

THIRD SPECIAL SESSION

EIGHTH DAY

St. Paul, Minnesota, Thursday, December 17, 1981

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

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.

Prayer was offered by the Chaplain, Rev. James D. Gorman.

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

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

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. Bang, Belanger, Mrs. Brataas, Messrs. Davis, Dieterich, Frank, Keefe, Knoll, Knutson, Merriam, Olhoft, Setzpfandt and Sikorski were excused from this morning's Session. Mr. Moe, D.M. was excused from the Session of today.

RECESS

Mr. Moe, R.D. moved that the Senate do now recess until 3:00 p.m. The motion prevailed.

The hour of 3:00 p.m. having arrived, the President called the Senate to order.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following House File, herewith transmitted: H.F. No. 4.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted December 17, 1981

FIRST READING OF HOUSE BILLS

The following bill was read the first time.

H.F. No. 4: A bill for an act relating to public welfare; altering certain provisions of the program of aid to families with dependent children; redefining the term "dependent child"; expanding the definition of persons ineligible; eliminating eligibility of the unborn; requiring rules to define "special needs" for eligible pregnant women; requiring recoupment of overpayments; requiring registration of certain dependent recipients for employment services, training, and employment; restricting the earned income disregard to four months; restricting work expense disregards; specifying the amount of step-parent income to be considered available in determining need; providing for voluntary third party payments; eliminating eligibility for recipients participating in a strike; eliminating a prepaid funeral contract and reverse mortgage loan guarantees as disregarded resources; modifying the service fee for child support collection services; modifying the resource limits for recipients of aid to families with dependent children; extending medical assistance coverage to certain pregnant women; amending Minnesota Statutes 1980, Sections 256.12, Subdivision 14; 256.73, Subdivisions 3a, 5, 6, and by adding a subdivision; 256.736, Subdivisions 3 and 4; 256.74, Subdivision 1, and by adding a subdivision; 256.81; 256.935, Subdivision 2; 256.99; Minnesota Statutes 1981 Supplement, Sections 256.73, Subdivision 2; 256B.06, Subdivision 1; and 518.551, Subdivision 7; proposing new law coded in Minnesota Statutes, Chapter 256; repealing Minnesota Statutes 1981 Supplement, Section 257.021.

Mr. Moe, R.D. moved that H.F. No. 4 be laid on the table. The motion prevailed.

MOTIONS AND RESOLUTIONS**SUSPENSION OF RULES**

Mr. Moe, R.D. moved that S.F. No. 26 be given its second reading and that the rules of the Senate be so far suspended as to make S.F. No. 26 a Special Order for immediate consideration. The motion prevailed.

S.F. No. 26 was read the second time.

SPECIAL ORDER

S.F. No. 26: A bill for an act relating to the financing of government in this state; reducing appropriations for the biennium ending June 30, 1983 with certain conditions; providing for a deficiency in income maintenance appro-

priations; providing for state scholarships and grants in aid; imposing and increasing fees; imposing various cost saving measures; authorizing attorney general to appear in civil weight enforcement actions; providing for judicial review of driving privilege revocations for failure to submit to chemical testing or exceeding prescribed alcohol concentration; changing certain provisions governing aid to families with dependent children as authorized or required by federal law; changing or adding provisions governing definitions, eligibility standards, payment levels and amounts, income disregards, budgeting methods, child support or maintenance orders; eliminating a general stepparents' support duty and coverage of the unborn; specifying medical assistance for certain pregnant women; changing calculation of certain fees paid by foreign corporations; shortening time for abandonment of unclaimed property; changing requirements for reduced transit fares for certain persons; providing for the reduction of school aids; changing formula allowances; raising the basic maintenance mill rate; establishing an equalizing factor; extending dates of exemption from public sale of certificates of indebtedness; authorizing recertification of levy; authorizing a one-time transfer of funds; delaying school aid payments; reducing the agricultural property school tax credit; reducing the homestead credit; providing that homestead credit applies to certain special levies; eliminating the individual housing account provisions; providing an additional adjustment of individual income tax brackets; eliminating the deduction for excise tax paid on gasoline and special fuels and for income taxes paid by corporations to other states; eliminating the discretion of the commissioner of revenue to adopt new depreciation methods; increasing the excise taxes on liquor and cigarettes; extending the sales tax to sales of candy, carbonated beverages, and chewing gum; reducing the maximum local aid appropriation; requiring payments of local aids and authorizing local borrowing in anticipation of the aids; altering the method of taxation of major oil companies; eliminating the arithmetic average from the corporate income tax allocation formula; removing the dollar limitation on state short-term borrowing; appropriating money; amending Minnesota Statutes 1980, Sections 84B.11, Subdivision 1; 169.123, Subdivisions 5, 5a, 6, and by adding a subdivision; 176.421, Subdivision 3; 176.521, by adding a subdivision; 184.30, Subdivision 2; 221.67; 256.12, Subdivision 14; and by adding subdivisions; 256.73, Subdivisions 3a, 5, and 6; 256.736, Subdivisions 3 and 4; 256.74, Subdivision 1, and by adding a subdivision; 256.99; 256B.07; 268.16, Subdivision 3; 273.13, Subdivision 14a; 278.03; 290.01, by adding a subdivision; 290.19, Subdivision 1; 297.02, by adding a subdivision; 297.13, Subdivision 1; 297.22, by adding a subdivision; 297.26; 303.07; 303.13, Subdivision 1; 303.14, Subdivisions 1, 3, and 5; 303.16, Subdivisions 2 and 4; 303.17, Subdivision 4; 303.18, Subdivision 3; 303.19, Subdivisions 2 and 3; 303.21, by adding a subdivision; 303.22; 303.23, Subdivision 1; 308.06, Subdivision 4; 308.85; 317.04, Subdivisions 2 and 3; 317.36; 317.42, Subdivision 3; 317.67, Subdivision 2; 330.01, Subdivision 1; 340.47, Subdivisions 1, 1a, and 2; 345.32; 345.33; 345.34; 345.35; 345.36; 345.37; 345.38; 345.39; 345.41; 345.42, Subdivisions 2 and 3; 345.43, by adding a subdivision; 345.44; 345.55, Subdivision 3; 473.408, Subdivision 3; 540.152; and 543.08; Minnesota Statutes 1981 Supplement, Sections 3.9222, Subdivision 2; 15.052, Subdivision 5; 16A.123; 16A.15, Subdivision 1; 16A.671, Subdivisions 3 and 5; 124.2122, Subdivisions 1, 2 and 4; 124.213, Subdivision 1; 169.871, Subdivisions 3 and 5; 169.872, Subdivision 1; 174.31, Subdivisions 1 and 3; 176.081, Subdivision 7a; 176.131, Subdivision 10; 176.371; 176.421, Subdivisions 4 and 5; 176.521, Subdivisions 1 and 2; 204B.11, Subdivision 1; 256.73, Subdivision 2; 256.872, Subdivision 1, and by adding a subdivision; 256B.06, Subdivision 1; 273.13, Subdivisions 6, 7, and 15b;

290.01, Subdivision 20; 290.06, Subdivision 2d; 290.09, Subdivisions 1, 4 and 7; 290.091; 290.17, Subdivision 2; 290.21, Subdivision 4; 297A.25; Subdivision 1; 302A.901, Subdivision 2; 477A.03, Subdivision 2; and 518.551, Subdivision 7; and Laws 1981, Chapters 356, Sections 45, 46, and 62, Subdivision 2; 358, Article 7, Section 29; 359, Section 3, Subdivision 3; proposing new law coded in Minnesota Statutes, Chapters 5, 35, 256, and 345; repealing Minnesota Statutes 1980, Sections 174.24, Subdivision 4; 256.935, Subdivision 2; 303.08, Subdivision 3; 303.12; 303.14, Subdivision 2; 303.15; 303.21, Subdivisions 1 and 2; 317.11; 317.19, Subdivision 3; 317.43; 317.67, Subdivision 1; and 345.43, Subdivision 2; Minnesota Statutes 1981 Supplement, Sections 48.159, Subdivision 2; 50.157, Subdivision 2; 51A.21, Subdivision 16a; 52.136; 124.20, Subdivision 3; 124.781; 174.24, Subdivision 3a; 257.021; 275.125, Subdivision 2f; 290.08, Subdivision 25; and 290A.04, Subdivision 2d; Laws 1981 Chapter 358, Article 1, Section 50; Article 2, Section 15; Article 3, Section 21; Article 4, Section 12; Article 5, Section 48; Article 6, Section 46; Article 8, Section 20; and Laws 1981, First Special Session, Chapter 2, Sections 2 and 9.

Mr. Menning moved to amend S. F. No. 26 as follows:

Page 12, after line 18, insert:

"Notwithstanding Laws 1981, Chapter 360, Article 1, Section 7, the commissioner of health shall not use any of the appropriations for Preventive and Personal Health to fund family planning services. The commissioner of health shall also cancel the unencumbered funds available for family planning services for fiscal year 1982."

Mr. Moe, R.D. moved that the amendment be laid on the table.

The question was taken on the adoption of the motion.

The roll was called, and there were yeas 40 and nays 23, as follows:

Those who voted in the affirmative were:

Ashbach	Dieterich	Lantry	Peterson, D.L.	Solon
Bang	Frank	Lindgren	Peterson, R.W.	Spear
Berglin	Hanson	Luther	Petty	Stern
Brataas	Humphrey	Merriam	Pillsbury	Stokowski
Dahl	Johnson	Moe, R. D.	Purfeerst	Stumpf
Davies	Knoll	Nelson	Ramstad	Tennessee
Davis	Knutson	Penny	Setzepfandt	Ulland
Dicklich	Langseth	Peterson, C.C.	Sikorski	Vega

Those who voted in the negative were:

Belanger	Chmielewski	Kronebusch	Renneke	Waldorf
Benson	Frederick	Lessard	Rued	Wegener
Berg	Frederickson	Menning	Schmitz	Willet
Bernhagen	Kamrath	Olhoff	Sieloff	
Bertram	Kroening	Pehler	Taylor	

The motion prevailed.

Mr. Ashbach moved to amend S. F. No. 26 as follows:

Page 98, line 30, delete "PROPERTY, INCOME AND SALES TAXES" and insert "AIDS AND CREDITS: REDUCTIONS AND DELAYS"

Pages 104 to 116, delete sections 7 to 9

Pages 121 to 134, delete sections 11 to 19

Page 135, line 15, delete "20" and insert "8"

Page 135, line 21, delete "23 and 24" and insert "11 and 12"

Page 136, line 36, delete "23" and insert "11"

Page 137; delete lines 15 to 18

Page 137, line 19, delete "Subd. 2."

Page 137, line 23, delete "Sections 7, 11, and 25."

Page 137, delete lines 24 to 31

Page 137, delete line 32, and insert "Sections 7"

Page 137, line 33, delete "25, subdivision 2" and insert "13"

Page 137, line 34, delete "Sections 12 to 19 are effective January 1, 1982."

Renumber the sections in sequence

Pages 137 to 145, delete Article IV

Page 145, line 4, delete "V" and insert "IV"

Amend the title as follows:

Page 1, line 34, delete everything after the semicolon

Page 1, delete lines 35 to 38

Page 1, line 39, delete "other states;"

Page 1, line 41, delete everything after the semicolon

Page 1, delete line 42

Page 1, line 43, delete everything before "reducing"

Page 1, line 46, delete "altering the method of"

Page 2, delete lines 1 and 2

Page 2, line 3, delete "allocation formula;"

Page 2, delete lines 14 to 16

Page 2, delete lines 40 to 42 and insert "15b;"

Page 2, line 43, delete "Subdivision 1;"

Page 2, delete lines 55 and 56 and insert "Supplement, Sections"

Page 2, lines 58 and 59, delete "290.08, Subdivision 25;"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 23 and nays 43, 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, R. W.	Stokowski
Bertram	Hughes	Menning	Petty	Stumpf
Chmielewski	Humphrey	Merriam	Purfeerst	Tennessee
Dahl	Johnson	Moe, R. D.	Schmitz	Vega
Davies	Knoll	Nelson	Setzepfandt	Waldorf
Davis	Kroening	Olhoft	Sikorski	Wegener
Dicklich	Langseth	Pehler	Solon	Willet
Dieterich	Lantry	Penny	Spear	
Frank	Lessard	Peterson, C. C.	Stern	

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

Mr. Sieloff moved to amend S.F. No. 26 as follows:

Page 137, line 15, delete "*Subdivision I*"

Page 137, delete lines 19 and 20

Page 137, after line 20, insert:

"Sec. 26. Minnesota Statutes 1981 Supplement, 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, 7 and 14a, but after deductions made pursuant to sections 124.213, 273.115, 273.116, 273.135 and 273.139 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.

For property taxes levied in 1981, payable 1982, "property taxes payable" shall be limited to 90 percent of that portion of the property taxes eligible for the homestead credit as determined pursuant to section 273.13, subdivision 15b."

Page 137, line 24, delete "*Subdivision I*"

Page 137, line 27, delete "subdivision 1"

Page 137, line 32, delete "Sections" and insert "Section"

Page 137, line 33, delete everything before "effective" and insert "is"

Page 137, after line 34, insert "Section 26 is effective for claims based on property taxes payable in 1982."

Renumber the remaining section

Amend the title as follows:

Page 2, line 4, after the first semicolon, insert "limiting property taxes eligible for the property tax refund;"

Page 2, line 42, after the second semicolon, insert "290A.03, Subdivision 13;"

Page 2, line 58, before "290.08," insert "and"

Page 2, line 59, delete "and 290A.04, Subdivision 2d;"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 23 and nays 41, 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	Menning	Petty	Stumpf
Bertram	Hughes	Merriam	Purfeerst	Vega
Chmielewski	Humphrey	Moe, R. D.	Schmitz	Waldorf
Dahl	Johnson	Nelson	Setzepfandt	Wegener
Davies	Kroening	Olhoft	Sikorski	Willet
Davis	Langseth	Pehler	Solon	
Dicklich	Lantry	Penny	Spear	
Dieterich	Lessard	Peterson, C. C.	Stern	
Frank	Luther	Peterson, R. W.	Stokowski	

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

Mr. Frederickson moved to amend S.F. No. 26 as follows:

Page 98, delete lines 31 to 36

Page 99, delete lines 1 to 28

Page 99, after line 28, insert:

"Section 1. [PROPERTY TAX REFUND LIMITATION.]

For claims based on rent paid in 1981 and thereafter, and property taxes payable in 1982 and thereafter, the commissioner of revenue shall pay 88 percent of the credits allowable under section 290A.04, subdivisions 1, 2, 2a, and 2b. The commissioner shall include with each refund a statement that the reduction is made pursuant to this section."

Page 137, before line 22, insert:

"Section 1 is effective the day after final enactment."

Page 137, line 22, delete "F" and insert "2"

Amend the title as follows:

Page 1, line 31, delete everything after the semicolon

Page 1, line 32, delete "tax credit" and insert "limiting the property tax refund"

Page 2, line 32, delete "124.213,"

Page 2, line 33, delete "Subdivision 1;"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 23 and nays 40, as follows:

Those who voted in the affirmative were:

Ashbach	Bernhagen	Knutson	Pillsbury	Setzepfandt
Bang	Engler	Krönebusch	Purfeerst	Taylor
Belanger	Frederick	Langseth	Ramstad	Uiland
Benson	Frederickson	Menning	Renneke	
Berg	Kamrath	Peterson, D.L.	Rued	

Those who voted in the negative were:

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

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

Mr. Ramstad moved to amend S. F. No. 26 as follows:

Page 3, line 12, delete "(19,937,300)" and insert "(20,257,300)"

Page 3, line 12, delete "(22,527,100)" and insert "(23,167,100)"

Page 3, line 12, delete "(42,464,400)" and insert "(43,424,400)"

Page 3, line 18, delete "(42,616,200)" and insert "(42,936,200)"

Page 3, line 18, delete "(68,046,500)" and insert "(68,686,500)"

Page 3, line 18, delete "(110,662,700)" and insert "(111,622,700)"

Page 3, line 27, delete "(551,700)" and insert "(771,200)"

Page 3, line 27, delete "(1,093,900)" and insert "(1,492,900)"

Page 4, after line 35, insert:

"(15) House	
(146,250)	(292,500)
(16) Senate	
(73,250)	(146,500)"

Page 7, after line 8, insert:

“(jj) State Executive Branch and
Constitutional Officers—salary
reduction
(100,500) (201,000)”

Page 146, after line 10, insert:

“ARTICLE VI
LEGISLATIVE AND EXECUTIVE SALARIES

Section 1. Minnesota Statutes 1980, Section 3.099, Subdivision 2, is amended to read:

Subd. 2. The compensation of each member of the legislature until the start of the legislative session in 1979 shall be \$8,400 per year. Commencing with the start of the legislative session in 1979, the compensation of each member of the legislature shall be \$16,500 per year. Effective January 1, 1980, the compensation of each member of the legislature will be \$18,500 per year. *Provided, however, that for the period beginning January 1, 1982, and ending June 30, 1983, the compensation of each member of the legislature shall be limited to \$16,317 per year.*

Sec. 2. Minnesota Statutes 1980, Section 15A.081, is amended by adding a subdivision to read:

Subd. 8. [SALARY REDUCTION.] For the period beginning January 1, 1982, and ending June 30, 1983, the salary for each position listed in subdivisions 1, 6, and 7 shall be reduced by 11.8 percent.

Sec. 3. [EFFECTIVE DATE.]

This article is effective the day following its final enactment.”

Amend the title as follows:

Page 2, line 4, after the first semicolon, insert “providing for the salary reduction of certain executive and legislative officials and employees;”

Page 2, line 5, after “Sections” insert “3.099, Subdivision 2; 15A.081, by adding a subdivision;”

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 19 and nays 43, as follows:

Those who voted in the affirmative were:

Belanger	Bertram	Kamrath	Peterson, D.L.	Sicliff
Benson	Engler	Keefe	Ramstad	Taylor
Berg	Frederick	Knutson	Renneke	Ulland
Bernhagen	Frederickson	Kronebusch	Rued	

Those who voted in the negative were:

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

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

Mr. Moe, R.D. moved that S.F. No. 26 be laid on the table. The motion prevailed.

Mr. Moe, R.D. moved that the Senate revert to the Order of Business of Messages From the House and First Reading of House Bills. The motion prevailed.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following House File, herewith transmitted: H.F. No. 14.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted December 17, 1981

FIRST READING OF HOUSE BILLS

The following bill was read the first time.

H.F. No. 14: A bill for an act relating to the financing and operation of state and local government; reducing appropriations for the general legislative and executive agencies of state government; providing for transfer of appropriations between fiscal years; requiring the board of regents of the university, the state university board, the community college board and the state board for vocational education to develop plans for declining enrollment; providing that parties to administrative hearings will bear the cost of court reporters under certain circumstances; adjusting fee limitations; providing certain workers' compensation settlements are conclusively presumed reasonable; specifying the contents of certain awards or disallowances of workers' compensation; modifying certain procedures for appeals of workers' compensation orders; modifying approval by the commissioner of labor and industry of the settlement of certain workers' compensation claims; eliminating the requirement that the commissioner of veterans affairs provide certain grave markers; reducing the period within which property is presumed abandoned; reducing certain pension contributions for state employees; increasing the property tax mill rate of the transit taxing district; providing for the use of certain appropriations to discharge workers' compensation and unemployment compensation obligations; authorizing the transfer of certain funds from the salary supplement; repealing review of administrative rules for business licenses; authorizing the transfer of certain funds appropriated to the higher education coordinating board for obligations under interstate tuition reciprocity agreements; appropriating money; altering the recognition of school district tax revenue; reducing state aids for education in fiscal year 1983 by 93 percent of the amount of the June, 1983 school district tax settlements; requiring payment of 70 percent of the estimated school district tax receipts within 15 days after the settlement date; establishing a cash flow loan fund; reducing education aid appropriations for fiscal year 1983; requiring the commissioner of finance to pay by February 26, 1982 any payments that were suspended; guaranteeing the payment of certain state aids and payments to local governments for calendar year 1981; granting local governments temporary borrowing authority; authorizing the commissioner of education to suspend certain education aids in December, 1981 and January, 1982; authorizing the commissioner of education to con-

sider cash flow requirements of each recipient in determining whether to suspend education aids; requiring the commissioner to issue certificates of aid; limiting inflation adjustments of the income tax brackets, credits, and maximum standard deduction under certain circumstances; prohibiting the commissioner of revenue from adopting certain depreciation schedules by rule; clarifying the application of the taxable net income adjustment factor to fiscal year taxpayers and its computation for 1981; modifying the inflation adjustment of the income tax brackets and the computation of the taxable net income adjustment factor; altering the method of taxing the income of certain oil companies by prohibiting their use of certain deductions and requiring the use of combined worldwide income; eliminating the use of the arithmetic average allocation formula for major oil companies; reducing the appropriations for local government aids; providing that farm income is wholly apportioned to Minnesota; amending Minnesota Statutes 1980, Sections 121.904, by adding a subdivision; 176.421, Subdivision 3; 176.521, as amended; 197.23; 276.11; 290.01, by adding a subdivision; 290.19, Subdivision 1; 345.32; 345.33; 345.34; 345.37; 345.38; 345.39; 352.04, Subdivisions 2 and 3; 352.92, Subdivisions 1 and 2; 352D.09, Subdivision 7; Minnesota Statutes 1981 Supplement, Sections 15.052, Subdivision 5; 16A.128; 124.2121, Subdivision 5; 176.081, Subdivision 7a; 176.371; 176.421, Subdivisions 4 and 5; 290.06, Subdivision 2d, and by adding a subdivision; 290.09, Subdivisions 1 and 7; 290.091; 290.17, Subdivision 2; 290.18, Subdivision 4, and by adding a subdivision; 290.21, Subdivision 4; 352D.04, Subdivision 2; 477A.03, Subdivision 2; Laws 1981, Chapters 356, Sections 45, 46, and 62; 359, Section 3, Subdivision 3; First Special Session, Chapter 1, Article I, Section 5; proposing new law coded in Chapter 124; repealing Minnesota Statutes 1980, Section 121.904, Subdivision 4; and Minnesota Statutes 1981 Supplement, Sections 3.965, Subdivision 6; and 362.453.

SUSPENSION OF RULES

Mr. Moe, R.D. 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. 14 and that the rules of the Senate be so far suspended as to give H. F. No. 14 its second and third reading and place it on its final passage. The motion prevailed.

H. F. No. 14 was read the second time.

Mr. Johnson moved to amend H.F. No. 14 as follows:

Delete everything after the enacting clause, and delete the title, of H.F. No. 14, and insert the language after the enacting clause, and the title, of S.F. No. 26, as introduced.

The motion prevailed. So the amendment was adopted.

H.F. No. 14 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 41 and nays 25, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

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

So the bill, as amended, passed 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.

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

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 14.

H.F. No. 14: A bill for an act relating to the financing and operation of state and local government; reducing appropriations for the general legislative and executive agencies of state government; providing for transfer of appropriations between fiscal years; requiring the board of regents of the university, the state university board, the community college board and the state board for vocational education to develop plans for declining enrollment; providing that parties to administrative hearings will bear the cost of court reporters under certain circumstances; adjusting fee limitations; providing certain workers' compensation settlements are conclusively presumed reasonable; specifying the contents of certain awards or disallowances of workers' compensation; modifying certain procedures for appeals of workers' compensation orders; modifying approval by the commissioner of labor and industry of the settlement of certain workers' compensation claims; eliminating the requirement that the commissioner of veterans affairs provide certain grave markers; reducing the period within which property is presumed abandoned; reducing certain pension contributions for state employees; increasing the property tax mill rate of the transit taxing district; providing for the use of certain appropriations to discharge workers' compensation and unemployment compensation obligations; authorizing the transfer of certain funds from the salary supplement; repealing review of administrative rules for business licenses; authorizing the transfer of certain funds appropriated to the higher education coordinating

board for obligations under interstate tuition reciprocity agreements; appropriating money; altering the recognition of school district tax revenue; reducing state aids for education in fiscal year 1983 by 93 percent of the amount of the June, 1983 school district tax settlements; requiring payment of 70 percent of the estimated school district tax receipts within 15 days after the settlement date; establishing a cash flow loan fund; reducing education aid appropriations for fiscal year 1983; requiring the commissioner of finance to pay by February 26, 1982 any payments that were suspended; guaranteeing the payment of certain state aids and payments to local governments for calendar year 1981; granting local governments temporary borrowing authority; authorizing the commissioner of education to suspend certain education aids in December, 1981 and January, 1982; authorizing the commissioner of education to consider cash flow requirements of each recipient in determining whether to suspend education aids; requiring the commissioner to issue certificates of aid; limiting inflation adjustments of the income tax brackets, credits, and maximum standard deduction under certain circumstances; prohibiting the commissioner of revenue from adopting certain depreciation schedules by rule; clarifying the application of the taxable net income adjustment factor to fiscal year taxpayers and its computation for 1981; modifying the inflation adjustment of the income tax brackets and the computation of the taxable net income adjustment factor; altering the method of taxing the income of certain oil companies by prohibiting their use of certain deductions and requiring the use of combined worldwide income; eliminating the use of the arithmetic average allocation formula for major oil companies; reducing the appropriations for local government aids; providing that farm income is wholly apportioned to Minnesota; amending Minnesota Statutes 1980, Sections 121.904, by adding a subdivision; 176.421, Subdivision 3; 176.521, as amended; 197.23; 276.11; 290.01, by adding a subdivision; 290.19, Subdivision 1; 345.32; 345.33; 345.34; 345.37; 345.38; 345.39; 352.04, Subdivisions 2 and 3; 352.92, Subdivisions 1 and 2; 352D.09, Subdivision 7; Minnesota Statutes 1981 Supplement, Sections 15.052, Subdivision 5; 16A.128; 124.2121, Subdivision 5; 176.081, Subdivision 7a; 176.371; 176.421, Subdivisions 4 and 5; 290.06, Subdivision 2d, and by adding a subdivision; 290.09, Subdivisions 1 and 7; 290.091; 290.17, Subdivision 2; 290.18, Subdivision 4, and by adding a subdivision; 290.21, Subdivision 4; 352D.04, Subdivision 2; 477A.03, Subdivision 2; Laws 1981, Chapters 356, Sections 45, 46, and 62; 359, Section 3, Subdivision 3; First Special Session, Chapter 1, Article 1, Section 5; proposing new law coded in Chapter 124; repealing Minnesota Statutes 1980, Section 121.904, Subdivision 4; and Minnesota Statutes 1981 Supplement, Sections 3.965, Subdivision 6; and 362.453.

And the House respectfully requests that a Conference Committee of five members be appointed thereon:

Anderson, I.; Sieben, M.; Johnson, C.; Eken and Sieben, H. have been appointed as such committee on the part of the House.

House File No. 14 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted December 17, 1981

Mr. Moe, R.D. moved that the Senate accede to the request of the House for

a Conference Committee on H.F. No. 14, and that a Conference Committee of 5 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

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. 14: Messrs. Moe, R.D.; Hanson; Johnson; Willet and Dieterich.

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

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

MOTIONS AND RESOLUTIONS

Mr. Dahl moved that the name of Mr. Lessard be added as co-author to S.F. No. 27. The motion prevailed.

Mr. Moe, R.D. moved that the Senate do now adjourn until 11:00 a.m., Saturday, December 19, 1981. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate