

**SEVENTY-FOURTH DAY**

St. Paul, Minnesota, Friday, February 19, 1982

The Senate met at 10:00 a.m. and was called to order by the President.

**CALL OF THE SENATE**

Mr. Nelson 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. Arnold H. Heumann.

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

Ashbach	Davis	Knoll	Olhoff	Schmitz
Bang	Dicklich	Kronebusch	Pehler	Setzpfandt
Belanger	Dieterich	Langseth	Penny	Solon
Benson	Engler	Lantry	Peterson, C.C.	Spear
Berglin	Frank	Lessard	Peterson, D.L.	Stokowski
Bernhagen	Frederick	Lindgren	Petty	Stumpf
Bertram	Frederickson	Luther	Pillsbury	Taylor
Brataas	Hanson	Menning	Purfeerst	Tennesen
Chmielewski	Hughes	Moe, D.M.	Ramstad	Vega
Dahl	Johnson	Moe, R.D.	Renneke	Wegener
Davies	Kamrath	Nelson	Rued	Willet

The President declared a quorum present.

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

**MEMBERS EXCUSED**

Messrs. Humphrey; Peterson, R.W. and Sieloff were excused from the Session of today.

**EXECUTIVE AND OFFICIAL COMMUNICATIONS**

The following communications were received and referred to the committees indicated.

January 27, 1982

The Honorable Jack Davies  
President of the Senate

Dear Sir:

The Minnesota State Board of Education/Vocational Education at its meeting on Tuesday, June 1, 1981, under authority granted to it by Minnesota

Statutes 1980, Section 121.16, Subdivision 1, appointed John J. Feda to the position of Commissioner of Education for the State of Minnesota. As required under provisions of Minnesota Statutes 1980, Section 15.06, the appointment has the approval of Governor Albert H. Quie. The term is co-terminus with that of the Governor as provided in the statutes; therefore, the term was effective July 15, 1981 and expires the first Monday in 1983.

The State Board of Education/Vocational Education takes great pleasure in submitting for the advice and consent of the Senate the name of John J. Feda as its appointee for the position of Commissioner of Education for the State of Minnesota for the term stated above.

Enclosed is a brief biographical summary.

(Referred to the Committee on Education.)

Sincerely,

Patricia A. Weber, President

February 17, 1982

The Honorable Jack Davies  
President of the Senate

Dear Sir:

As required by Minnesota Statutes 1980, Section 15.06 and Section 121.16, I hereby approve the appointment by the State Board of Education of John J. Feda to the position of Commissioner of Education for the State of Minnesota.

Commissioner Feda's appointment was effective July 15, 1981, and expires the first Monday in January, 1983.

(Referred to the Committee on Education.)

Sincerely,

Albert H. Quie, Governor

### MESSAGES FROM THE HOUSE

Mr. President:

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

Senate Concurrent Resolution No. 10: A Senate concurrent resolution relating to adjournment for more than three days.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned February 18, 1982

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. 1538: A bill for an act relating to peace officers; providing for appointment of peace officers, constables and deputy constables in towns;

requiring towns to notify the peace officers standards and training board before employing law enforcement officers; amending Minnesota Statutes 1980, Sections 367.03, Subdivisions 1, 2, and 3; 367.22; 367.40; Subdivisions 3 and 4; 367.41; Minnesota Statutes 1981 Supplement, Section 367.42, Subdivision 1; repealing Minnesota Statutes 1981 Supplement, Section 382.28.

Senate File No. 1538 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned February 18, 1982

Mr. Wegener moved that the Senate do not concur in the amendments by the House to S. F. No. 1538, 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 House Files, herewith transmitted: H.F. Nos. 776, 879, 1050, 1484, 1523, 1668 and 1786.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted February 18, 1982

### FIRST READING OF HOUSE BILLS

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

H.F. No. 776: A bill for an act relating to insurance; requiring private passenger vehicle insurers to disclose surcharge plans; prohibiting payment of certain claims unless notice is given to the insured; proposing new law coded in Minnesota Statutes, Chapter 65B.

Referred to the Committee on Commerce.

H.F. No. 879: A bill for an act relating to juveniles; removing certain children from definition of "delinquent child"; defining "runaway," "habitual truant," "juvenile petty offender," "juvenile alcohol or controlled substance offender"; simplifying certain pleading and notice procedures; providing hearing rights and dispositional alternatives; amending Minnesota Statutes 1980, Sections 260.015, Subdivision 5, and by adding subdivisions; 260.111, Subdivision 1; 260.121, Subdivisions 1 and 2; 260.155, Subdivision 1; and 260.173, Subdivision 3; proposing new law coded in Minnesota Statutes, Chapter 260.

Referred to the Committee on Judiciary.

H.F. No. 1050: A bill for an act relating to insurance; authorizing the requiring of proof of motor vehicle or motorcycle insurance prior to the issuance of a parking permit by a governmental unit; proposing new law coded in Minnesota Statutes, Chapter 65B.

Referred to the Committee on Local Government and Urban Affairs.

H.F. No. 1484: 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 subdivisions; and 171.19.

Referred to the Committee on Judiciary.

H.F. No. 1523: A bill for an act relating to driver licensing; allowing certain reports to be made to the commissioner of public safety; proposing new law coded in Minnesota Statutes, Chapter 171.

Referred to the Committee on Judiciary.

H.F. No. 1668: A bill for an act relating to manufactured homes; requiring manufacturers and dealers of manufactured homes to be licensed and regulated by the commissioner of administration; providing for the rights and duties of owners and residents of manufactured home parks; making certain changes in the procedure for titling manufactured homes; requiring park owners to adopt storm safety plans for the protection of residents; empowering municipalities to enforce certain ordinances within manufactured home parks and recreational camping areas; clarifying the procedures to be used in the repossession of a manufactured home; clarifying certain language; prohibiting certain practices; imposing fees and penalties; providing remedies; defining terms; proposing new law coded in Minnesota Statutes, Chapter 168A; proposing new law coded as Minnesota Statutes, Chapters 327B and 327C; amending Minnesota Statutes 1980, Sections 168A.02, Subdivision 3; 327.14; 327.16, Subdivision 2; 327.20, Subdivision 1; 327.24, by adding a subdivision; 327.26; 327.27, Subdivision 2, and by adding a subdivision; 327.62, Subdivision 2; 327.63; 327.65; 327.66; 363.02, by adding a subdivision; and 566.18, Subdivisions 2, 7, and 8; repealing Minnesota Statutes 1980, Sections 327.41; 327.42; 327.43; 327.45; 327.451; 327.452; 327.46; 327.47; 327.51; 327.52; 327.53; 327.54; 327.55; 327.551; 327.552; 327.553, Subdivisions 2, 3 and 4; 327.554; 327.56; and Minnesota Statutes 1981 Supplement, Sections 327.44; 327.441; 327.55, Subdivision 1a; and 327.553, Subdivision 1.

Referred to the Committee on Judiciary.

H.F. No. 1786: A bill for an act relating to agriculture; changing certain procedures relating to fertilizers and soil and plant amendments; imposing a penalty; amending Minnesota Statutes 1980, Sections 17.713, by adding a subdivision; 17.721, Subdivision 2; and 17.728, as amended; Minnesota Statutes 1981 Supplement, Sections 17.713, Subdivisions 8, 12, 17a, and 20; 17.714, Subdivision 2; 17.716, Subdivision 6; 17.719, Subdivision 1, and by adding a subdivision; 17.721, Subdivision 1; 17.725, Subdivision 1; and 17.726; proposing new law coded in Minnesota Statutes, Chapter 17.

Referred to the Committee on Agriculture and Natural Resources.

## REPORTS OF COMMITTEES

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

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

S.F. No. 1821: A bill for an act relating to community corrections; clarifying and harmonizing the provisions of Minnesota Statutes relating to the administrative structure of participating counties, the composition of the corrections advisory board, the powers of probation officers, and the powers and duties of the commissioner of corrections; amending Minnesota Statutes 1980, Sections 401.01, Subdivision 2; 401.02, Subdivisions 1, 3, and 4; 401.06; 401.08, Subdivisions 1 and 2; and 401.13.

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

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

S.F. No. 1910: A bill for an act relating to public welfare; requiring preadmission screening for patients entering nursing homes from hospitals; requiring hospital discharge planners to attend certain preadmission screening assessments; allowing recipient choice between long term care and alternative care; modifying cost limits for alternative care; amending Minnesota Statutes 1980, Section 256B.091, Subdivisions 2, 4, and 6; and Minnesota Statutes 1981 Supplement, Section 256B.091, Subdivision 8.

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

Page 2, line 6, delete "*shall*" and insert "*may*" and after "*present*" insert "*, at the facility's request,*"

Page 2, line 9, before "*Other*" insert "*If the assessment procedure or screening team recommendation results in a delay of the individual's discharge from the acute care facility, the facility shall not be denied reimbursement or incur any other financial or regulatory penalty caused by the individual's extended length of stay.*"

Page 2, line 29, strike "*TEAM*"

Page 4, line 26, after "*exceed*" insert "*75 percent of*"

Amend the title as follows:

Page 1, line 4, delete "*requiring*" and insert "*allowing*"

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

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

S.F. No. 1626: A bill for an act relating to public welfare; providing for reimbursement of chiropractic services for people receiving general assistance medical care; clarifying the meaning of medically certified for purposes of eligibility for general assistance; amending Minnesota Statutes 1981 Supplement, Sections 256D.03, Subdivision 4; and 256D.05, Subdivision 1.

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

Page 4, after line 3, insert:

“Sec. 3. [SUNSET PROVISION.]

*Section 2 is repealed effective June 30, 1983. Notwithstanding the provisions of section 645.34, repeal of section 2 shall revive the corresponding section of the original law as it existed immediately before the amendment made by Laws 1981, Chapter 360, Article II, Section 36, as amended by Laws 1981, First Special Session, Chapter 4, Article IV, Section 23; provided, however, that amendments made to the statutory section amended by section 2 between the effective date of this section and June 30, 1983, shall remain effective after June 30, 1983, unless otherwise provided by law.”*

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

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

S.F. No. 1897: A bill for an act relating to veterans; providing for the furnishing of chiropractic care to residents of the Minnesota veterans home; appropriating money; proposing new law coded in Minnesota Statutes, Chapter 198.

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

Page 1, line 11, delete “*spinal care*”

Page 1, after line 14, insert:

*“These services shall be provided only through the regular appropriation provided to the commissioner of veterans’ affairs.”*

Page 1, delete section 2

Amend the title as follows:

Page 1, line 4, delete “*appropriating money;*”

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

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

S.F. No. 1713: A bill for an act relating to transportation; providing for the coordination and regulation of special transportation services; prescribing the powers and duties of the commissioner of health; providing for the administration of financial assistance by the commissioner of transportation; proposing new law coded in Minnesota Statutes, Chapter 144; repealing Minnesota Statutes 1980, Sections 174.29 and 174.30.

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

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1980, Section 174.29, is amended to read:

174.29 [COORDINATION OF SPECIAL TRANSPORTATION SERVICE.]

Subdivision 1. [DEFINITION.] For the purpose of sections 174.29 to 174.31 "special transportation service" means motor vehicle transportation provided on a regular basis by a public or private entity or person that is designed exclusively or primarily to serve individuals who are elderly, handicapped, or disabled, or economically disadvantaged and who are unable to use regular means of transportation. Special transportation service includes but is not limited to service provided by specially equipped buses, vans, taxis, and volunteers driving private automobiles.

Subd. 2. [DIRECTION.] In order to provide more adequate access to transportation service for the elderly, handicapped and others disabled with special transportation needs and to more efficiently utilize public and private funds expended for that purpose, all state agencies that assist, provide, reimburse or regulate special transportation services shall promote, support and facilitate coordination of those services with other special services and with regular transportation services offered to the general public.

Sec. 2. Minnesota Statutes 1980, Section 174.30, is amended to read:

174.30 [OPERATING STANDARDS FOR SPECIAL TRANSPORTATION SERVICE.]

Subdivision 1. [SPECIAL DEFINITION APPLICABILITY LIMITATIONS; BY TYPE OF PROVIDER; BY SOURCE OF FUNDS.] For the purpose of this section "special transportation service" does not include *The operating standards for special transportation service adopted under this section do not apply to transportation provided by:*

- (a) A common carrier operating on fixed routes and schedules;
- (b) A taxi;
- (c) A volunteer driver using a private automobile;
- (d) A school bus as defined in section 169.01, subdivision 6; or
- (e) An emergency ambulance regulated under chapter 144.

*The operating standards adopted under this section only apply to providers of special transportation service who receive grants or other financial assistance from either the state or the federal government, or both, to provide or assist in providing that service; except that the operating standards adopted under this section do not apply to any nursing home licensed under section 144A.02, to any board and care facility licensed under section 144.50, or to any day care or group home facility licensed under sections 245.781 to 245.812 unless the facility or program provides transportation to nonresidents on a regular basis and the facility receives reimbursement, other than per diem payments, for that service under rules promulgated by the commissioner of public welfare.*

Subd. 2. [AUTHORITY TO ADOPT; PURPOSE AND CONTENT; RULEMAKING.] The commissioner of transportation shall adopt by rule standards for the operation of vehicles used to provide special transportation service which are reasonably necessary to protect the health and safety of individuals using that service. The commissioner, as far as practicable, consistent with the purpose of the standards, shall avoid adoption of standards that unduly restrict any public or private entity or person from providing special

transportation service because of the administrative or other cost of compliance.

Standards adopted under this section may include but are not limited to:

- (a) Qualifications of drivers and attendants including driver training requirements;
- (b) Safety equipment required for vehicles;
- (c) General requirements concerning maintenance of standard equipment of vehicles; and
- (d) Minimum insurance requirements.

Subd. 3. [OTHER STANDARDS; WHEELCHAIR SECUREMENT.] A special transportation service that transports individuals occupying wheelchairs is subject to the provisions of sections 299A.11 to 299A.18 concerning wheelchair securement devices. The commissioners of transportation and public safety shall cooperate in the enforcement of this section and sections 299A.11 to 299A.18 so that a single inspection is sufficient to ascertain compliance with sections 299A.11 to 299A.18 and with the standards adopted under this section.

Subd. 4. [CERTIFICATE OF COMPLIANCE.] The commissioner of transportation shall issue an annual certificate of compliance for each vehicle used to provide special transportation service which complies with the standards adopted under this section. ~~A vehicle subject to subdivision 3~~ *The commissioner shall be issued issue a certificate of compliance to a vehicle subject to subdivision 3 only if the vehicle also complies with sections 299A.11 to 299A.18. The commissioner shall provide in the rules procedures for determining compliance and issuing the certificates. The procedures may include inspection of vehicles and examination of drivers.*

Subd. 5. [RULES.] ~~The standards rules authorized under subdivision 2 and the procedures authorized by subdivision 4 this section shall be adopted by rule in accordance with chapter 15. Not later than November 15, 1979, and before proposing any rules under this section the commissioner shall: the provisions of the administrative procedures act, sections 15.041 to 15.052.~~

(a) ~~Make available a draft of the rules, a plan for enforcing the rules and a proposed budget for the necessary enforcement activities of the department for review by the standing committees on transportation in both houses of the legislature; and~~

(b) ~~Review the draft rules, enforcement plan and proposed budget with the interagency task force on coordination of special transportation service. The commissioner shall adopt the rules necessary to implement this section and commence enforcement of those rules not later than July 1, 1980.~~

Subd. 6. [PREEMPTION OF OTHER REQUIREMENTS.] Notwithstanding any other law, ordinance or resolution to the contrary, an operator of special transportation service that has been issued a current certificate of compliance under subdivision 4 for a vehicle used to provide that service ~~shall~~ *is not be required to obtain any other state or local permit, license or certificate as a condition of operating the vehicle for that purpose. This subdivision does not exempt any vehicle from the requirements imposed on vehicles generally as a*



condition of using the public streets and highways.

Subd. 7. [ENFORCEMENT.] ~~After January 1, 1981,~~ No state agency, political subdivision or other public agency shall provide any capital or operating assistance to or reimbursement for services rendered by any operator of special transportation service unless current certificates of compliance have been issued under subdivision 4 for the vehicles used by the operator to provide the service.

Sec. 3. [EFFECTIVE DATE.]

*Sections 1 and 2 are effective the day following final enactment.*

Amend the title as follows:

Page 1, line 4, delete everything after the semicolon and insert "amending"

Page 1, delete lines 5 to 8

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

Mr. Merriam from the Committee on Agriculture and Natural Resources, to which was referred

S.F. No. 1533: A bill for an act relating to agriculture; changing Becker, Hubbard and Otter Tail Counties from area one to area four for purposes of potato promotion; amending Minnesota Statutes 1981 Supplement, Section 30.464, Subdivision 1:

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

Page 1, line 16, reinstate "Hubbard,"

Page 2, line 1, delete "Hubbard,"

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

Mr. Merriam from the Committee on Agriculture and Natural Resources, to which was referred

S.F. No. 1566: A bill for an act relating to the environment; expediting the receipt of federal moneys for emergency response to hazardous waste releases; expediting the variance issuance procedures of the pollution control agency; amending Minnesota Statutes 1980, Sections 116.03, Subdivision 3; and 116.07, Subdivision 5.

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

Page 2, line 11, delete "as amended"

Page 2, delete line 12

Page 2, line 13; delete "sections" and insert "42 U.S.C. Sections"

Page 2, line 18, strike "the requirements of"

Page 2, strike line 19

Page 2, line 20, strike "it may by regulation prescribe" and insert "its rules"

*as provided in section 15.0412, subdivision 1a,"*

Page 2, line 21, before "promote" insert "to"

Page 2, line 29, after the period, insert "*The variance rules shall provide for notice and opportunity for hearing before a variance is granted.*"

Page 2, line 30, strike "No" and insert "A"

Page 2, line 32, strike "shall" and insert "*may*" and after "variances" insert "*after notice and public hearing*"

Page 2, line 33, strike "law,"

Page 2, line 36, strike ", except after notice and public"

Page 3, line 1, strike "hearing"

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

Mr. Merriam from the Committee on Agriculture and Natural Resources, to which was referred

S.F. No. 1602: A bill for an act relating to animals; eliminating certain licensing and registration requirements; repealing Minnesota Statutes 1980, Section 35.695.

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

Mr. Stumpf from the Committee on Elections and Reapportionment, to which was referred

S.F. No. 2061: A bill for an act relating to elections; removing expenditure limits for campaigns for certain offices; amending Minnesota Statutes 1980, Section 210A.22.

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

Page 1, line 9, strike "EXPENDITURES, LIMIT" and insert "*DISBURSEMENTS, DEDUCTIBILITY*"

Page 1, lines 10 to 25, strike the old language

Page 2, strike lines 1 to 3

Page 2, line 4, strike "(b)"

Page 2, line 4, strike "authorized in this section"

Page 2, line 5, strike "for elective office"

Amend the title as follows:

Page 1, line 2, delete "fixing" and insert "removing"

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

Mr. Stumpf from the Committee on Elections and Reapportionment, to which was referred

S.F. No. 1752: A bill for an act relating to elections; recodifying municipal

elections law; amending Minnesota Statutes 1980, Sections 205.02; 205.07, Subdivision 1; 205.13, as amended; 205.16; 205.17, as amended; 205.20, as amended; and 205.84; Minnesota Statutes 1981 Supplement, Section 205.10; proposing new law coded in Minnesota Statutes, Chapter 205; repealing Minnesota Statutes 1980, Sections 205.021; 205.04; 205.11, Subdivisions 1, 2, 3, 4 and 5; 205.14, Subdivisions 1, 2 and 3; 205.18; and 205.19; and Minnesota Statutes 1981 Supplement, Sections 205.03; 205.10; 205.11, Subdivision 4a; 205.121; 205.14, Subdivision 4; and 205.15.

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

Mr. Merriam from the Committee on Agriculture and Natural Resources, to which was referred

S.F. No. 1535: A bill for an act relating to state lands; providing for the transfer of ownership to meet donors' intent.

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

Delete everything after the enacting clause and insert:

“Section 1. [LAND TRANSFER.]

*The commissioner of administration shall convey that parcel of land consisting of the tracts described in clauses (a), (b) and (c) to the Mankato State University Foundation Inc., for not less than 20 percent of the appraised value of the entire parcel as determined by the commissioner pursuant to Minnesota Statutes, Section 94.10, Subdivision 1. The sale may be made on the terms provided in Minnesota Statutes, Section 94.11. The tract shall be conveyed by instruments approved by the attorney general.*

(a) That tract of land described as:

*All that part of the Southwest quarter of Section 20, Township 108 North, Range 26 West described as:*

*Commencing at the West quarter corner of Section 20, thence South 0 degrees 26 minutes 49 seconds East (assumed bearing) along the West line of Section 20, a distance of 387.25 feet to the point of beginning; thence continuing South 0 degrees 26 minutes 49 seconds East along said West line, 594.75 feet; thence North 89 degrees, 59 minutes 12 seconds East and parallel with the East-West quarter line of Section 20, a distance of 696.85 feet; thence North 37 degrees 04 minutes 42 seconds East, 855.50 feet; thence South 34 degrees 53 minutes 30 seconds East, 831.95 feet to a point on the South line of the North 982 feet of the Southwest quarter of Section 20; thence North 89 degrees 59 minutes 12 seconds East and parallel with the East-West quarter line of Section 20, a distance of 563.53 feet; thence North 0 degrees 26 minutes 49 seconds West and parallel with the West line of Section 20, a distance of 982.00 feet to a point on the East-West-quarter line of Section 20; thence South 89 degrees 59 minutes 12 seconds West along said quarter line, 1777.15 feet; thence South 0 degrees 26 minutes 49 seconds East and parallel with the West line of Section 20, a distance of 205.85 feet; thence South 89 degrees 59 minutes 12 seconds West and parallel with the East-West quarter line of Section 20, a distance of 293.60 feet; thence South 0 degrees 26 minutes 49 seconds East and parallel with the West line of Section 20, a distance of 181.40 feet; thence South 89*

*degrees 59 minutes 12 seconds West and parallel with the East-West quarter line of Section 20, a distance of 181.40 feet to the point of beginning.*

*(b) Subdivision 3.1. A tract of land situate in the North 60 acres of the SW 1/4 of Sec. 20-108-26, described as follows, to-wit: Beginning at the Northwest corner of the SW 1/4 of said Section; thence East on the East and West quarter line of said Section, 475 feet; thence South parallel with the West line of said Section, 205.85 feet; thence West parallel with said East and West quarter line, 293.6 feet; thence South 181.4 feet; thence West parallel with said quarter line, 181.4 feet to the West line of said Section 20; thence North on said line, 387.25 feet to the point of beginning, containing 3 acres, more or less.*

*(c) Subdivision 3.2. Beginning at a point 982 feet South of the East and West 1/4 line and 970.10 feet West of the North and South 1/4 line of Section 20, Township 108 North, Range 26 West; thence North 35 degrees, 7 minutes West 831.95 feet; thence South 36 degrees, 52 minutes West, 855.5 feet; thence East parallel with the East and West 1/4 line of said Section 991.84 feet to the point of beginning, containing 7.74 acres, more or less.*

**Sec. 2. [EFFECTIVE DATE.]**

*This act is effective the day following final enactment."*

Amend the title as follows:

Page 1, line 3, delete "to meet donors' intent" and insert "of certain state land to the Mankato State University Foundation"

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

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

S.F. No. 1766: A bill for an act relating to taxation; making technical corrections and administrative changes to the income tax and property tax refund; amending Minnesota Statutes 1980, Sections 290.012, Subdivision 2; 290.02; 290.03; 290.06, Subdivisions 9 and 9a; 290.079, Subdivision 1; 290.09, Subdivisions 16 and 17; 290.095, Subdivision 4; 290.13, Subdivision 1; 290.133, Subdivision 1; 290.19, Subdivision 1; 290.281, Subdivision 1; 290.31, Subdivisions 5 and 19; 290.36; 290.45, Subdivision 1; 290.49, Subdivisions 3, 7, and by adding a subdivision; 290.53, by adding a subdivision; 290.65, Subdivisions 9 and 11; 290.91; 290.92, Subdivision 13; 290.93, Subdivision 9; 290.936; 290A.11, by adding a subdivision; and Minnesota Statutes 1981 Supplement, Sections 290.01, Subdivisions 20 and 27; 290.05, Subdivisions 1 and 4; 290.075; 290.081; 290.09, Subdivisions 2, 4, and 15; 290.091; 290.095, Subdivision 11; 290.10; 290.131, Subdivision 1; 290.132, Subdivision 1; 290.136, Subdivision 1; 290.14; 290.18, Subdivisions 1 and 2; 290.21, Subdivision 3; 290.23, Subdivision 3; 290.31, Subdivisions 3 and 4; 290.32; 290.37, Subdivision 1; 290.41, Subdivision 2; 290.42; 290.431; 290.92, Subdivisions 2a, 5, 5a, and 6; 290.93, Subdivisions 1 and 10; 290.9725; 290.974; 290A.03, Subdivisions 3 and 13; 290A.07, Subdivision 2a; 290A.11, Subdivision 1; proposing new law coded in Minnesota Statutes, Chapter 290; repealing Minnesota Statutes 1980, Sections 62E.03, Subdivision 2; 290.06, Subdivision 3c; 290.0781; 290.079, Subdivisions 2, 3, 4, and 5; 290.08, Subdivision 21; 290.09, Subdivision 24; 290.13, Subdivisions 2,

4, and 10; 290.136, Subdivision 8; 290.26, Subdivision 5; 290.281, Subdivisions 3, 4, and 6; 290.31, Subdivisions 7, 8, 12, 13, 14, 15, 16, 17, 18, 20, 22, 23, 24, 25, and 26; 290.973; and Minnesota Statutes 1981 Supplement, Sections 290.079, Subdivision 6; 290.09, Subdivision 17a; 290.131, Subdivisions 2 and 3; 290.132, Subdivision 2; 290.133, Subdivision 2; 290.21, Subdivision 7; 290.26, Subdivisions 1 and 3; 290.281, Subdivision 2; 290.31, Subdivisions 6, 8a, 9, 10, 11, and 21; and 290.971, Subdivision 7.

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

Page 2, line 3, after "20," insert "as amended by Laws 1981, Third Special Session Chapter 2, Article III, Section 2,"

Page 3, line 22, after the second comma, insert "and as amended by sections 302(b) and 501 to 509 of Public Law Number 97-34,"

Page 3, line 27, after "sales)" insert "and sections 501 to 507, of the Economic Recovery Tax Act of 1981, Public Law Number 97-34"

Page 5, lines 5 to 8, reinstate the stricken language

Page 5, line 9, reinstate everything except the stricken "either"

Page 5, lines 10, 12, 14, 17, 22, 26 and 35, reinstate the stricken language and delete the new language

Page 6, line 2, reinstate the stricken "(16)" and delete the rest of the line

Page 6, delete lines 3 and 4, and insert "For taxable years beginning after December 31, 1980 but before January 1, 1983, in the case of recovery property within the meaning of section 168 of the Internal Revenue Code of 1954 as amended through December 31, 1981, the amount allowed under section 167 of the Internal Revenue Code;"

Page 6, lines 5, 18, 22, 25, and 29, reinstate the stricken language and delete the new language

Page 6, line 12, delete "50" and insert "40"

Page 6, line 28, delete "and"

Page 7, line 2, after "association" insert "; and

(22) For taxable years beginning after December 31, 1980 but before January 1, 1983, in the case of section 179 property within the meaning of the Internal Revenue Code of 1954, the amount allowed as a deduction under section 179 of the Internal Revenue Code; and

(23) losses from the business of mining as defined in section 290.05, subdivision 1, clause (a), which is not subject to the Minnesota income tax"

Page 7, line 14; delete "50" and insert "60 40"

Page 8, lines 26 to 36, reinstate the stricken language and delete the new language

Page 9, lines 6, 11, 18, 22 and 30, reinstate the stricken language and delete the new language

Page 10, lines 2, 5, 9, 11, 13 and 26, reinstate the stricken language and

delete the new language

Page 10, line 20, delete "(19)" and insert "(20)"

Page 10, line 27, delete "(20)" and insert "(21)"

Page 10, line 29, after "25" insert ";

(23) (22) Interest earned on a contract for deed entered into for the purchase of property for agricultural use if the rate of interest set in the contract is no more than eight percent per year for the duration of the term of the contract. This exclusion shall be available only if (1) the purchaser is an individual who, together with his spouse and dependents, has a total net worth valued at less than \$150,000 and (2) the property purchased under the contract is farm land as defined in section 41.52, subdivision 6 of no more than 1,000 acres that the purchaser intends to use for agricultural purposes. Compliance with these requirements shall be stated in an affidavit to be filed with the first income tax return on which the taxpayer claims the exclusion provided in this clause. Upon request accompanied by the information necessary to make the determination, the commissioner shall determine whether interest to be paid on a proposed transaction will qualify for this exclusion; the determination shall be provided within 30 days of receipt of the request, unless the commissioner finds it necessary to obtain additional information, or verification of the information provided, in which case the determination shall be provided within 30 days of receipt of the final item of information or verification. The exclusion provided in this clause shall apply to interest earned on contracts for deed entered into after December 31, 1981 and before July 1, 1983;

(24) (23) For the taxable year beginning after December 31, 1980, but before January 1, 1982, an amount equal to 85 percent of the deduction allowed under section 168 of the Internal Revenue Code of 1954 as amended through December 31, 1981. For the taxable year beginning after December 31, 1981 but before January 1, 1983, 83 percent of the deduction allowed under section 168 of the Internal Revenue Code of 1954 as amended through December 31, 1981. The depreciation adjustments made to basis in the case of recovery property within the meaning of section 168 of the Internal Revenue Code of 1954 as amended through December 31, 1981 shall be the depreciation adjustments made for federal income tax purposes under the Internal Revenue Code of 1954, as amended through December 31, 1981. Adoption of this provision shall not be construed as indicating the intent of the legislature to enact provisions authorizing amortization of the amount of depreciation not excludable under this clause; and

(25) (24) For taxable years beginning after December 31, 1980 but before January 1, 1983, an amount equal to the deduction allowed under section 179 of the Internal Revenue Code of 1954 as amended through December 31, 1981; and

(25) *income from the business of mining as defined in section 290.05, subdivision 1, clause (a), which is not subject to the Minnesota income tax"*

Page 21, line 23, after "state" insert "or a province or territory of Canada"

Pages 22 to 24, delete section 13

Page 28, line 15, after the comma, insert "as amended by Laws 1981, Third

## Special Session Chapter 2, Article III, Section 9,"

Page 28, line 17, delete "(a)"

Page 28, delete lines 34 to 36

Page 29, delete lines 1 and 2

Page 29, line 3, delete "(3)" and insert "(2)"

Page 29, line 5, delete "(4)" and insert "(3)"

Page 29, line 8, delete "(5)" and insert "(4)"

Page 29, line 12, delete "(6)" and insert "(5)"

Page 29, line 17, delete "(7)" and insert "(6)"

Page 29, line 21, delete "(8)" and insert "(7)"

Page 29, line 21, after "individual" insert ", or an estate or trust,"

Page 30, delete lines 5 to 20

Page 32, delete lines 20 to 22

Page 44, delete lines 29 to 36

Page 45, delete lines 1 to 4

Page 59, line 26, reinstate the stricken language and delete the new language

Page 67, line 8, strike "section" and insert "sections"

Page 67, line 8, after "290.61" insert "or 290A.17"

Page 67, line 9, after "necessary," insert "(1)"

Page 67, line 11, after "documents" insert ", or (2) employ a vendor for the purpose of obtaining the vendor's services, an example of which is the preparation of income tax return labels"

Page 86, line 16, reinstate the stricken language and delete the new language

Page 87, line 13, strike "mr" and insert "or"

Page 89, after line 22, insert:

"Sec. 68. Minnesota Statutes 1981 Supplement, Section 270.75, Subdivision 4, as amended by Laws 1981, Third Special Session Chapter 2, Article III, Section 1, is amended to read:

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 ~~20~~ 12 percent per annum ~~beginning February 1, 1982.~~ For taxable years beginning after December 31, 1981, the amount in lieu of interest shall be determined at the rate of 20 percent per annum. For taxable years beginning after December 31, 1982, the amount in lieu of interest for that taxable year shall be the amount determined in subdivision 5 for January 1 on which begins the taxable year or precedes the beginning of the taxable year.

Sec. 69. Minnesota Statutes 1981 Supplement, Section 270.75, Subdivision 5, as amended by Laws 1981, Third Special Session Chapter 2, Article III,

Section 1, is amended to read:

Subd. 5. The rates of interest or amount in lieu of interest contained in subdivisions 1 to 4 shall be adjusted by the commissioner of revenue not later than October 15 of 1982 and any year thereafter if the adjusted prime rate charged by banks during September of that year, rounded to the nearest full percent, is at least a full percentage point more or less than the interest rate which is then in effect. The adjusted rate of interest or amount in lieu of interest shall be equal to the adjusted prime rate charged by banks, rounded to the nearest full percent, and shall become effective on January 1 of the immediately succeeding year *except as provided in subdivision 4*. For purposes of this subdivision, the term "adjusted prime rate charged by banks" means the average predominant prime rate quoted by commercial banks to large businesses, as determined by the Board of Governors of the Federal Reserve System.

Sec. 70. Minnesota Statutes 1980, Section 290.032, Subdivision 5, is amended to read:

Subd. 5. An amount *not to exceed \$10,000 which is* distributed to an individual as severance pay upon discontinuation of the individual's employment due to termination of business operations by the individual's employer may be treated as a lump sum distribution according to the provisions of this section *if it is paid as a lump sum*. For the payment to be treated as a lump sum distribution under this subdivision, the termination of the employer's business operation at that site must be reasonably likely to be permanent and to involve the discharge within a period of one year of at least 75 percent of the persons employed by that employer at that site. *This subdivision shall not apply when the employer's business operation at that site is terminated because the business is sold to another person or corporation who will continue operations at that site and the individual is employed by the new person or corporation*. For the purpose of this subdivision, "severance pay" shall mean an amount received for the cancellation of an employment contract or a collectively bargained termination payment in the nature of a substitute for income which would have been earned for personal services to be rendered in the future.

The minimum distribution allowance provided in sections 402 (e)(1)(C) and (D) of the Internal Revenue Code of 1954, as amended through December 31, 1979, shall not apply to the computation allowed under this subdivision.

Sec. 71. Laws 1981, Third Special Session Chapter 2, Article III, Section 6, Subdivision 3, is amended to read:

Subd. 3. [LIMITATION.] The credit for the taxable year shall not exceed \$300,000 or ten percent of the liability for tax, whichever is less. "Liability for tax" for purposes of this section means the tax imposed under this chapter for the taxable year reduced by the sum of the credits allowed under section 290.06, except the credit allowed under section 290.06, subdivision 13.

If the credit determined under subdivision 2 exceeds this limitation, the excess shall be a credit carryback to each of the three preceding taxable years and a credit carryover to each of the seven succeeding taxable years, provided the aggregate of the credit for the taxable year and any carryover and carryback credits shall not exceed \$300,000 or ten percent of the liability for tax, whichever is less. The entire amount of the excess unused credit for the taxable year



shall be carried first to the earliest of the taxable years to which the credit may be carried and then to each successive year to which the credit may be carried.

*For the purposes of sections 290.46 and 290.50, if the claim for refund relates to an overpayment attributable to a research and experimental expenditure credit carryback under this subdivision, in lieu of the period of limitation prescribed in sections 290.46 and 290.50, the period of limitation shall be that period which ends with the expiration of the 15th day of the 46th month, or the 45th month, in the case of a corporation, following the end of the taxable year in which the research and experimental expenditure credit arises which results in the carryback. In any case in which a taxpayer is entitled to a refund in a carryback year due to the carryback of a research and experimental expenditure credit, interest shall be computed only from the end of the taxable year in which the credit arises."*

Page 90, line 11, delete "13 and 20" and insert "19 and 68"

Page 90, line 12, delete "48, 52, 53, 54, 56," and insert "47, 51, 52, 53, 55,"

Page 90, line 13, delete "58, and 60" and insert "57, and 59"

Page 90, line 13, delete "47 and 55" and insert "46 and 54"

Page 90, line 15, delete "46, 51, 57, 59, 65, and 67" and insert "45, 50, 56, 58, 64, 66, and 69"

Page 90, line 16, delete "68" and insert "67"

Page 90, line 18, delete "66" and insert "65"

Page 90, line 20, delete "43" and insert "42"

Page 90, line 25, delete "64" and insert "63"

Page 90, line 27, delete "64" and insert "63"

Page 90, line 29, after the period, insert "*The change in section 1, clause (b) (2), is effective for the sale or other disposition of property after June 30, 1982.*"

Renumber the sections in sequence and correct any internal references

Amend the title as follows:

Page 1, line 5, after "290.03;" insert "290.032, Subdivision 5;"

Page 1, line 16, after "Sections" insert "270.075, Subdivisions 4 and 5, as amended;"

Page 1, line 16, after "20" insert ", as amended,"

Page 1, line 18, delete "2,"

Page 1, line 18, after "290.091" insert ", as amended"

Page 1, line 27, after "1;" insert "Laws 1981, Third Special Session Chapter 2, Article III, Section 6, Subdivision 3;"

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

adopted.

## SECOND READING OF SENATE BILLS

S.F. Nos. 1821, 1910, 1713, 1533, 1566, 1602, 2061, 1752, 1535 and 1766 were read the second time.

## MOTIONS AND RESOLUTIONS

Ms. Berglin moved that the name of Mr. Ramstad be added as a co-author to S.F. No. 1589. The motion prevailed.

Mr. Waldorf moved that the name of Mr. Dahl be added as a co-author to S.F. No. 2058. The motion prevailed.

Mr. Spear moved that the name of Mr. Bertram be added as a co-author to S.F. No. 2105. The motion prevailed.

Mr. Tennesen moved that the name of Mr. Ashbach be added as a co-author to S.F. No. 1963. The motion prevailed.

Mr. Solon moved that the name of Mr. Wegener be added as a co-author to S.F. No. 2123. 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. Willet, Merriam, Johnson and Dicklich introduced—

S.F. No. 2127: A resolution memorializing the President and Congress of the United States to take immediate steps to curb the sources of acid rain.

Referred to the Committee on Rules and Administration.

Mr. Spear introduced—

S.F. No. 2128: A bill for an act relating to alcoholic beverages; extending the on-sale closing hour to three a.m.; amending Minnesota Statutes 1980, Sections 340.034, Subdivision 1; and 340.14, Subdivision 1; Minnesota Statutes 1981 Supplement, Section 340.14, Subdivision 5.

Referred to the Committee on Commerce.

Mr. Olhoft introduced—

S.F. No. 2129: A bill for an act relating to state lands; authorizing the sale of a certain lakeshore lot in Douglas County.

Referred to the Committee on Agriculture and Natural Resources.

Mr. Chmielewski introduced—

S.F. No. 2130: A bill for an act relating to statutes; clarifying certain terms; proposing new law coded in Minnesota Statutes, Chapter 645.

Referred to the Committee on Governmental Operations.

Messrs. Olhoft, Bertram, Sieloff, Chmielewski and Keefe introduced—

S.F. No. 2131: A bill for an act relating to health; health maintenance organizations; authorizing health maintenance organizations to exclude from coverage under health maintenance contracts health services objected to by certain parties on the grounds of conscience; amending Minnesota Statutes 1980, Section 62D.05, Subdivision 2.

Referred to the Committee on Health, Welfare and Corrections.

Mr. Schmitz introduced—

S.F. No. 2132: A bill for an act relating to agriculture; specifying the qualifications of private grain inspectors; proposing new law coded in Minnesota Statutes, Chapter 17B.

Referred to the Committee on Agriculture and Natural Resources.

Mr. Lindgren introduced—

S.F. No. 2133: A bill for an act relating to retirement; Richfield firefighters relief association; eliminating various obsolete special law provisions; validating certain prior payments or actions; amending Extra Session Laws 1961, Chapter 28, Section 14; repealing Extra Session Laws 1961, Chapter 28, Sections 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12 and 13; and Laws 1963, Chapter 464.

Referred to the Committee on Public Employees and Pensions.

Mr. Davis introduced—

S.F. No. 2134: A bill for an act relating to taxation; property; granting an exemption from the general levy limits for cities and counties with high population growth; proposing new law coded in Minnesota Statutes, Chapter 275.

Referred to the Committee on Taxes and Tax Laws.

Mr. Johnson introduced—

S.F. No. 2135: A bill for an act relating to taxation; establishing state paid tax credits for designated commercial and industrial properties in economically distressed areas; exempting certain equipment from sales tax; appropriating money; amending Minnesota Statutes 1981 Supplement, Section 273.13, Subdivision 15a; 297A.25, as amended; proposing new law coded in Minnesota Statutes, Chapter 273.

Referred to the Committee on Taxes and Tax Laws.

Mr. Sikorski introduced—

S.F. No. 2136: A bill for an act relating to insurance; increasing the percentage of the state comprehensive health plan premium that may be used to pay certain fees and expenses; amending Minnesota Statutes 1980, Section 62E.11, Subdivision 3.

Referred to the Committee on Commerce.

Mr. Nelson introduced—

S.F. No. 2137: A bill for an act relating to municipal industrial development; authorizing municipalities to waive certain property taxes; amending

Minnesota Statutes 1981 Supplement, Section 474.03.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Peterson, C.C. and Hanson introduced—

S.F. No. 2138: A bill for an act relating to highway traffic regulations; authorizing ambulances equipped with studded tires to use the public highways between certain dates; amending Minnesota Statutes 1980, Section 169.72, Subdivision 1.

Referred to the Committee on Transportation.

Mr. Johnson introduced—

S.F. No. 2139: A bill for an act relating to Lake County; providing conditions for the issuance of bonds for a county jail.

Referred to the Committee on Local Government and Urban Affairs.

Messrs. Solon, Nelson, Lindgren, Mrs. Brataas and Mr. Purfeerst introduced—

S.F. No. 2140: A bill for an act relating to insurance; requiring the commissioner of public welfare to purchase a group medical assistance policy for eligible persons; establishing bid specifications; appropriating money; proposing new law coded in Minnesota Statutes, Chapter 62E.

Referred to the Committee on Commerce.

Mr. Peterson, R.W. introduced—

S.F. No. 2141: A bill for an act relating to local government; allowing towns and cities to set license fees for cigarette sellers; amending Minnesota Statutes 1980, Section 461.12.

Referred to the Committee on Local Government and Urban Affairs.

### COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Moe, R.D. moved that the following members be excused for a meeting of the Committee on Energy and Housing at 10:00 a.m.

Messrs. Kroening; Belanger; Ms. Berglin; Messrs. Bernhagen; Dahl; Mrs. Kronebusch; Messrs. Menning; Moe, D.M.; Olhoft; Mrs. Stokowski; Messrs. Ulland and Waldorf. The motion prevailed.

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

### MOTIONS AND RESOLUTIONS

Mr. Johnson moved that the names of Messrs. Wegener and Setzepfandt be added as co-authors to S.F. No. 2139. The motion prevailed.

Mr. Moe, R.D. moved that the Senate do now adjourn until 2:00 p.m., Wednesday, February 24, 1982. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate