

## NINETY-FIRST DAY

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

The Senate met at 2:00 p.m. and was called to order by the President.

### 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.

Prayer was offered by the Chaplain, Rev. Joseph Simonson.

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

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

Mrs. Brataas, Messrs. Keefe, Knutson, Kroening, Lessard, Tennessen and Vega were excused from the Session of today. Mr. Sieloff was excused from the Session of today from 4:15 to 4:45 p.m.

### MOTIONS AND RESOLUTIONS

Mr. Moe, R.D. introduced—



Senate Resolution No. 88: A Senate resolution thanking Senators who have served in the Senate and who will be terminating their service.

WHEREAS the Senate wishes to offer its thanks to those Senators who have served in the Senate and those who will be terminating their service, and

WHEREAS these Senators have given their time, energy, wit and wisdom to this institution and their constituents,

BE IT RESOLVED by the Senate that the Secretary of the Senate, with the approval of the Committee on Rules and Administration, is directed to present each Senator who completes his service with an appropriate memento of that service.

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 55 and nays 0, as follows:

Those who voted in the affirmative were:

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

The motion prevailed. So the resolution was adopted.

Mr. Moe, R.D. introduced—

Senate Concurrent Resolution No. 13: A Senate concurrent resolution relating to the delivery of bills to the governor after final adjournment.

WHEREAS, the Minnesota Constitution, Article IV, Section 23, authorizes the presentation to the Governor after sine die adjournment of bills that passed in the last three days of the Session; NOW, THEREFORE,

BE IT RESOLVED by the Senate of the State of Minnesota, the House of Representatives concurring, that upon adjournment sine die of the 72nd regular Session of the Legislature, bills shall be presented to the Governor as follows:

(a) The Speaker of the House of Representatives, the Chief Clerk of the House of Representatives, the President of the Senate, and the Secretary of the Senate shall certify and sign each bill in the same manner and upon the same certification as each bill is signed for presentation to the Governor prior to adjournment sine die, and each of those officers shall continue in his designated capacity during the three days following the date of final adjournment.

(b) The Chief Clerk of the House of Representatives and the Secretary of the Senate, in accordance with the rules of the respective bodies and under the supervision and direction of the standing Committee on Rules and Legislative Administration and the standing Committee on Rules and Administration,



shall carefully enroll each bill and present them to the Governor in the same manner as each bill is enrolled and presented to the Governor prior to the adjournment of the Legislature sine die.

(c) The Revisor of Statutes shall continue to assist in all of the functions relating to enrollment of bills of the House of Representatives and of the Senate under the supervision of the Chief Clerk of the House of Representatives and the Secretary of the Senate in the same manner that his assistance was rendered prior to the adjournment of the Legislature sine die.

BE IT FURTHER RESOLVED that the Secretary of the Senate is directed to deliver copies of this resolution to the Governor and the Secretary of State.

Mr. Moe, R.D. moved the adoption of the foregoing resolution. The motion prevailed. So the resolution was adopted.

Mr. Dieterich moved that the name of Mr. Petty be added as a co-author to S.F. No. 1175. The motion prevailed.

Without objection, the Senate reverted to the Order of Business of Executive and Official Communications.

### EXECUTIVE AND OFFICIAL COMMUNICATIONS

March 18, 1982

The Honorable Jack Davies  
President of the Senate

Dear Senator Davies:

Returned to you unsigned please find Senate File 1689.

Section 2, Subdivision 3 of the bill grants to the Legislative Auditor the power to approve, reject or modify any contract entered into by a State agency with a public accountant for the purpose of performing an audit. I believe that this is an unconstitutional intrusion by the legislative branch of government into the administrative decision-making process which is properly and constitutionally the prerogative of the executive branch of government.

Article III, Section 1 of the Constitution of the State of Minnesota provides that the powers of government are to be divided into three distinct departments: the legislative, executive and judicial. That section also provides as follows: "No person or persons belonging to or constituting one of these departments shall exercise any of the powers properly belonging to either of the others except in the instances expressly provided in this Constitution."

The Minnesota Supreme Court in the *Matter of Application of Senate*, 1865, 10 Minn. 78 (Gil. 56), stated as follows:

The departments are independent of each other to the extent, at least, that neither can exercise any of the powers of the others not expressly provided for. This not only prevents an assumption by either department of power not properly belonging to it, but also prohibits the imposition, by one, of any duty of either of the others not within the scope of its jurisdiction; and 'it is the duty of each to abstain from and to oppose encroachment on either.' Any departure from these important principles must be attended with evil. (emphasis added)

I do not question the right of the Legislative Auditor to review the records of



all State departments, boards, commissions and agencies, including audits conducted by public accountants of the affairs of those entities. However, the selection of a public accountant is an administrative function which is the constitutional responsibility of the executive branch.

For the foregoing reasons, Senate File 1689 is hereby vetoed.

Sincerely,

Albert H. Quie, Governor

### 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.

### MOTIONS AND RESOLUTIONS - CONTINUED

#### SUSPENSION OF RULES

Mr. Moe, R.D. moved that the rules of the Senate be so far suspended that S.F. No. 2169 be made a Special Order for immediate consideration. The motion prevailed.

#### SPECIAL ORDER

S.F. No. 2169: A bill for an act relating to legislative enactments; correcting erroneous, ambiguous, omitted and obsolete references and text; correcting miscellaneous oversights, inconsistencies, ambiguities, unintended results and errors of a noncontroversial nature in the 1982 regular session and the third special session of 1981; amending Minnesota Statutes 1981 Supplement, Section 290.09, Subdivision 7, as amended.

Mr. Peterson, R.W. moved to amend S.F. No. 2169, as follows:

Delete everything after the enacting clause and insert:

“Section 1. [REPEALER.]

*H.F. No. 1663, Section 1, as enacted at the 1982 regular session, is repealed.*

Sec. 2. Minnesota Statutes 1980, Section 475.61, Subdivision 3, if H.F. No. 1555, Article IV, Section 17, is enacted at the 1982 regular session, is amended to read:

Subd. 3. [IRREVOCABILITY.] Tax levies so made and filed shall be irrevocable, except as provided in this subdivision.

In each year when there is on hand any excess amount in the debt service fund of a school district at the time the district makes its property tax levies, the amount of the excess shall be certified by the school board to the county auditor and the auditor shall reduce the ~~amount~~ tax levy otherwise to be included in the rolls next prepared by the amount certified, *unless the school board determines that the excess amount is necessary to ensure the prompt and full payment of the obligations and any call premium on the obligations, or will be used for redemption of the obligations in accordance with their terms.* An amount shall



be presumed to be excess ~~if~~ *for a school district in the amount that* it, together with the levy required by subdivision 1, will exceed 106 percent in excess of the amount needed to meet when due the principal and interest payments on the obligations due before the second following July 1. This subdivision shall not limit a school board's authority to specify a tax levy in a higher amount if necessary because of anticipated tax delinquency.

If the governing body, including the governing body of a school district, in any year makes an irrevocable appropriation to the debt service fund of moneys actually on hand or if there is on hand any excess amount in the debt service fund, the recording officer may certify to the county auditor the fact and amount thereof and the auditor shall reduce by the amount so certified the amount otherwise to be included in the rolls next thereafter prepared.

Sec. 3. Minnesota Statutes 1980, Section 244.09, Subdivision 2, if H.F. No. 492, Section 3, is enacted by the 1982 regular session, is amended to read:

Subd. 2. The sentencing guidelines commission shall consist of the following:

- (1) The chief justice of the supreme court or his designee;
- (2) Two district court judges appointed by the chief justice of the supreme court;
- (3) One public defender appointed by the governor upon recommendation of the state public defender;
- (4) One county attorney appointed by the governor upon recommendation of the board of governors of the county attorneys council;
- (5) The commissioner of corrections or his designee;
- (6) The chairman of the Minnesota corrections board or the board of supervised release or his designee;
- (7) *One peace officer as defined in section 626.84 appointed by the governor;*
- (8) One probation officer or parole officer appointed by the governor; and
- (9) Two public members appointed by the governor.

One of the members shall be designated by the governor as chairman of the commission.

Sec. 4. S.F. No. 1818, if enacted by the 1982 regular session, is amended by adding a section to read:

Sec. 6. [EFFECTIVE DATE.]

*Sections 1 to 5 are effective the day following final enactment.*

Sec. 5. S.F. No. 1538, Section 13, if enacted by the 1982 regular session is amended to read:

Sec. 13. [EFFECTIVE DATE.]

Sections 1 to ~~9~~ 12 are effective the day after final enactment. The elected law enforcement officers serving in office on the effective date of this act shall serve until the expiration of their terms of office.



Sec. 6. H.F. No. 552, as enacted by the 1982 regular session is repealed.

Sec. 7. [327.131] [FRAUD.]

*A person who (1) obtains food, lodging, or other accommodations at a recreational camping area without paying for it, and with intent to defraud the owner or manager of the recreational camping area or (2) obtains credit at a recreational camping area by or through any false pretense, or by or through the aid, assistance, or influence of any baggage or effects in his possession and control, but not actually belonging to him, shall be guilty of a misdemeanor.*

Sec. 8. Minnesota Statutes 1980, Section 327.14, Subdivision 8, is amended to read:

Subd. 8. [RECREATIONAL CAMPING AREA.] ~~The words~~ "Recreational camping area" as used in sections ~~327.07, 327.10, 327.11, 7, 327.14 to 327.28 shall mean~~ means any area, whether privately or publicly owned, used on a daily, nightly, weekly, or longer basis for the accommodation of five or more units, consisting of tents, travel trailers, pick-up coaches, motor-homes, or camping trailers and whether use of ~~such~~ the accommodation is granted free of charge or for compensation. Provided, that nothing in this definition shall be ~~constructed~~ construed to include children's camps, industrial camps, migrant labor camps, as defined in Minnesota Statutes and state commissioner of health regulations and also shall not include United States forest service camps, state forest service camps, state wildlife management areas or state owned public access areas which are restricted in use to picnicking and boat landing.

Sec. 9. Minnesota Statutes 1981 Supplement, Section 273.13, Subdivision 9, if H.F. No. 1872 is enacted at the 1982 regular session, is amended to read:

Subd. 9. [CLASS 4A, 4B, 4C, AND 4D.] (1) 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 as otherwise provided in this subdivision.

(2) 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.

(3) Commercial and industrial property, except as provided in this subdivision, shall constitute class 4c and shall be valued and assessed at 40 percent of the first \$50,000 of market value and 43 percent of 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, and in the case of other commercial or industrial property owned by one person or entity, only one parcel in each county shall qualify for the 40 percent assessment.

(4) Industrial employment property defined in section 2 3, during the period provided in section 2 3, shall constitute class 4d and shall be valued and assessed at 20 percent of the first \$50,000 of market value and 21.5 percent of the remainder.

Sec. 10. Minnesota Statutes 1980, Section 123.933, Subdivision 3, is amended to read:

Subd. 3. (a) The cost per pupil of the textbooks, individualized instructional



materials and standardized tests provided for in this section for each school year shall not exceed the statewide average expenditure per pupil, adjusted pursuant to clause (b), by the Minnesota public elementary and secondary schools for textbooks, individualized instructional materials and standardized tests as computed and established by the department of education by March 1 of the preceding school year from the most recent public school year data then available.

(b) The cost computed in clause (a) shall be increased by an inflation adjustment equal to the percent of increase in the foundation aid formula allowance, pursuant to section ~~124.212~~ 124.2122, subdivision 1, from the second preceding school year to the current school year.

(c) The commissioner shall allot to the school districts or intermediary service areas the total cost for each school year of providing or loaning the textbooks, individualized instructional materials and standardized tests for the pupils in each nonpublic school. The allotment shall not exceed the product of the statewide average expenditure per pupil, adjusted pursuant to clause (b), multiplied by the number of nonpublic school pupils who make requests pursuant to this section and who are enrolled as of September 15 of the current school year.

Sec. 11. Minnesota Statutes 1980, Section 340.951, if S.F. No. 358, Section 8, is enacted at the 1982 regular session, is amended to read:

340.951 [NOTICE OF INJURY.]

Every person who claims damages, and every person or his insurer who claims contribution or indemnity, from any municipality owning and operating a municipal liquor store or from the licensee of any licensed ~~liquor~~ establishment *for the sale of intoxicating liquor or non-intoxicating malt liquor* for or on account of any injury within the scope of section 340.95, shall give a written notice to the governing body of the municipality or the licensee ~~of the liquor establishment~~, as the case may be, stating:

(1) The time and date when, and person to whom the liquor was sold or bartered;

(2) The name and address of the person or persons who were injured or whose property was damaged;

(3) The approximate time and date and the place where any injury to person or property occurred. Every municipality or licensee who claims contribution or indemnification from any other licensee or municipality shall give a written notice in the form and manner specified in this section to the other municipality or licensee.

No error or omission in the notice shall void the effect of the notice, if otherwise valid, unless the error or omission is of a substantially material nature.

In the case of claims for contribution or indemnity this notice shall be served within 120 days after the injury occurs, or within 60 days after receiving written notice of a claim for contribution or indemnity, whichever is applicable, and no action for contribution or indemnity therefor shall be maintained unless the notice has been given. In the case of a claim for damages the notice shall be served by the claimant's attorney within 120 days of the date of



entering an attorney-client relationship with the person in regard to the claim, and no action for damages shall be maintained unless the notice has been given.

Actual notice of sufficient facts to reasonably put the governing body of the municipality or the licensee ~~of the liquor establishment~~, as the case may be, or its insurer, on notice of a possible claim, shall be construed to comply with the notice requirements herein.

No action shall be maintained for injury under section 340.95 unless commenced within two years after the injury.

Sec. 12. H.F. No. 1025, if enacted by the 1982 regular session, is amended by adding a section to read:

Sec. 4. [EFFECTIVE DATE.]

*Section 2 is effective for sales of motorized bicycles occurring after the day following final enactment of sections 1 to 4.*

Sec. 13. Minnesota Statutes 1981 Supplement, Section 56.12, if H.F. No. 1576 is enacted at the 1982 regular session, is amended to read:

56.12 [ADVERTISING; TAKING OF SECURITY; PLACE OF BUSINESS.]

No licensee shall advertise, print, display, publish, distribute, or broadcast, or cause or permit to be advertised, printed, displayed, published, distributed, or broadcast, in any manner any statement or representation with regard to the rates, terms, or conditions for the lending of money, credit, goods, or things in action which is false, misleading, or deceptive. The commissioner may order any licensee to desist from any conduct which he shall find to be a violation of the foregoing provisions.

The commissioner may require that rates of charge, if stated by a licensee, be stated fully and clearly in such manner as he may deem necessary to prevent misunderstanding thereof by prospective borrowers. A statement of rates of charge that meets the requirements of the federal Truth-in-Lending Act and regulations thereunder shall be deemed full compliance with this section.

A licensee may take a lien upon real estate as security for any loan exceeding \$2,700 in principal amount made under this chapter. The provisions of sections 47.20 and 47.21 do not apply to loans made under this chapter, except as provided in this section. No loan secured by a first lien on a borrower's primary residence shall be made pursuant to this section if the proceeds of the loan are used to finance the purchase of the borrower's primary residence, unless:

(1) the proceeds of the loan are used to finance the purchase of a manufactured home; or

(2) the proceeds of the loan are used in whole or in part to satisfy the balance owed on a contract for deed. The rate of interest charged on such a loan made after August 1, 1984, shall not exceed the rate provided in section 47.20, subdivision 4a.

If the proceeds of the loan are used to finance the purchase of the borrower's primary residence, the licensee shall consent to the subsequent transfer of the real estate if the existing borrower continues after transfer to be obligated for repayment of the entire remaining indebtedness. The licensee 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 loans, including but not limited to the ability of the transferee to make the loan payments and satisfactorily maintain the property used as collateral, and (2) executes an agreement in writing with the licensee whereby the transferee assumes the obligations of the existing borrower under the loan instruments. Any such agreement shall not affect the priority, validity or enforceability of any loan instrument. A licensee may charge a fee not in excess of one-tenth of one percent of the remaining unpaid principal balance in the event the loan is assumed by the transferee and the existing borrower continues after the transfer to be obligated for repayment of the entire assumed indebtedness. A licensee may charge a fee not in excess of one percent of the remaining unpaid principal balance in the event the remaining indebtedness is assumed by the transferee and the existing borrower is released from all obligations under the loan instruments, but in no event shall the fee exceed \$150.

A licensee making a loan under this chapter secured by a ~~loan~~ lien on real estate shall comply with the requirements of section 47.20, subdivision 8.

No licensee shall conduct the business of making loans under this chapter within any office, room, or place of business in which any other business is solicited or engaged in, or in association or conjunction therewith, if the commissioner finds that the character of the other business is such that it would facilitate evasions of this chapter or of the rules and regulations lawfully made hereunder. The commissioner may promulgate rules dealing with such other businesses.

No licensee shall transact the business or make any loan provided for by this chapter under any other name or at any other place of business than that named in the license. No licensee shall take any confession of judgment or any power of attorney. No licensee shall take any note or promise to pay that does not accurately disclose the principal amount of the loan, the time for which it is made, and the agreed rate or amount of charge, nor any instrument in which blanks are left to be filled in after execution. Nothing herein is deemed to prohibit the making of loans by mail.

Sec. 14. S.F. No. 1451, Section 20, Subdivision 1, if enacted at the 1982 regular session, is amended to read:

Subdivision 1. [AUTHORITY.] Any agreement under section 471.59 to jointly or cooperatively manage or plan for the management of surface water as required by sections 18 to 25 may provide for a joint board having:

(a) the authority to prepare and adopt a plan meeting the requirements of section 21;

(b) the authority to review and approve local water management plans as provided in section 22;

(c) the authority of a watershed district under chapter 112 to regulate the use and development of land when one or more of the following conditions exists: (1) the local government unit exercising planning and zoning authority over the land under sections 366.10 to 366.19, 394.21 to 394.37, or 462.351 to 462.364, does not have a local water management plan approved and adopted in accordance with the requirements of section 22 or has not adopted the implementation program described in the plan; (2) an application to the local



government unit for a permit for the use and development of land requires an amendment to or variance from the adopted local water management plan or implementation program of the local unit; (3) the local government unit has authorized the organization to require permits for the use and development of land.

(d) other powers necessary to exercise the authority under clauses (a) to (c), including the power to enter into contracts for the performance of functions with governmental units or persons.

Sec. 15. Minnesota Statutes 1980, Section 62C.142, Subdivision 3, if S.F. No. 1706 is enacted at the 1982 regular session, is amended to read:

Subd. 3. [APPLICATION.] Subdivision 1 applies to every subscriber contract which is delivered, issued for delivery, renewed or amended on or after July 19, 1977.

Subdivisions 2 and 2a apply to every subscriber contract which is delivered, issued for delivery, renewed, or amended on or after ~~August 1, 1982~~ *March 1, 1983*.

Sec. 16. Minnesota Statutes 1980, Section 62D.101, Subdivision 3, if S.F. No. 1706 is enacted at the 1982 regular session, is amended to read:

Subd. 3. [APPLICATION.] Subdivision 1 applies to every health maintenance contract which is delivered, issued for delivery, renewed or amended on or after July 19, 1977.

Subdivisions 2 and 2a apply to every health maintenance contract which is delivered, issued for delivery, renewed, or amended on or after ~~August 1, 1982~~ *March 1, 1983*.

Sec. 17. Laws 1981, Third Special Session Chapter 2, Article IV, Section 1, if H.F. No. 1555, Article VII, Section 3, is enacted at the 1982 regular session, is amended to read:

Subd. 4a. [LEVY RECOGNITION.]

(a) "School district tax settlement revenue" means the current, delinquent, and mobile home property tax receipts collected by the county and distributed to the school district, including distributions made pursuant to section 279.37, subdivision 7, and excluding the amount levied pursuant to section 275.125, subdivision 9a, and Laws 1976, Chapter 20, Section 4.

(b) In June of each year, the school district shall recognize as revenue, in the fund for which the levy was made, the lesser of:

(1) the June and July school district tax settlement revenue received in that calendar year; or

(2) the sum of the state aids and credits enumerated in section 9 of this article which are for the fiscal year payable in that fiscal year; or

(3) one-sixth of the amount of the spread levy in the current calendar year, *not including levy portions that are assumed by the state*, which remains after subtracting, by fund, the amounts levied for the following purposes:

(i) reducing or eliminating projected deficits in the appropriated fund balance accounts for unemployment insurance and bus purchases;



(ii) statutory operating debt pursuant to section 275.125, subdivision 9a, and Laws 1976, Chapter 20, Section 4; and

(iii) retirement and severance pay pursuant to section 275.125, subdivision 6a, and Laws 1975, Chapter 261, Section 4;

*(iv) amounts levied for bonds issued and interest thereon, amounts levied for debt service loans and capital loans, and amounts levied pursuant to section 275.125, subdivision 14a.*

(c) In July of each year, the school district shall recognize as revenue that portion of the school district tax settlement revenue received in that calendar year and not recognized as revenue for the previous fiscal year pursuant to clause (b).

(d) All other school district tax settlement revenue shall be recognized as revenue in the fiscal year of the settlement. Portions of the school district levy assumed by the state, including prior year adjustments and the amount to fund the school portion of the reimbursement made pursuant to section 273.425, shall be recognized as revenue in the fiscal year beginning in the calendar year for which the levy is payable.

Sec. 18. Minnesota Statutes 1981 Supplement, Section 124.73, Subdivision 1, is amended to read:

Subdivision 1. The board of any school district may borrow money upon negotiable tax anticipation certificates of indebtedness, in the manner and subject to the limitations set forth in sections 124.71 to 124.76, for the purpose of anticipating general taxes theretofore levied by the district for school purposes, but the aggregate of such borrowing under this subdivision shall never exceed 50 percent of such taxes which are due and payable in the calendar year, and as to which taxes no penalty for nonpayment or delinquency has attached. *In determining the amount of taxes due and payable in the calendar year, any amounts paid by the state to replace such taxes, whether paid in that calendar year or not, shall be included.*

Sec. 19. Minnesota Statutes 1980, Section 475.55, Subdivision 2, if H.F. No. 1872, Article III, Section 2, is enacted at the 1982 regular session, is amended to read:

Subd. 2. [SUPERSESSION.] The provisions of this section shall supersede any *maximum* interest rate fixed by any other law or a city charter with respect to obligations of the state or any municipality or governmental or public subdivision, district, corporation, commission, board, council, or authority of whatsoever kind, including warrants or orders issued in evidence of allowed claims for property or services furnished to the issuer, but shall not limit the interest on any obligation issued pursuant to a law or charter authorizing the issuer to determine the rate or rates of interest.

Sec. 20. Minnesota Statutes 1981 Supplement, Section 124.2125, Subdivision 1, as amended by Laws 1981, Third Special Session Chapter 2, Article II, Section 8, if H.F. No. 1555 is enacted at the 1982 regular session, is amended to read:

Subdivision 1. [DISCRETIONARY ALLOWANCE; DEFINITION.] "Discretionary allowance" means the amount of revenue per pupil unit used to compute discretionary aid for a particular school year and the discretionary



levy for use in that school year. The discretionary allowance shall equal the formula allowance for the school year times the ratio of the discretionary mill rate to the basic maintenance mill rate for levies for use in that school year, rounded to the nearest cent. However, the discretionary allowance for the 1982-1983 school year shall be computed as though the formula allowance were \$1,416 and the basic maintenance mill rate were .023.

Sec. 21. [EFFECT OF AMENDMENTS ON REPEALS BY THIS ACT.]

*Regardless of the order of final enactment of this act and the acts it amends, the amendments or repeals in this act shall be given effect. Notwithstanding Minnesota Statutes, Sections 645.26, Subdivision 3, 645.33, or other law, an amendment in this act shall prevail over any other act amending the same provisions of law in an irreconcilable manner.*

Sec. 22. [EFFECTIVE DATE.]

*Sections 4, 8, 10, 12, 18, 19 and 21 are effective the day following final enactment. Section 1 is effective on the effective date of H.F. No. 1663, Section 1, as enacted at the 1982 regular session. Section 2 is effective July 1, 1982. Section 3 is effective January 24, 1983. Section 9 is effective July 1, 1983. Section 11 is effective the day following final enactment of S.F. No. 358 enacted at the 1982 regular session. Sections 13 and 14 are effective August 1, 1982. Sections 15 and 16 are effective March 1, 1983. Sections 17 and 20 are effective July 1, 1982."*

Amend the title as follows:

Page 1, delete lines 8 and 9, and insert:

*"amending Minnesota Statutes 1980, Sections 62C.142, Subdivision 3; 62D.101, Subdivision 3; 123.933, Subdivision 3; 244.09, Subdivision 2, as amended; 327.14, Subdivision 8; 340.951, as amended; 475.61, Subdivision 3, as amended; Minnesota Statutes 1981 Supplement, Sections 56.12; 124.2125, Subdivision 1, as amended; 124.73, Subdivision 1; 273.13, Subdivision 9, as amended; 475.55, Subdivision 2, as amended; Laws 1981, Third Special Session Chapter 2, Article IV, Section 1, as amended; Laws enacted at the 1982 regular session styled as S.F. Nos. 1451, Section 20, Subdivision 1; 1538, Section 13; 1818, by adding a section; H.F. No. 1025; proposing new law coded in Minnesota Statutes, Chapter 327; repealing laws enacted at the 1982 regular session styled as H.F. Nos. 552 and 1663, Section 1."*

The motion prevailed. So the amendment was adopted.

Mr. Peterson, R.W. then moved to amend the Peterson, R.W. amendment to S.F. No. 2169, adopted by the Senate March 19, 1982, as follows:

Page 12, after line 34, insert:

*"Sec. 22. Minnesota Statutes 1980, Section 152.01, Subdivision 18, if S.F. No. 1758 is enacted by the 1982 regular session, is amended to read:*

*Subd. 18. [DRUG PARAPHERNALIA.] "Drug paraphernalia" means all equipment, products, and materials of any kind, except those items used in conjunction with permitted uses of controlled substances under this chapter or the Uniform Controlled Substances Act, which are knowingly or intentionally used primarily in (1) manufacturing a controlled substance, (2) injecting, ingesting, inhaling, or otherwise introducing into the human body a controlled*



substance, (3) testing the strength, effectiveness, or purity of a controlled substance, or (4) enhancing the effect of a controlled substance."

Page 13, line 9, after the period, insert "Section 22 is effective August 1, 1982."

Renumber the sections in sequence

Amend the title amendment as follows:

Page 13, line 12, before "amending" insert "redefining drug paraphernalia to exclude items used in conjunction with permitted uses under the controlled substance law;"

Page 13, line 14, after "3;" insert "152.01, Subdivision 18, as amended;"

The motion prevailed. So the amendment to the amendment was adopted.

S.F. No. 2169: A bill for an act relating to legislative enactments; correcting erroneous, ambiguous, omitted and obsolete references and text; correcting miscellaneous oversights, inconsistencies, ambiguities, unintended results and errors of a noncontroversial nature in the 1982 regular session and the third special session of 1981; redefining drug paraphernalia to exclude items used in conjunction with permitted uses under the controlled substance law; amending Minnesota Statutes 1980, Sections 62C.142, Subdivision 3; 62D.101, Subdivision 3; 123.933, Subdivision 3; 152.01, Subdivision 18, as amended; 244.09, Subdivision 2, as amended; 327.14, Subdivision 8; 340.951, as amended; 475.61, Subdivision 3, as amended; Minnesota Statutes 1981 Supplement, Sections 56.12; 124.2125, Subdivision 1, as amended; 124.73, Subdivision 1; 273.13, Subdivision 9, as amended; 475.55, Subdivision 2, as amended; Laws 1981, Third Special Session Chapter 2, Article IV, Section 1, as amended; Laws enacted at the 1982 regular session styled as S.F. Nos. 1451, Section 20, Subdivision 1; 1538, Section 13; 1818, by adding a section; H.F. No. 1025; proposing new law coded in Minnesota Statutes, Chapter 327; repealing laws enacted at the 1982 regular session styled as H.F. Nos. 552 and 1663, Section 1.

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

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

The roll was called, and there were yeas 54 and nays 0, as follows:

Those who voted in the affirmative were:

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

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

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



### MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce that the House has reconsidered the vote whereby H.F. No. 678 was repassed as amended by the Conference Committee on March 13, 1982.

H.F. No. 678: A bill for an act relating to elections; changing certain election procedures, requirements and time limits; exempting certain transactions from the definition of donation in kind; removing the rulemaking authority of the ethical practices board; changing eligibility requirements and compensation for election judges; authorizing time off from work for election judges; recodifying municipal elections law; amending Minnesota Statutes 1980, Sections 10A.01, Subdivision 7b; 10A.02, Subdivision 13; 205.02; 205.07, Subdivision 1; 205.13, as amended; 205.16; 205.17, as amended; 205.20, as amended; 205.84; and Minnesota Statutes 1981 Supplement, Sections 201.071, Subdivision 1; 203B.02, Subdivision 1; 203B.04, Subdivision 1; 204B.12, Subdivision 1; 204B.19, Subdivision 1; 204B.21, Subdivision 1; 204B.27, Subdivision 1; 204B.31; 204B.34, Subdivision 1; 204B.35, Subdivision 4; 204C.32, Subdivision 2; 204C.33, Subdivision 2; 204D.06; 204D.11, Subdivisions 1 and 5; 204D.14; 204D.15, Subdivision 2; 205.03, Subdivisions 1 and 3; 205.10; proposing new law coded in Minnesota Statutes 1980, Chapter 205; and repealing Minnesota Statutes 1980, Sections 205.04; 205.11, Subdivisions 1, 2, 3, 4, and 5; 205.14, Subdivisions 1, 2, and 3; 205.19; 205.21; and Minnesota Statutes 1981 Supplement, Sections 201.091, Subdivision 6; 204B.12, Subdivision 2; 205.03; 205.10; 205.11, Subdivision 4a; 205.121; 205.14, Subdivision 4; and 205.15.

And the House respectfully requests that the Senate reconsider the vote whereby H.F. No. 678 was repassed as amended by the Conference Committee and that H.F. No. 678 be returned to the Conference Committee for further consideration.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 19, 1982

Mr. Schmitz moved that the Senate not accede to the request of the House that the Senate reconsider the vote whereby H.F. No. 678 was repassed as amended by the Conference Committee and that the bill be returned to the House of Representatives.

The question was taken on the adoption of the motion.

The roll was called, and there were yeas 28 and nays 25, as follows:

Those who voted in the affirmative were:

Bang	Dicklich	Moe, D. M.	Purfeerst	Stokowski
Berglin	Frank	Moe, R. D.	Schmitz	Stumpf
Bertram	Hughes	Penny	Setzepfandt	Wegener
Dahl	Johnson	Peterson, R. W.	Solon	Willet
Davies	Langseth	Petty	Spear	
Davis	Lantry	Pillsbury	Stern	

Those who voted in the negative were:

Ashbach	Dieterich	Knoll	Olhoft	Rued
Belanger	Engler	Knutson	Pehler	Sieloff
Benson	Frederick	Kronebusch	Peterson, D. L.	Sikorski
Berg	Frederickson	Lindgren	Ramstad	Ulland
Bernhagen	Kamrath	Luther	Renneke	Waldorf

The motion prevailed.



**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. 2190 and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 2190 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 19, 1982

**CONFERENCE COMMITTEE REPORT ON H.F. NO. 2190**

A bill for an act relating to education; changing the requirements for membership on the higher education coordinating board; allowing the regional management information centers to be considered governmental units for purposes of the joint powers law; requiring the approval of a plan for spending federal education block grant funds for state administrative purposes; allowing the immigration history research center to use donated services or donated property to meet its matching requirements; broadening the planning process relating to declining enrollments in higher education; repealing mandates; amending Minnesota Statutes 1980, Sections 136A.02, Subdivision 1; 471.59, by adding a subdivision; Laws 1981, Chapter 359, Section 2, Subdivision 8; and Section 9, Subdivision 12; Third Special Session Chapter 2, Article 1, Section 6, Subdivision 1; repealing Minnesota Statutes, Sections 120.17, Subdivision 10; and 121.12.

March 18, 1982

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. 2190, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that House File No. 2190 be further amended as follows:

Delete everything after the enacting clause and insert:

**"ARTICLE I****STATE AGENCY APPROPRIATION REDUCTIONS****Section 1. [APPROPRIATION REDUCTIONS: SUMMARY.]**

The sums set forth in the columns designated "APPROPRIATION REDUCTIONS" are reduced from the various general fund appropriations to the specified agencies. The figures "1982" or "1983" whenever used in this article, mean that the listed appropriation reductions are from the appropriations for the years ending June 30, 1982 or June 30, 1983, respectively.

**SUMMARY OF REDUCTIONS BY FUNCTION**

(Including transfers to other funds)

	1982	1983	TOTAL
STATE DEPARTMENTS	(\$1,500,000)	(\$15,971,800)	(\$17,471,800)
TRANSPORTATION AND			



OTHER AGENCIES . . . . .	(348,000)	(1,502,000)	(1,850,000)
EDUCATION . . . . .	(535,000)	(1,685,000)	(2,220,000)
WELFARE, CORREC- TIONS, HEALTH . . . . .	(-0-)	(8,623,000)	(8,623,000)
TOTAL . . . . .	(\$2,383,000)	(\$27,781,800)	(\$30,164,800)

## APPROPRIATION REDUCTIONS

1982

1983

## Sec. 2. [APPROPRIATION REDUCTIONS.]

## Subdivision 1. [STATE DEPARTMENTS.]

The general fund appropriations in Laws 1981, Chapters 306, 346 and 356 as amended by Laws 1981, First Special Session, Chapter 4, Article 4, are reduced by the listed amounts:

(a) Legislature . . . . .	(-0-)	(2,000,000)
---------------------------	-------	-------------

The legislative coordinating commission shall apportion this appropriation reduction among the senate, the house of representatives, and the various legislative commissions, including the legislative commission on Minnesota resources. The reduction applied to the legislative commission on Minnesota resources shall be apportioned by that commission among the several programs and activities in Laws 1981, Chapter 356, Section 31.

(b) Contingent Accounts . . . . .	(1,000,000)	(800,000)
-----------------------------------	-------------	-----------

This is a reduction in the fuel and utilities contingent account.

(c) Executive Council . . . . .	(500,000)	(-0-)
---------------------------------	-----------	-------

(d) Administration . . . . .	(-0-)	(290,000)
------------------------------	-------	-----------

The commissioner of administration shall implement this appropriation reduction by a delay in implementation of the 911 telephone emergency system.

(e) Agriculture . . . . .	(-0-)	(283,000)
---------------------------	-------	-----------

The commissioner of agriculture shall implement this appropriation reduction by elimination of the shade tree disease control program.

(f) Natural Resources . . . . .	(-0-)	(450,000)
---------------------------------	-------	-----------

This reduction shall include closing the metropolitan region office. The commissioner of natural resources shall submit to the legislature by January 1, 1983 a plan to reduce the number of regional offices to three for the 1983-1985 biennium.

## (g) Housing Finance Agency

The sum of \$1,600,000 is reappropriated from the general fund appropriation in Laws 1981,



Chapter 306, Section 21, Paragraph (b), for the home ownership assistance fund to the housing development fund created in Minnesota Statutes, Section 462A.20 for the purpose of Laws 1982, Chapter 380.

(h) Salary Supplement . . . . . (-0-) (2,000,000)

(i) Retirements . . . . . (-0-) (7,648,800)

(1) \$2,648,800 of this reduction is made in recognition of the reduced employer contributions required by Minnesota Statutes, Sections 352.04 and 352.92, as amended by this act.

Of this amount \$450,000 is reduced from the appropriations made to the University of Minnesota in Laws 1981, Chapter 359, Sections 7 to 11, allocated among the various appropriation accounts by the commissioner of finance.

\$268,800 is reduced from the public transit appropriation made to the metropolitan transit commission in Laws 1981, Chapter 363, Section 55, Subdivision 1.

It is estimated that the rate changes in Minnesota Statutes, Sections 352.04, Subdivision 3 and 352.92, Subdivision 2, as amended by this article, will produce reductions from employer general fund contributions for state employees to the Minnesota state retirement system of \$1,930,000 in fiscal year 1983.

If an actuarial valuation prepared pursuant to Minnesota Statutes, Section 356.20 or 356.215 and filed with the commissioner of finance before June 30, 1983 shows that the reduced employer and employee contributions provided for by this article will not be sufficient to amortize the unfunded accrued liability of the state employees retirement fund by the established date for full funding, the reduced employer and employee contributions provided for by this article shall cease to be effective and the employer and employee contributions shall return to the rates in effect before the enactment of this article, effective the first full pay period beginning more than 30 days following the filing of the actuarial valuation with the commissioner of finance.

(2) \$2,500,000 of this reduction shall be applied to the appropriation for teachers retirement association contributions statewide, pursuant to Minnesota Statutes, Section 354.43.

(3) \$2,500,000 of this reduction represents a reduction in teachers social security contributions pursuant to Minnesota Statutes, Section 355.46.



## (j) Supplies and Expenses . . . . . (-0-) (2,500,000)

The commissioner of finance shall apportion this reduction against general fund appropriations to all state agencies in the executive branch, other than the state university system, state community college system, and the University of Minnesota. The commissioner of finance shall determine the proportion of supply and expense budgets which shall be reduced for each agency. The proportion may differ by agency if the commissioner determines that an agency has a particular need because of other appropriations reductions. The agencies may propose to accomplish the reduced expenditures in categories other than supply and expenses. The commissioner shall submit his proposed apportionment of the reductions to the chairman of the senate finance committee and the chairman of the house appropriations committee, who shall make their recommendations on the apportionment. The recommendations are advisory only. Failure or refusal to make a recommendation promptly is deemed a negative recommendation.

## Subd. 2. [TRANSPORTATION AND OTHER AGENCIES.]

The general fund appropriations in Laws 1979, Special Session, Chapter 1, and Laws 1981, Chapters 346, 357, and 363, as amended by Laws 1981, First Special Session, Chapter 4, Article 4, are reduced by the listed amounts:

## (a) Transportation . . . . . (348,000) (937,000)

\$687,000 of this reduction is from metropolitan transit commission operating grants.

\$250,000 of this reduction shall be implemented by a reduction in statewide non-metropolitan transit commission operating assistance grants.

The \$348,000 reduction in fiscal year 1982 represents the unencumbered balances of the appropriations in Laws 1977, Chapter 454, Section 5, Paragraph (b) for paratransit service demonstration grant programs and for regular route transit demonstration program grants, which are hereby canceled. Any portion of the encumbered balance of these appropriations that becomes unencumbered is also canceled.

## (b) Public Safety . . . . . (-0-) (200,000)

The bureau of criminal apprehension shall bear part of the burden of this appropriation reduction.

## (c) Commerce . . . . . (-0-) (100,000)

A plan for the reorganization of the department shall be developed by the commissioner of ad-



ministration in coordination and cooperation with all affected state agencies and submitted to the legislature by September 15, 1982. The plan shall provide for the net reduction of at least six positions from upper level management and their attendant clerical support staff. The plan shall include draft legislation to implement the reorganization. The biennial budget submitted by the agency shall be based on this reorganization plan.

(d) Minnesota Historical Society ..... (-0-) (122,000)

The executive director of the Minnesota historical society shall implement this appropriation reduction by reductions in the Minnesota Historical Society Operations program, other than the Minnesota military history museum at Fort Snelling and Camp Ripley.

(e) Arts, Board of the ..... (-0-) (143,000)

The board of the arts shall apply \$33,900 of this appropriation reduction to appropriations for regional arts programs.

### Subd. 3. [EDUCATION.]

The general fund appropriations in Laws 1973, Chapter 768, Section 14, Subdivision 8, and in Laws 1981, Chapter 359, as amended by Laws 1981, First Special Session, Chapter 2, are reduced by the listed amounts:

(a) Education, Department of ..... (-0-) (420,000)

None of this reduction shall be taken from appropriations for the Indian scholarship program.

\$120,000 of this reduction shall be apportioned by the state board of education among the fiscal year 1983 appropriations for the Minnesota curriculum services center, the vocational student organization center, and vocational area agricultural coordinators. The commissioner of education is encouraged to solicit contributions from nonpublic sources to supplement state appropriations for these programs.

(b) Higher Education Coordinating Board ..... (235,000) (1,265,000)

The reduction for fiscal year 1982 is intended to cancel any balance remaining from the appropriation and accrued interest on the appropriation in Laws 1973, Chapter 768, Section 14, Subdivision 8.

(c) State University Board ..... (210,000) (-0-)

This reduction is in the state university board contingent account.

(d) State Community College Board ..... (90,000) (-0-)



This reduction is in the state university college board contingent account.

Subd. 4. [WELFARE, CORRECTIONS, HEALTH.]

The general fund appropriations in Laws 1981, Chapter 360, as amended by Laws 1981, First Special Session, Chapter 2, are reduced by the listed amounts:

(a) Public Welfare ..... (-0-) (7,873,000)

\$4,373,000 of this appropriation reduction is attributable to the differential state hospital rates authorized by this act.

Notwithstanding Laws 1981, Third Special Session Chapter 2, Article I, Section 2, Subdivision 4, clause (a), the commissioner of public welfare shall increase grants for aid to families with dependent children and general assistance by seven percent on February 1, 1983, rather than October 1, 1982, unless federal law or regulation requires otherwise. \$3,000,000 of the appropriation reduction in the department of public welfare is attributable to this delay.

\$500,000 of this appropriation reduction is attributable to elimination of mandates as recommended by the governor's task force on health care and authorized by this act.

The commissioner of public welfare shall apply to the department of health and human services to obtain waivers to: (1) eliminate the requirement that each nursing home must have a medical director; (2) require that each resident be seen by a physician only once every six months or less frequently if the physician determines and documents that this frequency is unnecessary; and (3) eliminate the requirement that each nursing home have consultants in the areas of medical records, diet, social work, activities programs, and psychiatric services.

When the commissioner obtains a waiver for any of these purposes, the commissioner shall eliminate any equivalent state requirements and shall reduce rates paid for allowed costs to the extent allowed by the federal waiver or waivers.

(b) Health ..... (-0-) (750,000)

Subd. 5. [APPROPRIATION AVAILABILITY.] *If the appropriation from the general fund to an agency listed in this section in either year of the biennium ending June 30, 1983, is insufficient, upon the advance approval of the commissioner of finance the appropriation for the other year is available for it.*

Subd. 6. [RELATION TO PRIOR REDUCTIONS.] *The appropriation reductions in this section are in addition to the general reductions, general staff reductions, and other reductions made in previous appropriation acts.*



*Subd. 7. [PROGRESS REPORTS.] Each state agency whose appropriation is reduced by this section shall submit a revised spending plan to the commissioner of finance pursuant to Minnesota Statutes, Section 16A.14. The revised spending plan shall be formulated on a quarterly basis in order to permit the commissioner of finance to monitor the agency's success at meeting its spending and position reduction goals. The commissioner of finance shall notify the committee on finance of the senate and the committee on appropriations of the house of representatives promptly after the end of each quarter of any agency that has failed to meet its spending and position reduction goals for that quarter.*

Sec. 3. Minnesota Statutes 1980, Section 161.20, is amended by adding a subdivision to read:

*Subd. 4. [DEBT COLLECTION.] The commissioner shall make reasonable and businesslike efforts to collect money owed to the department arising from damages to state owned property and other causes related to trunk highways. When a debt has been reduced to a money judgment, the commissioner may contract for debt collection services for the purpose of collecting the judgment. Money received as full or partial payment shall be deposited in the trunk highway fund. When money is collected through contracted services, the commissioner may make payment for the service from the money collected. The amount necessary for payment of contractual collection costs is appropriated from the trunk highway fund.*

Sec. 4. Minnesota Statutes 1980, Section 246.50, Subdivision 5, is amended to read:

*Subd. 5. "Cost of care" means the commissioner's determination of the anticipated average per capita cost of all maintenance, treatment and expense, including depreciation of buildings and equipment, interest paid on bonds issued for capital improvements to state hospitals, and indirect costs related to the operation other than that paid from the Minnesota state building fund, at all of the state hospitals for the mentally ill or mentally ~~deficient~~ retarded or chemically dependent during the current year for which billing is being made. The commissioner shall determine the anticipated average per capita cost. The commissioner may establish one all inclusive rate or separate rates for each patient disability group, and may establish separate charges for each hospital. "Cost of care" for outpatient or day-care patients shall not exceed 50 percent of the total average per capita cost for resident patients as determined by the commissioner of public welfare be on a cost for service basis under a schedule the commissioner shall establish.*

For purposes of this subdivision "resident patient" means a person who occupies a bed while housed in a hospital for observation, care, diagnosis, or treatment.

For purposes of this subdivision "outpatient" or "day-care" patient means a person who makes use of diagnostic ~~or~~, therapeutic, counseling, or other service in a state hospital facility or through state hospital personnel but does not occupy a ~~regular~~ hospital bed overnight.

For the purposes of collecting from the federal government for the care of those patients eligible for medical care under the social security act "cost of care" shall be determined as set forth in the rules and regulations of the



Department of Health, ~~Education, and Welfare~~ and Human Services or its successor agency.

Sec. 5. Minnesota Statutes 1980, Section 246.50, Subdivision 6, is amended to read:

Subd. 6. "Relatives" means the spouse, and parents and, in the case of the mentally ill or chemically dependent, children of a patient, in that order of liability for cost of care.

Sec. 6. Minnesota Statutes 1980, Section 246.51, is amended to read:

246.51 [PAYMENT FOR CARE AND TREATMENT; DETERMINATION.]

*Subdivision 1. [PROCEDURES.]* The commissioner shall make investigation as necessary to determine, and as circumstances require redetermine, what part of the cost of care, if any, the patient is able to pay. If the patient is unable to pay the full cost of care the commissioner shall make a determination as to the ability of the relatives to pay. *The patient or relatives or both shall provide the commissioner documents and proofs necessary to determine their ability to pay. However, in no case shall the relatives, unless they reside outside the state, be ordered to pay more than ten percent of the cost of care for each patient not to exceed \$125 per month. Voluntary payments in excess of \$125 per month may be accepted by the commissioner. The commissioner may require payment of the full per capita cost of care in state hospitals for children whose parents or guardians do not reside in Minnesota. Failure to provide the commissioner with sufficient information to determine ability to pay may make the patient or relatives, both, liable for the full per capita cost of care until the time when sufficient information is provided.* No parent shall be liable for the cost of care given a patient at a state hospital after the patient has reached the age of 18 years. The commissioner's determination shall be conclusive in any action to enforce payment of the cost of care unless appealed from as provided in section 246.55. All money received shall be paid to the state treasurer and placed in the general fund of the state and a separate account kept of it. Responsibility under this section shall not apply to those relatives having gross earnings of less than \$11,000 per year.

*Subd. 2. [RULES.]* The commissioner shall adopt, pursuant to the administrative procedure act, rules establishing uniform standards for determination of patient liability and relative, guardian or conservator responsibility for care provided at state hospitals. These rules shall have the force and effect of law.

Sec. 7. Minnesota Statutes 1981 Supplement, Section 246.511 is amended to read:

246.511 [RELATIVE RESPONSIBILITY.]

Notwithstanding the provisions of Laws 1981, Chapter 360, Article 1, Section 2, Subdivision 5, 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's relatives, pursuant to the commissioner's authority under section 246.51, be ordered to pay more than ten percent of the cost of care, unless they reside outside the state. *The commissioner may accept voluntary payments in excess of ten percent. The commissioner may require full payment of the full per capita cost of care in state*



*hospitals for patients whose parent, parents, spouse, guardian or conservator do not reside in Minnesota.*

Sec. 8. Minnesota Statutes 1980, Section 246.53, is amended to read:

246.53 [CLAIM AGAINST ESTATE OF DECEASED PATIENT.]

*Subdivision 1. [PATIENT'S ESTATE.] Upon the death of a patient, or a former patient, the total cost of care given ~~him~~ the patient, less the amount actually paid toward the cost of ~~such~~ care by the patient and ~~his~~ the patient's relatives, shall be filed by the commissioner as a claim against the estate of ~~such~~ the patient with the court having jurisdiction to probate the estate and all proceeds collected by the state in ~~such~~ the case shall be divided between the state and county in proportion to the cost of care each has borne.*

*Subd. 2. [PREFERRED STATUS.] An estate claim in subdivision 1 shall be considered an expense of the last illness for purposes of section 524.3-805.*

*If the commissioner of public welfare ~~shall determine~~ determines that the property or estate of any ~~such~~ patient is not ~~to~~ more than needed to care for and maintain the ~~wife~~ spouse and minor or dependent children of ~~such~~ a deceased patient, ~~he shall have~~ the commissioner has the power to compromise the claim of the state in ~~such~~ a manner as ~~he, in his judgment and upon investigation,~~ ~~may deem~~ deemed just and proper.*

*Subd. 3. [EXCEPTION FROM STATUTE OF LIMITATIONS.] Any statute of limitations which limits the commissioner in recovering the cost of care obligation incurred by a patient or former patient shall not apply to any claim against an estate made hereunder to recover cost of care.*

Sec. 9. Minnesota Statutes 1980, Section 352.04, Subdivision 2, as amended by Laws 1981, Third Special Session Chapter 2, Article I, Section 64, is amended to read:

*Subd. 2. [EMPLOYEE CONTRIBUTIONS.] The employee contribution to the fund shall be an amount equal to ~~3.73~~ 3.46 percent of salary, beginning with the first full pay period after December 31, 1981; ~~provided, however, that for the period beginning with the first full pay period after December 31, 1981, and ending with the last full pay period before July 1, 1982, the contribution shall be an amount equal to 3.46 percent of salary.~~ These contributions shall be made by deduction from salary in the manner provided in subdivision 4.*

Sec. 10. Minnesota Statutes 1980, Section 352.04, Subdivision 3, as amended by Laws 1981, Third Special Session Chapter 2, Article I, Section 65, is amended to read:

*Subd. 3. [EMPLOYER CONTRIBUTIONS.] The employer contribution to the fund shall be an amount equal to the total amount deducted from the salaries of employees on each payroll abstract, plus an additional ~~4.87~~ 1.58 percent of salary beginning with the first full pay period after ~~December 31, 1981; provided, however, that July 1, 1982.~~ For the period beginning with the first full pay period after December 31, 1981, and ending with the last full pay period before July 1, 1982, the contribution shall be an amount equal to 3.46 percent of salary plus an additional 1.74 percent of salary. The employer contribution shall be made in the manner provided in subdivisions 5 and 6.*

Sec. 11. Minnesota Statutes 1980, Section 352.92, Subdivision 1, as



amended by Laws 1981, Third Special Session Chapter 2, Article I, Section 66, is amended to read:

Subdivision 1. [EMPLOYEE CONTRIBUTIONS.] Beginning with the first full pay period after ~~December 31, 1981~~ July 1, 1982, in lieu of employee contributions payable under section 352.04, subdivision 2, contributions by covered correctional employees shall be in an amount equal to ~~4.89~~ 4.50 percent of salary; ~~provided, however, that~~ . For the period beginning with the first full pay period after December 31, 1981, and ending with the last full pay period before July 1, 1982, the contribution shall be in an amount equal to 3.78 percent of salary.

Sec. 12. Minnesota Statutes 1980, Section 352.92, Subdivision 2, as amended by Laws 1981, Third Special Session Chapter 2, Article I, Section 67, is amended to read:

Subd. 2. [EMPLOYER CONTRIBUTIONS.] Beginning with the first full pay period after ~~December 31, 1981~~ July 1, 1982, in lieu of employer contributions payable under section 352.04, subdivision 3, the employer shall contribute for covered correctional employees (1) an amount equal to 1 1/2 times the deduction from salaries of covered correctional employees on each payroll abstract, plus (2) an additional amount of ~~4.08~~ 1.32 percent of salaries of covered correctional employees on each payroll abstract; ~~provided, however, that~~ . For the period beginning with the first full pay period after December 31, 1981, and ending with the last full pay period before July 1, 1982, the contribution shall be an amount equal to 5.66 percent of salaries of covered correctional employees on each payroll abstract plus an additional amount equal to 3.16 percent of salaries of covered correctional employees on each payroll abstract.

Sec. 13. [362.43] [CERTIFIED STATE DEVELOPMENT COMPANY.]

*Subdivision 1. [PURPOSE; OBJECTIVES.] The commissioner of energy, planning and development may create, promote and assist a state development company, also known as a "503" certified development company, which will qualify as a certified development company for the purposes of 15 United States Code, section 697 and Code of Federal Regulations, title 13, section 108.503.*

*The commissioner shall utilize the development company program to stimulate the state's economic activity.*

*The development company and its directors and officers shall comply with the organizational, operational, regulatory and reporting requirements as promulgated by the United States small business administration and the guidelines contained in the bylaws, articles of incorporation, and standard operating procedure prescribed by the small business administration.*

*Subd. 2. [CAPITAL, LOAN LIMITS; MEMBERSHIP REQUIREMENTS.] The capital for a certified state development company shall be derived from corporate holders or members, each of whom shall not have more than ten percent of the voting control of the certified state development company. The company shall have a minimum of ten members. Membership shall be, to the greatest extent practicable, in proportion to the population of each economic development region to the total population of the state. The loan limit of each member shall be established at the time of its acceptance as a*



member and shall be computed on the basis of the financial information contained in or made a part of its application for membership. All loan limits shall be established at the thousand dollar amount nearest the amount computed in accordance with the provisions of the articles of incorporation and this section.

Subd. 3. [MEMBERS.] Members shall be representatives of local government, community organizations, financial institutions, and businesses in Minnesota and which, upon application, have been accepted for membership by a majority vote of the members of the board of directors present at any regular or special meeting of the board at which there is a quorum. A "financial institution" is a business organization recognized under Minnesota or federal law as a banking institution, trust company, savings and loan association, insurance company, or a corporation, partnership, foundation or other institution licensed to do business in the state of Minnesota and engaged primarily in lending or investing money.

Subd. 4. [MEMBERSHIP APPLICATIONS.] Applications for membership shall be submitted to the board of directors on forms provided by the corporation and accompanied by additional information as the form may require. Application forms shall provide that if the application is approved, and the applicant accepted for membership by the board of directors prior to withdrawal of the application, the applicant agrees to become a member upon the acceptance and to assume all of the rights and obligations of a member as set forth in the corporation's bylaws, the articles of incorporation, and Minnesota Statutes, Chapters 301 and 362. Notice of approval or rejection of an application shall be forwarded, by certified or registered United States mail, to the applicant for the attention of the person signing the application, within 15 days following the date upon which the approval or rejection is made. Approval of the application constitutes acceptance of the applicant as a member of the corporation.

Subd. 5. [OFFICERS.] The executive officers of the corporation shall be a president, one or more vice presidents including the executive vice president, a secretary, and a treasurer. None of the officers, except the president, need be directors. One person may hold the offices and perform the duties of any two or more of the offices. The board of directors by majority vote may leave unfilled for any period it may fix any office except that of president, treasurer, or secretary.

Subd. 6. [DEPARTMENT ASSISTANCE.] The commissioner of energy, planning and development shall make available the professional staff of the department to provide services to the certified state development company including, but not limited to, accounting, legal and business assistance services. The staff shall have the capability to package, process, close and service loans made through the development company.

Subd. 7. [REPORTS.] The development company shall submit to the small business administration annual reports on its operation. When requested by the small business administration, interim reports of a similar nature will be provided. The reports shall be provided in accordance with the instructions and attachments set forth by the small business administration. The development company shall comply with all regulations issued under the small business investment act of 1958, as amended, as well as applicable state and



*federal laws affecting its operation.*

*Subd. 8. [REVOLVING FUND.] The certified state development company may charge a one time processing fee up to the maximum allowed by the small business administration on a debenture issued for loan purposes. In addition, a fee for servicing loans may be imposed up to the maximum allowed by the small business administration based on the unpaid balance of each debenture. There is established a program of business services revolving fund in the state treasury. Proceeds from fees collected on loans processed with assistance from department staff shall be deposited in the program of business services revolving fund. Moneys in the fund are appropriated to the commissioner of energy, planning and development for the purposes of this section.*

Sec. 14. Minnesota Statutes 1980, Section 362.51, Subdivision 1, is amended to read:

Subdivision 1. A small business finance agency is hereby created and is constituted as an authority to act on behalf of the state within the scope of the powers granted to it in sections 362.132 and 362.50 to 362.53 to implement a loan program by which, in cooperation with cities, towns, counties and private or public lenders, adequate funds may be provided on sufficiently favorable terms to assist and encourage the establishment, maintenance and growth of small business in Minnesota and to reduce to a manageable level the cost of the control of pollution and disposal of waste resulting from the operations of small business.

Because of its ability to pool or combine loans to be funded from one or more issues of bonds, *whether or not the interest on the bonds is exempt from federal income taxes*, the agency will be able to spread its financing costs among the small businesses to which the agency makes loans, thereby reducing costs incurred by each small business.

Sec. 15. Minnesota Statutes 1981 Supplement, Section 362.52, Subdivision 2, is amended to read:

Subd. 2. The agency may participate with financial institutions in making or purchasing business loans not exceeding \$1,000,000 in principal amount, to be serviced by such institutions, provided that:

(a) The agency's share shall not exceed 90 percent of the total principal amount, and shall be payable with interest at the same times but not necessarily at the same interest rate as the share of the financial institution, and both shares shall be equally and ratably secured by a valid mortgage on or security interest in real or personal property or by any other security satisfactory to the agency to secure payment of the loan *provided, that the agency's share may equal 100 percent of the total principal amount of the business loan if the financial institution participating in the making or purchasing of the business loan by servicing the loan, purchases 100 percent of the total amount of the bonds issued by the agency in connection with the loan;*

(b) The total principal amount shall not exceed 90 percent of the value of the property securing the loan, unless the amount in excess of 90 percent is:

(1) Loaned from available funds which are not proceeds received directly from the sale of the agency's bonds or notes and are not restricted under the terms of any resolution or indenture securing bonds or notes, or



(2) Insured or guaranteed by a federal agency or by a private insurer qualified to write such insurance in the state, insuring a percentage of any claim for loss at least equal to that percentage of the value by which the loan exceeds 90 percent thereof;

(c) The value of the property securing the loan shall be certified by the participating financial institution, on the basis of such appraisals, bids, purchase orders, and engineers' certificates as the agency may require; provided that the value of items purchased and constructed from the proceeds of the loan shall not be deemed to exceed the contract price of purchase or construction;

(d) The agency shall not disburse funds under a commitment to participate in a loan for the construction or substantial improvement of property until the construction or improvement has been completed, unless a financial institution furnishes an irrevocable letter of credit or a qualified corporate surety furnishes payment and performance bonds, satisfactory to the agency and in an aggregate amount equal to the amount payable under the construction contract; and

(e) No other indebtedness may be secured by a mortgage on or security interest in property securing a business loan made or purchased pursuant to this subdivision without the prior express written authorization of the agency.

Sec. 16. Minnesota Statutes 1980, Section 362.53, Subdivision 13, is amended to read:

Subd. 13. It may sell any of its obligations at public or private sale, at such price or prices as the agency shall determine, notwithstanding the limitation on sale price in the fourth sentence of section 462A.09, *and notwithstanding whether or not the interest on any of its obligations is subject to federal income taxes.*

Sec. 17. Minnesota Statutes 1980, Section 487.39, Subdivision 1, is amended to read:

Subdivision 1. An aggrieved party may appeal to the district court from a determination of a county court or a county municipal court. The provisions of this section govern all appeals from the county court and the county municipal court; appeal provisions of all other statutes are inapplicable except as stated in section 484.63.

(a) Except as provided in clause (b), the appeal in a civil case shall be taken by filing written notice thereof with the clerk of court of the county in which the action was heard not more than 30 days after written notice of the court's determination has been served upon the aggrieved party or ~~his the party's attorney; or in any event within three months after the determination in a civil case.~~ *Written notice of the court's determination shall be served by the clerk of court upon the aggrieved party or the party's attorney within 45 days after the determination in a civil case.*

(b) In the appeal of petty misdemeanor, ordinance or criminal cases the written notice of appeal shall be filed with the clerk of court of the county in which the action was heard within ten days of the conviction or other determination, and sentencing thereon, appealed from.

(c) A written notice of appeal shall be served by the appellant upon all parties to the original proceedings or their attorneys not more than five days after filing a written notice of appeal and proof of ~~such~~ service shall be filed with the clerk



of county court or county municipal court in the county in which the action was heard not more than three days after the service of ~~such~~ notice on the opposite party or ~~his~~ the party's attorney. The appeal shall be heard and determined by a district court appellate panel pursuant to section 484.63.

Sec. 18. Minnesota Statutes 1981 Supplement, Section 510.05, is amended to read:

510.05 [LIMITATIONS.]

Such homestead exemption shall not extend to any mortgage lawfully obtained thereon, to any valid lien for taxes or assessments, *to a claim filed pursuant to section 256B.15 or section 246.53* or to any charge arising under the laws relating to laborers or materialmen's liens.

Sec. 19. Minnesota Statutes 1980, Section 524.3-805, is amended to read:

524.3-805 [CLASSIFICATION OF CLAIMS.]

(a) If the applicable assets of the estate are insufficient to pay all claims in full, the personal representative shall make payment in the following order:

- (1) costs and expenses of administration;
- (2) reasonable funeral expenses;
- (3) debts and taxes with preference under federal law;
- (4) reasonable and necessary medical and hospital expenses of the last illness of the decedent, including compensation of persons attending him;
- (5) debts and taxes with preference under other laws of this state;
- (6) all other claims.

(b) No preference shall be given in the payment of any claim over any other claim of the same class, and a claim due and payable shall not be entitled to a preference over claims not due, *except that if claims for expenses of the last illness involve only claims filed under section 246.53 for costs of state hospital care and claims filed under section 256B.15, claims filed under section 246.53 have preference over claims filed under section 256B.15.*

Sec. 20. Minnesota Statutes 1981 Supplement, Section 525.145, is amended to read:

525.145 [DESCENT OF HOMESTEAD.]

(1) Where there is a surviving spouse the homestead, including a mobile home which is the family residence, shall descend free from any testamentary or other disposition thereof to which the spouse has not consented in writing or by election to take under the will as provided by law, as follows:

(a) If there be no surviving child or issue of any deceased child, to the spouse;

(b) If there be children or issue of deceased children surviving, then to the spouse for the term of the spouse's natural life and the remainder in equal shares to the children and the issue of deceased children by right of representation.

(2) Where there is no surviving spouse and the homestead has not been



disposed of by will it shall descend as other real estate.

(3) Where the homestead passes by descent or will to the spouse or children or issue of deceased children, it shall be exempt from all debts which were not valid charges thereon at the time of decedent's death; ~~in all other cases except that the homestead shall be subject to a claim filed pursuant to section 246.53 for state hospital care or 256B.15.~~ If the homestead passes to a person other than a spouse or child or issue of a deceased child, it shall be subject to the payment of the items mentioned in section 525.16. No lien or other charge against any homestead which is so exempted shall be enforced in the probate court, but the claimant may enforce the lien or charge by an appropriate action in the district court.

Sec. 21. [EFFECTIVE DATE.]

*This article is effective the day following final enactment.*

ARTICLE II

TAXES AND PAYMENT SHIFTS

Section 1. Minnesota Statutes 1981 Supplement, Section 275.50, Subdivision 2, as amended by House File No. 1872, Article XXXV, Section 1, of the 1982 Regular Session, is amended to read:

Subd. 2. [GOVERNMENTAL SUBDIVISION.] "Governmental subdivision" means a county, home rule charter city, statutory city, ~~or town or special taxing district determined by the department of revenue,~~ except a town that has a population of less than 5,000 according to the most recent federal census, provided that the population of an incorporated municipality located within the boundaries of a town is not included in the population of the town. The term does not include school districts or the metropolitan transit commission created pursuant to section 473.404.

Sec. 2. Minnesota Statutes 1981 Supplement, Section 290A.07, Subdivision 2a, is amended 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. 3. Minnesota Statutes 1981 Supplement, Section 290A.07, Subdivision 3, is amended to read:

Subd. 3. Any claimant not included in subdivision 2 ~~or 2a~~ shall receive full payment after September 30 and prior to October 15. Interest shall be added at six percent per annum from October 15 or 60 days after receipt of the application if the application is filed after August 31. Interest will be computed until the date the claim is paid.

Sec. 4. Minnesota Statutes 1981 Supplement, Section 297A.01, Subdivision 3, as amended by House File No. 1872, Article XXXIV, Section 1, of the 1982 Regular Session, 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 other than manufactured homes used for residential purposes for a continuous period of 30 days or more, 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; church organization. Notwithstanding section 297A.25, subdivision 1, clause (a), taxable food or meals include, but is not limited to, the following:

(i) heated food or drinks;

(ii) sandwiches prepared by the retailer;

(iii) single sales of prepackaged ice cream or ice milk novelties prepared by the retailer;

(iv) hand-prepared or dispensed ice cream or ice milk products including cones, sundaes, and snow cones;

(v) soft drinks and other beverages prepared or served by the retailer;

(vi) gum;

(vii) ice;

(viii) all food, ~~except candy~~, sold in vending machines;

(ix) party trays prepared by the retailers; and

(x) all meals and single servings of packaged snack food, single cans or bottles of pop, sold in restaurants and bars;

(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;

*(g) The furnishing for a consideration of cable television services, including charges for basic monthly service, charges for monthly premium service, and charges for any other similar cable television services.*

Sec. 5. Minnesota Statutes 1981 Supplement, Section 297A.25, Subdivision 1, as amended by Laws 1981, Third Special Session Chapter 2, Article V, Section 2, and as amended by House File No. 1872, Article XXXIV, Section 2, of the 1982 Regular Session, 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, and 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. *This exemption does not include the following:*

*(i) candy and candy products;*

*(ii) carbonated beverages, beverages commonly referred to as soft drinks containing less than 15 percent fruit juice, or bottled water other than non-carbonated and noneffervescent bottled water sold in individual containers of one gallon or more in size;*

(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, uherapeutic 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 *by the purchaser* 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); *provided that the property is not subject to tax in that state or country to which it is transported for storage or use, or, if*



*subject to tax in that other state, that state allows a similar exemption for property purchased therein and transported to Minnesota for use in this state; except that sales of tangible personal property that is shipped or transported for use outside Minnesota shall be taxed at the rate of the use tax imposed by the state to which the property is shipped or transported, unless that state has no use tax, in which case the sale shall be taxed at the rate generally imposed by this state; and provided further that sales of tangible personal property to be used in other states or countries as part of a maintenance contract shall be specifically exempt; 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 airlift 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 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.

(s) 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.

(t) 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.

(u) 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.

(v) 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.

(w) 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.

(x) 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).

(y) 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.

(z) The gross receipts from the sale of sanitary napkins, tampons, or similar items used for feminine hygiene.

#### Sec. 6. [340.986] [ON-SALE LIQUOR TAX.]

*In addition to the taxes imposed by section 297A.02 and chapter 340, a tax is imposed in the amount of five percent on the gross receipts from all retail on-sales of intoxicating liquor and fermented malt beverages when sold at a licensed on-sale liquor establishment or municipal liquor store within the state. The tax shall be reported and paid to the commissioner of revenue with and as part of the state sales and use taxes, and shall be subject to the same penalties, interest, and enforcement provisions. The tax collected pursuant to this section shall be deposited in the general fund.*

Sec. 7. Laws 1981, Third Special Session Chapter 2, Article III, Section 22, is amended to read:



## Sec. 22. [EFFECTIVE DATE.]

Sections 1 and 19 to 21 are effective February 1, 1982. The provision of section 2 relating to commodity tax straddles and section 7 are effective for taxable years beginning after December 31, 1980. The provisions of section 2 relating to the exclusion of dividend and interest income are effective for taxable years beginning after December 31, 1981. Section 2, clauses (a)(22), (b)(24), the portion of clause (a)(16) relating to recovery property, (b)(25), and sections 8, 11, and 12 are effective for property placed in service after December 31, 1980 in taxable years ending after that date. Section 2, clauses (a)(17), (b)(2), the portion of clause (a)(16) relating to gain from the sale or disposition of property and section 9 are effective for ~~the sale or other disposition of property after June 30, 1982~~ *taxable years beginning after December 31, 1982*. Section 6 is effective for taxable years beginning after December 31, 1981. Section 10 is effective for the sale or other disposition of property after December 31, 1982. Sections 13, 14, and 15 are effective for income earned after December 31, 1981. Section 16 is effective for taxable years beginning after December 31, 1981. Sections 17 and 18 are effective for petitions filed after January 31, 1982.

Sec. 8. House File No. 1872, Article I, Section 73, as enacted by the 1982 Regular Session, is amended to read:

## Sec. 73. [EFFECTIVE DATE.]

Sections 2, 19 and 67 are effective for taxable years beginning after December 31, 1980. Sections 47, 51, 52, 53, 55, 57, and 59 are effective May 1, 1982. Sections 46 and 54 are effective for bankruptcy proceedings filed on or after October 1, 1979. Sections 12, 45, 50, 56, 58, 64, 66, and 68 are effective the day after final enactment. Section 65 is effective for claims based on rent paid in 1982 and subsequent years. The provisions of section 42 requiring that non-game wildlife designations be made on original returns is effective for taxable years beginning after December 31, 1979, and claims based on rent paid in 1980 and subsequent years, and property taxes payable in 1981 and subsequent years. Those provisions of section 63 that relate to net operating loss carrybacks are effective the day after final enactment. The balance of section 63 is effective for claims based on rent paid in 1982 and succeeding years and property taxes payable in 1983 and succeeding years. The change in section 1, clause (b)(2) is effective for ~~the sale or other disposition of property after June 30, 1982~~ *taxable years beginning after December 31, 1982*. The rest of this article is effective for taxable years beginning after December 31, 1981.

## Sec. 9. [HOMESTEAD CREDIT; REDUCTIONS.]

*The certification of homestead credit for taxes payable 1982 as shown on the abstract of tax lists shall be reduced by \$30,000,000 by the commissioner of revenue as follows:*

*(a) \$20,500,000 shall be subtracted from the total certifications relating to the county levies;*

*(b) \$5,500,000 shall be subtracted from the total certifications relating to the city levies;*

*(c) \$2,000,000 shall be subtracted from the total certification relating to the town levies; and*



(d) \$2,000,000 shall be subtracted from the total certification relating to special taxing district levies.

Each county, each city, each town, and each special taxing district will receive a proportionate reduction from its original certification after the reduction pursuant to section 10.

**Sec. 10. [ADDITIONAL REDUCTION FOR COUNTIES CONTAINING A FIRST CLASS CITY.]**

Before reducing the original certifications pursuant to section 9, the commissioner shall reduce the certification for Hennepin, Ramsey, and St. Louis counties. Hennepin county shall be reduced by \$1,160,900; Ramsey county shall be reduced by \$565,200; and St. Louis county shall be reduced by \$273,900. These counties shall apply at least one-half of this aid reduction to reduce county administrative costs rather than to reduce services provided directly to the public.

**Sec. 11. [HOMESTEAD CREDIT; PAYMENT.]**

The total amount of the appropriation from the general fund to the commissioner of revenue for homestead credit payments for taxes payable in 1982, including the amount appropriated to the commissioner of education pursuant to section 12, shall not exceed \$451,600,000. If the amount of homestead credit payable in 1982, following the reductions in sections 9 and 10 exceeds \$451,600,000, the amount in excess of \$451,600,000 shall be proportionately reduced from the amounts due to each county, special taxing district, city, town and school district.

The proportionate distribution will be made using the certifications after the reductions made pursuant to sections 9 and 10.

**Sec. 12. [273.1392] [PAYMENT; AIDS TO SCHOOL DISTRICTS.]**

The amounts of homestead credit under section 273.13, subdivisions 6, 7, and 14a; wetlands credit and reimbursement under section 273.115; native prairie credit and reimbursement under section 273.116; attached machinery aid under section 273.138; reimbursement under section 273.139; and agricultural preserve credit under section 473H.10, shall be certified to the department of education by the department of revenue. The amounts so certified shall be paid according to the schedule for payment of foundation aids pursuant to section 124.11. The sum sufficient to make the payments required by this section is appropriated from the general fund to the commissioner of education.

**Sec. 13. [REPEALER.]**

(a) Minnesota Statutes 1981 Supplement, Section 290A.07, Subdivision 2, is repealed.

(b) Laws 1981, First Special Session, Chapter 1, Article III, Section 3, Subdivision 6, as amended by Laws 1981, Third Special Session Chapter 2, Article IV, Section 15, is repealed.

**Sec. 14. [EFFECTIVE DATE.]**

Section 1 is effective for taxes levied in 1982 and thereafter, payable in 1983, and thereafter. Sections 2, 3, and 13, clause (a), are effective for claims



*based on rent paid in 1982 and thereafter, and property taxes payable in 1983 and thereafter. Sections 4, 5, and 6 are effective for sales occurring on or after May 1, 1982. Sections 7, 8, 9, 10, 11, 12, and 13, clause (b), are effective the day after final enactment."*

Delete the title and insert:

"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; imposing various cost-saving measures; authorizing collection of debts related to trunk highways; clarifying certain provisions for determination of cost of care at state hospitals; directing the commissioner of public welfare to promulgate rules; altering the method of charging for outpatient care; reducing employer and employee contributions to the Minnesota state retirement system; authorizing a certified state development company; making certain changes in the small business finance agency to provide for small business loans; giving claims against estates of deceased patients preferred status; allowing certain claims against estates for medical assistance in some instances; altering the date on which certain property tax refunds are paid; making technical corrections; imposing a tax on on-sales of liquor; delaying the 60 percent exclusion on capital gains for individuals; reducing certain payments to governmental subdivisions; altering the payment date of certain aids to school districts; imposing the sales tax on sales of candy and soft drinks, cable television services, and certain property transported outside Minnesota; appropriating money; amending Minnesota Statutes 1980, Sections 161.20, by adding a subdivision; 246.50, Subdivisions 5 and 6; 246.51; 246.53; 352.04, Subdivisions 2, as amended; and 3, as amended; 352.92, Subdivisions 1, as amended; and 2, as amended; 362.51, Subdivision 1; 362.53, Subdivision 13; 487.39, Subdivision 1; 524.3-805; Minnesota Statutes 1981 Supplement, Sections 246.511; 275.50, Subdivision 2, as amended; 290A.07, Subdivisions 2a, and 3; 297A.01, Subdivision 3, as amended; 297A.25, Subdivision 1, as amended; 362.52, Subdivision 2; 510.05; 525.145; Laws 1981, Third Special Session Chapter 2, Article III, Section 22; House File No. 1872, Article I, Section 73; proposing new law coded in Minnesota Statutes, Chapters 273; 340; and 362; repealing Minnesota Statutes 1981 Supplement, Sections 290A.07, Subdivision 2; Laws 1981, First Special Session, Chapter 1, Article III, Section 3, Subdivision 6, as amended."

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

House Conferees: (Signed) Michael R. Sieben, Don Samuelson, Phyllis L. Kahn, Lyndon R. Carlson

Senate Conferees: (Signed) Gerald L. Willet, Gerry Sikorski, William P. Luther, Timothy J. Penny, Steve Engler

Mr. Johnson moved that the foregoing recommendations and Conference Committee Report on H.F. No. 2190 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. 2190 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 47 and nays 14, as follows:

Those who voted in the affirmative were:

Ashbach	Engler	Langseth	Penny	Stern
Berg	Frank	Lantry	Peterson, C. C.	Stokowski
Berglin	Frederick	Luther	Peterson, R. W.	Stumpf
Bernhagen	Frederickson	Menning	Petty	Taylor
Chmielewski	Hanson	Merriam	Purfeerst	Waldorf
Dahl	Hughes	Moe, D. M.	Rued	Wegener
Davies	Humphrey	Moe, R. D.	Schmitz	Willet
Davis	Johnson	Nelson	Setzepfandt	
Dicklich	Knoll	Olhoft	Sikorski	
Dieterich	Kronebusch	Pehler	Spear	

Those who voted in the negative were:

Bang	Bertram	Lindgren	Ramstad	Solon
Belanger	Kamrath	Peterson, D. L.	Renneke	Ulland
Benson	Knutson	Pillsbury	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 inform you that the House has repassed House File No. 1234, notwithstanding the veto of the Honorable Albert H. Quie, Governor of the State.

There is herewith transmitted to the Senate:

1. House File No. 1234: A bill for an act relating to employees and officials of the state; clarifying certain hospital and medical benefits for retired or disabled state officials and employees; amending Minnesota Statutes 1980, Section 471.61, Subdivision 2a.

2. Veto Message of the Governor, dated March 18, 1982.

3. The enrolled copy of House File No. 1234 with all of the signatures of the officers of the Senate and the House but minus the signature of the Governor.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 19, 1982

March 18, 1982

The Honorable Harry Sieben  
Speaker  
Minnesota House of Representatives

Dear Mr. Speaker:

Attached, herewith, please find House File No. 1234, which I am returning to you, unsigned.

It appears that the intent of the proposal is to make it possible for the State of Minnesota to grant certain paid medical insurance benefits to its retired employees. However, the bill does not specify a program or procedure on how this is to be accomplished.



Sincerely,

Albert H. Quie, Governor

Mr. Spear moved that H.F. No. 1234 be now reconsidered and repassed, the objections of the Governor notwithstanding, pursuant to Article IV, Section 23, of the Constitution of the State of Minnesota.

The question was taken on the adoption of the motion of Mr. Spear.

The roll was called, and there were yeas 59 and nays 2, as follows:

Those who voted in the affirmative were:

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

Messrs. Knutson and Pillsbury voted in the negative.

The motion prevailed. So the bill was repassed and its title agreed to, the objections of the Governor to the contrary notwithstanding.

### MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to inform you that the House has repassed House File No. 1726, notwithstanding the veto of the Honorable Albert H. Quie, Governor of the State.

There is herewith transmitted to the Senate:

1. House File No. 1726: A bill for an act relating to education; removing the commissioner of education from the state university board and as secretary of the board; allowing teachers at a community college or state university to accrue seniority during a leave of absence; amending Minnesota Statutes 1980, Sections 136.12, Subdivision 1; 136.13; and 136.88, Subdivision 5.

2. Veto Message of the Governor, dated March 18, 1982.

3. The enrolled copy of House File No. 1726 with all of the signatures of the officers of the Senate and the House but minus the signature of the Governor.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 19, 1982

March 18, 1982

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

Dear Mr. Speaker:

Returned to you herewith please find House File No. 1726. I strongly



believe that the Commissioner of Education should remain as a member of the State University Board, and am therefore vetoing this piece of legislation.

The Commissioner, as the spokesman for elementary and secondary education in Minnesota, provides direct communication of behalf of that segment of our educational system to the Board during its deliberations and decision-making processes. The input which the Commissioner is able to provide by his presence on the State University Board can be important in developing educational policy for the State.

I recognize that the number of elementary and secondary teachers which is currently being trained at our State universities is declining. However, I also believe that there will be a time in the future when the need for teachers in our schools will increase.

I have no objection to the provisions contained in Section 3 of the bill. However, I feel so strongly that the Commissioner of Education should remain on the State University Board that I feel compelled to veto this legislation.

Sincerely,

Albert H. Quie, Governor

Mr. Taylor moved that H.F. No. 1726 be now reconsidered and repassed, the objections of the Governor notwithstanding, pursuant to Article IV, Section 23, of the Constitution of the State of Minnesota.

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

The roll was called, and there were yeas 54 and nays 3, as follows:

Those who voted in the affirmative were:

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

Mr. Dieterich, Mrs. Kronebusch and Mr. Rued voted in the negative.

The motion prevailed. So the bill was repassed and its title agreed to, the objections of the Governor to the contrary notwithstanding.

#### MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, herewith returned: S.F. No. 2169.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 19, 1982

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. 13: A Senate concurrent resolution relating to the delivery of bills to the governor after final adjournment.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 19, 1982

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

## MOTIONS AND RESOLUTIONS

### CONFIRMATION

Mr. Wegener moved that the report from the Committee on Local Government and Urban Affairs, reported March 3, 1982, pertaining to appointments, be taken from the table. The motion prevailed.

Mr. Wegener moved that the foregoing report be now adopted. The motion prevailed.

Mr. Wegener moved that in accordance with the report from the Committee on Local Government and Urban Affairs, reported March 3, 1982, the Senate, having given its advice, do now consent to and confirm the appointment of:

### MINNESOTA MUNICIPAL BOARD

Kenneth Sette, Route 3, Box 105, Owatonna, Steele County, effective September 15, 1981, for a term expiring September 15, 1987.

The motion prevailed. So the appointment was confirmed.

### CONFIRMATION

Mr. Humphrey moved that the report from the Committee on Energy and Housing, reported March 5, 1982, pertaining to appointments, be taken from the table. The motion prevailed.

Mr. Humphrey moved that the foregoing report be now adopted. The motion prevailed.

Mr. Humphrey moved that in accordance with the report from the Committee on Energy and Housing, reported March 5, 1982, the Senate, having given its advice, do now consent to and confirm the appointments of:

### MINNESOTA HOUSING FINANCE AGENCY

Demetrius G. Jelatis, 1161 Oak Street, Red Wing, Goodhue County, effective July 1, 1981, for a term expiring the first Monday in January, 1983.

J. Mark Wedel, 515 Sixth Avenue SE, Aitkin, Aitkin County, effective July 1, 1981, for a term expiring the first Monday in January, 1985.

The motion prevailed. So the appointments were confirmed.

### CONFIRMATION



Mr. Schmitz moved that the report from the Committee on Veterans' Affairs, reported March 5, 1982, pertaining to appointments, be taken from the table. The motion prevailed.

Mr. Schmitz moved that the foregoing report be now adopted. The motion prevailed.

Mr. Schmitz moved that in accordance with the report from the Committee on Veterans' Affairs, reported March 5, 1982, the Senate, having given its advice, do now consent to and confirm the appointment of:

#### **DEPARTMENT OF VETERANS' AFFAIRS**

##### **COMMISSIONER**

James H. Main, 1575 Crest Drive, Chaska, Carver County, effective March 2, 1982, for a term expiring the first Monday in January, 1983.

The motion prevailed. So the appointment was confirmed.

##### **CONFIRMATION**

Mr. Solon moved that the report from the Committee on Health, Welfare and Corrections, reported March 5, 1982, pertaining to appointments, be taken from the table. The motion prevailed.

Mr. Solon moved that the foregoing report be now adopted. The motion prevailed.

Mr. Solon moved that in accordance with the report from the Committee on Health, Welfare and Corrections, reported March 5, 1982, the Senate, having given its advice, do now consent to and confirm the appointments of:

#### **GILLETTE HOSPITAL BOARD**

Barbara H. Flanigan, 2405 Sheridan Avenue South, Minneapolis, Hennepin County, effective June 11, 1981, for a term expiring the first Monday in January, 1985.

Dr. James House, 1895 Gluek Lane, Roseville, Ramsey County, effective June 11, 1981, for a term expiring the first Monday in January, 1983.

Geoffrey L. Kaufmann, 632 Como Avenue, St. Paul, Ramsey County, effective June 11, 1981, for a term expiring the first Monday in January, 1985.

The motion prevailed. So the appointments were confirmed.

##### **CONFIRMATION**

Mr. Chmielewski moved that the report from the Committee on Employment, reported March 5, 1982, pertaining to appointments, be taken from the table. The motion prevailed.

Mr. Chmielewski moved that the foregoing report be now adopted. The motion prevailed.

Mr. Chmielewski moved that in accordance with the report from the Committee on Employment, reported March 5, 1982, the Senate, having given its



advice, do now consent to and confirm the appointment of:

**DEPARTMENT OF LABOR AND INDUSTRY  
COMMISSIONER**

Russell Bruce Swanson, 995 Cliff Road, Eagan, Dakota County, effective July 11, 1981, for a term expiring the first Monday in January, 1983.

The motion prevailed. So the appointment was confirmed.

**CONFIRMATION**

Mr. Chmielewski moved that the report from the Committee on Employment, reported March 5, 1982, pertaining to appointments, be taken from the table. The motion prevailed.

Mr. Chmielewski moved that the foregoing report be now adopted. The motion prevailed.

Mr. Chmielewski moved that in accordance with the report from the Committee on Employment, reported March 5, 1982, the Senate, having given its advice, do now consent to and confirm the appointment of:

**WORKERS' COMPENSATION COURT OF APPEALS**

Leigh J. Gard, Route 2, Box 263G, Lakeville, Dakota County, effective July 1, 1981, for a term expiring June 30, 1987.

The motion prevailed. So the appointment was confirmed.

**CONFIRMATION**

Mr. Humphrey moved that the report from the Committee on Energy and Housing, reported March 5, 1982, pertaining to appointments, be taken from the table. The motion prevailed.

Mr. Humphrey moved that the foregoing report be now adopted. The motion prevailed.

Mr. Humphrey moved that in accordance with the report from the Committee on Energy and Housing, reported March 5, 1982, the Senate, having given its advice, do now consent to and confirm the appointments of:

**ENERGY POLICY DEVELOPMENT COUNCIL**

Vernon D. Albertson, 3103 Asbury Avenue, St. Paul, Ramsey County, effective November 16, 1981, for a term expiring June 30, 1983, or the first Monday in January, 1985, if the Council is continued.

Terry M. Anderson, 5809 Chastek Way, Minnetonka, Hennepin County, effective November 16, 1981, for a term expiring June 30, 1983, or the first Monday in January, 1985, if the Council is continued.

Delbert F. Anderson, RR 2, Box 57, Starbuck, Pope County, effective November 16, 1981, for a term expiring June 30, 1983, or the first Monday in January, 1985, if the Council is continued.

James A. Boerboom, RR 2, Cottonwood, Lyon County, effective No-



vember 16, 1981, for a term expiring the first Monday in January, 1983.

Roland W. Comstock, 71 Mackubin Street, St. Paul, Ramsey County, effective November 16, 1981, for a term expiring the first Monday in January, 1983.

Pat Enz, 728 West 4th Street, Red Wing, Goodhue County, effective November 16, 1981, for a term expiring June 30, 1983, or the first Monday in January, 1985, if the Council is continued.

Brian B. Ettesvold, 2522 Brenner, Roseville, Ramsey County, effective November 16, 1981, for a term expiring June 30, 1983, or the first Monday in January, 1985, if the Council is continued.

Todd L. Parchman, 210 West Grant, Minneapolis, Hennepin County, effective November 16, 1981, for a term expiring June 30, 1983, or the first Monday in January, 1985, if the Council is continued.

Phillip M. Parsons, RR 1, Northfield, Rice County, effective November 16, 1981, for a term expiring the first Monday in January, 1983.

Douglas C. Pratt, 22353 Peabody Trail, Scandia, Washington County, effective November 16, 1981, for a term expiring the first Monday in January, 1983.

Raymond P. Ring, 2522 Marshall Street NE, Minneapolis, Hennepin County, effective November 16, 1981, for a term expiring the first Monday in January, 1983.

Eugene A. Schroedermeier, 7130 Green Ridge Drive, Eden Prairie, Hennepin County, effective November 16, 1981, for a term expiring the first Monday in January, 1983.

J. Robert Snyder, Route 1, Box 246Z, Waconia, Carver County, effective November 16, 1981, for a term expiring June 30, 1983, or the first Monday in January, 1985, if the Council is continued.

Joseph A. Vumbaco, 3314 2nd Avenue East, Hibbing, St. Louis County, effective November 16, 1981, for a term expiring June 30, 1983, or the first Monday in January, 1985, if the Council is continued.

Mary Williams, 2432 Humboldt Avenue South, Minneapolis, Hennepin County, effective November 16, 1981, for a term expiring the first Monday in January, 1983.

The motion prevailed. So the appointments were confirmed.

### CONFIRMATION

Mr. Hughes moved that the reports from the Committee on Education, reported March 12, 1982, pertaining to appointments, with the exception of the report pertaining to the Commissioner of Education, be taken from the table. The motion prevailed.

Mr. Hughes moved that the foregoing reports be now adopted. The motion prevailed.

Mr. Hughes moved that in accordance with the reports from the Committee on Education, reported March 12, 1982, the Senate, having given its advice,



do now consent to and confirm the appointments of:

#### **COUNCIL ON QUALITY EDUCATION**

Anna F. Barker, 8129 Hemingway Avenue South, Cottage Grove, Washington County, effective May 6, 1981, for a term expiring the first Monday in January, 1985.

Moira Boyne Rummel, 4105 Linden Hills Blvd., Minneapolis, Hennepin County, effective May 6, 1981, for a term expiring the first Monday in January, 1985.

#### **MINNESOTA HIGHER EDUCATION COORDINATING BOARD**

Archie Chelseth, 509 Chestnut Street, Cloquet, Carlton County, effective June 22, 1981, for a term expiring the first Monday in January, 1985.

Douglas H. Sillers, Route 2, Moorhead, Clay County, effective June 22, 1981, for a term expiring the first Monday in January, 1985.

Gretchen Taylor, 625 Owatonna Street, Mankato, Blue Earth County, effective June 22, 1981, for a term expiring the first Monday in January, 1985.

Arthur F. Gillen, 8 Chickadee Lane, North Oaks, Ramsey County, effective February 16, 1982, for a term expiring the first Monday in January, 1986.

Robert W. Hatch, 2330 West Lake of the Isles Blvd., Minneapolis, Hennepin County, effective February 16, 1982, for a term expiring the first Monday in January, 1986.

#### **MINNESOTA HIGHER EDUCATION FACILITIES AUTHORITY**

Leonard J. Rogge, 2237 Riverwood Place, St. Paul, Ramsey County, effective May 6, 1981, for a term expiring the first Monday in January, 1984.

Herbert M. Stellner, Jr., 208 2nd Avenue N.W., Kasson, Dodge County, effective May 6, 1981, for a term expiring the first Monday in January, 1984.

Peter H. Seed, 7923 Jamaca Avenue North, Stillwater, Washington County, effective January 4, 1982, for a term expiring the first Monday in January, 1986.

#### **STATE BOARD FOR COMMUNITY COLLEGES**

Elna H. Ponto, Box 235, Route 1, Albert Lea, Freeborn County, effective May 29, 1980, for a term expiring the first Monday in January, 1984.

John Edel, Jr., 2250 Dellridge, St. Paul, Ramsey County, effective July 1, 1981, for a term expiring the first Monday in January, 1983.

Toyse A. Kyle, 3244 Valley Ridge Drive, Eagan, Dakota County, effective July 1, 1981, for a term expiring the first Monday in January, 1985.

Sung Won Son, 2380 Cavell Avenue North, Golden Valley, Hennepin County, effective July 1, 1981, for a term expiring the first Monday in January, 1985.

#### **STATE BOARD OF EDUCATION**



Margaret W. Marvin, Box 100, Warroad, Roseau County, effective May 12, 1980, for a term expiring the first Monday in January, 1984.

William J. Ridley, 1562 Portland, St. Paul, Ramsey County, effective June 16, 1980, for a term expiring the first Monday in January, 1984.

Beverly J. Carpenter, 1319 East 94th Street, Bloomington, Hennepin County, effective March 10, 1981, for a term expiring the first Monday in January, 1985.

Louis R. Smerling, 2552 W. Lake of the Isles Blvd., Minneapolis, Hennepin County, effective March 10, 1981, for a term expiring the first Monday in January, 1985.

Marilyn Witty, 521 S. Minnesota Ave., P.O. Box 117, St. Peter, Nicollet County, effective March 10, 1981, for a term expiring the first Monday in January, 1985.

Henry J. Bromelkamp, 2304 Lenwood Drive S.W., Rochester, Olmsted County, effective March 8, 1982, for a term expiring the first Monday in January, 1983.

Erling O. Johnson, 832 Eastwood Lane, Anoka, Anoka County, effective March 8, 1982, for a term expiring the first Monday in January, 1986.

Ruth A. Myers, 1006 East 2nd Street, Duluth, St. Louis County, effective March 8, 1982, for a term expiring the first Monday in January, 1983.

#### STATE UNIVERSITY BOARD

Christine P. Fritsche, Route 4, Box 79, Marshall, Lyon County, effective September 15, 1981, for a term expiring the first Monday in January, 1985.

Bernard A. Miller, RR 8, Box 471, Bemidji, Beltrami County, effective January 6, 1982, for a term expiring the first Monday in January, 1986.

Elizabeth A. Pegues, 27 Nord Circle Road, North Oaks, Ramsey County, effective January 6, 1982, for a term expiring the first Monday in January, 1986.

The motion prevailed. So the appointments were confirmed.

#### CONFIRMATION

Mr. Luther, for Mr. Merriam, moved that the report from the Committee on Agriculture and Natural Resources, reported March 10, 1982, pertaining to appointments, be taken from the table. The motion prevailed.

Mr. Luther, for Mr. Merriam, moved that the foregoing report be now adopted. The motion prevailed.

Mr. Luther, for Mr. Merriam, moved that in accordance with the report from the Committee on Agriculture and Natural Resources, reported March 10, 1982, the Senate, having given its advice, do now consent to and confirm the appointments of:

#### STATE SOIL AND WATER CONSERVATION BOARD

Glen L. Brown, 9514 Kimbro Avenue South, Cottage Grove, Washington



County, effective August 3, 1981, for a term expiring the first Monday in January, 1983.

William H. Bryson, RR 2, Box 173F, Alden, Freeborn County, effective June 18, 1981, for a term expiring the first Monday in January, 1983.

Walfred Bernhardson, Route 2, Ada, Norman County, effective June 18, 1981, for a term expiring the first Monday in January, 1985.

Russell L. Ruud, RR 2, Box 232, Palisade, Aitkin County, effective June 18, 1981, for a term expiring the first Monday in January, 1985.

#### **MINNESOTA WATER RESOURCES BOARD**

Duane R. Ekman, Route 1, Argyle, Marshall County, effective January 4, 1982, for a term expiring the first Monday in January, 1986.

#### **BOARD OF ANIMAL HEALTH**

Kenneth E. Neeser, Route 1, St. Cloud, Benton County, effective January 4, 1982, for a term expiring the first Monday in January, 1986.

C.H. Contag, 16 South Broadway, New Ulm, Brown County, effective July 1, 1981, for a term expiring the first Monday in January, 1985.

The motion prevailed. So the appointments were confirmed.

#### **MOTIONS AND RESOLUTIONS - CONTINUED**

Mrs. Kronebusch moved that her name be stricken as a co-author to S.F. No. 1741. The motion prevailed.

Mr. Moe, R.D. introduced—

Senate Resolution No. 89: A Senate resolution relating to the appointment of a committee to notify the House of Representatives the Senate is about to adjourn sine die.

BE IT RESOLVED, by the Senate:

That a committee of three members be appointed by the President of the Senate to advise the House of Representatives that the Senate is about to adjourn sine die and ascertain if there is any business pending.

Mr. Moe, R.D. moved the adoption of the foregoing resolution. The motion prevailed. So the resolution was adopted.

#### **APPOINTMENTS**

The President made the following appointments pursuant to Senate Resolution No. 89:

Messrs. Moe, D.M.; Peterson, D.L. and Knoll.

Mr. Moe, R.D. introduced—

Senate Resolution No. 90: A Senate resolution relating to the appointment of a committee to notify the Governor the Senate is about to adjourn sine die.



BE IT RESOLVED, by the Senate:

That the President of the Senate appoint a committee of five members to wait upon The Honorable Albert H. Quie, Governor of the State of Minnesota, and notify him that the Senate is ready to adjourn sine die and determine whether or not he has any message for the Minnesota State Senate.

Mr. Moe, R.D. moved the adoption of the foregoing resolution. The motion prevailed. So the resolution was adopted.

### APPOINTMENTS

The President made the following appointments pursuant to Senate Resolution No. 90:

Messrs. Merriam, Pillsbury, Bang, Hanson and Stern.

### CALL OF THE SENATE

Mr. Moe, R.D. imposed a call of the Senate for the balance of the evening's proceedings. The Sergeant at Arms was instructed to bring in the absent members.

### 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 has adopted the recommendation and report of the Conference Committee on House File No. 1220 and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 1220 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 19, 1982

### CONFERENCE COMMITTEE REPORT ON H.F. NO. 1220

A bill for an act relating to unemployment compensation; clarifying that quitting work due to sexual harassment does not result in benefit disqualification; amending Minnesota Statutes 1980, Section 268.09, Subdivision 1.

March 19, 1982

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. 1220, report that we have agreed upon the items in dispute and recommend as follows:

That the House accede to the Senate amendments and that H.F. No. 1220 be further amended as follows:

Amend the amendment placed on H.F. No. 1220 by the Committee on Rules and Administration, adopted by the Senate March 12, 1982, as follows:

Page 1, after line 8, insert:

“Section 1. [176A.01] [DEFINITIONS.]

*Subdivision 1. [APPLICATION.] For the purpose of sections 1 to 14 the terms defined in this section have the meanings given them.*

*Subd. 2. [BOARD.] “Board” means the board of directors of the Minnesota workers’ compensation insurance corporation.*

*Subd. 3. [CORPORATION.] “Corporation” means the Minnesota workers’ compensation insurance corporation.*

*Subd. 4. [FUND.] “Fund” means the workers’ compensation insurance fund established pursuant to section 11.*

*Subd. 5. [MANAGER.] “Manager” means the chief executive officer of the Minnesota workers’ compensation insurance corporation.*

Sec. 2. [176A.02] [CREATION OF CORPORATION; BOARD OF DIRECTORS.]

*Subdivision 1. [CREATION.] The Minnesota workers’ compensation insurance corporation is created as a nonprofit, public corporation.*

*Subd. 2. [BOARD OF DIRECTORS.] The corporation shall be administered and controlled by a board of directors consisting of six members appointed by the governor with the advice and consent of the senate. Each board member shall serve for a term of six years and shall hold office until a successor is appointed and qualifies.*

*The first members appointed shall serve terms which shall expire as follows: two on January 7, 1985; two on January 5, 1987; and two on January 3, 1989.*

*The board shall annually elect a chairman from among its members and may elect other officers as it deems necessary.*

*Compensation of board members, removal of members and filling of vacancies shall be as provided for state boards in section 15.0575.*

*Neither the board, any of its members, nor any officer or employee of the fund shall be held liable in a personal capacity for any act performed or obligation incurred in connection with the administration, management or operation of the corporation.*

Sec. 3. [176A.03] [GENERAL POWERS.]

*For the purpose of carrying out the specific powers granted to the board pursuant to sections 1 to 14 the board may exercise the following powers:*

*(a) It may sue and be sued;*

*(b) It may have a seal and alter it at will;*



(c) *It may adopt, amend and repeal bylaws, rules and procedures relating to its operation;*

(d) *It may enter into contracts;*

(e) *It may in its own name rent, lease, buy or sell property or construct or repair buildings necessary to provide space for its operations; and*

(f) *It may hire employees and set their compensation.*

Sec. 4. [176A.04] [MEMBER OF RATING AND REINSURANCE ASSOCIATIONS.]

*Effective January 1, 1985, the board shall be a member of a data service organization and the workers' compensation reinsurance association.*

Sec. 5. [176A.05] [TREATMENT AS STATE AGENCY.]

*Subdivision 1. [EXEMPTIONS.] The corporation and the board are exempt from the following provisions applicable to other state agencies and boards:*

(a) *Rulemaking and contested case procedures pursuant to sections 15.041 to 15.051;*

(b) *Civil service and public employee bargaining provisions of chapters 43A and 179; and*

(c) *All provisions of chapters 16 and 16A.*

*Subd. 2. [ECONOMIC INTEREST DISCLOSURE.] Members of the board and the manager shall file statements of economic interest with the ethical practices board as provided in section 10A.09.*

Sec. 6. [176A.06] [MANAGER.]

*Subdivision 1. [APPOINTMENT.] The board shall appoint a manager who shall be responsible for the day-to-day operation of the corporation. The manager shall have proven successful experience as an executive at the general management level. The compensation of the manager shall be set by the board. The manager may be removed at the pleasure of the board.*

*Subd. 2. [BOND.] The manager shall be bonded in an amount and with sureties as approved by the board. The manager shall file the bond with the secretary of state. The premium for the bond shall be paid out of the fund.*

*Subd. 3. [POWERS.] The board may delegate any of its general or specific powers to the manager subject to the direction and approval of the board.*

Sec. 7. [176A.07] [ADMINISTRATION OF STATE CLAIMS.]

*Subdivision 1. [PAYMENT BY BOARD.] Beginning July 1, 1983, the board shall administer all claims for compensation of state employees under chapter 176, including claims in which the loss was incurred or reported before July 1, 1983. The provisions of chapter 176 apply to claims administered under this subdivision. For the purpose of chapter 176 the board shall be treated as the insurer of state employees and the state agency or department employing a claimant shall be considered the employer. Compensation due on state claims administered pursuant to this subdivision shall be paid from the state compensation revolving account upon warrants prepared by the board and submitted to the state treasurer.*



*Subd. 2. [REIMBURSEMENT BY AGENCIES.] The agencies and departments of the state shall reimburse the board for all claims paid to their employees pursuant to subdivision 1. At the end of each calendar quarter, the board shall notify each agency and department of the total amount due under this subdivision. The agency or department shall pay the amount due within 14 days of receipt of this notice. All amounts paid to the board shall be deposited in the state compensation revolving account.*

**Sec. 8. [176A.08] [INSURANCE OF STATE LIABILITY.]**

*Subdivision 1. [POWERS AND DUTIES.] Beginning January 1, 1985, the board shall insure the liability of the state to pay workers' compensation claims under chapter 176 for all losses incurred on and after January 1, 1985. The board may exercise all powers necessary and convenient to carry out the duties of an insurer under chapter 176 with respect to state claims. Not later than July 1, 1984, the board shall adopt bylaws and procedures for its operation including the form of policies of insurance which will be issued to state agencies and departments.*

*Subd. 2. [PREMIUMS; DETERMINATION AND PAYMENT.] Not later than July 1 of each year, beginning on July 1, 1984, the board shall determine an annual insurance premium for all state departments and agencies which is adequate to insure the workers' compensation losses incurred by the agencies and departments during the next fiscal year. The premium shall be calculated in accordance with workers' compensation insurance rates allowed under chapter 79 or rates otherwise established according to law. The premium shall be sufficient to pay the operating expenses of the board during the fiscal year and to establish adequate reserves for the full payment of losses incurred during the fiscal year as payment becomes due in the future. The premiums shall include an experience rating or retrospective rating plan which is approved by the workers' compensation rating association for use by its members and which is approved by the board and the commissioner of administration.*

*The premium for each department or agency shall be separately calculated if the premium is credible. In order to provide for continuous accountability of claims experience for each agency and department, the board shall, for those agencies and departments without a separately calculated premium, devise a method for allocating the cost of the annual premium among those agencies and departments. Each state agency and department shall pay its annual premium or allocation of premium in advance to the board within 14 days after the beginning of the fiscal year to which the premium applies. Premiums paid pursuant to this subdivision shall be deposited in a separate state claims account in the workers' compensation insurance fund.*

*Subd. 3. [PAYMENT OF INSURED CLAIMS.] All claims insured under this section which the board determines to be due under chapter 176 or which it agrees or is ordered to pay pursuant to any proceeding under that chapter shall be paid from the separate state claims account in the workers' compensation insurance fund and may not be paid from any other assets of the fund.*

*Subd. 4. [PAYMENT OF OUTSTANDING STATE CLAIMS.] The board shall continue payment of state workers' compensation losses incurred before January 1, 1985, pursuant to the provisions of section 7.*

*Subd. 5. [LIABILITY OF STATE.] In the event that funds are insufficient*



to pay any workers' compensation claim which is due to a state employee as provided in sections 7 and 8 the board shall prepare a warrant for the amount due and present it to the commissioner of finance who shall pay the amount from any unencumbered balance in the general fund.

Sec. 9. [176A.09] [STUDY OF STATE CLAIMS EXPERIENCE.]

*The board shall analyze the workers' compensation claims experience of state agencies and departments during the five calendar years ending December 31, 1983 in order to determine actuarially sound premiums for insurance policies issued to state agencies and departments pursuant to section 8, subdivisions 1 to 3.*

*The board shall also determine the total estimated incurred workers' compensation losses of the state that are outstanding as of January 1, 1985, and shall formulate a plan for the full funding of reserves necessary to pay those losses. Not later than November 1, 1984, the board shall submit this plan to the legislature for its consideration.*

*This section is repealed January 1, 1985.*

Sec. 10. [176A.10] [AUTHORITY TO INSURE OTHER EMPLOYERS.]

*Subdivision 1. [POWERS.] Beginning January 1, 1985, the board may insure any public or private employer against liability for workers' compensation claims of their employees under chapter 176. The board may exercise all powers necessary and convenient to conduct a workers' compensation insurance operation. The board shall adopt bylaws and operating procedures for the conduct of its insurance operation.*

*Subd. 2. [SUBJECT TO LICENSING AND REGULATION.] The board shall not begin operations as an insurer under this section until it has met the requirements of chapter 60A for licensing of a stock company writing workers' compensation insurance. Sections 1 to 14 shall be considered the certificate of incorporation of the board. Except as provided in section 12, subdivision 1, the insurance operations of the board are subject to all of the provisions of chapters 60A and 60B. The commissioner of insurance has the same powers with respect to the board as he has with respect to a private workers' compensation insurer under chapters 60A and 60B. The board shall be considered an insurer for the purposes of chapters 79 and 176. With respect to the operation and procedures relating to state claims pursuant to sections 7 and 8, the regulatory provisions of chapters 60A and 60B, and sections 79.28 to 79.32 shall not apply.*

*Subd. 3. [PREMIUMS.] The board shall charge the lowest insurance premiums possible, including any dividend plans, which are consistent with the maintenance of adequate reserves, the solvency of the fund and the ability of the fund to meet the anticipated demand from employers for insurance coverage.*

*Subd. 4. [STATE LIABILITY.] The insurance operation of the board shall be supported entirely out of the assets of the fund. Except as otherwise provided for state claims pursuant to section 8, subdivision 5, the state is not liable for any obligations of the board.*

Sec. 11. [176A.11] [WORKERS' COMPENSATION INSURANCE FUND.]



*Subdivision 1. [CONTENTS OF FUND; EXPENDITURES.] The workers' compensation insurance fund consists of all insurance premiums paid to the board, all money, securities and property owned by the board and all interest and investment income earned on money, securities and property owned by the board. All claims paid pursuant to policies of insurance written by the board shall be paid from the fund. All expenses of administration related to the insurance operations of the board, including taxes and fees payable by the board and the expense of audits, surveys and reports required by law, shall be paid from the fund. Except as provided in this subdivision, no other expenditures shall be made from the fund.*

*Subd. 2. [CUSTODIAN.] The board shall be the custodian of the fund. No assets belonging to the fund shall be required to be deposited in any fund in the state treasury.*

*Subd. 3. [INVESTMENT.] The board may invest and reinvest the assets of the fund which are in excess of current operating requirements in the same manner and to the same extent as provided in chapter 60A for a stock company writing workers' compensation insurance.*

*Subd. 4. [DEPOSITS.] Any money in the fund which is in excess of current operating requirements and not otherwise invested, may be deposited by the board from time to time in financial institutions authorized by law to accept deposit of public money.*

**Sec. 12. [176A.12] [FEES AND TAXES.]**

*Subdivision 1. [FEE IN LIEU OF PREMIUM TAX.] The board shall pay a fee in the amount that would have been due if the board were subject to the tax imposed in section 60A.15. The fee shall be paid in the same manner as the tax imposed in section 60A.15 is paid by a domestic stock insurance company.*

*Subd. 2. [PROPERTY TAX.] The board shall not rent, lease or otherwise locate in any property which is not subject to local property taxation. Any real property owned by the board is subject to local property taxation.*

*Subd. 3. [TAX EXEMPTION.] Except as provided in subdivision 2, the board and the corporation are exempt from all state and local taxes.*

*Subd. 4. [FEDERAL TAXES.] The board shall take all steps necessary and proper to qualify the corporation for exemption from federal taxation.*

**Sec. 13. [176A.13] [REPAYMENT TO GENERAL FUND.]**

*The board shall repay, over a period of five years beginning January 1, 1986, to the general fund in equal installments, any amount appropriated to it. The first payment shall be due on January 1, 1987. The amount to be repaid shall include interest at the average rate as is earned by the state board of investment for all investments.*

**Sec. 14. [176A.14] [AUDIT, SURVEY AND REPORTS.]**

*Subdivision 1. [AUDIT AND SURVEY.] The financial affairs of the corporation shall be audited annually by an independent auditor selected by the commissioner of insurance. An actuarial survey shall be conducted annually on the insurance operations of the corporation by an independent actuary selected by the commissioner of insurance.*

*Subd. 2. [REPORTS.] The board shall prepare and submit an annual report*



*to the governor and the legislature not later than November 15 of each year, beginning November 15, 1983, concerning the financial status of the corporation, progress in implementing the legal powers and duties of the board and recommendations for legislative action.*

Sec. 15. Minnesota Statutes 1980, Section 176.591, Subdivision 1, is amended to read:

Subdivision 1. [ESTABLISHMENT.] To facilitate the discharge by the state of its obligations under this chapter, there is established a revolving fund to be known as the state compensation revolving fund.

This fund is comprised of the unexpended balance in the fund on ~~July 1,~~ ~~1935~~ *July 1, 1984*, and the sums which the ~~several~~ departments of the state pay to the fund.

Sec. 16. Minnesota Statutes 1980, Section 176.591, Subdivision 3, is amended to read:

Subd. 3. [COMPENSATION PAYMENTS UPON WARRANTS.] The state treasurer shall make compensation payments from the fund only as authorized by this chapter upon warrants of the ~~commissioner of the department of labor and industry~~ *workers' compensation insurance board*.

Sec. 17. [IMPLEMENTATION.]

*The first members of the board of directors of the workers' compensation insurance corporation shall be appointed not later than February 1, 1983. The board shall act promptly to select a manager, hire necessary employees and acquire necessary facilities and supplies to begin operation as required by section 7 on July 1, 1983. The board shall begin the study required under section 9 not later than July 1, 1983.*

Sec. 18. Minnesota Statutes 1981 Supplement, Section 15.052, Subdivision 5, as amended by Laws 1981, Third Special Session Chapter 2, Article 1, Section 10, is amended to read:

Subd. 5. [COURT REPORTERS; AUDIO RECORDINGS.] The office of administrative hearings may maintain a court reporter system and in addition to or in lieu thereof may contract with nongovernmental sources for court reporter services. The court reporters may additionally be utilized as the chief hearing examiner directs. Unless the chief hearing examiner determines that the use of a court reporter is more appropriate, an audio magnetic recording device shall be used to keep a record at any hearing which takes place under this chapter. In cases arising under chapter 176, the chief hearing examiner shall use audio magnetic recording devices to keep the record of hearings except when there are more than two primary parties in a case and the chief hearing examiner determines that the use of a court reporter is more appropriate. If the chief hearing examiner determines that the use of a court reporter is more appropriate, the cost of the court reporter shall be paid by the state. If the chief hearing examiner determines that the use of an audio magnetic recording device is more appropriate in a hearing under chapter 176, any party to that hearing may provide a court reporter at the party's expense. Court reporters provided by a party shall be selected *from court reporters employed by the office of administrative hearings or, if not available, from the chief hearing examiner's list of non-governmental sources.*



The fee charged by a *non-governmental* court reporter to a party shall not exceed the fee which would be charged to the state pursuant to the court reporter's contract with the state. *Fees charged for the services of a court reporter employed by the office of administrative hearings shall be determined by the chief hearing examiner with the approval of the commissioner of finance.*

Court reporters serving in the court reporter system of the office of administrative hearings shall be in the classified service. Notwithstanding the provisions of section 15.17, subdivision 4, copies of transcriptions of hearings conducted pursuant to this section may be obtained only through the office of administrative hearings."

Page 2, after line 7, insert:

"Sec. 22. Minnesota Statutes 1980, Section 79.211, Subdivision 1, is amended to read:

Subdivision 1. [CERTAIN WAGES EXCLUDED FOR RATE MAKING.] The rating association or an insurer shall not include wages paid for a vacation, holiday, or sick leave in the determination of a workers' compensation insurance premium *except that on and after January 1, 1983, this exclusion shall not be made unless the wages paid for a vacation, holiday, or sick leave are in excess of ten percent of the payroll base of an employer and only to the extent of the amount in excess of ten percent.*"

Page 15, line 17, before "Compensation" insert "*Except as may be otherwise provided in subdivision 3a,*"

Page 15, line 19, reinstate the stricken language and after "pending" insert "*completion of*"

Page 15, line 20, reinstate the stricken "compensation for" and before the stricken comma, insert "*rehabilitation*" and before "when" insert "*or*"

Page 15, line 23, after "plan", delete the new language

Page 15, delete lines 24 and 25

Page 15, line 26, delete everything before the period

Page 16, line 17, before the comma, insert "*or is in an approved rehabilitation plan pursuant to section 176.102*"

Page 16, line 22, after "employee" insert "*has completed a rehabilitation plan pursuant to section 176.102 or*"

Page 20, line 12, after "If" insert "*within 180 days after a determination has been made that an employee is medically recovered*"

Page 20, line 13, delete "*after the employee has medically recovered*"

Page 20, line 19, after "layoff" insert "*or the 180 day period has elapsed,*"

Page 27, after line 22, insert:

"*If an employee suffers permanent functional disability of more than one scheduled body part due to personal injury incurred in a single occurrence or as the result of an occupational disease, the total number of weeks of benefit to which the employee is entitled shall be determined by the following formula so*



as to ensure that the maximum number of weeks payable for all functional disability combined shall not exceed 500 weeks:

$$A + [1.0 - (A/500)]B$$

where:

A = the number of weeks awardable for the permanent partial disability to the first body part, and

B = the number of weeks otherwise awardable for the second body part.

For permanent partial disabilities to three body parts due to personal injury incurred in a single occurrence or as the result of an occupational disease, the above formula shall be applied, providing that A will equal the result obtained from application of the formula to the first two body parts and B will equal the number of weeks awardable for the third body part. For permanent partial disabilities to four or more body parts incurred as described above, A will equal the result obtained from the prior application of the formula, and B will equal the number of weeks awardable for the fourth body part or more in arithmetic progressions."

Page 27, delete section 24

Page 36, delete lines 20 to 29

Page 36, line 30, delete everything before the period

Page 38, line 32, delete "July 1, 1983," and insert "April 1, 1984,"

Page 39, line 2, after "[FINANCING.]" insert "Commencing July 1, 1983,"

Page 39, after line 12, insert:

"The commissioner shall administer the fund and make the payments required by subdivision 2, pursuant to the rules adopted in subdivision 4."

Page 39, after line 27, insert:

"The accounting, investigation, and legal costs necessary for the administration of the rehabilitation fund shall be paid from the fund during each biennium commencing July 1, 1983. Staffing and expenditures related to the administration of the rehabilitation fund shall be approved through the regular budget and appropriations process."

Page 42, delete lines 3 to 19

Page 50, line 7, after "supreme court." insert:

"The commissioner shall be the administrator for the special compensation fund and shall determine the liability of the special compensation fund in each claim within the jurisdiction of the workers' compensation division, enter into stipulations of settlement on behalf of the special compensation fund, and make payment as required by this section. The commissioner shall consider the advice and recommendations of the attorney general as the legal advisor for the special compensation fund in the administration of the special compensation fund."

Page 59, line 33, delete "to the special compensation fund" and before "an" insert "a penalty in"



Page 59, line 36, after "amount" insert "shall be divided in half and equal amounts paid in a single installment to the employee and the special compensation fund within 30 days of a determination by the commissioner of a violation of this section. This penalty"

Page 60, after line 7, insert:

"Subd. 6. [LIMITATIONS.] This section shall not create any liabilities or other requirements for the payment of benefits under chapter 176 than are specifically contained within the section."

Page 62, after line 18, insert:

"Sec. 91. Laws 1981, Third Special Session Chapter 2, Article I, Section 2, Subdivision 1, Paragraph (k), is amended to read:

(k) Administrative Hearings ..... (66,600) (161,000)

The appropriation reductions in this item are made after the appropriation transfers authorized by Laws 1981, Chapter 346, Section 144.

The office of administrative hearings shall station a compensation judge and necessary support staff in an office in Duluth during the biennium ending June 30, 1983.

The chief hearing examiner shall discontinue the use of court reporters who are state employees as soon as existing labor agreements allow. While there continue to be court reporters employed in the office of hearing examiners, the reporters shall be used primarily to provide court reporter services.

After September 30, 1982, all receipts from transcript fees shall be deposited in the general fund.

When a court reporter position becomes vacant, the position shall not be filled but shall be canceled.

The chief hearing examiner shall report to the chairmen of the house appropriations and senate finance committees by February 15, 1983. The report shall contain both a fiscal breakdown of the court reporter costs that have been financed through transcript fees, court reporter fees, and general fund appropriations and a management recommendation concerning continuation of a court reporter system in the workers compensation division of the office of administrative hearings."

Page 62, line 26, delete "ten" and insert "11.1"

Page 62, line 27, delete "repeal of" and insert "amendment to"

Page 63, line 30, delete "and"

Page 64, line 4, delete the period and insert "; and"

(e) Chapter 176 for the purpose of recodifying and rewriting that chapter to assure that it is readable and understandable to a person of average intelligence, experience, and education. The commission shall develop legislation to fulfill the purposes of this clause for presentation to the 1984 legislature."

Page 64, line 11, delete "December" and insert "October"

Page 65, after line 14, insert:

"Sec. 96. [APPROPRIATION.]



*The sum of \$359,000 is appropriated to the legislative advisory commission for the purposes of transferring funds to the department of labor and industry in order to fulfill the duties required of the workers' compensation division by chapter 176 and this act."*

Page 65, line 16, delete everything after "Sections"

Page 65, line 17, after "18;" insert "176.061, Subdivisions 8 and 9;"

Page 65, line 18, after the last semicolon, insert "176.541, Subdivisions 2, 3, 4, 5, 6 and 8; 176.551; 176.561; 176.571; 176.603; 176.611;"

Page 65, line 23, after "section" delete "23" and insert "24"

Page 65, delete lines 26 to 29 and insert:

*"Sections 15 and 16 are effective July 1, 1983. Sections 1 to 14, 17, 19 to 29, 31, 32, 35 to 57, 59, 61 to 69, and 71 to 90 are effective January 1, 1983. Sections 18, 30, 33, 34, 58, 60 and 91 to 97 are effective the day after final enactment. Section 70 is effective retroactive to January 1, 1982."*

Page 67, line 1, delete "66 2/3" and insert "60"

Page 70, line 24, delete "1983" and insert "1984"

Page 71, line 4, delete "1982" and insert "1983"

Page 71, line 5, delete "1984" and insert "1985"

Page 71, line 9, delete "1982" and insert "1983"

Page 71, line 11, delete "1983" and insert "1984"

Page 71, line 17, delete "1982" and insert "1983"

Page 71, line 21, delete "1982" and insert "1983"

Page 71, line 24, delete "1983" and insert "1984"

Page 71, line 28, delete "1983" and insert "1984"

Page 71, line 31, delete "1984" and insert "1985"

Page 71, line 36, delete "1983" and insert "1984"

Page 72, line 10, delete "1983" and insert "1984"

Page 72, line 15, delete "1983" and insert "1984"

Page 72, line 29, delete "1982" and insert "1983"

Page 73, line 10, delete "1982" and insert "1983"

Page 73, line 10, delete "1983" and insert "1984"

Page 73, line 16, delete "1982" and insert "1983"

Page 73, line 21, delete "1982" and insert "1983"

Page 73, line 23, delete "1982" and insert "1983"

Page 73, line 26, delete "1984" and insert "1985"

Page 74, line 2, delete "1984" and insert "1985"

Page 74, line 15, after "1982;" insert "and"



Page 74, line 15, after the first "two" insert "and one-half"

Page 74, line 15, delete "; two" at end of line

Page 74, delete line 16

Page 74, line 17, delete "points for 1985"

Page 74, line 19, after "1982;" insert "and"

Page 74, line 19, after the first "two" insert "and one-half"

Page 74, line 19, delete "; two and" at end of line

Page 74, delete line 20

Page 74, line 21, delete "for 1985"

Page 74, line 21, after "thereafter" insert " , provided that the limitation for a small business employer, as defined in section 645.455, shall be one and one-half percentage points for 1983 and each year thereafter"

Page 75, line 8, after "1982;" insert "and"

Page 75, line 8, after the first "two" insert "and one-half"

Page 75, line 8, delete "; two and" at end of line

Page 75, delete line 9

Page 75, line 10, delete "for 1985"

Page 75, line 12, after "3a" insert " , provided that the limitation for a small business employer, as defined in section 645.455, shall be one and one-half percentage points for 1983 and each year thereafter"

Page 82, after line 2, insert:

"The maximum weekly benefit amount for claims for benefits which establish a benefit year subsequent to June 30, 1984, and prior to July 1, 1985, shall be \$198."

Page 95, line 3, after "school" insert a comma

Page 95, line 4, strike the comma

Page 95, line 25, after "school" insert a comma

Page 95, line 26, strike the comma

Page 128, after line 21, insert:

"Sec. 42. [WAGE REPORTING.]

Beginning on April 1, 1984, each employer subject to chapter 268 shall provide the commissioner with a quarterly report of wages, as defined in section 268.04, subdivision 25, paid to each employee of that employer covered by chapter 268. The commissioner shall provide the legislature with his recommendations for statutory changes to fully implement this section no later than January 1, 1983."

Page 128, line 34, delete "4" and insert "14"

Page 128, line 34, delete "January 1" and insert "July 4, 1982"

Page 128, line 35, delete "1983"



Further amend the amendment as follows:

Page 4, line 16, strike "\$300,000" and insert "\$200,000"

Renumber the sections in sequence

Correct internal cross references

Amend the title accordingly

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

House Conferees: (Signed) Wayne A. Simoneau, James I. Rice, Joseph R. Begich

Senate Conferees: (Signed) Collin C. Peterson, Tom A. Nelson, James C. Pehler, Florian Chmielewski

Mr. Peterson, C.C. moved that the foregoing recommendations and Conference Committee Report on H.F. No. 1220 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. 1220: A bill for an act relating to employment; changing benefits; providing an election not to be covered for certain persons; requiring notices of injury; providing for rules related to excessive health care services; regulating supplemental benefits; providing for benefit adjustments; providing for interest on delayed benefit payments; providing for a legislative commission to study various aspects of workers' compensation; defining terms; providing for certain collective bargaining rights of public employees; providing for continuance of certain insurance coverages; providing for deductible workers' compensation insurance policies; providing for no increase in the retention limits of the reinsurance association; clarifying the responsibilities of governmental licensing and contracting agencies regarding workers' compensation insurance; establishing a credit week as a percentage of average weekly wages; defining the employing unit for certain homeworkers and personal care attendants; defining wages; altering provisions as to advance of federal funds; altering "triggers" related to extended benefits; altering eligibility requirements for extended benefits; altering eligibility and disqualifying provisions for individuals whose training is approved under the Federal Trade Act of 1974; providing for the interception of unemployment benefits to satisfy child support obligations; providing for rate notices; regulating eligibility for compensation; providing for determination of claims; providing for collection of contributions, reimbursements, and overpayments; modifying employer contribution provisions; providing maximums and minimums; altering tax rates; regulating the data practices of the department of economic security; modifying the deduction of military retirement payments and secondary social security benefits; providing increased penalties for individuals who quit employment or who are discharged for misconduct; providing for the charging of extended benefits, in part, to base period employers; providing penalties; appropriating money; amending Minnesota Statutes 1980, Sections 62A.10, Subdivision 1; 62C.14, by adding a subdivision; 62D.10, by adding a subdivision; 79.211, Subdivision 1; 79.25, by adding a subdivision; 147.20; 176.011, Subdivisions 3 and 9a; 176.012; 176.021, Subdivision 5, and by adding a subdivision; 176.041, Subdivision 1; 176.101, Subdivisions 1, 2, and by adding subdivisions; 176.102, Subdivisions 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, and 12, and by



adding subdivisions; 176.105, by adding a subdivision; 176.111, Subdivisions 1 and 18, and by adding subdivisions; 176.121; 176.131, Subdivisions 1, 1a, and 8; 176.132, Subdivision 1; 176.135, Subdivision 1a; 176.225, Subdivision 1; 176.231, Subdivision 10; 176.235, by adding a subdivision; 176.241, Subdivision 4; 176.591, Subdivisions 1 and 3; 268.04, Subdivisions 9, 25, and 29; 268.05, Subdivision 6; 268.06, Subdivisions 2, 3a, 6, 8, 19, 22, 25, and 28; 268.07, Subdivisions 2, 3, and by adding a subdivision; 268.071, Subdivisions 1, 3, 5, 6, and by adding subdivisions; 268.08, Subdivisions 1, 3, and 6; 268.09, Subdivisions 1, 2, and by adding a subdivision; 268.10, Subdivisions 1 and 2; 268.12, Subdivisions 12 and 13; 268.15, Subdivision 3; 268.16, Subdivisions 1 and 2; 268.18, Subdivisions 1, 2, 4, and by adding subdivisions; Minnesota Statutes 1981 Supplement, Sections 15.052, Subdivision 5, as amended; 79.25, Subdivision 1; 79.34, Subdivision 2; 79.63, Subdivisions 1, 2, and 4; 176.011, Subdivision 9; 176.021, Subdivisions 3 and 3a; 176.101, Subdivision 3; 176.131, Subdivision 10, as amended; 176.132, Subdivision 2; 176.133; 176.136; 176.182; 176.221, Subdivisions 2, 3, and 7; 176.225, Subdivision 5; 176.331; 176.391, Subdivision 3; 176.645, Subdivision 2; and 352E.04; proposing new law coded in Minnesota Statutes, Chapters 79; 176; and 268; proposing new law coded as Minnesota Statutes, Chapter 176A; Laws 1981, Third Special Session Chapter 2, Article I, Section 2, Subdivision 1; Laws 1981, Chapter 346, Section 145; repealing Minnesota Statutes 1980, Sections 79.63, Subdivision 3; 176.011, Subdivisions 14 and 18; 176.061, Subdivisions 8 and 9; 176.095; 176.101, Subdivisions 3, Clause (33) and 4; 176.105, Subdivisions 2 and 3; 176.541, Subdivisions 2, 3, 4, 5, 6, and 8; 176.551; 176.561; 176.571; 176.603; 176.611; 268.07, Subdivision 4; 268.16, Subdivision 3, as amended; and Minnesota Statutes 1981 Supplement, Sections 176.102, Subdivision 1a; 176.105, Subdivision 1; and 176.152.

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 21, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

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

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



**ANNOUNCEMENT**

A Committee from the House of Representatives announced that the House of Representatives is ready to adjourn sine die.

**ANNOUNCEMENT**

Mr. Merriam, for the Committee to notify the Governor, announced that the Governor had been notified that the Senate is ready to adjourn sine die.

**ANNOUNCEMENT**

Mr. Moe, D.M., for the Committee to notify the House of Representatives, announced that the House of Representatives had been notified that the Senate is ready to adjourn sine die.

**MOTIONS AND RESOLUTIONS - CONTINUED**

Mr. Moe, R.D. moved that the Senate do now adjourn sine die. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate