

STATE OF MINNESOTA

Journal of the Senate

SECOND SPECIAL SESSION

FIRST DAY

St. Paul, Minnesota, Friday, July 9, 1982

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

CALL OF THE SENATE

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

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

The Secretary called the roll by legislative districts in numerical order, and the following Senators answered to their names:

First District	Marv Hanson
Second District	Roger D. Moe
Third District	Bob Lessard
Fourth District	Gerald L. Willet
Fifth District	Ronald R. Dicklich
Sixth District	Douglas J. Johnson
Seventh District	Sam G. Solon
Eighth District	James Ulland
Ninth District	Keith Langseth
Tenth District	Collin C. Peterson
Eleventh District	Wayne Olhoft
Twelfth District	Myrton O. Wegener
Thirteenth District	Dave Rued
Fourteenth District	Florian Chmielewski
Fifteenth District	Charles A. Berg
Sixteenth District	Joe Bertram
Seventeenth District	James C. Pehler
Eighteenth District	Charles R. Davis
Nineteenth District	Randolph W. Peterson
Twentieth District	Randy P. Kamrath
Twenty-first District	A.O.H. Setzepfandt
Twenty-second District	John Bernhagen
Twenty-third District	Earl W. Renneke
Twenty-fourth District	Clarence M. Purfeerst
Twenty-fifth District	Steve Engler
Twenty-sixth District	Marion (Mike) Menning
Twenty-seventh District	Darrel L. Peterson
Twenty-eighth District	Dennis Frederickson
Twenty-ninth District	Glen Taylor
Thirtieth District	Timothy J. Penny
Thirty-first District	Tom A. Nelson
Thirty-second District	

Thirty-third District	Nancy Brataas
Thirty-fourth District	Patricia Louise Kronebusch
Thirty-fifth District	Duane D. Benson
Thirty-sixth District	Robert J. Schmitz
Thirty-seventh District	Steve Lindgren
Thirty-eighth District	William V. Belanger, Jr.
Thirty-ninth District	Otto T. Bang, Jr.
Fortieth District	John B. Keefe
Forty-first District	Irving M. Stern
Forty-second District	George S. Pillsbury
Forty-third District	Jim Ramstad
Forty-fourth District	Hubert H. Humphrey, III
Forty-fifth District	William P. Luther
Forty-sixth District	Don Frank
Forty-seventh District	Gene Merriam
Forty-eighth District	Robert O. Ashbach
Forty-ninth District	Gregory L. Dahl
Fiftieth District	Jerome M. Hughes
Fifty-first District	Gerry Sikorski
Fifty-second District	Conrad M. Vega
Fifty-third District	
Fifty-fourth District	Carl W. Kroening
Fifty-fifth District	Anne K. Stokowski
Fifty-sixth District	Robert J. Tennessen
Fifty-seventh District	Allan H. Spear
Fifty-eighth District	Eric D. Petty
Fifty-ninth District	Linda Berglin
Sixtieth District	Jack Davies
Sixty-first District	Franklin J. Knoll
Sixty-second District	Neil Dieterich
Sixty-third District	Ron Sieloff
Sixty-fourth District	Peter P. Stumpf
Sixty-fifth District	Donald M. Moe
Sixty-sixth District	Gene Waldorf
Sixty-seventh District	Marilyn M. Lantry

The President declared a quorum present.

MEMBERS EXCUSED

Mr. Frederick was excused from the Session of today. Mr. Knutson was excused from the Session of today until 12:30 p.m.

STATE OF MINNESOTA

PROCLAMATION

WHEREAS: The taconite industry in Northeastern Minnesota has been severely affected by the national recession, resulting in extraordinarily high levels of unemployment in the mining industry and among workers whose livelihood is dependent on the health of the mining industry; and

WHEREAS: The Northeast Minnesota Economic Protection Fund, composed of taconite tax revenues collected in lieu of local property taxes, together with accumulated interest, dividends and earnings thereon, can be made available by legislative action to provide immediate emergency relief through the creation of temporary jobs for the unemployed in the taconite tax relief area

whose unemployment compensation benefits have expired; and

WHEREAS: It is necessary to immediately address this severe unemployment situation on the State's Iron Range prior to the next regular Session of the Legislature, thereby creating an extraordinary occasion; and

WHEREAS: Article IV, Section 12 of the Constitution of the State of Minnesota provides that a Special Session of the Legislature may be called on extraordinary occasions;

NOW, THEREFORE, I, Albert H. Quie, Governor of the State of Minnesota, do hereby summon you, members of the Legislature, to convene in Special Session on Friday, July 9, 1982, at 10:00 a.m. in the morning at the Capitol in Saint Paul.

I urge the Legislature to act favorably upon the legislation approved for consideration at this Special Session by the leaders of the four legislative caucuses. This legislation will provide short-term emergency jobs for the thousands of unemployed on the Iron Range, and provides for the creation of a board of trustees to administer the Northeast Minnesota Economic Protection Fund trust to immediately begin developing programs and projects for the diversification of the Iron Range economy, thereby reducing its substantial dependency on the economic health of the taconite mining industry. I encourage the Legislature to adhere to the agreement of the leaders of the four legislative caucuses by limiting the agenda of the Special Session to this Iron Range legislation and the local bill proposed by the City of Albert Lea.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Great Seal of the State of Minnesota to be affixed this second day of July in the year of Our Lord one thousand nine hundred and eighty-two and of the State the one hundred twenty-fourth.

Albert H. Quie,
Governor

Joan Anderson Growe,
Secretary of State

MOTIONS AND RESOLUTIONS

Mr. Moe, R.D. introduced—

Senate Resolution No. 1: A Senate resolution relating to organization and operation of the Senate during the 1982 Second Special Session.

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

The Senate is organized pursuant to Minnesota Statutes 1980, Sections 3.073 and 3.103.

The Rules of the Senate for the 72nd Legislature shall be the Rules for the 1982 Second Special Session, except that Rules 33, 40, and 57 shall not be operative other than as provided herein.

The Committee on Rules and Administration is established in the same manner and with the same powers as pertained in the 72nd Legislature.

With respect to Rule 31, Reconsideration, a notice of intention to move for

reconsideration shall not be in order, but a motion to reconsider may be made, and when made shall have priority over other business except a motion to adjourn or recess.

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 63 and nays 0, as follows:

Those who voted in the affirmative were:

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

The motion prevailed. So the resolution was adopted.

Mr. Moe, R.D. introduced —

Senate Resolution No. 2: A Senate resolution relating to notifying the House of Representatives and the Governor that the Senate is organized.

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

The Secretary of the Senate shall notify the House of Representatives and the Governor that the Senate is now duly organized pursuant to the Minnesota Constitution and Minnesota Statutes.

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

Mr. Ramstad introduced —

Senate Resolution No. 3: A Senate resolution congratulating the participants and sponsors of the 26th Annual National Wheelchair Games.

WHEREAS, the 26th Annual National Wheelchair Games will be held on June 23-27 in Minnesota; and,

WHEREAS, the games are sponsored by Courage Center and Southwest State University; and,

WHEREAS, the participants in the games will compete for national championships in track and field, archery, table tennis, weightlifting, and swimming; and,

WHEREAS, the participants will also vie for positions on the USA Wheelchair Athletic team; and,

WHEREAS, the competition is not only exciting for the participants and spectators but provides valuable experience and example to the public that any

person can be both an athlete and in a wheelchair; and,

WHEREAS, the games provide a key element in the bettering of the quality of life in Minnesota; NOW, THEREFORE,

BE IT RESOLVED by the Senate of the State of Minnesota that it congratulates the participants and sponsors of the 26th Annual National Wheelchair Games. It encourages all Minnesotans to see the games and cheer for the participants.

BE IT FURTHER RESOLVED that the Secretary of the Senate is directed to prepare an enrolled copy of this resolution, to be authenticated by his signature and that of the President, and present it to the 26th Annual National Wheelchair Games.

Mr. Ramstad moved the adoption of the foregoing resolution. The motion prevailed. So the resolution was adopted.

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 of Representatives of the State of Minnesota is now duly organized for the 1982 Second Special Session pursuant to law.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted July 9, 1982

RECESS

Mr. Moe, R.D. moved that the Senate do now recess until 11:30 a.m. The motion prevailed.

The hour of 11:30 a.m. having arrived, 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.

Without objection, the Senate proceeded to the Order of Business of Introduction and First Reading of Senate Bills.

INTRODUCTION AND FIRST READING OF SENATE BILLS

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

Messrs. Johnson, Dicklich, Lessard, Chmielewski and Ulland introduced —

S.F. No. 1: A bill for an act relating to the northeast Minnesota economic protection fund; designating the fund as a trust fund; authorizing the expendi-

ture of money from the fund to finance a distressed area emergency job program and alternative energy source projects; establishing a trust board; appropriating money; amending Minnesota Statutes 1980, sections 298.291; 298.292; 298.293; and 298.294, as amended; Minnesota Statutes 1981 Supplement, sections 298.225, as amended; and 298.28, subdivisions 1, as amended, and 2; and Laws 1982, chapter 523, article XXX, section 4, subdivision 1; proposing new law coded in Minnesota Statutes, chapter 298.

Mr. Moe, R.D. moved that S.F. No. 1 be laid on the table. The motion prevailed.

Messrs. Nelson and Penny introduced—

S.F. No. 2: A bill for an act relating to the city of Albert Lea; authorizing the city to expend certain federal revenue sharing funds for certain purposes.

Mr. Moe, R.D. moved that S.F. No. 2 be laid on the table. The motion prevailed.

Mr. Renneke introduced—

S.F. No. 3: A bill for an act relating to metropolitan government; apportioning metropolitan council districts; requiring that metropolitan council boundaries be redrawn from each federal census; amending Minnesota Statutes 1980, sections 473.123, subdivisions 2 and 3; and 473.141, subdivisions 2 and 5.

Referred to the Committee on Rules and Administration.

Messrs. Peterson, D.L.; Berg; Benson; Rued and Kamrath introduced—

S.F. No. 4: A bill for an act relating to agriculture; creating an agricultural revitalization trust fund and board of trustees; authorizing the expenditure of funds for agricultural revitalization; altering the distribution of property taxes levied by taxing districts; appropriating money; proposing new law coded as Minnesota Statutes, chapter 17C.

Referred to the Committee on Rules and Administration.

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

S.F. No. 5: A bill for an act relating to taxation; altering the method by which the certifications of homestead credits are reduced; amending Laws 1982, chapter 641, article II, sections 9 and 11.

Referred to the Committee on Rules and Administration.

Mr. Dieterich introduced—

S.F. No. 6: A bill for an act relating to public welfare; providing for establishment of voluntary community work experience projects by counties; reappropriating money; proposing new law coded in Minnesota Statutes, chapter 256.

Referred to the Committee on Rules and Administration.

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

MOTIONS AND RESOLUTIONS

Mr. Nelson moved that S.F. No. 2 be taken from the table. The motion prevailed.

SUSPENSION OF RULES

Mr. Nelson moved that an urgency be declared within the meaning of Article IV, Section 19, of the Constitution of Minnesota, with respect to S.F. No. 2 and that the rules of the Senate be so far suspended as to give S.F. No. 2 its second and third reading and place it on its final passage. The motion prevailed.

S.F. No. 2 was read the second time.

S.F. No. 2: A bill for an act relating to the city of Albert Lea; authorizing the city to expend certain federal revenue sharing funds for certain purposes.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 60 and nays 3, 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	Lessard	Peterson, R.W.	Stern
Berg	Frederickson	Lindgren	Petty	Stokowski
Berglin	Hanson	Luther	Pillsbury	Stumpf
Bernhagen	Humphrey	Menning	Purfeerst	Taylor
Bertram	Johnson	Moe, D.M.	Ramstad	Ulland
Brataas	Kamrath	Moe, R.D.	Renneke	Vega
Chmielewski	Keefe	Nelson	Rued	Waldorf
Dahl	Knoll	Olhoft	Schmitz	Wegener
Davis	Kroening	Pehler	Setzepfandt	Willet

Messrs. Davies, Merriam and Tennesen voted in the negative.

So the bill passed and its title was agreed to.

RECESS

Mr. Moe, R.D. moved that the Senate do now recess subject to the call of the President. The motion prevailed.

After a brief recess, the President called the Senate to order.

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.

Without objection, the Senate reverted to the Order of Business of Messages From the House and First Reading of House Bills.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following House File, herewith transmitted: H.F. No. 1.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted July 9, 1982

FIRST READING OF HOUSE BILLS

The following bill was read the first time.

H.F. No. 1: A bill for an act relating to the northeast Minnesota economic protection fund; designating the fund as a trust fund; authorizing the expenditure of money from the fund to finance a distressed area emergency job program and alternative energy source projects; establishing a trust board; appropriating money; amending Minnesota Statutes 1980, sections 298.291; 298.292; 298.293; and 298.294, as amended; Minnesota Statutes 1981 Supplement, sections 298.225, as amended; and 298.28, subdivisions 1, as amended, and 2; and Laws 1982, chapter 523, article XXX, section 4, subdivision 1; proposing new law coded in Minnesota Statutes, chapter 298.

SUSPENSION OF RULES

Mr. Johnson moved that an urgency be declared within the meaning of Article IV, Section 19, of the Constitution of Minnesota, with respect to H.F. No. 1 and that the rules of the Senate be so far suspended as to give H.F. No. 1 its second and third reading and place it on its final passage. The motion prevailed.

H.F. No. 1 was read the second time.

Mr. Peterson, D. L. moved to amend H.F. No. 1, as follows:

Page 19, after line 5, insert:

“Sec. 16. [17C.01] [CITATION.]

Sections 16 to 24 shall be known as the “Agricultural Revitalization Trust Fund Act.”

Sec. 17. [17C.02] [CREATION OF TRUST FUND.]

The agricultural revitalization trust fund is created to aid and promote the conservation of agricultural land, the development of foreign markets for the state’s agricultural products, and the development and construction of businesses utilizing or processing the state’s agricultural products. Priority shall be given to using the agricultural revitalization trust fund for the following purposes:

(a) projects and programs that are designed to create and maintain productive, permanent, skilled employment;

(b) projects and programs for which technological and economic feasibility has been demonstrated; and

(c) loans, loan guarantees, interest buy-downs, and other forms of participation with private sources of financing in preference to grants.

Sec. 18. [17C.03] [INVESTMENT OF FUND.]

The trust fund established by section 17 shall be invested pursuant to law by the state board of investment and the net interest, dividends, and other earnings arising from the investments shall be transferred on the first day of each month to the trust and shall be included and become part of the trust fund.

Sec. 19. [17C.04] [BOARD OF TRUSTEES OF THE AGRICULTURAL REVITALIZATION TRUST.]

Subdivision 1. [CREATION.] The board of trustees of the agricultural revitalization trust is created.

Subd. 2. [MEMBERS.] The board shall consist of 15 members appointed in the following manner:

(a) three members of the house of representatives appointed by the speaker of the house, at least two of whom shall be elected from predominantly agricultural representative districts;

(b) three members of the senate appointed by the subcommittee on committees of the committee on rules and administration of the senate, at least two of whom shall be elected from predominantly agricultural senate districts;

(c) the commissioner of agriculture or his designee;

(d) eight public members appointed by the governor with the advice and consent of the senate. Five public members shall have expertise in agriculture or agri-business. Three public members shall have expertise in at least one of the following areas: small business, finance, economic development, or other areas of expertise related to the work of the board. In making appointments of public members the governor shall consider candidates for appointment recommended by the national farmers organization, the Minnesota farm bureau, and the Minnesota farmers union.

The terms of the members shall be six years with the terms ending on the first Monday in January. The appointing authorities shall appoint as nearly as possible one-third of the members to terms expiring on the first Monday in January of each odd numbered year. The terms of no more than four public members shall expire in any odd numbered year. The greater number of members, as necessary, shall be appointed to terms expiring in the year of commencement of the governor's term and the odd numbered year immediately thereafter. Members may serve until their successors are appointed and qualified. If the appointing authority fails to appoint a successor by July 1 of the year in which a term expires, the term of the member for whom a successor has not been appointed shall extend, subject to the advice and consent of the senate if the member was appointed by the governor, until the first Monday in January six years after the scheduled end of the original term.

Subd. 3. [REMOVALS; VACANCIES.] The removal of members and filling of vacancies on the board shall be as provided in section 15.0575.

Subd. 4. [CHAIRMAN.] The governor shall appoint from the members of the board of trustees a chairman on the first Monday in January of each odd numbered year. If a vacancy occurs in the position of chairman, the governor shall designate a new chairman to complete the unexpired term.

Subd. 5. [ADMINISTRATOR.] After July 1, 1983, the trust shall be ad-

ministered by an administrator appointed by and serving at the pleasure of the governor. The administrator shall employ staff or consultants as directed by the board, and shall have the powers and perform all duties assigned to him by the board. The salary of the administrator shall be established by the board subject to the approval of the commissioner of employee relations provided that it shall not exceed the salary of the commissioner of agriculture. Prior to July 1, 1983, the governor shall designate the administrator and shall provide administrative support to the board. All salaries and expenses incurred by the office of the governor pursuant to this act shall be reimbursed from the agricultural revitalization trust fund.

Subd. 6. [EXPENSES.] Members of the board shall be compensated at the rate of \$35 per day spent on board activities, when authorized by the board, plus expenses in the same manner and amount as state employees.

Sec. 20. [17C.05] [POWERS AND DUTIES OF THE BOARD.]

The board shall by August 1 of each year prepare a list of projects to be funded from the agricultural revitalization trust fund with necessary supporting information including description of the projects, plans, and cost estimates. These projects shall be consistent with the purposes and priorities established in section 17 and shall not be approved by the board unless it finds that:

(a) the project will materially assist, directly or indirectly, the creation of additional long-term employment opportunities;

(b) the prospective benefits of the expenditure exceed the anticipated costs; and

(c) in the case of assistance to private enterprise, the project will serve a sound business purpose.

To be proposed by the board, any project must be approved by at least ten board members. The list of projects shall be submitted to the legislative advisory commission for its review. The list with the recommendation of the legislative advisory commission shall be submitted to the governor, who shall, by November 15 of each year, approve or disapprove, or return for further consideration, each project. The funds for a project may be expended only upon approval of the project by the governor.

The board may submit supplemental projects for approval at any time.

Annual administrative costs, not including detailed engineering expenses for the projects, shall not exceed five percent of the amount expended from the trust in the fiscal year.

Principal and interest received in repayment of loans made pursuant to this section shall be deposited in the state treasury and credited to the trust fund.

Sec. 21. [17C.06] [TECHNICAL ADVISORY COMMITTEE.]

Subject to the provisions of section 15.059, subdivisions 1 to 4, the governor, with the advice of the trust board, shall appoint a technical advisory committee consisting of no more than nine persons who collectively are knowledgeable in the areas of agriculture, finance, banking, taxation, business management, economics, law, and economic development. Each proposal for funding submitted to the board shall be evaluated by the technical

advisory committee with respect to conformance with the policies, criteria, and priorities contained in sections 17 and 20. The board shall not act on a proposal until it has received the evaluation and recommendations of the technical advisory committee.

Sec. 22. [17C.07] [LONG RANGE PLAN.]

By January 1, 1984, the trust board shall prepare and present to the governor and the legislature a long range plan for the use of the agricultural revitalization trust fund. The board shall, before November 15 of each odd numbered year, prepare a report to the governor and legislature updating and revising this long range plan and reporting on the board's progress on those matters assigned to it by law. After January 1, 1984, no project shall be approved by the board which is not consistent with the goals and objectives established in the long range plan.

Sec. 23. [17C.08] [FUNDING OF AGRICULTURAL REVITALIZATION TRUST.]

Notwithstanding any other law to the contrary, two percent of the property taxes levied and collected on class 3 agricultural property and class 3b and 3cc agricultural property by all taxing districts shall be remitted by the county treasurer to the commissioner of revenue on the dates and in the manner established pursuant to chapter 276. The commissioner of revenue shall deposit the amounts in the general fund to the credit of the agricultural revitalization trust fund.

The amounts of the levy of each taxing district remitted to the commissioner of revenue pursuant to this section shall be deemed a levy by that taxing district and shall be subject to all statutory provisions limiting the rate of tax or amount of revenue which may be levied by the taxing district.

For purposes of computation of the amounts of homestead credits, property tax refunds, state school agricultural credits, and all aids and reimbursements paid by the state to local units of government, except foundation aids paid to school districts, the full amount of the levy of each taxing jurisdiction shall be deemed to have been remitted to the taxing jurisdiction. Each school district shall be reimbursed by the state for the amount of its tax levy which is remitted to the commissioner of revenue pursuant to this section. Reimbursements shall be paid at the times provided for payment of foundation aid in section 124.11. The amount necessary to make the reimbursement is annually appropriated from the general fund to the commissioner of education.

Sec. 24. [17C.09] [APPROPRIATION.]

There is annually appropriated to the board of trustees of the agricultural revitalization trust from the agricultural revitalization trust fund the amounts necessary to make the expenditures approved pursuant to sections 16 to 22."

Page 19, line 7, delete "This act is" and insert "Sections 1 to 22 and 24 are"

Page 19, after line 7, insert "Section 23 is effective for taxes levied in 1982 and thereafter, payable in 1983 and thereafter."

Renumber the remaining section

Amend the title as follows:

Page 1, line 2, delete everything after "to"

Page 1, line 3, delete "protection fund" and insert "economic revitalization"

Page 1, line 3, after "the" insert "northeast Minnesota economic protection"

Page 1, line 7, after the first semicolon insert "creating an agricultural revitalization trust fund and board of trustees; authorizing the expenditure of funds for agricultural revitalization; altering the distribution of property taxes levied by taxing districts;"

Page 1, line 14, before the period insert "; proposing new law coded as Minnesota Statutes, chapter 17C"

Mr. Moe, R.D. questioned whether the amendment was germane.

The President ruled that the amendment was not germane.

Mr. Berg moved to amend H.F. No. 1 as follows:

Page 1, after line 16, insert:

"ARTICLE I"

Page 19, after line 7, insert:

"ARTICLE II

Section 1. [582A.01] [LEGISLATIVE FINDINGS.]

The legislature finds that continuing and unprecedented inflationary trends have eroded the economy; that the cost of production in farming often exceeds the price received for farm commodities; that the continuing increase in the cost of consumer goods has curtailed the ability to purchase these goods; that the reduction in purchasing power of consumers has resulted in unemployment; and that by reason of these conditions and the high rates of interest on mortgage loans and contracts for deed, many citizens of this state will be unable for extended periods of time to meet in full all payments of taxes, interest, and principal on mortgages, and contract for deed payments on their properties and are, therefore, threatened with loss of their real property through mortgage foreclosure, contract for deed termination, and judicial sales. The legislature further finds that these conditions may result in an emergency of a nature that justifies and validates legislation for the postponement and extension of time of redemption from mortgage foreclosures, execution sales, contract cancellations, and other relief of a similar character to be effective only in the event that the governor finds that the conditions, in fact, have resulted in an emergency and issues a proclamation to that effect.

Sec. 2. [582A.02] [EMERGENCY PROCLAMATION.]

If the governor, after consultation with appropriate departments and agencies, finds that the number of mortgage foreclosures, judicial sales, and terminations of contracts for deed on real property used for farming are significantly increasing, he may by proclamation declare that a public economic emergency exists in a certain county or counties of the state. Upon proclamation, sections 3 to 12 are in effect.

The emergency proclaimed shall remain in effect only from the date of the

proclamation to April 1, 1983. The legislature, by law, may declare the proclamation a nullity and that the proclamation and sections 3 to 12 are of no effect. The governor shall not declare an emergency under the provisions of this section after nullification of a prior proclamation by the legislature.

Sec. 3. [582A.03] [APPLICATION.]

Subdivision 1. [GENERAL EXCLUSION.] The provisions of sections 1 to 12 do not apply to mortgages or contracts for deed made after January 1, 1982, nor to mortgages or contracts for deed made prior to the date of the governor's proclamation, which are renewed or extended after the effective date of sections 1 and 2, nor to mortgages, judgments, or contracts for deed, regardless of when made, if a second or subsequent mortgage has been made against the property after the effective date of sections 1 and 2, and the second or subsequent mortgagee commences foreclosure proceedings. No court shall allow a resale, stay, postponement, or extension of time that would cause any right to be lost or adversely affected by any statute of limitation.

Subd. 2. [EXCLUSION; GOVERNMENT BONDS.] The provisions of this act do not apply to any mortgage held by or pledged to secure payment of notes or bonds issued by the Minnesota housing finance agency or by a city pursuant to a municipal housing program under chapter 462C.

Subd. 3. [PROPERTY COVERED; REQUIREMENTS.] The provisions of sections 1 to 12 apply only to judgments against, mortgages secured by, and contracts for deed conveying, real property used materially and not just incidentally for the purposes of farming. Sections 1 to 12 do not apply to any mortgage on or security interest in tangible or intangible personal property. Sections 1 to 12 do not apply to any contract for deed on which less than 30 percent of the total purchase price has been paid nor to any contract for deed conveying, mortgage on, or judgment against real estate which has not been used, in whole or in part, as the principal residence of the owner, judgment debtor, or contract vendee or his family on a substantially continuous basis since the execution of the contract for deed or the making or assumption of the mortgage. The court shall be liberal in determining whether property conveyed by contract for deed has been used as a principal residence on a substantially continuous basis.

Subd. 4. [PROPERTY COVERED; DESIGNATED COUNTIES.] The provisions of sections 1 to 12 apply only to judgments against mortgages secured by and contracts for deed conveying real property located, in whole or in part, in a county designated in the governor's proclamation.

Sec. 4. [582A.04] [MORTGAGOR MAY PETITION DISTRICT COURT FOR RELIEF.]

In any proceedings commenced prior to a proclamation made pursuant to section 2 for the foreclosure of a mortgage on real estate by advertisement, in which a sale of the property has not been had, or in any proceedings commenced after a proclamation, the mortgagor, or the owner in possession of the mortgaged premises, or anyone claiming under the mortgage, or anyone liable for the mortgage debt, at any time after the issuance of the notice of the foreclosure proceedings, may petition the district court of the county wherein the foreclosure proceedings are pending, serving a summons and verified complaint requesting that the sale in foreclosure by advertisement be post-

poned and that the foreclosure, if any, proceed by action. If it appears to the court that the granting of the relief requested would be equitable and just, the court may postpone the foreclosure proceedings by advertisement by *ex parte* order which may be served with or after service of the summons and complaint upon the party foreclosing or his attorney. In determining whether to grant the relief requested, the court shall consider whether it would be better for the petitioner to proceed under the federal bankruptcy code. At the time of hearing on the *ex parte* order, the court may then further postpone the sale, and the parties seeking to foreclose the mortgage shall proceed, if at all, to foreclose the mortgage by action. As a condition precedent to the postponement of the foreclosure sale by advertisement, the party serving the verified complaint shall file it and pay to the clerk for the person foreclosing the mortgage the actual costs incurred, not including attorney's fees, in the foreclosure proceeding prior to postponement. The filing of the verified complaint shall be deemed a waiver of publication of notice of postponement of the foreclosure sale. The sale, at a time which may be fixed by the court, shall be deemed to be a sale postponed in lieu of the time of sale specified in the published notice of mortgage foreclosure sale.

Sec. 5. [582A.05] [COURT MAY ORDER RESALE.]

When any mortgage has been foreclosed by action, the court shall, upon receipt of the report of sale, cause notice of a hearing thereon to be served on the parties to the action who have appeared, and fix the time and place of hearing on the report. Before granting an order confirming the sale, the court shall order a resale if it appears that the sale price is unreasonably and unfairly inadequate. If the sale is confirmed, the sheriff, or his deputy, shall forthwith execute and deliver the proper certificate of sale, which shall be recorded within 20 days after the confirmation. Upon hearing on the motion for an order confirming the sale in the foreclosure of mortgages by action, if the evidence is insufficient to establish a fair and reasonable market or rental value of the property, the court may receive evidence, including evidence tending to establish the actual value of the property, for the purpose or purposes for which the property is or can be used. The court shall also receive evidence tending to show to what extent, if any, the property has decreased in market value by reason of the economic conditions existing at the time of or prior to the sale.

Sec. 6. [582A.06] [COMPROMISES.]

If the parties to a foreclosure action agree in writing to a compromise settlement thereof, or of composition of the mortgage indebtedness, or both, the court shall have jurisdiction and may by its order confirm and approve the settlement or composition, or both, as the case might be.

Sec. 7. [582A.07] [JURISDICTION OF COURT.]

The court shall have jurisdiction to postpone the termination of a contract for the conveyance of real estate; to postpone the enforcement of judgment by levy, execution, and sale or to order resale; and to postpone foreclosure of a mortgage secured by real estate. Upon the governor's proclamation, the inability of the mortgagor, judgment debtor, or contract vendee to make the payments under a contract for the conveyance of real estate, mortgage agreement, or judgment shall be a valid defense to levy, execution, sale, seizure, repossession, termination, and foreclosure pursuant to the remedies set forth in sections 1 to 12 during the effective period of the governor's proclamation.

Sec. 8. [582A.08] [PERIOD OF REDEMPTION AND REINSTATEMENT MAY BE EXTENDED.]

If, during the effective period of the governor's proclamation: (1) a mortgage on real property is foreclosed and the period of redemption has not expired; (2) an action to foreclose a mortgage on real property is commenced or is pending; (3) proceedings to foreclose a mortgage by advertisement are commenced or are pending; (4) a notice of termination of contract for deed is served; (5) the period of time during which a contract for deed can be reinstated expires; or (6) proceedings to enforce a judgment against real estate are commenced or are pending; the period of redemption or the period during which the contract for deed may be reinstated may be extended for any additional time the court determines to be just and equitable but in no event beyond the effective period of the governor's proclamation. In such case the contract vendee, in the case of a contract for deed termination; the mortgagor or owner in possession of the property, in the case of mortgage foreclosure proceedings; or the judgment debtor, in the case of levy, execution, or sale under judgment, shall prior to the expiration of the period of redemption in the case of a mortgage, the expiration of the period during which the contract for deed can be reinstated, or to sale under judgment, petition the district court on not less than ten days written notice to the contract vendor, mortgagee, or judgment creditor, or his attorney, for an order postponing repossession, levy, execution, seizure, sale, termination, or forfeiture. The petition shall also request the court to determine the reasonable value of the income on the property, or, if the property has no income, then the reasonable rental value of the property subject to the contract for deed, mortgage, or judgment, and to direct the contract vendee, mortgagor, or judgment debtor to pay all or a reasonable part of the income or rental value for the payment of taxes, insurance, interest, principal, or judgment indebtedness at the times and in the manner determined by the court. In determining whether to grant the relief requested, the court shall consider whether it would be better for the petitioner to proceed under the federal bankruptcy code. The court shall hear the petition and after the hearing shall make and file its order directing the payment by the contract vendee, mortgagor, or judgment debtor of an amount at the times and in the manner that the court determines just and equitable. Upon service of the petition, the running of the period of redemption or reinstatement of contract for deed shall be tolled, repossession shall be postponed, and further proceedings under levy, execution, and sale shall be stayed until the court makes its order upon the petition. If the contract vendee, mortgagor, or judgment debtor defaults in the payments ordered, or commits waste, his right to redeem from the sale, cure the default on the contract for deed, or postpone seizure and sale shall terminate 30 days after the default. Thereafter holders of subsequent liens may redeem in the order and manner provided by law beginning 30 days after the filing of notice of the default with the clerk of district court, the right to possession shall cease, and the contract vendor or party acquiring title to the real estate shall be entitled to immediate possession of the premises. If default is claimed because of waste, the 30 day period shall not begin to run until the filing of an order of the court finding the waste. No action shall be maintained for a deficiency judgment until the period of redemption as allowed by section 580.23, or as extended under the provisions of sections 1 to 12, has expired.

Sec. 9. [582A.09] [COURT MAY REVISE AND ALTER TERMS.]

Upon the application of either party prior to the expiration of the extended

period of redemption, reinstatement of contract for deed, or payment on judgment as provided in sections 1 to 12 and upon the presentation of evidence that the terms fixed by the court are no longer just and reasonable, the court may revise and alter the terms, in the manner the changed circumstances and conditions require.

Sec. 10. [582A.10] [TRIAL TO BE HELD WITHIN 30 DAYS.]

The trial of any action, hearing, or proceeding provided for in sections 1 to 12, shall be held within 30 days after the filing of the petition. The order therein shall be made and filed within five days after the trial. Review by the supreme court may be had by certiorari, if application for the writ is made within 15 days after notice of the order. The writ shall be returnable within 30 days after the filing of the order.

Sec. 11. [582A.11] [LIMITATIONS.]

No postponement or extension shall be ordered under conditions which would substantially diminish or impair the value of the contract or obligation of the person against whom the relief is sought, without reasonable allowance to justify the exercise of the police power authorized in sections 1 to 12 or which would cause irreparable harm or undue hardship to any mortgagee, contract vendor, judgment creditor, or their successors or assigns.

Sec. 12. [582A.12] [INCONSISTENT LAWS SUSPENDED.]

Every law, to the extent it is inconsistent with sections 1 to 12, is suspended during the effective period of the governor's proclamation.

Sec. 13. [REPEALER.]

This article is repealed effective April 1, 1983.

Sec. 14. [EFFECTIVE DATE.]

Sections 1 and 2 are effective the day following final enactment. Sections 3 to 12 are effective on the date of the governor's proclamation declaring a public economic emergency as provided in section 2. Section 13 is effective April 1, 1983."

Amend the title as follows:

Page 1, line 3, after the first "fund" insert "and real property"

Page 1, line 7, after "board;" insert "providing for relief in certain cases from inequitable foreclosure of mortgages, termination of contracts for the conveyance of real estate, and execution sales of real property during an emergency declared by the governor; authorizing the governor to declare by proclamation a public economic emergency under certain conditions, limiting its duration, and providing nullifying powers in the legislature; postponing certain sales and extending the period of redemption of real property during an emergency; providing for possession during the extended period; and limiting the right to maintain actions for deficiency judgments;"

Page 1, line 13, delete "chapter" and insert "chapters"

Page 1, line 14, after "298" insert "and 582A"

Mr. Hanson questioned whether the amendment was germane.

The President ruled that the amendment was not germane.

Mr. Berg appealed the decision of the President.

The question was taken on "Shall the decision of the President be the judgment of the Senate?"

The roll was called, and there were yeas 47 and nays 16, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Benson	Chmielewski	Knutson	Peterson, D.L.	Sieloff
Berg	Engler	Kronebusch	Renneke	Taylor
Bernhagen	Frederickson	Lindgren	Rued	Ulland
Brataas				

The decision of the President was sustained.

H.F. No. 1 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 52 and nays 12, as follows:

Those who voted in the affirmative were:

Ashbach	Engler	Lantry	Peterson, R.W.	Stokowski
Bang	Frank	Lessard	Petty	Stumpf
Belanger	Frederickson	Lindgren	Purfeerst	Taylor
Berg	Hanson	Luther	Rued	Ulland
Berglin	Hughes	Merriam	Schmitz	Vega
Bernhagen	Humphrey	Moe, D.M.	Setzepfandt	Waldorf
Brataas	Johnson	Moe, R.D.	Sieloff	Wegener
Chmielewski	Keefe	Nelson	Sikorski	Willet
Dahl	Knoll	Olhoft	Solon	
Davies	Kroening	Pehler	Spear	
Dicklich	Langseth	Peterson, C.C.	Stern	

Those who voted in the negative were:

Benson	Dieterich	Kronebusch	Peterson, D.L.	Ramstad
Bertram	Kamrath	Penny	Pillsbury	Renneke
Davis	Knutson			

So the bill 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 the passage by the House of the following

Senate File, herewith returned:

S.F. No. 2: A bill for an act relating to the city of Albert Lea; authorizing the city to expend certain federal revenue sharing funds for certain purposes.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned July 9, 1982

Mr. President:

I have the honor to announce that the House of Representatives is about to adjourn the 1982 Second Special Session sine die.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted July 9, 1982

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

MOTIONS AND RESOLUTIONS

Mr. Moe, R.D. introduced—

Senate Resolution No. 4: A Senate resolution relating to adjournment of the 1982 Second Special Session.

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

The Secretary of the Senate shall notify the Governor and the House of Representatives that the Senate is about to adjourn the 1982 Second Special Session sine die.

The Secretary of the Senate may correct and approve the Journal of the Senate for the 1982 Second Special Session.

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

Mr. Ashbach moved that the Senate do now adjourn sine die. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate