

THIRTY-EIGHTH DAY

St. Paul, Minnesota, Monday, April 15, 1985

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

Prayer was offered by the Chaplain, Rev. Kurt Nordby.

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

Adkins	Diessner	Knutson	Novak	Schmitz
Anderson	Dieterich	Kroening	Olson	Sieloff
Belanger	Frank	Kronebusch	Pehler	Solon
Benson	Frederick	Laidig	Peterson, C.C.	Spear
Berg	Frederickson	Langseth	Peterson, D.C.	Storm
Berglin	Freeman	Lantry	Peterson, D.L.	Stumpf
Bernhagen	Gustafson	Lessard	Peterson, R.W.	Taylor
Bertram	Hughes	Luther	Petty	Vega
Brataas	Isackson	McQuaid	Pogemiller	Waldorf
Chmielewski	Johnson, D.E.	Mehrkens	Purfeerst	Wegscheid
Dahl	Johnson, D.J.	Merriam	Ramstad	Willet
Davis	Jude	Moe, D.M.	Reichgott	
DeCramer	Kamrath	Moe, R.D.	Renneke	
Dicklich	Knaak	Nelson	Samuelson	

The President declared a quorum present.

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

EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communication was received.

April 10, 1985

The Honorable David Jennings
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 1985 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

S.F. No.	H.F. No.	Session Laws Chapter No.	Date Approved 1985	Date Filed 1985
122		11	April 10	April 10
	34	12	April 10	April 10
	329	13	April 10	April 10
	509	14	April 10	April 10
483		15	April 10	April 10
198		16	April 10	April 10

Sincerely,

Joan Anderson Growe
Secretary of State

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, herewith returned: S.F. No. 679.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 11, 1985

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 635: A bill for an act relating to advertising devices; allowing "star city" signs on interstate highways; amending Minnesota Statutes 1984, sections 173.02, subdivisions 2 and 6; and 173.13, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 173.

Senate File No. 635 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 11, 1985

CONCURRENCE AND REPASSAGE

Mrs. Adkins moved that the Senate concur in the amendments by the House to S.F. No. 635 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 635 was read the third time, as amended by the House, and placed on its repassage.

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

The roll was called, and there were yeas 60 and nays 1, as follows:

Those who voted in the affirmative were:

Adkins	Frank	Kroening	Novak	Samuelson
Anderson	Frederick	Kronebusch	Olson	Schmitz
Belanger	Frederickson	Laidig	Pehler	Sieloff
Benson	Freeman	Langseth	Peterson, C. C.	Solon
Berg	Hughes	Lantry	Peterson, D. C.	Spear
Berglin	Isackson	Lessard	Peterson, D. L.	Storm
Bernhagen	Johnson, D. E.	Luther	Peterson, R. W.	Stumpf
Bertram	Johnson, D. J.	McQuaid	Petty	Taylor
Chmielewski	Jude	Mehrkins	Purfeerst	Vega
Davis	Kamrath	Moe, D. M.	Ramstad	Waldorf
Diessner	Knaak	Moe, R. D.	Reichgott	Wegscheid
Dieterich	Knutson	Nelson	Renneke	Willet

Mr. Merriam voted in the negative.

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

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 517, 1336, 1337, 1404, 649, 907, 1009, 1199, 1226, 1235, 1236 and 1273.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 11, 1985

FIRST READING OF HOUSE BILLS

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

H.F. No. 517: A bill for an act relating to insurance; authorizing the use of funding agreements; prescribing powers of the commissioner; proposing coding for new law in Minnesota Statutes, chapter 61A.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 519, now on the Calendar.

H.F. No. 1336: A bill for an act relating to retirement; granting the authority to firefighter relief associations in cities of the first class to elect retired members to the associations' board of directors; amending Minnesota Statutes 1984, section 69.26.

Referred to the Committee on Governmental Operations.

H.F. No. 1337: A bill for an act relating to retirement; providing for the return to work of a police officer, firefighter and the provision of service credit for certain periods of disability; amending Minnesota Statutes 1984, section 423A.15.

Referred to the Committee on Governmental Operations.

H.F. No. 1404: A bill for an act relating to retirement; teachers; participation in variable annuity division; amending Minnesota Statutes 1984, section 354.62, subdivision 2; repealing Minnesota Statutes 1984, section 354.621.

Referred to the Committee on Governmental Operations.

H.F. No. 649: A bill for an act relating to St. Louis county; fixing the

maximum amount of the county emergency fund; amending Minnesota Statutes 1984, section 383C.016.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 670, now on General Orders.

H.F. No. 907: A bill for an act relating to Ramsey county; providing for the creation, organization, powers, and duties of a personnel system; providing penalties; amending Minnesota Statutes 1984, sections 383.405; and 383A.41, subdivision 5; proposing coding for new law in Minnesota Statutes, chapter 383A; repealing Minnesota Statutes 1984, sections 383A.28; 383A.29; 383A.30; and 383A.31.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 689, now on General Orders.

H.F. No. 1009: A bill for an act relating to retirement; state employees; extending coverage to state employees on leave of absence with an exclusive bargaining agent; amending Minnesota Statutes 1984, section 352.029.

Referred to the Committee on Governmental Operations.

H.F. No. 1199: A bill for an act relating to the city of New Brighton; providing an exception from the New Brighton police civil service system for the chief and deputy chief of police.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1167, now on General Orders.

H.F. No. 1226: A bill for an act relating to local government; permitting land transfers between Ramsey county and the town of White Bear.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1075.

H.F. No. 1235: A bill for an act relating to state lands; authorizing conveyance of certain state trail lands no longer needed for trails; amending Laws 1981, chapter 190, section 3.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1062, now on General Orders.

H.F. No. 1236: A bill for an act relating to licensed occupations; requiring a certified signature on final documents prepared by certain licensed professionals; amending Minnesota Statutes 1984, section 326.12, subdivision 3.

Referred to the Committee on Economic Development and Commerce.

H.F. No. 1273: A bill for an act relating to the city of Edina; providing that survivors' benefits of firemen's service association be paid as provided by general law; repealing Laws 1965, chapter 592, section 4, as amended.

Referred to the Committee on Governmental Operations.

REPORTS OF COMMITTEES

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

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

S.F. No. 1110: A bill for an act relating to agriculture; prohibiting leases of agricultural production for fixed amounts; restricting ownership of farm land by financial institutions; requiring lenders and farmers to review financial status before foreclosure; amending Minnesota Statutes 1984, sections 500.24, subdivisions 2, 3, 4, and 5; 580.02; proposing coding for new law in Minnesota Statutes, chapters 47, 500, 581, and 582.

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

Delete everything after the enacting clause and insert:

“Section 1. [47.1005] [REQUIREMENTS FOR AGRICULTURAL PRODUCTION LOANS AND AGRICULTURAL PRODUCTION REAL AND PERSONAL PROPERTY LOANS.]

Subdivision 1. [LENDER DEFINED.] “Lender” means any financial institution, financial corporation, government lender, or entity in the business of lending money.

Subd. 2. [LOAN REVIEW WITH BORROWER.] A lender that makes loans for more than \$20,000 to a borrower for agricultural production, or to finance real or personal property for agricultural production and if there is more than \$20,000 of the loan balance outstanding, the lender must offer to meet with the borrower at least once every 12 months to:

(1) review the agricultural operation of the borrower and evaluate alternative scenarios for commodity and land prices, production, input costs, interest costs, and inflation;

(2) review the borrower’s projected cash flows for the agricultural operation based on current information;

(3) review the lender’s written policy for evaluating the borrower’s financial worthiness; and

(4) if the borrower has defaulted on a payment, meet with the borrower within 30 days of the default and review the lender’s written policy on loan forbearance, foreclosure, and period of time that principal can be deferred. Before a lender receives a deed in lieu of foreclosure the lender must warn the borrower that there may be adverse tax and other implications of the lender receiving a deed in lieu of foreclosure, and that bankruptcy may offer another alternative relief.

Sec. 2. Minnesota Statutes 1984, section 290.01, subdivision 20b, is amended to read:

Subd. 20b. [MODIFICATIONS REDUCING FEDERAL ADJUSTED GROSS INCOME.] There shall be subtracted from federal adjusted gross income:

(1) Interest income on obligations of any authority, commission or instrumentality of the United States to the extent includible in gross income for federal income tax purposes but exempt from state income tax under the laws of the United States;

(2) The portion of any gain, from the sale or other disposition of property having a higher adjusted basis for Minnesota income tax purposes than for

federal income tax purposes, that does not exceed such difference in basis; but if such gain is considered a long-term capital gain for federal income tax purposes, the modification shall be limited to 40 per centum of the portion of the gain. This modification shall not be applicable if the difference in basis is due to disallowance of depreciation pursuant to section 290.101.

(3) Income from the performance of personal or professional services which is subject to the reciprocity exclusion contained in section 290.081, clause (a);

(4) Losses, not otherwise reducing federal adjusted gross income assignable to Minnesota, arising from events or transactions which are assignable to Minnesota under the provisions of sections 290.17 to 290.20, including any capital loss or net operating loss carryforwards or carrybacks or out of state loss carryforwards resulting from the losses, and including any farm loss carryforwards or carrybacks;

(5) If included in federal adjusted gross income, the amount of any credit received, whether received as a refund or credit to another taxable year's income tax liability, pursuant to chapter 290A, and the amount of any overpayment of income tax to Minnesota, or any other state, for any previous taxable year, whether the amount is received as a refund or credited to another taxable year's income tax liability;

(6) To the extent included in federal adjusted gross income, or the amount reflected as the ordinary income portion of a lump sum distribution under section 402(e) of the Internal Revenue Code of 1954, notwithstanding any other law to the contrary, the amount received by any person (i) from the United States, its agencies or instrumentalities, the Federal Reserve Bank or from the state of Minnesota or any of its political or governmental subdivisions or from any other state or its political or governmental subdivisions, or a Minnesota volunteer firefighter's relief association, by way of payment as a pension, public employee retirement benefit, or any combination thereof, (ii) as a retirement or survivor's benefit made from a plan qualifying under section 401, 403, 404, 405, 408, 409 or 409A of the Internal Revenue Code of 1954, or (iii) severance pay distributed to an individual upon discontinuance of the individual's employment due to termination of business operations by the individual's employer, provided that the termination is reasonably likely to be permanent, involves the discharge of at least 75 percent of the employees at that site within a one-year period, and the business is not acquired by another person who continues operations at that site. The maximum amount of this subtraction shall be \$11,000 less the amount by which the individual's federal adjusted gross income, plus the ordinary income portion of a lump sum distribution as defined in section 402(e) of the Internal Revenue Code of 1954, exceeds \$17,000. For purposes of the preceding sentence, "federal adjusted gross income" shall not include railroad retirement or social security benefit amounts provided in sections 86 and 72(r) of the Internal Revenue Code of 1954. For purposes of this clause, "severance pay" means an amount received for cancellation of an employment contract or a collectively bargained termination payment made as a substitute for income which would have been earned for personal services to be rendered in the future. In the case of a volunteer firefighter who receives an involuntary lump sum dis-

tribution of his pension or retirement benefits, the maximum amount of this subtraction shall be \$11,000; this subtraction shall not be reduced by the amount of the individual's federal adjusted gross income in excess of \$17,000;

(7) To the extent included in the taxpayer's federal adjusted gross income for the taxable year, gain recognized upon a transfer of property to the spouse or former spouse of the taxpayer in exchange for the release of the spouse's marital rights;

(8) The amount of any distribution from a qualified pension or profit sharing plan included in federal adjusted gross income in the year of receipt to the extent of any contribution not previously allowed as a deduction by reason of a change in federal law which was not adopted by Minnesota law for a taxable year beginning in 1974 or later;

(9) Interest, including payment adjustment to the extent that it is applied to interest, earned by the seller of the property on a family farm security loan executed before January 1, 1986 that is guaranteed by the commissioner of agriculture as provided in sections 41.51 to 41.60;

(10) The first \$3,000 of compensation for personal services in the armed forces of the United States or the United Nations, and the next \$2,000 of compensation for personal services in the armed forces of the United States or the United Nations wholly performed outside the state of Minnesota. This modification does not apply to compensation defined in subdivision 20b, clause (6);

(11) In the case of wages or salaries paid or incurred on or after January 1, 1977, the amount of any credit for employment of certain new employees under sections 44B and 51 to 53 of the Internal Revenue Code of 1954 which is claimed as a credit against the taxpayer's federal tax liability, but only to the extent that the credit is connected with or allocable against the production or receipt of income included in the measure of the tax imposed by this chapter;

(12) Unemployment compensation to the extent includible in gross income for federal income tax purposes under section 85 of the Internal Revenue Code of 1954;

(13) For an estate or trust, the amount of any income or gain which is not assignable to Minnesota under the provisions of section 290.17;

(14) Interest earned on a contract for deed entered into for the sale of property for agricultural use if the rate of interest set in the contract is no more than nine percent per year for the duration of the term of the contract. This exclusion shall be available only if (1) the purchaser is an individual who, together with his spouse and dependents, has a total net worth valued at less than \$150,000 and (2) the property sold under the contract is farm land as defined in section 41.52, subdivision 6 of no more than 1,000 acres that the

purchaser intends to use for agricultural purposes. Compliance with these requirements shall be stated in an affidavit to be filed with the first income tax return on which the taxpayer claims the exclusion provided in this clause. Upon request accompanied by the information necessary to make the determination, the commissioner shall determine whether interest to be paid on a proposed transaction will qualify for this exclusion; the determination shall be provided within 30 days of receipt of the request, unless the commissioner finds it necessary to obtain additional information, or verification of the information provided, in which case the determination shall be provided within 30 days of receipt of the final item of information or verification. The exclusion provided in this clause shall apply to interest earned on contracts for deed entered into after December 31, 1981 and before July 1, 1983;

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

(16) To the extent included in federal adjusted gross income, distributions from a qualified governmental pension plan which represent a return of designated employee contributions to the plan and which contributions were included in gross income pursuant to subdivision 20a, clause (18). The provisions of this clause shall apply before the provisions of clause (6) apply and an amount subtracted under this clause may not be subtracted under clause (6);

(17) To the extent included in federal adjusted gross income, distributions from an individual retirement account which represent a return of contributions if the contributions were included in gross income pursuant to subdivision 20a, clause (17). The distribution shall be allocated first to return of contributions included in gross income until the amount of the contributions has been exhausted; ~~and~~

(18) To the extent included in federal adjusted gross income, social security benefits as defined and as provided in section 86 of the Internal Revenue Code of 1954, railroad retirement benefits as provided in section 72(r) of the Internal Revenue Code of 1954, and sick pay paid under the Railroad Unemployment Insurance Act as provided in section 105(j) of the Internal Revenue Code of 1954; provided that any amount subtracted under this clause may not be subtracted under clause (6); *and*

(19) To the extent included in federal adjusted gross income, a capital gain realized on a forced sale pursuant to foreclosure of a mortgage or other security interest in agricultural production property, other real property, or equipment, used in a farm business that was owned and operated by the taxpayer.

Sec. 3. Minnesota Statutes 1984, section 500.24, subdivision 2, is amended to read:

Subd. 2. [DEFINITIONS.] For the purposes of this section, the terms defined in this subdivision have the meanings here given them:

(a) "Farming" means the production of (1) agricultural products; (2) livestock or livestock products; (3) milk or milk products; or (4) fruit or other

horticultural products. It does not include the processing, refining or packaging of said products, nor the provision of spraying or harvesting services by a processor or distributor of farm products. It does not include the production of timber or forest products or the production of poultry or poultry products.

(b) "Family farm" means an unincorporated farming unit owned by one or more persons residing on the farm or actively engaging in farming.

(c) "Family farm corporation" means a corporation founded for the purpose of farming and the ownership of agricultural land in which the majority of the voting stock is held by and the majority of the stockholders are persons or the spouses of persons related to each other within the third degree of kindred according to the rules of the civil law, and at least one of said related persons is residing on or actively operating the farm, and none of whose stockholders are corporations; provided that a family farm corporation shall not cease to qualify as such hereunder by reason of any devise or bequest of shares of voting stock.

(d) "Authorized farm corporation" means a corporation meeting the following standards:

- (1) Its shareholders do not exceed five in number;
- (2) All its shareholders, other than any estate are natural persons;
- (3) It does not have more than one class of shares; and
- (4) Its revenues from rent, royalties, dividends, interest and annuities does not exceed 20 percent of its gross receipts; and
- (5) Shareholders holding a majority of the shares must be residing on the farm or actively engaging in farming.

(e) "Agricultural land" means land used for farming.

(f) "Pension or investment fund" means a pension or employee welfare benefit fund, however organized, a mutual fund, a life insurance company separate account, a common trust of a bank or other trustee established for the investment and reinvestment of money contributed to it, a real estate investment trust, or an investment company as defined in 15 U.S.C. Section 80a-3. "Pension or investment fund" does not include a benevolent trust established by the owners of a family farm, authorized farm corporation or family farm corporation.

(g) "*Corporation*" includes financial institutions, insurance companies, and other corporations that own agricultural land or hold mortgages on agricultural land. This definition applies only to subdivisions 3 and 4.

Sec. 4. Minnesota Statutes 1984, section 500.24, subdivision 3, is amended to read:

Subd. 3. [FARMING AND OWNERSHIP OF AGRICULTURAL LAND BY CORPORATIONS RESTRICTED.] No corporation or pension or investment fund shall engage in farming; nor shall any corporation or pension or investment fund, directly or indirectly, own, acquire, or otherwise obtain an interest, whether legal, beneficial or otherwise, in any title to real estate used for farming or capable of being used for farming in this state. Provided, however, that the restrictions provided in this subdivision shall not apply to

the following:

(a) A bona fide encumbrance taken for purposes of security;

(b) A family farm corporation or an authorized farm corporation as defined in subdivision 2;

(c) Agricultural land and land capable of being used for farming owned by a corporation as of May 20, 1973 or a pension or investment fund as of May 12, 1981 including the normal expansion of such ownership at a rate not to exceed 20 percent of the amount of land owned as of May 20, 1973, or, in the case of a pension or investment fund, as of May 12, 1981, measured in acres, in any five year period, and including additional ownership reasonably necessary to meet the requirements of pollution control regulations;

(d) Agricultural land operated for research or experimental purposes, provided that any commercial sales from such farm shall be incidental to the research or experimental objectives of the corporation;

(e) Agricultural land operated by a corporation for the purpose of raising breeding stock for resale to farmers or operated for the purpose of growing seed, wild rice, nursery plants or sod;

(f) Agricultural land and land capable of being used for farming leased by a corporation in an amount, measured in acres, not to exceed the acreage under lease to such corporation as of May 20, 1973 and the additional acreage required for normal expansion at a rate not to exceed 20 percent of the amount of land leased as of May 20, 1973 in any five year period, and the additional acreage reasonably necessary to meet the requirements of pollution control regulations;

(g) Agricultural land when acquired as a gift (either by grant or a devise) by an educational, religious or charitable non-profit corporation or by a pension or investment fund; provided that all lands so acquired by a pension or investment fund, and all lands so acquired by a corporation which are not operated for research or experimental purposes, or are not operated for the purpose of raising breeding stock for resale to farmers or operated for the purpose of growing seed, wild rice, nursery plants or sod must be disposed of within ten years after acquiring title thereto;

(h) Agricultural land acquired by a pension or investment fund or a corporation other than a family farm corporation or authorized farm corporation, as defined in subdivision 2, for which the corporation has documented plans to use and subsequently uses the land within ~~six~~ *three* years from the date of purchase for a specific nonfarming purpose, or if the land is zoned nonagricultural, or if the land is located within an incorporated area. A pension or investment fund or a corporation may hold such agricultural land in such acreage as may be necessary to its nonfarm business operation; provided, however, that pending the development of agricultural land for nonfarm purposes, such land may not be used for farming except under lease to a family farm unit, a family farm corporation or an authorized farm corporation, or except when controlled through ownership, options, leaseholds, or other agreements by a corporation which has entered into an agreement with the United States of America pursuant to the New Community Act of 1968 (Title IV of the Housing and Urban Development Act of 1968, 42 U.S.C. 3901-3914) as amended, or a subsidiary or assign of such a corporation;

(i) Agricultural lands acquired by a pension or investment fund or a corporation by process of law in the collection of debts, or by any procedure for the enforcement of a lien or claim thereon, whether created by mortgage or otherwise; provided, however, that all lands so acquired be disposed of within ~~ten years~~ 36 months after acquiring the title thereto, and further provided that the land so acquired shall not be used for farming during the ~~ten year~~ 36-month period except under a lease to a family farm unit, a family farm corporation or an authorized farm corporation. The aforementioned ~~ten year~~ 36-month limitation period shall be deemed a covenant running with the title to the land against any pension or investment fund or corporate grantee or assignee or the successor of such pension or investment fund or corporation;

(j) Agricultural land acquired by a corporation regulated under the provisions of Minnesota Statutes 1974, Chapter 216B, for purposes described in that chapter or by an electric generation or transmission cooperative for use in its business, provided, however, that such land may not be used for farming except under lease to a family farm unit, or a family farm corporation;

(k) Agricultural land, either leased or owned, totaling no more than 2700 acres, acquired after May 20, 1973 for the purpose of replacing or expanding asparagus growing operations, provided that such corporation had established 2000 acres of asparagus production;

(l) All agricultural land or land capable of being used for farming which was owned or leased by an authorized farm corporation as defined in Minnesota Statutes 1974, Section 500.24, Subdivision 1, Clause (d) but which does not qualify as an authorized farm corporation as defined in subdivision 2, clause (d);

(m) A corporation formed primarily for religious purposes whose sole income is derived from agriculture;

(n) Agricultural land owned or leased by a corporation prior to August 1, 1975, which was exempted from the restriction of subdivision 3 under the provisions of Laws 1973, Chapter 427, including normal expansion of such ownership or leasehold interest to be exercised at a rate not to exceed 20 percent of the amount of land owned or leased on August 1, 1975 in any five year period and the additional ownership reasonably necessary to meet requirements of pollution control regulations.

(o) Agricultural land owned or leased by a corporation prior to August 1, 1978, including normal expansion of such ownership or leasehold interest, to be exercised at a rate not to exceed 20 percent of the amount of land owned or leased on August 1, 1978 and the additional ownership reasonably necessary to meet requirements of pollution control regulations, provided that nothing herein shall reduce any exemption contained under the provisions of Laws 1975, Chapter 324, Section 1, Subdivision 2.

(p) An interest in the title to agricultural land acquired by a pension fund or family trust established by the owners of a family farm, authorized farm corporation or family farm corporation, but limited to the farm on which one or more of those owners or shareholders have resided or have been actively engaged in farming as required by subdivision 2, clause (b), (c), or (d).

Sec. 5. Minnesota Statutes 1984, section 500.24, subdivision 5, is

amended to read:

Subd. 5. [ENFORCEMENT.] If the attorney general has reason to believe that a corporation or pension or investment fund is violating subdivision 3, he shall commence an action in the district court in which any agricultural lands relative to such violation are situated, or if situated in two or more counties, in any county in which a substantial part of the lands are situated. The attorney general shall file for record with the county recorder or the registrar of titles of each county in which any portion of said lands are located a notice of the pendency of the action as provided in section 557.02. If the court finds that the lands in question are being held in violation of subdivision 3, it shall enter an order so declaring. The attorney general shall file for record any such order with the county recorder or the registrar of titles of each county in which any portion of said lands are located. Thereafter, the pension or investment fund or corporation owning such land shall have a period of ~~five years~~ 30 months from the date of such order to divest itself of such lands. The aforementioned ~~five year~~ 30-month limitation period shall be deemed a covenant running with the title to the land against any pension or investment fund or corporate grantee or assignee or the successor of such pension or investment fund or corporation. Any lands not so divested within the time prescribed shall be sold at public sale in the manner prescribed by law for the foreclosure of a mortgage by action. In addition, any prospective or threatened violation may be enjoined by an action brought by the attorney general in the manner provided by law.

Sec. 6. Minnesota Statutes 1984, section 580.02, is amended to read:

580.02 [REQUISITES FOR FORECLOSURE.]

To entitle any party to make such foreclosure, it is requisite:

(1) That some default in a condition of such mortgage has occurred, by which the power to sell has become operative;

(2) That no action or proceeding has been instituted at law to recover the debt then remaining secured by such mortgage, or any part thereof, or, if the action or proceeding has been instituted, that the same has been discontinued, or that an execution upon the judgment rendered therein has been returned unsatisfied, in whole or in part;

(3) That the mortgage has been recorded and, if it has been assigned, that all assignments thereof have been recorded; provided, that, if the mortgage is upon registered land, it shall be sufficient if the mortgage and all assignments thereof have been duly registered;

(4) *For mortgages on agricultural production real property, that the foreclosing party provide: (1) certification that the requirements of section 1 have been completed for two years before the mortgage is foreclosed or from the date the mortgage was entered into, whichever is less; and (2) the proper state and federal tax filing information to exempt the foreclosed agricultural real property from capital gain tax.*

Sec. 7. [581.015] [REQUIREMENTS BEFORE FORECLOSURE ON AGRICULTURAL PRODUCTION REAL PROPERTY.]

For mortgages on agricultural production real property, the foreclosing party must provide: (1) certification that the requirements of section 1 have

been completed for two years before the mortgage may be foreclosed or from the date the mortgage was entered into, whichever is less; and (2) the proper state and federal tax filing information to exempt the foreclosed agricultural real property from capital gain tax.

Sec. 8. [582.145] [REQUIREMENTS BEFORE FORECLOSURE ON AGRICULTURAL PRODUCTION REAL PROPERTY.]

For mortgages on agricultural production real property, the foreclosing party must provide: (1) certification that the requirements of section 1 have been completed for two years before the mortgage may be foreclosed or from the date the mortgage was entered into, whichever is less; and (2) the proper state and federal tax filing information to exempt the foreclosed agricultural real property from capital gain tax.

Sec. 9. [EFFECTIVE DATE.]

Sections 1 and 2 are effective July 1, 1985. Sections 3 to 5 are effective the day after enactment for lands sold at foreclosure after the day after enactment. Sections 6 to 8 are effective July 1, 1987."

Amend the title as follows:

Page 1, lines 2 and 3, delete "prohibiting leases of agricultural production for fixed amounts;"

Page 1, line 7, after "sections" insert "290.01, subdivision 20b;"

Page 1, line 7, delete "4,"

Page 1, line 9, delete "500,"

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

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

S.F. No. 719: A bill for an act relating to wild animals; authorizing the commissioner of natural resources to permit, on an experimental basis, the taking of two deer by one hunter, under conditions and restrictions prescribed by order; proposing coding for new law in Minnesota Statutes, chapter 98.

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

Delete everything after the enacting clause and insert:

"Section 1. [97.451] [EXPERIMENTAL SEASON TO TAKE TWO DEER.]

Notwithstanding the provisions of section 100.272 or 100.28, person must pay for a license to take deer by firearm. 1, for three calendar years beginning January 1, 1985, the commissioner may, by order, authorize and prescribe the taking of two deer by a hunter during a calendar year, by firearm or bow and arrow. The conditions may include:

(1) the issuance of an additional license; and

(2) the payment of an additional license fee not to exceed the amount a

person must pay for a license to take deer by firearm.

Sec. 2. [ELK REMOVAL.]

The commissioner shall remove all elk from the agricultural areas of the state by September 1, 1985. A crop owner shall be compensated for crop damage caused by elk, as provided in section 3.

Sec. 3. [COMPENSATION FOR CROP DAMAGE CAUSED BY ELK.]

Subdivision 1. [PROCEDURE.] (a) Notwithstanding section 3.736, subdivision 3, paragraph (e) or any other law to the contrary, a crop owner shall be compensated for crop damage caused by elk from the effective date of this act, under the provisions of this section, and in a manner similar to compensation to livestock owners under section 3.737.

(b) A crop owner is entitled to the fair market value of the crop damaged by elk as determined by the commissioner of agriculture upon recommendation by the county extension agent of the owner's county and a conservation officer. The commissioner shall determine, with the aid of the county extension agent and the conservation officer, whether the crop was damaged by elk.

(c) The crop owner shall file a claim on forms provided by the commissioner of agriculture and available at the county extension agent's office.

Subd. 2. [INSURANCE PROCEEDS.] Any payments made pursuant to this section shall be reduced by amounts received by the owner as proceeds from any insurance policy covering crop losses, or from any other source for the same purpose including, but not limited to, a federal program.

Subd. 3. [CROP EVALUATION.] The commissioner of agriculture shall adopt procedures notwithstanding chapter 14 to include: (1) methods of valuation of crop damage; (2) criteria for determination of the cause for crop loss; (3) notice requirements by the owner of damaged crops; and (4) any other matters determined necessary by the commissioner to carry out the provisions of this section.

Subd. 4. [COMMISSIONER'S DETERMINATION; APPEALS.] (a) If the commissioner finds that the crop owner has shown the crop damage was caused more probably than not by elk, the commissioner shall pay compensation as provided in this section and in the rules of the department.

(b) If the commissioner denies any compensation claimed by a crop owner under this section, the commissioner shall issue a written decision based upon the available evidence which shall include specification of the facts upon which the decision is based and the conclusions on the material issues of the claim. A copy of the decision shall be transmitted to the crop owner by first class mail.

(c) A decision denying compensation claimed under this section is not subject to the contested case review procedures of chapter 14, but may be reviewed upon a trial de novo in the county court in the county where the loss occurred. The decision of the county court may be appealed as in other civil cases. Review in the county court may be obtained by the filing of a petition for review with the clerk of the county court within 60 days following receipt of a decision under this section. Upon the filing of a petition, the clerk of the county court shall mail a copy of it to the commissioner and set a time for

hearing which shall be held within 90 days of the filing of the petition.

Sec. 4. [EFFECTIVE DATE.]

This act is effective the day after enactment."

Delete the title and insert:

"A bill for an act relating to wild animals; authorizing the commissioner of natural resources to permit, on an experimental basis, the taking of two deer by one hunter, under conditions and restrictions prescribed by order; requiring the removal of elk from the state; allowing compensation for damage of crops by elk; taking elk damaging crops; proposing coding for new law in Minnesota Statutes, chapter 97."

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

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

S.F. No. 614: A bill for an act relating to natural resources; authorizing the commissioner to enter into agreements with other states for forest fire prevention and suppression purposes; proposing coding for new law in Minnesota Statutes, chapter 88.

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

Page 1, delete section 1 and insert:

"Section 1. [88.041] [INTERSTATE FOREST FIRE PREVENTION AND SUPPRESSION AGREEMENTS.]

The commissioner may enter into agreements with other states to cooperatively prevent and suppress forest fires."

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

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

S.F. No. 534: A bill for an act relating to agriculture; appropriating money for additional apiary inspection staff and staff support.

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

Delete everything after the enacting clause and insert:

"Section 1. [APPROPRIATION.]

Subdivision 1. [APIARY INSPECTION.] \$45,800 is appropriated from the general fund to the commissioner of agriculture for administration of Minnesota Statutes, chapter 19, to be available until June 30, 1987.

Subd. 2. [ACARINE MITE PROGRAM.] The acarine or tracheal mite, acaropsis woodi, is a crippling parasitic mite that attacks adult honey bees. This parasite has been found in numerous states where Minnesota hives are

wintered. There is no known control for an infestation of this parasite, so Minnesota must begin a program of prompt detection, isolation, and eradication of the parasite if it is accidentally introduced into this state.

\$65,400 is appropriated from the general fund to the commissioner of agriculture to employ seasonal personnel to collect bee samples and process them for laboratory identification as part of a program to locate and eradicate any acarine or tracheal mite infestations, to be available until June 30, 1987.

Sec. 2. [EFFECTIVE DATE.]

The appropriations by this act are effective the day after final enactment and continue until June 30, 1987.

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

Mr. Moe, D.M. from the Committee on Governmental Operations, to which was referred

H.F. No. 112: A bill for an act relating to veterans; authorizing certain American Legion officers and employees to elect state employee benefit coverage at their own expense; amending Minnesota Statutes 1984, section 43A.27, subdivision 2.

Reports the same back with the recommendation that the bill do pass and be placed on the Consent Calendar. Report adopted.

Mr. Schmitz from the Committee on Local and Urban Government, to which was referred

H.F. No. 1152: A bill for an act relating to Winona county; authorizing the sale of certain property.

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

Page 1, line 9, after "convey" insert ", for the appraised value,"

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

Mr. Schmitz from the Committee on Local and Urban Government, to which was referred

S.F. No. 825: A bill for an act relating to the city of Crystal; regulating the holding of public offices by council members; providing for the adoption of emergency ordinances.

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

Page 1, line 19, after "3" insert ", and shall expire December 31, 1987"

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

Mr. Schmitz from the Committee on Local and Urban Government, to which was re-referred

S.F. No. 868: A bill for an act relating to local government; setting authority to regulate firearms and related matters; amending Minnesota Statutes 1984, sections 624.7132, subdivision 16; and 624.717; proposing coding for new law in Minnesota Statutes, chapter 471; repealing Minnesota Statutes 1984, section 624.718.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Judiciary. Report adopted.

Mr. Schmitz from the Committee on Local and Urban Government, to which was referred

H.F. No. 585: A bill for an act relating to local government; providing for exceptions to conflict of interest rules; regulating local officials; amending Minnesota Statutes 1984, section 471.88, subdivisions 5 and 8.

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

Mr. Schmitz from the Committee on Local and Urban Government, to which was referred

S.F. No. 541: A bill for an act relating to metropolitan government; providing conditions for the disposal of certain sports facilities property; amending Minnesota Statutes 1984, section 473.556, subdivision 6.

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

Page 1, line 19, strike "shall" and insert "may" and after "for" insert "residential," and after "commercial" insert a comma

Page 2, lines 4 and 5, delete the new language and insert "to further the general plan of port improvement or industrial development or for any other purpose which the authority considers to be in the best interests of the district and its people."

Page 2, line 6, delete everything before "The"

Page 2, after line 16, insert:

"Sec. 2. Minnesota Statutes 1984, section 473.704, is amended by adding a subdivision to read:

Subd. 18. The commission may establish a research program to evaluate the effects of mosquito and blackfly control on other fauna. The purpose of the program is to identify the types and magnitude of the adverse effects of the control program on fish and wildlife and associated food chain invertebrates. The commission may conduct the research through contracts with outside consultants. The commission may finance the research program each year at a level up to 2.5 percent of its annual budget."

Re-number the sections in sequence

Amend the title as follows:

Page 1, line 4, after the semicolon, insert "requiring the metropolitan mosquito control district to establish a research program to evaluate the ef-

fects of its control program on other fauna;"

Page 1, line 5, delete "section" and insert "sections" and after "6" insert "; and 473.704, by adding a subdivision"

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

Mr. Schmitz from the Committee on Local and Urban Government, to which was referred

H.F. No. 446: A bill for an act relating to real estate; providing conditions for certain transportation department land sales; providing conditions for certain county land sales; amending Minnesota Statutes 1984, sections 161.23, subdivision 2, and by adding subdivisions; and 373.01, subdivision 1.

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

Page 1, line 19, after "following" insert "mailed"

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

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

S.F. No. 1161: A bill for an act relating to taxation; providing that property of the metropolitan sports facilities commission that is leased to tenants retains its tax-exempt status; amending Minnesota Statutes 1984, section 473.556, subdivision 4.

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

Page 1, line 11, reinstate the stricken language and delete the new language

Page 1, delete lines 12 to 14

Page 1, line 15, delete the new language

Page 1, line 20, after "from" insert "*ad valorem*"

Page 2, line 5, after the period, insert "*Notwithstanding the provisions of section 272.01, subdivision 2, or 273.19, real or personal property leased by the commission to another person for uses related to the purposes of sections 473.551 to 473.595, including the operation of the metropolitan sports area, but not including property sold or leased for development pursuant to subdivision 6, shall be exempt from taxation regardless of the length of the lease.*"

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

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

S.F. No. 1300: A bill for an act relating to taxation; imposing a penalty for

substantially understating tax liability; setting a fee for certifications of debts; repealing the permit for transportation of petroleum products; amending Minnesota Statutes 1984, sections 270A.07, subdivision 1; 290.50, subdivision 6; proposing coding for new law in Minnesota Statutes, chapter 270; repealing Minnesota Statutes 1984, section 296.10.

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

Page 1, delete lines 14 to 27

Page 2, delete lines 1 to 3 and insert:

"If there is a substantial understatement of any tax which is payable to the commissioner of revenue for any period, there shall be added to the tax an amount equal to ten percent of the amount of any underpayment attributable to the understatement. There is a substantial understatement of tax for the period if the amount of the understatement for the period exceeds the greater of (1) ten percent of the tax required to be shown on the return for the period or (2) (a) \$3,500 in the case of a corporation other than an S corporation as defined in section 290.9725 or (b) \$2,500 in the case of any other taxpayer. The term "understatement" means the excess of the amount of the tax required to be shown on the return for the period, over the amount of the tax imposed which is shown on the return. The amount of the understatement shall be reduced by that portion of the understatement which is attributable to the tax treatment of any item by the taxpayer if there is or was substantial authority for such treatment, or any item with respect to which the relevant facts affecting the item's tax treatment are adequately disclosed in the return or in a statement attached to the return. The commissioner may abate all or any part of the addition to the tax provided by this section on a showing by the taxpayer that there was reasonable cause for the understatement, or part thereof, and that the taxpayer acted in good faith."

Page 4, delete line 13 and insert:

"Section 1 is effective for returns filed after June 30, 1985. Sections 2 to 4 are effective July 1, 1985."

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

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

S.F. No. 749: A bill for an act relating to taxation; permitting the appointment of certain persons as county assessors and county assessors' assistants; amending Minnesota Statutes 1984, section 270.50.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1984, section 273.061, subdivision 2, is amended to read:

Subd. 2. [TERM; VACANCY.] (a) The terms of county assessors ap-

pointed under this section shall be four years. A new term shall begin on January 1 of every fourth year after 1973. When any vacancy in the office occurs, the board of county commissioners, within 30 days thereafter, shall fill the same by appointment for the remainder of the term, following the procedure prescribed in subdivision 1. *The initial six months of the first term of a county assessor shall be a probationary period, so that the term of the assessor may be terminated by the county board at the end of the six-month period if the performance of the assessor has not been satisfactory.* The term of the county assessor may be terminated by the board of county commissioners at any time, on charges of inefficiency or neglect of his duty by the commissioner of revenue. If the board of county commissioners does not intend to reappoint a county assessor who has been certified by the state board of assessors, the board shall present written notice to the county assessor not later than 90 days prior to the termination of his term, that it does not intend to reappoint him. If written notice is not timely made to the county assessor, he will automatically be reappointed by the board of county commissioners.

(b) In the event of a vacancy in the office of county assessor, through death, resignation or other reasons, the deputy (or chief deputy, if more than one) shall perform the functions of the office. If there is no deputy, the county auditor shall designate a person to perform the duties of the office until an appointment is made as provided in clause (a). Such person shall perform the duties of the office for a period not exceeding 30 days during which the county board must appoint a county assessor. Such 30-day period may, however, be extended by written approval of the commissioner of revenue."

Amend the title as follows:

Page 1, line 2, delete "permitting the appointment of"

Page 1, delete lines 3 to 5 and insert "providing a probationary period for county assessors; amending Minnesota Statutes 1984, section 273.061, subdivision 2."

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

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

S.F. No. 83: A bill for an act relating to taxation; providing an exemption from sales tax for the gross receipts from sales of tangible personal property, admission charges, and sales of food, meals, or drinks at certain events sponsored by certain nonprofit organizations; amending Minnesota Statutes 1984, section 297A.25, subdivision 1.

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

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

S.F. No. 1350: A bill for an act relating to taxation; modifying the procedure used by the state board of equalization for determining property val-

ues for taxes payable in 1986.

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

Mr. Solon from the Committee on Economic Development and Commerce, to which was re-referred

S.F. No. 1159: A bill for an act relating to corporations; regulating corporate take-overs and control share acquisitions; defining terms; prescribing penalties; amending Minnesota Statutes 1984, sections 80B.01, subdivisions 6, 8, and 9; 80B.03, subdivisions 1, 2, 4a, 5, and 6; 80B.05; 80B.06, subdivision 7; 80B.07, subdivision 3; 80B.10, subdivisions 1, 4, and by adding a subdivision; 302A.011, subdivisions 37, 39, and by adding a subdivision; 302A.449, subdivision 7; and 302A.671; repealing Minnesota Statutes 1984, section 80B.06, subdivisions 3, 4, and 6.

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

Page 12, line 19, after "articles" insert "*or bylaws*"

Page 12, line 20, strike "applies" and insert "*does not apply*"

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

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred under Rule 35, together with the committee report thereon,

S.F. No. 1127: A bill for an act relating to children; expanding the definition of a medically neglected child; requiring the local agency to report and initiate proceedings in cases of medical neglect; amending Minnesota Statutes 1984, sections 260.015, subdivision 10; 626.556, subdivision 2, and by adding a subdivision.

Reports the same back with the recommendation that the report from the Committee on Health and Human Services, shown in the Journal for April 11, 1985, be amended to read:

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

SECOND READING OF SENATE BILLS

S.F. Nos. 614, 825, 541, 1161, 1300, 749, 83 and 1350 were read the second time.

SECOND READING OF HOUSE BILLS

H.F. Nos. 112, 1152, 585 and 446 were read the second time.

MOTIONS AND RESOLUTIONS

Mr. Chmielewski moved that the name of Mr. Willet be added as a co-au-

thor to S.F. No. 361. The motion prevailed.

Mr. Benson moved that his name be stricken as a co-author to S.F. No. 799. The motion prevailed.

Mr. Purfeerst moved that his name be stricken as chief author, shown as a co-author and the name of Mr. Schmitz be shown as chief author to S.F. No. 1070. The motion prevailed.

Mr. Knaak moved that the name of Mr. Novak be added as a co-author to S.F. No. 1145. The motion prevailed.

Ms. Peterson, D.C. moved that the name of Mr. Schmitz be added as a co-author to S.F. No. 1190. The motion prevailed.

Mr. Dicklich moved that the name of Mr. Solon be added as a co-author to S.F. No. 1251. The motion prevailed.

Mr. Johnson, D.J. moved that the names of Messrs. Solon and Vega be added as co-authors to S.F. No. 1469. The motion prevailed.

Mr. Wegscheid moved that S.F. No. 1398 be withdrawn from the Committee on Governmental Operations and re-referred to the Committee on Local and Urban Government. The motion prevailed.

CALENDAR

S.F. No. 221: A bill for an act relating to agriculture; providing for the prevention of economic waste in the marketing of certain agricultural crops produced in Minnesota by establishing minimum prices; providing for supply management and orderly marketing, administration, and enforcement; imposing a penalty; proposing coding for new law in Minnesota Statutes, chapter 17.

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 36 and nays 28, as follows:

Those who voted in the affirmative were:

Berg	Frank	Lessard	Peterson, D.C.	Spear
Berglin	Freeman	Luther	Petty	Stumpf
Bertram	Gustafson	Merriam	Pogemiller	Vega
Dahl	Hughes	Moe, R. D.	Purfeerst	Willet
Davis	Johnson, D.J.	Nelson	Reichgott	
DeCramer	Jude	Novak	Samuelson	
Dicklich	Kroening	Pehler	Schmitz	
Diessner	Langseth	Peterson, C.C.	Solon	

Those who voted in the negative were:

Adkins	Dieterich	Knaak	Mehrkens	Sieloff
Anderson	Frederick	Knutson	Moe, D. M.	Storm
Belanger	Frederickson	Kronebusch	Olson	Taylor
Benson	Isackson	Laidig	Peterson, R.W.	Waldorf
Bernhagen	Johnson, D.E.	Lantry	Ramstad	
Chmielewski	Kamrath	McQuaid	Renneke	

So the bill passed and its title was agreed to.

S.F. No. 384: A bill for an act relating to state lands; conveying lands to the

federal government for Voyageurs National Park; appropriating money; amending Minnesota Statutes 1984, section 84B.03, subdivision 4.

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 65 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Dieterich	Knutson	Nelson	Renneke
Belanger	Frank	Kroening	Novak	Samuelson
Benson	Frederick	Kronebusch	Olson	Schmitz
Berg	Frederickson	Laidig	Pehler	Sieloff
Berglin	Freeman	Langseth	Peterson, C.C.	Solon
Bernhagen	Gustafson	Lantry	Peterson, D.C.	Spear
Bertram	Hughes	Lessard	Peterson, D.L.	Storm
Chmielewski	Isackson	Luther	Peterson, R.W.	Stumpf
Dahl	Johnson, D.E.	McQuaid	Petty	Taylor
Davis	Johnson, D.J.	Mehrkens	Pogemiller	Vega
DeCramer	Jude	Merriam	Purfeerst	Waldorf
Dicklich	Kamrath	Moe, D. M.	Ramstad	Wegscheid
Diessner	Knaak	Moe, R. D.	Reichgott	Willet

So the bill passed and its title was agreed to.

CONSENT CALENDAR

H.F. No. 796: A bill for an act relating to Ramsey county; exempting county highways from seasonal load restrictions unless posted by the county authority; proposing coding for new law in Minnesota Statutes, chapter 383A.

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 66 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dieterich	Kroening	Olson	Sieloff
Anderson	Frank	Kronebusch	Pehler	Solon
Belanger	Frederick	Laidig	Peterson, C.C.	Spear
Benson	Frederickson	Langseth	Peterson, D.C.	Storm
Berg	Freeman	Lantry	Peterson, D.L.	Stumpf
Berglin	Gustafson	Lessard	Peterson, R.W.	Taylor
Bernhagen	Hughes	Luther	Petty	Vega
Bertram	Isackson	McQuaid	Pogemiller	Waldorf
Chmielewski	Johnson, D.E.	Mehrkens	Purfeerst	Wegscheid
Dahl	Johnson, D.J.	Merriam	Ramstad	Willet
Davis	Jude	Moe, D. M.	Reichgott	
DeCramer	Kamrath	Moe, R. D.	Renneke	
Dicklich	Knaak	Nelson	Samuelson	
Diessner	Knutson	Novak	Schmitz	

So the bill passed and its title was agreed to.

H.F. No. 991: A bill for an act relating to local government; regulating certain municipal dissolutions and annexations; amending Minnesota Statutes 1984, sections 412.091; 414.033, by adding subdivisions; and 414.061, by adding a subdivision.

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 66 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dieterich	Kroening	Olson	Sieloff
Anderson	Frank	Kronebusch	Pehler	Solon
Belanger	Frederick	Laidig	Peterson, C.C.	Spear
Benson	Frederickson	Langseth	Peterson, D.C.	Storm
Berg	Freeman	Lantry	Peterson, D.L.	Stumpf
Berglin	Gustafson	Lessard	Peterson, R.W.	Taylor
Bernhagen	Hughes	Luther	Petty	Vega
Bertram	Isackson	McQuaid	Pogemiller	Waldorf
Chmielewski	Johnson, D.E.	Mehrkens	Purfeerst	Wegscheid
Dahl	Johnson, D.J.	Merriam	Ramstad	Willet
Davis	Jude	Moe, D. M.	Reichgott	
DeCramer	Kamrath	Moe, R. D.	Renneke	
Dicklich	Knaak	Nelson	Samuelson	
Diessner	Knutson	Novak	Schmitz	

So the bill passed and its title was agreed to.

S.F. No. 1045: A bill for an act relating to commerce; providing for the determination of certain usurious contracts; proposing coding for new law in Minnesota Statutes, chapter 334.

Mr. Kroening moved to amend S.F. No. 1045 as follows:

Page 1, line 12, delete "any" and insert "the" and delete "during" and insert "when"

Page 1, line 12, before the comma insert "or for a change in the rate of finance charge"

Page 1, line 13, before "applied" insert "or finance charge began to be"

Page 1, line 14, delete "charged on" and insert "or finance charge applied to"

Page 1, lines 15, 16 and 18, after "rate" insert "or finance charge"

The motion prevailed. So the amendment was adopted.

S.F. No. 1045 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 65 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Diessner	Knaak	Moe, R. D.	Renneke
Anderson	Dieterich	Knutson	Nelson	Samuelson
Belanger	Frank	Kroening	Novak	Schmitz
Benson	Frederick	Kronebusch	Olson	Sieloff
Berg	Frederickson	Laidig	Peterson, C.C.	Solon
Berglin	Freeman	Langseth	Peterson, D.C.	Spear
Bernhagen	Gustafson	Lantry	Peterson, D.L.	Storm
Bertram	Hughes	Lessard	Peterson, R.W.	Stumpf
Chmielewski	Isackson	Luther	Petty	Taylor
Dahl	Johnson, D.E.	McQuaid	Pogemiller	Vega
Davis	Johnson, D.J.	Mehrkens	Purfeerst	Waldorf
DeCramer	Jude	Merriam	Ramstad	Wegscheid
Dicklich	Kamrath	Moe, D. M.	Reichgott	Willet

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

H.F. No. 1032: A bill for an act relating to the borough of Belle Plaine; permitting Belle Plaine to use the term "borough" for all purposes; amending Minnesota Statutes 1984, sections 410.015; and 413.02, subdivision 5, and by adding a subdivision.

Mr. Schmitz moved to amend H.F. No. 1032 as follows:

Page 2, line 10, after "may" insert "*by resolution of its governing body,*"

Page 2, delete section 4

The motion prevailed. So the amendment was adopted.

H.F. No. 1032 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 65 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dicklich	Kamrath	Moe, R. D.	Renneke
Anderson	Diessner	Knaak	Novak	Samuelson
Belanger	Dieterich	Knutson	Olson	Schmitz
Benson	Frank	Kroening	Pehler	Sieloff
Berg	Frederick	Kronebusch	Peterson, C. C.	Solon
Berglin	Frederickson	Laidig	Peterson, D. C.	Spear
Bernhagen	Freeman	Langseth	Peterson, D. L.	Storm
Bertram	Gustafson	Lantry	Peterson, R. W.	Stumpf
Brataas	Hughes	Lessard	Petty	Taylor
Chmielewski	Isackson	Luther	Pogemiller	Vega
Dahl	Johnson, D. E.	McQuaid	Purfeerst	Waldorf
Davis	Johnson, D. J.	Mehrkens	Ramstad	Wegscheid
DeCramer	Jude	Merriam	Reichgott	Willet

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

H.F. No. 985: A bill for an act relating to human services; clarifying eligibility for aid for unborn children and prenatal care payments; amending Minnesota Statutes 1984, section 256.73, subdivision 5.

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 64 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dicklich	Kamrath	Novak	Samuelson
Anderson	Diessner	Knaak	Olson	Schmitz
Belanger	Dieterich	Knutson	Pehler	Sieloff
Benson	Frank	Kroening	Peterson, C. C.	Solon
Berg	Frederick	Kronebusch	Peterson, D. C.	Spear
Berglin	Frederickson	Laidig	Peterson, D. L.	Storm
Bernhagen	Freeman	Lantry	Peterson, R. W.	Stumpf
Bertram	Gustafson	Lessard	Petty	Taylor
Brataas	Hughes	Luther	Pogemiller	Vega
Chmielewski	Isackson	McQuaid	Purfeerst	Waldorf
Dahl	Johnson, D. E.	Mehrkens	Ramstad	Wegscheid
Davis	Johnson, D. J.	Merriam	Reichgott	Willet
DeCramer	Jude	Moe, R. D.	Renneke	

So the bill passed and its title was agreed to.

H.F. No. 85: A bill for an act relating to the town of Santiago; authorizing the establishment of a detached banking facility.

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 66 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Diessner	Knutson	Olson	Sieloff
Anderson	Dieterich	Kroening	Pehler	Solon
Belanger	Frank	Kronebusch	Peterson, C.C.	Spear
Benson	Frederick	Laidig	Peterson, D.C.	Storm
Berg	Frederickson	Langseth	Peterson, D.L.	Stumpf
Berglin	Freeman	Lantry	Peterson, R.W.	Taylor
Bernhagen	Gustafson	Lessard	Petty	Vega
Bertram	Hughes	Luther	Pogemiller	Waldorf
Brataas	Isackson	McQuaid	Purfeerst	Wegscheid
Chmielewski	Johnson, D.E.	Mehrkens	Ramstad	Willet
Dahl	Johnson, D.J.	Merriam	Reichgott	
Davis	Jude	Moe, D. M.	Renneke	
DeCramer	Kamrath	Moe, R. D.	Samuelson	
Dicklich	Knaak	Novak	Schmitz	

So the bill passed and its title was agreed to.

GENERAL ORDERS

The Senate resolved itself into a Committee of the Whole, with Mr. Hughes in the chair.

After some time spent therein, the committee arose, and Ms. Berglin reported that the committee had considered the following:

S.F. No. 1231 and H.F. No. 1, which the committee recommends to pass.

S.F. No. 295, which the committee recommends to pass with the following amendment offered by Mr. Willet:

Page 4, after line 21, insert:

“Sec. 6. Minnesota Statutes 1984, section 471.65, is amended to read:

471.65 [GRANT, ADVANCE, OR LOAN FROM FEDERAL OR STATE GOVERNMENT.]

Subdivision 1. [ACCEPTANCE.] Notwithstanding inconsistent provisions of any other statute or home rule charter, any county, city, town, school district or other political subdivision of the state, however organized, may accept from the government of the United States or the state of Minnesota grants, loans, or advances of money for the planning of public works projects, and may make agreements to repay any such loans or advances for planning purposes without submitting the proposal to a vote of the people. Funds received by any political subdivision under this subdivision shall not be used for the planning of public housing projects, or housing authority projects.

Subd. 2. [CHARTER LIMITATION ON EXPENDITURES NOT TO APPLY.] Expenditures of grants, advances or loans of money received by any city from the government of the United States or the state of Minnesota for the planning of public works projects pursuant to subdivision 1 by such

municipality shall not be considered as part of the cost of government within the meaning of any statutory or charter limitation on expenditures.

Sec. 7. [471.924] [COUNTY REGULATION OF PAWNBROKERS, SECOND-HAND AND JUNK DEALERS.]

Subdivision 1. [AUTHORITY.] For the purpose of promoting the health, safety, morals, and general welfare of its residents, any county in the state may regulate the activities of pawnbrokers, second-hand and junk dealers.

Subd. 2. [IMPLEMENTATION.] The purposes and objectives of the authority granted by this section shall be furthered by the adoption and passage of county-wide regulations or ordinance provisions.

Sec. 8. [471.925] [DEFINITIONS.]

For purposes of sections 7 to 12, the following terms have the meanings given them:

(1) "pawnbroker" means a person who loans money on deposit or pledge of personal property, or other valuable thing, or who deals in the purchasing of personal property or other valuable thing on condition of selling the same back again at a stipulated price, or who loans money secured by chattel mortgage or personal property, taking possession of the property or any part thereof so mortgaged; and

(2) "second-hand goods" or "junk dealer" means a person engaged in the business of buying second-hand goods of any kind, including but not limited to coins, gold, silver, jewelry, metals, guns, and wrecked or dismantled motor vehicles or motor vehicles intended to be wrecked or dismantled, but not including used goods and merchandise taken as part or full payment for new goods and merchandise.

Sec. 9. [471.926] [RELATION TO OTHER COUNTY AUTHORITY.]

Any ordinance adopted by a county pursuant to sections 7 to 12 shall complement and be in addition to any other authority granted to a county pursuant to state statute, rule, or other local ordinance.

Sec. 10. [471.927] [COOPERATION WITH MUNICIPALITIES.]

The governing body of any municipality may continue to exercise the authority to regulate pawnbrokers and second-hand or junk dealers as provided by law, but may contract with the county board of commissioners for administration and enforcement of county-wide regulations or ordinance provisions within the borders of the municipality.

Sec. 11. [471.928] [RECORDING.]

Any ordinance adopted pursuant to sections 7 to 12 must be filed with the county recorder. The county auditor shall file a certified copy of the ordinance for record.

Sec. 12. [471.929] [ENFORCEMENT.]

The duties of enforcing an ordinance adopted pursuant to this section shall be imposed by the county board upon the county sheriff's department."

Amend the title as follows:

Page 1, lines 2 and 3, delete "Hubbard county, Clearwater county and

Cass county" and insert "counties"

Page 1, line 8, before the period insert "; authorizing county regulation of pawnbrokers, second-hand, and junk dealers; authorizing political subdivisions to accept certain grants, loans, or advances of money; amending Minnesota Statutes 1984, section 471.65; proposing coding for new law in Minnesota Statutes, chapter 471"

The motion prevailed. So the amendment was adopted.

S.F. No. 622, which the committee reports progress, subject to the following motions:

Mr. Johnson, D.E. moved to amend S.F. No. 622 as follows:

Page 1, line 13, after "commissioner" insert "of education"

Page 2, line 3, after "commissioner" insert "of education"

The motion prevailed. So the amendment was adopted.

Mr. Frederickson moved to amend S.F. No. 622 as follows:

Page 2, after line 4, insert:

"Sec. 3. [EXEMPTION.]

Notwithstanding Minnesota Statutes, section 169.44, subdivision 15, vans with a maximum manufacturer's rated seating capacity of 16 passengers or less may operate as type three school buses until September 1, 1985."

Page 2, line 6, delete "and 2" and insert "to 3"

Renumber the remaining section

Amend the title as follows:

Page 1, line 3, after the semicolon insert "allowing certain vans to operate as type three school buses until September 1, 1985;"

The motion prevailed. So the amendment was adopted.

Mr. Peterson, R.W. moved to amend the Frederickson amendment to S.F. No. 622 as follows:

Delete the Frederickson amendment to page 2, line 6, and amend S.F. No. 622 as follows:

Page 2, line 6, delete "Sections 1 and 2 are" and insert "Section 3 is"

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

S.F. No. 622 was then progressed.

On motion of Mr. Moe, R.D., the report of the Committee of the Whole, as kept by the Secretary, was adopted.

Without objection, the Senate reverted to the Order of Business of Reports of Committees.

REPORTS OF COMMITTEES

Ms. Berglin from the Committee on Health and Human Services, to which was referred

H.F. No. 771: A bill for an act relating to health; stating legislative intent for abortion services; proposing coding for new law in Minnesota Statutes, chapter 145.

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

Page 1, line 19, delete "unless" and insert "except in cases of incest or rape or when"

Page 1, line 24, delete "former"

Page 1, line 25, delete everything after "as" and insert "expressed in section 2"

Page 2, line 1, delete "1973."

Page 2, after line 2, insert:

"Sec. 2. [617.181] [ABORTION.]

Every person who, with intent thereby to produce the miscarriage of a woman, except in cases of incest or rape or when the same is necessary to preserve her life, or that of the child with which she is pregnant, shall:

(1) prescribe, supply, or administer to a woman, whether pregnant or not, or advise or cause her to take, any medicine, drug, or substance; or

(2) use, or cause to be used, any instrument or other means, shall be guilty of abortion and punished by imprisonment in the state prison for not more than four years or in a county jail for not more than one year.

Sec. 3. [EFFECTIVE DATE.]

Section 1 is effective the day following final enactment. Section 2 is effective if the decisions of the United States Supreme Court referred to in section 1 are reversed or modified or the United State Constitution amended to allow protection of the unborn."

Amend the title as follows:

Page 1, line 3, after the semicolon, insert "providing a penalty;"

Page 1, line 4, delete "chapter" and insert "chapters" and after "145" insert "; and 617"

And when so amended the bill do pass and be re-referred to the Committee on Judiciary. Mr. Chmielewski questioned the reference thereon and, under Rule 35, the bill was referred to the Committee on Rules and Administration.

INTRODUCTION AND FIRST READING OF SENATE BILLS

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

Mr. Lessard introduced—

S.F. No. 1478: A bill for an act relating to the University of Minnesota; providing for the purchase of land for the north central experiment station; appropriating money.

Referred to the Committee on Finance.

Mr. Ramstad introduced—

S.F. No. 1479: A bill for an act relating to taxation; property; providing for assessment of homesteads of certain persons age 60 and older; amending Minnesota Statutes 1984, section 273.11, subdivision 1, and by adding a subdivision.

Referred to the Committee on Taxes and Tax Laws.

Mr. Bertram introduced—

S.F. No. 1480: A bill for an act relating to waters; prohibiting certain ice blocks upon the surface of frozen waters; amending Minnesota Statutes 1984, section 101.42, by adding a subdivision.

Referred to the Committee on Agriculture and Natural Resources.

Messrs. Pehler, Dicklich, Davis, Ms. Olson and Mr. Peterson, R.W. introduced—

S.F. No. 1481: A bill for an act relating to libraries; requiring the legislative reference library to process materials for executive departmental libraries; appropriating money; amending Minnesota Statutes 1984, section 3.302, by adding a subdivision.

Referred to the Committee on Education.

Mr. Peterson, C.C. introduced—

S.F. No. 1482: A bill for an act relating to taxation; sales tax; providing for elimination of double taxation in sale and leaseback transactions; appropriating money; amending Minnesota Statutes 1984, sections 297A.01, subdivision 4; and 297A.15, by adding a subdivision.

Referred to the Committee on Taxes and Tax Laws.

Mr. Peterson, C.C. introduced—

S.F. No. 1483: A bill for an act relating to taxation; income; allowing certain corporations to file a consolidated return; amending Minnesota Statutes 1984, section 290.34, by adding a subdivision.

Referred to the Committee on Taxes and Tax Laws.

Mr. Taylor introduced—

S.F. No. 1484: A bill for an act relating to education; establishing a scholarship for excellence program; appropriating money; proposing coding for new law in Minnesota Statutes, chapters 136A and 290.

Referred to the Committee on Education.

Mr. Vega introduced—

S.F. No. 1485: A bill for an act relating to the city of South St. Paul;

authorizing the expenditure of certain tax increments to pay costs of a combined storm-sanitary sewer separation project.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Peterson, D.L. and Isackson introduced—

S.F. No. 1486: A bill for an act relating to agriculture; creating the Minnesota agriculture finance agency and Minnesota agriculture loan fund; prescribing penalties; authorizing the issuance of state bonds; appropriating money; amending Minnesota Statutes 1984, section 290.01, subdivision 20b; proposing coding for new law as Minnesota Statutes, chapter 17C.

Referred to the Committee on Agriculture and Natural Resources.

Mr. Solon introduced—

S.F. No. 1487: A bill for an act relating to the city of Duluth; authorizing the collection of unpaid charges for water, gas, sewer, and garbage services and building demolition costs by assessment against the properties served or benefited.

Referred to the Committee on Taxes and Tax Laws.

Mr. Pehler introduced—

S.F. No. 1488: A bill for an act relating to housing and redevelopment authorities; extending the authority to provide interest reduction programs through 1987; amending Minnesota Statutes 1984, section 462.445, subdivision 13.

Referred to the Committee on Energy and Housing.

Mr. Pehler introduced—

S.F. No. 1489: A bill for an act relating to state employees; extending insurance benefits to certain state employees selecting early retirement; amending Minnesota Statutes 1984, section 43A.24, subdivision 2.

Referred to the Committee on Governmental Operations.

Mr. Frank introduced—

S.F. No. 1490: A bill for an act relating to traffic regulations; peace officers; authorizing peace officers to inspect for regulated tires; amending Minnesota Statutes 1984, section 169.725.

Referred to the Committee on Transportation.

Mr. Dicklich introduced—

S.F. No. 1491: A bill for an act relating to insurance; accident and health; providing coverage for ambulatory mental health services provided by a licensed psychologist; amending Minnesota Statutes 1984, section 62A.152, subdivision 2.

Referred to the Committee on Economic Development and Commerce.

MEMBERS EXCUSED

The following member was excused from today's Session for a brief period of time: Mrs. Brataas.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 12:45 p.m., Tuesday, April 16, 1985. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate