1. [ADDITION TO THE TAX.] In case of any underpayment of estimated tax by a telegraph or telephone company, except as provided in subdivision 4, there shall be added to the tax for the taxable year an amount determined at the rate specified in section 270.75 upon the amount of the underpayment (determined under subdivision 2) for the period of the underpayment (determined under subdivision 3).

Subd. 2. [AMOUNT OF UNDERPAYMENT.] For purposes of subdivision 1, the amount of the underpayment shall be the excess of

(1) the amount of the installment, over

(2) the amount, if any, of the installment paid on or before the last date prescribed for payment.

Subd. 3. [PERIOD OF UNDERPAYMENT.] The period of the underpayment shall run from the date the installment was required to be paid to whichever of the following dates is the earlier

(1) The 15th day of the third month following the close of the taxable year.

(2) With respect to any portion of the underpayment, the date on which such portion is paid. For purposes of this paragraph, a payment of estimated tax on any installment date shall be considered a payment of any previous underpayment only to the extent such payment exceeds the amount of the installment determined under subdivision 2(1) for such installment date.

Subd. 4. [EXCEPTION.] Notwithstanding the provisions of the preceding subdivisions, the addition to the tax with respect to any underpayment of any installment shall not be imposed if the total amount of all payments of estimated tax made on or before the last date prescribed for the payment of such installment equals or exceeds the amount which would have been required to be paid on or before such date if the estimated tax were whichever of the following is the lesser

(1) The tax shown on the return of the corporation for the preceding taxable year.

(2) Eighty per cent of the actual liability for the calendar year.

Sec. 9. Minnesota Statutes 1980, Section 477A.13, is amended to read:

477A.13 [TIME OF PAYMENT, DEDUCTIONS.]

Payments to the counties shall be made from the general fund during the month of ~~January~~ July of the year next following certification. There shall be deducted from amounts paid any amounts paid to a county or township during the preceding year pursuant to sections 84A.51, 89.036, 97.49, subdivision 3, and 272.68, subdivision 3 with respect to the lands certified pursuant to section 477A.12.

Sec. 10. [APPROPRIATION LIMITATIONS.]

Subdivision 1. [GENERALLY.] Notwithstanding any other provision of law regarding standing appropriations to the contrary, appropriations for the purposes set forth in this section shall be limited as provided herein.

Subd. 2. [STATE SCHOOL AGRICULTURAL CREDIT.] The appropriation from the general fund to the department of education for the purpose of making the payments provided in Minnesota Statutes, Section 124.213, shall be limited as follows: in fiscal year 1982, the appropriation shall not exceed \$68,400,000; and in fiscal year 1983, the appropriation shall not exceed \$75,400,000. In the event that the sum of the county auditors' certifications exceeds the amounts appropriated, the commissioner of revenue shall proportionally reduce the certification amounts so that their sum equals the appropriation.

Subd. 3. [WETLANDS CREDIT.] The appropriation from the general fund to the commissioner of revenue for the purpose of making the payments provided in Minnesota Statutes, Section 273.115, shall be limited as follows: in fiscal year 1982, the appropriation shall not exceed \$3,200,000; and in fiscal year 1983, the appropriation shall not exceed \$3,700,000. In the event that the sum of the county auditors' certifications exceeds the appropriation, the certification amounts shall be proportionally reduced so that their sum equals the appropriation.

Subd. 4. [NATIVE PRAIRIE CREDIT.] The appropriation from the general fund to the commissioner of revenue for the purpose of making the payments provided in Minnesota Statutes, Section 273.116, shall be limited as follows: in fiscal year 1982, the appropriation shall not exceed \$100,000; and in fiscal year 1983, the appropriation shall not exceed \$100,000. In the event that the sum of the county auditors' certifications exceeds the appropriation, the certification amounts shall be proportionally reduced so that their sum equals the appropriation.

Subd. 5. [ATTACHED MACHINERY AID.] The appropriation from the general fund to the commissioner of revenue for the purpose of making the payments provided in Minnesota Statutes, Section 273.138, shall be limited as follows: in fiscal year 1982, the appropriation shall not exceed \$11,500,000; and in fiscal year 1983, the appropriation shall not exceed \$11,500,000. In the event that the sum of the aid calculations exceeds the amount provided in fiscal years 1982 or 1983, the aid calculation amounts shall be proportionally reduced so that the sum equals the amount appropriated.

Subd. 6. [TITLE II AND 3CC REIMBURSEMENTS.] The appropriation from the general fund to the commissioner of revenue for the purpose of making the payments provided in Minnesota Statutes, Section 273.139, shall be limited as follows: in fiscal year 1982, the appropriation shall not exceed \$10,000,000; and in fiscal year 1983, the appropriation shall not exceed \$13,500,000. In the event that the sum of the county auditors' certifications exceeds the appropriation, the certification amounts shall be proportionally reduced so that their sum equals the appropriation.

Sec. 11. [REPEALER.]

Minnesota Statutes 1980, Section 291.33, is repealed.

Sec. 12. [EFFECTIVE DATE.]

Section 1, subdivisions 1, 2, and 3 are effective for taxes becoming due after June 30, 1981. Section 1, subdivision 4, is effective for taxable years beginning after December 31, 1980. Sections 2 and 9 are effective January 1, 1982. Section 3 is effective for claims based on rent paid in 1981 and subsequent years. Sections 4, 5 and 6 are effective for claims based on rent paid in 1982 and subsequent years. Sections 7 and 8 are effective for taxable years beginning after December 31, 1982. Section 11 is effective January 1, 1981.

ARTICLE IV

SALES TAX

Section 1. Minnesota Statutes 1980, Section 297A.01, Subdivision 3, is amended to read:

Subd. 3. A "sale" and a "purchase" includes, but is not limited to, each of the following transactions:

(a) Any transfer of title or possession, or both, of tangible personal property, whether absolutely or conditionally, and the leasing of or the granting of a license to use or consume tangible personal property, for a consideration in money or by exchange or barter;

(b) The production, fabrication, printing or processing of tangible personal property for a consideration for consumers who furnish either directly or indirectly the materials used in the production, fabrication, printing or processing;

(c) The furnishing, preparing or serving for a consideration of food, meals or drinks, not including hospitals, sanatoriums, nursing homes or senior citizens homes, meals or drinks purchased for and served exclusively to individuals who are 60 years of age or over and their spouses or to the handicapped and their spouses by governmental agencies, nonprofit organizations, agencies, or churches or pursuant to any program funded in whole or part through 42 USCA

sections 3001 through 3045, wherever delivered, prepared or served, meals and lunches served at public and private schools, universities or colleges, or the occasional meal thereof by a charitable or church organization;

(d) The granting of the privilege of admission to places of amusement or athletic events and the privilege of use of amusement devices *or athletic facilities*;

(e) The furnishing for a consideration of lodging and related services by a hotel, rooming house, tourist court, motel or trailer camp and of the granting of any similar license to use real property other than the renting or leasing thereof for a continuous period of 30 days or more;

(f) The furnishing for a consideration of electricity, gas, water, or steam for use or consumption within this state, or local exchange telephone service and intrastate toll service except such service provided by means of coin operated telephones; the tax imposed on amounts paid for telephone services is the liability of and shall be paid by the person paying for the services. Sales by municipal corporations in a proprietary capacity are included in the provisions of this clause. The furnishing of water and sewer services for residential use shall not be considered a sale.

Sec. 2. Minnesota Statutes 1980, Section 297A.25, Subdivision 1, is amended to read:

Subdivision 1. The following are specifically exempted from the taxes imposed by sections 297A.01 to 297A.44:

(a) The gross receipts from the sale of food products including but not limited to cereal and cereal products, butter, cheese, milk and milk products, oleomargarine, meat and meat products, fish and fish products, eggs and egg products, vegetables and vegetable products, fruit and fruit products, spices and salt, sugar and sugar products, coffee and coffee substitutes, tea, cocoa and cocoa products, *but not including foods which are prepared or specially sliced, wrapped, arranged or displayed, and sold cold or hot for immediate consumption on or off the premises on which the sale is made, whether sold in individual servings or in larger quantities, except food products which are not taxable pursuant to section 297A.01, subdivision 3, clause (c) and which are sold by a retailer, organized as a nonprofit corporation or association, within a place located on property owned by the state or an agency or instrumentality of the state, the entrance to which is subject to an admission charge*;

(b) The gross receipts from the sale of prescribed drugs and medicine intended for use, internal or external, in the cure, mitigation, treatment or prevention of illness or disease in human beings and products consumed by humans for the preservation of health, including prescription glasses, therapeutic and prosthetic devices, but not including cosmetics or toilet articles notwithstanding the presence of medicinal ingredients therein;

(c) The gross receipts from the sale of and the storage, use or other consumption in Minnesota of tangible personal property, tickets, or admissions, electricity, gas, or local exchange telephone service, which under the Constitution or laws of the United States or under the Constitution of Minnesota, the state of Minnesota is prohibited from taxing;

(d) The gross receipts from the sale of tangible personal property (i) which,

without intermediate use, is shipped or transported outside Minnesota and thereafter used in a trade or business or is stored, processed, fabricated or manufactured into, attached to or incorporated into other tangible personal property transported or shipped outside Minnesota and thereafter used in a trade or business outside Minnesota, and which is not thereafter returned to a point within Minnesota, except in the course of interstate commerce (storage shall not constitute intermediate use); or (ii) which the seller delivers to a common carrier for delivery outside Minnesota, places in the United States mail or parcel post directed to the purchaser outside Minnesota, or delivers to the purchaser outside Minnesota by means of the seller's own delivery vehicles, and which is not thereafter returned to a point within Minnesota, except in the course of interstate commerce;

(e) The gross receipts from the sale of packing materials used to pack and ship household goods, the ultimate destination of which is outside the state of Minnesota and which are not thereafter returned to a point within Minnesota, except in the course of interstate commerce;

(f) The gross receipts from the sale of and storage, use or consumption of petroleum products upon which a tax has been imposed under the provisions of chapter 296, whether or not any part of said tax may be subsequently refunded;

(g) The gross receipts from the sale of clothing and wearing apparel except the following:

(i) all articles commonly or commercially known as jewelry, whether real or imitation; pearls, precious and semi-precious stones, and imitations thereof; articles made of, or ornamented, mounted or fitted with precious metals or imitations thereof; watches; clocks; cases and movements for watches and clocks; gold, gold-plated, silver, or sterling flatware or hollow ware and silver-plated hollow ware; opera glasses; lorgnettes; marine glasses; field glasses and binoculars.

(ii) articles made of fur on the hide or pelt, and articles of which such fur is the component material or chief value, but only if such value is more than three times the value of the next most valuable component material.

(iii) perfume, essences, extracts, toilet waters, cosmetics, petroleum jellies, hair oils, pomades, hair dressings, hair restoratives, hair dyes, aromatic ca-chous and toilet powders. The tax imposed by this act shall not apply to lotion, oil, powder, or other article intended to be used or applied only in the case of babies.

(iv) trunks, valises, traveling bags, suitcases, satchels, overnight bags, hat boxes for use by travelers, beach bags, bathing suit bags, brief cases made of leather or imitation leather, salesmen's sample and display cases, purses, handbags, pocketbooks, wallets, billfolds, card, pass, and key cases and toilet cases.

(h) The gross receipts from the sale of and the storage, use, or consumption of all materials, including chemicals, fuels, petroleum products, lubricants, packaging materials, including returnable containers used in packaging food and beverage products, feeds, seeds, fertilizers, electricity, gas and steam, used or consumed in agricultural or industrial production of personal property intended to be sold ultimately at retail, whether or not the item so used becomes an ingredient or constituent part of the property produced. Such production

shall include, but is not limited to, research, development, design or production of any tangible personal property, manufacturing, processing (other than by restaurants and consumers) of agricultural products whether vegetable or animal, commercial fishing, refining, smelting, reducing, brewing, distilling, printing, mining, quarrying, lumbering, generating electricity and the production of road building materials. Such production shall not include painting, cleaning, repairing or similar processing of property except as part of the original manufacturing process. Machinery, equipment, implements, tools, accessories, appliances, contrivances, furniture and fixtures, used in such production and fuel, electricity, gas or steam used for space heating or lighting, are not included within this exemption; however, accessory tools, equipment and other short lived items, which are separate detachable units used in producing a direct effect upon the product, where such items have an ordinary useful life of less than 12 months, are included within the exemption provided herein;

(i) The gross receipts from the sale of and storage, use or other consumption in Minnesota of tangible personal property (except as provided in section 297A.14) which is used or consumed in producing any publication regularly issued at average intervals not exceeding three months, and any such publication. For purposes of this subsection, "publication" as used herein shall include, without limiting the foregoing, a legal newspaper as defined by Minnesota Statutes 1965, Section 331.02, and any supplements or enclosures with or part of said newspaper; and the gross receipts of any advertising contained therein or therewith shall be exempt. For this purpose, advertising in any such publication shall be deemed to be a service and not tangible personal property, and persons or their agents who publish or sell such newspapers shall be deemed to be engaging in a service with respect to gross receipts realized from such newsgathering or publishing activities by them, including the sale of advertising. Machinery, equipment, implements, tools, accessories, appliances, contrivances, furniture and fixtures used in such publication and fuel, electricity, gas or steam used for space heating or lighting, are not exempt;

(j) The gross receipts from all sales of tangible personal property to, and all storage, use or consumption of such property by, the United States and its agencies and instrumentalities or a state and its agencies, instrumentalities and political subdivisions;

(k) The gross receipts from the isolated or occasional sale of tangible personal property in Minnesota not made in the normal course of business of selling that kind of property, and the storage, use, or consumption of property acquired as a result of such a sale;

(l) The gross receipts from sales of rolling stock and the storage, use or other consumption of such property by railroads, freight line companies, sleeping car companies and express companies taxed on the gross earnings basis in lieu of ad valorem taxes. For purposes of this clause "rolling stock" is defined as the portable or moving apparatus and machinery of any such company which moves on the road, and includes, but is not limited to, engines, cars, tenders, coaches, sleeping cars and parts necessary for the repair and maintenance of such rolling stock.

(m) The gross receipts from sales of airflight equipment and the storage, use or other consumption of such property by airline companies taxed under the

provisions of sections 270.071 to 270.079. For purposes of this clause, "air-flight equipment" includes airplanes and parts necessary for the repair and maintenance of such airflight equipment, and flight simulators.

(n) The gross receipts from the sale of telephone central office telephone equipment used in furnishing intrastate and interstate telephone service to the public.

(o) The gross receipts from the sale of and the storage, use or other consumption by persons taxed under the in lieu provisions of chapter 298, of mill liners, grinding rods and grinding balls which are substantially consumed in the production of taconite, the material of which primarily is added to and becomes a part of the material being processed.

(p) The gross receipts from the sale of tangible personal property to, and the storage, use or other consumption of such property by, any corporation, society, association, foundation, or institution organized and operated exclusively for charitable, religious or educational purposes if the property purchased is to be used in the performance of charitable, religious or educational functions, or any senior citizen group or association of groups that in general limits membership to persons age 55 or older and is organized and operated exclusively for pleasure, recreation and other nonprofit purposes, no part of the net earnings of which inures to the benefit of any private shareholders;

(q) The gross receipts from the sale of caskets and burial vaults;

(r) The gross receipts from the sale of cigarettes.

(s) The gross receipts from the sale of an automobile or other conveyance if the purchaser is assisted by a grant from the United States in accordance with 38 United States Code, Section 1901, as amended.

(t) The gross receipts from the sale to the licensed aircraft dealer of an aircraft for which a commercial use permit has been issued pursuant to section 360.654, if the aircraft is resold while the permit is in effect.

(u) The gross receipts from the sale of building materials to be used in the construction or remodeling of a residence when the construction or remodeling is financed in whole or in part by the United States in accordance with 38 United States Code, Sections 801 to 805, as amended. This exemption shall not be effective at time of sale of the materials to contractors, subcontractors, builders or owners, but shall be applicable only upon a claim for refund to the commissioner of revenue filed by recipients of the benefits provided in Title 38 United States Code, Chapter 21, as amended. The commissioner shall provide by regulation for the refund of taxes paid on sales exempt in accordance with this paragraph.

(v) The gross receipts from the sale of textbooks which are prescribed for use in conjunction with a course of study in a public or private school, college, university and business or trade school to students who are regularly enrolled at such institutions. For purposes of this clause a "public school" is defined as one that furnishes course of study, enrollment and staff that meets standards of the state board of education and a private school is one which under the standards of the state board of education, provides an education substantially equivalent to that furnished at a public school. Business and trade schools shall mean such schools licensed pursuant to section 141.25.

(w) The gross receipts from the sale of and the storage of material designed to advertise and promote the sale of merchandise or services, which material is purchased and stored for the purpose of subsequently shipping or otherwise transferring outside the state by the purchaser for use thereafter solely outside the state of Minnesota.

(x) The gross receipt from the sale of residential heating fuels in the following manner:

(i) all fuel oil, coal, wood, steam, propane gas, and L.P. gas sold to residential customers for residential use;

(ii) natural gas sold for residential use to customers who are metered and billed as residential users and who use natural gas for their primary source of residential heat, for the billing months of November, December, January, February, March and April;

(iii) electricity sold for residential use to customers who are metered and billed as residential users and who use electricity for their primary source of residential heat, for the billing months of November, December, January, February, March and April.

(y) The gross receipts from the sale or use of tickets or admissions to the premises of or events sponsored by an association, corporation or other group of persons which provides an opportunity for citizens of the state to participate in the creation, performance or appreciation of the arts and which qualifies as a tax-exempt organization within the meaning of section 290.05, subdivision 1, clause (i).

(z) The gross receipts from either the sales to or the storage, use or consumption of tangible personal property by an organization of military service veterans or an auxiliary unit of an organization of military service veterans, provided that:

(i) the organization or auxiliary unit is organized within the state of Minnesota and is exempt from federal taxation pursuant to section 501(c), clause (19), of the Internal Revenue Code as amended through December 31, 1978; and

(ii) the tangible personal property which is sold to or stored, used or consumed by the organization or auxiliary unit is for charitable, civic, educational, or nonprofit uses and not for social, recreational, pleasure or profit uses.

(aa) The gross receipts from the sale of sanitary napkins, tampons, or similar items used for feminine hygiene.

Sec. 3. [297A.275] [ACCELERATED PAYMENT OF JUNE LIABILITY.]

Every vendor having a liability of \$13,000 or more in May 1982 or in May of each subsequent year, shall be required to remit the June liability in the manner required by this section.

On or before June 25, 1982, or June 25 of each subsequent year, the vendor shall remit the actual May liability and 50 percent of the estimated June liability to the commissioner and file the return on a form prescribed by the commissioner.

On or before July 25, 1982, or July 25 of each subsequent year, the vendor

shall submit a return showing the actual June liability and paying the additional amount of tax not remitted in June. If the actual amount paid in June constituting 50 percent of the June liability is less than 50 percent of the actual June liability, there is hereby imposed a penalty equal to ten percent of the difference between 50 percent of the actual June liability and the amount of June liability paid in June. However, the penalty shall not be imposed if the amount remitted in June equals 50 percent of the preceding May's liability.

Sec. 4. Laws 1980, Chapter 607, Article V, Section 5, is amended to read:

Sec. 5. [EFFECTIVE DATE.]

The provisions of section 1 relating to purchases by flying clubs or associations is effective for sales after June 30, 1980. The provisions of section 1 relating to aircraft exclusively used for leasing are effective November 1, 1979. Section 2, clause (y) and section 4 are effective for tickets sold or admissions charged after July 31, 1980; *provided, however, that tickets shall be deemed sold and admissions shall be deemed charged at the time of performance.* Section 2, clause (z) is effective for sales made after June 30, 1980.

Sec. 5. [EFFECTIVE DATE.]

Section 2 is effective for sales made after June 30, 1981. Section 1 is effective the day following final enactment and the commissioner of revenue shall entertain claims for refund filed pursuant to the Minnesota Supreme Court decision in C. G. Rein Company vs. Commissioner of Revenue only if the vendor can demonstrate to the satisfaction of the commissioner that the sales tax will be refunded by the vendor to the person who originally paid the tax. Section 4 is effective for admissions or performances after July 31, 1980.

ARTICLE V

LEVY LIMITATIONS

Section 1. Minnesota Statutes 1980, Section 18.023, is amended by adding a subdivision to read:

Subd. 13. [MUNICIPAL OPTION TO PARTICIPATE IN PROGRAM.] After December 31, 1981, the term "municipality" shall include only those municipalities which have informed the commissioner of their intent to continue an approved disease control program. Any municipality desiring to participate in the grants-in-aid for the partial funding of municipal sanitation and reforestation programs must notify the commissioner in writing before the beginning of the calendar year in which it wants to participate and must have an approved disease control program during any year in which it receives grants-in-aid. Notwithstanding the provisions of any law to the contrary, no municipality shall be required to have an approved disease control program after December 31, 1981.

Sec. 2. Minnesota Statutes 1980, Section 273.13, is amended by adding a subdivision to read:

Subd. 15b. [PROPERTY TAX CREDITS LIMITATION.] The property tax subject to the 58 percent homestead credit provided by subdivisions 6, 7 and 14a, to the homestead property tax relief provided by section 273.135 and to the supplementary homestead property tax relief provided by section 273.1391, shall be based on the total mill rate of all taxing districts levying a

tax on the homestead property unless the payable 1982 total levy of a taxing district other than a school district or the metropolitan transit commission is more than 108 percent of its payable 1981 total levy. If the payable 1982 total levy of such taxing district is more than 108 percent of its payable 1981 total levy, then that total mill rate shall be based on 108 percent of the taxing district's payable 1981 total levy. The commissioner of revenue shall determine and certify to all county auditors the product of each taxing district's payable 1981 total levy multiplied by 108 percent. In the event that the sum of the county auditors' certifications exceeds the amounts appropriated, the commissioner of revenue shall proportionally reduce the certification amounts so that their sum equals the appropriation.

Sec. 3. Minnesota Statutes 1980, Section 275.50, Subdivision 2, is amended to read:

Subd. 2. "Governmental subdivision" means any county, ~~city, statutory city, or town having the powers of a statutory city pursuant to sections 368.01 or 368.61, or by special law home rule charter city, statutory city, town or special taxing district determined by the department of revenue.~~ The term does not include school districts, ~~towns without statutory city powers, or special taxing districts determined by the department of revenue or the metropolitan transit commission created pursuant to section 473.404.~~

Sec. 4. Minnesota Statutes 1980, Section 275.50, Subdivision 5, is amended to read:

Subd. 5. Notwithstanding any other law to the contrary for taxes levied in ~~1979 1981 payable in 1980 and thereafter~~ 1982, "special levies" means those portions of ad valorem taxes levied by governmental subdivisions to:

(a) satisfy judgments rendered against the governmental subdivision by a court of competent jurisdiction in any tort action, or to pay the costs of settlements out of court against the governmental subdivision in a tort action when substantiated by a stipulation for the dismissal of the action filed with the court of competent jurisdiction and signed by both the plaintiff and the legal representative of the governmental subdivision, but only to the extent of the increase in levy for such judgments and out of court settlements over levy year 1970, taxes payable in 1971;

(b) pay the costs of complying with any written lawful order initially issued prior to January 1, 1977 by the state of Minnesota, or the United States, or any agency or subdivision thereof, which is authorized by law, statute, special act or ordinance and is enforceable in a court of competent jurisdiction, or any stipulation agreement or permit for treatment works or disposal system for pollution abatement in lieu of a lawful order signed by the governmental subdivision and the state of Minnesota, or the United States, or any agency or subdivision thereof which is enforceable in a court of competent jurisdiction. The commissioner of revenue shall in consultation with other state departments and agencies, develop a suggested form for use by the state of Minnesota, its agencies and subdivisions in issuing orders pursuant to this subdivision;

(c) pay the costs to a governmental subdivision for their minimum required share of any program otherwise authorized by law, ~~including the administrative costs of social services but not administrative costs of public assistance programs or of county welfare systems,~~ for which matching funds have been

appropriated by the state of Minnesota or the United States, but only to the extent that the costs to the governmental subdivision for the program exceed those expended in calendar year 1970, subject to rules promulgated by the commissioner of revenue pursuant to the administrative procedures act. Amounts levied pursuant to this clause which are in excess of the amount necessary to meet the minimum required share of a program shall be deducted from the general levy made in the following year excluding the administrative costs of public assistance programs, to the extent of the increase in levy for the taxes payable year 1982 over the amount levied for the local share of the program for the taxes payable year 1971. This clause shall apply only to those programs or projects for which matching funds have been designated by the state of Minnesota or the United States on or before September 1, 1981 and only when the receipt of these matching funds is contingent upon the initiation or implementation of the project or program during 1982 or those programs or projects approved by the commissioner;

(d) pay the costs not reimbursed by the state or federal government, of payments made to or on behalf of recipients of aid under any public assistance program authorized by law, and the costs of purchase or delivery of social services. Except for the costs of general assistance medical care under section 256D.03 and the costs of hospital care pursuant to section 261.21, the aggregate amounts levied pursuant to this clause are subject to a maximum increase of 18 percent over the amount levied for these purposes for the taxes payable year 1981;

(e) pay the costs of principal and interest on bonded indebtedness, or, effective for taxes levied in 1973 and years thereafter, to reimburse for the amount of liquor store revenues used to pay the principal and interest due in the year preceding the year for which the levy limit is calculated on municipal liquor store bonds;

(f) pay the costs of principal and interest on certificates of indebtedness, except tax anticipation or aid anticipation certificates of indebtedness, issued for any corporate purpose except current expenses or funding an insufficiency in receipts from taxes or other sources or funding extraordinary expenditures resulting from a public emergency;

(g) fund the payments made to the Minnesota state armory building commission pursuant to section 193.145, subdivision 2, to retire the principal and interest on armory construction bonds;

(h) provide for the bonded indebtedness portion of payments made to another political subdivision of the state of Minnesota;

(i) pay the amounts required to compensate for a decrease in revenues from public service enterprises, municipal liquor stores, licenses, permits, fines and forfeits and no other, to the extent that the aggregate of revenues from these sources in the calendar year preceding the year of levy are less than the inflation adjusted aggregate of revenues from these sources in calendar year 1971. "Revenues" from a public service enterprise or a municipal liquor store shall mean the net income or loss of such public service enterprise or municipal liquor store, determined by subtracting total expenses from total revenues, and before any contribution to or from the governmental subdivision. "Fines" for a municipal court means the net amount remaining after subtracting total municipal court expenses from total collections of municipal court fines. The

"inflation adjusted aggregate of revenues in calendar year 1971" shall be the sum of (a) the aggregate of revenues received in calendar year 1971 multiplied by the total percentage increase in the consumer price index for the Minneapolis-St. Paul area from the calendar year 1971 to June of the levy year plus (b) the aggregate of revenues received in calendar year 1971. The commissioner of revenue shall calculate and notify the governmental subdivisions of the inflation adjustment by September of the levy year. A governmental subdivision shall qualify for this special levy only if the decrease in aggregate revenues as computed herein and divided by the population of the governmental subdivision in the preceding levy year is equal to or greater than two percent of the per capita levy limitation for the preceding levy year;

(+) (i) pay the amounts required to compensate for a decrease in mobile homes property tax receipts to the extent that the governmental subdivision's portion of the total levy in the current levy year, pursuant to section 273.13, subdivision 3, as amended, is less than the distribution of the mobile homes tax to the governmental subdivision pursuant to section 273.13, subdivision 3, in calendar year 1971;

(*) (j) pay the amounts required, in accordance with section 275.075, to correct for a county auditor's error of omission in levy year 1971 or a subsequent levy year, but only to the extent that when added to the preceding year's levy it is not in excess of an applicable statutory, special law or charter limitation, or the limitation imposed on the governmental subdivision by sections 275.50 to 275.56 in the preceding levy year;

(+) (k) pay amounts required to correct for an error of omission in the levy certified to the appropriate county auditor or auditors by the governing body of a city or town with statutory city powers in a levy year, but only to the extent that when added to the preceding year's levy it is not in excess of an applicable statutory, special law or charter limitation, or the limitation imposed on the governmental subdivision by sections 275.50 to 275.56 in the preceding levy year;

(m) (l) pay the increased cost of municipal services as the result of an annexation or consolidation ordered by the Minnesota municipal board in levy year 1971 or a subsequent levy year, but only to the extent and for the levy years as provided by the board in its order pursuant to section 414.01, subdivision 15. Special levies authorized by the board shall not exceed 50 percent of the levy limit base of the governmental subdivision and may not be in effect for more than three years after the board's order;

(n) (m) pay the increased costs of municipal services provided to new private industrial and nonresidential commercial development, to the extent that the extension of such services are not paid for through bonded indebtedness or special assessments, and not to exceed the amount determined as follows. The governmental subdivision may calculate the aggregate of:

(1) The increased expenditures necessary in preparation for the delivering of municipal services to new private industrial and nonresidential commercial development, but limited to one year's expenditures one time for each such development;

(2) The amount determined by dividing the overall levy limitation established pursuant to sections 275.50 to 275.56, and exclusive of special levies

and special assessments, by the total taxable value of the governmental subdivision, and then multiplying this quotient times the total increase in assessed value of private industrial and nonresidential commercial development within the governmental subdivision. For the purpose of this clause, the increase in the assessed value of private industrial and nonresidential commercial development is calculated as the increase in assessed value over the assessed value of the real estate parcels subject to such private development as most recently determined before the building permit was issued. In the fourth levy year subsequent to the levy year in which the building permit was issued, the increase in assessed value of the real estate parcels subject to such private development shall no longer be included in determining the special levy.

The aggregate of the foregoing amounts, less any costs of extending municipal services to new private industrial and nonresidential commercial development which are paid by bonded indebtedness or special assessments, equals the maximum amount that may be levied as a "special levy" for the increased costs of municipal services provided to new private industrial and nonresidential commercial development. In the levy year following the levy year in which the special levy made pursuant to this clause is discontinued, one-half of the amount of that special levy made in the preceding year shall be added to the permanent levy base of the governmental subdivision;

(+) (n) recover a loss or refunds in tax receipts incurred in non-special levy funds resulting from abatements or court action in the previous year pursuant to section 275.48;

(+) (o) pay amounts required by law to be paid to reduce unfunded accrued liability of public pension funds, including interest thereon, in accordance with the actuarial standards and guidelines specified in sections 69.71 to 69.776 and 356.215 reduced for levy year 1977 and subsequent years by 106 percent of the amount levied for that purpose in 1976, payable in 1977. For the purpose of this special levy, the estimated receipts expected from the state of Minnesota pursuant to sections 69.011 to 69.031 or any other state aid expressly intended for the support of public pension funds shall be considered as a deduction in determining the required levy for the normal costs of the public pension funds. No amount of these aids shall be considered as a deduction in determining the governmental subdivision's required levy for the reduction of the unfunded accrued liability of public pension funds;

(+) (p) the amounts allowed under section 174.27 to establish and administer a commuter van program;

(+) (q) pay the costs of financial assistance to local governmental units and certain administrative, engineering, and legal expenses pursuant to Laws 1979, Chapter 253, Section 3;

(+) (r) compensate for revenue lost as a result of abatements or court action pursuant to sections 270.07, 270.17 or 278.01 due to a reassessment ordered by the commissioner of revenue pursuant to section 270.16.

Sec. 5. Minnesota Statutes 1980, Section 275.51, Subdivision 1, is amended to read:

Subdivision 1. Notwithstanding any provisions of law or municipal charter to the contrary which authorize ad valorem levies in excess of the limitations established by sections 275.50 to 275.56, but subject to section 275.56, the

provisions of this section shall apply to the levies by governmental subdivisions ~~in for the years 1975, 1976 and subsequent years~~ taxes payable year 1982 for all purposes other than those for which special levies and special assessments are made. Any law or special act enacted in 1981 which authorizes a property tax levy in excess of the limitation imposed by this section is exempt from the provisions of this section.

Sec. 6. Minnesota Statutes 1980, Section 275.51, is amended by adding a subdivision to read:

Subd. 3e. The property tax levy limitation for any governmental subdivision for the taxes payable year 1982 shall be calculated as follows:

(a) If the governmental subdivision was subject to the provisions of Minnesota Statutes 1980, Sections 275.50 to 275.56, the amounts levied by the governmental subdivision for the taxes payable year 1981 pursuant to Minnesota Statutes 1980, Section 275.50, Subdivision 5, Clause (i) and subdivision 6 are added to the amount actually levied by the governmental subdivision for the taxes payable year 1981 pursuant to the levy limitation calculated under Minnesota Statutes 1980, Section 275.51.

(b) If the governmental subdivision was not subject to the provisions of Minnesota Statutes 1980, Sections 275.50 to 275.56, the total amount actually levied by the governmental subdivision for the taxes payable year 1981 is reduced by the amounts levied for those purposes described in Minnesota Statutes 1980, Section 275.50, Subdivision 5, Clauses (e), (f), (g), and (h).

(c) The total property tax levy of a governmental subdivision for the taxes payable year 1981 described in clause (b) shall be the amount certified on the abstracts of tax lists submitted pursuant to section 275.29. For a governmental subdivision within the metropolitan area defined by section 473F.02, subdivision 2, the property tax levy for payable 1981 includes the tax on distribution value for the taxes payable year 1981 pursuant to section 473F.12.

(d) the amount determined in clause (a) or (b) is divided by the total number of homesteads within the governmental subdivision reported on the 1980 abstracts of tax lists and multiplied by the total number of homesteads within the governmental subdivision reported on the 1981 abstracts of tax lists, both of which are submitted pursuant to section 275.29. If the resulting figure is less than the amount determined in clause (a) or (b), the resulting figure is increased to the amount calculated in clause (a) or (b).

(e) The result of the calculation in clause (d) is multiplied by 108 percent. The resulting figure is the maximum amount that the governmental subdivision may levy for the taxes payable year 1982 for all purposes except special levies and special assessments.

(f) To the extent the levy of the metropolitan council for taxes payable in 1981 was less than its levy limitation for that year, it may apply to the commissioner to have its levy limitation increased by the amount by which the 1981 levy limitation exceeded the 1981 levy. The adjustment shall be added to the amount calculated in clause (a).

(g) If the sum of a governmental subdivision's levies for the principal and interest on bonded indebtedness or certificates of indebtedness pursuant to section 275.50, subdivision 5, clauses (e), (f), (g) and (h) for the taxes payable

year 1982 is less than 108 percent of the total amount that it levied for those purposes for the taxes payable year 1981, the governmental subdivision may choose to levy for these purposes within its levy limitation in lieu of the special levy provisions of section 275.50, subdivision 5, clauses (e), (f), (g) and (h). If the governmental subdivision chooses to levy for these purposes within its levy limitation, it shall notify the commissioner of revenue of its intent by October 1, 1981. The amount levied by the governmental subdivision for the taxes payable year 1981 for the purposes described in section 275.50, subdivision 5, clauses (e), (f), (g) and (h) will then be added to the amount calculated in clause (a) or (b).

Sec. 7. Minnesota Statutes 1980, Section 275.51, Subdivision 4, is amended to read:

Subd. 4. If in any year subsequent to 1973 the levy made by a governmental subdivision exceeds the limitation provided in sections 275.50 to 275.56, except when such excess levy is due to the rounding of the mill rates of the governmental subdivision in accordance with section 275.28, subsequent distributions required to be made by the commissioner of finance from any formula aids pursuant to section 477A.01, shall be reduced 33 cents for each full dollar the levy exceeds the limitation; provided that a governmental subdivision may determine to levy in excess of the limitation provided in sections 275.50 to 275.56 by not to exceed five percent by passing a resolution setting forth the amount by which the levy limit is proposed to be exceeded. Thereafter the resolution shall be published for two successive weeks in the official newspaper of the governmental subdivision or if there be no official newspaper, in a newspaper of general circulation therein, together with a notice fixing a date for a public hearing on the proposed increase which hearing shall be held not less than two weeks nor more than four weeks after the first publication of the resolution. Following the public hearing, the governing body may determine to take no further action, or in the alternative, adopt a resolution authorizing the levy as originally proposed, or adopt a resolution approving a levy in such lesser amount as it so determines. The resolution authorizing a levy in excess of the limitation imposed by sections 275.50 to 275.56 shall be published in the official newspaper of the governmental subdivision or if there be no official newspaper, in a newspaper of general circulation therein. If within 30 days thereafter, a petition signed by voters equal in number to five percent of the votes cast in the governmental subdivision in the last general election or 2,000 voters, whichever is less, requesting a referendum on the proposed resolution is filed with the clerk or recorder of the governmental subdivision if the governmental subdivision is a city or town, or with the county auditor if the governmental subdivision is a county, the resolution shall not be effective until it has been submitted to the voters at a general or special election and a majority of votes cast on the question of approving the resolution are in the affirmative. The commissioner of revenue is directed to prepare a suggested form of question to be presented at any such referendum. A levy approved at any such referendum held at a special or general election held prior to October 1 in any levy year increases the allowable levy in that same levy year and provides a permanent adjustment to the levy limit base per capita of the governmental subdivision for future levy years, and there shall be no reduction in distributions of formula aids to the governmental subdivision as a result of such levy. If no referendum is requested, the excess levy authorized by the resolution, if the resolution is adopted prior to October 1 in any year, may be levied in that same

levy year and subsequent distributions required to be made by the commissioner of finance from any formula aids pursuant to section 477A.01, shall be reduced 15 cents for each full dollar the levy exceeds the limitation. The provisions of this subdivision shall apply to the levy of a metropolitan county before the reduction required pursuant to section 163.051, subdivision 5.

Sec. 8. Minnesota Statutes 1980, Section 290A.03, Subdivision 13, is amended to read:

Subd. 13. [PROPERTY TAXES PAYABLE.] "Property taxes payable" means the property tax exclusive of special assessments, penalties, and interest payable on a claimant's homestead before reductions made pursuant to section 273.13, subdivisions 6 and 7, but after deductions made pursuant to sections 273.132 and 273.135, in any calendar year. No apportionment or reduction of the "property taxes payable" shall be required for the use of a portion of the claimant's homestead for a business purpose if the claimant does not deduct any business depreciation expenses for the use of a portion of the homestead in the determination of federal adjusted gross income. For homesteads which are mobile homes as defined in section 168.011, subdivision 8, "property taxes payable" shall also include 23 percent of gross rent paid in the preceding year for the site on which the homestead is located, exclusive of charges for utilities or services. When a homestead is owned by two or more persons as joint tenants or tenants in common, such tenants shall determine between them which tenant may claim the property taxes payable on the homestead. If they are unable to agree, the matter shall be referred to the commissioner of revenue and his decision shall be final. Property taxes are considered payable in the year prescribed by law for payment of the taxes.

In the case of a claim relating to "property taxes payable", the claimant must have owned and occupied the homestead on January 2 of the year in which the tax is payable.

For property taxes levied in 1981, payable 1982, "property taxes payable" shall be limited to that portion of the property taxes eligible for the homestead credit as determined pursuant to section 2.

Sec. 9. Minnesota Statutes 1980, Section 375.167, Subdivision 1, is amended to read:

Subdivision 1. [APPROPRIATIONS.] Notwithstanding the provisions and limitations of section 275.09, and any other law to the contrary, the county board of any county may appropriate from the general revenue fund to any nonprofit corporation a sum not to exceed one-fourth of a mill on the dollar of the taxable valuation of the county for the purpose of providing legal assistance to persons who are unable to afford private legal counsel. This levy shall *not* be subject to the levy limits established by sections 275.50 to 275.59 or sections 3 to 7 and shall be disregarded in the calculation of levies subject to them.

Sec. 10. Minnesota Statutes 1980, Section 458.14, is amended to read:

458.14 [RIGHT TO LEVY TAXES OR ASSESSMENTS FORBIDDEN.]

The port authority shall have no right or authority to levy any tax or special assessment, nor to pledge the credit of the state, or any other subdivision or municipal corporation thereof; nor to incur any obligation enforceable upon any property, either within or without the port district, other than property

owned by the port authority. Annually, at such time as may be fixed by charter, resolution, or ordinance of the city in and for which any such port authority is created, the port authority shall transmit to the council of such city a detailed estimate, in writing, of the amount of money which in its opinion will be required for the business and proper conduct of its affairs during the next ensuing fiscal year, in excess of any expected receipts from the conduct of its business, or other sources, and any such city, in addition to all other powers now possessed thereby, and in addition to, and in excess of any limitation upon the amount it is otherwise permitted by law to levy as taxes, is hereby granted the power and authority, in its discretion, to levy taxes for the benefit of, and for expenditure by, such port authority, not exceeding in any one year an amount equal to a tax of five one-hundredths of one mill upon the dollar of the assessed valuation thereof, upon all the taxable property in such city, excluding money and credits, and any amount so levied for such purposes shall be paid over by the city treasurer to the treasurer of the port authority, for expenditure by it, as above provided. The fiscal year of such port authority shall be identical with the fiscal year of such city. The board of county commissioners of any county in which any such city is located, is also hereby authorized to appropriate for the use of such port authority, and to include therefor in its levy for general revenue purposes, such amount as it may deem proper; provided, that the total amount permitted by law to be levied by any county for general revenue purposes shall not be deemed increased by this provision; the board of county commissioners in any county entitled to appoint members of a seaway port authority, may annually, upon receipt of a budget as specified above from such port authority, in its discretion levy a tax sufficient to produce a sum not exceeding \$50,000 for the benefit of and for expenditure by such port authority to defray the costs of its current operations in the next ensuing fiscal year which levy shall not be included in computing the amount of levies subject to tax limitations under *chapter 275* or any other provision of law. The appropriation to a port authority of moneys derived from any of the county taxes herein authorized shall not be subject to any budgetary law applicable to said county. Any amounts so appropriated or levied by the county shall be paid over by the county treasurer to the port authority for expenditure by it as herein provided, at such times and in such manner as the county board may provide. When any city entitled to appoint members of a seaway port authority has secured the approval of two-thirds of the members of the city council of such city to issue its general obligation bonds, the proceeds of which are to be appropriated to such seaway port authority, the board of county commissioners of any county entitled to appoint members of such seaway port authority may by five-sevenths vote issue general obligation bonds of the county in an amount not to exceed \$4,000,000, and appropriate the proceeds thereof to be used by such port authority for any or all of the purposes specified in section 458.15, if the county board by resolution determines that the conservation, development, reclamation, protection and improvement of lands under the jurisdiction of such port authority and the construction of port facilities thereon will promote the public welfare of the county at large and the economic well-being of its people, industries and commerce, and is an essential governmental function of the county, and can best be performed through the medium of such port authority. Any such bonds shall be issued, sold and secured as provided in sections 475.60 to 475.753; an election shall not be necessary to the validity of such bonds.

Sec. 11. [GOODHUE COUNTY FAIR LEVY.]

Any limitation imposed upon the levy of Goodhue county by Minnesota Statutes, Sections 275.50 to 275.56, or sections 3 to 7 of this article, shall be

increased for taxes levied in 1981 payable 1982 by an amount authorized by the county board not to exceed 1/12 of one mill to cover expenses of public fairs in the county as authorized by Minnesota Statutes, Section 38.28.

Sec. 12. [REPEALER.]

Minnesota Statutes 1980, Sections 275.51, Subdivision 3d; 275.52; 275.53; 275.551; 275.552; and 275.59 are repealed.

Sec. 13. [EFFECTIVE DATE.]

Sections 1 to 9 and 12 are effective for property taxes levied in 1981 and subsequent years, payable in 1982 and subsequent years. Section 11 is effective the day after compliance by the Goodhue county board with Minnesota Statutes, Section 645.021, Subdivision 3.

ARTICLE VI

LOCAL GOVERNMENT AIDS

Section 1. [477A.011] [DEFINITIONS.]

Subdivision 1. [APPLICATION.] For the purposes of sections 1 to 4 the following terms shall have these meanings, unless otherwise provided to the contrary.

Subd. 2. [MUNICIPALITY.] Municipality means a statutory or home rule charter city or a town.

Subd. 3. [POPULATION.] Population means the population established by the most recent federal census, by a special census conducted under contract with the United States bureau of the census, by a population estimate made by the metropolitan council, or by a population estimate of the state demographer made pursuant to section 4.12, subdivision 7, clause (10), whichever is the most recent as to the stated date of the count or estimate.

Subd. 4. [EQUALIZED MUNICIPAL MILL RATE.] For any calendar year, a municipality's equalized municipal mill rate means its municipal mill rate for taxes payable in that year multiplied by its aggregate sales ratio for the previous year as prepared by the department of revenue pursuant to section 124.212.

Subd. 5. [AVERAGE EQUALIZED MUNICIPAL MILL RATE.] For any calendar year aid distribution, a municipality's average equalized municipal mill rate means the arithmetic average of its equalized municipal mill rate for the three calendar years previous to the aid distribution year.

Subd. 6. [CONSUMER PRICE INDEX INCREASE.] For any calendar year aid distribution, the consumer price index increase means the percentage increase in the revised consumer price index for all urban consumers for the Minneapolis - St. Paul metropolitan area prepared by the United States department of labor for the 12 month period ending in June of the previous year.

Subd. 7. [LOCAL REVENUE BASE.] For the 1982 aid distribution, a municipality's local revenue base means its local revenue base for the 1981

aid distribution calculated pursuant to Minnesota Statutes 1980, Section 477A.01, less any amount added to the local revenue base for the costs of principal and interest on bonded debt incurred for the purpose of providing capital replacement for streets, curbs, gutters, storm sewers, and bridges, increased in the manner prescribed by clauses (a) and (b). For all subsequent calendar year aid distributions, a municipality's local revenue base means its local revenue base for the previous year aid distribution calculated pursuant to sections 1 to 4 increased by:

- (a) a percentage equal to the consumer price index increase; and
- (b) a percentage equal to the percentage increase in population over that used to compute the previous year aid distribution, if any.

The local revenue base for a statutory or home rule charter city or a town having the powers of a statutory city pursuant section 368.01 or special law which has a population of 2,500 or more according to the most recent federal census and which does not have a local revenue base for the previous year aid distribution shall be established by adding the prior year's local government aid received pursuant to Minnesota Statutes 1980, Section 477A.01 or sections 1 to 4, and the property tax levy, exclusive of levies for bonded indebtedness, in the preceding year and multiplying that sum by a percentage equal to the consumer price index increase.

Subd. 8. [PREVIOUS YEAR AID.] For the 1982 aid distribution, a municipality's previous year aid means its aid amount computed pursuant to Minnesota Statutes 1980, Sections 477A.01 to 477A.03, notwithstanding the amount withheld pursuant to section 16A.15 because funds in the state treasury were insufficient. For 1983 and all subsequent calendar year aid distributions, previous year aid means aid received pursuant to sections 1 to 4 in the previous calendar year.

Subd. 9. [MINIMUM INCREASE.] For any calendar year aid distribution, a municipality's minimum increase shall mean:

- (a) \$5 per capita if its average equalized municipal mill rate is greater than 20 mills;
- (b) \$3 per capita if its average equalized municipal mill rate is greater than 10 mills but not greater than 20 mills;
- (c) \$1 per capita if its average equalized municipal mill rate is not greater than 10 mills and if it is a statutory or a home rule charter city, or town which falls under the provisions of section 3, subdivision 2.
- (d) \$0 if its average equalized municipal mill rate is not greater than 10 mills and if it is a town which does not fall under the provisions of section 3, subdivision 2.

Subd. 10. [MAXIMUM INCREASE.] For any calendar year aid distribution, a municipality's maximum increase shall mean the following percentage of its previous year aid:

- (a) 12 percent if its previous year aid is greater than \$100 per capita;
- (b) 15 percent if its previous year aid is greater than \$75 per capita but not greater than \$100 per capita;
- (c) 17 percent if its previous year aid is greater than \$50 per capita but not greater than \$75 per capita;
- (d) 20 percent if its previous year aid is not greater than \$50 per capita.

Subd. 11. [EQUALIZED ASSESSED VALUE.] For any calendar year aid distribution, a municipality's equalized assessed value means its previous year taxable valuation, adjusted for the contributions and distributions required by chapter 473F in the case of a city or town located within the metropolitan area and less the captured value in any tax increment district, divided by the municipality's aggregate sales ratio covering the period ending two years prior to the year of aid distribution.

Sec. 2. [477A.012] [COUNTY GOVERNMENT DISTRIBUTIONS.]

In each calendar year, every county government except that of a county containing a city of the first class shall receive a distribution equal to its previous year aid.

Sec. 3. [477A.013] [MUNICIPAL GOVERNMENT DISTRIBUTIONS.]

Subdivision 1. [MUNICIPALITIES UNDER 2,500 POPULATION.] In each calendar year, each municipality which is not covered by the provisions of subdivision 2 shall receive a distribution equal to its previous year aid plus its minimum increase.

Subd. 2. [MUNICIPALITIES OVER 2,500 POPULATION.] In each calendar year, each statutory and home rule charter city, and each town having the powers of a statutory city pursuant to section 368.01 or special law, which has a population of 2,500 or more according to the latest federal census shall receive a distribution equal to the amount obtained by subtracting the product of 10 mills and the municipality's equalized assessed value from the local revenue base. This amount shall then be adjusted, so that it is neither less than the sum of its previous year aid and its minimum increase, nor greater than the sum of its previous year aid and its maximum increase.

Sec. 4. [477A.014] [COMMISSIONER'S RESPONSIBILITIES.]

Subdivision 1. [CALCULATIONS AND PAYMENTS.] The commissioner of revenue shall make all necessary calculations and make payments pursuant to sections 2, 3 and 6 directly to the affected taxing authorities in six installments on July 15, August 15, September 15, October 15, November 15, and December 15 annually.

For calendar year 1981 only, the commissioner shall make the payments in seven installments computed as follows: one-fourth of the calendar year 1981 aids shall be paid on March 15; the remaining amounts shall be divided into six equal payments to be made on July 15, August 15, September 15, October 15, November 15, and December 15.

Subd. 2. [ERRORS.] A taxing authority may object to the commissioner of revenue with respect to the amount of the distribution it has been certified to receive pursuant to subdivision 1. No objection shall be raised later than 60 days after the taxing authority has received notice from the commissioner of the amount which it has been certified to receive.

Subd. 3. [AID AMOUNT CORRECTION.] If, due to an error in the factors used to calculate a taxing authority's aid pursuant to section 2 or 3 the amount indicated in the certification of the commissioner to the taxing authority for a year is less than the amount to which it is entitled pursuant to this section, the commissioner of revenue shall additionally distribute the amount necessary to make the full correct distribution to the taxing authority. The additional dis-

tribution shall be paid from the general fund and shall not diminish the distributions made to other taxing authorities under this section.

Sec. 5. [477A.015] [NEW TAXES PROHIBITED.]

No county, city, town or other taxing authority shall increase a present tax or impose a new tax on sales or income.

Sec. 6. Minnesota Statutes 1980, Section 477A.03, is amended to read:

477A.03 [APPROPRIATION.]

Subdivision 1. [ANNUAL APPROPRIATION.] A sum sufficient to discharge the duties imposed by ~~section 477A.01, subdivisions 1, 2 and 4~~ sections 1 to 4 is annually appropriated from the general fund to the commissioner of revenue.

Subd. 2. [LIMITATION ON APPROPRIATION; PROPORTIONATE REDUCTION.] The amount appropriated under subdivision 1 shall not exceed \$270,725,464 for calendar year 1982 and shall not exceed \$270,725,464 for calendar year 1983. If the limitations contained in this subdivision result in a reduction in the amounts determined pursuant to sections 2 and 3, each governmental unit receiving local government aid shall have its distribution proportionally reduced, but no local government unit shall receive less aid than its previous year aid.

Sec. 7. Minnesota Statutes 1980, Section 477A.04, Subdivision 2, is amended to read:

Subd. 2. Beginning in calendar year ~~1982~~ 1983 and subsequent years, an assessment district shall be penalized according to the following schedule:

(a) \$1 per capita if the coefficient of dispersion in assessments for the preceding year is more than ten percent but less than 12.5 percent;

(b) \$3 per capita if the coefficient of dispersion in assessments for the preceding year is at least 12.5 percent but no more than 15 percent;

(c) \$5 per capita if the coefficient of dispersion in assessments for the preceding year is greater than 15 percent.

Sec. 8. [REVISOR'S INSTRUCTION.]

In the next and subsequent editions of Minnesota Statutes, the revisor of statutes shall, in each section referred to in column A, strike the reference referred to in column B and insert the reference set forth in column C. The revisor shall substitute the appropriate coding for the references in column C, for those sections which will be coded.

Column A	Column B	Column C
216B.36	477A.01, Subd. 18	Art. VI, Section 5
256E.06	477A.01, Subd. 2	Art. VI, Section 2
275.51, Subd. 4	477A.01	Art. VI, Secs. 1 to 4
275.55	477A.01	Art. VI, Secs. 1 to 4
477A.04, Subd. 3	477A.01	Art. VI, Secs. 1 to 4

Sec. 9. [REPEALER.]

Minnesota Statutes 1980, Section 477A.01, is repealed.

Sec. 10. [EFFECTIVE DATE.]

This article is effective January 1, 1982, except for those provisions of section 4, subdivision 1 which relate to payments in calendar year 1981, which are effective July 1, 1981.

ARTICLE VII

LOCAL IMPROVEMENTS

Section 1. Minnesota Statutes 1980, Section 429.031, is amended to read:

429.031 [PRELIMINARY PLANS, HEARINGS.]

Subdivision 1. ~~[PREPARATION OF PLANS, PUBLISHED NOTICE OF AND HEARING.]~~ Before the municipality awards a contract for an improvement or orders it made by day labor, or before ~~the municipality shall have the power to it~~ may assess any portion of the cost of an improvement to be made ~~under a cooperative agreement with~~ by the state or another political subdivision for sharing the cost of making such improvement, the council shall hold a public hearing on the proposed improvement following two publications in the official newspaper of a notice stating the time and place of the hearing, the general nature of the improvement, the estimated capital cost, and the area proposed to be assessed. The two publications of the notice shall be a week apart and the hearing shall be at least three days after the last publication.

Subd. 1a. [NOTICE OF ANNUAL CHARGES.] If it is proposed to assess annual charges for the operation, maintenance, or promotion of an improvement against property within the area described in the notice of hearing, when operation, maintenance, or promotion is included in the definition of the improvement in section 429.021, subdivision 1, and if the notice is published after May 31, 1981, it shall include a statement of the proposal, an estimate of the amount of the charges for operation, maintenance and promotion for the first full year of operation, and a statement that the owner or owners of any parcel of land within the area may file a written protest against the proposal with the municipal clerk, at any time before the adoption of a resolution ordering the improvement. If protests are received, and not withdrawn before the adoption of the resolution, from the owners of 20 percent or more of the area of the parcels proposed to be assessed, the council may not assess the annual charges for operation, maintenance and promotion. Nothing in this subdivision shall affect the authority of the council to assess the capital cost of the improvement.

Subd. 1b. [MAILED NOTICE.] Not less than 10 days before the hearing, notice thereof shall also be mailed to the owner of each parcel within the area proposed to be assessed, but failure to give mailed notice or any defects in the notice shall not invalidate the proceedings. For the purpose of giving mailed notice, owners shall be those shown to be such on the records of the county auditor or, in any county where tax statements are mailed by the county treasurer, on the records of the county treasurer; but other appropriate records may be used for this purpose. However, as to properties which are tax exempt or subject to taxation on a gross earnings basis and are not listed on the records

of the county auditor or the county treasurer, the owners thereof shall be ascertained by any practicable means and mailed notice shall be given them as herein provided.

Subd. 1c. [PRELIMINARY REPORT.] Prior to the adoption of such resolution hearing, the council shall secure from the city engineer, or some competent person of its selection a consulting engineer or architect experienced in the design of the type of improvement proposed, a preliminary report advising it in a preliminary way as to whether the proposed improvement is feasible and as to whether it should best be made as proposed or in connection with some other improvement and. The report shall state the estimated capital cost of the improvement as recommended; but, and the estimated cost of operation, maintenance, and promotion for the first full year of operation, if operation, maintenance or promotion cost is proposed and authorized by law to be assessed and the notice of hearing is published after May 31, 1981. No error or omission in such report shall invalidate the proceeding unless it materially prejudices the interests of an owner. The council may also take such other steps prior to the hearing, including, among other things, the preparation of plans and specifications and the advertisement for bids thereon, as will in its judgment provide helpful information in determining the desirability and feasibility of the improvement.

Subd. 1d. [ADJOURNMENT.] The hearing may be adjourned from time to time and by public announcement to those present at the original hearing or any adjourned hearing, of the time and place to which it is adjourned, or by publication of a notice in the official newspaper at least three days before the date of the adjourned hearing, stating the time and place.

Subd. 1e. [RESOLUTION.] A resolution ordering the improvement may be adopted at any time within six months after the date of the hearing. The resolution may be adopted by vote of a majority of all members of the council when the improvement has been petitioned for by the owners of not less than 35 percent in frontage of the real property abutting on the streets named in the petition as the location of the improvement. When there has been no such petition, the resolution may be adopted only by vote of four-fifths of all members of the council; provided that if entitled to vote on it, not including the mayor of the municipality is a or any other member of the council but who has no vote or votes only in case of a tie, he shall not be deemed to be a member for the purpose of determining such four-fifths majority vote. The resolution ordering the improvement may reduce, but may not increase the extent of the improvement as stated in the notice of hearing.

Subd. 2. [APPROVAL BY PARK BOARD OR UTILITIES COMMISSION.] A resolution ordering a park improvement may be adopted only by a four-fifths vote of the council and shall also be approved by the park board, if there is one; provided, that if the mayor of the municipality is a member of the council but has no vote or votes only in case of a tie, he shall not be deemed to be a member for the purpose of determining such four-fifths majority vote. A resolution ordering an improvement of the water, sewer, steam heating, street lighting or other facility over which a utilities commission has jurisdiction shall also be approved by the utilities commission.

Subd. 3. [PETITION BY ALL OWNERS.] Whenever all owners of real

property abutting upon any street named as the location of any improvement shall petition the council to construct the improvement and to assess the entire cost against their property, the council may, without a public hearing, adopt a resolution determining such fact and ordering the improvement. The validity of the resolution shall not be questioned by any taxpayer or property owner or the municipality unless an action for that purpose is commenced within 30 days after adoption of the resolution as provided in section 429.036. Nothing herein prevents any property owner from questioning the amount or validity of the special assessment against his property pursuant to section 429.081.

Sec. 2. Minnesota Statutes 1980, Section 429.051, is amended to read:

429.051 [APPORTIONMENT OF COST.]

The *capital* cost of any improvement, or any part thereof, may be assessed upon property benefited by the improvement, based upon the benefits received, whether or not the property abuts on the improvement and whether or not any part of the cost of the improvement is paid from the county state-aid highway fund, the municipal state-aid street fund, or the trunk highway fund. *The cost assessed shall be limited to the sum of the capital expenditures required to complete the improvement, as determined in accordance with accepted accounting principles and as described in section 475.65, unless the assessment of the cost of operation, maintenance, or promotion of the improvement has been authorized upon the conditions set forth in section 429.031, subdivision 1a.* The area assessed may be less than but may not exceed the area proposed to be assessed as stated in the notice of hearing on the improvement, except as provided below. The municipality may pay such portion of the cost of the improvement as the council may determine from general ad valorem tax levies or from other revenues or funds of the municipality available for the purpose. The municipality may subsequently reimburse itself for all or any of the portion of the cost of a water, storm sewer, or sanitary sewer improvement so paid by levying additional assessments upon any properties abutting on but not previously assessed for the improvement, on notice and hearing as provided for the assessments initially made. To the extent that such an improvement benefits nonabutting properties which may be served by the improvement when one or more later extensions or improvements are made but which are not initially assessed therefor, the municipality may also reimburse itself by adding all or any of the portion of the cost so paid to the assessments levied for any of such later extensions or improvements, provided that notice that such additional amount will be assessed is included in the notice of hearing on the making of such extensions or improvements. The additional assessments herein authorized may be made whether or not the properties assessed were included in the area described in the notice of hearing on the making of the original improvement.

In any city of the fourth class electing to proceed under a home rule charter as provided in this chapter, which charter provides for a board of water commissioners and authorizes such board to assess a water frontage tax to defray the cost of construction of water mains, such board may assess the tax based upon the benefits received and without regard to any charter limitation on the amount that may be assessed for each lineal foot of property abutting on the water main. The water frontage tax shall be imposed according to the procedure and, except as herein provided, subject to the limitations of the charter of the city.

Sec. 3. Minnesota Statutes 1980, Section 429.061, Subdivision 1, is

amended to read:

Subdivision 1. [CALCULATION, NOTICE.] At any time after the *capital* expense incurred or to be incurred in making an improvement shall be calculated under the direction of the council, the council shall determine by resolution the amount of the total *capital* expense the municipality will pay, other than the amount, if any, which it will pay as a property owner, and the amount to be assessed. Thereupon the clerk, with the assistance of the engineer or other qualified person selected by the council, shall calculate the proper amount to be specially assessed for the improvement against every assessable lot, piece or parcel of land, without regard to cash valuation, in accordance with the provisions of section 429.051. The proposed assessment roll shall be filed with the clerk and be open to public inspection. The clerk shall thereupon, under the council's direction, publish notice that the council will meet to consider the proposed assessment. Such notice shall be published in the newspaper at least once and shall be mailed to the owner of each parcel described in the assessment roll. For the purpose of giving mailed notice under this subdivision, owners shall be those shown to be such on the records of the county auditor or, in any county where tax statements are mailed by the county treasurer, on the records of the county treasurer; but other appropriate records may be used for this purpose. Such publication and mailing shall be no less than two weeks prior to such meeting of the council. Except as to the owners of tax exempt property or property taxes on a gross earnings basis, every property owner whose name does not appear on the records of the county auditor or the county treasurer shall be deemed to have waived such mailed notice unless he has requested in writing that the county auditor or county treasurer, as the case may be, include his name on the records for such purpose. Such notice shall state the date, time, and place of such meeting, the general nature of the improvement, the area proposed to be assessed, that the proposed assessment roll is on the file with the clerk, and that written or oral objections thereto by any property owner will be considered. No appeal may be taken as to the amount of any assessment adopted pursuant to subdivision 2, unless a written objection signed by the affected property owner is filed with the municipal clerk prior to the assessment hearing or presented to the presiding officer at the hearing. The notice shall also state that an owner may appeal an assessment to district court pursuant to section 429.081 by serving notice of the appeal upon the mayor or clerk of the municipality within 30 days after the adoption of the assessment and filing such notice with the district court within ten days after service upon the mayor or clerk. The notice shall also inform property owners of the provisions of sections 435.193 to 435.195 and the existence of any deferment procedure established pursuant thereto in the municipality.

Sec. 4. Minnesota Statutes 1980, Section 429.061, is amended by adding a subdivision to read:

Subd. 5. [ANNUAL ASSESSMENT OF OPERATING COST.] When the annual cost of operation, maintenance, or promotion of an improvement is authorized to be assessed upon the conditions provided in section 429.031, subdivision 1a, the proposed assessment roll, if prepared after May 31, 1981, shall include a separate calculation of the proper amount to be specially assessed against each assessable lot, piece, or parcel of land for the payment of the estimated cost of the operation, maintenance and promotion for the next full year of operation. If operation has commenced or is expected to commence

before July 1 of the year following the adoption of the assessment roll, an additional amount may be included, proportionate to the fraction of a year between the date of commencement and the following July 1. The amount so assessed shall be due and payable at the same time as taxes on the property payable in the year following the adoption of the assessment roll. In each subsequent year the council may assess an additional amount against the property, not exceeding the lesser of

(1) the estimated cost of operation, maintenance, and promotion of the improvement for the year commencing on the following July 1, diminished by the amount, if any, estimated to be on hand and available for the purpose on that date, or

(2) the amount of the annual cost of operation, maintenance and promotion estimated in the original notice of hearing on the improvement, or in the first assessment of annual charges if the notice was published before June 1, 1981, increased or diminished by the percentage by which the revised consumer price index for all urban consumers for the Minneapolis-St. Paul metropolitan area, prepared by the United States department of labor with 1967 as a base, has increased or diminished since the last index prepared preceding the original publication of notice of hearing on the improvement.

Sec. 5. Minnesota Statutes 1980, Section 429.061, is amended by adding a subdivision to read:

Subd. 6. [HEARING AND APPEAL.] On and after June 1, 1981, regardless of the date on which proceedings to make an improvement were commenced, no assessment of annual cost of operation, maintenance or promotion of the improvement subsequent to the original assessment of its capital cost shall be made unless a public hearing is held on the matter and notice is mailed to the owner of each parcel to be assessed at least two weeks before the hearing, stating the amount of the assessment and that the owner may appeal from it as provided in subdivision 1. No published notice of the hearing shall be required. The only grounds for appeal shall be that the assessment has been incorrectly computed, or that the manner of operation and maintenance of the improvement has changed to the extent that it no longer produces benefit to the land as determined upon the initial assessment hearing.

Sec. 6. [SOUTH ST. PAUL; SEWER IMPROVEMENTS.]

If the city of South St. Paul issues bonds under Minnesota Statutes, Section 115.46 to finance the cost of separation of its combined storm and sanitary sewer system, the city may refund all or any part of the collections of special assessments previously levied and collected with respect to any part of the sewer separation project and may include in the principal amount of the bonds issued an amount sufficient to make the refunds. To make the refunds the city may use money derived from the sale of bonds as authorized in the preceding sentence, money in the city's general fund, or both.

Sec. 7. [PRIOR SPECIAL ASSESSMENTS.]

If the city of South St. Paul refunds the special assessments collected with respect to its sewer separation project as authorized by section 6, the city may cancel all remaining installments of the special assessments, but if the special assessments are pledged to the payment of improvement bonds issued by the city under Minnesota Statutes, Chapter 429, the city shall, prior to the can-

cellation, levy and certify to the Dakota county auditor, in the manner provided in Minnesota Statutes, Section 475.61, a direct general ad valorem tax upon all taxable property in the city collectible for a number of years and in amounts which, when combined with the collections of any other general ad valorem taxes previously levied with respect to the improvement bonds, will yield not less than five percent more than the amount needed to meet when due the principal and interest payments on the improvement bonds, and shall irrevocably appropriate the taxes so levied to the debt service fund or account created for the payment of the improvement bonds.

Sec. 8. [PUBLIC HEARINGS.]

If the governing body of the city of South St. Paul proposes to refund previously collected special assessments or to impose a property tax for the cost of completing the separation of its combined storm and sanitary sewer system pursuant to sections 6 and 7, it shall conduct a public hearing on the question according to the procedures for hearing after mailed notice as provided in Minnesota Statutes, Section 429.031, Subdivision 1.

Sec. 9. [LOCAL APPROVAL; EFFECTIVE DATE.]

Sections 6 to 8 shall be effective the day after compliance with the provisions of Minnesota Statutes, Section 645.021, Subdivision 3, by the South St. Paul city council.

Sec. 10. [INVER GROVE HEIGHTS; DEVELOPMENT AUTHORIZATION.]

Notwithstanding the provisions of any law or rule to the contrary, the city of Inver Grove Heights may approve development and issue development permits in an area within the city designated an area of critical concern pursuant to Minnesota Statutes, Section 116G.06, prior to the approval of the city's proposed plans and regulations for the designated area by the Minnesota environmental quality board pursuant to Minnesota Statutes, Section 116G.07, upon a finding by the governing body of the city of Inver Grove Heights that the proposed development and the issuance of the development permits is in conformance with the proposed plans and regulations of the city.

Sec. 11. [EFFECTIVE DATE.]

Pursuant to Minnesota Statutes, Section 645.023, Subdivision 1, Clause (a), section 10 is effective without local approval the day after final enactment.

Sec. 12. [EFFECTIVE DATE.]

Sections 1 to 5 are effective the day following final enactment.

ARTICLE VIII

PROPERTY TAX ADMINISTRATION

Section 1. Minnesota Statutes 1980, Section 270.11, Subdivision 2, is amended to read:

Subd. 2. [COUNTY AUDITOR'S ASSESSOR'S REPORTS OF ASSESSMENT FILED WITH COMMISSIONER.] The commissioner of revenue may require the ~~auditor~~ assessor of each county in the state to file with him, on or before August 1, each year, complete abstracts of all real and personal property in the county, as equalized by the county board of equalization, and itemized

by assessment districts, accompanied by a printed or typewritten copy of the proceedings of the county board of equalization, and it shall be the duty of the county ~~auditor~~ *assessor* to so report to the commissioner of revenue.

The final abstract of assessments after adjustments by the state board of equalization and inclusion of any omitted property shall be submitted to the commissioner of revenue on or before January 1 of each calendar year.

Sec. 2. Minnesota Statutes 1980, Section 271.10, Subdivision 2, is amended to read:

Subd. 2. [SERVICE OF WRIT.] Within 60 days after notice of the making and filing of the order of the tax court, or the making and filing of an order on a petition for rehearing, the petitioner for review shall obtain from the supreme court a writ of certiorari, and shall serve the same upon the ~~commissioner of revenue and upon~~ all other parties appearing in the proceedings before the tax court, ~~also upon the attorney general, unless he is the petitioner,~~ and shall file the original, with proof of such service, with the clerk of the tax court. Every petitioner, except the attorney general, the commissioner of revenue, the state and its political subdivisions, shall also pay to the clerk the fee prescribed by rule 103.01 of the rules of civil appellate procedure which shall be disposed of in the manner provided by that rule, and file a bond or make a deposit in like manner and amount as in case of an appeal from the district court. The fee shall be disposed of as in such case. Return upon the writ shall be made to the supreme court and the matter shall be heard and determined by the court as in other certiorari cases, subject to the provisions hereof and to such rules as the court may prescribe for cases arising hereunder.

Sec. 3. Minnesota Statutes 1980, Section 272.02, Subdivision 1, is amended to read:

Subdivision 1. Except as provided in other subdivisions of this section or in section 272.025 or section 273.13, subdivisions 17, 17b, 17c or 17d, all property described in this section to the extent herein limited shall be exempt from taxation:

- (1) All public burying grounds;
- (2) All public schoolhouses;
- (3) All public hospitals;
- (4) All academies, colleges, and universities, and all seminaries of learning;
- (5) All churches, church property, and houses of worship;
- (6) Institutions of purely public charity except property assessed pursuant to section 273.13, subdivisions 17, 17b, 17c or 17d;
- (7) All public property exclusively used for any public purpose;
- (8) All natural cheese held in storage for aging by the original Minnesota manufacturer;
- (9) (a) Class 2 property of every household of the value of \$100, maintained in the principal place of residence of the owner thereof. The county auditor shall deduct such exemption from the total valuation of such property as equalized by the revenue commissioner assessed to such household, and extend the levy of taxes upon the remainder only. The term "household" as used in

this section is defined to be a domestic establishment maintained either (1) by two or more persons living together within the same house or place of abode, subsisting in common and constituting a domestic or family relationship, or (2) by one person.

(b) During the period of his active service and for six months after his discharge therefrom, no member of the armed forces of the United States shall lose status of a householder under paragraph (a) which he had immediately prior to becoming a member of the armed forces.

In case there is an assessment against more than one member of a household the \$100 exemption shall be divided among the members assessed in the proportion that the assessed value of the Class 2 property of each bears to the total assessed value of the Class 2 property of all the members assessed. The Class 2 property of each household claimed to be exempt shall be limited to property in one taxing district, except in those cases where a single domestic establishment is maintained in two or more adjoining districts.

Bonds and certificates of indebtedness hereafter issued by the state of Minnesota, or by any county or city of the state, or any town; or any common or independent school district of the state, or any governmental board of the state, or any county or city thereof, shall hereafter be exempt from taxation; provided, that nothing herein contained shall be construed as exempting such bonds from the payment of a tax thereon, as provided for by section 291.01, when any of such bonds constitute, in whole or in part, any inheritance or bequest, taken or received by any person or corporation.

(10) Farm machinery manufactured prior to 1930, which is used only for display purposes as a collectors item;

(11) The taxpayer shall be exempted with respect to, all agricultural products, inventories, stocks of merchandise of all sorts, all materials, parts and supplies, furniture and equipment, manufacturers material, manufactured articles including the inventories of manufacturers, wholesalers, retailers and contractors; and the furnishings of a room or apartment in a hotel, rooming house, tourist court, motel or trailer camp, tools and machinery which by law are considered as personal property, and the property described in section 272.03, subdivision 1, clause (c), except personal property which is part of an electric generating, transmission, or distribution system or a pipeline system transporting or distributing water, gas, or petroleum products or mains and pipes used in the distribution of steam or hot or chilled water for heating or cooling buildings and structures. Railroad docks and wharves which are part of the operating property of a railroad company as defined in section 270.80 are not exempt.

(12) Containers of a kind customarily in the possession of the consumer during the consumption of commodities, the sale of which are subject to tax under the provisions of the excise tax imposed by Extra Session Laws 1967, Chapter 32;

(13) All livestock, poultry, all horses, mules and other animals used exclusively for agricultural purposes;

(14) All agricultural tools, implements and machinery used by the owners in any agricultural pursuit.

(15) Real and personal property used primarily for the abatement and control

of air, water, or land pollution to the extent that it is so used, other than real property used primarily as a solid waste disposal site.

Any taxpayer requesting exemption of all or a portion of any equipment or device, or part thereof, operated primarily for the control or abatement of air or water pollution shall file an application with the commissioner of revenue. Any such equipment or device shall meet standards, regulations or criteria prescribed by the Minnesota Pollution Control Agency, and must be installed or operated in accordance with a permit or order issued by that agency. The Minnesota Pollution Control Agency shall upon request of the commissioner furnish information or advice to the commissioner. If the commissioner determines that property qualifies for exemption, he shall issue an order exempting such property from taxation. Any such equipment or device shall continue to be exempt from taxation as long as the permit issued by the Minnesota Pollution Control Agency remains in effect.

(16) Wetlands. For purposes of this subdivision, "wetlands" means land which is mostly under water, produces little if any income, and has no use except for wildlife or water conservation purposes. "Wetlands" shall be land preserved in its natural condition, drainage of which would be feasible and practical and would provide land suitable for the production of livestock, dairy animals, poultry, fruit, vegetables, forage and grains, except wild rice. "Wetlands" shall include adjacent land which is not suitable for agricultural purposes due to the presence of the wetlands. Exemption of wetlands from taxation pursuant to this section shall not grant the public any additional or greater right of access to the wetlands or diminish any right of ownership to the wetlands.

(17) Native prairie. The commissioner of the department of natural resources shall determine lands in the state which are native prairie and shall notify the county assessor of each county in which the lands are located. *Pasture land used for livestock grazing purposes shall not be considered native prairie for the purposes of this clause and section 273.116.* Upon receipt of an application for the exemption and credit provided in this clause and section 273.116 for lands for which the assessor has no determination from the commissioner of natural resources, the assessor shall refer the application to the commissioner of natural resources who shall determine within 30 days whether the land is native prairie and notify the county assessor of his decision. Exemption of native prairie pursuant to this clause shall not grant the public any additional or greater right of access to the native prairie or diminish any right of ownership to it.

Sec. 4. Minnesota Statutes 1980, Section 272.025, Subdivision 3, is amended to read:

Subd. 3. ~~During each of the three years following the year in which a taxpayer files a statement of exemption, the requirements of this section shall not apply to property covered by the statement of exemption unless the property was listed and assessed as taxable property in the preceding year. Any taxpayer who has filed the statement required by subdivision 1 more than 12 months prior to February 1, 1983, or February 1 of each third year after 1983, shall file a statement by February 1, 1983, and by February 1 of each third year thereafter.~~

Sec. 5. Minnesota Statutes 1980, Section 272.46, is amended to read:

272.46 [AUDITOR TO FURNISH STATEMENT OF TAX LIENS AND TAX SALES; FEES; APPLICATION.]

The county auditor, upon written application of any person, shall make search of the records of his office, and ascertain the existence of all tax liens and tax sales as to any lands described in the application, and certify the result of such search under his hand and the seal of his office, giving the description of the land and all tax liens and tax sales shown by such records, and the amount thereof, the year of tax covered by such lien, the date of tax sale, and the name of the purchaser at such tax sale.

For such service the county auditor shall charge a fee ~~of \$1~~ *not to exceed \$5* for each lot or tract of land described in the certificate. *The amount of the fee will be established by the county board on or before July 1 of each year.* Any number of contiguous tracts of land not exceeding one section, assessed as broad acres, or adjoining lots in the same block, in the city, shall be considered as one lot or parcel within the meaning of this section. The provisions of this section shall not apply to counties having a population of more than 225,000.

Sec. 6. Minnesota Statutes 1980, Section 272.47, is amended to read:

272.47 [COUNTY TREASURER, CERTIFICATE OF CURRENT TAXES; FEE.]

The county treasurer, upon written application of any person, shall make search of the tax duplicates and records of his office and ascertain the amount of current tax against any lot or parcel of land described in the application, and shall certify the result of such search under his hand and seal of office, giving the description of land, year of tax and amount, if any, and for such certificate he shall be entitled to charge the applicant ~~therefor the sum of \$1~~ *a fee not to exceed \$5. The amount of the fee will be established by the county board on or before July 1 of each year.* The definition of "lot or parcel," for the purposes of this section, shall be the same as set forth in section 272.46.

This section shall not authorize such treasurer to charge any amount for certifying to taxes on a deed to be recorded or for information with reference to the current tax on any subdivision of land in his county, where no certificate thereof is necessary or required. The provisions of this section shall not apply to counties having a population of more than 200,000.

Sec. 7. Minnesota Statutes 1980, Section 273.138, Subdivision 2, is amended to read:

Subd. 2. Each county government, city and township shall receive reimbursement in 1978 and subsequent years in an amount equal to the product of its total mill rate for taxes payable in the calendar year *prior to the calendar year* in which the aid is to be paid, times the total 1972 assessed value of real property exempted from taxation by section 272.02, subdivision 1 which was located within the territory of such governmental unit, times 1.25. For the purpose of this subdivision, the "total mill rate" of a county government, city or township includes mill rates for taxes levied by such governmental unit which were not levied on the entire taxable value of such governmental unit.

Sec. 8. Minnesota Statutes 1980, Section 273.40, is amended to read:

273.40 [ANNUAL TAX ON COOPERATIVE ASSOCIATIONS.]

Cooperative associations organized under the provisions of Laws 1923,

Chapter 326, and laws amendatory thereof and laws supplemental thereto, and engaged in electrical heat, light or power business upon a mutual, non-profit, and cooperative plan in rural areas, as hereinafter defined, are hereby recognized as quasi-public in their nature and purposes; but such cooperative associations, which operate within the corporate limits of any city shall be assessed on the basis of 40 43 percent of the market value of that portion of its property located within the corporate limits of any city as provided for in section 273.13.

Sec. 9. Minnesota Statutes 1980, Section 275.075, is amended to read:

275.075 [OMISSION BY INADVERTENCE; CORRECTION.]

Whenever the amount of taxes as levied and certified by the tax levying body of any county, city, town, or school district has not been, as the result of error ~~or~~, inadvertence, *or from the estimates as provided in section 10*, by the county auditor extended and spread in conformity therewith, such tax levying body may include in its tax levy for the year following, the whole or any part of the amount so omitted through error ~~or~~, inadvertence, *or from the estimates as provided in section 10*, in addition to its current levy and in addition to and notwithstanding any limitations to the contrary.

Sec. 10. Minnesota Statutes 1980, Section 275.08, is amended to read:

275.08 [AUDITOR TO FIX RATE.]

Subdivision 1. [GENERALLY.] The rate percent of all taxes, except the state tax and taxes the rate of which may be fixed by law, shall be calculated and fixed by the county auditor according to the limitations in this chapter hereinafter prescribed; provided, that if any county, city, town, or school district shall return a greater amount than the prescribed rates will raise, the auditor shall extend only such amount of tax as the limited rate will produce.

Subd. 2. [ESTIMATES.] If, by December 15 of any year, the county auditor has not received from another county auditor the mill rate or assessed value applicable to any taxing district lying in two or more counties, the county auditor who has not received the necessary information may levy taxes for the overlapping district by estimating the mill rate or the assessed value.

Subd. 3. [ASSISTANCE OF COUNTY AUDITOR.] A county auditor who has not furnished the mill rate or assessed value of property in the county by December 15 shall, on request, furnish the county auditor of a county in the overlapping district an estimate of the values or the mill rate. The auditor may request the assistance of the county assessor in determining the estimate.

Subd. 4. [SUBSEQUENT ADJUSTMENT.] After the correct mill rate or assessed value has been certified, the amount of taxes over or under levied shall be computed and notice sent to each affected taxing district. If the estimated tax levy exceeds the correct tax levy based on actual assessed value and mill rate, the county treasurer shall remit any amount of excess which he collects to the affected taxing district. In the following levy year, the estimating county auditor shall adjust the levy of the affected taxing district to compensate for the amount of variance.

In the event that the estimated tax levy is less than the correct tax levy based on actual assessed value and mill rate, the auditor shall adjust the levy of the affected taxing district as provided in section 275.075.

Sec. 11. Minnesota Statutes 1980, Section 276.01, is amended to read:

276.01 [DELIVERY OF LISTS TO TREASURER.]

On or before the first ~~Monday~~ *business day* in January in each year, the county auditor shall deliver the lists of the several districts of the county to the county treasurer, taking therefor his receipt, showing the total amount of taxes due upon the lists. Where the names of taxpayers appear in the property tax lists, the county auditor shall show the addresses of such taxpayers. Such lists shall be authority for the treasurer to receive and collect taxes therein levied.

In counties in which the auditor has elected to come under the provisions of section 273.03, subdivision 2, he shall, during the year in which such lists as provided for in section 275.28, subdivision 3, are in the possession of the county treasurer, have access thereto for the purposes of changing market valuations and the classifications of real estate contained therein which he would have been required to change or otherwise amend in the assessment books provided for in section 273.03, subdivision 1, except for his election to discontinue the preparation of such assessment books. The county auditor shall be the official custodian of such lists after the year during which they are in the county treasurer's possession.

Sec. 12. Minnesota Statutes 1980, Section 277.15, is amended to read:

277.15 [INTEREST.]

When a judgment has heretofore been entered and docketed, or shall hereafter be entered and docketed, for the recovery of taxes, except in the case of real estate tax judgments provided for in section 279.19, the same shall bear interest until paid at the rate of six percent per annum *until January 1, 1981, and at the rate determined under section 549.09 thereafter.*

Sec. 13. Minnesota Statutes 1980, Section 279.02, is amended to read:

279.02 [DUTIES OF COUNTY AUDITOR AND TREASURER.]

On the first ~~Monday~~ *business day* in January, of each year, the county treasurer shall return the tax lists in his hands to the county auditor, who shall compare the same with the statements receipted for by the treasurer on file in the auditor's office and each tract or lot of real property against which the taxes, or any part thereof, remain unpaid, shall be deemed delinquent, and thereupon an additional penalty of two percent on the amount of the original tax remaining unpaid shall immediately accrue and thereafter be charged upon all such delinquent taxes; and any auditor who shall make out and deliver any statement of delinquent taxes without including therein the penalties imposed by law, and any treasurer who shall receive payment of such taxes without including in such payment all items as shown on the auditor's statement, shall be liable to the county for the amounts of any items omitted.

Sec. 14. Minnesota Statutes 1980, Section 279.03, is amended to read:

279.03 [INTEREST ON DELINQUENT REAL ESTATE TAXES.]

The rate of interest on delinquent real estate taxes levied in 1979 and prior years is fixed at six percent per annum. The rate of interest on delinquent real estate taxes levied in 1980 and subsequent years is ~~fixed at eight percent per annum~~ *shall be the rate determined pursuant to section 549.09.* All provisions of law providing for the calculation of interest at any different rate on delin-

quent taxes in any notice or proceeding in connection with the payment, collection, sale, or assignment of delinquent taxes, or redemption from such sale or assignment are hereby amended to correspond herewith. ~~In calculating such interest for any fractional part of a year, it shall be calculated on the basis of one-half of one percent for any month or major fraction thereof.~~

Such interest shall be calculated from the second Monday of May following the year in which the taxes became due, on the full amount of the taxes, penalties and costs accrued.

The provisions of this section shall not apply to any taxes which have heretofore been bid in by an actual purchaser at a May tax sale or which have heretofore been assigned.

Sec. 15. Minnesota Statutes 1980, Section 279.14, is amended to read:

279.14 [CONCLUSIVENESS OF JUDGMENT, JURISDICTIONAL DEFECTS.]

When the last publication shall have been made the notice shall be deemed to have been served and the court to have acquired full and complete jurisdiction to enforce against each parcel of land in such published list described in the taxes, accrued penalties, and costs upon it then delinquent, so as to bind every estate, right, title, interest, claim, or lien, in law or equity, in, to, or upon such parcel of land, of every person, company, or corporation. Such jurisdiction shall not be affected by any error in making the list filed with the clerk, nor by any error, irregularity, or omission in the assessment or levy of the taxes, or in any other proceedings, prior to filing the list; nor by any mistake in copying the list for publication, or in publishing the list, or in the designation of the newspaper wherein such list is published; ~~nor by reason of the failure of the publisher to give the bond required;~~ nor by reason of the taxes having been charged in any other name than that of the rightful owner; nor by any mistake in the amount of tax in such published list appearing against any piece or parcel of land therein described; provided, that any judgment rendered in such proceedings shall be void upon satisfactory proof made at any time that such real estate was exempt from taxation or that such taxes were paid before judgment was rendered.

Sec. 16. Minnesota Statutes 1980, Section 290A.03, Subdivision 13, is amended to read:

Subd. 13. [PROPERTY TAXES PAYABLE.] "Property taxes payable" means the property tax exclusive of special assessments, penalties, and interest payable on a claimant's homestead before reductions made pursuant to section 273.13, subdivisions 6 and 7, but after deductions made pursuant to sections 273.132 and 273.135, in any calendar year. No apportionment or reduction of the "property taxes payable" shall be required for the use of a portion of the claimant's homestead for a business purpose if the claimant does not deduct any business depreciation expenses for the use of a portion of the homestead in the determination of federal adjusted gross income. For homesteads which are mobile homes as defined in section 168.011, subdivision 8, "property taxes payable" shall also include 23 percent of gross rent paid in the preceding year for the site on which the homestead is located, exclusive of charges for utilities or services. When a homestead is owned by two or more persons as joint tenants or tenants in common, such tenants shall determine between them

which tenant may claim the property taxes payable on the homestead. If they are unable to agree, the matter shall be referred to the commissioner of revenue and his decision shall be final. Property taxes are considered payable in the year prescribed by law for payment of the taxes.

In the case of a claim relating to "property taxes payable", the claimant must have owned and occupied the homestead on January 2 of the year in which the tax is payable and (i) *the property must have been classified as homestead property pursuant to section 273.13, subdivisions 6, 7, or 14a on or before June 1 of the year in which the "property taxes payable" were levied; or* (ii) *the claimant must provide documentation from the local assessor that application for homestead classification has been made prior to July 1 of the year in which the "property taxes payable" were payable.*

Sec. 17. Minnesota Statutes 1980, Section 375.192, Subdivision 2, is amended to read:

Subd. 2. Notwithstanding section 270.07, upon written application by the owner of the property, where such application seeks a reduction in ~~full and true valuation~~ *estimated market value* not in excess of ~~\$300~~ *\$2,000*, the county board may grant such reduction or abatement of ~~assessed~~ *estimated market* valuation or taxes and of any costs, penalties or interest thereon as said board may deem just and equitable and to order the refundment in whole or in part of any taxes, costs, penalties or interest thereon which have been erroneously or unjustly paid. Such application must be approved by the county assessor, or if the property is located in a city of the first class or city of the second class having a city assessor, by such assessor, and by the ~~county~~ *county* auditor prior to consideration by the county board. The methods of obtaining a reduction or abatement of ad valorem values contained in subdivisions 1 and 2 shall be in addition to the method provided in Minnesota Statutes 1965, Section 270.07.

Sec. 18. Minnesota Statutes 1980, Section 473.626, is amended to read:

473.626 [VALUATION AND ASSESSMENT OF TAXABLE PROPERTY IN DETACHED AREA.]

The ~~commissioner of revenue of the state of Minnesota~~ *county assessor of the county in which the property is situated* shall value and assess the taxable property in said area and shall report the same to the county auditor of the county in which such property is situated on or before October 1 of each year.

Sec. 19. [REPEALER.]

Minnesota Statutes 1980, Section 279.11, is repealed.

Sec. 20. [EFFECTIVE DATES.]

Sections 1, 2, 4, 5, 6, 15, 17, and 19 are effective July 1, 1981. Sections 3, 7, and 10 are effective for taxes levied in 1981 and subsequent years, payable in 1982 and subsequent years. Sections 8, 11, and 13 are effective the day following final enactment. Section 9 is effective for taxes levied in 1982 and subsequent years, payable in 1983 and subsequent years. Sections 12 and 14 are effective January 1, 1981. Section 16 is effective for claims based on property taxes payable in 1982 and subsequent years. Section 18 is effective January 1, 1982.

INDIVIDUAL HOUSING ACCOUNTS

Section 1. Minnesota Statutes 1980, Section 48.159, Subdivision 2, is amended to read:

Subd. 2. [INDIVIDUAL HOUSING ACCOUNT TRUST POWERS.] Upon application to and approval by the commissioner, a commercial bank shall have the power to act as trustee of individual housing accounts established pursuant to the provisions of section ~~290.09~~ 290.08, subdivision ~~30~~ 25.

Sec. 2. Minnesota Statutes 1980, Section 50.157, Subdivision 2, is amended to read:

Subd. 2. [INDIVIDUAL HOUSING ACCOUNT TRUST POWERS.] Upon application to and approval by the commissioner, a savings bank shall have the power to act as trustee of individual housing accounts established pursuant to the provisions of section ~~290.09~~ 290.08, subdivision ~~30~~ 25.

Sec. 3. Minnesota Statutes 1980, Section 51A.21, Subdivision 16a, is amended to read:

Subd. 16a. [TRUSTEE OF INDIVIDUAL HOUSING ACCOUNTS.] Upon application to and approval by the commissioner, to act as trustee of individual housing accounts established pursuant to the provisions of section ~~290.09~~ 290.08, subdivision ~~30~~ 25.

Sec. 4. Minnesota Statutes 1980, Section 52.136, is amended to read:

52.136 [INDIVIDUAL HOUSING ACCOUNTS.]

Upon application to and approval by the commissioner of banks, a credit union shall have the power to act as trustee of individual housing accounts established pursuant to the provisions of section ~~290.09~~ 290.08, subdivision ~~30~~ 25.

Sec. 5. Minnesota Statutes 1980, Section 290.01, Subdivision 20, is amended to read:

Subd. 20. [GROSS INCOME.] Except as otherwise provided in this chapter, the term "gross income," as applied to corporations includes every kind of compensation for labor or personal services of every kind from any private or public employment, office, position or services; income derived from the ownership or use of property; gains or profits derived from every kind of disposition of, or every kind of dealing in, property; income derived from the transaction of any trade or business; and income derived from any source; except that gross income shall not include "exempt function income" of a "homeowners association" as those terms are defined in Section 528 of the Internal Revenue Code of 1954, as amended through December 31, 1979.

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

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

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

The provisions of section 4 of P.L. 95-458, and sections 131, 133, 134, 141, 152, 156, 157, and 405 of P.L. 95-600 (relating to pensions, individual retirement accounts, deferred compensation plans, and to the sale of a residence) shall be effective at the same time that these provisions became effective for federal income tax purposes.

(iii) The Internal Revenue Code of 1954, as amended through December 31, 1979, shall be in effect for taxable years beginning after December 31, 1979.

For taxable years beginning after December 31, 1980 and before January 1, 1983, the provisions of section 404 (relating to partial exclusions of dividends and interest received by individuals) of the Crude Oil Windfall Profit Tax Act of 1980, P.L. 96-223, shall apply.

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

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

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

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

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

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

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

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

taxable year.

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

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

(8) In the case of property disposed of on or after January 1, 1973, the amount of any increase in the taxpayer's federal tax liability under section 47 of the Internal Revenue Code of 1954 to the extent of the credit under section 38 of the Internal Revenue Code of 1954 that was previously allowed as a deduction either under section 290.01, subdivision 20 (b) (7) or under section 290.09, subdivision 24;

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

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

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

(12) To the extent deducted in computing the taxpayer's federal adjusted gross income for the taxable year, losses recognized upon a transfer of property to the spouse or former spouse of the taxpayer in exchange for the release of the spouse's marital rights;

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

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

(15) The amount of any excluded gain recognized by a trust on the sale or exchange of property as defined in section 641(c)(1) of the Internal Revenue Code of 1954;

(16) An amount equal to one-sixth of any gain from the sale or other disposition of property deducted under sections 1202(a) and 1202(c)(1) of the Internal Revenue Code of 1954;

(17) To the extent not included in the taxpayer's federal adjusted gross income, the amount of any gain, from the sale or other disposition of property

having a lower adjusted basis for Minnesota income tax purposes than for federal income tax purposes. This modification shall not exceed the difference in basis. If the gain is considered a long term capital gain for federal income tax purposes, the modification shall be limited to 50 percent of the portion of the gain. This modification is limited to property that qualified for the energy credit contained in section 290.06, subdivision 14, and to property acquired in exchange for the release of the taxpayer's marital rights contained in section 290.14, clause (9);

(18) The amount of any loss from a source outside of Minnesota which is not allowed under section 290.17 including any capital loss or net operating loss carryforwards or carrybacks resulting from the loss; and

(19) The amount of a distribution from an individual housing account which is to be included in gross income as required under ~~clause (e) of section 290.09~~ 290.08, subdivision 30 25.

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

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

(2) The portion of any gain, from the sale or other disposition of property having a higher adjusted basis for Minnesota income tax purposes than for federal income tax purposes, that does not exceed such difference in basis; but if such gain is considered a long-term capital gain for federal income tax purposes, the modification shall be limited to 50 per centum of the portion of the gain. This modification shall not be applicable if the difference in basis is due to disallowance of depreciation pursuant to section 290.101.

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

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

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

(6) To the extent included in federal adjusted gross income, or the amount reflected as the ordinary income portion of a lump sum distribution under section 402(e) of the Internal Revenue Code of 1954, notwithstanding any other law to the contrary, the amount received by any person (i) from the United States, its agencies or instrumentalities, the Federal Reserve Bank or from the state of Minnesota or any of its political or governmental subdivisions

or from any other state or its political or governmental subdivisions, or a Minnesota volunteer firefighter's relief association, by way of payment as a pension, public employee retirement benefit, or any combination thereof, or (ii) as a retirement or survivor's benefit made from a plan qualifying under section 401, 403, 404, 405, 408, 409 or 409A of the Internal Revenue Code of 1954. The maximum amount of this subtraction shall be \$11,000 less the amount by which the individual's federal adjusted gross income, plus the ordinary income portion of a lump sum distribution as defined in section 402(e) of the Internal Revenue Code of 1954, exceeds \$17,000. In the case of a volunteer firefighter who receives an involuntary lump sum distribution of his pension or retirement benefits, the maximum amount of this subtraction shall be \$11,000; this subtraction shall not be reduced by the amount of the individual's federal adjusted gross income in excess of \$17,000;

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

(8) To the extent included in the taxpayer's federal adjusted gross income for the taxable year, gain recognized upon a transfer of property to the spouse or former spouse of the taxpayer in exchange for the release of the spouse's marital rights;

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

(10) Interest, including payment adjustment to the extent that it is applied to interest, earned by the seller of the property on a family farm security loan executed before January 1, 1982 that is guaranteed by the commissioner of agriculture as provided in sections 41.51 to 41.60;

(11) The first \$3,000 of compensation for personal services in the armed forces of the United States or the United Nations, and the next \$2,000 of compensation for personal services in the armed forces of the United States or the United Nations wholly performed outside the state of Minnesota. This modification does not apply to compensation defined in clause (b)(6);

(12) The amount of any income earned for personal services rendered outside of Minnesota prior to the date when the taxpayer became a resident of Minnesota. This modification does not apply to compensation defined in clause (b)(6);

(13) In the case of wages or salaries paid or incurred on or after January 1, 1977, the amount of any credit for employment of certain new employees under sections 44B and 51 to 53 of the Internal Revenue Code of 1954 which is claimed as a credit against the taxpayer's federal tax liability, but only to the extent that the credit is connected with or allocable against the production or receipt of income included in the measure of the tax imposed by this chapter;

(14) In the case of work incentive program expenses paid or incurred on or after January 1, 1979, the amount of any credit for expenses of work incentive

programs under sections 40, 50A and 50B of the Internal Revenue Code of 1954 which is claimed as a credit against the taxpayer's federal tax liability, but only to the extent that the credit is connected with or allocable against the production or receipt of income included in the measure of the tax imposed by this chapter;

(15) Unemployment compensation to the extent includible in gross income for federal income tax purposes under section 85 of the Internal Revenue Code of 1954;

(16) To the extent included in federal adjusted gross income, severance pay that may be treated as a lump sum distribution under the provisions of section 290.032, subdivision 5;

(17) The amount of any income or gain which is not assignable to Minnesota under the provisions of section 290.17; ~~and~~

(18) Minnesota exempt-interest dividends as provided by subdivision 27; *and*

(19) *Contributions to and interest earned on an individual housing account as provided by section 290.08, subdivision 25.*

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

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

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

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

Items of gross income includible within these definitions shall be deemed such regardless of the form in which received. Items of gross income shall be included in gross income of the taxable year in which received by a taxpayer

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

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

Sec. 6. Minnesota Statutes 1980, Section 290.08, is amended by adding a subdivision to read:

Subd. 25. [INDIVIDUAL HOUSING ACCOUNTS.] (a) (1) Gross income shall not include the amount, up to a maximum of \$1,500, paid in cash during the taxable year by an individual taxpayer to an individual housing account established for his benefit together with all interest paid or accrued within the taxable year on the account. In the case of a married couple filing separate returns or filing separately on a combined return, the total amount excludible from gross income for contributions to an individual housing account during the taxable year may not exceed \$1,500. This total exclusion for a married couple may be taken by either spouse or divided between them as they elect. The amount of interest paid on any amount contributed in excess of \$1,500 during a taxable year or in excess of the maximum contribution permitted by paragraph (2) during all taxable years shall not be excluded from gross income.

(2) The amounts excludible from gross income for contributions to an individual housing account by an individual for all taxable years may not exceed \$10,000. In the case of a married individual, the \$10,000 amount shall be reduced by an amount equal to the sum of the contributions excluded from gross income pursuant to this subdivision for all taxable years by his spouse. In the case of a married couple, each of whom had established an individual housing account prior to the marriage, the combined limit on the amount excludible from gross income for all taxable years shall be the greater of \$10,000 or the amounts excluded from gross income for contributions to their accounts for taxable years ending before the day on which they were married.

(b) For purposes of this subdivision, the following terms have the meanings given.

(1) "Individual housing account" means a trust created or organized in Minnesota for the exclusive benefit of an individual, or, in the case of a married individual, for the exclusive benefit of the individual and his spouse jointly, but only if the written governing instrument creating the trust meets the following requirements:

(i) Contributions will not be accepted for the taxable year in excess of \$1,500 or in excess of \$10,000 for all taxable years, exclusive of interest paid or accrued.

(ii) The trustee is a financial institution, as defined in section 47.015, or a credit union, chartered or supervised under federal or state law, whose accounts are insured by the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, the National Credit Union Administration or any agency of this state or any federal agency established for the purpose of insuring accounts in these financial institutions.

(iii) The assets of the trust shall be invested only in savings or time deposits in amounts fully insured as prescribed in paragraph (ii). Funds held in the trust may be commingled for purposes of investment, but individual records shall be maintained by the trustee for each individual housing account holder which show all transactions in detail.

(iv) The entire interest of an individual or married couple for whose benefit the trust is maintained will be distributed to him, or them, not later than 120 months after the date on which the first contribution is made to the trust.

(v) Except as provided in clause (d) in the case of a disability or death the trustee will distribute no part of the funds in the account unless it: (a) verifies that the money is to be used for a qualified purchase and provides that the instrument of payment is payable to the seller or his designee, construction contractor, or other vendor of the property purchased; or (b) withholds an amount equal to ten percent of the amount withdrawn from the account and remits this amount to the commissioner of revenue within ten days after the date of the withdrawal. The amount so withheld shall be applied to the liability of the taxpayer under clauses (c)(1) and (d).

Except as provided in clause (c), a trustee who fails to pay to or deposit with the commissioner any sum or sums required by this subdivision to be deducted, withheld and paid, shall be personally and individually liable to the state of Minnesota for such sum or sums. Failure to comply with the requirements of paragraph (v) shall be subject to the penalties and interest applicable to withholding tax violations under section 290.92, subdivision 15.

If the trustee, in violation of the provisions of this subdivision, fails to deduct and withhold the amounts required by this subdivision and thereafter the taxes against which any amount withheld may be credited are paid, the amounts required to be deducted and withheld shall not be collected from the trustee. Payment of the tax due under clauses (c)(1) and (d) shall not relieve the trustee from liability for any penalties and interest otherwise applicable in respect of its failure to deduct and withhold.

(2) "Residence" means all or part of a house, townhouse, condominium or

cooperative apartment used as the taxpayer's principal and permanent place of residence, but does not include a mobile home as defined in section 273.13, subdivision 3.

(3) "Qualified purchase" means the purchase by a participant in an individual housing account of a principal residence, if (i) the participant has not had a present ownership interest in a principal residence; (ii) the residence to be purchased is located in Minnesota; and (iii) the purchase is made more than one year after the individual housing account was established. For purposes of this paragraph, "participant" means in the case of a married couple either spouse at the time of the purchase.

(c) (1) Any amount paid or distributed out of an individual housing account shall be included in gross income by the participant in the account for the taxable year in which the distribution is received, unless the amount is used exclusively in connection with a qualified purchase.

(2) Paragraph (1) shall not apply to a distribution out of an individual housing account to the extent that it was not excluded from gross income either as individual housing account contributions or interest.

The transfer of an individual's interest in an individual housing account to his former spouse under a dissolution of marriage decree or under a written instrument incident to a dissolution of marriage is not to be considered a taxable transfer made by the individual and the interest, at the time of the transfer, is to be treated as an individual housing account of the transferee, and not of the transferor. After the transfer, the account is to be treated, for purposes of this subdivision, as maintained for the benefit of the spouse.

(3) Payment out of an individual housing account pursuant to a good faith, written earnest money contract shall be treated as a qualified purchase for purposes of paragraph (1), either if the sale is completed or if the sale is not completed and the earnest money is forfeited. If an individual housing account distribution is paid pursuant to a good faith, written earnest money contract and is forfeited to the seller for failure to complete the sale, the taxpayer may elect to make and exclude from gross income additional contributions to the individual housing account equal to the amount of the distribution, subject to the annual limits applicable to the amounts excludible from gross income but notwithstanding the \$10,000 limit provided by clause (a). If an individual housing account distribution is paid pursuant to an earnest money contract, the sale is not completed, and the distribution is not forfeited to the seller, the amount of the distribution shall be repaid to the account.

(4) In the case of a married couple, any distribution includible in gross income pursuant to this clause shall be allocated equally to each spouse's income.

(d) If a distribution from an individual housing account to an individual for whose benefit the account was established is made and not used in connection with a qualified purchase, the tax liability of the individual under this chapter for the taxable year in which the distribution is received shall be increased by an amount equal to ten percent of the amount of the distribution which is includible in his gross income for the taxable year. The ten percent tax provided by this clause shall be in addition to the taxpayer's tax liability if calculated under section 290.06, subdivision 3d, and shall not be reduced by

any credit pursuant to section 290.06, subdivisions 3e, 3f, 9, 9a, 11 or 14 or any other nonrefundable credit. If, during any taxable year, the individual uses the account or any portion thereof as security for a loan, the portion so used is treated as distributed to that individual. No such liability shall be imposed if the payment or distribution is attributable to the taxpayer dying or becoming disabled as provided in section 290A.03, subdivision 10. An individual shall not be considered to be disabled unless he furnishes proof of the disability in the form and manner as the commissioner of revenue may require. Upon the death of an individual for whose benefit the account had been established, the funds in the account shall be payable to the estate of the individual, provided that, if the account was held jointly by the decedent and a spouse of the decedent, the account shall remain as the individual housing account of the surviving spouse. The ten percent tax provided by this clause shall not be imposed, if (1) the participant is unable to make a qualified purchase because he marries a person who has or had an ownership interest in a residence; and (2) no contributions or interest are excluded from gross income in a taxable year ending after the date of the marriage.

(e) No allocation of federal income tax paid on amounts excluded from gross income pursuant to this subdivision shall be required for purposes of the deduction of federal income tax paid under section 290.18, subdivision 2.

(f) The trustee of an individual housing account shall make reports regarding the account to the commissioner of revenue and to the individual for whom the account is maintained with respect to contributions, distributions, and other matters as the commissioner may require under rules. The reports required by this clause shall be filed at a time and in a manner as may be required by the rules. A person who fails to file a required report will be subject to a penalty of \$10 to be paid to the commissioner of revenue for each instance of failure to file.

This subdivision may be cited as the "Young Family Housing Act".

Sec. 7. Minnesota Statutes 1980, Section 290.17, Subdivision 2, is amended to read:

Subd. 2. [OTHER TAXPAYERS.] In the case of taxpayers not subject to the provisions of subdivision 1, items of gross income shall be assigned to this state or other states or countries in accordance with the following principles:

(1) The entire income of all resident or domestic taxpayers from compensation for labor or personal services, or from a business consisting principally of the performance of personal or professional services, shall be assigned to this state, and the income of nonresident taxpayers from such sources shall be assigned to this state if, and to the extent that, the labor or services are performed within it; all other income from such sources shall be treated as income from sources without this state;

(2) Income from the operation of a farm shall be assigned to this state if the farm is located within this state and to other states only if the farm is not located in this state. Income and gains received from tangible property not employed in the business of the recipient of such income or gains, and from tangible property employed in the business of such recipient if such business consists principally of the holding of such property and the collection of the income and gains therefrom, shall be assigned to this state if such property has a situs

within it, and to other states only if it has no situs in this state. Income or gains from intangible personal property not employed in the business of the recipient of such income or gains, and from intangible personal property employed in the business of such recipient if such business consists principally of the holding of such property and the collection of the income and gains therefrom, wherever held, whether in trust, or otherwise, shall be assigned to this state if the recipient thereof is domiciled within this state; income or gains from intangible personal property wherever held, whether in trust or otherwise shall be assigned to this state if the recipient of such income or gains is domiciled within this state, or if the grantor of any trust is domiciled within this state and such income or gains would be taxable to such grantor under section 290.28 or 290.29;

(3) Income derived from carrying on a trade or business, including in the case of a business owned by natural persons the income imputable to the owner for his services and the use of his property therein, shall be assigned to this state if the trade or business is conducted wholly within this state, and to other states if conducted wholly without this state. This provision shall not apply to business income subject to the provisions of clause (1);

(4) When a trade or business is carried on partly within and partly without this state, the entire income derived from such trade or business, including income from intangible property employed in such business and including, in the case of a business owned by natural persons, the income imputable to the owner for his services and the use of his property therein, shall be governed, except as otherwise provided in sections 290.35 and 290.36, by the provisions of section 290.19, notwithstanding any provisions of this section to the contrary. This shall not apply to business income subject to the provisions of clause (1). For the purposes of this clause, a trade or business located in Minnesota is carried on partly within and partly without this state if tangible personal property is sold by such trade or business and delivered or shipped to a purchaser located outside the state of Minnesota.

In determining whether or not intangible property is employed in a unitary business carried on partly within and partly without this state so that income derived therefrom is subject to apportionment under section 290.19 the following rules and guidelines shall apply.

(a) Intangible property is employed in a business if the business entity owning intangible property holds it as a means of furthering the business operation of which a part is located within the territorial confines of this state.

(b) Where a business operation conducted in Minnesota, is owned by a business entity which carries on business activity outside of the state different in kind from that conducted within this state, and such other business is conducted entirely outside the state, it will be presumed that the two business operations are unitary in nature, interrelated, connected and interdependent unless it can be shown to the contrary.

(5) In the case of a nonresident who is liable for payment of a penalty for having withdrawn funds from an individual housing account established pursuant to section ~~290.09~~ 290.08, subdivision ~~30~~ 25, the amount so withdrawn and for which a deduction was allowed shall be an item of income assignable to this state, and the penalty tax of ten percent shall remain an additional liability of that taxpayer.

(6) For purposes of this section, amounts received by a non-resident from the United States, its agencies or instrumentalities, the Federal Reserve Bank, the state of Minnesota or any of its political or governmental subdivisions, or a Minnesota volunteer fireman's relief association, by way of payment as a pension, public employee retirement benefit, or any combination thereof, or as a retirement or survivor's benefit made from a plan qualifying under section 401, 403, 404, 405, 408 or 409 of the Internal Revenue Code of 1954, as amended through December 31, 1979, are not considered income derived from carrying on a trade or business or from performing personal or professional services in Minnesota, and are not taxable under this chapter.

(7) All other items of gross income shall be assigned to the taxpayer's domicile.

Sec. 8. [REPEALER.]

Minnesota Statutes 1980, Section 290.09, Subdivision 30, is repealed.

Sec. 9. [EFFECTIVE DATE.]

This article is effective for taxable years beginning after December 31, 1980.

ARTICLE X

MISCELLANEOUS

Section 1. [38.26] [PAYMENTS FOR CITY SERVICES.]

The board of managers of the society shall enter and make payments pursuant to a written agreement with the city council of any city within which the boundaries of the state fairgrounds are located. The agreement shall provide that the society will compensate the city for the cost of providing city services to occupants or users of the fairgrounds and any additional costs incurred by the city as a result of the use of the fairgrounds, including a reasonable amount for wear and tear on and demand for additional capital facilities. The board of managers and the city shall renegotiate the terms of the agreement at least once every two years.

Sec. 2. Minnesota Statutes 1980, Section 270.47, is amended to read:

270.47 [RULES.]

The board shall establish the rules necessary to accomplish the purpose of section 270.41, and shall establish criteria required of assessing officials in the state. Separate criteria may be established depending upon the responsibilities of the assessor. The board shall prepare and give examinations from time to time to determine whether assessing officials possess the necessary qualifications for performing the functions of his office. Such tests shall be given immediately upon completion of courses required by the board, or to persons who already possess the requisite qualifications under the regulations of the board. Rules adopted by the board before July 1, 1981 to accomplish the purposes of sections 270.41 to 270.53, including those relating to licensure, are valid without compliance with the administrative procedure act.

Sec. 3. [TRANSITION PROVISION.]

County assessors who are certified but not currently accredited shall be allowed until May 1, 1982, to achieve accreditation pursuant to the rules of the state board of assessors. Any county assessor who has not achieved accredita-

tion by May 1, 1982, shall be terminated and a vacancy shall exist in that office. Any requests for confirmation of appointment pending before the commissioner for county assessors not currently accredited may be provisionally approved.

Sec. 4. Minnesota Statutes 1980, Section 298.75, Subdivision 1, is amended to read:

Subdivision 1. A county may impose upon every person, firm, corporation or association, hereafter referred to as "operator," engaged in the business of removing gravel for sale from gravel pits or deposits, a production tax in an amount not to exceed ten cents per cubic yard of gravel removed. *For purposes of this section, gravel shall include sand and limestone.*

Sec. 5. Minnesota Statutes 1980, Section 298.75, Subdivision 2, is amended to read:

Subd. 2. ~~On October 1, 1980, and thereafter on~~ By the first 14th day following the last day of each calendar quarter in each county in which a tax is imposed pursuant to this section, every operator shall make and file with the county auditor of the county in which the gravel is removed, a correct report under oath, in such form and containing such information as the auditor shall require relative to the quantity of gravel removed during the preceding calendar quarter. The report shall be accompanied by a remittance of the amount of tax due.

Sec. 6. Minnesota Statutes 1980, Section 298.75, Subdivision 3, is amended to read:

Subd. 3. If any operator fails to make the report required by subdivision 2 or files an erroneous report, the county auditor shall, *on the fifth working day after the day the report became due*, determine the amount of tax due and notify the operator by registered mail of the amount of tax so determined. An operator may, within 30 days from the date of mailing the notice, file in the office of the county auditor a written statement of objections to the amount of taxes determined to be due. The statement of objections shall be deemed to be a petition within the meaning of chapter 278, and shall be governed by sections 278.02 to 278.13.

Sec. 7. Minnesota Statutes 1980, Section 340.621, is amended to read:

340.621 [INTOXICATING OR NONINTOXICATING LIQUOR; REGISTRATION OF BRAND BY OWNER.]

The label of any brand of *wine or* intoxicating or nonintoxicating malt beverage may be registered only by the brand owner or its authorized agent. No such brand may be imported for sale within the state without the consent of the brand owner or its authorized agent.

Nothing in this section shall be construed to repeal, limit or otherwise affect the provisions of section 340.114.

Sec. 8. Minnesota Statutes 1980, Section 422A.101, Subdivision 3, is amended to read:

Subd. 3. [STATE CONTRIBUTIONS.] The state shall pay to the Minneapolis municipal employees retirement fund annually an amount equal to the financial requirements of the basic program of the Minneapolis municipal

employees retirement fund reported by the actuary in the actuarial valuation of the fund prepared pursuant to section 356.215 for the most recent year but based on a target date for full amortization of the unfunded liabilities by the year 2017 less the amount of employee contributions made pursuant to section 422A.10, and the amount of employer contributions made pursuant to subdivision 1, clauses (a), (b) and (c), and subdivision 2, clauses (a), (b) and (c). ~~Payments made pursuant to this subdivision shall be made at the same time and in the same manner as for payments made pursuant to section 477A.01, subdivision 4b shall be made in four equal installments on March 15, July 15, September 15, and November 15 annually.~~

Sec. 9. [NEW BRIGHTON; PROJECT; BONDS.]

Notwithstanding the provisions of Minnesota Statutes, Section 474.02, Subdivision 1b, the city of New Brighton may undertake a project consisting of properties, real or personal, used or useful, in connection with a revenue producing enterprise comprising a hotel or motel and may issue revenue bonds of the city to finance such project pursuant to Minnesota Statutes, Chapter 474, in an aggregate principal amount not to exceed \$10,000,000.

Sec. 10. 1981 regular session H.F. No. 1443, Section 377, as enacted, is amended to read:

Sec. 377. [REPEALER.]

Minnesota Statutes 1980, Sections ~~3.86~~; 7.07; 16A.75; 16A.751; 16A.752; 16A.753; 16A.754; 168B.11; 363.073, Subdivisions 1 and 2; 481.15, Subdivision 3; 480.053; 483.01; 483.02; 648.45; and 648.46 are repealed. Minnesota Statutes 1980, Section 473.556, Subdivision 15 is repealed, effective July 1, 1982.

Sec. 11. [TAX STUDY COMMISSION REVIVED.]

Notwithstanding the provisions of Minnesota Statutes, Section 645.36, the law in Minnesota Statutes, Section 3.86, is revived.

Sec. 12. [APPROPRIATION.]

(a) *The sum of \$60,000 is appropriated from the general fund to the tax study commission for the purpose of general operation of the commission including personnel costs. The sum is available to September 30, 1981.*

(b) *The sum of \$100,000 is appropriated from the general fund for the purpose of documenting and maintaining the commission's computer program services. The sum is available for the fiscal biennium ending June 30, 1983.*

Sec. 13. 1981 regular session H.F. No. 1434, Section 5, Subdivision 6, as enacted, is amended to read:

Subd. 6. Board of Boxing and Wrestling	32,600	33,600
Approved Complement - 1		

Sec. 14. [REPEALER.]

1981 regular session H.F. No. 1434, Sections 78, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, and 99, as enacted, are repealed.

Sec. 15. [EFFECTIVE DATE.]

Sections 1, 2 to 4 and 8 are effective the day following final enactment. Section 9 is effective on the day after compliance with Minnesota Statutes, Section 645.021, Subdivision 3, by the governing body of the city of New Brighton. September 30, 1981.

Sections 13 and 14 are effective the day after final enactment. Notwithstanding Minnesota Statutes, Sections 645.26, 645.33, or other law, sections 13 and 14 prevail over H.F. No. 1434 regardless of their relative order of final enactment. Notwithstanding Minnesota Statutes, Section 645.34, or other law, the effect of section 14 is to maintain the law as it exists without the amendments repealed by that section."

Delete the title and insert:

"A bill for an act relating to the operation and financing of state and local government; providing for indexing of individual income tax brackets, credits and the standard deduction; imposing an income surtax; eliminating the deduction for tax paid on gasoline; limiting the medical expense deduction; providing for deduction of federal income tax on the accrual basis; extending the provision restricting deduction of costs incurred in connection with substandard housing; adjusting the state school agricultural credit; exempting certain airport property and leased park property from taxation; providing for the valuation of agricultural land; providing for the valuation of archery and firearms ranges and of property subject to a conservation restriction or easement; indexing the homestead brackets; providing homestead treatment for certain leased property; extending 3cc treatment to homesteads of persons receiving local government disability pensions; reducing the assessment ratios applied to apartments and commercial-industrial property; correcting the transmission line credit formula; requiring notice of possibility of forfeiture or default on tax-forfeited lands and providing a transitional provision; increasing the current targeting provision maximum; extending targeting for future years; requiring reports on agricultural land valuations; authorizing the city of Austin to hold land for future development; increasing the rate of interest payable on delinquent taxes; rescheduling certain payment dates; limiting property tax refund payments to certain claimants; requiring declaration and estimated payments of gross earnings taxes by telephone and telegraph companies; limiting certain appropriations; eliminating payment of estate tax proceeds to counties; changing the definition of a "sale"; excluding certain foods from the sales tax exemption; exempting gross receipts from the sale of certain feminine hygiene products from the sales tax; providing an accelerated payment of June sales and use tax liability for certain vendors; clarifying the date of sale of tickets and admissions for purposes of the sales and use tax; providing a municipal option to participate in the shade tree disease program; limiting certain property tax credits; providing a system for the limitation of levies by local governments; authorizing certain levies outside the limits for counties to fund legal assistance programs and seaway port authorities and to finance Goodhue county fairs; providing a formula for the distribution of local government aids; delaying implementation of the coefficient of dispersion penalty; establishing conditions for the special assessment of costs of operation, maintenance, or promotion of public improvements; authorizing the refunding of certain special assessments collected by the city of South St. Paul and the levying of a tax to finance the city's sewer separation project; authorizing the city of Inver Grove Heights to issue certain permits; requiring filing of reports by assessors; specifying parties to be served with notice of appeal; restricting native prairie designation; establishing dates for filing statements regarding tax-exempt property; setting certain fees; altering the attached machinery aid computation;

clarifying the assessment of certain property of cooperative associations; allowing use of estimates of certain levy information; establishing interest rates on delinquent taxes; clarifying terminology; removing requirements of publishers' bonds; modifying property tax refunds payable to part-year homeowners; increasing abatement authority of county boards; requiring local assessment of airport property; providing for a subtraction from gross income for individual housing accounts in lieu of the deduction; modifying procedural requirements for individual housing accounts; validating rules of the state board of assessors; providing for accrediting of certain assessors; defining "gravel"; delaying the date for filing of gravel tax returns; providing for the registration of wine brand labels; authorizing use of industrial revenue bonds to finance a project located in the city of New Brighton; preventing the extension of taxing regulations and taxation to wrestling; continuing certain functions of the tax study commission; appropriating funds; amending Minnesota Statutes 1980, Sections 18.023, by adding a subdivision; 48.159, Subdivision 2; 50.157, Subdivision 2; 51A.21, Subdivision 16a; 52.136; 124.213; 270.11, Subdivision 2; 270.47; 270.75; 271.10, Subdivision 2; 272.01, Subdivision 2; 272.02, Subdivision 1; 272.025, Subdivision 3; 272.46; 272.47; 273.11, Subdivision 1 and by adding a subdivision; 273.112, Subdivision 3; 273.13, Subdivisions 6, 7, 9, 19 and by adding subdivisions; 273.136, Subdivision 3; 273.138, Subdivision 2; 273.19, Subdivision 1 and by adding a subdivision; 273.40; 273.42, Subdivision 2; 275.075; 275.08; 275.50, Subdivisions 2 and 5; 275.51, Subdivisions 1, 4 and by adding a subdivision; 276.01; 277.15; 279.02; 279.03; 279.14; 279.37, Subdivision 6; 281.23, Subdivision 5; 290.01, Subdivision 20; 290.06, Subdivisions 2d, 3g and by adding subdivisions; 290.067, Subdivision 2; 290.08, by adding a subdivision; 290.09, Subdivisions 4, 10 and 15; 290.10; 290.17, Subdivision 2; 290.18, Subdivision 2 and by adding a subdivision; 290.37, Subdivision 3; 290A.03, Subdivisions 8 and 13; 290A.04, Subdivision 2c and by adding a subdivision; 290A.07, Subdivisions 2, 3 and by adding a subdivision; 297A.01, Subdivision 3; 297A.25, Subdivision 1; 298.75, Subdivisions 1, 2 and 3; 340.621; 360.035; 375.167, Subdivision 1; 375.192, Subdivision 2; 422A.101, Subdivision 3; 429.031; 429.051; 429.061, Subdivision 1 and by adding subdivisions; 458.14; 473.626; 477A.03; 477A.04, Subdivision 2; and 477A.13; Laws 1975, Chapter 226, Section 4, as amended; and Laws 1980, Chapter 607, Article V, Section 5; proposing new law coded in Minnesota Statutes, Chapters 38; 273; 295; 297A; and 477A; repealing Minnesota Statutes 1980, Sections 275.51, Subdivision 3d; 275.52; 275.53; 275.551; 275.552; 275.59; 279.11; 290.09, Subdivision 30; 291.33; and 477A.01."

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

House Conferees: (Signed) Irvin N. Anderson, John D. Tomlinson, Willis R. Eken, Steven G. Novak, Harry A. Sieben, Jr.

Senate Conferees: (Signed) Douglas J. Johnson, Marv Hanson, Collin C. Peterson, Linda Berglin, James C. Pehler

Mr. Johnson moved that the foregoing recommendations and Conference Committee Report on H. F. No. 1445 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H. F. No. 1445 was read the third time, as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 38 and nays 28, as follows:

Those who voted in the affirmative were:

Berglin	Hughes	Luther	Peterson, C. C.	Stern
Bertram	Humphrey	Menning	Petty	Stokowski
Dahl	Johnson	Merriam	Purfeerst	Tennessen
Davis	Knoll	Moe, D. M.	Schmitz	Vega
Dicklich	Kroening	Moe, R. D.	Setzepfandt	Wegener
Dieterich	Langseth	Nelson	Sikorski	Willet
Frank	Lantry	Pehler	Solon	
Hanson	Lessard	Penny	Spear	

Those who voted in the negative were:

Ashbach	Brataas	Keefe	Peterson, R. W.	Stumpf
Bang	Davies	Knutson	Pillsbury	Taylor
Belanger	Engler	Kronebusch	Ramstad	Ulland
Benson	Frederick	Lindgren	Renneke	Waldorf
Berg	Frederickson	Olhoft	Rued	
Bernhagen	Kamrath	Peterson, D. L.	Sieloff	

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

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce that the House has 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. 775: A bill for an act relating to health; providing for home health services through the community health services act; appropriating money; amending Minnesota Statutes 1980, Sections 144A.51, by adding a subdivision; 144A.52, Subdivision 3; 144A.53; 144A.54, Subdivision 1; 145.915, by adding a subdivision; 145.918, by adding subdivisions; 145.919; and 145.95, Subdivision 5.

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

Samuelson; Anderson, R. and Clark, J.

Senate File No. 775 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 18, 1981

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on Senate File No. 1154 and repassed said bill in accordance with the report of the Committee, so adopted.

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.

Senate File No. 1154 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 18, 1981

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on Senate File No. 937 and repassed said bill in accordance with the report of the Committee, so adopted.

S. F. No. 937: A bill for an act relating to insurance; prohibiting the issuance or renewal of certain health policies or plans which exclude or limit coverage on DES related conditions; proposing new law coded in Minnesota Statutes, Chapter 62A.

Senate File No. 937 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 18, 1981

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on Senate File No. 939 and repassed said bill in accordance with the report of the Committee, so adopted.

S. F. No. 939: A bill for an act relating to human rights; authorizing injunctions for acts of reprisal; increasing the award of punitive damages; permitting the recovery of damages for mental anguish and suffering; amending Minnesota Statutes 1980, Sections 363.06, Subdivision 4; and 363.071, Subdivision 2.

Senate File No. 939 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 18, 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. 5: A House concurrent resolution relating to adjournment of the Senate and House of Representatives until 1982.

BE IT RESOLVED by the House of Representatives, the Senate concurring:

(1) Upon their adjournments on May 18, 1981, the House of Representatives may set its next day of meeting for January 12, 1982 at 12:00 noon and the Senate may set its next day of meeting for January 12, 1982 at 12:00 noon.

(2) By the adoption of this resolution, each house consents to adjournment of the other house for more than three days.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 18, 1981

Mr. Moe, R.D. moved the adoption of the foregoing resolution. The motion prevailed. So the resolution was adopted.

MOTIONS AND RESOLUTIONS - CONTINUED

Mrs. Lantry moved that the name of Mr. Frederick be added as co-author to S. F. No. 713. The motion prevailed.

Mr. Dicklich moved that the name of Mr. Dahl be added as co-author to S. F. No. 1431. The motion prevailed.

Ms. Berglin moved that the name of Mr. Petty be added as co-author to S. F. No. 1445. The motion prevailed.

Mr. Belanger moved that the name of Mr. Lessard be added as co-author to S. F. No. 1449. The motion prevailed.

Mr. Davis moved that the names of Messrs. Ashbach and Vega be added as co-authors to S. F. No. 1365. The motion prevailed.

Mr. Peterson, C.C. moved that the names of Messrs. Johnson and Pehler be added as co-authors to S. F. No. 1472. The motion prevailed.

SPECIAL ORDER

Pursuant to Rule 10, Mr. Moe, R.D., Chairman of the Subcommittee on Bill Scheduling, designated H. F. No. 1253 a Special Order to be heard immediately.

H. F. No. 1253: A bill for an act relating to the department of economic security; authorizing financial assistance to community action agencies; defining terms; providing a formula for the distribution of funds; proposing new law coded as Minnesota Statutes, Chapter 268A.

Mr. Moe, R.D. moved to amend H. F. No. 1253, as amended pursuant to Rule 49, adopted by the Senate May 15, 1981, as follows:

(The text of the amended House File is identical to S. F. No. 1095.)

Page 2, line 2, after "*allocated*" insert "*annually*"

Page 2, after line 3, insert:

"If the appropriation is insufficient to fully fund each agency, the insufficiency shall be prorated annually among the agencies."

Page 2, line 7, delete "*determined*" and insert "*Determined*"

Page 2, line 8, delete "*(1)*"

Page 2, line 9, after "*to*" insert "*or more than*"

Page 2, line 13, delete "*program*" and insert "*agency*"

Page 2, line 14, before "*fiscal*" insert "*the previous*" and delete "*1980*"

Page 2, delete lines 15 to 36

Page 3, delete lines 1 and 2

The motion prevailed. So the amendment was adopted.

Mr. Renneke moved to amend H. F. No. 1253, as amended pursuant to Rule 49, adopted by the Senate May 15, 1981, as follows:

(The text of the amended House File is identical to S. F. No. 1095.)

Page 3, line 18, after "*governor*" insert:

"with the approval of a majority of the county boards in the area the agency intends to serve"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 17 and nays 41, as follows:

Those who voted in the affirmative were:

Belanger	Bertram	Kamrath	Peterson, D.L.	Taylor
Benson	Engler	Keefe	Pillsbury	
Berg	Frederickson	Kronebusch	Ramstad	
Bernhagen	Humphrey	Lindgren	Renneke	

Those who voted in the negative were:

Berglin	Knoll	Moe, R. D.	Schmitz	Ulland
Chmielewski	Kroening	Nelson	Setzepfandt	Vega
Dahl	Langseth	Olhoft	Sikorski	Waldorf
Davies	Lantry	Pehler	Solon	Wegener
Davis	Lessard	Penny	Spear	Willet
Dicklich	Luther	Peterson, C.C.	Stern	
Dieterich	Menning	Peterson, R.W.	Stokowski	
Frank	Merriam	Petty	Stumpf	
Hughes	Moe, D. M.	Purfeerst	Tennessee	

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

Mr. Renneke then moved to amend H. F. No. 1253, as amended pursuant to Rule 49, adopted by the Senate May 15, 1981, as follows:

(The text of the amended House File is identical to S. F. No. 1095.)

Page 3, line 18, after *"governor"* insert:

"in conjunction with a majority of the county boards in the area the agency intends to serve"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 13 and nays 41, as follows:

Those who voted in the affirmative were:

Ashbach	Bernhagen	Kronebusch	Pillsbury	Taylor
Bang	Frederickson	Lindgren	Ramstad	
Benson	Kamrath	Peterson, D.L.	Renneke	

Those who voted in the negative were:

Berglin	Hughes	Merriam	Purfeerst	Ulland
Bertram	Johnson	Moe, R. D.	Schmitz	Vega
Chmielewski	Knoll	Nelson	Setzepfandt	Waldorf
Dahl	Kroening	Olhoft	Sikorski	Wegener
Davies	Langseth	Pehler	Spear	Willet
Davis	Lantry	Penny	Stern	
Dicklich	Lessard	Peterson, C.C.	Stokowski	
Dieterich	Luther	Peterson, R.W.	Stumpf	
Frank	Menning	Petty	Tennessee	

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

Mr. Frederickson moved to amend H. F. No. 1253, as amended pursuant to Rule 49, adopted by the Senate May 15, 1981, as follows:

(The text of the amended House File is identical to S. F. No. 1095.)

Page 3, line 22, delete "One-third" and insert "One-half"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 14 and nays 33, as follows:

Those who voted in the affirmative were:

Ashbach	Berg	Frederickson	Lindgren	Ramstad
Bang	Bernhagen	Kamrath	Peterson, D. L.	Renneke
Benson	Frederick	Kronebusch	Pillsbury	

Those who voted in the negative were:

Bertram	Johnson	Moe, R. D.	Purfeerst	Tennessee
Chmielewski	Knoll	Nelson	Schmitz	Vega
Dahl	Lantry	Olhoft	Setzepfandt	Waldorf
Davies	Luther	Pehler	Sikorski	Wegener
Davis	Menning	Peterson, C. C.	Spear	Willet
Dieterich	Merriam	Peterson, R. W.	Stern	
Frank	Moe, D. M.	Petty	Stokowski	

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

Mr. Renneke moved to amend H. F. No. 1253, as amended pursuant to Rule 49, adopted by the Senate May 15, 1981, as follows:

(The text of the amended House File is identical to S. F. No. 1095.)

Page 6, line 33, after the period, insert "An agency administering a component of a community action program shall cooperate with public agencies having similar or related responsibilities in the community."

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 18 and nays 35, as follows:

Those who voted in the affirmative were:

Ashbach	Bernhagen	Kamrath	Peterson, D. L.	Rued
Belanger	Engler	Kronebusch	Pillsbury	Taylor
Benson	Frederick	Lindgren	Ramstad	
Berg	Frederickson	Merriam	Renneke	

Those who voted in the negative were:

Berglin	Dieterich	Lantry	Olhoft	Sikorski
Bertram	Frank	Lessard	Pehler	Stern
Chmielewski	Hanson	Luther	Peterson, C. C.	Stokowski
Dahl	Humphrey	Menning	Peterson, R. W.	Tennessee
Davies	Knoll	Moe, D. M.	Petty	Vega
Davis	Kroening	Moe, R. D.	Purfeerst	Waldorf
Dicklich	Langseth	Nelson	Setzepfandt	Willet

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

H. F. No. 1253 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 56 and nays 8, as follows:

Those who voted in the affirmative were:

Ashbach	Engler	Lessard	Peterson, R. W.	Stumpf
Bang	Frank	Lindgren	Petty	Taylor
Belanger	Hanson	Luther	Pillsbury	Tennessee
Berg	Hughes	Menning	Purfeerst	Ulland
Berglin	Humphrey	Merriam	Ramstad	Vega
Bertram	Johnson	Moe, D. M.	Schmitz	Waldorf
Chmielewski	Keefe	Moe, R. D.	Setzepfandt	Wegener
Dahl	Knoll	Nelson	Sikorski	Willet
Davies	Kroening	Olhoft	Solon	
Davis	Kronebusch	Pehler	Spear	
Dicklich	Langseth	Penny	Stern	
Dieterich	Lantry	Peterson, C. C.	Stokowski	

Those who voted in the negative were:

Benson	Frederick	Kamrath	Renneke	Rued
Bernhagen	Frederickson	Peterson, D. L.		

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

MOTIONS AND RESOLUTIONS - CONTINUED

S. F. No. 537 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S. F. NO. 537

A bill for an act relating to highway traffic regulations; increasing the length of certain vehicles; establishing permit fees for certain oversize vehicles; directing the commissioner of transportation to conduct certain studies; clarifying the operation of certain combination vehicles; amending Minnesota Statutes 1980, Sections 169.81, Subdivision 3; 169.86, Subdivision 5, and by adding a subdivision; and 169.861.

May 18, 1981

The Honorable Jack Davies
President of the Senate

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

We, the undersigned conferees for S. F. No. 537, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and S.F. No. 537 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1980, Section 169.81, Subdivision 3, is amended to read:

Subd. 3. [LENGTH OF COMBINATIONS AND SEMITRAILERS AND TRUCK-TRACTORS.] (a) No combination of vehicles coupled together unladen or with load, including truck-tractor and semitrailers, shall consist of more than two units unless the combination consists of a truck-tractor and semitrailer drawing one additional semitrailer equipped with an auxiliary dolly, and no combination of vehicles shall exceed a total length of 60 feet. The limitation shall not apply to the transportation of telegraph poles, telephone poles, electric light and power poles, piling, or pole length pulpwood, and is

subject to the following further exceptions: The length limitations shall not apply to vehicles when transporting pipe, or other objects by a public utility when required for emergency or repair of public service facilities or when operated under special permits as provided in this subdivision, but with respect to night transportation a vehicle and the load shall be equipped with a sufficient number of clearance lamps and marker lamps on both sides and upon the extreme ends of a projecting load to clearly mark the dimensions of the load. Mount combinations may be drawn but the combinations may not exceed 60 65 feet in length. The limitation on the number of units shall not apply to vehicles used for transporting milk from point of production to point of first processing, in which case no combination of vehicles coupled together unladen or with load, including truck-tractor and semitrailers, shall consist of more than three units and no combination of those vehicles shall exceed a total length of 60 feet. For the purpose of registration, trailers coupled with a truck-tractor, semitrailer combination shall be considered the same as semitrailers. The state, as to state trunk highways, and a city or town, as to roads or streets located within the city or town, may issue permits authorizing the transportation of combinations of vehicles exceeding the limitations in this subdivision over highways, roads or streets within their boundaries. Combinations of vehicles authorized by this subdivision may be restricted as to the use of highways by the commissioner, as to state trunk highways, and a road authority, as to highways or streets subject to its jurisdiction. Nothing in this subdivision shall be deemed to alter or change the authority vested in local authorities under the provisions of section 169.04. This subdivision shall not apply to the operation of combinations of vehicles subject to the provisions of section 169.861.

(b) No single semitrailer or trailer shall have an overall length, exclusive of rear protective bumpers which do not increase the overall length by more than six inches and further exclusive of accessory equipment mounted or located on the end of the semitrailer or trailer adjacent to the truck or truck-tractor, in excess of 45 feet, except for those semitrailers governed by subdivisions 3a, 3b and 7. For purposes of determining compliance with the provisions of this subdivision, the length of the semitrailer or trailer shall be determined separate from the overall length of the combination of vehicles.

Sec. 2. Minnesota Statutes 1980, Section 169.86, Subdivision 5, is amended to read:

Subd. 5. [FEES.] ~~To cover administrative costs in issuing such permits,~~ The commissioner, with respect to highways under his jurisdiction, may charge a fee of \$5 for each such permit issued; ~~except a seasonal transportation permit to contractors who move their own construction machinery and equipment for their own use, the fee for which seasonal permit shall be \$25. An annual permit may be issued for refuse compactor vehicles which will permit up to but not in excess of 22,000 pounds on a single rear axle and not in excess of 38,000 pounds on a tandem rear axle. The fee for this annual permit shall be \$50. All such fees for permits issued by the commissioner of transportation shall be deposited in the state treasury and credited to the trunk highway fund. Except for those annual permits for which the permit fees are specified elsewhere in this chapter, the fees shall be:~~

(a) \$12 for each single trip permit.

(b) \$12 for each job permit. A job permit may be issued for like loads carried

on a specific route for a period not to exceed two months. "Like loads" means loads of the same product, weight and dimension.

(c) \$60 for an annual permit to be issued for a period not to exceed 12 consecutive months. Annual permits may be issued for:

(1) truck cranes;

(2) construction equipment, machinery, and supplies;

(3) mobile homes;

(4) farm equipment when the movement is not made according to the provisions of section 169.80, subdivision 1, clauses (a) to (f).

(5) refuse compactor vehicles that carry a gross weight up to but not in excess of 22,000 pounds on a single rear axle and not in excess of 38,000 pounds on a tandem rear axle;

(6) motor vehicles used to alleviate a temporary crisis adversely affecting the safety or well-being of the public;

(7) motor vehicles which travel on interstate highways and carry loads authorized under subdivision 1a.

Sec. 3. [HIGHWAY POLICY STUDY COMMISSION.]

Subdivision 1. There is hereby created an interim commission to study the contracting of trunk highway maintenance by counties, and the collection of highway user taxes from out-of-state vehicles.

The study of county maintenance is to include:

(a) historical and projected department of transportation expenditures including administrative, operating and capital expenditures for trunk highway maintenance, maintenance preservation, and associated activities;

(b) the experience of other states and Minnesota in contracting with governmental subdivisions for highway maintenance and associated activities; and a review of existing procedures for contracts between the department of transportation and local governments;

(c) consideration of alternatives which contemplate contracting with all counties, groups of counties, or several specific counties to perform maintenance functions on trunk highways;

(d) identification of the costs and benefits in each alternative to the state and to the pertinent counties, including the costs and benefits associated with operating, administrative, equipment, and capital expenditures;

(e) consideration of personnel issues, including but not limited to the transfer of affected state employees to county employment, and any effect on compensation and pensions;

(f) consideration of tort liability issues and how they might be addressed;

(g) any other pertinent matters.

The study of the collection of highway user taxes from motor vehicles registered in other states is to include:

(a) overview of the origination, routes, weight, and destination of truck

shipments;

(b) current and alternative mechanisms to collect user revenues from out-of-state trucks, including reciprocity agreements for licenses and fuel;

(c) cost-effectiveness of alternative administrative and legislative methods to collect user revenues from out-of-state trucks;

(d) any other pertinent matters.

Subd. 2. The interim commission shall consist of seven members of the senate appointed by the subcommittee on committees of the committee on rules and administration of the senate and seven members of the house of representatives appointed by the speaker of the house. Payment of the expenses of the interim commission, including reimbursement for the expenses of the members shall be made pursuant to the rules of the legislature. Expenses of the commission shall be approved by the chairman and the expenses shall be paid in the same manner as other state expenses are paid. The commission shall select a chairman and other officers from its membership.

Subd. 3. The interim commission may request information and staff assistance from any state officer or agency to assist it in carrying out its duties, and such information and staff assistance shall be promptly furnished to the extent permitted by law.

Subd. 4. The interim commission shall exist and act from the date its members are appointed. The commission shall file a report with the legislature by February 1, 1982, and shall be terminated upon that date.

Sec. 4. Minnesota Statutes 1980, Section 169.861, is amended to read:

169.861 [PERMITS FOR OPERATION OF CERTAIN COMBINATIONS; FEES.]

Subdivision 1. [APPLICATIONS.] ~~The commissioner shall issue an annual permit to enable~~ A combination of vehicles consisting of a truck and semitrailer or a truck-tractor and semitrailer drawing one additional semitrailer equipped with an auxiliary dolly between 55 and 65 feet in length ~~to may operate on the public highways. The permit shall entitle the combination of vehicles to operate~~ only on divided highways having four or more lanes of travel, and on such other highways as may be designated by the commissioner of transportation subject to section 169.87, subdivision 1, and subject to the approval of the authority having jurisdiction over such highway, for the purpose of providing access between such divided highways of four or more lanes of travel and truck terminals and marshalling yards or for the purpose of providing continuity of route. All vehicles operated under the provisions of this section shall conform to the standards for such vehicles as prescribed by the United States Department of Transportation, Federal Highway Administration, Bureau of Motor Carrier Safety, and as may be amended.

Subd. 2. [DISPLAY.] ~~The permit issued under this section shall at all times be carried in or upon the vehicle supplying the mode of power for the combination of vehicles for which it has been issued.~~

Subd. 3. [FEES.] ~~The commissioner is authorized to charge a fee of \$75 for such annual permit for each combination exceeding 55 but not more than 60 feet in length; and \$200 for each combination exceeding 60 but not more than~~

65 feet in length. All such fees for permits issued by the commissioner shall be deposited in the state treasury and credited to the highway user tax distribution fund. This fee may be prorated in the same manner as registration fees are prorated pursuant to section 168.187. For those vehicles not covered by section 168.187 or reciprocal agreements pursuant to section 168.181, a trip fee of \$10 for combinations exceeding 55 but not more than 60 feet in length and \$20 for combinations exceeding 60 but not more than 65 feet in length may be charged."

Delete the title and insert:

"A bill for an act relating to highway traffic regulations; increasing the length of certain vehicles; establishing permit fees for certain oversize vehicles; creating a legislative study commission; clarifying the operation of certain combination vehicles; amending Minnesota Statutes 1980, Sections 169.81, Subdivision 3; 169.86, Subdivision 5; and 169.861."

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

Senate Conferees: (Signed) Clarence M. Purfeerst, William V. Belanger, Jr., Robert J. Schmitz

House Conferees: (Signed) Lyle G. Mehrkens, George C. Dahlvang, Lawrence J. Pogemiller

Mr. Purfeerst moved that the foregoing recommendations and Conference Committee Report on S. F. No. 537 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

S. F. No. 537 was read the third time, as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 49 and nays 9, as follows:

Those who voted in the affirmative were:

Ashbach	Frederick	Lantry	Peterson, C. C.	Sikorski
Bang	Hanson	Lessard	Peterson, R. W.	Solon
Belanger	Hughes	Luther	Petty	Stern
Bernhagen	Humphrey	Menning	Pillsbury	Stokowski
Bertram	Johnson	Merriam	Purfeerst	Taylor
Chmielewski	Kamrath	Moe, R. D.	Ramstad	Vega
Dahl	Knoll	Nelson	Renneke	Waldorf
Davis	Kroening	Olhoft	Rued	Wegener
Engler	Kronebusch	Pehler	Schmitz	Willet
Frank	Langseth	Penny	Setzepfandt	

Those who voted in the negative were:

Berglin	Dieterich	Moe, D. M.	Spear	Tennessen
Davies	Frederickson	Sieloff	Stumpf	

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

MOTIONS AND RESOLUTIONS - CONTINUED

SPECIAL ORDER

Pursuant to Rule 10, Mr. Moe, R.D., Chairman of the Subcommittee on Bill Scheduling, designated H. F. No. 636 a Special Order to be heard immediately.

H. F. No. 636: A bill for an act relating to unemployment compensation; clarifying the provisions extending the base period in cases of the receipt of certain workers' compensation benefits; providing that holiday pay not be deducted from benefits; amending Minnesota Statutes 1980, Sections 268.04, Subdivision 2; and 268.07, Subdivision 2.

Mr. Peterson, C. C. moved to amend H.F. No. 636, as amended pursuant to Rule 49, adopted by the Senate May 5, 1981, as follows:

(The text of the amended House File is identical to S.F. No. 764)

Page 3, after line 13, insert:

"Sec. 3. [UNEMPLOYMENT COMPENSATION CONTRIBUTION; TEMPORARY ALTERING.]

Notwithstanding Minnesota Statutes, Section 268.06, during calendar year 1982 the unemployment compensation employer contribution rate shall be modified in the following manner:

(a) *The minimum rate shall be seven-tenths of one percent;*

(b) *The experience ratio shall be 1-1/4 multiplied by the lesser of the experience ratio determined pursuant to Minnesota Statutes, Section 268.06, Subdivision 6, or the experience ratio used in 1981 plus 1-1/2 percent;*

(c) *The provision of Minnesota Statutes, Section 268.06, Subdivision 8, which limits the increase in an employer's contribution rate to 1-1/2 percent is suspended during 1982; and*

(d) *The maximum rate shall be 8.8 percent.*

If all money borrowed from the federal government for use in the unemployment compensation fund has been repaid by November 1, 1982, each employer whose unemployment compensation tax was increased due to this act shall receive a credit against its future unemployment compensation taxes equal to that increase."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 5, after "benefits;" insert "temporarily modifying the employer contribution rates;"

The motion prevailed. So the amendment was adopted.

Mr. Peterson, C.C. then moved to amend H. F. No. 636, as amended pursuant to Rule 49, adopted by the Senate May 5, 1981, as follows:

(The text of the amended House File is identical to S. F. No. 764.)

Page 1, after line 9, insert:

Sec. 1. Minnesota Statutes 1980, Section 79.071, is amended by adding a subdivision to read:

Subd. 6f. If a petition submitted to the commissioner by the association pursuant to subdivision 1 requests an increase in the schedule of rates, then at the time of the filing of the petition, the association shall multiply the amount of the requested rate increase by the total direct premiums written by its members for workers' compensation insurance in Minnesota during the preceding calendar year as reflected in the most recent annual statement filed by its members pursuant to section 60A.13, subdivision 1.

Sec. 2. Minnesota Statutes 1980, Section 79.071, is amended by adding a subdivision to read:

Subd. 6g. The association shall deposit into a special account in the office of the commissioner of insurance a sum of not less than one percent of the amount calculated pursuant to subdivision 6f. The money in the account shall be allocated as follows:

(a) 50 percent shall be for the use of the commissioner of insurance for payments authorized in subdivision 6.

(b) 25 percent shall be for the use of a representative of business selected pursuant to subdivision 6h.

(c) 25 percent shall be for use of a representative of labor selected pursuant to subdivision 6h.

Sec. 3. Minnesota Statutes 1980, Section 79.071, is amended by adding a subdivision to read:

Subd. 6h. Within five days following a determination by the commissioner that a petition requesting a hearing for a change in the schedule of rates has been accepted, the commissioner shall convene a meeting of the commissioner and the chairpersons of the senate employment committee and the house of representatives labor management relations committee. They shall, by majority vote, select one representative of business and one representative of labor to formally intervene in the hearing held pursuant to the petition if the commissioner orders the hearing. The representative of business shall be selected on the basis of extent of membership, its representation of both large and small employers, statewide representation of membership, representation of members in the aggregate with payrolls representing at least 50 percent of the job classifications for which Minnesota data was reported in the preceding calendar year as contained in the workers' compensation and employers liability insurance manual, its demonstrated interest in Minnesota workers' compensation insurance legislation and rates and its willingness and ability to participate actively and effectively in the hearing process.

The representative of labor shall be selected on the basis of extent of membership, statewide representation of membership, demonstrated interest in workers' compensation legislation and insurance rates, the variety of trades represented by its membership, and its willingness and ability to participate actively and effectively in the hearing process. The intervenors shall have their reasonable costs of intervention in the hearing paid from the fund established pursuant to subdivision 6g.

The reasonable costs of intervenors shall include attorneys' fees, costs of the office of hearing examiner, expert witness fees, consultant fees, and costs and disbursements. The commissioner of insurance shall authorize payments from

the fund when presented with statements of reasonable costs submitted to him by other intervenors in the form he may prescribe. All money not disbursed to intervenors, together with investment income earned thereon, shall be refunded to the association after the hearing, and all subsequent judicial actions, if any, have been completed.

Sec. 4. Minnesota Statutes 1980, Section 79.071, is amended by adding a subdivision to read:

Subd. 6i. If a petition for a change in the schedule of rates does not result in an increase in the manual premiums or if the increase is so small as to not cover the reasonable costs of the office of hearing examiner, the association shall deposit into the special fund established in subdivision 6g, an amount adequate to pay the reasonable costs of the hearing.

Sec. 5. Minnesota Statutes 1980, Section 79.071, is amended by adding a subdivision to read:

Subd. 6j. There is appropriated to the commissioner of insurance from the special account established in subdivision 6g, a sum sufficient to make the payments authorized in subdivision 6h.

Sec. 6. [REPEALER.]

Minnesota Statutes 1980, Section 79.071, Subdivisions 6a, 6b, 6c, 6d and 6e are repealed."

Page 3, after line 14, insert:

"Sections 1 to 6 are effective on the day following final enactment."

Renumber the sections in sequence and correct the internal references

Amend the title as follows:

Page 1, line 2, delete "unemployment compensation;" and insert "employment; creating a fund to meet the expenses of intervenors in workers' compensation rate hearings; appropriating money;"

Page 1, line 6, after "Sections" insert "79.071, by adding subdivisions;"

Page 1, line 7, before the period, insert "; repealing Minnesota Statutes 1980, Section 79.071, Subdivisions 6a, 6b, 6c, 6d and 6e"

Mrs. Brataas questioned the germaneness of the second Peterson, C.C. amendment.

The President ruled the amendment was germane.

CALL OF THE SENATE

Mr. Peterson, C.C. imposed a call of the Senate for the proceedings on H. F. No. 636. The Sergeant at Arms was instructed to bring in the absent members.

Mr. Taylor moved to amend the Peterson C.C. amendment to H. F. No. 636, as follows:

Page 1, delete lines 25 and 26

Page 1, line 27, delete "(b) 25" and insert "(a) 75"

Page 1, line 29, delete "(c)" and insert "(b)"

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

Mr. Waldorf moved that those not voting be excused from voting.

The question was taken on the adoption of the Waldorf motion.

The roll was called, and there were yeas 39 and nays 19, as follows:

Those who voted in the affirmative were:

Berglin	Hughes	Menning	Peterson, C.C.	Stern
Chmielewski	Humphrey	Merriam	Peterson, R.W.	Stokowski
Davies	Johnson	Moe, D.M.	Petty	Tennessee
Davis	Knoll	Moe, R.D.	Purfeerst	Vega
Dicklich	Langseth	Nelson	Schmitz	Waldorf
Dieterich	Lantry	Olhoft	Setzepfandt	Wegener
Frank	Lessard	Pehler	Solon	Willet
Hanson	Luther	Penny	Spear	

Those who voted in the negative were:

Ashbach	Brataas	Knutson	Pillsbury	Sieloff
Bang	Engler	Kronebusch	Ramstad	Taylor
Benson	Frederick	Lindgren	Renneke	Ulland
Bernhagen	Frederickson	Peterson, D.L.	Rued	

The motion prevailed.

The roll was called on the Taylor amendment to the Peterson, C.C. amendment, and there were yeas 20 and nays 45, as follows:

Those who voted in the affirmative were:

Ashbach	Berg	Frederick	Kronebusch	Renneke
Bang	Bernhagen	Frederickson	Peterson, D.L.	Rued
Belanger	Brataas	Kamrath	Pillsbury	Sieloff
Benson	Engler	Knutson	Ramstad	Taylor

Those who voted in the negative were:

Berglin	Hanson	Lindgren	Penny	Spear
Bertram	Hughes	Luther	Peterson, C.C.	Stern
Chmielewski	Humphrey	Menning	Peterson, R.W.	Stokowski
Dahl	Johnson	Merriam	Petty	Tennessee
Davies	Knoll	Moe, D.M.	Purfeerst	Ulland
Davis	Kroening	Moe, R.D.	Schmitz	Vega
Dicklich	Langseth	Nelson	Setzepfandt	Waldorf
Dieterich	Lantry	Olhoft	Sikorski	Wegener
Frank	Lessard	Pehler	Solon	Willet

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

The question recurred on the Peterson, C.C. amendment.

Mr. Moe, R.D. moved that those not voting be excused from voting.

The question was taken on the adoption of the Moe, R.D. motion.

The roll was called, and there were yeas 43 and nays 23, as follows:

Those who voted in the affirmative were:

Berglin	Hughes	Menning	Peterson, R. W.	Stokowski
Chmielewski	Humphrey	Merriam	Petty	Stumpf
Dahl	Johnson	Moe, D. M.	Purfeerst	Tennessen
Davies	Knoll	Moe, R. D.	Schmitz	Vega
Davis	Kroening	Nelson	Setzepfandt	Waldorf
Dicklich	Langseth	Olhoft	Sikorski	Wegener
Dieterich	Lantry	Pehler	Solon	Willet
Frank	Lessard	Penny	Spear	
Hanson	Luther	Peterson, C. C.	Stern	

Those who voted in the negative were:

Ashbach	Bernhagen	Frederickson	Peterson, D. L.	Sieloff
Bang	Bertram	Kamrath	Pillsbury	Taylor
Belanger	Brataas	Knutson	Ramstad	Ulland
Benson	Engler	Kronebusch	Renneke	
Berg	Frederick	Lindgren	Rued	

The motion prevailed.

The roll was called on the Peterson, C. C. amendment, and there were yeas 40 and nays 25, as follows:

Those who voted in the affirmative were:

Berglin	Hanson	Lessard	Pehler	Sikorski
Chmielewski	Hughes	Luther	Penny	Spear
Dahl	Humphrey	Menning	Peterson, C. C.	Stokowski
Davies	Johnson	Merriam	Peterson, R. W.	Tennessen
Davis	Knoll	Moe, D. M.	Petty	Vega
Dicklich	Kroening	Moe, R. D.	Purfeerst	Waldorf
Dieterich	Langseth	Nelson	Schmitz	Wegener
Frank	Lantry	Olhoft	Setzepfandt	Willet

Those who voted in the negative were:

Ashbach	Bernhagen	Frederickson	Peterson, D. L.	Sieloff
Bang	Bertram	Kamrath	Pillsbury	Solon
Belanger	Brataas	Knutson	Ramstad	Stern
Benson	Engler	Kronebusch	Renneke	Taylor
Berg	Frederick	Lindgren	Rued	Ulland

The motion prevailed. So the amendment was adopted.

Mr. Chmielewski moved to amend H. F. No. 636, as amended pursuant to Rule 49, adopted by the Senate May 5, 1981, as follows:

(The text of the amended House File is identical to S. F. No. 764.)

Page 1, after line 9, insert:

"Section. 1. Minnesota Statutes 1980, Section 15.1691, Subdivision 2, is amended to read:

Subd. 2. [GENERAL.] Unless the data is summary data or a statute specifically provides a different classification, data on individuals collected, maintained, used or disseminated by the welfare system is private data on individuals, and shall not be disclosed except:

- (a) Pursuant to section 15.163;
- (b) Pursuant to a valid court order;
- (c) Pursuant to a statute specifically authorizing access to the private data;
- (d) To an agent of the welfare system, including appropriate law enforce-

ment personnel, who are acting in the investigation, prosecution, criminal or civil proceeding relating to the administration of a program;

(e) To personnel of the welfare system who require the data to determine eligibility, amount of assistance, and the need to provide services of additional programs to the individual;

(f) To administer federal funds or programs; or

(g) Between personnel of the welfare system working in the same program;
or

(h) Information on the amounts of cash public assistance and relief paid to welfare recipients in this state, which is requested by the department of revenue to administer the property tax refund law, supplemental housing allowance, and the low income alternative tax."

Page 3, after line 13, insert:

"Sec. 4. Minnesota Statutes 1980, Section 268.12, Subdivision 12, is amended to read:

Subd. 12. [DATA.] Except as hereinafter otherwise provided, information obtained data gathered from any employing unit, employer or individual pursuant to the administration of sections 268.03 to 268.24, and from any determination as to the benefit rights of any individual shall be held confidential and shall not be disclosed or be open to public inspection in any manner revealing the individual's or employing unit's identity. Any claimant or other interested party (or his legal representative) shall be supplied with information from the records of the department of economic security, to the extent necessary for the proper presentation of his claim, contention or refutation of any claim in which he is an interested party in any proceeding under these sections with respect thereto. Subject to such restrictions as the commissioner may by regulation prescribe, such information may be made available to any agency of this or any other state, or any federal agency charged with the administration of an employment and security law or the maintenance of a system of public employment offices, any agency of this state which is required by law to provide statistical information to the bureau of labor statistics of the United States department of labor, any local human rights department within the state which has enforcement powers, or the Bureau of Internal Revenue of the United States Department of the Treasury, and information obtained in connection with administration of the employment service may be made available to persons or agencies for purposes appropriate to the operation of a public employment service. Upon request therefor, the commissioner shall furnish to any agency of the United States charged with the administration of public works or assistance through public employment, and may furnish to any state agency similarly charged, or any local human rights department within the state which has enforcement powers, the name, address, ordinary occupation, and employment status of each recipient of benefits and such recipient's rights to further benefits under these sections. The commissioner may request the Comptroller of the Currency of the United States to cause an examination of the correctness of any return or report of any national banking association rendered pursuant to the provisions of these sections, and may in connection with such request, transmit any such report or return to the Comptroller of the Currency of the United States as provided in section 3305(e) of the federal internal

revenue code:

All letters, reports, communications, or any other matters, either oral or written, from an employer or his workers to each other or to the commissioner or any of his agents, representatives, or employees, which shall have been written or made in connection with the requirements and administration of sections 268.03 to 268.24 or the regulations thereunder, shall be absolutely privileged and shall not be made subject matter or basis for any suit for slander or libel in any court of this state private data on individuals or nonpublic data not on individuals as defined in section 15.162, subdivisions 5a and 5c and shall not be disclosed except pursuant to this subdivision or pursuant to a valid court order. Data may be used and disseminated without the consent of the subject of the data by:

(a) State and federal agencies specifically authorized access to the data by state or federal law;

(b) Local human rights groups within the state which have enforcement powers;

(c) The Minnesota department of revenue on an interchangeable basis with the department of economic security;

(d) Public and private agencies responsible for administering publicly financed assistance programs for the purpose of monitoring the eligibility of the program's recipients;

(e) The department of labor and industry for the purpose of determining the eligibility of the data subject;

(f) Local and state welfare agencies for monitoring the eligibility of the data subject for assistance programs; and

(g) Local, state and federal law enforcement agencies for the sole purpose of ascertaining the last known address and employment location of the data subject, provided the data subject is the subject of a criminal investigation.

Data on individuals, employers, and employing units which are collected, maintained, or used by the department in an investigation pursuant to section 268.18, subdivision 3 are confidential as to data on individuals and protected nonpublic data as defined in section 15.162, subdivisions 2a and 5d as to nonindividual employers and employing units, and shall not be disclosed except pursuant to statute or valid court order or to a party named in a criminal proceeding, administrative or judicial, for preparation of a defense.

Data on individuals, employers, and employing units which are collected, maintained, or used by the department in the adjudication of a separation or eligibility issue pursuant to the administration of section 268.10, subdivision 2 are confidential as to data on individuals and protected nonpublic as to nonindividual employers and employing units as defined in section 15.162, subdivisions 2a and 5d and shall not be disclosed except pursuant to the administration of section 268.10, subdivisions 3 to 8 or pursuant to a valid court order.

Aggregate information about employers compiled from individual job orders placed with the department shall be nonpublic data pursuant to section 15.162, subdivision 5c, if the commissioner determines that divulging the

information would be likely to result in the disclosure of the identity of any employer.

Data gathered by the department pursuant to the administration of sections 268.03 to 268.24 shall not be made the subject matter or the basis for any suit in any civil proceedings, administrative or judicial.

Sec. 5. Minnesota Statutes 1980, Section 290.61, is amended to read:

290.61 [PUBLICITY OF RETURNS, INFORMATION.]

It shall be unlawful for the commissioner or any other public official or employee to divulge or otherwise make known in any manner any particulars set forth or disclosed in any report or return required by this chapter, or any information concerning, the taxpayer's affairs acquired from his or its records, officers, or employees while examining or auditing any taxpayer's liability for taxes imposed hereunder, except in connection with a proceeding involving taxes due under this chapter from the taxpayer making such return or to comply with the provisions of section 290.612. The commissioner may furnish a copy of any taxpayer's return to any official of the United States or of any state having duties to perform in respect to the assessment or collection of any tax imposed upon or measured by income, if such taxpayer is required by the laws of the United States or of such state to make a return therein. *The commissioner may disclose information concerning the taxpayer to the Minnesota department of economic security for purposes of auditing unemployment tax and benefits.* Prior to the release of any information to any official of the United States or any other state *or the department of economic security* under the provisions of this section, the person to whom the information is to be released shall sign an agreement which provides that he will protect the confidentiality of the returns and information revealed thereby to the extent that it is protected under the laws of the state of Minnesota. The commissioner and all other public officials and employees shall keep and maintain the same secrecy in respect to any information furnished by any department, commission, or official of the United States or of any other state in respect to the income of any person as is required by this section in respect to information concerning the affairs of taxpayers under this chapter. Nothing herein contained shall be construed to prohibit the commissioner from publishing statistics so classified as not to disclose the identity of particular returns or reports and the items thereof. Upon request of a majority of the members of the senate tax committee or of the house tax committee or the tax study commission, the commissioner shall furnish abstracted financial information to those committees for research purposes from returns or reports filed pursuant to this chapter, provided that he shall not disclose the name, address, social security number, business identification number or any other item of information associated with any return or report which the commissioner believes is likely to identify the taxpayer. The commissioner shall not furnish the actual return, or a portion thereof, or a reproduction or copy of any return or portion thereof. "Abstracted financial information" means only the dollar amounts set forth on each line on the form including the filing status.

Any person violating the provisions of this section shall be guilty of a gross misdemeanor.

In order to locate the named payee on state warrants issued pursuant to this chapter or chapter 290A and undeliverable by the United States postal service,

the commissioner may publish in any English language newspaper of general circulation in this state a list of the name and last known address of the payee as shown on the reports or returns filed with the commissioner. The commissioner may exclude the names of payees whose refunds are in an amount which is less than a minimal amount to be determined by the commissioner. The published list shall not contain any particulars set forth on any report or return. The publication shall include instructions on claiming the warrants."

Page 3, before line 15, insert "*Sections 1, 4, and 5 are effective the day following final enactment.*"

Page 3, line 15, delete the first "I" and insert "2"

Page 3, line 17, delete "2" and insert "3"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, delete "unemployment compensation" and insert "state government"

Page 1, line 6, after the semicolon, insert "providing for the classification and disclosure of certain data;"

Page 1, line 6, after "Sections" insert "15.1691, Subdivision 2;"

Page 1, line 7, delete "and" and before the period, insert "; 268.12, Subdivision 12; and 290.61"

The question was taken on the adoption of the amendment.

Mr. Ulland moved that those not voting be excused from voting.

The question was taken on the adoption of the Ulland motion.

The roll was called, and there were yeas 56 and nays 8, as follows:

Those who voted in the affirmative were:

Berg	Frederick	Lantry	Peterson, C.C.	Stokowski
Berglin	Frederickson	Lessard	Peterson, D.L.	Stumpf
Bernhagen	Hanson	Lindgren	Peterson, R.W.	Taylor
Bertram	Hughes	Luther	Petty	Tennesen
Chmielewski	Humphrey	Menning	Purfeerst	Vega
Dahl	Johnson	Merriam	Schmitz	Waldorf
Davies	Kamrath	Moe, D.M.	Setzepfandt	Wegener
Davis	Knoll	Moe, R.D.	Sieloff	Willet
Dicklich	Knutson	Nelson	Sikorski	
Dieterich	Kroening	Othoft	Solon	
Engler	Kronebusch	Pehler	Spear	
Frank	Langseth	Penny	Stern	

Those who voted in the negative were:

Ashbach	Belanger	Pillsbury	Rued	Ulland
Bang	Benson	Renneke		

The motion prevailed.

The roll was called on the Chmielewski amendment, and there were yeas 50 and nays 15, as follows:

Those who voted in the affirmative were:

Ashbach	Davis	Knoll	Nelson	Renneke
Bang	Dieterich	Knutson	Olhoft	Rued
Belanger	Engler	Kroening	Pehler	Schmitz
Benson	Frederick	Kronebusch	Penny	Setzepfandt
Berg	Frederickson	Langseth	Peterson, C. C.	Sieloff
Bernhagen	Hanson	Lessard	Peterson, D. L.	Sikorski
Bertram	Hughes	Lindgren	Petty	Taylor
Brataas	Humphrey	Luther	Pillsbury	Waldorf
Chmielewski	Johnson	Menning	Purfeerst	Wegener
Dahl	Kamrath	Moe, R. D.	Ramstad	Willet

Those who voted in the negative were:

Berglin	Frank	Moe, D. M.	Spear	Stumpf
Davies	Lantry	Peterson, R. W.	Stern	Tennessen
Dicklich	Merriam	Solon	Stokowski	Vega

The motion prevailed. So the amendment was adopted.

Mr. Dieterich moved that H. F. No. 636 be laid on the table. The motion prevailed.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Tennessen moved that H. F. No. 1139 be recalled from the House for further consideration. The motion prevailed.

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate revert to the Order of Business of Messages From the House. The motion prevailed.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 1475 and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 1475 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 18, 1981

CONFERENCE COMMITTEE REPORT ON H. F. NO. 1475

A bill for an act relating to public improvements; authorizing the acquisition and betterment of public land and buildings and other public improvements of a capital nature with certain conditions; authorizing issuance of state bonds; appropriating money; amending Minnesota Statutes 1980, Section 116.18, Subdivisions 1 and 4.

May 18, 1981

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

The Honorable Jack Davies
President of the Senate

We, the undersigned conferees for H. F. No. 1475, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that H.F. No. 1475 be amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. [PUBLIC LAND AND BUILDINGS; APPROPRIATIONS.] The sums set forth in the column designated “APPROPRIATIONS” are appropriated from the state building fund, or any other fund designated, to the state agencies indicated, to be expended for the acquisition and betterment of public land and buildings and other public improvements of a capital nature, as more specifically described in the following sections of this act.

SUMMARY

ADMINISTRATION	\$ 8,614,900
NATURAL RESOURCES	2,769,000
TRANSPORTATION	101,942,000
MINNESOTA HISTORICAL SOCIETY	700,000
VETERANS AFFAIRS	261,000
ECONOMIC DEVELOPMENT	2,500,000
BOND SALE EXPENSES	116,300
TOTAL	\$116,903,200
Game and Fish Fund	195,000
Trunk Highway Fund	4,093,200
Transportation Fund	98,000,000
Building Fund	14,615,000

APPROPRIATIONS

Sec. 2. [ADMINISTRATION.]

To the commissioner of administration for the purposes specified in this section

\$ 8,614,900

(a) Replace capitol dock and outside freight elevator

\$ 177,000

(b) Screen and light Ford building parking lot C and continue grounds improvements

56,000

(c) Construct pedestrian and utility tunnel to the Ford building

750,400

(d) Construct pedestrian and utility tunnel to Veterans Service building

1,232,000

(e) Construct connecting tunnel to link the Historical Society building with the Mechanic Arts School building with the gymnasium wing of the Mechanic Arts School building

448,000

(f) Repair Historical Society building rain gutters

54,000

(g) Fergus Falls State Hospital Power Plant Conversion

2,700,000

This appropriation is for the construction of a facility to incinerate solid waste and to produce heat in the form of steam for use at the Fergus Falls state hospital. Solid waste generated in the Fergus Falls area now disposed of in landfill may be incinerated in the facility.

The commissioner of administration may prepare construction documents for bidding purposes but shall not award construction contracts for the incineration facility at the Fergus Falls state hospital until he has obtained the written agreement of the city of Fergus Falls to pay to the state the principal amount of the bonds sold to finance this appropriation, less the portion of the cost attributable to the removal of the old ash handling equipment, not to exceed \$350,000, plus interest at the rate at which the bonds were sold, and to pay all reasonable operating, maintenance, and repair costs of this power plant, as set forth in the agreement. The agreement shall obligate the city of Fergus Falls to levy each year an amount not less than the principal and interest due and to become due on the bonds through July 1 in the third ensuing year, plus the estimated operating, maintenance, and repair costs of the power plant for that period, less the amount then on hand in the Fergus Falls power plant account and also less an amount equal to the market value of the energy savings accruing to the state through July 1 in the third ensuing year due to the construction of the power plant, including any payments received by the state from the federal government for utilizing alternative energy sources attributable to the solid waste incinerator. The levy does not require approval by the electors of the city of Fergus Falls under section 475.58. The agreement with the city shall not be executed by the commissioner until it has been reviewed by the chairman of the house appropriations committee and the chairman of the senate finance committee and received their recommendations on it. The recommendations are advisory only.

The agreement shall also obligate the city of Fergus Falls to deliver solid waste to the facility, to remove incinerated waste residue, and to pay tipping fees to the state. The commissioner may contract with additional persons for delivery of solid waste to the facility and the payment of tipping fees.

The proceeds of the levy and receipts from tipping fees shall be deposited in the state treasury for credit to the Fergus Falls power plant account.

Amounts to cover principal and interest payments due and to become due on the bonds through July 1 in the second ensuing year shall be paid by the city of Fergus Falls by November 1 of each year.

The balance on hand each November 1 in the Fergus Falls power plant account needed to cover principal and interest payments due and to become due on the bonds through July 1 in the second ensuing year is appropriated to the commissioner of finance for transfer to the Minnesota state building bond account in the state bond fund. Any amounts in the account on November 1 not needed to cover principal and interest payments due and to become due on the bonds through July 1 in the second ensuing year but needed to cover the operating, maintenance, and repair costs of the power plant through the next ensuing November 1 are appropriated to the commissioner of finance for transfer to the general fund. Any balance remaining in the Fergus Falls power plant account after the above transfers each November 1 may, as the city of Fergus Falls directs the commissioner of finance, either be used to prepay principal or interest, or both, on bonds still outstanding, or remain in the account to reduce the amount otherwise required to be levied by the city of Fergus Falls for the ensuing year.

(h) Raise high voltage switch gear and transformers	151,200
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The appropriation in item (h) is from the trunk highway fund.

(i) Appleton public television	1,446,300
(j) Duluth public television	1,600,000

Sec. 3. [NATURAL RESOURCES.]

Subdivision 1. To the commissioner of administration or the commissioner of natural resources for the purposes more specifically described in the following subdivisions of this section	2,769,000
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Subd. 2. To the commissioner of administration for the purposes specified in this subdivision	419,000
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(a) Remodel southern service center	165,000
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(b) Improve Rochester regional headquarters facilities	184,000
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(c) Relocate Dentaybow warehouse or construct shop and warehouse building at Little Fork forestry station	30,000
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(d) Construct warehouse for fisheries and forestry at Finland area headquarters 40,000

This building is considered an agricultural building and is exempt from the provisions of the building code relating to public buildings.

Of the appropriations in clauses (a), (b), and (d), \$195,000 is from the game and fish fund.

Subd. 3. To the commissioner of natural resources to relocate agricultural dikes along the Red River of the North-state match 750,000

Money spent from this appropriation shall be matched on a dollar for dollar basis by money raised or services provided locally. Federal general revenue sharing money may be counted as money raised locally, but other federal grants or loans shall be used to reduce equally the state share and the local share of project costs. This project is not eligible for a local dam loan pursuant to Minnesota Statutes, Section 105.482. The commissioner of natural resources shall cooperate with the watershed district and the affected landowners.

Subd. 4. To the commissioner of natural resources to construct a flood water detention structure in the Red Lake Watershed District ... 1,500,000

Money for this project shall be disbursed through the Lower Red River Water Management Board. State funds shall not exceed 2/3 of the cost of the project with the remaining 1/3 cost to be provided locally. This project is not eligible for a local dam loan pursuant to Minnesota Statutes, Section 105.482.

Subd. 5. To the commissioner of natural resources to rehabilitate the Spruce Center Dam 100,000

Sec. 4. [TRANSPORTATION.]

Subdivision 1. To the commissioner of transportation for the purposes more specifically described in the following subdivisions of this section 101,942,000

Subd. 2. Operating facilities 3,400,000

(a) Purchase materials for energy improvements at truck stations 125,000

(b) Provide security fencing at truck stations 25,000

(c) Construct electronic communications buildings 86,000

(d) Retrofit Minnesota department of transportation buildings for energy savings according to

department of administration energy survey . . .	805,000
(e) Acquire land - Mapleton	20,000
(f) Construct equipment storage buildings	2,059,000
(1) Aitkin	\$ 275,000
(2) Grygla	249,000
(3) Mendota Heights	1,230,000
(4) Redwood Falls	305,000

Building construction costs shall not exceed \$35 per square foot. Any unused portion of building construction costs shall cancel back to the trunk highway fund.

(g) Provide public access to rest areas, information centers and other buildings serving the largest numbers of the public	100,000
(h) Replace heating systems	100,000
(i) Modify ventilation systems	80,000

If the commissioner of transportation does not have sufficient money to match all available federal aid for road and bridge construction during the biennium ending June 30, 1983, the commissioner shall defer the construction of some or all of the buildings in subdivision 2 until it is possible to match federal aid.

Subd. 3. Construct interstate weigh station at Worthington	542,000
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The appropriations in subdivisions 2 and 3 are from the trunk highway fund.

Subd. 4. The commissioner of transportation may expend any portion of the appropriation made by Laws 1978, Section 8, Subdivision 4(b) for design, land acquisition, and construction of the Mendota Heights truck station serving the Dakota County area

Subd. 5. From the state transportation fund to the commissioner of transportation to acquire and better public land, buildings, and capital improvements in accordance with Minnesota Statutes, Section 174.50 and rules promulgated thereunder, to be expended for the purposes more specifically described in this subdivision	98,000,000
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(a) For construction and reconstruction of key bridges and bridge approaches on routes on the trunk highway system, including interstate routes, for completion of non-interstate trunk highway bridges on projects in which a substantial investment has been made, and for construction of segments of the interstate highway system	95,000,000
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(b) For matching funds not to exceed two-thirds of the nonfederal share of right-of-way, preliminary and construction engineering, and construction costs of local transportation projects which are funded with federal interstate substitution funds 3,000,000

Sec. 5. [MINNESOTA HISTORICAL SOCIETY.]

To the Minnesota historical society for the purposes specified in this section 700,000

(a) Remodeling in main historical building for microfilm operations 45,000

(b) Fort Snelling 619,000

Up to \$200,000 may be used for reconstruction of the Commandants Quarters. Federal Great River Road funds may be used to supplement this appropriation

(c) Remodeling and expansion of research center 36,000

Sec. 6. [VETERANS AFFAIRS.]

To the commissioner of administration to complete remodeling of the Hastings veterans home 261,000

Sec. 7. [ECONOMIC DEVELOPMENT.]

For the improvement of the Duluth Public Marine Terminal 2,500,000

Sec. 8. [BOND SALE EXPENSES.]

To the commissioner of finance for bond sale expenses pursuant to Minnesota Statutes, Sections 16A.64, Subdivision 4, and 174.51, Subdivision 3 116,300

Sec. 9. [BOND SALE; DEBT SERVICE.]

To provide the money appropriated in this act from the state building fund the commissioner of finance upon request of the governor shall sell and issue bonds of the state in an amount up to \$14,615,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, Sections 16A.63 to 16A.67 and by the Constitution, Article XI, Sections 4 to 7.

Sec. 10. [AUTHORIZATION OF BONDS.]

To provide the money appropriated in section 4 from the state transportation fund the commissioner of finance upon request of the governor shall sell and issue bonds of the state in an amount up to \$98,000,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, Section 174.51, and by the constitution, article XI, sections 4 to 7. The proceeds of the bonds, except premium and accrued interest, are appropriated to and shall be deposited in the Minnesota state transportation fund for expenditure for the acquisition and betterment of public land, buildings, and capital improvements in accordance with section 4 and Minnesota Statutes, Section 174.50.

Sec. 11. [REVIEW OF PLANS.]

The commissioner of administration shall not prepare final plans and specifications for any construction or major remodeling authorized by this act until the using agency or department has presented the program and schematic plans to the chairman of the house appropriations committee and the chairman of the senate finance committee and the chairmen have made their recommendations thereon. The recommendations are advisory only. Failure or refusal to make a recommendation promptly is deemed a negative recommendation.

Sec. 12. [APPROPRIATIONS FOR CONSTRUCTION; TRANSFER.]

Upon the awarding of final contracts for the completion of any project for construction or other permanent improvement authorized by this act, the commissioner of administration may transfer any unencumbered balance in the project account to any other project enumerated in the same section of the appropriation act as the project about to be completed. The money transferred pursuant to this section is appropriated for the purposes for which transferred. The commissioner of administration shall report to the chairman of the house appropriations committee and the chairman of the senate finance committee on any transfer made pursuant to this section.

Sec. 13. [APPROPRIATIONS FOR CONSTRUCTION; FEDERAL MONEY; EXCEEDING AUTHORIZED COST.]

The commissioner of administration shall apply for the maximum federal share for each capital improvement project for which money is appropriated by this act. Encumbrance or expenditure of money in excess of the project authorization shall be made only after the commissioner of administration has consulted with the chairman of the house appropriations committee and the chairman of the senate finance committee and the chairmen have made their recommendations thereon. The recommendations are advisory only. Failure or refusal to make a recommendation promptly is deemed a negative recommendation.

Sec. 14. Minnesota Statutes 1980, Section 116.18, Subdivision 1, is amended to read:

Subdivision 1. [APPROPRIATION FROM THE FUND.] The sum of \$155,000,000, or so much thereof as may be necessary, is appropriated from the Minnesota state water pollution control fund in the state treasury to the pollution control agency, for the period commencing on July 23, 1971 and ending June 30, 1984, to be granted and disbursed to municipalities and agencies of the state in aid of the construction of projects conforming to section 116.16, in accordance with the rules, priorities, and criteria therein described. Except as otherwise provided in this subdivision and in subdivision 2, these state funds shall be expended at 15 per centum of the eligible cost of construction and shall be expended only for projects tendered a grant of federal funds under section 201(g), section 202, section 203 or section 206(f) of the Federal Water Pollution Control Act, as amended, 33 U.S.C. 1314 et seq., at 75 per centum of the eligible cost for construction of the treatment works; provided, that not less than ten percent of ~~such~~ the cost shall be paid by the municipality or agency constructing the project. In the event that a municipality is tendered ~~such~~ federal and state grants in a percentage cumulatively exceeding 90 per centum of the eligible cost of construction, the state pollution control agency shall reduce the grant to ~~such~~ the municipality under this chapter to the extent necessary to assure that not less than ten percent of ~~such~~ the cost shall be paid

by ~~said~~ the municipality. It is the purpose of this appropriation that a grant of state funds for each project approved in each of the fiscal years ending June 30, 1971 through ~~1981~~ 1983, shall be made in an amount not less than that required in federal law and regulations as a condition for the grant of federal funds for the project and for all other water pollution control projects for which federal grants are allocated in the same year, in the maximum amount permissible under ~~such~~ law and regulations.

Notwithstanding any other provision, the agency may, in its discretion, and after consideration of the amount of state funds required to match federal funds, make a grant of state funds not exceeding 15 per centum to a municipality that would qualify for a grant of federal funds but desires to initiate construction of a project without a federal grant. The agency may limit the scope and eligible cost of the project.

If a municipality is tendered a grant of federal funds under section 201, paragraph (g), section 202, section 203 or section 206, paragraph (f) of the Federal Water Pollution Control Act, as amended, 33 U.S.C. 1314 et seq., at 85 percent of the eligible cost for construction of treatment works utilizing innovative or alternative wastewater treatment processes and techniques, state funds shall be expended at nine percent of the eligible cost of construction; provided, that not less than six percent of the eligible cost of construction shall be paid by the municipality or agency constructing the project. In the event that a municipality is tendered federal and state grants in a percentage cumulatively exceeding 94 percent of the eligible cost of construction, the state pollution control agency shall reduce the grant to the municipality under this chapter to the extent necessary to assure that the municipality receives no more than 94 percent of the eligible cost of construction.

Sec. 15. Minnesota Statutes 1980, Section 116.18, Subdivision 4, is amended to read:

Subd. 4. [BOND AUTHORIZATION.] For the purpose of providing money appropriated in subdivision 1 for expenditure from the Minnesota state water pollution control fund through grants to municipalities and agencies of the state for the acquisition and betterment of public land, buildings, and improvements of a capital nature needed for the prevention, control, and abatement of water pollution, the commissioner of finance is authorized upon request of the pollution control agency to sell and issue Minnesota state water pollution control bonds in the amount of \$144,000,000, in the manner and upon the conditions prescribed in section 116.17 and in the Constitution, Article XI, Sections 4 to 7. The proceeds of ~~such~~ the bonds, except as provided in section 116.17, subdivision 5, are appropriated and shall be credited to the Minnesota state water pollution control fund. The amount of bonds issued pursuant to this authorization shall not exceed at any time the amount needed to produce a balance in the water pollution control fund equal to the aggregate amount of grants then approved and not previously disbursed, plus the amount of grants to be approved in the current and the following fiscal year, as estimated by the pollution control agency.

Sec. 16. Minnesota Statutes 1980, Section 174.50, Subdivision 1, is amended to read:

Subdivision 1. State assistance is needed to supplement local effort and the highway user tax distribution fund in financing capital improvements to pre-

serve and develop a balanced transportation system throughout the state. Such a system is a proper function and concern of state government and necessary to protect the safety and personal and economic welfare of all citizens. It requires capital expenditures for public facilities, improvements, and equipment that are complementary, additional, and alternate to highways and are a proper object for contracting public debt and engaging in works of internal improvements under article XI, section 5, clause (a) of the constitution. These expenditures are needed to harmonize state and local highway systems with the requirements of the federal interstate highway system, to avoid harmful environmental impact of arterial highways on urban, scenic, and recreational areas, and to provide auxiliary facilities for the convenience and safety of persons crossing highways and persons living and working adjacent to them. Capital expenditures of this nature exceed requirements for basic highway systems and should be funded from sources other than the taxes and bonds authorized in article XIV of the constitution. However, the improvements tend to reduce the cost of maintenance of highways to the minimum required for accommodation of traffic, and the cost may and shall continue to be paid from taxes authorized in article XIV of the constitution. Immediate improvement needs are reconstruction and replacement of key bridges and approaches to remove obstructions to the flow of traffic on state and county highways, municipal streets and township roads and expedited completion of the interstate highway system in Minnesota by paying the state share of interstate highway segments, and a portion of the local share of interstate highway substitution projects when those interstate substitution projects are approved in accordance with state and federal law.

Sec. 17. Notwithstanding the provisions of Minnesota Statutes, Section 282.01, the commissioner of revenue shall transfer and convey, without monetary consideration and by quitclaim deed in a form approved by the attorney general, in the name of the state of Minnesota, to the city of Minneapolis, all of the interest of the state in the following described tract of land situated in the county of Hennepin:

Portions of D.L. Peck's rearrangement of D.L. Peck's Addition to Minneapolis, namely Block 3 including the alley in said block, now vacated; that part of the North Half of 37th Avenue North, now vacated, lying between extensions across it of the Easterly and Westerly lines of said Block 3; and that part of 1 1/2 Street North, now vacated, lying between extensions across it of the North line of said Block 3 and the center line of 37th Avenue North.

Block 4 including the alley in said block, now vacated; that portion of the South half of 37th Avenue North, now vacated, lying between extensions across it of the Easterly and Westerly lines of said Block 4; and that part of 1 1/2 Street North, now vacated, lying between extensions across it of the South line of said Block 4 and the center line of 37th Avenue North according to the plat thereof on file or of record in the office of the Register of Deeds in and for said Hennepin County.

The described land is registered land evidenced by Certificate of Title No. 247556.

The conveyance shall state that the state of Minnesota releases to the city of Minneapolis any interest that may have been reserved in prior conveyances,

except mineral interest.

Sec. 18. [EFFECTIVE DATE.]

This act is effective the day following final enactment. "

Amend the title as follows:

Page 1, line 8, before the period insert "; and 174.50, Subdivision 1"

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

House Conferees: (Signed) Phyllis L. Kahn, Glen H. Anderson, Michael R. Sieben, Merlyn O. Valan, James P. Metzen

Senate Conferees: (Signed) William P. Luther, Gerald L. Willet, Marion Menning, Clarence M. Purfeerst, Robert O. Ashbach

Mr. Willet moved that the foregoing recommendations and Conference Committee Report on H. F. No. 1475 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H. F. No. 1475 was read the third time, as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 61 and nays 4, as follows:

Those who voted in the affirmative were:

Ashbach	Engler	Kronebusch	Penny	Spear
Bang	Frank	Langseth	Peterson, C. C.	Stern
Belanger	Frederick	Lantry	Peterson, R. W.	Stokowski
Benson	Frederickson	Lessard	Petty	Taylor
Berg	Hanson	Lindgren	Pillsbury	Ulland
Berglin	Hughes	Luther	Purfeerst	Vega
Bernhagen	Humphrey	Menning	Ramstad	Waldorf
Bertram	Johnson	Merriam	Renneke	Wegener
Brataas	Kamrath	Moe, D. M.	Rued	Willet
Chmielewski	Keefe	Moe, R. D.	Schmitz	
Dahl	Knoll	Nelson	Setzepfandt	
Davis	Knutson	Olhoft	Sikorski	
Dicklich	Kroening	Pehler	Solon	

Messrs. Davies, Dieterich, Sieloff and Stumpf voted in the negative.

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

MOTIONS AND RESOLUTIONS - CONTINUED

S. F. No. 775 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S. F. NO. 775

A bill for an act relating to health; providing for home health services through the community health services act; appropriating money; amending Minnesota Statutes 1980, Sections 144A.51, by adding a subdivision;

144A.52, Subdivision 3; 144A.53; 144A.54, Subdivision 1; 145.915, by adding a subdivision; 145.918, by adding subdivisions; 145.919; and 145.95, Subdivision 5.

May 18, 1981

The Honorable Jack Davies
President of the Senate

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

We, the undersigned conferees for S. F. No. 775, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and that S.F. No. 775 be further amended as follows:

Page 4, after line 24, insert:

"Sec. 5. [FLUORIDATION OF MUNICIPAL WATER SUPPLIES.]

Notwithstanding section 144.145, the commissioner of health shall exempt the community of Brainerd from the requirement for fluoridation of its water supply. This exemption is for a study by the commissioner of health of the impact of fluoridation on the health, including the dental health of the residents. All costs generated by this study shall be borne by the city of Brainerd. This exemption is only effective upon approval by a majority of registered Brainerd voters voting on the issue at a regular or special election set by the Brainerd city council."

Page 7, after line 19, insert:

"Subd 3. [CANCER SURVEILLANCE SYSTEM.] *The sum of \$30,000 is appropriated to the commissioner of health for the biennium ending June 30, 1983 for the purpose of designing a statewide cancer and birth defects surveillance system and pilot testing the system. This amount shall be taken from the appropriations for subdivisions 1 and 2. The commissioner shall seek matching funds from other sources to supplement this amount."*

Page 7, line 21, delete "10" and insert "11"

Renumber the sections in sequence

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

Senate Conferees: (Signed) Tom A. Nelson, Gerry Sikorski, Earl W. Renneke

House Conferees: (Signed) Don Samuelson, Bob Anderson, Janet H. Clark

Mr. Nelson moved that the foregoing recommendations and Conference Committee Report on S. F. No. 775 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

S. F. No. 775 was read the third time, as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 45 and nays 19, as follows:

Those who voted in the affirmative were:

Ashbach	Dieterich	Langseth	Pehler	Solon
Benson	Engler	Lantry	Penny	Spear
Berg	Frederick	Lessard	Peterson, C.C.	Stern
Bernhagen	Frederickson	Luther	Purfeerst	Taylor
Bertram	Hughes	Menning	Ramstad	Tennesen
Chmielewski	Humphrey	Moe, D. M.	Renneke	Ulland
Dahl	Johnson	Moe, R. D.	Rued	Vega
Davis	Knutson	Nelson	Setzepfandt	Wegener
Dicklich	Kronebusch	Olhoft	Sikorski	Willet

Those who voted in the negative were:

Bang	Davies	Knoll	Peterson, R.W.	Sieloff
Belanger	Frank	Kroening	Petty	Stumpf
Berglin	Kamrath	Merriam	Pillsbury	Waldorf
Brataas	Keefe	Peterson, D.L.	Schmitz	

So the bill, as amended by the Conference Committee, was repassed 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 accedes to the request of the Senate for the return of House File No. 1139 for further consideration.

H. F. No. 1139: A bill for an act relating to courts; providing for certain reorganization in the court system in the state; providing that the second and fourth judicial district courts shall also be probate courts; creating certain judicial positions to be filled by election; raising the jurisdictional limit in county and county municipal court; providing the county and county municipal court with gross misdemeanor jurisdiction; abolishing the office of referee; providing for continuance of certain referee positions for a limited time; providing for continuance of certain judicial officer positions for a limited time; authorizing the judges of the courts within each judicial district to elect to form one unified court; creating an appellate division of the district court; appropriating money; amending Minnesota Statutes 1980, Sections 2.722, Subdivision 1, and by adding a subdivision; 260.031, Subdivision 1; 484.01; 484.70, Subdivision 1, and by adding subdivisions; 487.08, Subdivisions 2 and 3; 487.15; 487.16; 487.18; 488A.01, Subdivisions 4, 6 and 8; 488A.18, Subdivisions 4, 7, 9 and 13; 488A.27, Subdivision 11; 525.10; proposing new law coded in Minnesota Statutes, Chapter 484; proposing new law coded as Minnesota Statutes, Chapter 484A; repealing Minnesota Statutes 1980, Sections 484.67; 484.70, Subdivisions 2, 3, 4 and 5; 487.08, Subdivision 4; 487.09; 525.04; and Laws 1978, Chapter 750, Section 6.

House File No. 1139 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 18, 1981

RECONSIDERATION

Mr. Tennesen moved that the vote whereby H. F. No. 1139 was passed by the Senate on May 18, 1981, be now reconsidered. The motion prevailed.

RECONSIDERATION

Having voted on the prevailing side, Mr. Tennesen moved that the vote whereby the Penny amendment to H. F. No. 1139 was not adopted on May 18, 1981, be now reconsidered. The motion prevailed.

The question recurred on the Penny amendment.

Mr. Penny moved to amend H. F. No. 1139, as amended pursuant to Rule 49, adopted by the Senate May 15, 1981, as follows:

(The text of the amended House File is identical to S. F. No. 1094.)

Page 5, delete lines 10 to 36

Page 6, delete lines 1 to 15

Page 6, line 16, delete "(c)" and insert "Subd. 6. [JUDGE POSITIONS; CREATION; ABOLITION.]"

The motion prevailed. So the amendment was adopted.

H. F. No. 1139 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 60 and nays 7, as follows:

Those who voted in the affirmative were:

Ashbach	Dicklich	Knutson	Pehler	Sikorski
Bang	Dieterich	Kroening	Penny	Solon
Belanger	Engler	Langseth	Peterson, R. W.	Spear
Benson	Frank	Lantry	Petty	Stern
Berg	Frederickson	Lindgren	Pillsbury	Stokowski
Berglin	Hanson	Luther	Purfeerst	Stumpf
Bernhagen	Hughes	Menning	Ramstad	Taylor
Bertram	Humphrey	Merriam	Renneke	Tennesen
Chmielewski	Johnson	Moe, D. M.	Rued	Ulland
Dahl	Kamrath	Moe, R. D.	Schmitz	Vega
Davies	Keefe	Nelson	Setzepfandt	Waldorf
Davis	Knoll	Olhoft	Sieloff	Wegener

Those who voted in the negative were:

Brataas	Kronebusch	Peterson, C. C.	Peterson, D. L.	Willet
Frederick	Lessard			

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

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 1143 and

repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 1143 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 18, 1981

CONFERENCE COMMITTEE REPORT ON H. F. NO. 1143

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; 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; 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; providing the computation of basis; providing for the liability of taxes due on a combined return; amending Minnesota Statutes 1980, Sections 10A.31, Subdivision 1; 15.1691, Subdivision 2; 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; 290.14; 290.37, Subdivision 1; 290.39, Subdivisions 1, 2, 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 8; 290A.07; 290A.08; 290A.11, Subdivisions 2 and 4; repealing Minnesota Statutes 1980, Section 290.032, Subdivision 4.

May 18, 1981

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

The Honorable Jack Davies
President of the Senate

We, the undersigned conferees for H. F. No. 1143, report that we have agreed upon the items in dispute and recommend as follows:

That the House accede to the Senate amendments.

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

House Conferees: (Signed) John E. Brandl, Joseph R. Begich, Terry M. Dempsey

Senate Conferees: (Signed) Neil Dieterich, George S. Pillsbury, Gene Merriam

Mr. Dieterich moved that the foregoing recommendations and Conference Committee Report on H. F. No. 1143 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H. F. No. 1143 was read the third time, as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 64 and nays 0, as follows:

Those who voted in the affirmative were:

Ashbach	Dicklich	Kroening	Pehler	Sikorski
Bang	Dieterich	Kronebusch	Peterson, C. C.	Solon
Belanger	Engler	Langseth	Peterson, D. L.	Spear
Benson	Frank	Lantry	Peterson, R. W.	Stern
Berg	Frederick	Lessard	Petty	Stumpf
Berglin	Frederickson	Lindgren	Pillsbury	Taylor
Bernhagen	Hughes	Luther	Purfeerst	Tennesen
Bertram	Humphrey	Menning	Ramstad	Ulland
Brataas	Johnson	Merriam	Renneke	Vega
Chmielewski	Kamrath	Moe, D. M.	Rued	Waldorf
Dahl	Keefe	Moe, R. D.	Schmitz	Wegener
Davies	Knoll	Nelson	Setzepfandt	Willett
Davis	Knutson	Olthoff	Sieloff	

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

SPECIAL ORDER

Pursuant to Rule 10, Mr. Moe, R. D., Chairman of the Subcommittee on Bill Scheduling, designated S. F. No. 1382 a Special Order to be heard immediately.

S. F. No. 1382: A bill for an act relating to legislative enactments; providing for the correction of miscellaneous oversights, inconsistencies, ambiguities, unintended results and errors of a noncontroversial nature; amending H. F. No. 332, Sections 10, Subdivision 1; 11, Subdivision 4; and 15, Subdivision 1; amending Minnesota Statutes 1980, Sections 15.0413, as amended; 47.20, Subdivision 6a, as amended; 595.02, as amended; and S. F. No. 876.

Mr. Davies moved to amend S. F. No. 1382 as follows:

Delete everything after the enacting clause and insert:

"Section 1. Laws 1981, Chapter 59, Section 10, Subdivision 1, is amended to read:

Subdivision 1. [REQUIREMENTS.] Upon the termination or cancellation of any franchise, the new motor vehicle dealer shall, in the time prescribed, be allowed fair and reasonable compensation by the manufacturer for the following items:

(a) New motor vehicle inventory which was originally acquired from the manufacturer;

(b) Equipment and furnishings if the new motor vehicle dealer purchased them from the manufacturer;

(c) Special tools;

(d) Supplies, including parts, purchased from the manufacturer. Fair and reasonable compensation as applied to parts means that the manufacturer shall reimburse the dealer for 100 percent of the net cost of all current unused automobile and truck parts, including transportation charges, and 85 percent of the current net prices on repair parts, including superseded parts listed in current price lists or catalogs plus five percent of the current net price of all parts returned to compensate the dealer for the handling, packing, and loading of the parts;

(e) Except as provided in paragraph (f), dealership facilities if the facilities were required to be purchased or constructed as a precondition to obtaining the franchise or its renewal by the manufacturer. If the facilities described in this clause were leased and the lease was required by the manufacturer as a precondition to obtaining the franchise or to its renewal, then the manufacturer is liable for one year's payment of the rent or the remainder of the term of the lease, whichever is less. The manufacturer has no obligations under this clause if the termination or cancellation was for good cause based on the conviction or a plea of nolo contendere of the dealer or one of its principal owners for a crime which constitutes a felony as defined in Minnesota Statutes, Section 609.02, Subdivision 2, or where it has been demonstrated at the hearing that the new motor vehicle dealer has repeatedly exhibited a course of conduct constituting fraud with respect to the manufacturer or the general public;

(f) In the event the termination or cancellation is due to a failure of performance of the dealer in sales or service as described in section 7, subdivision 2, the manufacturer shall have no obligation to purchase facilities owned by the dealer but shall be required to pay the dealer a sum equivalent to the reasonable rental value of the facilities for one year. In all other respects the provisions of paragraph (e) shall apply.

Sec. 2. Laws 1981, Chapter 59, Section 11, Subdivision 4, is amended to read:

Subd. 4. [PAYMENTS.] In the event of nonrenewal or failure to renew, the manufacturer or distributor shall be obligated to make the same payments to the dealer and in the same manner, subject to the same limitations and restrictions, as are set forth in section 9 10.

Sec. 3. Laws 1981, Chapter 59, Section 15, Subdivision 1, is amended to read:

Subdivision 1. [NOTIFICATION; PROTEST; HEARING.] In the event

that a manufacturer seeks to enter into a franchise establishing an additional new motor vehicle dealership or relocating an existing new motor vehicle dealership within or into a relevant market area where the line make is then represented, the manufacturer shall, in writing, first notify each new motor vehicle dealer in this line make in the relevant market area of the intention to establish an additional dealership or to relocate an existing dealership within or into that market area. The relevant market area is a radius of ten miles around an existing dealership. Within 15 days of receiving the notice or within 15 days after the end of any appeal procedure provided by the manufacturer, the new motor vehicle dealership may commence a civil action in a court of competent jurisdiction pursuant to section ~~47 18~~ challenging the establishing or relocating of the new motor vehicle dealership. An action brought under this section shall be placed on the calendar ahead of other civil actions to be heard and determined as expeditiously as possible. Thereafter the manufacturer shall not establish or relocate the proposed new motor vehicle dealership unless the court has determined that there is good cause for permitting the establishment or relocation of the motor vehicle dealership.

For the purposes of this section, the reopening in a relevant market area of a new motor vehicle dealership within two miles of a location at which a former dealership of the same line make had been in operation within the previous two years shall not be deemed the establishment of a new motor vehicle dealership.

The relocation of an existing dealer within its area of responsibility as defined in the franchise agreement shall not be subject to this section, if the proposed relocation site is not within five miles of an existing dealer of the same line make.

Sec. 4. A law enacted at the 1981 Regular Session styled as H.F. No. 493, Section 7, Subdivision 1, is amended to read:

Subdivision 1. [GENERAL OBLIGATION BONDS.] A municipality may, by resolution, authorize, issue and sell general obligation bonds or obligations to finance any expenditure by the municipality for the acquisition, construction, expansion, modification or operation of a district heating system and for the purpose of loaning the proceeds of the bonds or obligations to any person, firm or public or private corporation to acquire, construct, expand or modify a district heating system. Except with regard to the net debt limit as provided in section ~~465.74~~ 6, subdivision 4, the general obligation bonds or obligations authorized by this subdivision shall be authorized, issued and sold in the same manner and subject only to the same conditions as those provided in chapter 475. When revenues from the operation of a district heating system are pledged to the repayment of the bonds or obligations, the estimated collections of said revenues so pledged may be deducted from the taxes otherwise required to be levied before the issuance of the bonds or obligations under section 475.61, subdivision 1, or the collections thereof may be certified annually to reduce or cancel the initial tax levies in accordance with section 475.61, subdivision 1 or 3.

Sec. 5. A law enacted at the 1981 Regular Session styled as H.F. No. 493, Section 7, Subdivision 3, is amended to read:

Subd. 3. [REDEVELOPMENT AGENCY.] A municipality may itself, or by ordinance authorize any redevelopment agency as defined in section ~~474.03~~ 474.02, subdivision 3, acting for the municipality, to exercise any and all of

the powers granted to the municipality under subdivision 2 and to the redevelopment agency under any other law for the purpose of financing all or any portion of the district heating system and any conversion facilities for modifying the user's heating or water system to use the heat energy converted from the steam or hot water furnished by the district heating system including, but without limitation, the payment of interest during construction and for a reasonable time thereafter and the establishment of reserves for bond payment and for working capital, in which event if the issuer is a redevelopment agency the sources of revenue that may be pledged to the payment of revenue bonds or obligations shall include any revenues of the redevelopment agency. The proceeds of bonds or obligations issued by the municipality or redevelopment agency may be used to make or purchase loans for facilities which the issuer estimates will require such financing, and, for the purpose of making or purchasing such loans the issuer shall have power to enter into loan agreements and other related agreements, both before and after the issuance of the obligations, with such persons, firms, public or private corporations, federal or state agencies, governmental units, and under such terms and conditions as the issuer shall deem appropriate; and any governmental unit in the state shall have the power to apply, contract for and receive the loans without limitation under any other provisions of chapter 475.

Sec. 6. A law enacted at the 1981 Regular Session styled as S.F. No. 1087, Section 42, is amended to read:

Sec. 42. [REPEALER.]

Minnesota Statutes 1980, Sections 60A.031, Subdivision 2; and 60A.11, Subdivisions 2, 3, 4, 5, 6, 7, and 8, are repealed.

Sec. 7. Minnesota Statutes 1980, Section 60A.11, Subdivision 7, is amended to read:

Subd. 7. [INVESTMENTS IN NAME OF COMPANY OR NOMINEE AND PROHIBITIONS.] All of the funds of an insurance company other than a life insurance company shall be held in its corporate name or its nominee name; except that investments may be held under the name of a nominee of a bank or trust company if the securities are kept under a custodial arrangement with such bank or trust company. Such custodial arrangements shall be evidenced by an agreement and shall meet the following requirements:

(1) The securities shall be held by a bank or trust company licensed by the United States or any state thereof; and

(2) the agreement shall provide that the securities so deposited shall at all times be kept separate and apart from other deposits with the depository; so that at all times they may be identified as belonging solely to the company making the deposit.

No officer, director, or member of any committee passing on investments shall borrow any of such funds, or become, directly or indirectly, liable as a surety or endorser for or on account of loans thereof to others, or receive to his own use any fee, brokerage, commission, gift, or other consideration for, or on account of, any loan made by or on behalf of the company.

Sec. 8. Minnesota Statutes 1980, Section 595.02, as amended by Laws 1981, Chapter 131, Section 2, is amended to read:

595.02 [COMPETENCY OF WITNESSES.]

Every person of sufficient understanding, including a party, may testify in any action or proceeding, civil or criminal, in court or before any person who has authority to receive evidence, except as follows:

(1) A husband cannot be examined for or against his wife without her consent, nor a wife for or against her husband without his consent, nor can either, during the marriage or afterwards, without the consent of the other, be examined as to any communication made by one to the other during the marriage. This exception does not apply to a civil action or proceeding by one against the other, nor to a criminal action or proceeding for a crime committed by one against the other or against a child of either, nor to a criminal action or proceeding in which one is charged with homicide or an attempt to commit homicide and the date of the marriage of the defendant is subsequent to the date of the offense, nor to an action or proceeding for non-support, neglect, dependency, or termination of parental rights;

(2) An attorney cannot, without the consent of his client, be examined as to any communication made by the client to him or his advice given thereon in the course of professional duty; nor can any employee of such attorney be examined as to such communication or advice, without the client's consent;

(3) A clergyman or other minister of any religion shall not, without the consent of the party making the confession, be allowed to disclose a confession made to him in his professional character, in the course of discipline enjoined by the rules or practice of the religious body to which he belongs; nor shall a clergyman or other minister of any religion be examined as to any communication made to him by any person seeking religious or spiritual advice, aid, or comfort or his advice given thereon in the course of his professional character, without the consent of such person;

(4) A licensed physician or surgeon, dentist, or chiropractor shall not, without the consent of his patient, be allowed to disclose any information or any opinion based thereon which he acquired in attending the patient in a professional capacity, and which was necessary to enable him to act in that capacity; after the decease of such patient, in an action to recover insurance benefits, where the insurance has been in existence two years or more, the beneficiaries shall be deemed to be the personal representatives of such deceased person for the purpose of waiving the privilege hereinbefore created, and no oral or written waiver of the privilege hereinbefore created shall have any binding force or effect except that the same be made upon the trial or examination where the evidence is offered or received;

(5) A public officer shall not be allowed to disclose communications made to him in official confidence when the public interest would suffer by the disclosure;

(6) Persons of unsound mind; persons intoxicated at the time of their production for examination, and children under ten years of age, who appear incapable of receiving just impressions of the facts respecting which they are examined, or of relating them truly, are not competent witnesses;

(7) A registered nurse, psychologist or consulting psychologist shall not, without the consent of his client, be allowed to disclose any information or

opinion based thereon which he acquired in attending the client in a professional capacity, and which was necessary to enable him to act in that capacity.

(8) An interpreter for a person handicapped in communication shall not, without the consent of the person, be allowed to disclose any communication ~~of the person~~ if the communication would, if the interpreter were not present, be privileged. For purposes of this section, a "person handicapped in communication" means a person who, because of a hearing, speech or other communication disorder, or because of the inability to speak or comprehend the English language, is unable to understand the proceedings in which he is required to participate. The presence of an interpreter as an aid to communication does not destroy an otherwise existing privilege.

Sec. 9. Minnesota Statutes 1980, Section 15.0413, Subdivision 3, as amended at the 1981 Regular Session by a law styled as S.F. No. 1043, Section 20, as enacted, is amended to read:

Subd. 3. [EXEMPT AGENCIES AND RULES.] (a) Any rules adopted, amended, suspended, or repealed by any agency but excluded from the administrative procedure act by section 15.0411, subdivision 2, shall have the force and effect of law upon compliance with the procedures of paragraph (c) of this subdivision. However, this subdivision does not apply to:

(1) rules implementing emergency powers pursuant to sections 12.31 to 12.37;

(2) rules of agencies directly in the legislative or judicial branches; or

(3) rules of the regents of the University of Minnesota.

(b) Rules adopted, amended, suspended, or repealed by any agency but excluded from the definition of "rule" in section 15.0411, subdivision 3, shall have the force and effect of law upon compliance with paragraph (c) of this subdivision.

However, this subdivision does not apply to:

(1) rules concerning only the internal management of the agency or other agencies, and which do not directly affect the rights of or procedure available to the public; or,

(2) opinions of the attorney general.

(c) The rules have the force and effect of law if:

(1) the revisor of statutes approves the form of the rules by certificate;

(2) two copies of the rules with the revisor's certificate are filed in the office of the secretary of state; and,

(3) a copy is published in the state register.

(d) The rules become effective five working days after publication in the state register. The secretary of state shall forward one copy of each rule to the revisor of statutes. Rules filed in accordance with this subdivision, as it ~~is~~ was in effect on the date the rules ~~are~~ were filed, shall be included in Minnesota Rules.

(e) Any law exempting an agency or rule from sections 15.0411 to 15.052 shall not be construed as preventing an agency from complying with this

subdivision, unless the law specifically provides to the contrary.

Sec. 10. A law enacted at the 1981 Regular Session styled as S.F. No. 876, Section 30, Subdivision 3, is repealed.

Sec. 11. Minnesota Statutes 1980, Section 47.20, Subdivision 6a, as amended by Laws 1981, Chapter 137, Section 6, is amended to read:

Subd. 6a. If the purpose of a conventional loan, or loan made pursuant to the authority granted in subdivision 1, clause (3) or (4), is to enable a borrower to purchase a one to four family dwelling for his or her primary residence, the lender shall consent to the subsequent transfer of the real estate and shall release the existing borrower from all obligations under the loan instruments, if the transferee (1) meets the standards of credit worthiness normally used by persons in the business of making conventional loans, including but not limited to the ability of the transferee to make the loan payments and satisfactorily maintain the real estate used as collateral, (2) executes an agreement in writing with the lender whereby the transferee assumes the obligations of the existing borrower under the loan instruments, and (3) executes an agreement in writing to pay interest on the remaining obligation at a new interest rate which will be the ~~bank's~~ lender's current market rate of interest on similar loans at the time of the transfer, but which will be no greater than the most recently published monthly index of the federal national mortgage association auction yields as compiled by the federal national mortgage association. Any such agreement shall not affect the priority, validity or enforceability of any loan instrument.

Sec. 12. A law enacted by the 1981 Regular Session styled as H.F. No. 182, Section 2, is amended to read:

Sec. 2. [56.002] [APPLICATION.]

This chapter does not apply to a person doing business under and as permitted by any law of this state or of the United States relating to banks, building and loan associations, savings and loan associations, trust companies, licensed pawnbrokers, or credit unions. Notwithstanding the provisions of section 3, an industrial loan and thrift company under chapter 53 may contract for and receive the charges, including those in section ~~45~~ 14, authorized by this chapter without being licensed pursuant to this chapter, but shall comply with all other provisions of this chapter when contracting for or receiving charges on loans regulated by this chapter.

Sec. 13. A law enacted by the 1981 Regular Session styled as H.F. No. 182, Section 11, Subdivision 2, is amended to read:

Subd. 2. [ADDITIONAL CHARGES.] In addition to the charges provided for by this section and section ~~45~~ 14, no further or other amount whatsoever, shall be directly or indirectly charged, contracted for, or received for the loan made, except actual out of pocket expenses of the licensee to realize on a security after default, and except for the following additional charges which may be included in the principal amount of the loan:

(a) Lawful fees and taxes paid to any public officer to record, file, or release security;

(b) With respect to a loan secured by an interest in real estate, the following closing costs, if they are bona fide, reasonable in amount, and not for the purpose of circumvention or evasion of this section; provided the costs do not

exceed one percent of the principal amount or \$250, whichever is greater:

(1) Fees or premiums for title examination, abstract of title, title insurance, surveys, or similar purposes;

(2) An amount not to exceed \$150, if not paid to the licensee, an employee of the licensee, or a person related to the licensee, for fees for preparation of a mortgage, settlement statement, or other documents, fees for notarizing mortgages and other documents, and appraisal fees.

Sec. 14. Minnesota Statutes 1980, Section 56.19, Subdivision 1, as amended by a law enacted by the 1981 Regular Session as H.F. No. 182, Section 18, is amended to read:

Subdivision 1. [CRIMINAL PENALTY.] Any person and the several members, officers, directors, agents, and employees thereof, who shall violate or participate in the violation of any of the provisions of sections 56.01, 56.12, 56.14, 56.17, 56.18, and ~~sections 11 and 12~~ *section 11* shall be guilty of a gross misdemeanor.

Sec. 15. A law enacted by the 1981 Regular Session styled as H.F. No. 182, Section 11, Subdivision 2, is amended to read:

Subd. 2. [ADDITIONAL CHARGES.] In addition to the charges provided for by this section and section ~~15~~ *14*, no further or other amount whatsoever, shall be directly or indirectly charged, contracted for, or received for the loan made, except actual out of pocket expenses of the licensee to realize on a security after default, and except for the following additional charges which may be included in the principal amount of the loan:

(a) Lawful fees and taxes paid to any public officer to record, file, or release security;

(b) With respect to a loan secured by an interest in real estate, the following closing costs, if they are bona fide, reasonable in amount, and not for the purpose of circumvention or evasion of this section; provided the costs do not exceed one percent of the principal amount or \$250, whichever is greater:

(1) Fees or premiums for title examination, abstract of title, title insurance, surveys, or similar purposes;

(2) An amount not to exceed \$150, if not paid to the licensee, an employee of the licensee, or a person related to the licensee, for fees for preparation of a mortgage, settlement statement, or other documents, fees for notarizing mortgages and other documents, and appraisal fees.

Sec. 16. A law enacted by the 1981 Regular Session styled as H.F. No. 1125, Article II, Section 3, Subdivision 2a, is amended to read:

Subd. 2a. [LICENSE; EXCEPTIONS.] "Business license" or "license" does not include the following:

(1) Any occupational license issued by a licensing board listed in section 214.01 or any occupational registration issued by the commissioner of health pursuant to section 214.13;

(2) Any license issued by a county, home rule charter city, statutory city, township or other political subdivision;

(3) Any license required to practice the following occupation regulated by

the following sections:

- (a) Abstracters regulated pursuant to chapter 386;
- (b) Accountants regulated pursuant to chapter 326;
- (c) Adjusters regulated pursuant to chapter 72B;
- (d) Architects regulated pursuant to chapter 326;
- (e) Assessors regulated pursuant to chapter 270;
- (f) Attorneys regulated pursuant to chapter 481;
- (g) Auctioneers regulated pursuant to chapter 330;
- (h) Barbers regulated pursuant to chapter 154;
- (i) Beauticians regulated pursuant to chapter 155;
- (j) Boiler operators regulated pursuant to chapter 183;
- (k) Chiropractors regulated pursuant to chapter 148;
- (l) *Collection agencies regulated pursuant to chapter 332;*
- ~~(m)~~ (m) Cosmetologists regulated pursuant to chapter 155;
- ~~(n)~~ (n) Dentists and dental hygienists regulated pursuant to chapter 150;
- ~~(o)~~ (o) Detectives regulated pursuant to chapter 326;
- ~~(p)~~ (p) Electricians regulated pursuant to chapter 326;
- ~~(q)~~ (q) Embalmers regulated pursuant to chapter 149;
- ~~(r)~~ (r) Engineers regulated pursuant to chapter 326;
- ~~(s)~~ (s) Insurance brokers and salespersons regulated pursuant to chapter 60A;
- ~~(t)~~ (t) Midwives regulated pursuant to chapter 148;
- ~~(u)~~ (u) Morticians regulated pursuant to chapter 149;
- ~~(v)~~ (v) Nursing home administrators regulated pursuant to chapter 144A;
- ~~(w)~~ (w) Optometrists regulated pursuant to chapter 148;
- ~~(x)~~ (x) Osteopathic physicians regulated pursuant to chapter 147;
- ~~(y)~~ (y) Pharmacists regulated pursuant to chapter 151;
- ~~(z)~~ (z) Physical therapists regulated pursuant to chapter 148;
- ~~(aa)~~ (aa) Physicians and surgeons regulated pursuant to chapter 147;
- ~~(ab)~~ (bb) Plumbers regulated pursuant to chapter 326;
- ~~(ac)~~ (bb) Podiatrists regulated pursuant to chapter 153;
- ~~(ad)~~ (dd) Practical nurses regulated pursuant to chapter 148;
- (ee) Professional fundraisers regulated pursuant to chapter 309;
- ~~(de)~~ (ff) *Psychologists regulated pursuant to chapter 148;*
- ~~(ee)~~ (gg) Real estate brokers and salespersons and others regulated pursuant to ~~chapter~~ chapters 82 and 83;

- ~~(ff)~~ (hh) Registered nurses regulated pursuant to chapter 148;
- ~~(gg)~~ (ii) Securities brokers, dealers ~~and~~, agents ~~and~~ investment advisers regulated pursuant to chapter 80A;
- ~~(hh)~~ (jj) Steamfitters regulated pursuant to chapter 326;
- ~~(ii)~~ (kk) Teachers and supervisory and support personnel regulated pursuant to chapter 125;
- ~~(jj)~~ (ll) Veterinarians regulated pursuant to chapter 156;
- ~~(kk)~~ (mm) Watchmakers regulated pursuant to chapter 326;
- ~~(ll)~~ (nn) Water conditioning contractors and installers regulated pursuant to chapter 326;
- ~~(mm)~~ (oo) Water well contractors regulated pursuant to chapter 156A;
- ~~(nn)~~ (pp) Water and waste treatment operators regulated pursuant to chapter 115;
- (4) Any driver's license required pursuant to chapter 171;
- (5) Any aircraft license required pursuant to chapter 360;
- (6) Any watercraft license required pursuant to chapter 361;
- (7) Any license, permit, registration, certification, or other approval pertaining to a regulatory or management program related to the protection, conservation, or use of or interference with the resources of land, air or water, which is required to be obtained from a state agency or instrumentality; and
- (8) Any pollution control rule or standard established by the pollution control agency or any health rule or standard established by the commissioner of health.

Sec. 17. Minnesota Statutes 1980, Section 216B.16, Subdivision 1b, as added by a law enacted by the 1981 Regular Session styled as H.F. No. 1434, Section 70, is amended to read:

Subd. 1b. When a public utility proposes changes in *general* rates that would increase *general* rates paid by consumers more than \$500,000, the commission shall not approve the change until after requiring the office of administrative hearings to conduct a contested case hearing on, at a minimum, the appropriate rate base, expense and revenue levels for the test year, and the rate of return. If the formal parties to the contested case choose not to cross-examine the testimony presented, it shall be the duty of the commission and its staff to make inquiry of the witnesses presented to ensure that the testimony is well reasoned and constitutes substantial evidence. After a report of the examiner has been issued, the commission may proceed to take action on the proposed rates consistent with the provisions of this section. The commission shall not accept any stipulation that is not agreed to by all intervening parties.

Sec. 18. A law enacted by the 1981 Regular Session styled as H. F. No. 1434, Section 2, Subdivision 4, is amended to read:

Subd. 4. Public Transportation	2,474,400	1,487,800
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The amounts that may be expended from this

appropriation for each activity are as follows:

(a) Transportation Rates and Regulation

\$ 539,000 \$ 546,100

(b) Transit Administration

\$ 352,000 \$ 354,500

The appropriation made by Laws 1979, Extra Session, Chapter 1, Section 4, for development of operating standards for vehicles providing special transportation service and of procedures for enforcing the standards shall be available until June 30, 1983.

(c) Railroad Administration

\$ 583,400 \$ 587,200

(d) Rail Service Improvement Grants

\$1,000,000

This appropriation is from the general fund for transfer to the rail service improvement account.

This appropriation shall be used to maximize the use of federal money.

(e) AMTRAK operations for the Northstar line between Minneapolis-St. Paul and Duluth

\$ 75,000

This appropriation is from the general fund and may be used to satisfy any deficit and may be expended only if funds from any municipality or other sources are so appropriated or otherwise received. This appropriation shall be used to match on a 50-50 basis the amount received from the other sources. These funds shall be available immediately.

Sec. 19. Minnesota Statutes 1980, Section 237.075, Subdivision 1b, as added by a law enacted at the 1981 Regular Session styled as H.F. No. 1434, Section 73, is amended to read:

Subd. 1b. When a telephone company proposes changes in *general* rates that would increase *general* rates paid by consumers more than \$500,000, the commission shall not approve the change until after requiring the office of administrative hearings to conduct a contested case hearing on, at a minimum, the appropriate rate base, expense and revenue levels for the test year, and the rate of return. If the formal parties to the contested case choose not to cross-examine the testimony presented, it shall be the duty of the commission and its staff to make inquiry of the witnesses presented to ensure that the testimony is well reasoned and constitutes substantial evidence. After a report of the examiner has been issued, the commission may proceed to take action on the proposed rates consistent with the provisions of this section. The commission shall not accept any stipulation that is not agreed to by all intervening parties.

Sec. 20. A law enacted at the 1981 Regular Session styled as H.F. No. 1434, Section 1, is amended to read:

Section 1. [TRANSPORTATION AND OTHER AGENCIES; APPROPRIATIONS.]

The sums set forth in the columns designated "APPROPRIATIONS" are appropriated from the general fund, or any other fund designated, to the

agencies and for the purposes specified in the following sections of this act, to be available for the fiscal years indicated for each purpose. The figures "1981", "1982", and "1983", wherever used in this act, mean that the appropriation or appropriations listed thereunder are available for the year ending June 30, 1981, June 30, 1982, or June 30, 1983, respectively.

SUMMARY BY FUND

(Net after transfers)

	1981	1982	1983	TOTAL
General	\$75,000	\$37,793,800	\$37,615,700	\$75,484,500
		37,838,800		75,529,500
Airports		10,319,300	9,956,300	20,275,600
M.S.A.S.		35,208,600	35,280,900	70,489,500
C.S.A.H.		107,291,200	107,524,900	214,816,100
Tr. Hwy.		337,171,700	341,119,500	678,291,200
Hwy. User		6,077,500	6,129,200	12,206,700
Special Revenue Fund		157,900	167,500	325,400
TOTAL	\$75,000	\$534,020,000	\$537,794,000	\$1,071,889,000
		534,065,000		1,071,934,000

Sec. 21. A law enacted at the 1981 Regular Session styled as H.F. No. 1446 is amended by inserting a heading above the first section 1 to read:

ARTICLE I

Sec. 22. A law enacted at the 1981 Regular Session styled as H.F. No. 1446, Article I, Section 2, Subdivision 5, is amended to read:

Subd. 5. Mental Health 146,855,000 146,157,300

The commissioner of public welfare may fill up to 120 human services technician positions in the state hospitals in addition to the approved complement specified in this subdivision for the purpose of alleviating recruitment delays in direct patient care, as salary savings become available to fund the positions.

The commissioner of public welfare shall not reduce the number of human services technician positions in the state hospital system.

As the hospital population decreases, the supportive staff complement shall be reduced in direct proportion.

The amounts that may be expended from this appropriation for each activity are as follows:

Program Offices

Mentally Ill

\$ 5,117,000 \$ 7,836,800

Mentally Retarded

\$ 1,733,400 \$ 2,512,700

The commissioner of public welfare may fund up to 200 families for the mentally retarded family subsidy program.

This appropriation contains \$12,000 each year for the brain-injured persons program. The commissioner of public welfare shall contract with an approved vendor to pay the costs of services provided to brain-injured persons. The commissioner shall contract with a neurosurgeon who is independent of the approved vendor to evaluate, initially and on or about March 1, 1982, each person for whom services are provided under this appropriation to ascertain the person's current stage of neurological development and prognosis for improvement. The neurosurgeon shall send a written report of each evaluation to the commissioner. For the purposes of this appropriation, "approved vendor" means the Institutes for the Achievement of Human Potential.

Chemically Dependent

\$ 1,922,500 \$ 1,929,600

Any federal money received in excess of the estimates shown in the 1981 budget document shall reduce the state appropriation available by a like dollar amount, unless otherwise directed by the governor, after he has consulted with the legislative advisory commission.

State Hospitals

Approved Complement -

By June 30, 1983 - 5485

Current Expense

\$ 14,449,000 \$ 15,450,300

Salaries

\$107,955,500 \$104,662,100

Repairs and Betterments

\$ 1,400,100

Special Equipment

\$ 521,700

Notwithstanding the provisions of Minnesota Statutes 1980, Sections 246.50 to 246.53, the commissioner of public welfare shall determine what part of the cost of care for state hospital treatment a patient or his relatives are able to pay. In no case, shall a patient or his patient's relatives, unless they reside outside the state, be ordered to pay more than ten percent of the cost of care.

By July 1, 1981, the chemical dependency and surgical units at Rochester state hospital shall be closed. The remaining units at Rochester state hospital shall be closed no later than June 30, 1982. Best efforts shall be made by the department of administration to sell the buildings and adjoining land within one year from the date of closure, after the commissioner of public welfare has certified to the commissioner of ad-

ministration pursuant to provisions of Minnesota Statutes, Section 94.09, Subdivision 2, that the state hospital campus is no longer needed by the department of public welfare. Notwithstanding any other law to the contrary, a portion or all of the buildings and the adjacent lands can be sold to anyone.

Prior to the closure date for each unit, the commissioner of public welfare shall arrange for the orderly transfer of all affected patients. The commissioner shall, to the extent possible, provide at least 60 days notice of transfer and allow patients and their parents, spouse or guardian, and the appropriate county agency input regarding the institution or community placement to which the patient is to be transferred.

Effective immediately, the commissioner of employee relations shall monitor the orderly reassignment of affected employees of the state hospital pursuant to authority vested in him by Minnesota Statutes, Section 246.60. The commissioners of public welfare and employee relations shall provide training or other assistance as necessary for employees to aid in this transition. Direct care positions shall be transferred to other state hospitals in the same proportion as patients are transferred. Early retirement shall be encouraged where possible, with full protection for retirement benefits. Notwithstanding any other law an employee who waives his right to transfer to a hospital other than Rochester state hospital or other state employment shall be entitled to severance pay in the amount equal to five percent of the employee's base salary or wage, not to exceed \$500, multiplied by the number of years of state service, but in no case shall the total amount exceed \$5,000.

Quarterly progress reports must be submitted by the commissioner of public welfare to the legislative advisory commission and must include information with respect to the following:

- (a) Employee negotiations;
- (b) Community placement of affected patients;
- (c) Admissions figures; and
- (d) Any other activities affecting closure.

Any savings in excess of the \$7,000,000 projected to result from the closure of the hospital may be directed by the commissioner of public welfare into funding for community facilities for mentally ill, chemically dependent, and mentally retarded persons.

Nursing Homes

Approved Complement -

By June 30, 1983 - 617

Current Expense

\$ 1,710,700 \$ 1,888,200

Salaries

\$11,238,300 \$11,298,000

Repairs and Betterments

\$ 146,500

Special Equipment

\$ 68,300

Mental Health Support

\$ 592,000 \$ 579,600

Any unexpended balance remaining in the first year for special equipment and repairs and betterments does not cancel but is available for the second year of the biennium.

The information for the budgets for the nursing homes and hospitals shall be submitted to the 1983 legislature on an individual institution basis.

Positions and administrative money may be transferred between the various activities within each subdivision in this section.

Work activity centers in state hospitals shall make available up to 25 percent of their capacity for community referrals. The community referrals will be funded by the division of vocational rehabilitation, will provide sheltered work and work activity, and will be certified under Minnesota Statutes, Chapter 129A.

Sec. 23. Minnesota Statutes 1980, Section 256D.03, Subdivision 2, as amended by a law enacted at the 1981 Regular Session styled as H.F. No. 1446, Article II, Section 34, is amended to read:

Subd. 2. After December 31, 1980, state aid shall be paid to local agencies for 75 percent of all general assistance grants up to the standards of section 256D.01, subdivision 1, and according to procedures established by the commissioner. Any local agency may, from its own resources, make payments of general assistance: (a) at a standard higher than that established by the commissioner without reference to the standards of section 256D.01, subdivision 1; or, (b) to persons not meeting the eligibility standards set forth in section 256D.05, subdivision 2, but for whom the aid would further the purposes established in the general assistance program in accordance with rules promulgated by the commissioner pursuant to the administrative procedure act.

Sec. 24. A law enacted at the 1981 Regular Session styled as H.F. No. 1446, Article II, Section 54, is amended to read:

Sec. 54. [SUNSET PROVISION.]

Article II, Sections 26, 27, 31 ~~and~~, 36, and 40 are repealed effective June

30, 1983. *Notwithstanding the provisions of Minnesota Statutes, Section 645.34, the repeal of Article II, Sections 26, 27, 31, and 36 shall revive the corresponding provision or section of the original law as it existed immediately prior to the amendments made by Article II, Sections 26, 27, 31, and 36; provided, however, that amendments made to the statutory sections amended by Article II, Sections 26, 27, 31, and 36 between the effective date of this section and June 30, 1983 shall remain effective after June 30, 1983 unless otherwise provided by law.*

Sec. 25. Minnesota Statutes 1980, Section 256.05, Subdivision 1, as amended by a law enacted at the 1981 Regular Session styled as H.F. No. 1446, Article II, Section 36, is amended to read:

Subdivision 1. [STANDARDS.] Each person or family whose income and resources are less than the standard of assistance established by the commissioner, and who is not eligible for the federally aided assistance programs of emergency assistance or aid to families with dependent children, or any successor to those programs, shall be eligible for and entitled to general assistance if the person or family is:

(a) A person suffering from an illness, injury, or incapacity which is both medically certified and prevents the individual from engaging in suitable employment, if a plan for rehabilitation approved by the local agency through its director or designated representative is being followed when the situation is certified as temporary;

(b) A person whose presence in the home on a substantially continuous basis is required because of the certified illness or incapacity of another member of the household;

(c) A person who has been placed in a licensed or certified facility for purposes of physical or mental health or rehabilitation, if the placement is based on illness or incapacity, and is pursuant to a plan developed or approved by the local agency through its director or designated representative;

(d) A person who resides in a shelter facility described in subdivision 3;

(e) A person who is or may be eligible for displaced homemaker services, programs, or assistance under section 4.40. In determining eligibility of the person for general assistance, income received as a stipend shall be disregarded as provided in section 4.40;

(f) A person who is unable to secure suitable employment due to inability to communicate in the English language, and who, if assigned to a language skills program by the local agency, is participating in that program;

(g) A person not described in clause (a) or (c) who is diagnosed by a licensed physician or licensed consulting psychologist as mentally ill; or

(h) A person who is unable to secure suitable employment due to a lack of marketable skills as determined by the local agency, and who, if assigned to a vocational counseling, vocational rehabilitation, or work training program by the local agency, is participating in that program. Eligibility for general assistance under clause (h) of this ~~paragraph~~ subdivision is limited to five weeks per calendar year.

Sec. 26. A law enacted at the 1981 Regular Session styled as S.F. No. 359, Section 144, Subdivision 7, is amended to read:

Subd. 7. The following sums are appropriated from the general fund in the fiscal years indicated for the purposes of implementing the computerization of

the records and information system of the department of labor and industry. The appropriations in this section shall be expended with the approval of the governor after consultation with the legislative advisory commission pursuant to section 3.30. The commissioner of insurance in consultation with the commissioners of labor and industry and of administration, shall propose a plan for implementation of this computerization no later than August 1, 1981. The commissioner of insurance shall consider use of the system evaluation and development methodology developed by the commissioner of administration pursuant to section 16.955, but this project is not subject to the requirements of that section. The installation and operation of computer equipment shall commence by October 1, 1981 and be completed by January 1, ~~1981~~ 1982.

Sec. 27. Minnesota Statutes 1980, Section 260.031, Subdivision 1, as amended by a law enacted at the 1981 Regular Session styled as H.F. No. 515, Section 1, is amended to read:

Subdivision 1. The office of referee is abolished. No vacancy in the office of referee shall be filled, nor new office created. Persons holding office of referee on June 30, 1980, in the second and ~~June 30, 1977~~ August 15, 1980, in the fourth judicial district may continue to serve at the pleasure of the chief judge of the district under the terms and conditions of their appointment. All referees are subject to the administrative authority and assignment power of the chief judge of the district as provided in section 484.69, subdivision 3, and are not limited to assignment to juvenile court. Referees shall be qualified for their duties by their previous training and experience and hold office at the pleasure of the judge. The compensation of a referee shall be fixed by the judge, approved by the county board and payable from the general revenue funds of the county not otherwise appropriated. Part time referees holding office in the second judicial district pursuant to this subdivision shall cease to hold office on July 31, 1984.

Sec. 28. Minnesota Statutes 1980, Section 484.70, Subdivision 1, as amended by a law enacted at the 1981 Regular Session styled as H.F. No. 515, Section 3, is amended to read:

Subdivision 1. The office of referee is abolished. No vacancy in the office of referee, including family, juvenile, probate, and special term referees, shall be filled, nor new office created. Persons holding the office of referee on June 30, 1980, in the second and ~~June 30, 1978~~ August 15, 1980, in the fourth judicial district may continue to serve at the pleasure of the chief judge of the district under the terms and conditions of their appointment. All referees are subject to the administrative authority and assignment power of the chief judge of the district as provided in section 484.69, subdivision 3, and are not limited to assignment to family or, probate, juvenile or special term court. Part time referees holding office in the second judicial district pursuant to this subdivision shall cease to hold office on July 31, 1984.

Sec. 29. A law enacted at the 1981 Regular Session styled as H.F. No. 1443, Section 358, is amended to read:

Sec. 358. [EXPENSES OF JUDGES.]

During the biennium ending June 30, 1983, judges of the district court shall be reimbursed for all sums, not reimbursed by counties-, they shall necessarily hereafter pay out for membership dues in state and local judges' associations.

Sec. 30. Minnesota Statutes 1980, Section 124.5624, Subdivision 3, as amended by a law enacted at the 1981 Regular Session styled as H.F. No. 70, Article V, Section 29, is amended to read:

Subd. 3. "Post-secondary vocational aid" means state funds, exclusive of post-secondary vocational instructional aid, supply aid, support services aid, debt service aid, and repair and betterment aid apportioned by the state board for vocational education to local school districts for the purpose of

(a) acquisition or purchase of equipment or machinery;

(b) betterment as defined in section 475.51 of equipment or machinery; and

(c) paying leasing fees for computer systems hardware and related proprietary software, photocopy machines and telecommunications equipment,

as necessary for the conduct of post-secondary vocational-technical training. Post-secondary vocational *equipment* aid shall be utilized solely for the purposes enumerated in this section.

Sec. 31. Minnesota Statutes 1980, Section 124.11, Subdivision 2a, as amended by a law enacted at the 1981 Regular Session styled as H.F. No. 70, Article V, Section 11, is amended to read:

Subd. 2a. (a) Through the 1981-1982 school year, ninety percent of the estimated post-secondary vocational instructional aid shall be paid to each district in 12 equal monthly payments on the 15th of each month. The estimated aid payments shall be paid on the basis of the department of education's estimates of the current year's average daily membership adjusted for the latest available information in November, February and May. The ~~ten percent~~ final payment, adjusted to reflect the actual average daily membership, shall be made ~~to each district~~ in September of the following fiscal year.

(b) Beginning in the 1982-1983 school year, eighty-five percent of the estimated post-secondary vocational instructional aid shall be paid to each district in 12 equal monthly payments on the 15th of each month. The estimated aid payments shall be paid on the basis of the department of education's estimates of the current year's average daily membership adjusted for the latest available information in November, February and May. The ~~15 percent~~ final payment, adjusted to reflect the actual average daily membership, shall be made ~~to each district~~ in September of the following fiscal year.

Sec. 32. Minnesota Statutes 1980, Section 124.11, Subdivision 2b, as amended by a law enacted at the 1981 Regular Session styled as H.F. No. 70, Article V, Section 12, is amended to read:

Subd. 2b. (a) Through the 1981-1982 school year, post-secondary vocational supply aid and support services aid shall be paid to districts in equal installments on or before August 1, November 1, February 1, and May 1 of each year. Eighty percent of post-secondary vocational equipment aid and repair and betterment aid shall be paid to districts on or before August 1 of each year. The remaining 20 percent of post-secondary vocational equipment aid and repair and betterment aid shall be paid to districts ~~on or before~~ by May 1 of each year.

(b) Beginning in the 1982-1983 school year, the state shall pay to districts 25 percent of post-secondary vocational supply aid and support services aid by

August 1, 20 percent by November 1, 20 percent by February 1, and 20 percent by May 1 of each school year. Eighty-five percent of post-secondary vocational equipment aid and repair and betterment aid shall be paid to districts by August 1 of each year. The ~~45 percent~~ final aid distribution shall be paid to ~~districts made~~ by October 31 of the following school fiscal year.

Sec. 33. Minnesota Statutes 1980, Section 177.25, Subdivision 1, as amended by a law enacted at the 1981 Regular Session styled as S.F. No. 338, Section 1, is amended to read:

Subdivision 1. No employer shall employ any of his employees for a workweek longer than 48 hours, unless such employee receives compensation for his employment in excess of 48 hours in a workweek at a rate of not less than one and one-half times the regular rate at which he is employed; (1) provided, however, that an employer if it is the State of Minnesota or a political subdivision may grant time off at the rate of one and one-half hours for each hour worked in excess of 48 hours in any week in lieu of monetary compensation; and, (2) provided, however, that no employer shall be deemed to have violated the overtime pay provisions of this section by employing any employees for a workweek in excess of that specified in this section without paying the compensation for overtime employment prescribed herein (a) if the employee is employed under an agreement meeting the requirement of section 7 (b) (2) of the Fair Labor Standards Act of 1938, as amended, or (b) if the employee is employed as a sugarbeet hand laborer on a piece rate basis, provided that the regular rate of pay received per hour of work pursuant to applicable rules exceeds the applicable wage provided in section ~~479.24~~ 177.24, subdivision 1, by at least 40 cents.

Sec. 34. A law enacted at the 1981 Regular Session styled as H.F. No. 900, Section 4, is amended to read:

Sec. 4. [DEPARTMENT OF NATURAL RESOURCES; APPROPRIATION FOR ACQUISITION AND DEVELOPMENT.]

The following sums are appropriated from the state building fund to the commissioner of natural resources to acquire and better public outdoor recreation lands and capital improvements:

(1) For acquisition of state parks and recreation areas, as listed and described in Minnesota Statutes, Sections 85.012 and 85.013	\$2,000,000
(2) For betterment of state parks and recreation areas, as listed and described in Minnesota Statutes, Sections 85.012 and 85.013	2,434,800
(3) For acquisition of state trails listed and described in Minnesota Statutes, Section 85.015, and pursuant to Minnesota Statutes, Section 84.029, Subdivision 2. . .	90,000
(4) For betterment of state trails and trails within state parks, state forests and other units of the outdoor recreational system as defined in Minnesota Statutes, Section 86A.05	2,000,000
(5) For acquisition of Minnesota Valley Trail described in Minnesota Statutes, Section 85.021	200,000
(6) For acquisition of state forests listed and described in Minnesota Statutes, Section 89.021	200,000

(7) For betterment of state forest roads and bridges	1,500,000
(8) For acquisition of fishing management lands including riparian rights and other interests therein needed for management of waters for primary wildlife use and benefit and for access to fishing waters pursuant to Minnesota Statutes, Section 97.48, Subdivisions 8, 11 and 15	400,000
(9) For acquisition of wildlife management areas pursuant to Minnesota Statutes, Sections 97.48, Subdivision 13, and 97.481, and wetlands under the water bank program pursuant to Minnesota Statutes, Section 105.392 or pursuant to Minnesota Statutes, Section 105.391, Subdivision 3	4,500,000
(10) For betterment of wildlife management areas, acquired pursuant to Minnesota Statutes, Sections 97.48, Subdivision 13, and 97.481	400,000
(11) For acquisition of natural and scientific areas designated pursuant to Minnesota Statutes, Section 84.033	300,000
(12) For acquisition of wild, scenic, and recreational rivers, designated pursuant to Sections 104.25 to 104.40, and canoe and boating routes, portages, and camp sites, as listed and described in Minnesota Statutes, Section 85.32	400,000
(13) For betterment of canoe and boating routes, portages, and camp sites as listed and described in Minnesota Statutes, Section 85.32	37,000
(14) For acquisition of lands to provide public access to public waters pursuant to Minnesota Statutes, Section 97.48, Subdivision 15	650,000
(15) For betterment of such public accesses to public waters pursuant to Minnesota Statutes, Section 97.48, Subdivision 15	1,089,000
(16) For independent professional services necessary for the acquisition and betterment of the lands and improvements described above. From this appropriation the commissioner may employ not to exceed 26 persons in the unclassified civil service who are in addition to the complement otherwise authorized by law for the department provided that these positions shall be used exclusively to provide only the following acquisition and development services associated with the projects of this section: landowner contract, land appraisal, appraisal review pursuant to Minnesota Statutes, Section 84.0271, landowner negotiation, land surveys, legal assistance, financial transactions, project coordination, surveys required for design, soil borings, engineering plans and specifications, contract administration and construction supervision	1,594,400

Sec. 35. Minnesota Statutes 1980, Section 290A.03, Subdivision 8, as amended by a law enacted at the 1981 Regular Session styled as H.F. No.

1445, Article III, Section 3, is amended to read:

Subd. 8. [CLAIMANT.] "Claimant" means a person, other than a dependent, who filed a claim authorized by sections 290A.01 to 290A.21 and who was domiciled in this state during the calendar year for which the claim for relief was filed. In the case of a claim relating to rent constituting property taxes, the claimant shall have resided in a rented or leased unit on which ad valorem taxes or payments made in lieu of ad valorem taxes, including payments of special assessments imposed in lieu of ad valorem taxes, are payable at some time during the calendar year covered by the claim, except that a claimant who is disabled or who has attained the age of 65 on the date specified in section 290A.04, subdivision 1, may file a claim based on residence in a nursing home on which ad valorem taxes were not payable. "Claimant" shall not include a resident of a nursing home, intermediate care facility, or long term residential facility whose rent constituting property taxes is paid pursuant to the supplemental security income program under Title XVI of the social security act, the Minnesota supplemental aid program under sections 256D.35 to 256D.41, the medical assistance program pursuant to Title XIX of the social security act, or the general assistance medical care program pursuant to section 256D.03, Subdivision 3. If only a portion of the rent constituting property taxes is paid by these programs, the resident shall be a claimant for purposes of this chapter, but the refund calculated pursuant to section 290A.04 shall be multiplied by a fraction, the numerator of which is income as defined in subdivision 3 reduced by the total amount of income from the above sources *other than vendor payments under the medical assistance program or the general assistance medical care program*, and the denominator of which is income as defined in subdivision 3 *plus vendor payments under the medical assistance program or the general assistance medical care program*, to determine the allowable refund pursuant to this chapter. In the case of a part year resident, the income and rental reflected in this computation shall be for the period of Minnesota residency only. Any rental expenses paid which may be reflected in arriving at federal adjusted gross income cannot be utilized for this computation. When two individuals of a household are able to meet the qualifications for a claimant, they may determine among them as to who the claimant shall be. If they are unable to agree, the matter shall be referred to the commissioner of revenue and his decision shall be final.

If a homestead is occupied by two or more renters, who are not husband and wife, the rent shall be deemed to be paid equally by each, and separate claims shall be filed by each. The income of each shall be his household income for purposes of computing the amount of credit to be allowed.

Sec. 36. A law enacted at the 1981 Regular Session styled as S.F. No. 359, Section 144, Subdivision 3, is amended to read:

Subd. 3. There is appropriated from the general fund to the commissioner of labor and industry for the fiscal year indicated for the purpose of hiring six additional support personnel and ancillary expenses needed in conjunction with the departmental improvements provided in section 96; and for the purpose of hiring four additional rehabilitation personnel.

1982	1983
\$246,200	\$246,200

Additional approved complement - 6 10

Sec. 37. A law enacted at the 1981 Regular Session styled as H.F. No. 1443, Section 377, is amended to read:

Sec. 377. [REPEALER.]

Minnesota Statutes 1980, Sections 3.86; 7.07; 16A.75; 16A.751; 16A.752; 16A.753; 16A.754; 168B.11; ~~363.073, Subdivisions 1 and 2~~; 481.15, Subdivision 3; 480.053; 483.01; 483.02; 648.45; and 648.46 are repealed. Minnesota Statutes 1980, Section 473.556, Subdivision 15 is repealed, effective July 1, 1982.

Sec. 38. A law enacted at the 1981 Regular Session styled as H.F. No. 1434, Section 6, is amended to read:

Sec. 6. PUBLIC UTILITIES

COMMISSION	1,064,500	1,011,300
	1,109,500	

Approved Complement - 27

\$85,000 the first year is for transfer to the special account for administrative hearing costs.

Sec. 39. A law enacted at the 1981 Regular Session styled as H.F. No. 182, Section 1, Subdivision 3, is amended to read:

Subd. 3. [APPLICABLE CHARGE.] "Applicable charge" means the amount of interest attributable to each monthly installment period of the loan contract. The applicable charge is computed as if each installment period were one month and any charge for extending the first installment period beyond one month is ignored. The applicable charge for any installment period is that which would have been made for the period had the loan been made on an interest-bearing basis at the single annual percentage rate permitted by section 11, subdivision 1, ~~paragraph (b)~~, based upon the assumption that all payments were made according to schedule. For convenience in computation, the licensee may round the single annual rate to the nearest one quarter of one percent.

Sec. 40. *Notwithstanding any provision in law enacted at the 1981 Regular Session styled as H.F. Nos. 515 and 1139 no new district court referee positions may be created but any vacancies in referee positions which position existed as of January 1, 1981 may be filled.*

Sec. 41. [EFFECT OF AMENDMENTS ON REPEALS BY THIS ACT.]

Regardless of the order of final enactment of sections 1 to 40 and the acts those sections amend or repeal, the amendments on repeals in sections 1 to 40 shall be given effect. Notwithstanding Minnesota Statutes, Section 645.34, or other law, a repeal in sections 1 to 40 of an amendatory law revives the original law as it existed before or without the amendment. Notwithstanding Minnesota Statutes, Sections 645.26, Subdivision 3, 645.33, or other law, an amendment in sections 1 to 40 shall prevail over any other act amending the same provisions of law in an irreconcilable manner.

Sec. 42. [EFFECTIVE DATE.]

This act is effective the day following final enactment. Unless otherwise provided within a section, each section of this act is effective on the effective date of the section amended by that section."

Amend the title as follows:

Page 1, line 5, delete "No." and insert "Nos."

Page 1, delete lines 6 to 9 and insert: "182, Sections 1, Subdivision 3; and 2; Section 11, Subdivision 2; 493, Section 7, Subdivisions 1 and 3; 900, Sec-

tion 4; 1125, Article II, Section 3, Subdivision 2a; 1434, Sections 1; 2, Subdivisions 4 and 6; 1443, Sections 358 and 377; 1446, Articles I, Section 2, Subdivision 5; II, Section 54; S.F. Nos. 359, Section 144, Subdivisions 3 and 7; 1087, Section 42; Minnesota Statutes 1980, Sections 15.0413, Subdivision 3, as amended; 47.20, Subdivision 6a, as amended; 56.19, Subdivision 1; 60A.11, Subdivision 7; 124.11, Subdivisions 2a and 2b, as amended; 124.5624, Subdivision 3, as amended; 177.25, Subdivision 1, as amended; 216B.16, Subdivision 1b, as amended; 237.075, Subdivision 1b, as amended; 256.05, Subdivision 1; 256D.03, Subdivision 2; 260.031, Subdivision 1, as amended; 290A.03, Subdivision 8, as amended; 484.70, Subdivision 1, as amended; 595.02, as amended; Laws 1981, Chapter 59, Sections 10, Subdivision 1; 11, Subdivision 4; 15, Subdivision 1; repealing S.F. No. 876, Section 30, Subdivision 3."

The motion prevailed. So the amendment was adopted.

Mr. Davies then moved to amend S. F. No. 1382 as follows:

Strike section 34 of the Davies amendment

Renumber the sections in sequence

Amend the title amendment as follows:

Page 32, line 35, delete "900, Section 4;"

The motion prevailed. So the amendment was adopted.

Mr. Davies then moved to amend the Davies amendment to S.F. No. 1382 as follows:

Page 32, after line 14, insert:

"Sec. 40. Minnesota Statutes 1980, Section 570.02, Subdivision 1, as amended by a law enacted at the 1981 Regular Session styled as S.F. No. 613, is amended to read:

Subdivision 1. [AFFIDAVIT.] To obtain the writ of attachment, the plaintiff, his agent or attorney, shall make affidavit that a cause of action exists against the defendant, specifying the amount of the claim and the ground thereof *and alleging one or more of the bases for attachment set forth in subdivision 2.*"

Renumber the sections accordingly

Correct internal references

Amend the title amendment as follows:

Page 1, after "484.70, Subdivision 1, as amended;" insert "570.02, Subdivision 1;"

The motion prevailed. So the amendment was adopted.

S.F. No. 1382: A bill for an act relating to legislative enactments; providing for the correction of miscellaneous oversights, inconsistencies, ambiguities, unintended results and errors of a noncontroversial nature; amending H.F. Nos. 182, Sections 1, Subdivision 3; and 2; Section 11, Subdivision 2; 493, Section 7, Subdivisions 1 and 3; 1125, Article II, Section 3, Subdivision 2a; 1434, Sections 1; 2, Subdivisions 4 and 6; 1443, Sections 358 and 377; 1446;

Articles I, Section 2, Subdivision 5; II, Section 54; S.F. Nos. 359, Section 144, Subdivisions 3 and 7; 1087, Section 42; Minnesota Statutes 1980, Sections 15.0413, Subdivision 3, as amended; 47.20, Subdivision 6a, as amended; 56.19, Subdivision 1; 60A.11, Subdivision 7; 124.11, Subdivisions 2a and 2b, as amended; 124.5624, Subdivision 3, as amended; 177.25, Subdivision 1, as amended; 216B.16, Subdivision 1b, as amended; 237.075, Subdivision 1b, as amended; 256.05, Subdivision 1; 256D.03, Subdivision 2; 260.031, Subdivision 1, as amended; 290A.03, Subdivision 8, as amended; 484.70, Subdivision 1, as amended; 570.02, Subdivision 1; 595.02, as amended; Laws 1981, Chapter 59, Sections 10, Subdivision 1; 11, Subdivision 4; 15, Subdivision 1; repealing S.F. No. 876, Section 30, Subdivision 3.

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 65 and nays 0, as follows:

Those who voted in the affirmative were:

Ashbach	Dicklich	Knutson	Olhoft	Setzepfandt
Bang	Dieterich	Kroening	Pehler	Sieloff
Belanger	Engler	Kronebusch	Penny	Sikorski
Benson	Frank	Langseth	Peterson, C.C.	Stern
Berg	Frederick	Lantry	Peterson, D.L.	Stokowski
Berglin	Frederickson	Lessard	Peterson, R.W.	Stumpf
Bernhagen	Hanson	Lindgren	Petty	Taylor
Bertram	Hughes	Luther	Pillsbury	Tennessen
Brataas	Humphrey	Menning	Purfeerst	Ulland
Chmielewski	Johnson	Merriam	Ramstad	Vega
Dahl	Kamrath	Moe, D. M.	Renneke	Waldorf
Davies	Keefe	Moe, R. D.	Rued	Wegener
Davis	Knoll	Nelson	Schmitz	Willet

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

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate proceed to the Order of Business of Introduction and First Reading of Senate Bills.

INTRODUCTION AND FIRST READING OF SENATE BILLS

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

Mr. Moe, D.M. introduced—

S.F. No. 1473: A bill for an act relating to retirement; establishing a uniform defined contribution public employee retirement plan; proposing new law coded as Minnesota Statutes, Chapter 356A.

Referred to the Committee on Public Employees and Pensions.

Mr. Chmielewski introduced—

S.F. No. 1474: A bill for an act relating to public employment labor relations; modifying the definition of public employee; amending Minnesota Statutes 1980, Section 179.63, Subdivision 7.

Referred to the Committee on Employment.

Messrs. Tennessen; Moe, D.M. and Petty introduced—

S.F. No. 1475: A bill for an act relating to intoxicating liquor; authorizing issuance of special off-sale wine licenses to general food stores; prohibiting a person from being licensed as both retailer and wholesaler; amending Minnesota Statutes 1980, Sections 340.07, by adding a subdivision; 340.11, Subdivisions 13 and 14; 340.13, by adding a subdivision; and 340.14, Subdivisions 1 and 3.

Referred to the Committee on Commerce.

Mr. Penny introduced—

S.F. No. 1476: A bill for an act relating to the legislature; reducing the number of senators and representatives; requiring that state legislative districts consolidate with United States congressional districts; amending Minnesota Statutes 1980, Sections 2.021 and 2.031, Subdivision 1.

Referred to the Committee on Rules and Administration.

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate revert to the Order of Business of Messages From the House. The motion prevailed.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on Senate File No. 537 and repassed said bill in accordance with the report of the Committee, so adopted.

S. F. No. 537: A bill for an act relating to highway traffic regulations; increasing the length of certain vehicles; establishing permit fees for certain oversize vehicles; directing the commissioner of transportation to conduct certain studies; clarifying the operation of certain combination vehicles; amending Minnesota Statutes 1980, Sections 169.81, Subdivision 3; 169.86, Subdivision 5, and by adding a subdivision; and 169.861.

Senate File No. 537 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 18, 1981

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Hughes moved that his name be stricken as chief author to S. F. No. 1197. The motion prevailed.

Mr. Moe, R.D. moved that the Senate do now adjourn until 12:00 noon, Tuesday, January 12, 1982. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate