

EIGHTY-EIGHTH DAY

St. Paul, Minnesota, Monday, March 17, 1986

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. Philip Weiler.

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.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following Senate Files, herewith returned: S.F. Nos. 912 and 2245.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 15, 1986

Mr. President:

I have the honor to announce that the House has acceded to the request of the Senate for the appointment of a Conference Committee, consisting of three members of the House, on the amendments adopted by the House to the

following Senate File:

S.F. No. 1869: A bill for an act relating to utilities; changing the powers and responsibilities of the chair of the public utilities commission; requiring the governor to appoint the chair of the commission; changing qualification for commissioners; requiring commissioners to file certain financial information before taking office; prohibiting commissioners and certain employees from engaging in certain activity after leaving the commission; requiring the commission to adopt a code of conduct; providing penalties; amending Minnesota Statutes 1984, sections 216A.03, subdivision 3; and 216A.035; proposing coding for new law in Minnesota Statutes, chapter 216A.

There has been appointed as such committee on the part of the House:

Redalen, Jacobs and Gruenes.

Senate File No. 1869 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 15, 1986

Mr. President:

I have the honor to announce the passage by the House of the following House File, herewith transmitted: H.F. No. 2138.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 15, 1986

FIRST READING OF HOUSE BILLS

The following bill was read the first time.

H.F. No. 2138: A bill for an act relating to natural resources; disposition of wild rice license fees; extends the effective date of Laws 1984, chapter 539; amending Minnesota Statutes 1984, section 97.49, by adding a subdivision.

Mr. Moe, R.D. moved that H.F. No. 2138 be laid on the table. The motion prevailed.

MOTIONS AND RESOLUTIONS

Mr. Wegscheid moved that H.F. No. 1991 be withdrawn from the Committee on Rules and Administration and laid on the table. The motion prevailed.

Mr. Stumpf moved that H.F. No. 2080 be withdrawn from the Committee on Rules and Administration and laid on the table. The motion prevailed.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Willet moved that the following members be excused for a Conference Committee on H.F. No. 2009 at 11:00 a.m.:

Messrs. Willet, Kroening, Samuelson, Luther and Nelson. The motion prevailed.

Without objection, the Senate reverted to the Order of Business of Mes-

sages From the House.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 1886:

H.F. No. 1886: A bill for an act relating to local government; changing the notice requirements for proposed special assessments; amending Minnesota Statutes 1984, section 429.061, subdivision 2; Minnesota Statutes 1985 Supplement, section 429.061, subdivision 1.

The House respectfully requests that a Conference Committee of three members be appointed thereon.

Valento, Voss and Stanius have been appointed as such committee on the part of the House.

House File No. 1886 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 15, 1986

Mr. Jude moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 1886, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. DeCramer introduced—

Senate Resolution No. 129: A Senate resolution congratulating Gent and Ghent on their common bonds and extending Minnesota's hospitality to their travelers.

Referred to the Committee on Rules and Administration.

Mr. Merriam moved that H.F. No. 418 and the Conference Committee Report thereon be taken from the table. The motion prevailed.

CONFERENCE COMMITTEE REPORT ON H.F. NO. 418

A bill for an act relating to local government; excluding firefighter and peace officer job classes from certain aspects of pay equity requirements; amending Minnesota Statutes 1984, section 179A.16, by adding a subdivision; 471.992; 471.993, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 471; repealing Minnesota Statutes 1984, section 471.9965.

March 14, 1986

The Honorable David M. Jennings
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H.F. No. 418, report that we have agreed upon the items in dispute and recommend as follows:

That the House concur in the Senate amendments.

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

House Conferees: (Signed) Terry M. Dempsey, Loren G. Jennings, Dennis D. Ozment

Senate Conferees: (Signed) Gene Merriam, Mel Frederick, Linda Berglin

Mr. Merriam moved that the foregoing recommendations and Conference Committee Report on H.F. No. 418 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H.F. No. 418 was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

The roll was called, and there were yeas 43 and nays 1, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Kamrath	Pehler	Schmitz
Anderson	Diessner	Knaak	Peterson, C.C.	Solon
Belanger	Dieterich	Laidig	Peterson, D.C.	Spear
Benson	Frank	Lantry	Peterson, R.W.	Storm
Berglin	Frederick	Lessard	Petty	Vega
Bernhagen	Frederickson	Merriam	Pogemiller	Waldorf
Bertram	Freeman	Moe, D.M.	Purfeerst	Wegscheid
Brataas	Hughes	Moe, R.D.	Reichgott	
Chmielewski	Jude	Novak	Samuelson	

Mrs. Kronebusch voted in the negative.

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

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Merriam moved that Senate Resolution No. 125 be taken from the table. The motion prevailed.

Senate Resolution No. 125: A Senate resolution recognizing and celebrating the 75th Anniversary of the Department of Natural Resources, Division of Forestry.

WHEREAS, through the leadership and foresight of General C.C. Andrews and the State Forestry Board, the 1911 Minnesota Legislature enacted laws establishing the Minnesota Forest Service, forerunner of the Division of Forestry; and

WHEREAS, William T. Cox, a professional forester was appointed the first State Forester on May 1, 1911; and

WHEREAS, the Division of Forestry has protected the forest lands of

Minnesota for 75 years through its fire control efforts; and

WHEREAS, the Division of Forestry has faithfully managed the forest resources under its jurisdiction for many decades, producing and protecting timber, wildlife, and water resources for the benefit of Minnesota's citizens; and

WHEREAS, the Division of Forestry has provided multiple use opportunities in its 56 state forests; and

WHEREAS, the Division of Forestry has provided diverse recreational opportunities for camping, picnicing, hunting, fishing, hiking, snowmobiling, skiing, and nature observation; and

WHEREAS, the Division of Forestry has provided technical assistance and encouragement to Minnesota's 120,000 forest land owners, thereby improving the management of these woodlands; and

WHEREAS, the Division of Forestry has provided leadership in the development of a three and one-half billion dollar forest industry in Minnesota; NOW, THEREFORE,

BE IT RESOLVED by the Senate of the State of Minnesota, that it recognizes the 75th Anniversary of the Department of Natural Resources, Division of Forestry and it congratulates all of the present and past employees of the division and all individuals, county and state officials, and state legislators who have worked for and supported the protection and management of Minnesota's forest resources for the past 75 years.

BE IT FURTHER RESOLVED that the Secretary of the Senate is directed to prepare enrolled copies of this resolution, to be authorized by his signature and that of the Chairman of the Senate Rules and Administration Committee, and present them to the Commissioner of the Department of Natural Resources.

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

Mr. Petty moved that S.F. No. 2102 be taken from the table. The motion prevailed.

S.F. No. 2102: A bill for an act relating to marriage dissolution and legal separation; requiring appointment of guardians ad litem in certain child custody proceedings; amending Minnesota Statutes 1984, section 518.165.

CONCURRENCE AND REPASSAGE

Mr. Petty moved that the Senate concur in the amendments by the House to S.F. No. 2102 and that the bill be placed on its repassage as amended.

Mr. Sieloff moved that the Senate do not concur in the amendments by the House to S.F. No. 2102, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House.

CALL OF THE SENATE

Mr. Petty imposed a call of the Senate for the balance of the proceedings

on S.F. No. 2102. The Sergeant at Arms was instructed to bring in the absent members.

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

The roll was called, and there were yeas 23 and nays 29, as follows:

Those who voted in the affirmative were:

Adkins	Dieterich	Jude	McQuaid	Reichgott
Anderson	Frederickson	Kamrath	Mehrkins	Sieloff
Belanger	Gustafson	Kronebusch	Olson	Storm
Benson	Isackson	Laidig	Peterson, D.L.	
Diessner	Johnson, D.E.	Lessard	Ramstad	

Those who voted in the negative were:

Berglin	Frank	Moe, D.M.	Peterson, R.W.	Spear
Bernhagen	Hughes	Moe, R.D.	Petty	Taylor
Bertram	Knaak	Novak	Pogemiller	Vega
Brataas	Knutson	Pehler	Purfeerst	Waldorf
Chmielewski	Lantry	Peterson, C.C.	Renneke	Wegscheid
Dahl	Merriam	Peterson, D.C.	Schmitz	

The motion did not prevail.

The question recurred on the motion of Mr. Petty. The motion did not prevail.

Mr. Petty moved that S.F. No. 2102 be laid on the table. The motion prevailed.

MOTIONS AND RESOLUTIONS - CONTINUED

Pursuant to Rule 40, Mr. Kamrath moved that S.F. No. 368 be withdrawn from the Committee on Judiciary and placed at the top of General Orders.

CALL OF THE SENATE

Mr. Kamrath imposed a call of the Senate for the proceedings on S.F. No. 368. The Sergeant at Arms was instructed to bring in the absent members.

The question was taken on the adoption of the motion.

Mr. Moe, R.D. moved that those not voting be excused from voting. The motion prevailed.

The roll was called, and there were yeas 24 and nays 38, as follows:

Those who voted in the affirmative were:

Anderson	Frederick	Kamrath	McQuaid	Renneke
Belanger	Frederickson	Knaak	Mehrkins	Sieloff
Benson	Gustafson	Knutson	Olson	Storm
Bernhagen	Isackson	Kronebusch	Peterson, D.L.	Taylor
Brataas	Johnson, D.E.	Laidig	Ramstad	

Those who voted in the negative were:

Adkins	Dicklich	Lantry	Peterson, D.C.	Spear
Berg	Diessner	Lessard	Peterson, R.W.	Stumpf
Berglin	Dieterich	Merriam	Petty	Vega
Bertram	Frank	Moe, D.M.	Pogemiller	Waldorf
Chmielewski	Freeman	Moe, R.D.	Purfeerst	Wegscheid
Dahl	Hughes	Novak	Reichgott	Willet
Davis	Johnson, D.J.	Pehler	Schmitz	
DeCramer	Jude	Peterson, C.C.	Solon	

The motion did not prevail.

Mr. Moe, R.D. moved that H.F. No. 2138 be taken from the table. The motion prevailed.

SPECIAL ORDER

H.F. No. 2138: A bill for an act relating to natural resources; disposition of wild rice license fees; extends the effective date of Laws 1984, chapter 539; amending Minnesota Statutes 1984, section 97.49, by adding a subdivision.

SUSPENSION OF RULES

Mr. Moe, R.D. moved that an urgency be declared within the meaning of Article IV, Section 19, of the Constitution of Minnesota, with respect to H.F. No. 2138 and that the rules of the Senate be so far suspended as to give H.F. No. 2138 its second and third reading and place it on its final passage. The motion prevailed.

H.F. No. 2138 was read the second time.

H.F. No. 2138 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 40 and nays 12, as follows:

Those who voted in the affirmative were:

Adkins	Freeman	Kroening	Merriam	Reichgott
Anderson	Gustafson	Kronebusch	Moe, R.D.	Renneke
Belanger	Isackson	Laidig	Novak	Samuelson
Brataas	Johnson, D.E.	Langseth	Olson	Schmitz
Dahl	Jude	Lessard	Pehler	Storm
Diessner	Kamrath	Luther	Peterson, C.C.	Vega
Frank	Knaak	McQuaid	Purfeerst	Wegscheid
Frederickson	Knutson	Mehrkens	Ramstad	Willet

Those who voted in the negative were:

Benson	Dieterich	Peterson, D.C.	Petty	Spear
Berglin	Hughes	Peterson, R.W.	Pogemiller	Waldorf
Chmielewski	Lantry			

So the bill passed and its title was agreed to.

Mr. Moe, R.D. moved that S.F. No. 2015, No. 56 on Special Orders, be stricken and laid on the table. The motion prevailed.

SPECIAL ORDER

H.F. No. 2263: A bill for an act relating to corporations; conforming to federal law; changing applicability of shareholder voting on control share acquisitions; providing for lesser relief than dissolution under certain circumstances; amending Minnesota Statutes 1984, section 302A.751, by adding a subdivision; Minnesota Statutes 1985 Supplement, sections 302A.449, subdivision 7; and 302A.671, subdivisions 1 and 3; repealing Laws 1985, First Special Session chapter 5, section 21.

Mr. Luther moved to amend H.F. No. 2263, as amended pursuant to Rule 49, adopted by the Senate March 12, 1986, as follows:

(The text of the amended House File is identical to S.F. No. 2122.)

Page 6, after line 2, insert:

"Sec. 4. Laws 1985, First Special Session chapter 5, section 21, is amended to read:

Sec. 21. [EFFECTIVE DATE.]

The amendments to Minnesota Statutes, section 302A.671, subdivision 1, paragraph (a), made by this act are effective August 1, 1986 1987."

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

H.F. No. 2263 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 51 and nays 1, as follows:

Those who voted in the affirmative were:

Adkins	Dieterich	Knutson	Novak	Samuelson
Anderson	Frank	Kroening	Olson	Schmitz
Belanger	Frederick	Kronebusch	Pehler	Spear
Benson	Frederickson	Laidig	Peterson, C.C.	Storm
Berglin	Freeman	Lantry	Peterson, D.C.	Taylor
Bernhagen	Gustafson	Lessard	Peterson, R.W.	Waldorf
Bertram	Hughes	Luther	Petty	Willet
Brataas	Isackson	McQuaid	Pogemiller	
Chmielewski	Johnson, D.E.	Mehrkins	Purleerst	
Dahl	Jude	Merriam	Ramstad	
Dressner	Knaak	Moe, R.D.	Reichgott	

Mr. Solon voted in the negative.

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

SPECIAL ORDER

H.F. No. 397: A bill for an act proposing an amendment to the Minnesota Constitution, article I, adding a section to provide that the right to keep and bear arms shall not be abridged; appropriating money.

Mrs. McQuaid moved to amend H.F. No. 397, the unofficial engrossment, as follows:

Page 2, delete sections 3 and 4

Amend the title as follows:

Page 1, line 3, delete "and article XIII, section 5;"

Page 1, lines 5 and 6, delete "permitting the legislature to authorize the state to operate a lottery"

CALL OF THE SENATE

Mr. Chmielewski imposed a call of the Senate for the balance of the proceedings on H.F. No. 397. The Sergeant at Arms was instructed to bring in the absent members.

The question recurred on the adoption of the McQuaid amendment.

Mr. Moe, R.D. moved that those not voting be excused from voting. The

motion prevailed.

The roll was called, and there were yeas 29 and nays 34, as follows:

Those who voted in the affirmative were:

Anderson	Dieterich	Johnson, D.E.	Laidig	Ramstad
Belanger	Frank	Jude	McQuaid	Renneke
Benson	Frederick	Kamrath	Mehrkens	Sieloff
Bernhagen	Frederickson	Knaak	Olson	Storn
Brataas	Gustafson	Knutson	Peterson, D.L.	Taylor
Chmielewski	Isackson	Kronebusch	Peterson, R.W.	

Those who voted in the negative were:

Adkins	Hughes	Merriam	Peterson, D.C.	Spear
Berglin	Johnson, D.J.	Moe, D.M.	Petty	Stumpf
Bertram	Kroening	Moe, R.D.	Purfeerst	Vega
Dahl	Langseth	Nelson	Reichgott	Waldorf
Dicklich	Lantry	Novak	Samuelson	Wegscheid
Diessner	Lessard	Pehler	Schmitz	Willet
Freeman	Luther	Peterson, C.C.	Solon	

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

Mr. Laidig moved to amend H.F. No. 397, the unofficial engrossment, as follows:

Page 2, after line 17, insert:

“Sec. 5. [CONSTITUTIONAL AMENDMENT PROPOSED.]

An amendment to the Minnesota constitution, adding a section to Article I, is proposed to the people of the state. If the amendment is adopted, the section will read:

Sec. 18. No unborn person shall be deprived of life by any person, provided that nothing in this section shall prohibit a law permitting only those medical procedures required to prevent the death of the mother. With respect to the right to life, the word “person,” as used in this section and in the constitution, applies to all human beings irrespective of age, health, function, or condition of dependency, including their biological development.

Sec. 6. [SUBMISSION TO VOTERS.]

The proposed amendment shall be submitted to the people at the 1986 general election. The question submitted shall be:

“Shall the Minnesota constitution be amended to provide that no unborn person shall be deprived of life by any person, except when necessary to prevent the death of the mother?”

Yes _____

No _____

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 6, before the period, insert “; providing that no unborn person shall be deprived of life except under certain circumstances”

Mr. Luther questioned whether the amendment was germane.

The Chair ruled that the amendment was not germane.

Mr. Laidig appealed the decision of the Chair.

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

Mr. Moe, R.D. moved that those not voting be excused from voting. The motion prevailed.

The roll was called, and there were yeas 37 and nays 28, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Anderson	Chmielewski	Kamrath	Mehrkens	Schmitz
Belanger	Frederick	Knaak	Olson	Sieloff
Benson	Frederickson	Knutson	Pehler	Storm
Bernhagen	Isackson	Kronebusch	Peterson, D.L.	Taylor
Bertram	Johnson, D.E.	Laidig	Ramstad	
Brataas	Jude	McQuaid	Renneke	

The decision of the Chair was sustained.

Mr. Benson moved to amend H.F. No. 397, the unofficial engrossment, as follows:

Page 1, after line 8, insert:

"ARTICLE 1"

Page 2, after line 21, insert:

"ARTICLE 2

Section 1. [CONSTITUTIONAL AMENDMENT.]

The following amendment to article VIII of the Minnesota Constitution, is proposed to the people. If the amendment is adopted, the new section will read as follows:

Sec. 6. An elective officer may be recalled by the eligible voters of the state, in the case of statewide offices, or of the electoral district from which the person was elected. Recall shall be initiated by a petition signed by eligible voters equal in number to at least 25 percent of the vote cast in the last election for the office from which the person is to be recalled. No person shall be recalled before they have completed one year of service in the office from which they are to be recalled. A special election shall be held for the office of a person against whom a petition has been filed, and that person shall be a candidate in the special election unless that person chooses to resign.

After one petition for recall and special election, no further recall petition shall be filed against the same person during the term for which the person was elected.

Sec. 2. [QUESTION.]

The proposed amendment must be submitted at the 1986 general election. The question submitted shall be:

"Shall the Minnesota Constitution be amended to allow for the recall of elective officers by petition and special election?"

Yes _____

No _____ ""

Amend the title accordingly

Mr. Frank questioned whether the amendment was germane.

The President ruled that the amendment was not germane.

Mr. Benson appealed the ruling 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 40 and nays 22, as follows:

Those who voted in the affirmative were:

Adkins	Dicklich	Kroening	Pehler	Samuelson
Berg	Diessner	Langseth	Peterson, C.C.	Schmitz
Berglin	Dieterich	Lantry	Peterson, D.C.	Solon
Bertram	Frank	Lessard	Peterson, R.W.	Spear
Chmielewski	Freeman	Luther	Petty	Stumpf
Dahl	Hughes	Moe, D.M.	Pogemiller	Vega
Davis	Johnson, D.J.	Moe, R.D.	Purfeerst	Waldorf
DeCramer	Jude	Novak	Reichgott	Willer

Those who voted in the negative were:

Anderson	Frederick	Knaak	Mehrkens	Storm
Belanger	Frederickson	Knutson	Peterson, D.L.	Taylor
Benson	Gustafson	Kronebusch	Ramstad	
Bernhagen	Isackson	Laidig	Renneke	
Brataas	Johnson, D.E.	McQuaid	Sieloff	

The decision of the President was sustained.

Mr. Mehrkens moved to amend H.F. No. 397, the unofficial engrossment, as follows:

Page 1, after line 8, insert:

"ARTICLE 1"

Page 2, after line 21, insert:

"ARTICLE 2

Section 1. [CONSTITUTIONAL AMENDMENTS PROPOSED.]

Subdivision 1. [REFERENCE TO PEOPLE.] An amendment to the Minnesota Constitution is proposed to the people as provided by subdivisions 2 to

7.

Subd. 2. [AMENDMENTS TO ARTICLE IV.] If the amendment is adopted, article IV, sections 1, 2, 3, 4, 5, 6, 7, 9, 10, 11, 12, 13, 14, 15, 18, 19, 20, 21, 22, 23, 24, 25, and 26, will read as follows:

Section 1. The legislature consists of the senate and house of representatives.

Sec. 2. The number of members who compose the senate and house of representatives shall be prescribed by law *but shall be neither less than 101 nor more than 135*. The representation in both houses shall be apportioned equally throughout the different sections of the state in proportion to the population thereof.

Sec. 3. At its first session after each enumeration of the inhabitants of this state made by the authority of the United States, the legislature shall have the power to prescribe the bounds of congressional and legislative districts. Senators shall be chosen by single districts of convenient contiguous territory. ~~No representative district shall be divided in the formation of a senate district.~~ The senate districts shall be numbered in a regular series.

Sec. 4. ~~Representatives shall be chosen for a term of two years, except to fill a vacancy.~~ Senators shall be chosen for a term of four years, except to fill a vacancy and except there shall be an entire new election of all the senators at the first election of ~~representatives~~ after each new legislative apportionment provided for in this article. *After the election following reapportionment, the senate shall determine by lot whether members elected from odd- or even-numbered districts shall initially serve two- or four-year terms.* The governor shall call elections to fill vacancies in ~~either house~~ of the legislature.

Sec. 5. No senator ~~or representative~~ shall hold any other office under the authority of the United States or the state of Minnesota, except that of postmaster or of notary public. If elected or appointed to another office, a legislator may resign from the legislature by tendering his resignation to the governor.

Sec. 6. Senators ~~and Representatives~~ shall be qualified voters of the state, and shall have resided one year in the state and six months immediately preceding the election in the district from which elected. ~~Each house~~ *The senate* shall be the judge of the election returns and eligibility of its own members. ~~The legislature senate~~ shall prescribe by law the manner for taking evidence in cases of contested seats ~~in either house~~.

Sec. 7. ~~Each house~~ *The senate* may determine the rules of its proceedings, sit upon its own adjournment, punish its members for disorderly behavior, and with the concurrence of two-thirds expel a member; but no member shall be expelled a second time for the same offense.

Sec. 9. The compensation of senators ~~and representatives~~ shall be prescribed by law. No increase of compensation shall take effect during the period for which the members of the existing house of representatives may have been elected.

Sec. 10. The members of ~~each house~~ *the senate* in all cases except treason, felony and breach of the peace, shall be privileged from arrest during the

session of ~~their respective houses~~ *the senate* and in going to or returning from the same. For any speech or debate in ~~either house~~ *the senate* they shall not be questioned in any other place.

Sec. 11. Two or more members of ~~either house~~ *the senate* may dissent and protest against any act or resolution which they think injurious to the public or to any individual and have the reason of their dissent entered in the journal.

Sec. 12. The legislature shall meet at the seat of government in regular session in each biennium at the times prescribed by law for not exceeding a total of 120 legislative days. The legislature shall not meet in regular session, nor in any adjournment thereof, after the first Monday following the third Saturday in May of any year. After meeting at a time prescribed by law, the legislature may adjourn to another time. "Legislative day" shall be defined by law. A special session of the legislature may be called by the governor on extraordinary occasions.

~~Neither house during a session of the legislature shall adjourn for more than three days (Sundays excepted) nor to any other place than that in which the two houses shall be assembled without the consent of the other house.~~

Sec. 13. A majority of ~~each house~~ *the senate* constitutes a quorum to transact business, but a smaller number may adjourn from day to day and compel the attendance of absent members in the manner and under the penalties it may provide.

Sec. 14. ~~Each house~~ *The senate* shall be open to the public during its sessions except in cases which in its opinion require secrecy.

Sec. 15. ~~Each house~~ *The senate* shall elect its presiding officer and other officers as may be provided by law. ~~Both houses~~ *The senate* shall keep journals of ~~their~~ *its* proceedings, and from time to time publish the same, and the yeas and nays, when taken on any question, shall be entered in the journals.

~~Sec. 18. All bills for raising revenue shall originate in the house of representatives, but the senate may propose and concur with the amendments as on other bills.~~

Sec. 19. Every bill shall be reported on three different days in ~~each house~~ *the senate*, unless, in case of urgency, two-thirds of the ~~house~~ *where the bill is pending* ~~deem~~ *senate deems* it expedient to dispense with this rule.

Sec. 20. Every bill passed by ~~both houses~~ *the senate* shall be enrolled and signed by the presiding officer of ~~each house~~. Any presiding officer refusing to sign a bill passed by ~~both houses~~ shall thereafter be disqualified from any office of honor or profit in the state. ~~Each house~~ *The senate* by rule shall provide the manner in which a bill shall be certified for presentation to the governor in case of such refusal.

Sec. 21. No bill shall be passed by ~~either house~~ *the senate* upon the day prescribed for adjournment. This section shall not preclude the enrollment of a bill or its transmittal ~~from one house to the other~~ or to the executive for his signature.

Sec. 22. The style of all laws of this state shall be: "Be it enacted by the ~~legislature~~ *senate* of the state of Minnesota." No law shall be passed unless voted for by a majority of all the members elected to ~~each house~~ of the legis-

lature senate, and the vote entered in the journal of each house.

Sec. 23. Every bill passed in conformity to the rules of each house and the joint rules of the two houses the senate shall be presented to the governor. If he approves a bill, he shall sign it, deposit it in the office of the secretary of state and notify the house in which it originated senate of that fact. If he vetoes a bill, he shall return it with his objections to the house in which it originated senate. His objections shall be entered in the journal. If, after reconsideration, two-thirds of that house agree the senate agrees to pass the bill, it shall be sent, together with the governor's objections, to the other house, which shall likewise reconsider it. If approved by two-thirds of that house it becomes a law and shall be deposited in the office of the secretary of state. In such cases the votes of both houses shall be determined by yeas and nays, and the names of the persons voting for or against the bill shall be entered in the journal of each house. Any bill not returned by the governor within three days (Sundays excepted) after it is presented to him becomes a law as if he had signed it, unless the legislature by adjournment within that time prevents its return. Any bill passed during the last three days of a session may be presented to the governor during the three days following the day of final adjournment and becomes law if the governor signs and deposits it in the office of the secretary of state within 14 days after the adjournment of the legislature. Any bill passed during the last three days of the session which is not signed and deposited within 14 days after adjournment does not become a law.

If a bill presented to the governor contains several items of appropriation of money, he may veto one or more of the items while approving the bill. At the time he signs the bill the governor shall append to it a statement of the items he vetoes and the vetoed items shall not take effect. If the legislature senate is in session, he shall transmit to the house in which the bill originated senate a copy of the statement, and the items vetoed shall be separately reconsidered. If on reconsideration any item is approved by two-thirds of the members elected to each house senate, it is a part of the law notwithstanding the objections of the governor.

Sec. 24. Each order, resolution or vote requiring the concurrence of the two houses senate except such as relate to the business or adjournment of the legislature shall be presented to the governor and is subject to his veto as prescribed in case of a bill.

Sec. 25. During a session each house the senate may punish by imprisonment for not more than 24 hours any person not a member who is guilty of any disorderly or contemptuous behavior in its presence.

Sec. 26. Passage of a general banking law requires the vote of two-thirds of the members of each house of the legislature senate.

Subd. 3. [AMENDMENT TO ARTICLE VIII.] If the amendment is approved, article VIII, section 1, will read as follows:

Section 1. The house of representatives senate has the sole power of impeachment through a concurrence of a majority of all its members. All impeachments shall be tried by the senate. When sitting for that purpose, senators shall be upon oath or affirmation to do justice according to law and evidence. No person shall be convicted without the concurrence of two-

thirds of the senators present.

Subd. 4. [AMENDMENTS TO ARTICLE IX.] If the amendment is approved, article IX, sections 1 and 2, will read as follows:

Section 1. A majority of the members elected to ~~each house of the legislature~~ *senate* may propose amendments to this constitution. Proposed amendments shall be published with the laws passed at the same session and submitted to the people for their approval or rejection at a general election. If a majority of all the electors voting at the election vote to ratify an amendment, it becomes a part of this constitution. If two or more amendments are submitted at the same time, voters shall vote for or against each separately.

Sec. 2. Two-thirds of the members elected to ~~each house of the legislature~~ *senate* may submit to the electors at the next general election the question of calling a convention to revise this constitution. If a majority of all the electors voting at the election vote for a convention, the ~~legislature~~ *senate* at its next session, shall provide by law for calling the convention. The convention shall consist of as many delegates as there are members of the ~~house of representatives~~ *senate*. Delegates shall be chosen in the same manner as members of the house of representatives and shall meet within three months after their election. Section 5 of Article IV of the constitution does not apply to election to the convention.

Subd. 5. [AMENDMENT TO ARTICLE XI.] If the amendment is approved, article XI, section 5, will read as follows:

Sec. 5. Public debt may be contracted and works of internal improvements carried on for the following purposes:

(a) to acquire and to better public land and buildings and other public improvements of a capital nature and to provide money to be appropriated or loaned to any agency or political subdivision of the state for such purposes if the law authorizing the debt is adopted by the vote of at least three-fifths of the members of ~~each house of the legislature~~ *senate*;

(b) to repel invasion or suppress insurrection;

(c) to borrow temporarily as authorized in section 6;

(d) to refund outstanding bonds of the state or any of its agencies whether or not the full faith and credit of the state has been pledged for the payment of the bonds;

(e) to establish and maintain highways subject to the limitations of article XIV;

(f) to promote forestation and prevent and abate forest fires, including the compulsory clearing and improving of wild lands whether public or private;

(g) to construct, improve and operate airports and other air navigation facilities;

(h) to develop the state's agricultural resources by extending credit on real estate security in the manner and on the terms and conditions prescribed by law;

(i) to improve and rehabilitate railroad rights-of-way and other rail facilities whether public or private, provided that bonds issued and unpaid shall

not at any time exceed \$200,000,000 par value; and

(j) as otherwise authorized in this constitution.

As authorized by law political subdivisions may engage in the works permitted by (f), (g), and (i) and contract debt therefor.

Subd. 6. [EFFECTIVE DATE.] If the amendment proposed is adopted, it is effective January 1, 1992.

Sec. 2. [BALLOT PROPOSITION.]

The proposed amendment shall be submitted to the people at the 1986 general election. The question proposed shall be:

"Shall the Minnesota Constitution be amended to reduce the size of the legislature by providing for a one-house legislature?"

Yes _____

No _____"

All election procedures shall be as otherwise provided by law.

Sec. 3. Minnesota Statutes 1984, section 2.021, is amended to read:

2.021 [NUMBER OF MEMBERS.]

For each legislature, until a new apportionment shall have been made, the senate is composed of ~~67 members~~ and the house of representatives is composed of ~~134~~ 135 members.

Sec. 4. Minnesota Statutes 1984, section 2.031, subdivision 1, is amended to read:

Subdivision 1. [LEGISLATIVE DISTRICTS.] The ~~representatives in the senate and house of representatives~~ members of the legislature are apportioned throughout the state in ~~67 senate districts and 134 house~~ 135 districts. Each ~~senate district is entitled to elect one senator and each house district is entitled to elect one representative~~ legislator.

Sec. 5. [EFFECTIVE DATE.]

Section 3 is effective January 1, 1992, provided that the constitutional amendment in section 1 is approved by the people."

Amend the title accordingly.

Mr. Frank questioned whether the amendment was germane.

The President ruled that the amendment was not germane.

Mr. Knaak 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 37 and nays 23, as follows:

Those who voted in the affirmative were:

Adkins	Dicklich	Lantry	Peterson, R. W.	Spear
Berg	Dieterich	Lessard	Petty	Stumpf
Berglin	Frank	Luther	Pogemiller	Vega
Bertram	Freeman	Moe, R. D.	Purfeerst	Waldorf
Chmielewski	Hughes	Novak	Reichgott	Willet
Dahl	Johnson, D. J.	Pehler	Samuelson	
Davis	Jude	Peterson, C. C.	Schmitz	
DeCramer	Kroening	Peterson, D. C.	Solon	

Those who voted in the negative were:

Anderson	Frederick	Knaak	Mehrrens	Sieloff
Belanger	Frederickson	Knutson	Olson	Storm
Benson	Gustafson	Kronebusch	Peterson, D. L.	Taylor
Bernhagen	Isackson	Laidig	Ramstad	
Brataas	Johnson, D. E.	McQuaid	Renneke	

The decision of the President was sustained.

Mr. Frederickson moved to amend H.F. No. 397, as follows:

Page 1, after line 8, insert:

“ARTICLE 1”

Page 2, after line 21, insert:

“ARTICLE 2

INITIATIVE AND REFERENDUM

Section 1. Subdivision 1. *The following amendment to article IV of the Minnesota Constitution is proposed to the people. If the amendment is adopted, the new section will read as follows:*

Sec. 27. A law may be initiated or referred for repeal upon petition by eligible voters. An initiative or referendum measure shall be placed on the ballot at a general election if petitions for the measure are signed by eligible voters in each congressional district of the state in a number not less than five percent of the number of persons who voted at the last general election in that congressional district. An initiative or referendum measure shall be adopted upon the affirmative vote of a majority of those voting on the question. The voters may initiate or refer for repeal a constitutional amendment, an appropriation or a special law.

The governor shall have no power to approve or veto an initiative or referendum measure adopted by the voters.

No law adopted by initiative shall be amended or repealed and no law repealed by referendum shall be reenacted by the legislature until another general election has intervened.

The sponsors of an initiative or referendum measure, if the legislature enacts a law with a similar scope and purpose, may elect to place the measure on the ballot or to abandon the measure. If the measure is not abandoned, the legislature may submit the law which it has enacted to a vote of the people in the same manner as an initiative or referendum measure at the election at which the initiative or referendum measure is submitted. If a law enacted by the legislature is submitted to the people at the same election as an initiative or referendum measure, it shall not be subject to veto by the governor and it shall not be effective unless approved by a majority of those

voting on the question.

The legislature shall implement the provisions of this section by law.

Sec. 2. [SUBMISSION TO VOTERS.] *The amendment must be submitted to the people at the 1986 election. The question submitted shall be:*

"Shall the Minnesota Constitution be amended to provide for initiative and referendum?"

Yes _____

No _____ ""

Amend the title accordingly

Mr. Frank questioned whether the amendment was germane.

The President ruled that the amendment was not germane.

Mr. Frederickson appealed the decision of the President.

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

The roll was called, and there were yeas 35 and nays 20, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Jude	Peterson, C.C.	Samuelson
Berg	Diessner	Kroening	Peterson, D.C.	Schmitz
Berglin	Dieterich	Lantry	Peterson, R.W.	Spear
Bertram	Frank	Luther	Petty	Stumpf
Chmielewski	Freeman	Merriam	Pogemiller	Vega
Dahl	Hughes	Moe, R.D.	Purfeerst	Waldorf
Davis	Johnson, D.E.	Pehler	Reichgott	Willet

Those who voted in the negative were:

Anderson	Frederickson	Knutson	Mehrkens	Renneke
Belanger	Gustafson	Kronebusch	Olson	Sieloff
Benson	Isackson	Laidig	Peterson, D.L.	Storm
Bernhagen	Knaak	McQuaid	Ramstad	Taylor

The decision of the President was sustained.

H.F. No. 397 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

Mr. Waldorf moved that those not voting be excused from voting. The motion prevailed.

The roll was called, and there were yeas 28 and nays 37, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Kroening	Pehler	Solon
Berg	Dicklich	Langseth	Peterson, C.C.	Stumpf
Bertram	Diessner	Lantry	Petty	Vega
Chmielewski	Frank	Lessard	Purfeerst	Willet
Dahl	Hughes	Moe, R.D.	Samuelson	
Davis	Johnson, D.J.	Novak	Schmitz	

Those who voted in the negative were:

Anderson	Frederickson	Knutson	Nelson	Spear
Belanger	Freeman	Kronebusch	Olson	Storm
Benson	Gustafson	Laidig	Peterson, D.C.	Taylor
Berglin	Isackson	Luther	Pogemiller	Waldorf
Bernhagen	Johnson, D.E.	McQuaid	Ramstad	Wegscheid
Brataas	Jude	Mehrrens	Reichgott	
Dieterich	Kamrath	Merriam	Renneke	
Frederick	Knaak	Moe, D.M.	Sieloff	

So the bill failed to pass.

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

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 1744:

H.F. No. 1744: A bill for an act relating to education; making changes to the definition of a school; providing for the admission into evidence of certain attendance records; establishing a task force to make recommendations about compulsory attendance laws; amending Minnesota Statutes 1984, section 120.10, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 634.

The House respectfully requests that a Conference Committee of three members be appointed thereon.

Quist, Kiffmeyer and Erickson have been appointed as such committee on the part of the House.

House File No. 1744 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 17, 1986

Mr. Pehler moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 1744, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House has acceded to the request of the Senate for the appointment of a Conference Committee, consisting of five members of the House, on the amendments adopted by the House to the following Senate File:

S.F. No. 707: A bill for an act relating to retirement; public plans generally; providing health insurance benefits for certain retired teachers; changing eligibility requirements for surviving spouse benefits; regulating cover-

age under the unclassified employees retirement program; amending Minnesota Statutes 1984, sections 62E.14, subdivision 1; 352.12, subdivision 2; 352D.01; 352D.015, subdivision 5; 352D.02, as amended; 352D.06, subdivision 1; 352D.065, subdivision 5; 352D.085, subdivision 1; 353.32, subdivision 1a; 354.05, subdivisions 2 and 26; 354.44, subdivision 4; 354.46, subdivision 2; and 354A.35, subdivision 2; Minnesota Statutes 1985 Supplement, sections 136C.50, subdivision 7; 353.657, subdivision 2a; 354.55, subdivision 11; and 356.215, subdivision 4d; proposing coding for new law in Minnesota Statutes, chapter 62E.

There has been appointed as such committee on the part of the House:

Knickerbocker, Simoneau, Gutknecht, Sviggum and Dempsey.

Senate File No. 707 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 17, 1986

Mr. President:

I have the honor to announce that the House has acceded to the request of the Senate for the appointment of a Conference Committee, consisting of three members of the House, on the amendments adopted by the House to the following Senate File:

S.F. No. 1910: A bill for an act relating to transportation; adding new route to trunk highway system in substitution of existing route; allowing old highway to be turned back to city of Willmar; directing revisor of statutes to make route substitution; amending Laws 1974, chapter 151, section 3.

There has been appointed as such committee on the part of the House:

Ozment, Johnson and Anderson, G.

Senate File No. 1910 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 17, 1986

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. 1732: A bill for an act relating to marriage dissolution; providing a presumption for joint legal custody; providing for custody mediation; regulating support determinations; limiting the total amount of maintenance and child support that an obligor may be liable for; limiting the percentage of income subject to income withholding; amending Minnesota Statutes 1984, sections 518.17, subdivisions 2, 4 and 5, and by adding a subdivision; 518.55, by adding a subdivision; 518.551, subdivision 5; 518.57; 518.611, by adding a subdivision; Minnesota Statutes 1985 Supplement, sections 518.611, subdivision 6; 518.64, subdivision 2; and 518.645; proposing coding for new law in Minnesota Statutes, chapter 518.

Senate File No. 1732 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 17, 1986

CONCURRENCE AND REPASSAGE

Mr. Merriam moved that the Senate concur in the amendments by the House to S.F. No. 1732 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 1732: A bill for an act relating to marriage dissolution; providing a presumption for joint legal custody; providing for custody mediation; regulating support determinations; amending Minnesota Statutes 1984, sections 518.17, subdivision 2, and by adding a subdivision; 518.175, by adding a subdivision; 518.551, subdivision 5; 518.57; 518.611, by adding a subdivision; Minnesota Statutes 1985 Supplement, section 518.64, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 518; repealing Minnesota Statutes 1984, section 518.17, subdivisions 4 and 5.

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 55 and nays 0, as follows:

Those who voted in the affirmative were:

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

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

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Bernhagen moved that H.F. No. 1971 be taken from the table. The motion prevailed.

SPECIAL ORDER

H.F. No. 1971: A resolution memorializing the President and Congress of the United States to enact the Mississippi River National Heritage Corridor Act of 1986.

SUSPENSION OF RULES

Mr. Bernhagen 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. 1971 and that the rules of the Senate be so far suspended as to give H.F. No. 1971 its second and third reading and place it on its final passage. The

motion prevailed.

H.F. No. 1971 was read the second time.

H.F. No. 1971 was read the third time and placed on its final passage.

The question was taken on the passage of the resolution.

The roll was called, and there were yeas 57 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the resolution passed and its title was agreed to:

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Bernhagen moved that S.F. No. 1829, No. 18 on Special Orders, be stricken and laid on the table. The motion prevailed.

SPECIAL ORDER

S.F. No. 1892: A bill for an act relating to game and fish; affording protection to crows and authorizing a season on crows and mourning doves; amending Minnesota Statutes 1984, sections 100.26, subdivision 2; and 100.27, subdivision 6, and by adding a subdivision.

CALL OF THE SENATE

Mr. Lessard imposed a call of the Senate for the balance of the proceedings on S.F. No. 1892. The Sergeant at Arms was instructed to bring in the absent members.

S.F. No. 1892 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

Mr. Lessard moved that those not voting be excused from voting. The motion prevailed.

The roll was called, and there were yeas 21 and nays 31, as follows:

Those who voted in the affirmative were:

Adkins	Bertram	Gustafson	Merriam	Stumpf
Anderson	Chmielewski	Isackson	Peterson, C.C.	
Benson	DeCramer	Johnson, D.E.	Peterson, R.W.	
Berg	Dicklich	Kamrath	Renneke	
Bernhagen	Frederickson	Kronebusch	Schmitz	

Those who voted in the negative were:

Belanger	Jude	Mehrkens	Pogemiller	Taylor
Berglin	Knutson	Moe, D.M.	Purfeerst	Waldorf
Brataas	Laidig	Novak	Ramstad	Wegscheid
Davis	Langseth	Olson	Reichgott	
Frank	Lantry	Pehler	Sieloff	
Frederick	Lessard	Peterson, D.C.	Solon	
Hughes	McQuaid	Peterson, D.L.	Storm	

So the bill failed to pass.

NOTICE OF RECONSIDERATION

Mr. Lessard gave notice of his intention to move for reconsideration of S.F. No. 1892.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Schmitz moved that the following members be excused for a Conference Committee on S.F. No. 1950 at 2:45 p.m.:

Messrs. Schmitz; Johnson, D.E. and Purfeerst. The motion prevailed.

SPECIAL ORDER

S.F. No. 2151: A bill for an act relating to occupations and professions; providing for the regulation of the practice of chiropractic; providing grounds for license revocation; prescribing penalties; appropriating money; amending Minnesota Statutes 1984, sections 148.06, subdivision 1; 148.07, subdivision 2; 148.08, subdivision 3; 148.10; and 319A.02, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 148; repealing Minnesota Statutes 1984, section 148.101.

Mr. Peterson, R.W. moved to amend S.F. No. 2151 as follows:

Page 14, after line 25, insert:

"Sec. 10. Minnesota Statutes 1984, section 326.03, subdivision 2, is amended to read:

Subd. 2. Nothing contained in sections 326.02 to 326.15 shall prevent persons from advertising and performing services such as consultation, investigation, or evaluation in connection with, or from making plans and specifications for, or from supervising, the erection, enlargement, or alteration of any of the following buildings:

(a) Dwellings for single families, and outbuildings in connection therewith, such as barns and private garages;

(b) Two family dwellings;

(c) Any farm building or accessory thereto; or

(d) Temporary buildings or sheds used exclusively for construction purposes, not exceeding two stories in height, and not used for living quarters;

(e) Any public work or public improvement done by a public body in this state, the cost of which does not exceed \$100,000, provided that plans and specifications for such work or improvement affecting water supply or waste disposal are approved by the appropriate state agency; or

(f) Any building, structure, or work, the total cost of which does not exceed \$100,000.

Sec. 11. Minnesota Statutes 1984, section 326.06, is amended to read:

326.06 [GENERAL POWERS AND DUTIES OF BOARD.]

Each member of the board shall receive a certificate of appointment from the governor, and, before beginning his term of office, shall file with the secretary of state the constitutional oath of office. The board shall adopt and have an official seal, which shall be affixed to all licenses granted; shall make all rules, not inconsistent with law, needed in performing its duties; and shall fix standards for determining the qualifications of applicants for certificates, which shall not exceed the requirements contained in the curriculum of a recognized school of architecture, landscape architecture or engineering. The board shall make rules to define classes of buildings with respect to which persons performing services described in section 326.03, subdivision 2, may be exempted from the provisions of sections 326.02 to 326.15, by a finding of no probable risk to life, health, property or public welfare. ~~These rules shall be promulgated on or before July 1, 1979. Upon the adoption of these rules, section 326.03, subdivision 2, clauses (e) and (f), are superseded and of no effect.~~

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Merriam moved to amend S.F. No. 2151 as follows:

Page 4, line 36, delete "*in any court of a felony or conviction*"

The motion prevailed. So the amendment was adopted.

S.F. No 2151 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 43 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dicklich	Kamrath	Olson	Sieloff
Anderson	Diessner	Kronebusch	Peterson, C.C.	Solon
Belanger	Frank	Laidig	Peterson, D.C.	Storm
Benson	Frederickson	Lantry	Peterson, D.L.	Stumpf
Berg	Freeman	Lessard	Peterson, R.W.	Taylor
Berglin	Gustafson	McQuaid	Pogemiller	Waldorf
Bernhagen	Hughes	Merriam	Ramstad	Wegscheid
Bertram	Isackson	Moc, D.M.	Reichgott	
Chmielewski	Jude	Novak	Renneke	

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

SPECIAL ORDER

The question recurred on H.F. No. 1035.

H.F. No. 1035: A bill for an act relating to frauds; fixing conditions for the legal determination of fraud in property transfers; enacting the uniform fraudulent transfer act; proposing coding for new law in Minnesota Statutes,

chapter 513; repealing Minnesota Statutes 1984, sections 513.20; 513.21; 513.22; 513.23; 513.24; 513.25; 513.26; 513.27; 513.28; 513.29; 513.30; 513.31; and 513.32.

Mr. Sieloff moved to amend H.F. No. 1035, as amended by the Committee on Judiciary, adopted by the Senate February 24, 1986, as follows:

Page 9, after line 31, insert:

"Sec. 11. [518.581] [SPOUSAL AND PENSION BENEFIT.]

Subdivision 1. [AWARD OF BENEFIT.] If a current or former public employee's marriage is dissolved, the court may order the employee, the public retirement plan, or both, to pay amounts as part of the division of vested pension rights which the court may make under section 518.58, or as an award of maintenance in the form of a percentage, periodic, or other payments or in the form of a fixed dollar amount. The court may, as part of the order, award a spouse all or part of any survivor benefit. Under no circumstances may the pension fund be required to pay more than the equivalent of one surviving spouse benefit, regardless of the number of spouses or former spouses who may be sharing in a portion of the total benefit.

Subd. 2. [PAYMENT OF FUNDS BY RETIREMENT PLAN.] In any case where the court has ordered that a spouse has an interest in a public pension plan, the court may order the public retirement plan to withhold payment of any refund upon termination of employment or lump sum distribution to the extent of the spouse's interest in the plan.

Subd. 3. [NOTICE TO FORMER SPOUSE.] A former spouse must be notified by a public retirement system of any application by the employee for a refund of retirement benefits if the former spouse has filed with the employee's pension fund:

(1) a copy of the court order determining that the former spouse has an interest in the pension fund;

(2) the name and last known address of the employee; and

(3) the name and address of the former spouse.

Subd. 4. [COMPLIANCE WITH COURT ORDERS.] Except as provided in this section, a public pension plan shall within 30 days comply with any court order, including a withholding order, issued by a court having jurisdiction over dissolution of marriage that is served on the pension plan, provided that the order or other writing states the name, last known address of the payee, and name and address of the former spouse. In the event that the court order or withholding order requires the pension plan to perform an act or pay an amount that is inconsistent with the terms of the pension plan or an election made by the plan participant, the pension plan shall, within 30 days after service of the order, either comply with the order or, in writing, notify the former spouse claiming an interest in the pension plan of the particular reasons why it is unable to comply with the order. After receiving the notice, the former spouse claiming an interest in the pension plan may commence an action against the pension plan, or move to amend the decree of dissolution to bring it into conformity with the terms of the pension plan, or do both. After commencement of an action against the pension plan or service on the pension plan of a notice of motion to amend the decree of dissolution, and

pending an order of the court, the pension plan may not distribute to the plan participant or other beneficiary any benefit or portion of a benefit that is claimed by the former spouse.

Subd. 5. [LIMITATION.] Subdivision 1 does not apply unless the order by the court is determined to be a qualified domestic relations order.

Subd. 6. [PUBLIC PENSION PLAN PROCEDURES.] (a) In the case of any domestic relations order received by a public pension plan:

(1) the plan administrator shall promptly notify the current or former public employee and any other alternate payee of the receipt of such order and the plan's procedures for determining the qualified status of domestic relations orders; and

(2) within a reasonable period after receipt of the order, the plan administrator shall determine whether the order is a qualified domestic relations order and notify the current or former public employee and each alternate payee of such determination.

(b) Each public pension plan shall establish reasonable procedures to determine the qualified status of domestic relations orders and to administer distributions under qualified orders.

During any period in which the issue of whether a domestic relations order is a qualified domestic relations order is being determined by the plan administrator, by a court of competent jurisdiction, or otherwise, the plan administrator shall segregate in a separate account in the plan or in an escrow account the amounts that would have been payable to the alternate payee or payees during that period if the order had been determined to be a qualified domestic relations order.

If within 18 months the order or modification of an order is determined to be a qualified domestic relations order, the plan administrator shall pay the segregated amounts plus any interest to the person or persons entitled to them. If, however, within 18 months, it is determined that the order is not a qualified domestic relations order, or the issue as to whether such order is a qualified domestic relations order is not resolved, then the plan administrator shall pay the segregated amounts plus any interest to the person or persons who would have been entitled to those amounts if there had been no order. A determination after the end of the 18-month period that an order is a qualified domestic relations order must be applied prospectively only.

Subd. 7. [DEFINITIONS.] For purposes of this section the following terms have the meanings given in this subdivision.

(a) "Current or former public employee" and "employee" mean an individual who has a vested interest in a public pension plan.

(b) "A public pension plan" is any Minnesota public pension plan or fund which provides pension or retirement coverage for public employees and which provides surviving spouse benefits, including any plan or fund enumerated in section 356.20, subdivision 2, except all local police or salaried firefighters relief associations; or 356.30, subdivision 3, volunteer firefighters relief association, or any retirement or pension plan or fund established, maintained, or supported by the state or any governmental subdivision or public body whose revenues are derived from taxation, fees,

assessments, or from other public sources, except a local police and salaried firefighters relief association.

(c) The term "surviving spouse benefit" means (1) a benefit a surviving spouse may be eligible for under the laws and bylaws of the public pension plan, except a local police or salaried firefighters relief association, if the employee dies before retirement, or (2) a benefit selected for or available to a surviving spouse under the laws and bylaws of the public pension plan, except a local police or salaried firefighters relief association, upon the death of the employee after retirement.

(d) The term "alternate payee" means any spouse, former spouse, child, or other dependent of a current or former public employee who is recognized by a domestic relations order as having a right to receive all or part of the benefits payable under a public pension plan with respect to the current or former public employee.

(e) The term "domestic relations order" means any judgment, decree, or order, including approval of a property settlement agreement, which: (1) relates to the provision of alimony payments or marital property rights to a spouse, former spouse, child, or other dependent of a current or former public employee; and (2) is made under a state domestic relations law.

(f) The term "qualified domestic relations order" means a domestic relations order:

(1) that creates or recognizes the existence of an alternate payee's right to, or assigns to an alternate payee the right to, receive all or a portion of the benefits payable with respect to a current or former public employee under a public pension plan; and

(2) that specifies:

(i) the name and last known mailing address, if any, of the current or former public employee and the name and mailing address of each alternate payee covered by the order;

(ii) the amount or percentage of the current or former public employee's benefit to be paid by the public pension plan to each alternate payee, and the manner in which the amount or percentage is to be determined;

(iii) the number of payments or period to which the order applies;

(iv) each public pension plan to which the order applies;

(v) that the public pension plan is not required to provide any type or form of benefit, or any option, not otherwise provided under the plan;

(vi) that the public pension plan is not required to provide increased benefits (determined on the basis of actuarial value); and

(vii) that payment of benefits to an alternate payee is not required if the benefits are required to be paid to another alternate payee under another order previously determined to be a qualified domestic relations order.

Subd. 8. [EXCLUSION.] None of the provisions of this section shall apply to local police or salaried firefighters relief associations.

Sec. 12. Minnesota Statutes 1984, section 518.64, is amended by adding a

subdivision to read:

Subd. 6. [PROPERTY SETTLEMENTS.] A judgment, decree, or order that constitutes a qualifying domestic relations order under section 414(p) of the Internal Revenue Code of 1954, as amended through December 31, 1985, a spousal pension benefit under section 518.581, or a qualifying order under United States Code, title 5, section 8345(j)(1), as amended through December 31, 1985, or is in substantial compliance with any of those laws, may be amended even though the portion of the judgment, decree, or order to be amended constitutes a property settlement if the amendment:

(1) merely requires a pension plan to pay a benefit previously awarded to a former spouse directly to that former spouse;

(2) makes technical changes in the judgment, decree, or order to qualify it as a qualifying domestic relations order spousal pension benefit, or qualifying order; but makes no substantive change that is adverse to either party as to the amount or duration of an award previously made in the judgment, order, or decree; or

(3) is an income withholding order or an amendment to an income withholding order to include a pension plan as a payor.

Nothing in this section grants the court jurisdiction to amend a property settlement if the amendment would substantively change the judgment, order, or decree in a manner that would be detrimental to either party or to another plan beneficiary with accrued or vested rights in the plan. Nothing in this section authorizes the court to order a plan participant or pension plan to pay a benefit before the time that the benefit would otherwise be payable under the terms of the pension plan, nor to require a plan participant to make an election for a particular time, method, or form of benefit payment.

For purposes of this section, "pension plan" means a public or private retirement plan, including a plan qualifying under section 401 of the Internal Revenue Code of 1954, as amended through December 31, 1985, the civil service retirement and disability fund, and a plan or fund established under the laws of Minnesota that receives contributions from moneys derived from taxation, except plans covered by Minnesota Statutes, chapters 69, 423, 423A, 424, or 424A."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Sieloff then moved to amend H.F. No. 1035 as follows:

Page 9, after line 34, insert:

"Sec. 12. Minnesota Statutes 1984, section 518.55, is amended by adding a subdivision to read:

Subd. 4. [LIMITATION ON TOTAL AWARD.] Notwithstanding any contrary provision of section 518.551 or 518.552, unless the parties otherwise agree, total awards of support, maintenance, attorney fees, or any combination of them, whether in the same or different proceedings, may not exceed 50 percent of an obligor's net income as defined in section 518.551,

subdivision 5.

Sec. 13. Minnesota Statutes 1985 Supplement, section 518.611, subdivision 6, is amended to read:

Subd. 6. [PRIORITY.] An order for withholding under this section or execution or garnishment upon a judgment for child support arrearages or preadjudicated expenses shall have priority over an attachment, execution, garnishment, or wage assignment and shall not be subject to the statutory limitations on amounts levied against the income of the obligor. Amounts withheld from an employee's income must not exceed the maximum permitted under the Consumer Credit Protection Act, United States Code, title 15, section 1673(b)(2). *In addition, unless the parties otherwise agree, amounts withheld from an employee's income may not exceed 30 percent of the obligor's net income, as defined in section 518.551, subdivision 5, or 50 percent of the obligor's net income if the obligor is more than six months in arrears.* If there is more than one withholding order on a single employee, the employer shall put them into effect in the order received up to the maximum allowed ~~in the Consumer Credit Protection Act under this subdivision.~~

Sec. 14. Minnesota Statutes 1985 Supplement, section 518.645, is amended to read:

518.645 [FORM OF ORDER.]

Unless otherwise ordered by the court, an order for withholding of support or maintenance payments issued under this chapter shall be substantially in the following form:

IT IS ORDERED THAT:

1. The sum of _____ per _____, representing child support and/or spousal maintenance, ordered by the Court, shall be withheld from the (Husband/Wife Respondent/Petitioner)'s income on _____ by (his/her) present employer or other payor of funds, _____, and any future employer or other payor of funds, and shall be remitted to: _____, monthly or more frequently, in accordance with the provisions of Minnesota Statutes, Chapter 518. The file number above and the Obligor's name shall be included with each remittance.

2. An additional amount equal to 20 percent of the amount required to be withheld by paragraph 1 shall be withheld from the income of the Obligor by the employer or payor until the entire arrearage in paragraph 3(b) is paid.

3. The parties are notified that CHILD SUPPORT AND/OR MAINTENANCE WILL BE WITHHELD FROM INCOME ONLY AFTER ALL OF THE FOLLOWING CONDITIONS HAVE BEEN MET:

(a) _____ or the Obligee determines that the Obligor is at least thirty days in arrears in the payment of child support and/or spousal maintenance;

(b) _____ or the Obligee serves written notice of income withholding on the Obligor showing the determination that child support and/or maintenance payments are thirty days in arrears;

(c) Within fifteen days after service of the notice of income withholding, the Obligor fails to move the Court to deny withholding on the grounds that

an arrearage of at least 30 days does not exist as of the date of the notice of income withholding or on other grounds limited to mistakes of fact and, ex parte, to stay service of withholding on the employer or other payor of funds until the motion to deny withholding is heard. Within 45 days from the date of the notice of income withholding, the court shall hold the hearing on the motion to deny withholding and notify the parties of its decision; and

(d) Not sooner than 15 days after service of written notice of income withholding on the Obligor, _____ or the Obligees serves a copy of the notice of income withholding and a copy of the Court's withholding order on the employer or other payor of funds, who will then be obligated to withhold payments from income and forward the amount withheld to _____.

4. The parties and the employer or other payor of funds are further notified that NO EMPLOYER MAY DISCHARGE, SUSPEND, OR OTHERWISE PENALIZE OR DISCIPLINE AN EMPLOYEE BECAUSE THE EMPLOYER MUST WITHHOLD SUPPORT OR MAINTENANCE MONEY. Minnesota Statutes, section 518.611.

5. The payments shall begin to be withheld no later than the first pay period that occurs after 14 days following the date of mailing of the notice to the employer or other payor of funds in paragraph 3(d) and from that date the employer or other payor of funds is liable for amounts required to be withheld.

6. This order for withholding takes priority over any attachment, execution, garnishment, or wage assignment levied against the income of the Obligor. Amounts withheld are not subject to other statutory limitations on amounts levied against the income of the Obligor but must not exceed the maximum permitted under the federal Consumer Credit Protection Act, United States Code, title 15, section 1673(b)(2). *In addition, unless the parties otherwise agree, amounts withheld must not exceed 30 percent of the Obligor's net income, as defined in Minnesota Statutes, section 518.551, subdivision 5, or 50 percent of the Obligor's net income if the Obligor is more than six months in arrears.* If there is more than one withholding order on a single Obligor, the employer or other payor of funds shall put them into effect in the order received, up to the maximum allowed under ~~the Consumer Credit Protection Act~~ *this paragraph.*

7. When the Obligor's employment is terminated or the periodic payment ends, the employer or other payor of funds is required to notify _____ within 30 days of the termination date. The notice must include the Obligor's home address of record and, if known, the name and address of the Obligor's new employer or other payor of funds.

8. If the Obligees serves the employer or other payor of funds under paragraph 3(d), the Obligees shall also serve the determination and order on _____, together with an application and fee to use collection services.

9. Service of this Order shall be _____

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, delete "frauds" and insert "courts"

Page 1, line 4, after the semicolon, insert "limiting the total amount of maintenance and child support that an obligor may be liable for; limiting the percentage of income subject to income withholding; amending Minnesota Statutes 1984, section 518.55, by adding a subdivision; Minnesota Statutes 1985 Supplement, sections 518.611, subdivision 6; and 518.645;"

Mr. Peterson, R.W. questioned whether the amendment was germane.

The Chair ruled that the amendment was germane.

CALL OF THE SENATE

Mr. Sieloff imposed a call of the Senate for the balance of the proceedings on H.F. 1035. The Sergeant at Arms was instructed to bring in the absent members.

The question was taken on the adoption of the amendment.

Mr. Sieloff moved that those not voting be excused from voting. The motion prevailed.

The roll was called, and there were yeas 40 and nays 16, as follows:

Those who voted in the affirmative were:

Anderson	Diessner	Johnson, D.J.	Lessard	Purfeerst
Belanger	Frank	Jude	McQuaid	Ramstad
Benson	Frederick	Kamrath	Mehrkens	Renneke
Berg	Frederickson	Knaak	Moe, D.M.	Sieloff
Bernhagen	Freeman	Knutson	Novak	Solon
Bertram	Gustafson	Kronebusch	Olson	Storm
Brataas	Isackson	Laidig	Peterson, C.C.	Stumpf
Dicklich	Johnson, D.E.	Langseth	Peterson, D.L.	Taylor

Those who voted in the negative were:

Berglin	Hughes	Pehler	Petty	Schmitz
Dahl	Lantry	Peterson, D.C.	Pogemiller	Spear
Davis	Moe, R.D.	Peterson, R.W.	Reichgott	Waldorf
Dieterich				

The motion prevailed. So the amendment was adopted.

Mr. Peterson, D.L. moved to amend the second Sieloff amendment to H.F. No. 1035, adopted by the Senate March 17, 1986, as follows:

Page 1 of the Sieloff amendment, after line 11, insert:

"Sec. 13. Minnesota Statutes 1984, section 518.551, subdivision 5, is amended to read:

Subd. 5. [NOTICE TO PUBLIC AUTHORITY; GUIDELINES.] The petitioner shall notify the public authority of all proceedings for dissolution, legal separation, determination of parentage or for the custody of a child, if either party is receiving aid to families with dependent children or applies for it subsequent to the commencement of the proceeding. After receipt of the notice, the court shall set child support by multiplying the obligor's net income by the percentage indicated by the following guidelines:

Net Income Per
Month of Obligor

Number of Children

1	2	3	4	5	6	7 or more
---	---	---	---	---	---	-----------

\$400 and Below

Order based on the ability of the
obligor to provide support at these

income levels, or at higher levels,
if the obligor has the earning ability.

\$401 - 500	14%	17%	20%	22%	24%	26%	28%
\$501 - 550	15%	18%	21%	24%	26%	28%	30%
\$551 - 600	16%	19%	22%	25%	28%	30%	32%
\$601 - 650	17%	21%	24%	27%	29%	32%	34%
\$651 - 700	18%	22%	25%	28%	31%	34%	36%
\$701 - 750	19%	23%	27%	30%	33%	36%	38%
\$751 - 800	20%	24%	28%	31%	35%	38%	40%
\$801 - 850	21%	25%	29%	33%	36%	40%	42%
\$851 - 900	22%	27%	31%	34%	38%	41%	44%
\$901 - 950	23%	28%	32%	36%	40%	43%	46%
\$951 - 1000	24%	29%	34%	38%	41%	45%	48%
\$1001 - 6000	25%	30%	35%	39%	43%	47%	50%

Guidelines for support for an obligor with a monthly income of \$6001 or more shall be the same dollar amounts as provided for in the guidelines for an obligor with a monthly income of \$6000.

Net Income defined as:

Total monthly
income less

*Standard
Deductions apply-
use of tax tables
recommended

- *(1) Federal Income Tax
- *(2) State Income Tax
- (3) Social Security Deductions
- (4) Mandatory Pension Deductions
- (5) Union Dues
- (6) Cost of Dependent Health Insurance Coverage
- (7) Cost of Individual Health/Hospitalization Coverage or an Equivalent Amount for Actual Medical Expenses-
- (8) *Reasonable and Ordinary Expenses in the Conduct of a Trade or Business as defined in the internal revenue code.*

(a) The child support payment guidelines take into consideration the following criteria:

- (1) all earnings, income, and resources of the obligor including real and personal property;
- (2) the basic living needs of the obligor;
- (3) the financial needs of the child or children to be supported; and
- (4) the amount of the aid to families with dependent children grant for the child or children.

(b) In establishing a support obligation, the court may consider debts owed to private creditors, but only if:

- (1) the right to support has not been assigned under section 256.74;
- (2) the debt was reasonably incurred for necessary support of the child or obligee or for the necessary generation of income. If the debt was incurred for the necessary generation of income, the court shall consider only the

amount of debt that is essential to the continuing generation of income;

(3) the party requesting a departure produces a sworn schedule of the debts, with supporting documentation, showing goods or services purchased, the recipient of them, the amount of the original debt, the outstanding balance, the monthly payment, and the number of months until the debt will be fully paid; and

(4) the court determines that the debt was legitimately incurred for the necessary support of the child or obligee or for the necessary generation of income.

Any schedule prepared under paragraph (b), clause (3), shall contain a statement that the debt will be fully paid after the number of months shown in the schedule, barring emergencies beyond the party's control.

The court shall order child support in accordance with the guidelines and any departure therefrom. Any further departure below the guidelines that is based on a consideration of debts owed to private creditors shall not exceed 18 months in duration, after which the support shall increase automatically to the level ordered by the court. Nothing in this section shall be construed to prohibit one or more step increases in support to reflect debt retirement during the 18-month period.

Where payment of debt is ordered pursuant to this section, the payment shall be ordered to be in the nature of child support.

(c) Previous support orders and maintenance orders may be considered if the obligor is paying them.

(d) Nothing shall preclude the court from receiving evidence on the above factors to determine if the guidelines should be exceeded or modified in a particular case.

(e) The above guidelines are binding in each case unless the court makes express findings of fact as to the reason for departure below the guidelines in that case in which the court orders support that so deviates from the guidelines. It may also increase the amount of child support by more than the guidelines without making express findings by agreement of the parties or by making further findings."

Renumber the sections of the Sieloff amendment in sequence and correct the internal references

Amend the title amendment accordingly

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

H.F. No. 1035 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 48 and nays 7, as follows:

Those who voted in the affirmative were:

Adkins	Dicklich	Johnson, D.E.	McQuaid	Ramstad
Anderson	Diessner	Johnson, D.J.	Mehrkins	Renneke
Belanger	Dieterich	Jude	Moe, D.M.	Schmitz
Benson	Frank	Kamrath	Novak	Sieloff
Berg	Frederick	Knaak	Olson	Solon
Bernhagen	Frederickson	Knutson	Pehler	Storm
Bertram	Freeman	Kronebusch	Peterson, C.C.	Stumpf
Brataas	Gustafson	Laidig	Peterson, D.L.	Taylor
Dahl	Hughes	Lantry	Pogemiller	
Davis	Isackson	Lessard	Purfeerst	

Those who voted in the negative were:

Berglin	Petty	Spear	Vega	Waldorf
Peterson, D.C.	Reichgott			

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

MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 1950 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S.F. NO. 1950

A bill for an act relating to taxation; limiting application of the open space property tax law to facilities that do not discriminate on the basis of sex; amending Minnesota Statutes 1984, section 273.112, subdivisions 3 and 4, and by adding a subdivision.

March 15, 1986

The Honorable Jerome M. Hughes
President of the Senate

The Honorable David M. Jennings
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 1950, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and that S.F. No. 1950 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1984, section 273.112, subdivision 3, is amended to read:

Subd. 3. Real estate shall be entitled to valuation and tax deferment under this section only if it is:

(a) actively and exclusively devoted to golf, skiing or archery or firearms range recreational use or uses and other recreational uses carried on at the establishment;

(b) five acres in size or more, except in the case of an archery or firearms range; and

(c) (1) operated by private individuals and open to the public; or

(2) operated by firms or corporations for the benefit of employees or

guests; or

(3) operated by private clubs having a membership of 50 or more, *provided that the club does not discriminate in membership requirements or selection on the basis of sex; and*

(d) made available, in the case of real estate devoted to golf, for use without discrimination on the basis of sex during the time when the facility is open to use by the public or by members, except that use for golf may be restricted on the basis of sex no more frequently than one, or part of one, weekend each calendar month for each sex and no more than two, or part of two, weekdays each week for each sex.

For purposes of this subdivision and subdivision 7a, discrimination means a pattern or course of conduct and not linked to an isolated incident.

Sec. 2. Minnesota Statutes 1984, section 273.112, subdivision 4, is amended to read:

Subd. 4. The value of any real estate described in subdivision 3 shall upon timely application by the owner, in the manner provided in subdivision 6, be determined solely with reference to its appropriate private outdoor, recreational, open space and park land classification and value notwithstanding ~~Minnesota Statutes 1967~~, sections 272.03, subdivision 8, and 273.11. In determining such value for ad valorem tax purposes the assessor shall not consider the value such real estate would have if it were converted to commercial, industrial, residential or seasonal residential use.

Sec. 3. Minnesota Statutes 1984, section 273.112, subdivision 6, is amended to read:

Subd. 6. Application for deferment of taxes and assessment under this section shall be made at least 60 days prior to January 2 of each year. Such application shall be filed with the assessor of the taxing district in which the real property is located on such form as may be prescribed by the commissioner of revenue. The assessor may require proof by affidavit or ~~otherwise~~ *other written verification that the property qualifies under subdivision 3. In the case of property operated by private clubs pursuant to subdivision 3, clause (c)(3), in order to qualify for valuation and tax deferment under this section, the taxpayer must submit to the assessor proof by affidavit or other written verification that the bylaws or rules and regulations of the club meet the eligibility requirements provided under this section. The signed affidavit or other written verification shall be sufficient demonstration of eligibility for the assessor unless the county attorney determines otherwise.*

The county assessor shall refer any question regarding the eligibility for valuation and deferment under this section to the county attorney for advice and opinion under section 388.051, subdivision 1. Upon request of the county attorney, the taxpayer shall furnish information that the county attorney considers necessary in order to determine eligibility under this section.

Sec. 4. Minnesota Statutes 1984, section 273.112, is amended by adding a subdivision to read:

Subd. 7a. Notwithstanding subdivision 7, when real property ceases to qualify under subdivision 3 because of failure to comply with prohibitions

against discrimination on the basis of sex, payment of additional taxes imposed under subdivision 7 is not required.

Sec. 5. [EFFECTIVE DATE.]

Sections 1, 3, and 4 are effective for taxes levied in 1986, payable in 1987, and thereafter. The assessor of any taxing district that contains property that has been valued under Minnesota Statutes, section 273.112, for taxes levied in 1985, payable in 1986, shall notify the owner of that property by May 1, 1986, regarding the requirements imposed by this act. Notwithstanding section 273.112, subdivision 6, in order to qualify for the valuation and tax deferment for the 1986 assessment, the taxpayer of the property operated by private clubs pursuant to subdivision 3, clause (c)(3), must submit an affidavit or other written verification to the assessor by October 1, 1986, stipulating that the bylaws or rules and regulations of the private club will meet the eligibility provisions of this act by December 31, 1986."

Amend the title as follows:

Page 1, line 5, delete "and" and insert a comma and after "4," insert "6,"

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

Senate Conferees: (Signed) Gene Merriam, Dean E. Johnson, Randolph W. Peterson

House Conferees: (Signed) David T. Bishop, Kathleen A. Blatz, Linda Scheid

Mr. Merriam moved that the foregoing recommendations and Conference Committee Report on S.F. No. 1950 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

S.F. No. 1950 was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

The roll was called, and there were yeas 57 and nays 0, as follows:

Those who voted in the affirmative were:

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

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

MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 31 and the Conference Committee Report thereon were reported

to the Senate.

CONFERENCE COMMITTEE REPORT ON S.F. NO. 31

A bill for an act relating to motorboat safety; requiring liability insurance on watercraft; strengthening prohibitions and penalties regarding operation of motorboat while under the influence of alcohol or a controlled substance; providing a penalty; amending Minnesota Statutes 1984, sections 361.02, subdivision 9; 361.03, by adding subdivisions; and 361.12; proposing coding for new law in Minnesota Statutes, chapter 361.

March 14, 1986

The Honorable Jerome M. Hughes
President of the Senate

The Honorable David M. Jennings
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 31, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and that S.F. No. 31 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1984, section 361.02, subdivision 9, is amended to read:

Subd. 9. "Underway or in use" means any watercraft in operation or use ~~when not~~ unless it is securely fastened to a dock or other permanent mooring. As used in section 361.12 and section 3, "underway or in use" means any motorboat in operation unless it is fastened to a dock or other mooring, anchored, or beached.

Sec. 2. Minnesota Statutes 1984, section 361.12, is amended to read:

361.12 [ALCOHOL, DRUGS, PHYSICAL OR MENTAL DISABILITY.]

Subdivision 1. [ACTS PROHIBITED.] (a) No person shall operate or be in actual physical control of any ~~watercraft~~ motorboat while underway or in use on the waters of this state while under the influence of:

(1) alcohol, as provided in section 169.121, subdivision 1 ~~or~~, clauses (a) and (d);

(2) a controlled substance, as defined in section 152.01, subdivision 4; or

(3) a combination of any two or more of the elements named in clauses (1) and (2).

(b) No owner or other person having charge or control of any ~~watercraft~~ motorboat shall knowingly authorize or permit any ~~person who~~ individual the person knows or has reason to believe is under the influence of alcohol, or a controlled substance, as provided under paragraph (a), to operate ~~such watercraft~~ the motorboat while underway or in use on the waters of this state.

~~Subd. 2.~~ (c) No owner or other person having charge or control of any

~~watercraft~~ motorboat shall knowingly authorize or permit any person, who by reason of any physical or mental disability is incapable of operating ~~such watercraft~~ the motorboat, to operate ~~such watercraft~~ the motorboat while underway or in use on the waters of this state.

Subd. 2. [ARREST.] Conservation officers of the department of natural resources, sheriffs, sheriff's deputies, and other peace officers may arrest a person for a violation under subdivision 1 without a warrant upon probable cause, if the violation was committed in the officer's presence. If the violation did not occur in the officer's presence, the officer may arrest the person if the person was involved in a motorboat accident resulting in death, personal injury, or property damage.

Subd. 3. [PRELIMINARY SCREENING TEST.] When an officer authorized under subdivision 2 to make arrests has reason to believe from the manner in which a person is operating, controlling, or acting upon departure from a motorboat, or has operated or been in control of a motorboat, that the operator may be violating or has violated subdivision 1, paragraph (a), the officer may require the operator to provide a breath sample for a preliminary screening test using a device approved by the commissioner of public safety for this purpose. The results of the preliminary screening test shall be used for the purpose of deciding whether any arrest should be made under this section and whether to require the chemical tests authorized in section 3, but may not be used in any court action except to prove that a test was properly required of an operator pursuant to section 3. Following the preliminary screening test, additional tests may be required of the operator as provided under section 3. Any operator who refuses a breath sample is subject to the provisions of section 3 unless, in compliance with that section, the operator submits to a blood, breath, or urine test to determine the presence of alcohol or a controlled substance.

Subd. 4. [EVIDENCE.] (a) Upon the trial of any prosecution arising out of acts alleged to have been committed by any person arrested for operating or being in physical control of any motorboat in violation of subdivision 1, paragraph (a), the court may admit evidence of the amount of alcohol or a controlled substance in the person's blood, breath, or urine as shown by an analysis of those items.

(b) For the purposes of this subdivision:

(1) evidence that there was at the time an alcohol concentration of 0.05 or less is prima facie evidence that the person was not under the influence of alcohol;

(2) evidence that there was at the time an alcohol concentration of more than 0.05 and less than 0.10 is relevant evidence in indicating whether or not the person was under the influence of alcohol.

(c) Evidence of the refusal to take a preliminary screening test required under subdivision 3 or a chemical test required under section 3 is admissible into evidence in a prosecution under this section.

(d) This subdivision does not limit the introduction of any other competent evidence bearing upon the question whether or not the person was under the influence of alcohol or a controlled substance, including results obtained from partial tests on an infrared breath-testing instrument. A result from a

partial test is the measurement obtained by analyzing one adequate breath sample. A sample is adequate if the instrument analyzes the sample and does not indicate the sample is deficient.

Subd. 5. [PENALTIES.] (a) A person who violates any prohibition contained in subdivision 1 is guilty of a misdemeanor; except that a person who violates any prohibition contained in subdivision 1 within five years of a prior conviction under that subdivision or civil liability under section 3, subdivision 2, or within ten years of two or more prior convictions under that subdivision or civil liability under section 3, subdivision 2, is guilty of a gross misdemeanor.

(b) A person who operates a motorboat on the waters of this state during the period the person is prohibited from operating any motorboat or after the person's motorboat operator's permit has been revoked, as provided under subdivision 6, is guilty of a misdemeanor.

Subd. 6. [OPERATING PRIVILEGES SUSPENDED; REVOKED.] (a) Upon conviction, and in addition to any penalty imposed under subdivision 5, the person is prohibited from operating any motorboat on the waters of this state for a period of 90 days between May 1 and October 31, extending over two consecutive years if necessary.

(b) A person 13 years of age or older but less than 18 years of age who violates any prohibition contained in subdivision 1 shall have his motorboat operator's permit revoked by the commissioner as required by section 361.22, subdivision 2, in addition to any other penalty imposed by the court.

Subd. 7. [DUTIES OF COMMISSIONER.] The court shall promptly forward copies of all convictions and criminal and civil penalties imposed under subdivision 5 and section 3, subdivision 2, to the commissioner. The commissioner shall notify the convicted person of the period during which the person is prohibited from operating a motorboat as provided under subdivision 6 or section 3, subdivision 2. The commissioner shall also periodically circulate to appropriate law enforcement agencies a list of all persons who are prohibited from operating any motorboat or have had their motorboat operator's permits revoked pursuant to subdivision 6 or section 3, subdivision 2.

Subd. 8. [IMMUNITY FROM LIABILITY.] The state or political subdivision which is the employer of an officer authorized under subdivision 2 to make an arrest for violations of subdivision 1 is immune from any liability, civil or criminal, for the care or custody of the motorboat being operated by or in the physical control of the person arrested if the officer acts in good faith and exercises due care.

Sec. 3. [361.121] [MANDATORY TESTING.]

Subdivision 1. [CHEMICAL TESTING.] A person who operates or is in physical control of a motorboat while underway or in use on the waters of this state is required, subject to the provisions of this section, to take or submit to a test of the person's blood, breath, or urine for the purpose of determining the presence and amount of alcohol or a controlled substance. The test shall be administered at the direction of an officer authorized to make arrests under section 361.12, subdivision 2. Taking or submitting to the test is mandatory when requested by an officer who has probable cause to

believe the person was operating or in physical control of a motorboat in violation of section 361.12, subdivision 1, paragraph (a), and one of the following conditions exist:

(1) the person has been lawfully placed under arrest for violating section 361.12, subdivision 1, paragraph (a);

(2) the person has been involved in a motorboat accident resulting in property damage, personal injury, or death;

(3) the person has refused to take the preliminary screening test provided for in section 361.12, subdivision 3; or

(4) the screening test was administered and recorded an alcohol concentration of 0.10 or more.

Subd. 2. [PENALTIES.] (a) A person who refuses to take a test required under subdivision 1 is subject to a civil penalty not to exceed \$700 and, in addition, the person is prohibited from operating any motorboat on the waters of this state for a period of one year.

(b) A person who operates a motorboat on the waters of this state during the period the person is prohibited from operating any motorboat as provided under paragraph (a) is guilty of a misdemeanor.

Subd. 3. [RIGHTS AND OBLIGATIONS.] At the time a test is requested, the person must be informed:

(1) that Minnesota law requires a person to take a test to determine if the person is under the influence of alcohol or a controlled substance;

(2) that a person is subject to a civil penalty not to exceed \$700 for refusing to take the test and, in addition, the person is prohibited from operating any motorboat, as provided under subdivision 2, for refusing to take the test;

(3) that if testing is refused it will not affect the person's motor vehicle driver's license;

(4) that if the test is taken and the results indicate that the person is under the influence of alcohol or a controlled substance, the person will be subject to criminal penalties and in addition to any other penalties the court may impose, the person's operating privileges will be suspended as provided under section 361.12, subdivision 6, paragraph (a);

(5) that, after submitting to testing, the person has the right to have additional tests made by a person of his own choosing; and

(6) that, if he refused to take a test, the refusal will be offered into evidence against him at trial.

Subd. 4. [REQUIREMENT OF URINE TEST.] Notwithstanding subdivision 1, if there are reasonable and probable grounds to believe there is impairment by a controlled substance which is not subject to testing by a blood or breath test, a urine test may be required even after a blood or breath test has been administered.

Subd. 5. [BREATH TEST USING AN INFRARED BREATH-TESTING INSTRUMENT.] In the case of a breath test administered using an infrared breath-testing instrument, the test shall consist of analyses in the following

sequence: one adequate breath sample analysis, one calibration standard analysis, and a second, adequate breath sample analysis. In the case of a test administered using an infrared breath-testing instrument, a sample is adequate if the instrument analyzes the sample and does not indicate the sample is deficient. For purposes of this section, when a test is administered using an infrared breath-testing instrument, failure of a person to provide two separate adequate breath samples in the proper sequence constitutes a refusal to take the test.

Subd. 6. [CONSENT OF PERSON INCAPABLE OF REFUSAL NOT WITHDRAWN.] A person who is unconscious or who is otherwise in a condition rendering the person incapable of refusal is deemed not to have withdrawn the consent provided by subdivision 1 and the test may be given.

Subd. 7. [MANNER OF MAKING TEST; ADDITIONAL TESTS.] Only a physician, medical technician, physician's trained mobile intensive care paramedic, registered nurse, medical technologist, or laboratory assistant acting at the request of a peace officer authorized to make arrests under section 361.12, subdivision 2, may withdraw blood for the purpose of determining the presence of alcohol or controlled substance. This limitation does not apply to the taking of a breath or urine sample. The person tested has the right to have a person of his own choosing administer a chemical test or tests in addition to any administered at the direction of a peace officer; provided, that the additional test sample on behalf of the person is obtained at the place where the person is in custody, after the test administered at the direction of a peace officer, and at no expense to the state. The failure or inability to obtain an additional test or tests by a person shall not preclude the admission in evidence of the test taken at the direction of a peace officer unless the additional test was prevented or denied by the peace officer. The physician, medical technician, physician's trained mobile intensive care paramedic, medical technologist, laboratory assistant, or registered nurse drawing blood at the request of a peace officer for the purpose of determining alcohol concentration shall in no manner be liable in any civil or criminal action except for negligence in drawing the blood. The person administering a breath test shall be fully trained in the administration of breath tests pursuant to training given by the commissioner of public safety.

Sec. 4. [EFFECTIVE DATE.]

Sections 1 to 3 are effective May 15, 1986, and apply to offenses committed on or after that date."

Delete the title and insert:

"A bill for an act relating to motorboat safety; strengthening prohibitions and penalties regarding operation of motorboat while under the influence of alcohol or a controlled substance; providing a penalty; amending Minnesota Statutes 1984, sections 361.02, subdivision 9; and 361.12; proposing coding for new law in Minnesota Statutes, chapter 361."

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

Senate Conferees: (Signed) A.W. "Bill" Diessner, Gene Merriam, Allan H. Spear

House Conferees: (Signed) Kathleen A. Blatz, Donald L. Frerichs, Randy

C. Kelly

Mr. Diessner moved that the foregoing recommendations and Conference Committee Report on S.F. No. 31 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

S.F. No. 31 was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

The roll was called, and there were yeas 51 and nays 5, as follows:

Those who voted in the affirmative were:

Adkins	Dicklich	Jude	Peterson, D.C.	Spear
Anderson	Diessner	Knutson	Peterson, D.L.	Storm
Belanger	Dieterich	Laidig	Peterson, R.W.	Stumpf
Berg	Frank	Lantry	Petty	Taylor
Berglin	Frederick	Luther	Pogemiller	Vega
Bernhagen	Frederickson	McQuaid	Purfeerst	Waldorf
Berram	Freeman	Merriam	Ramstad	Wegscheid
Brataas	Gustafson	Moe, D.M.	Reichgott	
Dahl	Isackson	Novak	Renneke	
Davis	Johnson, D.E.	Olson	Schmitz	
DeCramer	Johnson, D.J.	Pehler	Solon	

Those who voted in the negative were:

Benson	Kamrath	Knaak	Kronebusch	Peterson, C.C.
--------	---------	-------	------------	----------------

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

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Wegscheid moved that H.F. No. 1991 be taken from the table. The motion prevailed.

SPECIAL ORDER

H.F. No. 1991: A bill for an act relating to metropolitan government; providing for appointments, administration, reports, and duties of metropolitan agencies; amending Minnesota Statutes 1984, sections 473.121, subdivision 6, and by adding subdivisions; 473.123, subdivisions 2a, 3, and 3a; 473.141, subdivisions 2, 3, and 4a; 473.146, subdivisions 1, 2, and 3; 473.161; 473.163, subdivisions 1 and 2; and 473.303, subdivisions 2 and 4a; Minnesota Statutes 1985 Supplement, section 473.38, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 473; repealing Minnesota Statutes 1984, sections 473.121, subdivision 7; 473.163, subdivisions 3 and 4; 473.373, subdivision 3; 473.377; and 473.38, subdivision 1.

SUSPENSION OF RULES

Mr. Wegscheid 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. 1991 and that the rules of the Senate be so far suspended as to

give H.F. No. 1991 its second and third reading and place it on its final passage. The motion prevailed.

H.F. No. 1991 was read the second time.

Mr. Wegscheid then moved to amend H.F. No. 1991 as follows:

Delete everything after the enacting clause, and delete the title, of H.F. No. 1991, and insert the language after the enacting clause, and the title, of S.F. No. 1913, the third engrossment.

The motion prevailed. So the amendment was adopted.

Mrs. Lantry moved to amend H.F. No. 1991, as amended by the Senate March 17, 1986, as follows:

(The text of the amended House File is identical to S.F. No. 1913.)

Page 32, after line 1, insert:

"Sec. 36. Minnesota Statutes 1984, section 473.373, subdivision 5, is amended to read:

Subd. 5. [CHAIR.] *The chair shall be a person experienced in the field of municipal and urban affairs with administrative training and executive ability.* The duties of the chair are:

(a) to preside over all board meetings at which he is in attendance;

(b) to serve as the principal transit spokesman within the metropolitan area before the legislature, other state and regional agencies, local units of government, and the general public;

(c) to present to the governor and the legislature, after approval by the council, the board's financial plan for public transit in the metropolitan area;

(d) to convene and preside at an annual regional transit conference of transit providers, operators, and users;

(e) to act as the principal executive officer of the board;

(f) to organize the work of the board;

(g) appoint all its officers and employees, subject to approval by the board;

(h) to carry out all policy decisions of the board; and

(i) to perform other duties assigned by law or by the board.

Page 45, line 35, delete "subdivision" and insert "subdivisions" and after "3" insert "and 6"

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Moe, D.M. moved to amend H.F. No. 1991, as amended by the Senate March 17, 1986, as follows:

(The text of the amended House File is identical to S.F. No. 1913.)

Page 32, after line 1, insert:

"Sec. 36. Minnesota Statutes 1985 Supplement, section 473.375, subdivision 17, is amended to read:

Subd. 17. [AUDIT.] ~~The board must be audited at least once each year. The board may elect to be audited by a certified public accountant or by the state auditor. If the board chooses the state auditor, the state auditor shall~~ audit, either directly or by subcontract, the board's financial accounts and affairs at least once each year. The information in the audit must be contained in the annual report and distributed in accordance with section 473.445, subdivision 3. The board shall pay the total cost of the audit, including the salaries paid to the examiners while actually engaged in making the examination. The state auditor may bill monthly or at the completion of the audit. All collections received for the state audits must be deposited in the revolving fund of the state auditor."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Pogemiller moved to amend H.F. No. 1991, as amended by the Senate March 17, 1986, as follows:

(The text of the amended House File is identical to S.F. No. 1913.)

Page 3, delete lines 24 to 36

Page 4, delete lines 1 to 4

Reletter the clauses in sequence

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

Mr. Moe, D.M. moved to amend H.F. No. 1991, as amended by the Senate March 17, 1986, as follows:

(The text of the amended House File is identical to S.F. No. 1913.)

Page 1, after line 31, insert:

"Section 1. Minnesota Statutes 1984, section 368.01, subdivision 12, is amended to read:

Subd. 12. [TAXICABS; BAGGAGE WAGONS.] The town board of supervisors shall have power by ordinance to license and regulate baggage wagons, draymen, taxicabs, and automobile rental agencies and liveries, *except as otherwise provided in sections 42 to 46 of this act for taxicabs in the metropolitan area as defined in section 473.121, subdivision 2.*

Sec. 2. Minnesota Statutes 1984, section 412.221, subdivision 20, is amended to read:

Subd. 20. [TAXICABS; BAGGAGE WAGONS.] The council shall have power by ordinance to license and regulate baggage wagons, draymen, taxicabs, and automobile rental agencies and liveries, *except as otherwise provided in sections 42 to 46 of this act for taxicabs in the metropolitan area as defined in section 473.121, subdivision 2.*"

Page 34, after line 19, insert:

"Sec. 42. [473.395] [DEFINITIONS.]

Subdivision 1. [SCOPE.] The definitions in this section apply to sections 45 to 49 of this act.

Subd. 2. [BOARD.] "Board" means the regional transit board.

Subd. 3. [COMMISSION.] "Commission" means the metropolitan taxicab commission.

Subd. 4. [FLAG RATE.] "Flag rate" means the initial fare registered on a meter when its flag is tripped to initiate the operation of the meter.

Subd. 5. [FLAT RATE.] "Flat rate" means a fare charged for a trip in a taxicab, different from the meter rate for a trip of the same distance and duration and determined under guidelines set by the commission.

Subd. 6. [HOSPITALITY INDUSTRY.] "Hospitality industry" means restaurants; licensed on-sale liquor establishments; and establishments providing lodging for consideration for a period of less than 30 days, including, but not limited to, hotels and motels.

Subd. 7. [LIMOUSINE.] "Limousine" means an unmarked motor vehicle that carries passengers for hire, is subject to call only from its garage or central place of business, is driven by a uniformed chauffeur, and charges its customers a flat rate by the trip or by the hour, day, or longer period of time, which is greater than the taxicab rate for a comparable trip.

Subd. 8. [METER.] "Meter" means an instrument or device of a kind approved by the commission, attached to a taxicab and designed to measure, mechanically or electronically, the distance traveled by the taxicab, to register the flag rate, to record the time the taxicab travels or is in waiting, and to indicate upon that record the fare to be charged.

Subd. 9. [METER RATE.] "Meter rate" means a fare charged for a trip in a taxicab based upon the distance and time recorded by the meter attached to the taxicab.

Subd. 10. [TAXICAB.] "Taxicab" means a passenger automobile that transports passengers and their luggage for hire, having a seating capacity to accommodate fewer than ten persons, and not operated on a fixed route or schedule. Taxicab does not mean a limousine, a private carrier as defined in section 221.011, subdivision 26, or a commuter van as defined in section 221.011, subdivision 27.

Subd. 11. [ZONE FARE.] "Zone fare" means a flat rate charged for a trip entirely within a geographical area or between areas defined by the commission.

Sec. 43. [473.3951] [METROPOLITAN TAXICAB COMMISSION.]

Subdivision 1. [MEMBERSHIP.] The metropolitan taxicab commission consists of a chair appointed by and serving at the pleasure of the chair of the board and eight members appointed by the board to three-year terms. The board shall appoint three members to represent segments of the taxicab industry, including, but not limited to, large fleet operations and dispatching services, individual owner-operators, and drivers; two members to represent statutory and home rule charter cities in the metropolitan area; two members who are neither public officials nor persons having a financial interest in the taxicab industry, to represent the interests of the public; and

one member to represent the hospitality industry. A member shall serve until a qualified successor is appointed. The board may appoint one of its members as a nonvoting liaison to the commission.

Subd. 2. [MEETINGS; OFFICERS.] *The commission shall meet at the call of the chair. The chair shall preside at all meetings of the commission except as otherwise provided in this subdivision and perform other duties assigned by the commission or by law. In January of each year the commission shall elect from its members a vice chair to preside at its meetings and to perform other duties of the chair in the absence or incapacity of the chair, and may elect whatever officers it deems necessary.*

Subd. 3. [REMOVAL; VACANCIES.] *Members other than the chair may be removed by the board only for cause in the manner provided in chapter 351 for removal by the governor, except that section 351.04 does not apply. If the office of a member becomes vacant under a condition specified in chapter 351, the vacancy must be filled in the same manner in which appointment to that office was made.*

Subd. 4. [COMPENSATION.] *Members of the commission may not be paid salaries or per diem allowances, but may be reimbursed for out-of-pocket expenses or loss of income resulting from carrying out their official responsibilities. The board shall adopt and abide by procedures and standards for reimbursement of expenses and lost income.*

Sec. 44. [473.3952] [GENERAL AUTHORITY.]

Subdivision 1. [POWERS.] *The commission has all powers necessary to implement sections 45 to 49 of this act, including the power to:*

- (1) sue and be sued;*
- (2) enter into contracts necessary to carry out its responsibilities;*
- (3) enter into agreements with local governmental units or the board for ministerial or administrative support services; and*
- (4) conduct studies and issue reports on taxicab service.*

Subd. 2. [DUTIES.] *The commission shall:*

- (1) establish uniform meter rates and zone fares for taxicabs operating in the metropolitan area;*
- (2) require taxicab associations or companies comprising taxicabs operating under a common trade name or color scheme, and individual taxicab owner-operators not affiliated with an association or company, to file with the commission, for its approval, plans for setting fares for special events, group bookings or loadings, and discounts;*
- (3) issue taxicab licenses, taxicab drivers' licenses, and provisional taxicab drivers' permits, issue licenses for dispatching services, and set and collect fees for the issuance and reissuance of those licenses and fees;*
- (4) establish equipment standards for taxicabs, including standards for meters;*
- (5) establish safety and service standards for taxicabs, including standards and procedures for taxicab inspections, and set and collect inspection*

fees;

(6) establish a taxicab driver training program and set and collect fees for participation in the program;

(7) establish procedures for the assignment or transfer of taxicab licenses;

(8) establish procedures for recordkeeping by taxicab owners, drivers, and dispatching services;

(9) establish service areas and the levels of service to be provided within service areas;

(10) establish service standards for dispatching services;

(11) establish minimum amounts of insurance for taxicab owners and operators and require certification of insurance to be filed with the commission; and

(12) adopt rules of procedure for the conduct of commission business.

Sec. 45. [473.3953] [RULES; HEARINGS.]

The commission may adopt rules to carry out the duties and powers conferred on it by section 46 of this act. Before adopting rules, the commission shall give notice and hold a public hearing at which it shall give all interested persons an opportunity to be heard as provided in chapter 14, but the commission's rulemaking is not otherwise governed by chapter 14. A commission action to revoke or suspend a license, however, is a contested-case proceeding under chapter 14.

Sec. 46. [473.3954] [RELATIONSHIP TO BOARD.]

Subdivision 1. [REVIEW.] Rules, standards, and procedures proposed by the commission to carry out sections 45, 46, and 47 of this act must be submitted to the board and approved by the board as consistent with the policy and goals set forth in section 473.371 before their adoption by the commission.

Subd. 2. [BUDGET.] The commission shall propose an annual budget to the board by June 1 of each year for the following calendar year. The commission's budget is subject to approval by the board. The board's budget and financial plan required by section 473.38 must include the commission's budget.

Subd. 3. [ADMINISTRATIVE ASSISTANCE.] The board may provide staff, administrative support services, and financial assistance to the commission."

Page 45, after line 29, insert:

"Sec. 61. [LOCAL REGULATION.]

All ordinances, orders, and agreements pertaining to licensing of taxicabs and taxicab drivers by local governmental units in effect at the time of final enactment of this act remain in effect until the board approves and the commission adopts rules for the licensing of taxicabs and taxicab drivers by the commission. Other regulation of taxicabs by local governmental units that is consistent with this act and with any rules the commission might adopt remains in effect until January 31, 1988. After that date, local governmental

units and the metropolitan airports commission may regulate taxicab stands and other traffic-control facilities and procedures so long as the regulation is consistent with commission rules and standards.

Sec. 62. [INITIAL TERMS.]

Notwithstanding section 45, subdivision 1, of this act, the regional transit board shall appoint initial members of the metropolitan taxicab commission as follows: one member representing the taxicab industry, one member representing cities in the metropolitan area, and one member representing the interests of the public to three-year terms; one member representing the taxicab industry and one member representing cities in the metropolitan area to two-year terms; and one member representing the taxicab industry, one member representing the interests of the public, and the member representing the hospitality industry to one-year terms. Initial terms of members begin August 1, 1986."

Renumber the sections in sequence

Correct the internal references

Amend the title accordingly

Mr. Benson questioned whether the amendment was germane.

The Chair ruled that the amendment was germane.

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 25 and nays 30, as follows:

Those who voted in the affirmative were:

Benson	Gustafson	Langseth	Olson	Renneke
Brataas	Jude	McQuaid	Peterson, D.L.	Spear
Chmielewski	Knaak	Merriam	Peterson, R.W.	Taylor
Dieterich	Kronebusch	Moe, D.M.	Petty	Waldorf
Frederickson	Laidig	Moe, R.D.	Ramstad	Wegscheid

Those who voted in the negative were:

Adkins	Dahl	Frederick	Lantry	Peterson, D.C.
Anderson	Davis	Freeman	Lessard	Purfeerst
Berg	DeCramer	Isackson	Mehrkens	Reichgott
Berglin	Dicklich	Johnson, D.E.	Novak	Storm
Bernhagen	Diessner	Kamrath	Pehler	Stumpf
Bertram	Frank	Knutson	Peterson, C.C.	Vega

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

Ms. Peterson, D.C. moved to amend H.F. No. 1991, as amended by the Senate March 17, 1986, as follows:

(The text of the amended House File is identical to S.F. No. 1913.)

Pages 1 and 2, delete sections 1 and 2 and insert:

"Section 1. [171.322] [TAXICAB DRIVER'S QUALIFICATION.]

Subdivision 1. [REQUIREMENT.] Beginning 180 days after the effective date of rules adopted under this section, no person may operate a taxicab within the metropolitan area defined in section 473.121 without a valid Minnesota class C driver's license with a taxicab driver's endorsement issued by

the commissioner.

Subd. 2. [COMMISSIONER TO ISSUE ENDORSEMENT.] *A person 18 years or older may apply for a taxicab driver's endorsement. The commissioner shall issue an endorsement if the applicant:*

- (1) holds a valid Minnesota class C driver's license;*
- (2) has satisfactorily completed the written test required by subdivision 3;*
- (3) demonstrates a minimum proficiency in the English language;*
- (4) has a satisfactory driving record, as determined by the commissioner;*
- (5) has not been convicted of a crime that discredits the applicant's fitness to drive a taxicab; and*
- (6) has paid the fee required in subdivision 6.*

Subd. 3. [TAXICAB DRIVER'S TEST.] *The commissioner shall administer a written taxicab driver's test to an applicant for a taxicab endorsement who has been issued a Minnesota class C driver's license. The test must measure at least the following:*

- (1) geographic knowledge of the metropolitan region;*
- (2) driving and safety standards;*
- (3) basic first aid; and*
- (4) common public courtesy.*

The commissioner may charge a fee to be paid by each applicant who takes the taxicab driver's test to defray the cost of preparing and administering the test.

Subd. 4. [RENEWAL.] *The taxicab driver's endorsement required by this section must be renewed every four years. Before renewing, the commissioner shall determine if the licensee is entitled to retain the endorsement previously issued. The commissioner shall determine that the person has a valid Minnesota class C driver's license and a satisfactory driving record and has not been convicted of a crime that discredits the applicant's fitness to drive a taxicab.*

Subd. 5. [REVOCATION; SUSPENSION.] *The commissioner may not revoke or suspend a taxicab driver's endorsement without a hearing.*

Subd. 6. [FEE.] *The commissioner shall charge a fee for initial endorsement and renewal sufficient to defray the cost of administering the taxicab driver endorsement program.*

Subd. 7. [RULES.] *The commissioner shall adopt rules relating to the application, issuance, suspension, and revocation of taxicab driver endorsements and criteria for determining proficiency in the English language, a disqualifying criminal record, and a satisfactory driving record.*

Sec. 2. [174.311] [METROPOLITAN TAXICAB REGULATION; STANDARDS.]

Subdivision 1. [DEFINITIONS.] *(a) The terms used in this section have the meanings given them.*

(b) "Limousine" means a plainly painted, unmarked motor vehicle driven by a uniformed driver which carries passengers for hire, is subject to call only from its garage or central place of business, and charges its customers a flat rate by the trip or by the hour, day, or longer period of time which is greater than the taxicab rate for a comparable trip.

(c) "Metropolitan area" has the meaning given in section 473.121.

(d) "Person" means an individual, partnership, firm, association, or corporation.

(e) "Taxicab" means a passenger automobile that transports persons and their luggage for hire, having a seating capacity of fewer than ten persons and not operated on a fixed route or schedule. Taxicab does not include a limousine or hotel van, a private carrier defined in section 221.011, subdivision 26, or a commuter van as defined in section 221.011, subdivision 27.

Subd. 2. [MINIMUM SAFETY STANDARDS.] (a) The commissioner shall adopt rules that establish minimum safety standards for taxicab licensing and regulation by statutory and home rule charter cities and towns in the metropolitan area. The rules must include:

(1) vehicle and equipment standards to ensure the safe operation of taxicabs;

(2) minimum amounts of insurance coverage for taxicab owners and taxicab drivers and requirements and procedures for certification of insurance; and

(3) requirements and procedures for annual inspection of taxicabs by or under contract to the city or town.

(b) No statutory or home rule charter city or town in the metropolitan area may issue or renew taxicab licenses or regulate taxicabs unless the minimum safety standards established by rule under this subdivision are adopted by ordinance of the city or town. Cities and towns have 90 days following the effective date of the rule to adopt the minimum standards by ordinance. Cities and towns may adopt additional requirements and standards except as otherwise provided in this section.

(c) The commissioner shall impose a surcharge on all annual taxicab licenses issued by statutory and home rule charter cities and towns in the metropolitan area sufficient to defray the cost of administering this subdivision. Surcharges must be collected by each city or town and remitted to the commissioner for deposit in the general fund.

Subd. 3. [TAXICABS LICENSED IN OTHER MUNICIPALITIES.] No statutory or home rule charter city or town in the metropolitan area may prevent or restrict a taxicab that is licensed in another jurisdiction and that has let off passengers from a trip originating outside the city or town from accepting passengers by prior arrangement or telephone request for a trip to a destination outside of the city or town.

Subd. 4. [RATE REGULATION.] A statutory or home rule charter city or town in the metropolitan area may establish or require, by ordinance or otherwise, minimum, zone, or uniform rates for taxicab service and may

permit discounting of fares.

Subd. 5. [LICENSES REGULATION.] The total number of taxicab licenses issued by a statutory or home rule charter city or town in the metropolitan area may be based on public convenience and necessity. The question of public convenience and necessity shall be determined at least once every two years on the basis of a public hearing, to which all existing licensees and the general public shall be invited. In deciding the question of public convenience and necessity, the municipality shall consider:

(1) whether the public is being served adequately by existing licensees and other forms of mass transportation;

(2) the effect on traffic congestion and safety on the streets;

(3) the effect on the business of existing licensees and other forms of mass transportation; and

(4) other factors the city or town deems necessary.

Sec. 3. Minnesota Statutes 1984, section 368.01, subdivision 12, is amended to read:

Subd. 12. [TAXICABS; BAGGAGE WAGONS.] The town board of supervisors shall have power by ordinance to license and regulate baggage wagons, draymen, taxicabs, and automobile rental agencies and liveryes. In the metropolitan area defined in section 473.121, ordinances governing the licensing and regulating of taxicabs must be in conformance with the requirements of section 2.

Sec. 4. Minnesota Statutes 1984, section 412.221, subdivision 20, is amended to read:

Subd. 20. [TAXICABS; BAGGAGE WAGONS.] The council shall have power by ordinance to license and regulate baggage wagons, draymen, taxicabs, and automobile rental agencies and liveryes. In the metropolitan area defined in section 473.121, ordinances governing the licensing and regulation of taxicabs must be in conformance with the requirements of section 2."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

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

The Chair ruled that the amendment was not germane.

H.F. No. 1991 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 52 and nays 3, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Kamrath	Moe, R.D.	Schmitz
Anderson	Dicklich	Knaak	Novak	Sieloff
Belanger	Diessner	Knutson	Olson	Spear
Benson	Dieterich	Kronebusch	Peterson, C.C.	Storm
Berg	Frank	Laidig	Peterson, D.L.	Stumpf
Bernhagen	Frederick	Langseth	Peterson, R.W.	Taylor
Bertram	Frederickson	Lantry	Petty	Waldorf
Brataas	Freeman	Lessard	Purfeerst	Wegscheid
Chmielewski	Gustafson	McQuaid	Ramstad	
Dahl	Isackson	Mehrrens	Reichgott	
Davis	Jude	Moe, D.M.	Renneke	

Ms. Berglin, Messrs. Merriam and Vega voted in the negative.

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

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Wegscheid moved that S.F. No. 1913, No. 61 on Special Orders, be stricken and laid on the table. The motion prevailed.

RECESS

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

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

APPOINTMENTS

Mr. Moe, R.D. from the Subcommittee on Committees recommends that the following Senators be and they hereby are appointed as a Conference Committee on:

H.F. No. 1930: Messrs. Taylor, Bertram and Moe, R.D.

H.F. No. 2287: Messrs. Pogemiller, Frank, Ms. Olson, Messrs. Johnson, D.J. and Freeman.

H.F. No. 1886: Messrs. Jude, Schmitz and Mrs. McQuaid.

H.F. No. 1744: Messrs. Pehler, Nelson and Peterson, R.W.

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

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Dahl moved that the following members be excused for a Conference Committee on H.F. No. 1950 from 2:15 to 3:30 p.m.:

Messrs. Dahl, Luther, Petty, Spear and Knaak. The motion prevailed.

SPECIAL ORDER

H.F. No. 2012: A bill for an act relating to crimes; increasing penalties for soliciting or inducing an individual under the age of 13 to practice prostitu-

tion; imposing criminal liability on persons who receive profit from prostitution if they have reason to believe it was derived from prostitution; imposing criminal penalties on persons who allow juvenile prostitutes to reside in their dwelling; providing for a penalty assessment; authorizing counties to develop a program of outreach services for juvenile prostitutes; providing additional protections for victims of crime; authorizing parents and guardians to seek an order for protection to obtain return of a minor child who is being used or induced to practice prostitution; amending Minnesota Statutes 1984, sections 609.115, subdivision 1c; 609.322; 609.323; 609.324, by adding a subdivision; 611A.03, subdivision 1; 626.558, by adding a subdivision; and Minnesota Statutes 1985 Supplement, section 631.046; proposing coding for new law in Minnesota Statutes, chapters 609 and 611A.

Ms. Reichgott moved to amend H.F. No. 2012, the unofficial engrossment, as follows:

Page 4, after line 23, insert:

“Sec. 4. [609.3232] [PROTECTIVE ORDER AUTHORIZED; PROCEDURES; PENALTIES.]

Subdivision 1. [ORDER FOR PROTECTION.] Any parent or guardian who knows or has reason to believe that a person, while acting as other than a prostitute or patron, is inducing, coercing, soliciting, or promoting the prostitution of the parent or guardian's minor child, or is offering or providing food, shelter, or other subsistence for the purpose of enabling the parent or guardian's minor child to engage in prostitution, may seek an order for protection in the manner provided in this section.

Subd. 2. [COURT JURISDICTION.] An application for relief under this section shall be filed in the juvenile court. Actions under this section shall be given docket priority by the court.

Subd. 3. [CONTENTS OF PETITION.] A petition for relief shall allege the existence of a circumstance or circumstances described in subdivision 1, and shall be accompanied by an affidavit made under oath stating the specific facts and circumstances from which relief is sought. The court shall provide simplified forms and clerical assistance to help with the writing and filing of a petition under this section.

Subd. 4. [HEARING ON APPLICATION; NOTICE.] (a) Upon receipt of the petition, the court shall order a hearing which shall be held no later than 14 days from the date of the order. Personal service shall be made upon the respondent not less than five days before the hearing. In the event that personal service cannot be completed in time to give the respondent the minimum notice required under this paragraph, the court may set a new hearing date.

(b) Notwithstanding the provisions of paragraph (a), service may be made by one week published notice, as provided under section 645.11, provided the petitioner files with the court an affidavit stating that an attempt at personal service made by a sheriff was unsuccessful because the respondent is avoiding service by concealment or otherwise, and that a copy of the petition and notice of hearing has been mailed to the respondent at the respondent's residence or that the residence is not known to the petitioner. Service under this paragraph is complete seven days after publication. The court shall set a

new hearing date if necessary to allow the respondent the five-day minimum notice required under paragraph (a).

Subd. 5. [RELIEF BY THE COURT.] Upon notice and hearing, the court may order the respondent to return the minor child to the residence of the child's parents or guardian, and may order that the respondent cease and desist from committing further acts described in subdivision 1 and cease to have further contact with the minor child. Any relief granted by the court in the order for protection shall be for a fixed period of time determined by the court.

Subd. 6. [SERVICE OR ORDER.] Any order issued under this section shall be served personally on the respondent. Upon the request of the petitioner, the court shall order the sheriff to assist in the execution or service of the order for protection.

Subd. 7. [VIOLATION OF ORDER FOR PROTECTION.] (a) A violation of an order for protection shall constitute contempt of court and be subject to the penalties provided under chapter 588.

(b) Any person who willfully fails to return a minor child as required by an order for protection issued under this section commits an act which manifests an intent substantially to deprive the parent or guardian of custodial rights within the meaning of section 609.26, clause (3)."

Page 5, line 19, delete "and who"

Page 5, line 20, delete everything before "knowing"

Page 5, line 23, before the period, insert "; except that, this subdivision does not apply to residential placements made, sanctioned, or supervised by a public or private social service agency"

Page 5, line 28, after the second comma, insert "while acting other than as a prostitute,"

Page 5, line 34, delete "INTERVENTION" and insert "OUTREACH"

Page 6, line 1, delete "intervention" and insert "outreach"

Page 6, line 2, after the period, insert "For the purposes of this subdivision, at least one representative of a youth intervention program or, where this type of program is unavailable, one representative of a nonprofit agency serving youth in crisis, shall be appointed to and serve on the multidisciplinary child protection team in addition to the standing members of the team."

Renumber the sections in sequence and correct the internal references

The motion prevailed. So the amendment was adopted.

H.F. No. 2012 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 56 and nays 0, as follows:

Those who voted in the affirmative were:

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

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

SPECIAL ORDER

H.F. No. 1835: A bill for an act relating to crimes; prohibiting the solicitation of children to engage in sexual conduct; requiring crime victims to be notified of offender's release from custody; imposing a penalty; amending Minnesota Statutes 1984, section 611A.06; proposing coding for new law in Minnesota Statutes, chapter 609.

Ms. Reichgott moved to amend H.F. No. 1835, as amended pursuant to Rule 49, adopted by the Senate March 7, 1986, as follows:

(The text of the amended House File is identical to S.F. No. 1592.)

Page 1, line 11, delete "14" and insert "15"

Page 1, after line 23, insert:

"Sec. 2. Minnesota Statutes 1984, section 611A.06, is amended to read:

611A.06 [RIGHT TO NOTICE OF RELEASE.]

The commissioner of corrections or other custodial authority shall make a good faith effort to notify the victim that the offender is to be released from imprisonment or incarceration, ~~other than~~ *including release on extended furlough and for work release, or released from a facility in which the offender was confined due to incompetency, mental illness, mental deficiency, or commitment under section 253B.18*, prior to the release if the victim has mailed to the commissioner of corrections or to the head of the facility in which the offender is confined a written request for this notice. The commissioner or other custodial authority complies with this section if he mails the notice of impending release to the victim at the address which the victim has most recently provided to him in writing."

Renumber the sections in sequence

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Sieloff moved to amend H.F. No. 1835, as amended pursuant to Rule 49, adopted by the Senate March 7, 1986, as follows:

(The text of the amended House File is identical to S.F. No. 1592.)

Page 1, line 12, delete "or" and insert "*of the individual's primary genital area,*"

The motion prevailed. So the amendment was adopted.

Mr. Freeman moved to amend H.F. No. 1835, as amended pursuant to Rule 49, adopted by the Senate March 7, 1986, as follows:

(The text of the amended House File is identical to S.F. No. 1592.)

Page 1, line 19, delete "*felony and may*" and insert "*gross misdemeanor.*"

Page 1, delete lines 20 and 21

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 21 and nays 37, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Langseth	Purfeerst	Vega
Anderson	Diessner	Lessard	Sieloff	
Belanger	Frederick	Luther	Solon	
Berg	Freeman	Novak	Spear	
Chmielewski	Knutson	Pogemiller	Storm	

Those who voted in the negative were:

Benson	Frank	Kronebusch	Olson	Renneke
Berglin	Frederickson	Laidig	Pehler	Stumpf
Bernhagen	Gustafson	Lantry	Peterson, C.C.	Taylor
Bertram	Isackson	McQuaid	Peterson, D.L.	Waldorf
Brataas	Johnson, D.E.	Mehrkens	Peterson, R.W.	Wegscheid
Dahl	Jude	Merriam	Petty	
DeCramer	Kamrath	Moe, D.M.	Ramstad	
Dicklich	Knaak	Moe, R.D.	Reichgott	

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

Mr. Pogemiller moved to amend H.F. No. 1835, as amended pursuant to Rule 49, adopted by the Senate March 7, 1986, as follows:

(The text of the amended House File is identical to S.F. No. 1592.)

Page 1, after line 7, insert:

"Section 1. Minnesota Statutes 1985 Supplement, section 609.26, subdivision 1, is amended to read:

Subdivision 1. [PROHIBITED ACTS.] Whoever intentionally does any of the following acts may be charged with a felony and, upon conviction, may be sentenced as provided in subdivision 6:

(1) conceals a minor child from the child's parent where the action manifests an intent substantially to deprive that parent of parental rights or conceals a minor child from another person having the right to visitation or custody where the action manifests an intent to substantially deprive that person of rights to visitation or custody;

(2) takes, obtains, retains, or fails to return a minor child in violation of a court order which has transferred legal custody under chapter 260 to the commissioner of human services, a child placing agency, or the county welfare board;

(3) takes, obtains, retains, or fails to return a minor child from or to the parent *in violation of a court order*, where the action manifests an intent substantially to deprive that parent of rights to visitation or custody; or

(4) takes, obtains, retains, or fails to return a minor child from or to a parent after commencement of an action relating to child visitation or custody but prior to the issuance of an order determining custody or visitation rights, where the action manifests an intent substantially to deprive that parent of parental rights.

Sec. 2. Minnesota Statutes 1984, section 609.26, subdivision 5, is amended to read:

Subd. 5. [DISMISSAL OF CHARGE.] A felony charge brought under this section shall be dismissed if:

(a) the person voluntarily returns the child within 14 days after he takes, detains, or fails to return the child in violation of this section; or

(b)(1) the person taking the action and the child have not left the state of Minnesota; and (2) within a period of 14 days after taking the action, (i) a motion or proceeding under chapters 518, 518A, 518B, or 518C is commenced by the person taking the action, or (ii) the attorney representing the person taking the action has consented to service of process by the party whose rights are being deprived, for any motion or action pursuant to chapters 518, 518A, 518B, or 518C.

Clause (a) does not apply if the person returns the child as a result of being located by law enforcement authorities."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

H.F. No. 1835 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 56 and nays 0, as follows:

Those who voted in the affirmative were:

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

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

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Langseth moved that the following members be excused for a Conference Committee on H.F. No. 1599 from 10:00 a.m. to 1:00 p.m.:

Messrs. Langseth, Davis, Berg, Stumpf and DeCramer. The motion prevailed.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Frederick moved that H.F. No. 2012 be recalled from the House of Representatives for further consideration.

The question was taken on the adoption of the motion.

The roll was called, and there were yeas 20 and nays 36, as follows:

Those who voted in the affirmative were:

Belanger	Frederick	Johnson, D.E.	Laidig	Solon
Benson	Frederickson	Kamrath	Petty	Storm
Berg	Gustafson	Knaak	Pogemiller	Taylor
Diessner	Isackson	Knutson	Sieloff	Vega

Those who voted in the negative were:

Adkins	Davis	Lantry	Olson	Schmitz
Anderson	DeCramer	Lessard	Pehler	Spear
Berglin	Dicklich	Luther	Peterson, D.C.	Stumpf
Bernhagen	Frank	McQuaid	Peterson, D.L.	Waldorf
Bertram	Freeman	Mehrkens	Peterson, R.W.	
Brataas	Jude	Merriam	Purfeerst	
Chmielewski	Kronebusch	Moe, R.D.	Ramstad	
Dahl	Langseth	Novak	Reichgott	

The motion did not prevail.

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate revert to the Order of Business of Messages From the House. The motion prevailed.

MESSAGES FROM THE HOUSE

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. 985: A bill for an act relating to administrative procedure; clarifying provisions relating to emergency rules; defining order and rule; limiting certain agency actions; requiring an order to be rendered in accordance with the contested case procedures of the administrative procedure act; amending Minnesota Statutes 1984, sections 14.02, by adding a subdivision; 14.29, subdivisions 1 and 2; and 14.57; Minnesota Statutes 1985 Supplement, section 14.02, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 14.

Senate File No. 985 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 17, 1986

Mr. Merriam moved that the Senate do not concur in the amendments by the House to S.F. No. 985, and that a Conference Committee of 3 members

be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House. The motion prevailed.

Mr. President:

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

S.F. No. 1993: A bill for an act relating to Minnesota Statutes; correcting erroneous, ambiguous, omitted, and obsolete references and text; eliminating certain redundant, conflicting, and superseded provisions; providing instructions to the revisor; amending Minnesota Statutes 1984, sections 8.32, subdivision 2; 10A.01, subdivision 11; 10A.04, subdivision 4a; 16A.631; 47.58, subdivision 5; 62D.22, subdivision 8; 116J.70, subdivision 2a; 116M.08, subdivision 17; 121.15, subdivision 2; 124.155, subdivision 1; 124A.02, subdivision 14; 136D.74, subdivision 2; 144.224; 176A.01, subdivision 1; 179A.10, subdivision 3; 253B.02, subdivision 4a; 260.015, subdivision 24; 260.245; 327C.07, subdivision 3a; 349.214, subdivision 2; 383A.23, subdivision 5; 385.24; 403.12, subdivision 1; 414.061, subdivisions 4 and 4a; 462A.21, subdivision 8a; 494.03; 518B.01, subdivision 2; 571.495, subdivision 2; 590.01, subdivision 1; 609.346, subdivision 3; 609.347, subdivision 3; 609.348; 609.35; 611A.03, subdivision 3; 628.26; Minnesota Statutes 1985 Supplement, sections 47.20, subdivision 6c; 64B.05, subdivision 1; 64B.37, subdivision 2; 69.011, subdivision 1; 97.50, subdivision 1; 116M.03, subdivision 28; 124.32, subdivision 1d; 145.917, subdivision 4; 147.01, subdivision 4; 147.073, subdivision 1; 168.27, subdivision 11; 248.07, subdivision 7; 256B.091, subdivision 4; 256D.37, subdivision 1; 256F.05, subdivision 4; 256F.06, subdivision 1; 273.124, subdivision 5; 297C.03, subdivision 1; 298.02, subdivision 1; 340A.702; 356.216; 358.44; 414.061, subdivision 5; 458.16, subdivision 6; 473.831, subdivision 1; 527.41; 527.42; 527.43; 528.15; 609.344, subdivision 1; 609.345, subdivision 1; 609.346, subdivision 2; 609.3471; 626.556, subdivision 2; 631.045; proposing coding for new law in Minnesota Statutes, chapter 206; repealing Minnesota Statutes 1984, section 35.067; 383A.23, subdivisions 2, 3, and 4; 403.12, subdivisions 2 and 3; Laws 1984, chapter 560, section 24; Laws 1985, chapters 248, sections 28 and 29; 252, section 24; Laws 1985, First Special Session: chapters 9, article 2, section 89; 14, article 3, section 13; 14, article 4, sections 37 and 91.

Senate File No. 1993 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 17, 1986

Mr. Jude moved that the Senate do not concur in the amendments by the House to S.F. No. 1993, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce the passage by the House of the following

Senate Files, herewith returned: S.F. Nos. 1745, 2116, 2171, 2179, 1730, 1880, 2087, 2127, 1839, 2067, 2090 and 2101.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 17, 1986

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Moe, D.M. moved that the following members be excused for a Conference Committee on S.F. No. 707 at 6:15 p.m.:

Messrs. Renneke; Moe, D.M.; Wegscheid; Spear and Pogemiller. The motion prevailed.

RECESS

Mr. Moe, R.D. moved that the Senate do now recess until 8:00 p.m. The motion prevailed.

The hour of 8:00 p.m. having arrived, the President called the Senate to order.

CALL OF THE SENATE

Mr. Frank 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.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on Senate File No. 1950, and repassed said bill in accordance with the report of the Committee, so adopted.

S.F. No. 1950: A bill for an act relating to taxation; limiting application of the open space property tax law to facilities that do not discriminate on the basis of sex; amending Minnesota Statutes 1984, section 273.112, subdivisions 3 and 4, and by adding a subdivision.

Senate File No. 1950 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 17, 1986

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on Senate File No. 31, and repassed said bill in accordance with the report of the Committee, so adopted.

S.F. No. 31: A bill for an act relating to motorboat safety; requiring liabil-

ity insurance on watercraft; strengthening prohibitions and penalties regarding operation of motorboat while under the influence of alcohol or a controlled substance; providing a penalty; amending Minnesota Statutes 1984, sections 361.02, subdivision 9; 361.03, by adding subdivisions; and 361.12; proposing coding for new law in Minnesota Statutes, chapter 361.

Senate File No. 31 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 17, 1986

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 2010:

H.F. No. 2010: A bill for an act relating to the state high school league; providing for the appointment of certain board members; providing penalties for recruiting students; providing for student athletics and activity eligibility after certain transfers; providing standards for student participation in non-scholastic activities; providing administrative appeals from various decisions; amending Minnesota Statutes 1984, section 129.121, subdivision 1, and by adding subdivisions.

The House respectfully requests that a Conference Committee of three members be appointed thereon.

Shaver, Quinn and Fjoslien have been appointed as such committee on the part of the House.

House File No. 2010 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 17, 1986

Mr. Merriam moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 2010, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

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

S.F. No. 1949: A bill for an act relating to natural resources; requiring public access restrictions to be the same as lake use restrictions; amending Minnesota Statutes 1984, sections 378.32, subdivisions 2, 6, and 7; and 459.20; proposing coding for new law in Minnesota Statutes, chapter 378.

Senate File No. 1949 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 17, 1986

Mr. Merriam moved that the Senate do not concur in the amendments by

the House to S.F. No. 1949, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House. The motion prevailed.

Mr. President:

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

S.F. No. 1721: A bill for an act relating to human services; providing for health and dental coverage as child support; regulating withholding for purposes of child support; amending Minnesota Statutes 1984, sections 518.64, by adding a subdivision; 518C.02, subdivision 3; Minnesota Statutes 1985 Supplement, section 518.611, subdivisions 4 and 6; proposing coding for new law in Minnesota Statutes, chapter 518; repealing Minnesota Statutes 1984, section 518.551, subdivision 8.

Senate File No. 1721 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 17, 1986

CONCURRENCE AND REPASSAGE

Ms. Berglin moved that the Senate concur in the amendments by the House to S.F. No. 1721 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 1721: A bill for an act relating to human services; providing for health and dental coverage as child support; regulating withholding for purposes of child support; amending Minnesota Statutes 1984, sections 145.892, subdivision 2; 145.894; 245.83, by adding a subdivision; 245.84, subdivision 1; 256.975, by adding subdivision; 393.07, subdivision 10, and by adding a subdivision; 518C.02, subdivision 3; Minnesota Statutes 1985 Supplement, sections 518.611, subdivisions 4, 6, and by adding a subdivision; 518.645; proposing coding for new law in Minnesota Statutes, chapters 124, 144, 245, 268, and 518; repealing Minnesota Statutes 1984, section 518.551, subdivision 8.

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 51 and nays 0, as follows:

Those who voted in the affirmative were:

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

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 Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 2147: A bill for an act relating to health; requiring transportation services involving the use of a stretcher to meet life support transportation licensing standards; amending Minnesota Statutes 1984, sections 144.801, subdivision 4; and 174.29, subdivision 1.

Senate File No. 2147 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 17, 1986

CONCURRENCE AND REPASSAGE

Mr. Benson moved that the Senate concur in the amendments by the House to S.F. No. 2147 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 2147: A bill for an act relating to health and human services; requiring the commissioner of health to monitor transitional care; authorizing use of swing beds by patients transferred from hospitals; requiring transportation services involving the use of a stretcher to meet life support transportation licensing standards; changing the computation of inpatient hospital rates; modifying the preadmission screening program; changing financial statement certification requirements for nursing homes that are phasing out of the medical assistance program; providing for refunds of excess charges; establishing requirements for medical assistance rate appeals procedures for intermediate care facilities; requiring a study of geographic groupings of nursing homes; establishing a task force on long-term care health planning; requiring a refund for private pay residents; amending Minnesota Statutes 1984, sections 144.801, subdivision 4; 174.29, subdivision 1; and 251.011, subdivision 4; and Minnesota Statutes 1985 Supplement, sections 144.562, subdivision 3; 256.969, subdivision 2; 256B.091, subdivisions 2, 4, 5, and 8; 256B.48, subdivision 1b and by adding a subdivision; and 256B.501, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 144.

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 54 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Diessner	Knaak	Moe, R.D.	Reichgott
Belanger	Frank	Knutson	Nelson	Renneke
Benson	Frederick	Kronebusch	Olson	Schmitz
Berg	Frederickson	Laidig	Pehler	Sieloff
Berglin	Freeman	Lantry	Peterson, C.C.	Spear
Bernhagen	Gustafson	Lessard	Peterson, D.C.	Storm
Bertram	Hughes	Luther	Peterson, D.L.	Stumpf
Brataas	Isackson	McQuaid	Peterson, R.W.	Taylor
Chmielewski	Johnson, D.E.	Mehrkins	Petty	Waldorf
DeCramer	Jude	Merriam	Pogemiller	Wegscheid
Dicklich	Kamrath	Moe, D.M.	Ramstad	

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 Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 1850: A bill for an act relating to state government; regulating fees for state agency services; amending Minnesota Statutes 1985 Supplement, sections 16A.128 and 16A.1281.

Senate File No. 1850 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 17, 1986

CONCURRENCE AND REPASSAGE

Mr. Waldorf moved that the Senate concur in the amendments by the House to S.F. No. 1850 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 1850: A bill for an act relating to state government; expanding when fiscal notes must be prepared; regulating fees for state agency services; providing conditions for certain hydropower developments; amending Minnesota Statutes 1984, section 105.482, subdivisions 8 and 9; and Minnesota Statutes 1985 Supplement, sections 3.981, subdivision 2; 16A.128; and 16A.1281.

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 46 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	DeCramer	Jude	Mehrkens	Reichgott
Belanger	Dicklich	Kamrath	Merriam	Schmitz
Benson	Diessner	Knaak	Moe, R.D.	Storm
Berg	Frank	Knutson	Olson	Stumpf
Berglin	Frederick	Kronebusch	Peterson, C.C.	Taylor
Bernhagen	Frederickson	Langseth	Peterson, D.C.	Waldorf
Bertram	Freeman	Lantry	Peterson, D.L.	
Brataas	Hughes	Lessard	Peterson, R.W.	
Chmielewski	Isackson	Luther	Petty	
Dahl	Johnson, D.E.	McQuaid	Ramstad	

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 Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 2161: A bill for an act relating to employment; providing training

opportunities for technically qualified individuals who may be exposed to hazardous substances, harmful physical agents, or infectious agents; amending Minnesota Statutes 1985 Supplement, section 182.653, subdivisions 4b, 4c, and 4f.

Senate File No. 2161 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 17, 1986

CONCURRENCE AND REPASSAGE

Mr. Dicklich moved that the Senate concur in the amendments by the House to S.F. No. 2161 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 2161: A bill for an act relating to employment; providing training opportunities for technically qualified individuals who may be exposed to hazardous substances, harmful physical agents, or infectious agents; amending Minnesota Statutes 1985 Supplement, section 182.653, subdivisions 4b, 4c, and 4f; proposing coding for new law in Minnesota Statutes, chapter 145.

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 56 and nays 0, as follows:

Those who voted in the affirmative were:

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

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 Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 1940: A bill for an act relating to local government; regulating payment of severance pay; amending Minnesota Statutes 1984, section 465.72.

Senate File No. 1940 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 17, 1986

CONCURRENCE AND REPASSAGE

Mr. Dicklich moved that the Senate concur in the amendments by the House to S.F. No. 1940 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 1940: A bill for an act relating to local government: prescribing the powers of community action agencies; regulating payment of severance pay; amending Minnesota Statutes 1984, sections 268.53, subdivisions 1 and 5; and 465.72.

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 53 and nays 0, as follows:

Those who voted in the affirmative were:

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

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

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Chmielewski moved that H.F. No. 1873 be taken from the table. The motion prevailed.

SPECIAL ORDER

H.F. No. 1873: A bill for an act relating to workers' compensation; regulating the obligations and administration of the special compensation fund; restricting liability for out-of-state injuries; defining spendable weekly earnings; changing basis for calculating certain benefits; providing disability rating for certain losses; regulating the payment and right to benefits; eliminating minimum compensation in certain cases; compensation court of appeals; postponing initial adjustment of certain benefits; regulating attorneys' fees; relating to jurisdiction of issues of medical causation; providing for the administration of claims; providing for fees from state insurance fund; authorizing use of fees for administrative conferences; providing penalties; codifying regulations relating to permanent partial disability schedules and to independent contractors; eliminating supplementary benefits for new claims; amending Minnesota Statutes 1984, sections 176.011, subdivision 18, and by adding subdivisions; 176.012; 176.021, subdivision 1; 176.041, subdivi-

sions 1, 2, 3, 4, and by adding a subdivision; 176.081, subdivisions 1 and 7; 176.101, subdivisions 1, 2, 3a, 3b, 3f, and 4, and by adding a subdivision; 176.103, subdivision 2; 176.104, subdivision 1; 176.105, subdivision 4; 176.111, subdivisions 6, 12, 15, and 20; 176.129, subdivision 8; 176.131, subdivisions 1a and 3; 176.132, subdivision 1; 176.135, subdivisions 1 and 1a; 176.155, subdivisions 1 and 5; 176.179; 176.225, subdivision 1; 176.231, subdivisions 1 and 10; 176.242, subdivision 2; 176.243, subdivision 3; 176.271; 176.275; 176.291; 176.305, subdivision 1, and by adding a subdivision; 176.306, subdivision 1, and by adding a subdivision; 176.312; 176.321, subdivisions 2 and 3; 176.331; 176.341, by adding subdivisions; 176.351, subdivision 2; 176.361, subdivisions 1 and 2; 176.371; 176.411, subdivision 2; 176.421, subdivision 6; 176.521, subdivision 3; 176.603; 176.611, subdivision 2; 176.645, subdivision 2; 176.83, subdivisions 2 and 11; 268.08, subdivision 3; Minnesota Statutes 1985 Supplement, section 176.101, subdivisions 3e and 3t; and 176.138; proposing coding for new law in Minnesota Statutes, chapters 79 and 176; proposing coding for new law as Minnesota Statutes, chapters 176B and 176C; repealing Minnesota Statutes 1984, sections 176.105, subdivisions 1, 2, and 3; 176.265; 176.431; 176.441; and 176.611, subdivisions 3 and 4.

SUSPENSION OF RULES

Mr. Chmielewski 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. 1873 and that the rules of the Senate be so far suspended as to give H.F. No. 1873 its second and third reading and place it on its final passage. The motion prevailed.

H.F. No. 1873 was read the second time.

Mr. Chmielewski moved to amend H.F. No. 1873 as follows:

Delete everything after the enacting clause, and delete the title, of H.F. No. 1873, and insert the language after the enacting clause, and the title, of S.F. No. 1903, the first engrossment.

The motion prevailed. So the amendment was adopted.

Mr. Chmielewski then moved to amend H.F. No. 1873, as amended by the Senate March 17, 1986, as follows:

(The text of the amended House File is identical to S.F. No. 1903.)

Pages 1 to 5, delete sections 2 to 5

Pages 7 and 8, delete sections 7 to 9

Page 9, delete section 11

Pages 13 to 15, delete section 15

Pages 24 to 27, delete section 29

Pages 31 to 36, delete sections 36 to 43

Pages 39 and 40, delete section 46

Pages 41 and 42, delete section 48

Page 43, delete line 36 and insert "*Sections 6 and 16 are effective the day*

following final enactment. Sections 30 and 31 are effective July 1, 1986."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Mr. Frank requested division of the amendment as follows:

First portion:

Pages 41 and 42, delete section 48

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Second portion:

Pages 1 to 5, delete sections 2 to 5

Pages 7 and 8, delete sections 7 to 9

Page 9, delete section 11

Pages 13 to 15, delete section 15

Pages 24 to 27, delete section 29

Pages 31 to 36, delete sections 36 to 43

Pages 39 and 40, delete section 46

Page 43, delete line 36 and insert *"Sections 6 and 16 are effective the day following final enactment. Sections 30 and 31 are effective July 1, 1986."*

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the first portion of the Chmielewski amendment. The motion prevailed. So the first portion of the amendment was adopted.

The question was taken on the adoption of the second portion of the Chmielewski amendment.

The roll was called, and there were yeas 36 and nays 20, as follows:

Those who voted in the affirmative were:

Anderson	Frederick	Kronebusch	Pehler	Storm
Belanger	Frederickson	Laidig	Peterson, D.L.	Taylor
Benson	Gustafson	Langseth	Peterson, R.W.	Waldorf
Berg	Isackson	Lessard	Petty	Wegscheid
Bernhagen	Johnson, D.E.	McQuaid	Purfeerst	
Bertram	Jude	Mehrkins	Ramstad	
Brataas	Kamrath	Merriam	Schmitz	
Chmielewski	Knutson	Olson	Sieloff	

Those who voted in the negative were:

Adkins	Diessner	Hughes	Peterson, C.C.	Solon
Berglin	Dieterich	Johnson, D.J.	Peterson, D.C.	Spear
Dahl	Frank	Lantry	Pogemiller	Stumpf
Dicklich	Freeman	Novak	Reichgott	Vega

The motion prevailed. So the second portion of the amendment was

adopted.

Mr. Pehler moved to amend H.F. No. 1873, as amended by the Chmielewski amendment, adopted by the Senate March 17, 1986, as follows:

Page 7, after line 12, insert:

"Sec. 3. Minnesota Statutes 1984, section 176.041, subdivision 2, is amended to read:

Subd. 2. [EXTRA-TERRITORIAL APPLICATION.] If an employee who regularly performs the primary duties of his employment within this state, ~~or who is hired within this state,~~ receives an injury while outside of this state in the employ of the same employer, the provisions of this chapter shall apply to such injury ~~unless the transfer is normally considered to be permanent.~~ If a resident of this state is transferred outside the territorial limits of the United States as an employee of a Minnesota employer, he shall be presumed to be temporarily employed outside of this state while so employed.

Sec. 4. Minnesota Statutes 1984, section 176.041, subdivision 3, is amended to read:

Subd. 3. [TEMPORARY OUT-OF-STATE EMPLOYMENT.] If an employee hired in this state by a Minnesota employer, receives an injury while temporarily employed outside of this state, such injury shall be subject to the provisions of this chapter. ~~If the employer's business is in Minnesota and the employee's residence is in Minnesota, employment outside of this state shall be considered temporary.~~

Sec. 5. Minnesota Statutes 1984, section 176.041, is amended by adding a subdivision to read:

Subd. 5a. [OUT-OF-STATE INJURIES.] Except as specifically provided by subdivisions 2 and 3, injuries occurring outside of this state are not subject to this chapter."

Page 43, delete line 36 and insert "*Sections 9 and 19 are effective the day following final enactment. Sections 33 and 34 are effective July 1, 1986.*"

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Peterson, D.L. moved to amend H.F. No. 1873, as amended by the Senate March 17, 1986, as follows:

(The text of the amended House File is identical to S.F. No. 1903.)

Page 5, after line 26, insert:

"Sec. 6. Minnesota Statutes 1984, section 176.012, is amended to read:
176.012 [ELECTION OF COVERAGE.]

The persons, partnerships and corporations described in this section may elect to provide the insurance coverage required by this chapter.

(a) An owner or owners of a business or farm may elect coverage for

themselves.

(b) A partnership owning a business or farm may elect coverage for any partner.

(c) A family farm corporation as defined in section 500.24, subdivision 2, clause (c) may elect coverage for any executive officer.

(d) A closely held corporation which had less than 22,880 hours of payroll in the previous calendar year may elect coverage for any executive officer if that executive officer is also an owner of at least 25 percent of the stock of the corporation.

(e) A person, partnership, or corporation hiring an independent contractor, as defined by rules adopted by the commissioner, may elect to provide coverage for that independent contractor.

A person, partnership, or corporation may charge the independent contractor a fee for providing the coverage only if the independent contractor (1) elects in writing to be covered, (2) is issued an endorsement setting forth the terms of the coverage and the name of the independent contractors, and (3) the fee and how it is calculated.

The persons, partnerships and corporations described in this section may also elect coverage for an employee who is a spouse, parent or child, regardless of age, of an owner, partner, or executive officer, who is eligible for coverage under this section. Coverage may be elected for a spouse, parent or child whether or not coverage is elected for the related owner, partner or executive director and whether or not the person, partnership or corporation employs any other person to perform a service for hire. Any person for whom coverage is elected pursuant to this section shall be included within the meaning of the term employee for the purposes of this chapter.

Notice of election of coverage or of termination of election under this section shall be provided in writing to the insurer. Coverage or termination of coverage is effective the day following receipt of notice by the insurer or at a subsequent date if so indicated in the notice. The insurance policy shall be endorsed to indicate the names of those persons for whom coverage has been elected or terminated under this section. An election of coverage under this section shall continue in effect as long as a policy or renewal policy of the same insurer is in effect.

Nothing in this section shall be construed to limit the responsibilities of owners, partnerships or corporations to provide coverage for their employees, if any, as required under this chapter."

Renumber the sections in sequence and correct the internal references

Amend the title as follows:

Page 1, line 12, before "176.041," insert "176.012;"

The motion prevailed. So the amendment was adopted.

H.F. No. 1873 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 49 and nays 16, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Knutson	Novak	Schmitz
Anderson	Frederick	Kronebusch	Olson	Sieloff
Belanger	Frederickson	Laidig	Pehler	Solon
Benson	Freeman	Langseth	Peterson, D.L.	Storm
Berg	Gustafson	Lessard	Peterson, R.W.	Stumpf
Bernhagen	Isackson	Luther	Petty	Taylor
Bertram	Johnson, D.E.	McQuaid	Purfeerst	Waldorf
Brataas	Jude	Mehrkens	Ramstad	Wegscheid
Chmielewski	Kamrath	Moe, D.M.	Reichgott	Willet
Davis	Knaak	Moe, R.D.	Renneke	

Those who voted in the negative were:

Berglin	Dieterich	Johnson, D.J.	Peterson, C.C.	Samuelson
Dahl	Frank	Lantry	Peterson, D.C.	Spear
Dicklich	Hughes	Merriam	Pogemiller	Vega
Diessner				

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

Mr. Chmielewski moved that S.F. No. 1903, No. 22 on Special Orders, be stricken and laid on the table. The motion prevailed.

SPECIAL ORDER

H.F. No. 1958: A bill for an act relating to crime victims; providing increased protections and rights to victims of crime; providing new procedures for enforcing restitution orders; establishing local victim-witness assistance programs; making a variety of changes to the crime victims reparations act; increasing the membership of the crime victim and witness advisory council; amending Minnesota Statutes 1984, sections 609.115, subdivision 1c; 609.135, by adding a subdivision; 611A.03, subdivision 1; 611A.04, subdivision 2; 611A.06; 611A.53, subdivision 1, and by adding a subdivision; 611A.57, by adding a subdivision; and 611A.61; and Minnesota Statutes 1985 Supplement, sections 609.101; 611A.52; 611A.53, subdivision 2; 611A.54; 611A.56, subdivision 1; 611A.71, subdivisions 1 and 2; and 631.046; proposing coding for new law in Minnesota Statutes, chapter 611A.

Ms. Peterson, D.C. moved to amend H.F. No. 1958, as amended pursuant to Rule 49, adopted by the Senate March 13, 1986, as follows:

(The text of the amended House File is identical to S.F. No. 1953.)

Page 2, after line 18, insert:

"Sec. 2. Minnesota Statutes 1984, section 609.135, is amended by adding a subdivision to read:

Subd. 1a. [FAILURE TO PAY RESTITUTION.] If the court orders payment of restitution as a condition of probation and if the defendant fails to pay the restitution ordered prior to 60 days before the term of probation expires, the defendant's probation officer shall ask the court to hold a hearing to determine whether or not the conditions of probation should be changed or probation should be revoked. The court shall schedule and hold this hearing and take appropriate action before the defendant's term of probation

expires.

Sec. 3. Minnesota Statutes 1985 Supplement, section 609.26, subdivision 1, is amended to read:

Subdivision 1. [PROHIBITED ACTS.] Whoever intentionally does any of the following acts may be charged with a felony and, upon conviction, may be sentenced as provided in subdivision 6:

(1) conceals a minor child from the child's parent where the action manifests an intent substantially to deprive that parent of parental rights or conceals a minor child from another person having the right to visitation or custody where the action manifests an intent to substantially deprive that person of rights to visitation or custody;

(2) takes, obtains, retains, or fails to return a minor child in violation of a court order which has transferred legal custody under chapter 260 to the commissioner of human services, a child placing agency, or the county welfare board;

(3) takes, obtains, retains, or fails to return a minor child from or to the parent *in violation of a court order*, where the action manifests an intent substantially to deprive that parent of rights to visitation or custody; or

(4) takes, obtains, retains, or fails to return a minor child from or to a parent after commencement of an action relating to child visitation or custody but prior to the issuance of an order determining custody or visitation rights, where the action manifests an intent substantially to deprive that parent of parental rights.

Sec. 4. Minnesota Statutes 1984, section 609.26, subdivision 5, is amended to read:

Subd. 5. [DISMISSAL OF CHARGE.] A felony charge brought under this section shall be dismissed if:

(a) the person voluntarily returns the child within 14 days after he takes, detains, or fails to return the child in violation of this section; or

(b)(1) the person taking the action and the child have not left the state of Minnesota; and (2) within a period of 14 days after taking the action, (i) a motion or proceeding under chapters 518, 518A, 518B, or 518C is commenced by the person taking the action, or (ii) the attorney representing the person taking the action has consented to service of process by the party whose rights are being deprived, for any motion or action pursuant to chapters 518, 518A, 518B, or 518C.

Clause (a) does not apply if the person returns the child as a result of being located by law enforcement authorities.

Sec. 5. [611A.032] [VICTIM INPUT REGARDING PRETRIAL DIVERSION.]

A prosecutor shall make every reasonable effort to notify and seek input from the victim prior to the referral into a pretrial diversion program in lieu of prosecution.

Sec. 6. [611A.033] [SPEEDY TRIAL; NOTICE OF SCHEDULE CHANGE.]

A prosecutor shall make reasonable efforts to provide advance notice of any change in the schedule of the court proceedings to a victim who has been subpoenaed or requested to testify."

Page 2, after line 22, insert:

"Sec. 8. [611A.036] [PROHIBITION AGAINST EMPLOYER RETALIATION.]

An employer or employer's agent who threatens to discharge or discipline a victim, or who discharges, disciplines, or causes a victim to be discharged from employment or disciplined because the victim is subpoenaed or requested by the prosecutor to attend court for the purpose of giving testimony, is guilty of a misdemeanor and may be punished for contempt of court. In addition, the court shall order the employer to offer job reinstatement to any victim discharged from employment in violation of this section, and to pay the victim back wages as appropriate.

Sec. 9. Minnesota Statutes 1984, section 611A.04, subdivision 2, is amended to read:

Subd. 2. [PROCEDURES.] The offender shall make restitution payments to the clerk of the county, municipal, or district court of the county in which the restitution is to be paid. *The clerk shall keep records of the amount of restitution ordered in each case, any change made to the restitution order, and the amount of restitution actually paid by the offender. The clerk shall forward the data collected to the state court administrator who shall compile the data and make it available to the supreme court and the legislature upon request.*

Sec. 10. Minnesota Statutes 1984, section 611A.06, is amended to read:

611A.06 [RIGHT TO NOTICE OF RELEASE.]

The commissioner of corrections or other custodial authority shall make a good faith effort to notify the victim that the offender is to be released from imprisonment or incarceration, ~~other than~~ *including release on extended furlough and for work release, or released from a facility in which the offender was confined due to incompetency, mental illness, or mental deficiency, or commitment under section 253B.18,* prior to the release if the victim has mailed to the commissioner of corrections or to the head of the facility in which the offender is confined a written request for this notice. The commissioner or other custodial authority complies with this section if he mails the notice of impending release to the victim at the address which the victim has most recently provided to him in writing."

Page 10, after line 11, insert:

"Sec. 19. Minnesota Statutes 1985 Supplement, section 611A.71, subdivision 2, is amended to read:

Subd. 2. [MEMBERSHIP.] The crime victim and witness advisory council shall consist of the following members, appointed by the commissioner of public safety after consulting with the commissioner of corrections:

(1) two members of the Minnesota legislature who have demonstrated expertise and interest in crime victims issues, one from each house;

(2) one district court judge appointed upon recommendation of the chief

justice of the supreme court;

(3) one county attorney appointed upon recommendation of the Minnesota county attorneys association;

(4) one public defender appointed upon recommendation of the state public defender;

(5) one peace officer;

(6) one medical or osteopathic physician licensed to practice in this state;
and

(7) five members who are crime victims or crime victim assistance representatives; and

(8) *three public members.*

The appointments should take into account sex, race, and geographic distribution. One of the nonlegislative members must be designated by the commissioner of public safety as chair of the council.

Sec. 20. Minnesota Statutes 1985 Supplement, section 631.046, is amended to read:

631.046 [AUTHORIZING PRESENCE OF PARENT SUPPORT PERSON FOR PROSECUTING WITNESS.]

Subdivision 1. [CHILD ABUSE CASES.] Notwithstanding any other law, a prosecuting witness under 18 years of age in a case involving child abuse as defined in section 630.36, subdivision 2, may choose to have in attendance a parent, guardian, or other supportive person, whether or not a witness, at the omnibus hearing or at the trial, during testimony of the prosecuting witness. If the person so chosen is also a prosecuting witness, the prosecution shall present on noticed motion, evidence that the person's attendance is both desired by the prosecuting witness for support and will be helpful to the prosecuting witness. Upon that showing the court shall grant the request unless information presented by the defendant or noticed by the court establishes that the support person's attendance during the testimony of the prosecuting witness would pose a substantial risk of influencing or affecting the content of that testimony.

Subd. 2. [OTHER CASES.] Notwithstanding any other law, a prosecuting witness in any case involving criminal sexual conduct as defined in sections 609.342, 609.343, 609.344, and 609.345 may choose to be accompanied by a supportive person, whether or not a witness, at the omnibus or other pre-trial hearing. If the supportive person is also a witness, the prosecution and the court shall follow the motion procedure outlined in subdivision 1 to determine whether or not the supportive person's presence will be permitted."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Diessner moved to amend H.F. No. 1958, as amended pursuant to Rule 49, adopted by the Senate March 13, 1986, as follows:

(The text of the amended House File is identical to S.F. No. 1953.)

Page 2, after line 22, insert:

“Sec. 3. [611A.07] [BARRING PERPETRATORS OF CRIMES FROM RECOVERING FOR INJURIES SUSTAINED DURING CRIMINAL CONDUCT.]

A perpetrator of a crime assumes the risk of and does not have the right to recover damages for any loss, injury, or death caused by a crime victim if the victim makes a prima facie showing that the loss, injury, or death resulted from or arose out of a course of criminal conduct involving a violent crime engaged in by the perpetrator or another person acting in concert with the perpetrator, unless the perpetrator, or the personal representative or administrator of the perpetrator's estate, or a trustee appointed pursuant to section 573.02, subdivision 3, establishes by clear and convincing evidence that:

(1) neither the perpetrator nor any other person acting in concert with the perpetrator was engaged in the course of criminal conduct; and

(2) the victim did not use reasonable force as authorized in sections 609.06 and 609.065.

For purposes of this section, “violent crime” means an offense specified in sections 609.185, 609.19, 609.195, 609.20, 609.205, 609.221, 609.222, 609.223, 609.2231, 609.224, 609.24, 609.245, 609.25, 609.255, 609.342, 609.343, 609.344, 609.345, 609.551, subdivision 1, 609.561, 609.562, 609.563, and 609.582, or an attempt to commit any of these offenses.”

Renumber the sections in sequence and correct the internal references

Amend the title as follows:

Page 1, line 4, after the semicolon, insert “barring perpetrators of crimes from recovering for injuries sustained during criminal conduct;”

Mr. Spear questioned whether the amendment was germane.

The Chair ruled that the amendment was not germane.

H.F. No. 1958 was then progressed.

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

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 2169, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 2169 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 17, 1986

CONFERENCE COMMITTEE REPORT ON H.F. NO. 2169

A bill for an act relating to public lands; providing for a procedure to sell state leased lands; providing for maximum lease rates; providing for an endowment fund and the disposition of proceeds of the land acquisition account; permitting Winona county to convey certain real estate to a county agricultural society; proposing coding for new law in Minnesota Statutes, chapter 92.

March 15, 1986

The Honorable David M. Jennings
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H.F. No. 2169, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment and that H.F. No. 2169 be further amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1985 Supplement, section 92.46, subdivision 1, is amended to read:

Subdivision 1. [PUBLIC CAMP GROUNDS.] (a) The director may designate suitable portions of the state lands withdrawn from sale and not reserved, as provided in section 92.45, as permanent state public camp grounds. The director may have the land surveyed and platted into lots of convenient size, and lease them for cottage and camp purposes under terms and conditions he or she prescribes, subject to the provisions of this section.

(b) A lease may not be made for a term more than 20 years. The lease may allow renewal, from time to time, for additional terms of no longer than 20 years each. The lease may be canceled by the commissioner 90 days after giving the person leasing the land written notice of violation of lease conditions. The lease rate shall be based on the appraised value of leased land as determined by the commissioner of natural resources. The appraised value shall be the value of the leased land without any private improvements and must be comparable to similar land without any improvements within the same county.

(c) By July 1, 1986, the commissioner of natural resources shall adopt rules under chapter 14 to establish procedures for leasing land under this section. The rules shall be subject to review and approval by the commissioners of revenue and administration prior to the initial publication pursuant to chapter 14 and prior to their final adoption. The rules must address at least the following:

- (1) method of appraising the property;
 - (2) determination of lease rates; and
 - (3) an appeal procedure for both the appraised values and lease rates.
- (d) All money received from these leases must be credited to the fund to

which the proceeds of the land belong.

Notwithstanding section 16A.125 or any other law to the contrary, 50 percent of the money received from the lease of permanent school fund lands leased pursuant to this subdivision shall be deposited into the permanent school trust fund. *However, in fiscal years 1986, 1987, 1988, and 1989 up to 50 percent of the money received from the lease of permanent school fund lands that would otherwise be deposited into the permanent school trust fund may be used to survey lots as required in section 2, subdivision 3. Any money that is not needed to survey lots shall be deposited in the permanent school trust fund.*

Sec. 2. [92.67] [SALE PROCEDURE.]

Subdivision 1. [SALE REQUIREMENT.] Notwithstanding section 92.45, at the request of a lessee the commissioner of natural resources shall sell state property bordering public waters that is leased for the purpose of a private cabin under section 92.46 and recommended to be sold under the inventory prepared pursuant to Laws 1985, First Special Session chapter 14, article 17, section 4. Requests for sale must be made prior to July 1, 1991, and the commissioner shall complete all requested sales by July 1, 1992. The lessee making the request may designate the lesser of \$500 or the lease payment in the year the request is made to be used as part of the down payment. The sale shall be made in accordance with laws providing for the sale of trust fund land except as modified by the provisions of this section.

Subd. 2. [APPRAISAL.] An appraisal shall be made in accordance with section 92.12, except as modified by this section. The improvements that are owned by the lessee shall be appraised separately.

*Subd. 3. [APPOINTMENT OF APPRAISERS; ALLOCATION OF APPRAISAL AND SURVEY COSTS.] (a) The commissioner of natural resources shall provide the lessee requesting the sale with a list of all appraisers approved by the commissioner of administration for the appraisal of property for the state. The lessee requesting the sale may select a person from the list to appraise the property to be sold. If more than one lessee of a cabin site lot leased by the commissioner under section 92.46 within a plat-
ted area requests the sale of a leased lot, all requesting lessees may jointly agree upon an appraiser from the list. If the lessee or lessees do not select an appraiser, the commissioner of natural resources shall select the appraiser.*

(b) The costs of appraisal shall be allocated by the commissioner to the lots offered for sale and the successful bidder on each lot shall reimburse the commissioner for the appraisal costs allocated to the lot bid upon. If there are no successful bidders on a lot, the commissioner is responsible for the appraisal cost allocated to that lot.

(c) The commissioner shall survey a lot prior to offering it for sale. The commissioner is responsible for the survey cost.

(d) The lessee may stop the sale process after the appraisal but before the sale. The lessee must reimburse the commissioner for the cost of the appraisal if the sale is stopped.

Subd. 4. [TIMING OF SALES.] (a) The commissioner shall offer lake-shore cabin site lots for sale pursuant to written request and in accordance

with the following schedule:

(1) as to requests received before January 1, 1987, the sale shall be held in June, July, or August 1987;

(2) as to requests received each calendar year after December 31, 1986, the sale shall be held in June, July, or August of the year after the request is received.

(b) The last sales shall be held in 1992. Lots not sold the first year offered may be reoffered in a succeeding year, following reappraisal if it is determined necessary by the commissioner.

(c) If a person other than the lessee purchases the leased lakeshore cabin site, the purchaser must make payment in full to the lessee at the time of the sale for the appraised value of any improvements. Failure of a successful bidder to comply with this provision voids the sale and the property must be rebid, if possible, at the same sale.

Subd. 5. [TERMS OF SALE.] For the sale of the public lands under this section, the purchaser shall pay the state ten percent of the purchase price at the time of the sale. The balance must be paid in no more than 20 equal annual installments. The interest rate on the remaining balance shall be eight percent per year.

Subd. 6. [SALE PROCEEDS.] After deducting the costs of the sale, excluding survey costs, from the purchase price, the balance shall be invested as provided by the Minnesota Constitution, article XI, section 8.

Sec. 3. [92.68] [MISCELLANEOUS.]

Subdivision 1. [SHORELINE INCLUDED.] Notwithstanding section 92.45, the shoreline of leased sites sold under section 2 is not reserved for public travel.

Subd. 2. [LOCAL ZONING.] For the purpose of local zoning ordinances, land sold under section 2 shall be treated as if purchased at the time the state first leased the sites.

Subd. 3. [ROAD ACCESS.] Rights of access across state property to the lots offered for sale that are in existence at the time of sale, and not included in the sale, may not be terminated by the commissioner without the consent of the purchasers of the lots or their successors in interest. The commissioner may impose a fee for the access rights in the same manner as for other similar accesses except that the commissioner may not impose a fee for access rights where no fee is now being charged.

Sec. 4. [92.69] [ENDOWMENT ACCOUNT.]

Subdivision 1. [PROCEEDS OF LAND ACQUISITION ACCOUNT.] To ensure educational opportunities provided by Minnesota scientific and natural areas as described in section 86A.05, subdivision 5, are adequately available for present and future generations, the proceeds received under sections 1 to 3 that are credited to the land acquisition account under section 94.165 must be spent on scientific and natural areas.

Subd. 2. [ACCOUNT.] (a) A natural areas legacy endowment account is established in the state treasury. The commissioner of natural resources

shall accept private contributions for educational opportunities provided by scientific and natural areas and deposit the contributions in the account. The principal deposited in the account shall be retained in the endowment account.

(b) The interest from the principal may be spent by the commissioner of natural resources for the protection, management, and inventory of lands with rare and endangered species or undisturbed plant communities that qualify as state scientific and natural areas under section 86A.05, subdivision 5.

Sec. 5. [WINONA COUNTY LAND SALE.]

Subdivision 1. [AUTHORITY.] Notwithstanding any contrary provision of Minnesota Statutes, section 373.01 or other law, Winona county may sell and convey the real estate described in this section for a nominal consideration to a county agricultural society that owns adjoining property and conducts a county fair on it.

Subd. 2. [DESCRIPTION.] That part of the South Half of the Northwest Quarter and the North Half of the Southwest Quarter, of Section 19, Township 106 North, Range 10 West of the Fifth Principal Meridian, bounded and described as follows: Commencing at a point on the West line of Lot 65 in Ives and Fox's Addition to St. Charles, distant 200 feet Northeasterly, measured at right angles, from the center line of the main track of the Winona and South Western Railway Company (later the Wisconsin Minnesota and Pacific Rail Road Company, the Chicago Great Western Railway Company, now the Chicago and North Western Transportation Company), as said main track center line was originally located and established across said Section 19; thence Northwesterly parallel with said original main track center line a distance of 550 feet to the point of beginning of the parcel of land herein described; thence continuing Northwesterly parallel with said original main track center line to a point on the East and West Quarter line of said Section 19; thence Northwesterly along a straight line to a point of tangency with a line parallel with and distant 50 feet Northerly, measured radially, from said original main track center line; thence Westerly parallel with said original main track center line to a point distant 50 feet Northeasterly, measured radially, from the center line of the main track of the Chicago and North Western Transportation Company (formerly the Winona and St. Peter Railroad Company), as said main track is now located; thence Southeasterly parallel with said last described main track center line to a point distant 10 feet Northerly, measured radially, from the center line of the most Northerly side track of said Transportation Company, as said side track is now located; thence Easterly parallel with said side track center line to a point on a line drawn at right angles to said original (Winona and South Western Railway Company) main track center line through the point of beginning; thence Northwesterly along said last described right angle line to the point of beginning.

Sec. 6. [REPEALER.]

Sections 2 and 3 of this act are repealed on July 1, 1992.

Sec. 7. [EFFECTIVE DATE.]

Sections 1 to 4 and 6 are effective the day following final enactment. Sec-

tion 5 is effective the day after compliance with Minnesota Statutes, section 645.021, subdivision 3, by the governing body of Winona county."

Delete the title and insert:

"A bill for an act relating to public lands; providing for maximum lease rates; providing for an endowment fund and the disposition of proceeds of the land acquisition account; permitting Winona county to convey certain real estate to a county agricultural society; amending Minnesota Statutes 1985 Supplement, section 92.46, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 92."

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

House Conferees: (Signed) Lona A. Minne, Paul M. Thiede, Sally Olsen

Senate Conferees: (Signed) Ronald R. Dicklich, Gene Merriam, James C. Pehler

Mr. Dicklich moved that the foregoing recommendations and Conference Committee Report on H.F. No. 2169 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H.F. No. 2169 was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

The roll was called, and there were yeas 50 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dicklich	Kamrath	Merriam	Reichgott
Anderson	Diessner	Knaak	Olson	Samuelson
Belanger	Frank	Knutson	Pehler	Schmitz
Benson	Frederickson	Kroening	Peterson, C.C.	Solon
Berglin	Freeman	Kronebusch	Peterson, D.C.	Storm
Bernhagen	Gustafson	Laidig	Peterson, D.L.	Taylor
Bertram	Isackson	Lantry	Peterson, R.W.	Vega
Brataas	Johnson, D.E.	Luther	Petty	Waldorf
Chmielewski	Johnson, D.J.	McQuaid	Purfeerst	Wegscheid
Dahl	Jude	Mehrkens	Ramstad	Willet

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

SPECIAL ORDER

The question recurred on H.F. No. 1958.

H.F. No. 1958: A bill for an act relating to crime victims; providing increased protections and rights to victims of crime; providing new procedures for enforcing restitution orders; establishing local victim-witness assistance programs; making a variety of changes to the crime victims reparations act; increasing the membership of the crime victim and witness advisory council; amending Minnesota Statutes 1984, sections 609.115, subdivision 1c; 609.135, by adding a subdivision; 611A.03, subdivision 1; 611A.04, subdivision 2; 611A.06; 611A.53, subdivision 1, and by adding a subdivision; 611A.57, by adding a subdivision; and 611A.61; and Minnesota Statutes 1985 Supplement, sections 609.101; 611A.52; 611A.53, subdivi-

sion 2; 611A.54; 611A.56, subdivision 1; 611A.71, subdivisions 1 and 2; and 631.046; proposing coding for new law in Minnesota Statutes, chapter 611A.

Ms. Berglin moved to amend H.F. No. 1958, as amended pursuant to Rule 49, adopted by the Senate March 13, 1986, as follows:

(The text of the amended House File is identical to S.F. No. 1953.)

Page 1, after line 13, insert:

“Section 1. Minnesota Statutes 1984, section 307.08, is amended to read:

307.08 [DAMAGES; ILLEGAL MOLESTATION OF HUMAN REMAINS; BURIALS; CEMETERIES; PENALTY.]

Subdivision 1. It is a declaration and statement of legislative intent that all human burials and human skeletal remains shall be accorded equal treatment and respect for human dignity without reference to their ethnic origins, cultural backgrounds, or religious affiliations. The provisions of this section shall apply to all human burials or human skeletal remains found on or in all public or private lands or waters in Minnesota.

Subd. 2. A person who intentionally, willfully, ~~or~~ *and* knowingly destroys, mutilates, injures, or removes human skeletal remains or human burials; ~~or is guilty of a felony.~~ *A person who intentionally, willfully, or knowingly removes any tombstone, monument, or structure placed in any public or private cemetery or unmarked human burial ground, or any fence, railing, or other work erected for protection or ornament, or any tree, shrub, or plant or grave goods and artifacts within the limits of the cemetery or burial ground, and a person who, without authority from the trustees, state archaeologist, or Indian affairs intertribal board, discharges any firearms upon or over the grounds of any public or private cemetery or authenticated and identified Indian burial ground, is guilty of a gross misdemeanor.*

Subd. 3. Every authenticated and identified ~~Indian burial ground may be at the discretion of the state archaeologist and the Indian affairs intertribal board,~~ posted for protective purposes every 75 feet around its perimeter with signs listing the activities prohibited by subdivision 2 and the penalty for violation of it. ~~Posting is at the discretion of the Indian affairs council in the case of Indian burials or at the discretion of the state archaeologist in the case of non-Indian burials.~~

Subd. 3a. *The state archaeologist shall authenticate all burial sites for purposes of this section and may enter on property for the purpose of authenticating burial sites. Only after obtaining written permission from the property owner or lessee, descendants of persons buried in burial sites covered by this section may enter the burial sites for the purpose of conducting religious ceremonies. This right of entry must not unreasonably burden property owners or unnecessarily restrict their use of the property.*

Subd. 4. The state shall retain the services of a qualified professional archaeologist, approved by the state archaeologist and the Indian affairs ~~intertribal board council,~~ for the purpose of ~~authenticating and identifying gathering information to authenticate or identify~~ Indian burial grounds when requested by a concerned scientific or contemporary Indian ethnic group, when Indian burials are known or suspected to exist on public lands or waters

controlled by the state or political subdivision.

Subd. 5. The cost of authentication, identification ~~and~~, marking, ~~and rescue~~ of unmarked or unidentified burial grounds or burials shall be the responsibility of the state.

Subd. 6. The size, description and information on the signs must be approved by the Minnesota state historical society.

Subd. 7. All unidentified human remains or burials found outside of plated, recorded, or identified cemeteries and ~~dating prior to 1886 A.D. in contexts which indicate antiquity greater than 50 years shall be dealt with according to the provisions of this section. If such burials do are not contain manufactured trade goods or can be established to date prior to 1700 A.D. Indian or their ethnic identity cannot be ascertained, as determined by a qualified professional the state archaeologist, they shall be dealt with in accordance with provisions established by the state archaeologist. If such burials date after 1700 A.D. are Indian, as determined by a qualified professional the state archaeologist, efforts shall be made by the state archaeologist and the Indian affairs intertribal board council to ascertain their tribal identity. If their probable tribal identity can be determined, such remains shall at the discretion of the state archaeologist and Indian affairs intertribal board council, be turned over to contemporary tribal leaders for disposition. If it is deemed desirable by the state archaeologist or the Indian affairs intertribal board council, such remains shall be studied by a qualified professional archaeologist before being delivered to the tribal leaders. If tribal identity cannot be determined, the Indian remains must be dealt with in accordance with provisions established by the state archaeologist and the Indian affairs council.~~

Subd. 8. No authenticated and identified Indian burial ground may be relocated unless the request to relocate is approved by the Indian affairs intertribal board. When the Indian burial ground is located on public lands or waters, the cost of removal is the responsibility of and shall be paid by the state or political subdivision controlling the lands or waters. If large Indian burial grounds are involved, efforts shall be made by the state to purchase and protect them instead of removing them to another location.

Subd. 9. The department of natural resources, the department of transportation, and all other state agencies and local governmental units whose activities may be affected, shall cooperate with the state archaeologist and the Indian affairs intertribal board to carry out the provisions of this section.

Subd. 10. When Indian burials are known or suspected to exist, on public lands or waters, the state or political subdivision controlling the lands or waters shall submit construction and development plans to the state archaeologist and the Indian affairs intertribal board for review prior to the time bids are advertised. The state archaeologist and the Indian affairs intertribal board shall promptly review the plans and make recommendations for the preservation or removal of the human burials or remains, which may be endangered by construction or development activities."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly.

The motion prevailed. So the amendment was adopted.

H.F. No. 1958 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 55 and nays 0, as follows:

Those who voted in the affirmative were:

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

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

RECESS

Mr. Luther moved that the Senate do now recess subject to the call of the President. The motion prevailed.

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

APPOINTMENTS

Mr. Moe, R.D. from the Subcommittee on Committees recommends that the following Senators be and they hereby are appointed as a Conference Committee on:

S.F. No. 1993: Mr. Jude, Ms. Reichgott and Mr. Knaak.

S.F. No. 985: Messrs. Merriam; Moe, D.M. and Benson.

S.F. No. 1949: Messrs. Merriam; Bernhagen and Peterson, R.W.

H.F. No. 2010: Mr. Merriam, Ms. Peterson, D.C. and Mr. Ramstad.

Mr. Luther moved that the foregoing appointments be approved. The motion prevailed.

SPECIAL ORDER

H.F. No. 1863: A bill for an act relating to crimes; clarifying the crime of failing to file a tax return; creating a presumption that property acquired during the course of certain crimes are "proceeds" of the crime for purposes of forfeiture law; providing protection for crime victims against adverse employer actions; amending Minnesota Statutes 1985 Supplement, sections 290.92, subdivision 15; and 609.531, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 611A.

Mr. Ramstad moved to amend H.F. No. 1863, as amended pursuant to Rule 49, adopted by the Senate March 13, 1986, as follows:

(The text of the amended House File is identical to S.F. No. 1770.)

Pages 1 to 4, delete sections 2 to 5

Page 8, line 28, delete everything after the first comma

Page 8, line 29, delete "and" and insert "section" and delete ", are" and insert "is"

Page 8, line 31, delete "7" and insert "3"

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 34 and nays 23, as follows:

Those who voted in the affirmative were:

Adkins	Brataas	Isackson	McQuaid	Renneke
Anderson	Diessner	Johnson, D.E.	Mehrkens	Storm
Belanger	Dieterich	Jude	Olson	Stumpf
Benson	Frederick	Kamrath	Peterson, C.C.	Taylor
Berg	Frederickson	Knaak	Peterson, D.L.	Waldorf
Bernhagen	Gustafson	Laidig	Purfeerst	Willet
Bertram	Hughes	Lessard	Ramstad	

Those who voted in the negative were:

Berglin	Freeman	Merriam	Peterson, D.C.	Spear
Dahl	Knutson	Moe, D.M.	Peterson, R.W.	Vega
Davis	Kroening	Moe, R.D.	Petty	Wegscheid
Dicklich	Lantry	Nelson	Reichgott	
Frank	Luther	Pehler	Sieloff	

The motion prevailed. So the amendment was adopted.

Mr. Merriam moved to amend H.F. No. 1863, as amended pursuant to Rule 49, adopted by the Senate March 13, 1986, as follows:

(The text of the amended House File is identical to S.F. No. 1770.)

Page 1, after line 23, insert:

"Sec. 2. Minnesota Statutes 1984, section 260.155, subdivision 8, is amended to read:

Subd. 8. [WAIVER.] (a) Waiver of any right which a child has under this chapter must be an express waiver *voluntarily and intelligently* made by the child after the child has been fully and effectively informed of the right being waived. If a child is under 12 years of age, the child's parent, guardian or custodian shall give any waiver or offer any objection contemplated by this chapter.

(b) *Waiver of the child's right to be represented by counsel, as provided under the juvenile court rules, must be an express waiver voluntarily and intelligently made by the child after the child has been fully and effectively informed of the right being waived. In determining whether a child has voluntarily and intelligently waived the right to counsel, the court shall look to the totality of the circumstances which includes but is not limited to the child's age, maturity, intelligence, education, experience, and ability to comprehend, and the presence and competence of the child's parents, guardian, or guardian ad litem. If the court accepts the child's waiver, it*

shall state on the record the findings and conclusions that form the basis for its decision to accept the waiver."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, after "the" insert "waiver of a child's"

Page 1, line 9, delete "by adding"

Page 1, line 10, delete everything before the second semicolon and insert "subdivision 8"

Page 1, line 13, delete "sections 260.155, subdivision 2; and" and insert "section"

The motion prevailed. So the amendment was adopted.

Mr. Jude moved to amend H.F. No. 1863, as amended pursuant to Rule 49, adopted by the Senate March 13, 1986, as follows:

(The text of the amended House File is identical to S.F. No. 1770.)

Page 1, after line 16, insert:

"Section 1. Minnesota Statutes 1984, section 168.041, is amended to read:

168.041 [IMPOUNDING REGISTRATION PLATES AND CERTIFICATES.]

Subdivision 1. When any person is convicted of driving a motor vehicle after the suspension or revocation of the ~~drivers~~ driver's license or driving privileges of such person, the court shall require the registration plates and registration certificates of any motor vehicle involved in such violation owned by such person or registered in his name to be surrendered to the court. Upon surrender thereof the court shall issue a receipt therefor.

If the violator is not the owner of such motor vehicle, the court shall require the registration plates and the registration certificate of any motor vehicle used by the violator, with the permission of the owner who had knowledge of the fact that the violator's drivers license had been revoked or suspended prior to the commission of the offense, to be surrendered to the court.

Subd. 2. If any person is convicted of violating any law or municipal ordinance, except parking laws or ordinances, regulating the operation of motor vehicles on the streets or highways, and the record of ~~such the~~ person so convicted shows a previous conviction for driving after suspension or revocation of his driver's license or driving privileges, the court may direct the commissioner of public safety to suspend the driver's license of ~~such the~~ person for not exceeding one year. The court may also require the registration plates and registration certificates of any motor vehicles owned by the violator or registered in his name to be surrendered to the court.

Subd. 3. *Except as otherwise provided in subdivision 3a*, if a person is convicted of any offense which makes mandatory the revocation of the ~~drivers~~ driver's license of such person, or is convicted of driving a motor vehicle without having a valid driver's license in force, the court may require

the registration plates and registration certificates of any motor vehicle owned by such person or any motor vehicles registered in his name to be surrendered to the court.

Subd. 3a. If a person's driver's license or driving privileges are revoked pursuant to a third violation of section 169.121 or 169.123 within five years, or a fourth or subsequent violation of section 169.121 or 169.123 within ten years, the court shall require the registration plates and registration certificates of any motor vehicle involved in the violation and owned by or registered in the name of the violator, including vehicles registered jointly in the name of the violator and the violator's spouse, to be surrendered to the court. An impoundment order must be issued under this subdivision when the person appears in court on any criminal charge or civil driver's license matter arising out of the incident resulting in the most recent license revocation. If no criminal charge or civil license matter is initiated in court, the attorney general may initiate a registration plate and certificate impoundment proceeding, requesting an impoundment order under this subdivision. This proceeding shall be brought in municipal or county court in the jurisdiction where the violation of section 169.121 or 169.123 occurred.

Subd. 4. Except as provided in subdivision 6 or subdivision 7, the court shall retain custody of the surrendered plates and certificates. Any registration plates surrendered to the court pursuant to this section must be destroyed by the court. Any registration certificates surrendered to the court must be forwarded to the registrar of motor vehicles by the court. Except as provided in subdivision 5a, 6, or 7, no new registration plates may be issued to the person, violator, or owner until such time as the ~~drivers~~ driver's license of the person, violator, or owner has been reissued or reinstated.

Subd. 5. At the time of ordering the surrender of the registration plates and registration certificates of a the person, violator, or owner, the court shall notify the registrar of motor vehicles of that fact. Except as provided in subdivision 6 or subdivision 7, no new or duplicate registration plates or new registration certificates shall be issued to such violator or owner until his plates and certificates are returned to him by the court. The registration plates must be destroyed by the court. When the registration plates are destroyed, the court shall notify the registrar of motor vehicles of that fact.

Subd. 5a. If the driver's license revocation which is the basis for a registration plate and certificate impoundment order is rescinded, upon application to the registrar of motor vehicles, the person whose registration plates and certificates have been impounded must receive new plates and the certificate for the impounded vehicle at no cost. The application must include a copy of the order rescinding the driver's license revocation.

Subd. 6. Any such person, violator, or owner may apply to the registrar of motor vehicles court which ordered the surrender of registration plates and certificates for new registration plates which shall bear a special series number which may be readily identified by traffic law enforcement officers. A fee of \$5 shall accompany the application. The registrar of motor vehicles shall forthwith notify the court of such application. The court may return the registration certificate of such violator or owner to the registrar of motor vehicles, together with its consent to the issuance of such registration plates to such violator or owner. Thereupon the registrar of motor vehicles shall

issue such new registration plates. The court may authorize the issuance of special plates if (1) a member of the person's, violator's, or owner's household has a valid driver's license, or (2) the person, violator, or owner has a limited license issued pursuant to section 171.30. If the court authorizes the issuance of special plates, it shall notify the registrar of motor vehicles and the registrar must issue the special plates upon payment of a \$100 fee for each vehicle for which special plates are requested. Until the driver's license of such person, violator, or owner is reinstated or reissued, any new registration plates issued to him or to an owner whose plates have been impounded ordered surrendered shall bear a special series number.

Subd. 7. If ~~an~~ the owner wishes to sell a motor vehicle during the time its registration plates and registration certificate ~~are impounded~~ have been ordered surrendered or during the time its registration plates bear a special series number, he may apply to the court which ~~impounded~~ ordered the surrender of such plates and certificate, for consent to transfer title to the motor vehicle. If the court is satisfied that the proposed sale is in good faith and for a valid consideration, that the owner will thereby be deprived of the custody and control of the motor vehicle, and that the sale is not for the purpose of circumventing the provisions of this section, it may certify its consent to the registrar of motor vehicles and return the impounded registration plates and certificates. ~~If during~~ The registrar shall then transfer the registration certificate to the new owner upon proper application and shall issue new registration plates to the new owner. After the time the registration plates and certificate of registration ~~are impounded~~ have been surrendered to the court pursuant to this section, if the title to said motor vehicle is transferred by the foreclosure of a chattel mortgage, the cancelation of a conditional sales contract, a sale upon execution, or by decree or order of a court of competent jurisdiction, the court shall order the license plates and registration certificate surrendered to the new owner and notify the registrar of motor vehicles of such action. The registrar of motor vehicles shall then transfer the registration plates and registration certificates to the new owner and shall issue new registration plates to the new owner.

Subd. 8. Nothing contained in this section is intended to change or modify any provision of this chapter, with respect to the taxation of motor vehicles or the time within which the taxes thereon ~~shall~~ must be paid.

Subd. 9. Any person who fails to surrender any ~~impounded~~ registration plates or registration certificates to the court upon demand pursuant to this section or who operates any motor vehicle on a street or highway at a time when a court has ordered the surrender of its registration plates and registration certificate is guilty of a misdemeanor.

Sec. 2. Minnesota Statutes 1985 Supplement, section 169.121, subdivision 1, is amended to read:

Subdivision 1. [CRIME.] It is a misdemeanor for any person to drive, operate or be in physical control of any motor vehicle within this state or upon the ice of any boundary water of this state:

(a) when the person is under the influence of alcohol;

(b) when the person is under the influence of a controlled substance, as defined in section 152.01, subdivision 4;

(c) when the person is under the influence of a combination of any two or more of the elements named in clauses (a) ~~and~~, (b), ~~and~~ (f);

(d) when the person's alcohol concentration is 0.10 or more; ~~or~~

(e) when the person's alcohol concentration as measured within two hours of the time of driving is 0.10 or more; *or*

(f) when the person is under the influence of any substance that affects the nervous system, brain, or muscles of the person so as to substantially impair the person's ability to drive or operate the motor vehicle in the manner that an ordinary, prudent, and cautious person using reasonable care would drive or operate under like conditions.

Sec. 3. Minnesota Statutes 1984, section 169.121, subdivision 2, is amended to read:

Subd. 2. [EVIDENCE.] Upon the trial of any prosecution arising out of acts alleged to have been committed by any person arrested for driving, operating, or being in physical control of a motor vehicle in violation of subdivision 1, the court may admit evidence of the amount of alcohol or a controlled *or other* substance in the person's blood, breath, or urine as shown by an analysis of those items.

For the purposes of this subdivision:

(a) evidence that there was at the time an alcohol concentration of 0.05 or less is *prima facie* evidence that the person was not under the influence of alcohol;

(b) evidence that there was at the time an alcohol concentration of more than 0.05 and less than 0.10 is relevant evidence in indicating whether or not the person was under the influence of alcohol.

Evidence of the refusal to take a test is admissible into evidence in a prosecution under this section or an ordinance in conformity with it.

If proven by a preponderance of the evidence, it shall be an affirmative defense to a violation of subdivision 1, clause (e), that the defendant consumed a sufficient quantity of alcohol after the time of actual driving, operating, or physical control of a motor vehicle and before the administration of the evidentiary test to cause the defendant's alcohol concentration to exceed 0.10. Provided, that this evidence may not be admitted unless notice is given to the prosecution prior to the omnibus or pretrial hearing in the matter.

The foregoing provisions do not limit the introduction of any other competent evidence bearing upon the question whether or not the person ~~was under the influence of alcohol or a controlled substance~~ *violated this section*, including tests obtained more than two hours after the alleged violation and results obtained from partial tests on an infrared breath-testing instrument. A result from a partial test is the measurement obtained by analyzing one adequate breath sample, as defined in section 169.123, subdivision 2b, paragraph (b).

Sec. 4. Minnesota Statutes 1984, section 169.121, is amended by adding a subdivision to read:

Subd. 3a. [HABITUAL OFFENDER PENALTIES.] *A person convicted*

of violating this section or an ordinance in conformity with it within ten years of two or more prior convictions under this section, section 169.129, an ordinance in conformity with either of them, or a statute or ordinance from another state in conformity with either of them, must be sentenced, subject to the maximum sentence authorized by subdivision 3, to compulsory attendance at a chemical dependency program approved by the commissioner of public safety, and either or both of the following:

(1) to a minimum term of imprisonment of not less than 30 days; or

(2) to payment of a fine of not less than \$1,000.

Sec. 5. Minnesota Statutes 1984, section 169.121, subdivision 6, is amended to read:

Subd. 6. [PRELIMINARY SCREENING TEST.] When a peace officer has reason to believe from the manner in which a person is driving, operating, controlling, or acting upon departure from a motor vehicle, or has driven, operated, or controlled a motor vehicle, that the driver may be violating or has violated subdivision 1, he may require the driver to provide a sample of his breath for a preliminary screening test using a device approved by the commissioner of public safety for this purpose. The results of this preliminary screening test shall be used for the purpose of deciding whether an arrest should be made and whether to require the tests authorized in section 169.123, but shall not be used in any court action except to prove that a test was properly required of a person pursuant to section 169.123, subdivision 2. Following the screening test additional tests may be required of the driver pursuant to the provisions of section 169.123.

The driver who refuses to furnish a sample of his breath is subject to the provisions of section 169.123 unless, in compliance with section 169.123, he submits to a blood, breath or urine test to determine the presence of alcohol or a controlled or other substance in violation of subdivision 1.

Sec. 6. Minnesota Statutes 1985 Supplement, section 169.123, subdivision 2, is amended to read:

Subd. 2. [IMPLIED CONSENT; CONDITIONS; ELECTION AS TO TYPE OF TEST.] (a) Any person who drives, operates, or is in physical control of a motor vehicle within this state or upon the ice of any boundary water of this state consents, subject to the provisions of this section and section 169.121, to a chemical test of his blood, breath, or urine for the purpose of determining the presence of alcohol or a controlled or other substance in violation of section 169.121, subdivision 1. The test shall be administered at the direction of a peace officer. The test may be required of a person when an officer has probable cause to believe the person was driving, operating, or in physical control of a motor vehicle in violation of section 169.121 and one of the following conditions exist: (1) the person has been lawfully placed under arrest for violation of section 169.121, or an ordinance in conformity with it; or (2) the person has been involved in a motor vehicle accident or collision resulting in property damage, personal injury, or death; or (3) the person has refused to take the screening test provided for by section 169.121, subdivision 6; or (4) the screening test was administered and recorded an alcohol concentration of 0.10 or more.

(b) At the time a test is requested, the person shall be informed:

(1) that Minnesota law requires the person to take a test to determine if the person is under the influence of alcohol or a controlled *or other* substance;

(2) that if testing is refused, the person's right to drive will be revoked for a minimum period of one year or, if the person is under the age of 18 years, for a period of one year or until he or she reaches the age of 18 years, whichever is greater;

(3) that if a test is taken and the results indicate that the person is under the influence of alcohol or a controlled *or other* substance, the person will be subject to criminal penalties and the person's right to drive may be revoked for a minimum period of 90 days or, if the person is under the age of 18 years, for a period of six months or until he or she reaches the age of 18 years, whichever is greater;

(4) that after submitting to testing, the person has the right to consult with an attorney and to have additional tests made by a person of his own choosing; and

(5) that if he refuses to take a test, the refusal will be offered into evidence against him at trial.

(c) The peace officer who requires a test pursuant to this subdivision may direct whether the test shall be of blood, breath, or urine. However, if the officer directs that the test shall be of a person's blood or urine, the person may choose whether the test shall be of his blood or urine.

Sec. 7. Minnesota Statutes 1984, section 169.123, subdivision 2a, is amended to read:

Subd. 2a. [REQUIREMENT OF URINE TEST.] Notwithstanding subdivision 2, if there are reasonable and probable grounds to believe there is impairment by a controlled *or other* substance which is not subject to testing by a blood or breath test, a urine test may be required even after a blood or breath test has been administered.

Sec. 8. Minnesota Statutes 1984, section 169.123, subdivision 3, is amended to read:

Subd. 3. [MANNER OF MAKING TEST; ADDITIONAL TESTS.] Only a physician, medical technician, physician's trained mobile intensive care paramedic, registered nurse, medical technologist or laboratory assistant acting at the request of a peace officer may withdraw blood for the purpose of determining the presence of alcohol or a controlled *or other* substance in violation of section 169.121, subdivision 1. This limitation does not apply to the taking of a breath or urine sample. The person tested has the right to have a person of his own choosing administer a chemical test or tests in addition to any administered at the direction of a peace officer; provided, that the additional test sample on behalf of the person is obtained at the place where the person is in custody, after the test administered at the direction of a peace officer, and at no expense to the state. The failure or inability to obtain an additional test or tests by a person shall not preclude the admission in evidence of the test taken at the direction of a peace officer unless the additional test was prevented or denied by the peace officer. The physician, medical technician, physician's trained mobile intensive care paramedic, medical technologist, laboratory assistant or registered nurse drawing blood at the

request of a peace officer for the purpose of determining alcohol concentration shall in no manner be liable in any civil or criminal action except for negligence in drawing the blood. The person administering a breath test shall be fully trained in the administration of breath tests pursuant to training given by the commissioner of public safety.

Sec. 9. Minnesota Statutes 1984, section 169.123, subdivision 4, is amended to read:

Subd. 4. [REFUSAL; REVOCATION OF LICENSE.] If a person refuses to permit a test, none shall be given, but the peace officer shall report the refusal to the commissioner of public safety and the authority having responsibility for prosecution of misdemeanor offenses for the jurisdiction in which the acts occurred. A refusal to submit to an alcohol concentration test does not constitute a violation of section 609.50, unless the refusal was accompanied by force or violence or the threat of force or violence. If a person submits to a test and the test results indicate an alcohol concentration of 0.10 or more, the results of the test shall be reported to the commissioner of public safety and to the authority having responsibility for prosecution of misdemeanor offenses for the jurisdiction in which the acts occurred.

Upon certification by the peace officer that there existed probable cause to believe the person had been driving, operating, or in physical control of a motor vehicle while under the influence of alcohol or a controlled *or other* substance and that the person refused to submit to a test, the commissioner of public safety shall revoke the person's license or permit to drive, or his nonresident operating privilege, for a period of one year. If the person refusing to submit to testing is under the age of 18 years, the commissioner shall revoke the person's license or permit to drive, or his or her nonresident operating privilege, for a period of one year or until the person reaches the age of 18 years, whichever is greater. Upon certification by the peace officer that there existed probable cause to believe the person had been driving, operating or in physical control of a motor vehicle while under the influence of alcohol or a controlled *or other* substance and that the person submitted to a test and the test results indicate an alcohol concentration of 0.10 or more, the commissioner of public safety shall revoke the person's license or permit to drive, or his nonresident operating privilege, for a period of 90 days or, if the person is under the age of 18 years, for a period of six months or until he or she reaches the age of 18 years, whichever is greater.

If the person is a resident without a license or permit to operate a motor vehicle in this state, the commissioner of public safety shall deny to the person the issuance of a license or permit for the same period after the date of the alleged violation as provided herein for revocation, subject to review as hereinafter provided.

Sec. 10. Minnesota Statutes 1984, section 169.123, subdivision 6, is amended to read:

Subd. 6. [HEARING.] A hearing under this section shall be before a municipal or county judge, in any county in the judicial district where the alleged offense occurred. The hearing shall be to the court and may be conducted at the same time and in the same manner as hearings upon pre-trial motions in the criminal prosecution under section 169.121, if any. The hearing shall be recorded. The commissioner of public safety shall appear and be

represented by the attorney general or through the prosecuting authority for the jurisdiction involved.

The hearing shall be held at the earliest practicable date, and in any event no later than 60 days following the filing of the petition for review. The judicial district administrator shall establish procedures to ensure efficient compliance with the provisions of this subdivision. To accomplish this, the administrator may, whenever possible, consolidate and transfer review hearings among the county courts within the judicial district.

The scope of the hearing shall be limited to the issues of:

(1) whether the peace officer had probable cause to believe the person was driving, operating, or in physical control of a motor vehicle while under the influence of alcohol or a controlled *or other* substance, and whether the person was lawfully placed under arrest for violation of section 169.121, or the person was involved in a motor vehicle accident or collision resulting in property damage, personal injury or death, or the person refused to take a screening test provided for by section 169.121, subdivision 6, or the screening test was administered and recorded an alcohol concentration of 0.10 or more; and

(2) whether at the time of the request for the test the peace officer informed the person of his rights and the consequences of taking or refusing the test as required by subdivision 2; and

(3) either (a) whether the person refused to permit the test, or (b) whether a test was taken and the test results indicated an alcohol concentration of 0.10 or more at the time of testing, and whether the testing method used was valid and reliable, and whether the test results were accurately evaluated.

It shall be an affirmative defense for the petitioner to prove that, at the time of the refusal, his refusal to permit the test was based upon reasonable grounds.

Certified or otherwise authenticated copies of laboratory or medical personnel reports, records, documents, licenses and certificates shall be admissible as substantive evidence.

The court shall order either that the revocation be rescinded or sustained and forward the order to the commissioner of public safety. The court shall file its order within 14 days following the hearing. If the revocation is sustained, the court shall also forward the person's driver's license or permit to the commissioner of public safety for his further action if the license or permit is not already in the commissioner's possession.

Sec. 11. [171.175] [REINSTATEMENT; PROOF OF INSURANCE.]

Upon the expiration of the revocation of a driver's license under section 169.121 or 169.123, and the satisfaction of any additional requirements imposed, the commissioner shall reinstate the license if the person provides the commissioner with either a valid insurance policy or an identification card issued by the insurer stating that security has been provided as required by section 65B.48. After one year, the license must be canceled unless the licensee provides the commissioner with proof, satisfactory to the commissioner, of continuous insurance coverage during the previous year. If a person is unable to prove such continuous coverage, the person's driver's

license may not be reinstated for a period of one year from the date of cancellation under this section. The commissioner may adopt rules to provide for exceptions to this requirement for vehicles that are in storage or out of service for substantial portions of the previous year."

Page 7, after line 21, insert:

"Sec. 17. Minnesota Statutes 1984, section 361.12, subdivision 1, is amended to read:

Subdivision 1. No person shall operate or be in actual physical control of any watercraft while under the influence of alcohol, ~~as provided in section 169.121, subdivision 4~~ or a controlled or other substance, ~~as defined in section 152.01, subdivision 4 as provided in section 169.121, subdivision 1.~~ No owner or other person having charge or control of any watercraft shall knowingly authorize or permit any person who is under the influence of alcohol, or a controlled or other substance to operate such watercraft."

Page 8, line 31, delete "7" and insert "18"

Renumber the sections in sequence

Amend the title accordingly

Mr. Knaak questioned whether the amendment was germane.

The President ruled that the amendment was not germane.

H.F. No. 1863 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 61 and nays 0, as follows:

Those who voted in the affirmative were:

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

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

SPECIAL ORDER

S.F. No. 1858: A bill for an act relating to elections; regulating lobbyist and candidate activities and contributions; providing a penalty; amending Minnesota Statutes 1984, section 10A.15, subdivision 1, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 10A.

Mr. Berg moved to amend S.F. No. 1858 as follows:

Pages 2 and 3, delete sections 2 to 4

Amend the title accordingly

Mr. Luther requested division of the Berg amendment as follows:

First portion:

Page 2, delete sections 2 and 3

Renumber the sections in sequence

Amend the title accordingly

Second portion:

Pages 2 and 3, delete section 4

Amend the title accordingly

CALL OF THE SENATE

Mr. Luther imposed a call of the Senate for the balance of the proceedings on S.F. No. 1858. The Sergeant at Arms was instructed to bring in the absent members.

The question recurred on the adoption of the first portion of the Berg amendment. The motion prevailed. So the first portion of the amendment was adopted.

The question was taken on the adoption of the second portion of the Berg amendment.

The roll was called, and there were yeas 31 and nays 35, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Kamrath	Merriam	Storm
Anderson	DeCramer	Knaak	Olson	Stumpf
Belanger	Frederick	Knutson	Peterson, D.L.	Taylor
Benson	Frederickson	Kronebusch	Purfeerst	
Berg	Gustafson	Laidig	Ramstad	
Bernhagen	Isackson	McQuaid	Renneke	
Bertram	Johnson, D.E.	Mehrkens	Sieloff	

Those who voted in the negative were:

Berglin	Frank	Lantry	Peterson, C.C.	Schmitz
Brataas	Freeman	Lessard	Peterson, D.C.	Solon
Chmielewski	Hughes	Luther	Peterson, R.W.	Spear
Dahl	Johnson, D.J.	Moe, D.M.	Petty	Vega
Dicklich	Jude	Moe, R.D.	Pogemiller	Waldorf
Diessner	Krocning	Novak	Reichgott	Wegscheid
Dieterich	Langseth	Pehler	Samuelson	Willet

The motion did not prevail. So the second portion of the amendment was not adopted.

Mr. Luther moved to amend S.F. No. 1858 as follows:

Page 1, line 10, delete "AND SOLICITATIONS"

Page 1, line 14, after "to a" insert "*single individual*"

Page 1, line 15, delete "the" and insert "*a single individual*"

Page 1, line 16, after "committee" insert "at an organized fund-raising event held for that purpose"

Page 1, line 16, delete "meets" and insert "is meeting" and delete "in each"

Page 1, delete lines 17 to 19 and insert "and is not recessed for more than three days."

Page 1, delete lines 20 to 26

Page 2, line 1, delete "3" and insert "2"

Page 2, delete sections 2 and 3

Page 2, line 31, after "fund" insert "or political committee"

Page 3, delete lines 2 to 6 and insert:

"Sec. 2. [NONSEVERABILITY.]

If any provision of this act is found to be unconstitutional and void, the remaining provisions shall also be void.

Sec. 3. [EFFECTIVE DATE.]

This act is effective the day following final enactment."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, delete "and"

Page 1, line 3, delete "candidate activities and"

Page 1, line 4, after the semicolon, insert "requiring reporting of contributions by members of a political fund; changing the disclosure requirements of contributors;"

Page 1, line 5, delete "subdivision 1, and"

Mr. Berg requested division of the amendment as follows:

First portion:

Page 1, line 10, delete "AND SOLICITATIONS"

Page 1, line 14, after "to a" insert "single individual"

Page 1, line 15, delete "the" and insert "a single individual"

Page 1, line 16, after "committee" insert "at an organized fund-raising event held for that purpose"

Page 1, line 16, delete "meets" and insert "is meeting" and delete "in each"

Page 1, delete lines 17 to 19 and insert "and is not recessed for more than three days."

Page 1, delete lines 20 to 26

Page 2, line 1, delete "3" and insert "2"

Page 2, delete sections 2 and 3

Page 2, line 31, after "fund" insert "or political committee"

Page 3, delete lines 2 to 6 and insert:

"Sec. 2. [EFFECTIVE DATE.]

This act is effective the day following final enactment."

Renumber the sections in sequence

Amend the title accordingly

Second portion:

Page 3, after line 6, insert:

"Sec. 2. [NONSEVERABILITY.]

If any provision of this act is found to be unconstitutional and void, the remaining provisions shall also be void."

Renumber the sections in sequence

Amend the title accordingly

The question was taken on the adoption of the first portion of the Luther amendment.

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

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

The motion prevailed. So the first portion of the amendment was adopted.

The question was taken on the adoption of the second portion of the Luther amendment.

Mr. Berg moved that those not voting be excused from voting. The motion prevailed.

The roll was called, and there were yeas 33 and nays 34, as follows:

Those who voted in the affirmative were:

Adkins	Diessner	Lessard	Peterson, D.C.	Solon
Berglin	Frank	Luther	Petty	Spear
Bertram	Freeman	Moe, R.D.	Pogemiller	Vega
Chmielewski	Johnson, D.J.	Nelson	Purfeerst	Wegscheid
Dahl	Jude	Novak	Reichgott	Willet
DeCramer	Kroening	Pehler	Samuelson	
Dicklich	Lantry	Peterson, C.C.	Schmitz	

Those who voted in the negative were:

Anderson	Dieterich	Kamrath	Mehrkens	Renneke
Belanger	Frederick	Knaak	Merriam	Sieloff
Benson	Frederickson	Knutson	Moe, D.M.	Storm
Berg	Gustafson	Kronebusch	Olson	Stumpf
Bernhagen	Hughes	Laidig	Peterson, D.L.	Taylor
Brataas	Isackson	Langseth	Peterson, R.W.	Waldorf
Davis	Johnson, D.E.	McQuaid	Ramstad	

The motion did not prevail. So the second portion of the amendment was not adopted.

Mr. Frederickson moved to amend S.F. No. 1858 as follows:

Page 3, after line 6, insert:

"Sec. 5. Minnesota Statutes 1984, section 210A.34, is amended by adding a subdivision to read:

Subd. 9. Any corporation doing business in this state shall not make any contribution or offer, consent, or agree to make any contribution, directly or indirectly, of any money or property to any fund designated by a state constitutional officer or member of the state legislature for the officer's or member's personal use."

Amend the title as follows:

Page 1, line 4, after the semicolon, insert "prohibiting certain contributions;" and delete "section" and insert "sections"

Page 1, line 5, after the semicolon, insert "and 210A.34, by adding a subdivision;"

Mr. Petty questioned whether the amendment was germane.

The President ruled that the amendment was not germane.

Mr. Frederickson appealed the decision of the President.

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

Mr. Laidig moved to amend S.F. No. 1858 as follows:

Page 3, after line 6, insert:

"Sec. 5. Minnesota Statutes 1984, section 10A.31, subdivision 5, is amended to read:

Subd. 5. In each calendar year the moneys in each party account and the general account shall be allocated to candidates as follows:

(1) 21 percent for the offices of governor and lieutenant governor together;

(2) 3.6 percent for the office of attorney general;

(3) 1.8 percent each for the offices of secretary of state, state auditor and state treasurer;

(4) In each calendar year during the period in which state senators serve a four year term, $23\frac{1}{3}$ percent for the office of state senator and $46\frac{2}{3}$ percent for the office of state representative;

(5) In each calendar year during the period in which state senators serve a two year term, 35 percent each for the offices of state senator and state representative;

(5a) When a candidate is the only person who has filed for an office, the candidate is not entitled to receive any funds from the state election campaign fund;

(6) To assure that moneys will be returned to the counties from which they were collected, and to assure that the distribution of those moneys rationally relates to the support for particular parties or for particular candidates within legislative districts, moneys from the party accounts for legislative candidates shall be distributed as follows:

Each candidate for the state senate and state house of representatives whose name is to appear on the ballot in the general election shall receive moneys from his party account set aside for candidates of the state senate or state house of representatives, whichever applies, according to the following formula;

For each county within his district the candidate's share of the dollars allocated in that county to his party account and set aside for that office shall be:

(a) The sum of the votes cast in the last general election in that part of the county in his district for all candidates of his party (i) whose names appeared on the ballot in each voting precinct of the state and (ii) for the state senate and state house of representatives, divided by

(b) The sum of the votes cast in that county in the last general election for all candidates of his party (i) whose names appeared on the ballot in each voting precinct in the state and (ii) for the state senate and state house of representatives, multiplied by

(c) The amount in his party account allocated in that county and set aside for the candidates for the office for which he is a candidate.

The sum of all the county shares calculated in the formula above is the candidate's share of his party account.

In a year in which an election for the state senate occurs, with respect to votes for candidates for the state senate only, "last general election" means the last general election in which an election for the state senate occurred.

For any party under whose name no candidate's name appeared on the ballot in each voting precinct in the state in the last general election, amounts in the party's account shall be allocated based on (a) the number of people voting in the last general election in that part of the county in his district, divided by (b) the number of the people voting in that county in the last

general election, multiplied by (c) the amount in his party account allocated in that county and set aside for the candidates for the office for which he is a candidate.

In a year in which the first election after a legislative reapportionment is held, "his district" means the newly drawn district, and voting data from the last general election will be applied to the area encompassing the newly drawn district notwithstanding that the area was in a different district in the last general election.

If in a district there was no candidate of a party for the state senate or state house of representatives in the last general election, or if a candidate for the state senate or state house of representatives was unopposed, the vote for that office for that party shall be the average vote of all the remaining candidates of that party in each county of that district whose votes are included in the sums in clauses (a) and (b). The average vote shall be added to the sums in clauses (a) and (b) before the calculation is made for all districts in the county.

Money from a party account not distributed to candidates for state senator and representative in any election year shall be returned to the general fund of the state. Money from a party account not distributed to candidates for other offices in an election year shall be returned to the party account for reallocation to candidates as provided in clauses (1) to (6) of this subdivision in the following year. Moneys from the general account refused by any candidate shall be distributed to all other qualifying candidates in proportion to their shares as provided in this subdivision."

Amend the title as follows:

Page 1, line 4, delete "section" and insert "sections"

Page 1, line 5, after the semicolon, insert "and 10A.31, subdivision 5;"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 27 and nays 36, as follows:

Those who voted in the affirmative were:

Anderson	Davis	Johnson, D.E.	McQuaid	Storm
Belanger	Diessner	Kamrath	Mehrkens	Taylor
Benson	Frederick	Knaak	Olson	Wegscheid
Berg	Frederickson	Knutson	Peterson, D.L.	
Bernhagen	Gustafson	Kronebusch	Renneke	
Brataas	Isackson	Laidig	Sieloff	

Those who voted in the negative were:

Adkins	Freeman	Merriam	Peterson, R.W.	Stumpf
Berglin	Hughes	Moe, D.M.	Petty	Vega
Bertram	Johnson, D.J.	Moe, R.D.	Purfeerst	Waldorf
Dahl	Jude	Nelson	Reichgott	Willet
DeCramer	Kroening	Novak	Samuelson	
Dicklich	Lantry	Pehler	Schmitz	
Dieterich	Lessard	Peterson, C.C.	Solon	
Frank	Luther	Peterson, D.C.	Spear	

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

Mr. Laidig then moved to amend S.F. No. 1858 as follows:

Page 3, after line 6, insert:

"Sec. 5. Minnesota Statutes 1984, section 10A.19, is amended by adding a subdivision to read:

Subd. 3. [TRANSFERS AND CONTRIBUTIONS PROHIBITED.] No candidate may accept contributions or transfers from any principal campaign committee other than the candidate's own principal campaign committee."

Amend the title as follows:

Page 1, line 4, delete "section" and insert "sections"

Page 1, line 5, after the semicolon, insert "and 10A.19, by adding a subdivision;"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 29 and nays 34, as follows:

Those who voted in the affirmative were:

Anderson	Davis	Isackson	Laidig	Schmitz
Belanger	DeCramer	Johnson, D.E.	McQuaid	Sieloff
Benson	Diessner	Kamrath	Mehrkens	Storm
Berg	Frederick	Knaak	Olson	Taylor
Bernhagen	Frederickson	Knutson	Peterson, D.L.	Wegscheid
Brataas	Gustafson	Kronebusch	Renneke	

Those who voted in the negative were:

Adkins	Frank	Lessard	Peterson, C.C.	Solon
Berglin	Freeman	Luther	Peterson, D.C.	Spear
Bertram	Hughes	Merriam	Peterson, R.W.	Stumpf
Chmielewski	Johnson, D.J.	Moe, D.M.	Petty	Vega
Dahl	Jude	Moe, R.D.	Purfeerst	Waldorf
Dicklich	Kroening	Nelson	Reichgott	Willet
Dieterich	Lantry	Novak	Samuelson	

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

S.F. No. 1858 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 64 and nays 3, 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	Pehler	Solon
Berglin	Freeman	Langseth	Peterson, C.C.	Spear
Bernhagen	Gustafson	Lantry	Peterson, D.C.	Storm
Bertram	Hughes	Lessard	Peterson, D.L.	Stumpf
Brataas	Isackson	Luther	Peterson, R.W.	Taylor
Dahl	Johnson, D.E.	McQuaid	Pogemiller	Waldorf
Davis	Johnson, D.J.	Mehrkens	Purfeerst	Wegscheid
DeCramer	Jude	Merriam	Ramstad	Willet
Dicklich	Kamrath	Moe, D.M.	Reichgott	

Messrs. Chmielewski, Petty and Vega voted in the negative.

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

SPECIAL ORDER

H.F. No. 2210: A bill for an act relating to public disasters; providing for certain unemployment compensation liability; providing for certain valuation in the city of Litchfield; amending Minnesota Statutes 1984, section 268.06, subdivision 5.

Mr. Bernhagen moved that the amendment made to H.F. No. 2210 by the Committee on Rules and Administration in the report adopted March 15, 1986, pursuant to Rule 49, be stricken. The motion prevailed. So the amendment was stricken.

Mr. Chmielewski moved to amend H.F. No. 2210 as follows:

Page 2, after line 21, insert:

"Sec. 2. Minnesota Statutes 1984, section 268.07, subdivision 2, is amended to read:

Subd. 2. [WEEKLY BENEFIT AMOUNT AND DURATION.] If the commissioner finds that an individual has earned 15, or more, credit weeks within the base period of employment in insured work with one or more employers, benefits shall be payable to such individual during his benefit year as follows:

(1) Weekly benefit amount shall be equal to 60 percent of the first \$85, 40 percent of the next \$85 and 50 percent of the remainder of the average weekly wage of such individual. The amount so computed if not a whole dollar shall be rounded down to the next lower dollar amount. The maximum weekly benefit amount of claims for benefits which establish a benefit year subsequent to July 1, 1979 shall be 66-2/3 percent of the average weekly wage, except as provided in clause (d).

On or before June 30 of each year the commissioner shall determine the average weekly wage paid by employers subject to sections 268.03 to 268.24 in the following manner:

(a) The sum of the total monthly employment reported for the previous calendar year shall be divided by 12 to determine the average monthly employment.

(b) The sum of the total wages reported for the previous calendar year shall be divided by the average monthly employment to determine the average annual wage.

(c) The average annual wage shall be divided by 52 to determine the average weekly wage.

The maximum weekly benefit amount as so determined computed to the nearest whole dollar shall apply to claims for benefits which establish a benefit year which begins subsequent to June 30 of each year.

(d) The maximum weekly benefit amount for claims for benefits which establish a benefit year subsequent to June 30, 1982 1986, and prior to July 1, 1983 1989, shall be \$184 \$220.

~~The maximum weekly benefit amount for claims for benefits which estab-~~

lish a benefit year subsequent to June 30, 1983, and prior to July 1, 1984, shall be \$191.

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

(2) An individual's maximum amount of regular benefits payable in a benefit year shall not exceed the lesser of (a) 26 times his weekly benefit amount or (b) 70 percent of the number of credit weeks earned by such an individual computed to the nearest whole week times his weekly benefit amount.

(3) Each eligible individual who is unemployed in any week shall be paid with respect to such week a benefit in an amount equal to his weekly benefit amount less that part of his earnings, including holiday pay, payable to him with respect to such week which is in excess of \$25 or \$200 for earnings from service in the national guard or a United States military reserve unit. Jury duty pay is not considered as earnings and shall not be deducted from benefits paid. Such benefit, if not a whole dollar amount shall be rounded down to the next lower dollar amount.

(4) The provisions of clauses (1) and (2) shall apply to claims for benefits which establish a benefit year subsequent to June 30, 1983.

Sec. 3. [268.86] [LOAN.]

Up to \$20,000,000 is appropriated and authorized as a loan from the general fund to the commissioner of jobs and training for transfer to the unemployment compensation fund established under section 268.05 for the purpose of paying unemployment benefits due during the period from November 10, 1986, through January 1, 1987, to the extent there are insufficient funds in the unemployment compensation fund for the payment of benefits. The commissioner may transfer to the unemployment compensation fund and spend only amounts from this loan as are necessary to pay all unemployment benefits due during the period from November 10, 1986, through January 1, 1987, without requiring an advance from the secretary of the treasury of the United States under section 1201 of the Social Security Act, as amended. Amounts transferred from this loan are repayable to the general fund immediately after January 1, 1987, from contributions obtained by the commissioner pursuant to section 268.06. The amounts necessary to make the repayment are appropriated from the unemployment compensation fund for transfer to the general fund. These appropriations are available until June 30, 1987."

Page 3, after line 1, insert:

"Section 2 is effective July 1, 1986."

Page 3, line 2, delete "Section 2 is" and insert "Sections 3 and 4 are"

Renumber the sections in sequence

Amend the title accordingly

Mr. Benson questioned whether the amendment was germane.

The President ruled that the amendment was germane.

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 23 and nays 36, as follows:

Those who voted in the affirmative were:

Chmielewski	Freeman	Moe, R.D.	Peterson, R.W.	Solon
Davis	Hughes	Nelson	Petty	Waldorf
DeCramer	Johnson, D.J.	Novak	Pogemiller	Willett
Dicklich	Jude	Pehler	Reichgott	
Diessner	Luther	Peterson, C.C.	Schmitz	

Those who voted in the negative were:

Adkins	Frank	Kroening	Peterson, D.C.	Storm
Anderson	Frederick	Kronebusch	Peterson, D.L.	Taylor
Belanger	Frederickson	Laidig	Purfeerst	Vega
Benson	Gustafson	Langseth	Ramstad	Wegscheid
Berg	Isackson	Lantry	Renneke	
Bernhagen	Johnson, D.E.	McQuaid	Samuelson	
Bertram	Kamrath	Mehrkens	Sieloff	
Brataas	Knutson	Olson	Spear	

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

H.F. No. 2210 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
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	Willett
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.

Mrs. Brataas moved that H.F. No. 1850, No. 26 on Special Orders, be stricken and laid on the table. The motion prevailed.

Mrs. Brataas moved that H.F. No. 2187, No. 30 on Special Orders, be stricken and laid on the table. The motion prevailed.

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate revert to the Order of Business of Messages From the House. The motion prevailed.

MESSAGES FROM THE HOUSE

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. 1014: A bill for an act relating to public safety; subjecting rules relating to drunk driving to certain provisions of the administrative procedure act; repealing rules; providing for the application of certain traffic regulations; eliminating redundant and surplus language; requiring courts to furnish information relating to prior convictions without charge in gross misdemeanor prosecutions of the driving while under the influence of alcohol law; clarifying the prosecution for failure to appear in court; providing for notice to grandparents in certain matters concerning juveniles; providing for rights of grandparents at hearings concerning juveniles; requiring revocation of the drivers license of a person who flees in a motor vehicle from a peace officer; authorizing criminal trials with petit juries composed of six persons for gross misdemeanor prosecutions; clarifying the receipt of a copy of a confession or admission; admitting into evidence for impeachment purposes certain convictions of prior driving offenses; amending Minnesota Statutes 1984, sections 14.02, subdivision 4; 169.02, subdivision 1; 169.121, subdivisions 1, 2, and 3; 169.123, subdivision 2; 169.128; 169.129; 169.92, subdivision 1; 171.17; 171.30, subdivision 1; 260.141, subdivision 1; 260.155, subdivision 6; 593.01, subdivision 2; and 611.033; proposing coding for new law in Minnesota Statutes, chapter 634.

Senate File No. 1014 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 17, 1986

CONCURRENCE AND REPASSAGE

Mr. Petty moved that the Senate concur in the amendments by the House to S.F. No. 1014 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 1014: A bill for an act relating to crimes; providing for prosecution by city attorneys of certain misdemeanors; defining escape from a juvenile correctional facility as a delinquent act; reinstating the sheriff's contingent fund for drug and alcohol-violation investigation; permitting six-member juries in gross misdemeanor cases; permitting the imposition of fines and minimum probation periods on persons placed on probation; expanding the crime of theft to cover diversions of corporate property and unlawful distributions; amending Minnesota Statutes 1984, sections 160.27, subdivision 5; 260.015, subdivision 5; 260.125, subdivision 3; 593.01, subdivision 2; 609.13, subdivision 1; 609.135, subdivisions 2 and 4; and 611.033; and Minnesota Statutes 1985 Supplement, sections 609.135, subdivision 1; and 609.52, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 387.

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 61 and nays 0, as follows:

Those who voted in the affirmative were:

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

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 that the House has acceded to the request of the Senate for the appointment of a Conference Committee, consisting of three members of the House, on the amendments adopted by the House to the following Senate File:

S.F. No. 985: A bill for an act relating to administrative procedure; clarifying provisions relating to emergency rules; defining order and rule; limiting certain agency actions; requiring an order to be rendered in accordance with the contested case procedures of the administrative procedure act; amending Minnesota Statutes 1984, sections 14.02, by adding a subdivision; 14.29, subdivisions 1 and 2; and 14.57; Minnesota Statutes 1985 Supplement, section 14.02, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 14.

There has been appointed as such committee on the part of the House:

Knickerbocker, Knuth and Rodosovich.

Senate File No. 985 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 17, 1986

Mr. President:

I have the honor to announce that the House has acceded to the request of the Senate for the appointment of a Conference Committee, consisting of three members of the House, on the amendments adopted by the House to the following Senate File:

S.F. No. 1949: A bill for an act relating to natural resources; requiring public access restrictions to be the same as lake use restrictions; amending Minnesota Statutes 1984, sections 378.32, subdivisions 2, 6, and 7; and 459.20; proposing coding for new law in Minnesota Statutes, chapter 378.

There has been appointed as such committee on the part of the House:

Carlson, D.; McPherson and Battaglia.

Senate File No. 1949 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 17, 1986

Mr. President:

I have the honor to announce that the House has acceded to the request of the Senate for the appointment of a Conference Committee, consisting of three members of the House, on the amendments adopted by the House to the following Senate File:

S.F. No. 1993: A bill for an act relating to Minnesota Statutes; correcting erroneous, ambiguous, omitted, and obsolete references and text; eliminating certain redundant, conflicting, and superseded provisions; providing instructions to the revisor; amending Minnesota Statutes 1984, sections 8.32, subdivision 2; 10A.01, subdivision 11; 10A.04, subdivision 4a; 16A.631; 47.58, subdivision 5; 62D.22, subdivision 8; 116J.70, subdivision 2a; 116M.08, subdivision 17; 121.15, subdivision 2; 124.155, subdivision 1; 124A.02, subdivision 14; 136D.74, subdivision 2; 144.224; 176A.01, subdivision 1; 179A.10, subdivision 3; 253B.02, subdivision 4a; 260.015, subdivision 24; 260.245; 327C.07, subdivision 3a; 349.214, subdivision 2; 383A.23, subdivision 5; 385.24; 403.12, subdivision 1; 414.061, subdivisions 4 and 4a; 462A.21, subdivision 8a; 494.03; 518B.01, subdivision 2; 571.495, subdivision 2; 590.01, subdivision 1; 609.346, subdivision 3; 609.347, subdivision 3; 609.348; 609.35; 611A.03, subdivision 3; 628.26; Minnesota Statutes 1985 Supplement, sections 47.20, subdivision 6c; 64B.05, subdivision 1; 64B.37, subdivision 2; 69.011, subdivision 1; 97.50, subdivision 1; 116M.03, subdivision 28; 124.32, subdivision 1d; 145.917, subdivision 4; 147.01, subdivision 4; 147.073, subdivision 1; 168.27, subdivision 11; 248.07, subdivision 7; 256B.091, subdivision 4; 256D.37, subdivision 1; 256F.05, subdivision 4; 256F.06, subdivision 1; 273.124, subdivision 5; 297C.03, subdivision 1; 298.02, subdivision 1; 340A.702; 356.216; 358.44; 414.061, subdivision 5; 458.16; subdivision 6; 473.831, subdivision 1; 527.41; 527.42; 527.43; 528.15; 609.344, subdivision 1; 609.345, subdivision 1; 609.346, subdivision 2; 609.3471; 626.556, subdivision 2; 631.045; proposing coding for new law in Minnesota Statutes, chapter 206; repealing Minnesota Statutes 1984, section 35.067; 383A.23, subdivisions 2, 3, and 4; 403.12, subdivisions 2 and 3; Laws-1984, chapter 560, section 24; Laws 1985, chapters 248, sections 28 and 29; 252, section 24; Laws 1985, First Special Session: chapters 9, article 2, section 89; 14, article 3, section 13; 14, article 4, sections 37 and 91.

There has been appointed as such committee on the part of the House:

Bishop, Dempsey and Vanasek.

Senate File No. 1993 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 17, 1986

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 229:

H.F. No. 229: A bill for an act relating to retirement; early retirement without reduction in annuities; amending Minnesota Statutes 1984, section 356.70, subdivision 1.

The House respectfully requests that a Conference Committee of three members be appointed thereon.

Dempsey, Gutknecht and Sviggum have been appointed as such committee on the part of the House.

House File No. 229 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 17, 1986

Mr. Moe, D.M. moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 229, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 1991:

H.F. No. 1991: A bill for an act relating to metropolitan government; providing for appointments, administration, reports, and duties of metropolitan agencies; amending Minnesota Statutes 1984, sections 473.121, subdivision 6, and by adding subdivisions; 473.123, subdivisions 2a, 3, and 3a; 473.141, subdivisions 2, 3, and 4a; 473.146, subdivisions 1, 2, and 3; 473.161; 473.163, subdivisions 1 and 2; and 473.303, subdivisions 2 and 4a; Minnesota Statutes 1985 Supplement, section 473.38, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 473; repealing Minnesota Statutes 1984, sections 473.121, subdivision 7; 473.163, subdivisions 3 and 4; 473.373, subdivision 3; 473.377; and 473.38, subdivision 1.

The House respectfully requests that a Conference Committee of three members be appointed thereon.

Stanius, Tjornhom and McLaughlin have been appointed as such committee on the part of the House.

House File No. 1991 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 17, 1986

Mr. Wegscheid moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 1991, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 1035:

H.F. No. 1035: A bill for an act relating to frauds; fixing conditions for the legal determination of fraud in property transfers; enacting the uniform fraudulent transfer act; proposing coding for new law in Minnesota Statutes, chapter 513; repealing Minnesota Statutes 1984, sections 513.20; 513.21; 513.22; 513.23; 513.24; 513.25; 513.26; 513.27; 513.28; 513.29; 513.30; 513.31; and 513.32.

The House respectfully requests that a Conference Committee of five members be appointed thereon.

Dempsey, Blatz, Bishop, Piepho and Rest have been appointed as such committee on the part of the House.

House File No. 1035 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 17, 1986

Mr. Sieloff moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 1035, and that a Conference Committee of 5 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

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. 1641: A bill for an act relating to motor vehicles; establishing a system of registration of fleet vehicles; amending Minnesota Statutes 1984, section 168.011, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 168.

Senate File No. 1641 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 17, 1986

CONCURRENCE AND REPASSAGE

Mr. DeCramer moved that the Senate concur in the amendments by the House to S.F. No. 1641 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 1641: A bill for an act relating to motor vehicles; establishing a system of registration of fleet vehicles; appropriating money; amending Minnesota Statutes 1984, section 168.011, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 168.

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 61 and nays 0, as follows:

Those who voted in the affirmative were:

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

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 Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 1965: A bill for an act relating to human services; revising the community social services act; clarifying allocation of funds; expanding responsibilities of county boards; requiring the county boards to publish biennial plans relating to community social services; amending Minnesota Statutes 1984, sections 256E.05, subdivision 3; 256E.06, subdivision 2; 256E.09, subdivision 1; and Minnesota Statutes 1985 Supplement, section 256E.08, subdivision 1.

Senate File No. 1965 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 17, 1986

CONCURRENCE AND REPASSAGE

Mr. Samuelson moved that the Senate concur in the amendments by the House to S.F. No. 1965 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 1965 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 63 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	Langseth	Peterson, R.W.	Stumpf
Bertram	Gustafson	Lantry	Petty	Taylor
Brataas	Hughes	Luther	Pogemiller	Vega
Chmielewski	Isackson	McQuaid	Purfearer	Waldorf
Dahl	Johnson, D.E.	Mehrkens	Ramstad	Willet
Davis	Johnson, D.J.	Merriam	Reichgott	
DeCramer	Jude	Moe, R.D.	Renneke	

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 Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 1648: A bill for an act relating to firearms; permitting certain licensed dealers and manufacturers to own or possess machine guns and short-barreled shotguns for certain purposes; amending Minnesota Statutes 1984, section 609.67, subdivisions 3 and 4.

Senate File No. 1648 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 17, 1986

CONCURRENCE AND REPASSAGE

Mr. Belanger moved that the Senate concur in the amendments by the House to S.F. No. 1648 and that the bill be placed on its repassage as amended.

Mr. Merriam moved that the Senate do not concur in the amendments by the House to S.F. No. 1648, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House.

The question was taken on the adoption of the Merriam motion.

The roll was called, and there were yeas 45 and nays 19, as follows:

Those who voted in the affirmative were:

Adkins	Dicklich	Knutson	Novak	Samuelson
Anderson	Diessner	Kroening	Pehler	Solon
Belanger	Dieterich	Langseth	Peterson, C.C.	Spear
Berg	Frank	Lantry	Peterson, D.C.	Storm
Berglin	Frederick	Lessard	Peterson, R.W.	Stumpf
Bertram	Freeman	Luther	Petty	Vega
Chmielewski	Hughes	Merriam	Pogemiller	Waldorf
Dahl	Johnson, D.J.	Moe, D.M.	Purfearer	Wegscheid
DeCramer	Jude	Moe, R.D.	Reichgott	Willet

Those who voted in the negative were:

Benson
Bernhagen
Brataas
Frederickson

Gustafson
Isackson
Johnson, D.E.
Kamrath

Knaak
Kronebusch
Laidig
McQuaid

Mehrkens
Olson
Peterson, D.L.
Ramstad

Renneke
Sieloff
Taylor

The motion prevailed.

RECESS

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

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

APPOINTMENTS

Mr. Moe, R.D. from the Subcommittee on Committees recommends that the following Senators be and they hereby are appointed as a Conference Committee on:

H.F. No. 229: Messrs. Moe, D.M.; Spear and Renneke.

H.F. No. 1035: Messrs. Merriam, Sieloff, Lessard, Jude and Chmielewski.

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

MOTIONS AND RESOLUTIONS - CONTINUED

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, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 1980: A bill for an act relating to human services; providing for exhaustion of benefits from other programs before payment of adoption subsidies; amending Minnesota Statutes 1984, section 259.40, subdivisions 1 and 2; proposing coding for new law in Minnesota Statutes, chapter 259.

Senate File No. 1980 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 17, 1986

CONCURRENCE AND REPASSAGE

Mr. Peterson, R.W. moved that the Senate concur in the amendments by the House to S.F. No. 1980 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 1980: A bill for an act relating to human services; providing for

exhaustion of benefits from other programs before payment of adoption subsidies; establishing a family subsidy program for families with children with developmental disabilities; amending Minnesota Statutes 1984, sections 252.32 and 259.40, subdivisions 1 and 2; proposing coding for new law in Minnesota Statutes, chapter 259; repealing Minnesota Statutes 1984, section 252.27, subdivision 4.

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 63 and nays 0, as follows:

Those who voted in the affirmative were:

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
Chmielewski	Isackson	McQuaid	Pogemiller	Waldorf
Dahl	Johnson, D.E.	Mehrkens	Purfeerst	Wegscheid
Davis	Johnson, D.J.	Merriam	Ramstad	Willett
DeCramer	Jude	Moe, D.M.	Reichgott	
Dicklich	Knaak	Moe, R.D.	Renneke	

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

MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 2280 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S.F. NO. 2280

A bill for an act relating to taxation; imposing levy limits on certain towns and cities; altering provisions governing distribution of certain taconite tax proceeds; reducing the taconite railroad gross earnings tax rate; reducing occupation and royalty tax rates; providing for the deduction of taconite production taxes and transportation costs; appropriating money; amending Minnesota Statutes 1984, sections 275.125, subdivision 9; 275.50, subdivision 2; 275.51, subdivision 3f; 298.225, by adding a subdivision; and 298.24, subdivision 1; Minnesota Statutes 1985 Supplement, sections 294.22; 298.01, subdivision 1; 298.03; 298.225, subdivision 1; 298.28, subdivision 1; and 299.01, subdivision 1.

March 17, 1986

The Honorable Jerome M. Hughes
President of the Senate

The Honorable David M. Jennings
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 2280, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendment and that S.F. No. 2280 be further amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1984, section 275.125, subdivision 9, is amended to read:

Subd. 9. [LEVY REDUCTIONS; TACONITE.] (1) Reductions in levies pursuant to subdivision 10 of this section, and section 273.138, shall be made prior to the reductions in clause (2).

(2) Notwithstanding any other law to the contrary, districts which received payments pursuant to sections 294.21 to 294.26; 298.23 to 298.28, *except an amount distributed under section 298.28, subdivision 1, paragraph (3)(b)(ii)*; 298.34 to 298.39; 298.391 to 298.396; 298.405; 298.51 to 298.67; 477A.15; and any law imposing a tax upon severed mineral values, or under any other law distributing proceeds in lieu of ad valorem tax assessments on copper or nickel properties, or recognized revenue pursuant to section 477A.15; shall not include a portion of these aids in their permissible levies pursuant to those sections, but instead shall reduce the permissible levies authorized by this section and sections 124A.03, 124A.06, subdivision 3a, 124A.08, subdivision 3a, 124A.10, subdivision 3a, 124A.12, subdivision 3a, and 124A.14, subdivision 5a by the greater of the following:

(a) an amount equal to 50 percent of the total dollar amount of the payments received pursuant to those sections or revenue recognized pursuant to section 477A.15 in the previous fiscal year; or

(b) an amount equal to the total dollar amount of the payments received pursuant to those sections or revenue recognized pursuant to section 477A.15 in the previous fiscal year less the product of the same dollar amount of payments or revenue times the ratio of the maximum levy allowed the district under ~~section 124A.03, subdivision 1~~ *sections 124A.03, subdivision 2, 124A.06, subdivision 3a, 124A.08, subdivision 3a, 124A.10, subdivision 3a, 124A.12, subdivision 3a, and 124A.14, subdivision 5a*, to the total levy allowed the district under this section and sections 124A.03, 124A.06, subdivision 3a, 124A.08, subdivision 3a, 124A.10, subdivision 3a, 124A.12, subdivision 3a, ~~and 124A.14, subdivision 5a, and 124A.20, subdivision 2~~, in the year in which the levy is certified.

(3) No reduction pursuant to this subdivision shall reduce the levy made by the district pursuant to section 124A.03, subdivision 1, to an amount less than the amount raised by a levy of 12.5 mills times the adjusted assessed valuation of that district for the preceding year as determined by the equalization aid review committee. The amount of any increased levy authorized by referendum pursuant to section 124A.03, subdivision 2 shall not be reduced pursuant to this subdivision. The amount of any levy authorized by subdivision 4, to make payments for bonds issued and for interest thereon, shall not be reduced pursuant to this subdivision.

(4) Before computing the reduction pursuant to this subdivision of the capital expenditure levy authorized by subdivision 11a, and the community service levy authorized by subdivision 8, the commissioner shall ascertain from each affected school district the amount it proposes to levy for capital expenditures pursuant to subdivision 11a and for community services pursu-

ant to subdivision 8. The reduction of the capital expenditure levy and the community services levy shall be computed on the basis of the amount so ascertained.

(5) Notwithstanding any law to the contrary, any amounts received by districts in any fiscal year pursuant to sections 294.21 to 294.26; 298.23 to 298.28; 298.34 to 298.39; 298.391 to 298.396; 298.405; 298.51 to 298.67 *except an amount distributed under section 298.28, subdivision 1, paragraph (3)(b)(ii);* or any law imposing a tax on severed mineral values, or under any other law distributing proceeds in lieu of ad valorem tax assessments on copper or nickel properties; and not deducted from foundation aid pursuant to section 124A.035, subdivision 5, clause (2), and not applied to reduce levies pursuant to this subdivision shall be paid by the district to the ~~commissioner of finance~~ *St. Louis county auditor* in the following amount by March 15 of each year *except 1986*, the amount required to be subtracted from the previous fiscal year's foundation aid pursuant to section 124A.035, subdivision 5, which is in excess of the foundation aid earned for that fiscal year. The ~~commissioner of finance~~ *county auditor* shall deposit any amounts received pursuant to this clause in the ~~taconite property tax relief fund in the state treasury, established pursuant to section 16A.70~~ *St. Louis county treasury* for purposes of paying the taconite homestead credit as provided in section 273.135.

Sec. 2. Minnesota Statutes 1984, section 275.50, subdivision 2, is amended to read:

Subd. 2. [GOVERNMENTAL SUBDIVISION.] (a) "Governmental subdivision" means a county, home rule charter city, or statutory city, except a home rule charter or statutory city that has a population of less than 5,000 according to the most recent federal census.

(b) "Governmental subdivision" also includes any city or town that receives a distribution from the taconite municipal aid account in the levy year.

Sec. 3. Minnesota Statutes 1984, section 275.51, subdivision 3f, is amended to read:

Subd. 3f. [LEVY LIMIT BASE.] (a) The property tax levy limit base for governmental subdivisions for taxes levied in 1983 shall be calculated by adding the following amounts:

(1) the property tax permitted to be levied in 1982 for taxes payable in 1983 pursuant to Minnesota Statutes 1982, section 275.51, subdivision 3e; plus

(2) the amount of any payments the governmental subdivision was certified to receive in 1983 pursuant to Minnesota Statutes 1982, sections 477A.011 to 477A.03; plus

(3) the amount of any payments certified to the governmental subdivision in 1983 pursuant to Minnesota Statutes 1982, sections 298.28 and 298.282; plus

(4) the difference between the amount certified to the governmental subdivision in 1983 and the amount certified in 1984 pursuant to section 273.138; plus

(5) any amount levied as a special assessment to cover the costs of munic-

ipal operation and maintenance activities for the taxes payable year 1983; and

(6) the amount of any base adjustment authorized by the commissioner of revenue pursuant to subdivision 3g.

(b) For taxes levied in 1984 and subsequent years, a governmental subdivision's levy limit base is equal to its adjusted levy limit base for the preceding year provided that, for taxes levied in 1984, the levy limit base of a county containing a city of the first class shall be increased by the amount paid to the county under section 273.138 in 1984 less the amount that will be paid to it under section 273.138 in 1985.

(c) The property tax levy limit base for cities and towns defined as a governmental subdivision only under section 275.50, subdivision 2, paragraph (b), for taxes levied in 1986 shall be calculated by adding the following amounts:

(1) the property tax levied in 1985 for taxes payable in 1986, exclusive of any levies for debt service; plus

(2) the amount of any payments the governmental subdivision was certified to receive in 1986 pursuant to Minnesota Statutes 1985 Supplement, sections 477A.011 to 477A.03; plus

(3) the amount of any payments certified to the governmental subdivision in 1986 pursuant to Minnesota Statutes 1984, section 298.282, and Minnesota Statutes 1985 Supplement, section 298.28; plus

(4) any amount levied as a special assessment to cover the costs of municipal operation and maintenance activities for the taxes payable year 1986.

For taxes levied in 1987 and subsequent years, the levy limit base of a governmental subdivision defined only in section 275.50, subdivision 2, paragraph (b), is equal to its adjusted levy limit base for the preceding year.

Sec. 4. Minnesota Statutes 1984, section 275.51, subdivision 3i, is amended to read:

Subd. 3i. [LEVY LIMITATION.] The levy limitation for a governmental subdivision shall be equal to the adjusted levy limit base determined pursuant to subdivision 3h, reduced by (a) the total amount of local government aid that the governmental subdivision has been certified to receive pursuant to sections 477A.011 to 477A.014; (b) taconite aids pursuant to sections 298.28 and 298.282 including any aid received in the levy year which was required to be placed in a special fund for expenditure in the next succeeding year; (c) state reimbursements for wetlands and native prairie property tax exemptions pursuant to sections 273.115, subdivision 3 and 273.116, subdivision 3; and (d) payments in lieu of taxes to a county pursuant to section 477A.12 which are required to be used to provide property tax levy reduction certified to be paid in the calendar year in which property taxes are payable. If the sum of the taconite aids deducted exceeds the adjusted levy limit base, the excess must be used to reduce the amounts levied as special levies pursuant to section 275.50, subdivisions 5 and 7. The commissioner of revenue shall notify a governmental subdivision of any excess taconite aids to be used to reduce special levies.

As provided in section 298.28, subdivision 1, one cent per taxable ton of

the amount distributed under section 298.28, subdivision 1, clause (4)(c) shall not be deducted from the levy limit base of the counties that receive that aid. The resulting figure is the amount of property taxes which a governmental subdivision may levy for all purposes other than those for which special levies and special assessments are made.

For taxes levied in 1987 and subsequent years, the levy limit for a county as calculated under paragraph (b) shall be decreased by an additional amount equal to the reduction in the distribution to the county under Minnesota Statutes, section 298.28, from the 1986 distribution to the 1987 distribution.

Sec. 5. Minnesota Statutes 1985 Supplement, section 294.22, is amended to read:

294.22 [GROSS EARNINGS TAX; COMPUTATION.]

Every company owning or operating any taconite railroad shall pay annually into the state treasury a sum of money equal to ~~five~~ 3.75 percent of the gross earnings derived from the operation of such taconite railway within the state. The gross earnings of such a taconite railroad company from the transportation of taconite concentrates from the Mesabi Range to ports on Lake Superior, for all purposes hereof, shall be a sum of money equal to the amount which would be charged under established tariffs of common carriers for the transportation of an equal tonnage of iron ore or taconite concentrates, whichever is shipped from Mesabi Range points to ports at the head of Lake Superior, including the established charges for loading such ore on boats. For all purposes of chapter 298 the rate of the gross earnings as so calculated shall be treated as the cost of transportation of such concentrates or iron ore between such points. If such a taconite railroad company transports coal or any other commodity, except taconite concentrates, its gross earnings shall include an amount equal to the established tariffs of common carriers for the transportation of the same quantities of similar commodities for corresponding distances, not, however, including any such charges for any such commodities used or intended to be used in the construction, operation or maintenance of such railroad.

Sec. 6. Minnesota Statutes 1984, section 294.23, is amended to read:

294.23 [COMPANIES LIABLE FOR TAX.]

If a company producing concentrates from taconite shall transport the taconite in the course of the concentrating process and before such concentrating process is completed to a concentrating plant located within the state over a railroad which is not a common carrier and shall not use a common carrier or taconite railroad company as defined in section 294.21 for the movement of the concentrate to a point of consumption or port for shipment beyond the state, then such company nevertheless shall pay annually into the state treasury a tax equal to ~~five~~ 3.75 percent of the amount which would be charged for the transportation of such concentrates produced by such taconite company as if such concentrates were transported by a common carrier under established tariffs of common carriers from the Mesabi Range or other iron range point nearest to the mine at which such taconite is quarried to ports at the head of Lake Superior, including established charges for loading such ore on boats. For the purposes of sections 294.24 to 294.28, such a company

shall be considered a taconite railroad company.

Sec. 7. Minnesota Statutes 1985 Supplement, section 297A.15, subdivision 5, is amended to read:

Subd. 5. [REFUND; APPROPRIATION.] Notwithstanding the provisions of sections 297A.02, subdivision 2, and 297A.257 the tax on sales of capital equipment, *and construction materials and supplies under section 297A.257*, shall be imposed and collected as if the rate under section 297A.02, subdivision 1, applied. Upon application by the purchaser, on forms prescribed by the commissioner, a refund equal to the reduction in the tax due as a result of the application of the rates under section 297A.02, subdivision 2, or the exemption under section 297A.257 shall be paid to the purchaser. *In the case of building materials qualifying under section 297A.257 where the tax was paid by a contractor, application must be made by the owner for the sales tax paid by all the contractors, subcontractors, and builders for the project. The application must include sufficient information to permit the commissioner to verify the sales tax paid for the project.* The application shall include information necessary for the commissioner initially to verify that the purchases qualified as capital equipment under section 297A.02, subdivision 2, or *capital equipment or construction materials and supplies under section 297A.257*. No more than two applications for refunds may be filed under this subdivision in a calendar year. Unless otherwise specifically provided by this subdivision, the provisions of section 297A.34 apply to the refunds payable under this subdivision. There is annually appropriated to the commissioner of revenue the amount required to make the refunds.

Sec. 8. Minnesota Statutes 1985 Supplement, section 297A.257, is amended by adding a subdivision to read:

Subd. 2a. [EXEMPTION FOR CONSTRUCTION MATERIALS.]

Construction materials and supplies are exempt from the tax imposed under this chapter, regardless of whether purchased by the owner or a contractor, subcontractor, or builder, if all of the following conditions are met:

(1) the materials and supplies are used or consumed in constructing a new manufacturing facility or expanding an existing one in a distressed county;

(2) the total capital investment made within a three-year period exceeds \$75,000,000.

A county is a distressed county for purposes of a project qualifying under this subdivision if it was designated as a distressed county at the time the initial contract to purchase the materials and supplies was executed.

Sec. 9. Minnesota Statutes 1985 Supplement, section 298.03, is amended to read:

298.03 [VALUE OF ORE; HOW ASCERTAINED.]

Subdivision 1. [GENERAL RULES.] The valuation of iron or other ores for the purposes of determining the amount of tax to be paid under the provisions of section 298.01 shall be ascertained by subtracting from the value of such ore, at the place where the same is brought to the surface of the earth, such value to be determined by the commissioner of revenue:

(1) the reasonable cost of supplies used and labor performed at the mine in separating the ore from the ore body, including hoisting, elevating, or conveying the same to the surface of the earth;

(2) if the ore is taken from an open pit mine, an amount for each ton of ore mined or produced during the year equal to the cost of removing the overburden, divided by the number of tons of ore uncovered, the number of tons of ore uncovered in each case to be determined by the commissioner of revenue;

(3) if the ore is taken from an underground mine, an amount for each ton of ore mined or produced during the year equal to the cost of sinking and constructing shafts and running drifts, divided by the number of tons of ore that can be advantageously taken out through such shafts and drifts, the number of tons of ore that can be advantageously taken out in each case to be determined by the commissioner of revenue;

(4) the amount of royalties paid on the ore mined or produced during the year;

(5) for persons mining or producing iron ore the mining or production of which is subject to the occupation tax imposed by section 298.01, subdivision 1, the amount of the ad valorem taxes levied and paid for the year against the realty in which the ore is deposited; for all others a percentage of the ad valorem taxes levied and paid for such year against the realty in which the ore is deposited equal to the percentage that the tons mined or produced during such year bears to the total tonnage in the mine;

(6) in the case of taconite, semitaconite and iron sulphide operations, the tax payable under section 298.24, ~~but not exceeding 25 cents per taxable ton,~~ and that payable under section 298.35, on the concentrates produced in said year and any taxes paid under Laws 1955, chapter 391, 429, 514, 576 or 540, or any other law imposing on such taconite operations a specific tax for school or other governmental purposes;

(7) the amount or amounts of all the foregoing subtractions shall be ascertained and determined by the commissioner of revenue. Deductions for interest on plant investment shall not exceed the greater of (a) four percent of book value, or (b) the amount actually paid but not exceeding six percent of book value. No subtraction shall be allowed for shrinkage of iron ore.

Subd. 2. [SPECIAL TRANSPORTATION COSTS.] With respect to transportation costs incurred after June 30, 1986, if the ore is not transported using the Great Lakes Seaway system, the commissioner must allow, as a deduction in computing the valuation of the ore, the reasonable cost of transportation of the ore to its destination. This subdivision does not affect the valuation of ore shipped using the Great Lakes Seaway system.

Sec. 10. Minnesota Statutes 1985 Supplement, section 298.225, subdivision 1, is amended to read:

298.225 [APPROPRIATION.]

Subdivision 1. For distribution of taconite production tax in ~~1985~~ 1987 and thereafter with respect to production in ~~1984~~ 1986 and thereafter, the ~~recipients~~ distribution of the taconite production tax as provided in section 298.28, subdivision 1, clauses (1) to (4) and (5)(b), (5)(c), (6), and (7)(a), shall

receive distributions equal to the lesser of the following amounts:

(1) the amount distributed to ~~them~~ pursuant to this section and section 298.28, subdivision 1, with respect to 1983 production if the production for the year prior to the distribution year is no less than 42,000,000 taxable tons. If the production is less than 42,000,000 taxable tons, the amount of the distributions shall be reduced proportionately at the rate of two percent for each 1,000,000 tons, or part of 1,000,000 tons by which the production is less than 42,000,000 tons; or

(2)(i) for the distributions made pursuant to section 298.28, subdivision 1, clauses (3)(a), (3)(b), and (5)(c), 50 percent of the amount distributed pursuant to this section and section 298.28, subdivision 1, with respect to 1983 production.

(ii) for the distributions made pursuant to section 298.28, subdivision 1, clauses (4)(a) and (4)(b), 75 percent of the amount distributed pursuant to this section and section 298.28, subdivision 1, with respect to 1983 production.

Sec. 11. Minnesota Statutes 1984, section 298.24, subdivision 1, is amended to read:

Subdivision 1. (a) *For concentrate produced in 1986* there is hereby imposed upon taconite and iron sulphides, and upon the mining and quarrying thereof, and upon the production of iron ore concentrate therefrom, and upon the concentrate so produced, a tax of ~~\$1.25 cents~~ *\$1.90* per gross ton of merchantable iron ore concentrate produced therefrom. The tax on concentrates produced in 1978 and subsequent years prior to 1985 shall be equal to ~~\$1.25~~ multiplied by the steel mill products index during the production year, divided by the steel mill products index in 1977. The index stated in code number 1013, or any subsequent equivalent, as published by the United States Department of Labor, Bureau of Labor Statistics Wholesale Prices and Price Indexes for the month of January of the year in which the concentrate is produced shall be the index used in calculating the tax imposed herein. In no event shall the tax be less than ~~\$1.25~~ per gross ton of merchantable iron ore concentrate. The tax on concentrates produced in 1985 and 1986 shall be at the rate determined for 1984 production.

(b) *Except as provided in paragraph (c),* for concentrates produced in 1987 and subsequent years, the tax rate shall be equal to the preceding year's tax rate plus an amount equal to the preceding year's tax multiplied by the percentage increase in the implicit price deflator from the fourth quarter of the second preceding year to the fourth quarter of the preceding year. "Implicit price deflator" for the gross national product means the implicit price deflator prepared by the bureau of economic analysis of the United States department of commerce.

(b) On concentrates produced in 1984, an additional tax is imposed equal to eight-tenths of one percent of the total tax imposed by clause (a) per gross ton for each one percent that the iron content of such product exceeds 62 percent, when dried at 212 degrees Fahrenheit.

(c) The tax imposed by this subdivision on concentrates produced in 1984 shall be computed on the production for the current year. The tax on concentrates produced in 1985 shall be computed on the average of the production

for the current year and the previous year.

(c) *The provisions of paragraph (b) will not be in effect for concentrates produced in 1987 if the 1987 production is not less than 33,000,000 tons, and will not be in effect for concentrates produced in 1988 if the 1988 production is not less than 34,000,000 tons. If the provisions of paragraph (b) are not in effect for concentrates produced in a year, the rate of the tax for that year's production will be the rate of the tax imposed on the previous year's production. The tax on concentrates produced in 1986 and thereafter shall be imposed on the average of the production for the current year and the previous two years. The rate of the tax imposed will be the current year's tax rate. This clause shall not apply in the case of the closing of a taconite facility if the property taxes on the facility would be higher if this clause and section 298.25 were not applicable.*

(d) If the tax or any part of the tax imposed by this subdivision is held to be unconstitutional, a tax of \$1.25 \$1.90 per gross ton of merchantable iron ore concentrate produced shall be imposed.

Sec. 12. Minnesota Statutes 1985 Supplement, section 298.28, subdivision 1, is amended to read:

Subdivision 1. [DISTRIBUTION.] The proceeds of the taxes collected under section 298.24, except the tax collected under section 298.24, subdivision 2, shall, upon certification of the commissioner of revenue, be allocated as follows:

(1) 2.5 cents per gross ton of merchantable iron ore concentrate, hereinafter referred to as "taxable ton," to the city or town in the county in which the lands from which taconite was mined or quarried were located or within which the concentrate was produced. If the mining, quarrying, and concentration, or different steps in either thereof are carried on in more than one taxing district, the commissioner shall apportion equitably the proceeds of the part of the tax going to cities and towns among such subdivisions upon the basis of attributing 40 percent of the proceeds of the tax to the operation of mining or quarrying the taconite, and the remainder to the concentrating plant and to the processes of concentration, and with respect to each thereof giving due consideration to the relative extent of such operations performed in each such taxing district. His order making such apportionment shall be subject to review by the tax court at the instance of any of the interested taxing districts, in the same manner as other orders of the commissioner.

(2) (a) 12.5 cents per taxable ton, less any amount distributed under clause (7), paragraph (a), and paragraph (b) of this clause, to be distributed as provided in section 298.282.

(b) An amount annually certified by the county auditor of a county containing a taconite tax relief area within which there is (1) an organized township if, as of January 2, 1982, more than 75 percent of the assessed valuation of the township consists of iron ore or (2) a city if, as of January 2, 1980, more than 75 percent of the assessed valuation of the city consists of iron ore. The amount will be the portion of a township's or city's certified levy equal to the proportion of (1) the difference between 50 percent of the township's January 2, 1982, assessed value in the case of a township and 50 percent of the January 2, 1980, assessed value in the case of a city and its

current assessed value to (2) the sum of its current assessed value plus the difference determined in (1). The county auditor shall extend the township's or city's levy against the sum of the township's or city's current assessed value plus the difference between 50 percent of its January 2, 1982, assessed value and its current assessed value in the case of a township and between 50 percent of its January 2, 1980, assessed value and its current assessed value in the case of a city. If the current assessed value of the township exceeds 50 percent of the township's January 2, 1982, assessed value, or if the current assessed value of the city exceeds 50 percent of the city's January 2, 1980, assessed value, this clause shall not apply.

(3) ~~29~~ 27.5 cents per taxable ton plus the increase provided in paragraph (c) to qualifying school districts to be distributed, based upon the certification of the commissioner of revenue, as follows:

(a) ~~Six~~ 5.5 cents per taxable ton to the school districts in which the lands from which taconite was mined or quarried were located or within which the concentrate was produced. The distribution must be based on the apportionment formula prescribed in clause (1).

(b) ~~23~~ (i) 22 cents per taxable ton, less any amount distributed under part (d), shall be distributed to a group of school districts comprised of those school districts wherein the taconite was mined or quarried or the concentrate produced or in which there is a qualifying municipality as defined by section 273.134 in direct proportion to school district tax levies as follows: each district shall receive that portion of the total distribution which its certified levy for the prior year, computed pursuant to sections 124A.03, 124A.06, subdivision 3a, 124A.08, subdivision 3a, 124A.10, subdivision 3a, 124A.12, subdivision 3a, 124A.14, subdivision 5a, and 275.125, comprises of the sum of certified levies for the prior year for all qualifying districts, computed pursuant to sections 124A.03, 124A.06, subdivision 3a, 124A.08, subdivision 3a, 124A.10, subdivision 3a, 124A.12, subdivision 3a, 124A.14, subdivision 5a, and 275.125. For purposes of distributions pursuant to this part, certified levies for the prior year computed pursuant to sections 124A.03, 124A.06, subdivision 3a, 124A.08, subdivision 3a, 124A.10, subdivision 3a, 124A.12, subdivision 3a, 124A.14, subdivision 5a, and 275.125 shall not include the amount of any increased levy authorized by referendum pursuant to section 124A.03, subdivision 2 in direct proportion to school district indexes as follows: for each school district, its pupil units determined under section 124.17 for the prior school year shall be multiplied by the ratio of the average adjusted assessed value per pupil unit as calculated pursuant to chapter 124A for the school year ending prior to distribution to the adjusted assessed value per pupil unit of the district. Each district shall receive that portion of the distribution which its index bears to the sum of the indices for all school districts that receive the distributions.

(ii) Notwithstanding clause (i), each school district shall receive a distribution under this paragraph (b) that is no less than the amount of its levy reduction under section 275.125, subdivision 9, for the second year prior to the year of the distribution; the amount necessary to make this minimum payment shall be derived from proportionate reductions in the initial distribution to other school districts under clause (i).

(c) On July 15, in years prior to 1988, an amount equal to the increase

derived by increasing the amount determined by clause (3)(b) in the same proportion as the increase in the steel mill products index over the base year of 1977 as provided in section 298.24, subdivision 1, clause (a), shall be distributed to any school district described in clause (3)(b) where a levy increase pursuant to section 124A.03, subdivision 2, is authorized by referendum, according to the following formula. On July 15, 1988 and subsequent years, the increase over the amount established for the prior year shall be determined according to the increase in the implicit price deflator as provided in section 298.24, subdivision 1, paragraph (a). Each district shall receive the product of:

(i) \$150 times the pupil units identified in section 124.17, subdivision 1, ~~clauses (1) and (2)~~, enrolled in the second previous year or the 1983-1984 school year, whichever is greater, less the product of 1-3/4 mills times the district's taxable valuation in the second previous year; times

(ii) the lesser of:

(A) one, or

(B) the ratio of the amount certified pursuant to section 124A.03, subdivision 2, in the previous year, to the product of 1-3/4 mills times the district's taxable valuation in the second previous year.

If the total amount provided by clause (3)(c) is insufficient to make the payments herein required then the entitlement of \$150 per pupil unit shall be reduced uniformly so as not to exceed the funds available. Any amounts received by a qualifying school district in any fiscal year pursuant to clause (3)(c) shall not be applied to reduce foundation aids which the district is entitled to receive pursuant to section 124A.02 or the permissible levies of the district. Any amount remaining after the payments provided in this paragraph shall be paid to the commissioner of iron range resources and rehabilitation who shall deposit the same in the taconite environmental protection fund and the northeast Minnesota economic protection trust fund as provided in clause (9).

(d) There shall be distributed to any school district the amount which the school district was entitled to receive under section 298.32 in 1975.

(4) ~~19.5~~ 16.5 cents per taxable ton to counties to be distributed, based upon certification by the commissioner of revenue, as follows:

(a) ~~15.5~~ 13 cents per taxable ton shall be distributed to the county in which the taconite is mined or quarried or in which the concentrate is produced, less any amount which is to be distributed pursuant to part (b). The apportionment formula prescribed in clause (1) is the basis for the distribution.

(b) If an electric power plant owned by and providing the primary source of power for a taxpayer mining and concentrating taconite is located in a county other than the county in which the mining and the concentrating processes are conducted, one cent per taxable ton of the tax distributed to the counties pursuant to part (a) and imposed on and collected from such taxpayer shall be paid to the county in which the power plant is located.

(c) ~~Four~~ 3.5 cents per taxable ton shall be paid to the county from which the taconite was mined, quarried or concentrated to be deposited in the county road and bridge fund. If the mining, quarrying and concentrating, or separate

steps in any of those processes are carried on in more than one county, the commissioner shall follow the apportionment formula prescribed in clause (1).

(5) (a) ~~47.75~~ 22 cents per taxable ton, less any amount required to be distributed under ~~part parts~~ (b) and (c), to St. Louis county acting as the counties' fiscal agent, to be distributed as provided in sections 273.134 to 273.136.

(b) If an electric power plant owned by and providing the primary source of power for a taxpayer mining and concentrating taconite is located in a county other than the county in which the mining and the concentrating processes are conducted, ~~.75~~ .1875 cent per taxable ton of the tax imposed and collected from such taxpayer shall be paid to the county and school district in which the power plant is located as follows: 25 percent to the county and 75 percent to the school district.

(c) *If an electric power plant owned by and providing the primary source of power for a taxpayer mining and concentrating taconite is located in a school district other than a school district in which the mining and concentrating processes are conducted, .5625 cent per taxable ton of the tax imposed and collected from the taxpayer shall be paid to the school district.*

(6) Three cents per taxable ton shall be paid to the iron range resources and rehabilitation board for the purposes of section 298.22. The amount determined in this clause shall be increased in 1981 and subsequent years prior to 1988 in the same proportion as the increase in the steel mill products index as provided in section 298.24, subdivision 1 and shall be increased in 1988 and subsequent years according to the increase in the implicit price deflator as provided in section 298.24, subdivision 1. The amount distributed pursuant to this clause shall be expended within or for the benefit of a tax relief area defined in section 273.134. No part of the fund provided in this clause may be used to provide loans for the operation of private business unless the loan is approved by the governor and the legislative advisory commission.

(7) (a) .20 cent per taxable ton shall be paid to the range association of municipalities and schools, for the purpose of providing an areawide approach to problems which demand coordinated and cooperative actions and which are common to those areas of northeast Minnesota affected by operations involved in mining iron ore and taconite and producing concentrate therefrom, and for the purpose of promoting the general welfare and economic development of the cities, towns and school districts within the iron range area of northeast Minnesota.

(b) 1.5 cents per taxable ton shall be paid to the northeast Minnesota economic protection trust fund.

(8) the amounts determined under clauses ~~(4)(a), (4)(c), (5)(a)~~ and (7)(b) shall be increased in 1979 and subsequent years prior to 1988 in the same proportion as the increase in the steel mill products index as provided in section 298.24, subdivision 1. Those amounts shall be increased in 1988 and subsequent years in the same proportion as the increase in the implicit price deflator as provided in section 298.24, subdivision 1.

The amounts determined under clauses (4)(a), (4)(c), (5)(b), and (5)(c) for distribution in 1987 and subsequent years shall be the amount determined for

distribution in 1986 under Minnesota Statutes 1985 Supplement, section 298.28, subdivision 1, clauses (4)(a), (4)(c), and (5)(b).

(9) the proceeds of the tax imposed by section 298.24 which remain after the distributions and payments in clauses (1) to (8), as certified by the commissioner of revenue, and parts (a) and (b) of this clause have been made, together with interest earned on all money distributed under this subdivision prior to distribution, shall be divided between the taconite environmental protection fund created in section 298.223 and the northeast Minnesota economic protection trust fund created in section 298.292 as follows: Two-thirds to the taconite environmental protection fund and one-third to the northeast Minnesota economic protection trust fund. The proceeds shall be placed in the respective special accounts.

(a) There shall be distributed to each city, town, school district, and county the amount that they received under section 294.26 in calendar year 1977; provided, however, that the amount distributed in 1981 to the unorganized territory number 2 of Lake county and the town of Beaver Bay based on the between-terminal trackage of Erie Mining Company will be distributed in 1982 and subsequent years to the unorganized territory number 2 of Lake county and the towns of Beaver Bay and Stony River based on the miles of track of Erie Mining Company in each taxing district.

(b) There shall be distributed to the iron range resources and rehabilitation board the amounts it received in 1977 under section 298.22.

On or before October 10 of each calendar year each producer of taconite or iron sulphides subject to taxation under section 298.24 (hereinafter called "taxpayer") shall file with the commissioner of revenue an estimate of the amount of tax which would be payable by such taxpayer under said law for such calendar year; provided such estimate shall be in an amount not less than the amount due on the mining and production of concentrates up to September 30 of said year plus the amount becoming due because of probable production between September 30 and December 31 of said year, less any credit allowable as hereinafter provided. The commissioner of revenue shall annually on or before October 10 report an estimated distribution amount to each taxing district and the officers with whom such report is so filed shall use the amount so indicated as being distributable to each taxing district in computing the permissible tax levy of such county or city in the year in which such estimate is made, and payable in the next ensuing calendar year, except that one cent per taxable ton of the amount distributed under clause (4)(c) shall not be deducted in calculating the permissible levy. In any calendar year in which a general property tax levy subject to sections 275.50 to 275.59 has been made, if the taxes distributable to any such county or city are greater than the amount estimated by the commissioner to be paid to any such county or city in such year, the excess of such distribution shall be held in a special fund by the county or city and shall not be expended until the succeeding calendar year, and shall be included in computing the permissible levies under sections 275.50 to 275.59, of such county or city payable in such year. If the amounts distributable to any such county or city after final determination by the commissioner of revenue under this section are less than the amounts by which a taxing district's levies were reduced pursuant to this section, such county or city may issue certificates of indebtedness in the amount of the shortage, and may include in its next tax levy, in excess of the

limitations of sections 275.50 to 275.59 an amount sufficient to pay such certificates of indebtedness and interest thereon, or, if no certificates were issued, an amount equal to such shortage.

Sec. 13. Minnesota Statutes 1984, section 298.282, subdivision 2, is amended to read:

Subd. 2. (a) Each year following the final determination of the amount of taxes payable under section 298.24, the commissioner of revenue shall determine the amount in the taconite municipal aid account as of July 1 of such year and the amount to be distributed to each qualifying municipality during such year. The amount to be distributed to each qualifying municipality shall be determined by dividing the total amount in said account, after a reduction equal to the amount of the distribution in subdivision 5, as of July 1 by the total population according to the latest federal census of all qualifying municipalities to determine the per capita distributive share for such year and by multiplying the per capita distributive share by the population of such municipality determining an index for each qualifying municipality by subtracting its local effort mill rate, multiplied by its equalized assessed value, from its fiscal need factor. For the purposes of this subdivision, the following terms have the meanings given them herein. A municipality's "local effort mill rate" means its fiscal need factor per capita divided by \$17 per capita per mill for the first \$350 of its fiscal need factor per capita; plus its fiscal need factor per capita divided by \$15 per capita per mill on that part of its fiscal need factor per capita, if any, in excess of \$350. In no case shall a municipality's local effort mill rate be less than eight mills. A municipality's "equalized assessed value" means its previous year taxable valuation, less the captured value in any tax increment district, divided by the municipality's aggregate sales ratio covering the period ending two years prior to the year of aid distribution. A municipality's "fiscal need factor" means the three-year average of the sum of its municipal levy, taconite aids received under sections 298.28, subdivision 1, clauses (1) and (10)(a) and 298.282 and its local government aid distribution amount, for taxes payable and distribution amounts receivable in the three years immediately preceding the aid distribution year.

The ratio of the resulting index for each qualifying municipality to the sum of all qualifying municipalities' indexes shall be multiplied by the total amount in the taconite municipal aid account less the amount distributed pursuant to subdivision 5. For the distribution made in 1987, one-third of the distribution shall be distributed pursuant to this subdivision and two-thirds pursuant to Minnesota Statutes 1984, section 298.282, subdivision 2. For the distribution made in 1988, two-thirds shall be distributed pursuant to this subdivision and one-third pursuant to Minnesota Statutes 1984, section 298.282, subdivision 2.

(b) If the distribution under this section, sections 273.138, 298.26 and 298.28, and chapter 477A, to any municipality would exceed that municipality's levy limit base for that year, computed pursuant to sections 275.50 to 275.59, the amount in excess of the levy limit base for that year shall reduce the amount distributed to the municipality under this section and this excess amount shall be distributed to the other qualifying municipalities on a per capita basis in the same manner as the distribution made pursuant to subdivision 2, except that the qualifying municipality receiving an initial dis-

tribution when added to that received pursuant to sections 273.138, 298.26, 298.28, and chapter 477A in excess of the qualifying municipality's levy limit base, shall not receive a distribution nor shall its index be used in computing the distribution pursuant to this clause. The distributions to be received in the year in which the taxes are payable shall be compared to the levy limit base for that same year. Upon completion of such determination, the commissioner of revenue shall certify to the chief clerical officer of each qualifying municipality the amount which will be distributed to such municipality from the taconite municipal aid account that year.

Sec. 14. [APPROPRIATION.]

\$20,000,000 is appropriated to the commissioner of natural resources. Notwithstanding Minnesota Statutes, section 298.293 or 298.294 or any other law, this appropriation is from the corpus of the northeast Minnesota economic protection fund. This money is available only as a loan guarantee for the smelting project using the COREX process and is contingent upon receipt by the commissioner of natural resources of sufficient funding from other sources to complete the project. If the project is approved by the United States department of energy prior to December 31, 1987, this appropriation does not cancel but is available until June 30, 1992, or the project is completed or abandoned, whichever occurs earlier. On July 1, 1992, \$20,000,000 is appropriated from the general fund, to be taken from the proceeds of the taconite occupation tax imposed under Minnesota Statutes, section 298.01, to the commissioner of natural resources to be used only to continue the loan guarantee or to be drawn down to cover a default according to this subdivision. If the general fund appropriation is used to cover a default in the loan, there shall be repaid from the northeast Minnesota economic protection trust fund to the general fund the amount of the default. Payments shall be made in ten equal annual installments, with the first payment made one year from the date of the default. No interest shall be paid on these payments. An amount sufficient to make the repayments is appropriated from the northeast Minnesota economic protection trust fund. The money appropriated from the northeast Minnesota economic protection trust fund shall be spent only in or for the benefit of tax relief areas as defined in Minnesota Statutes, section 273.134.

Sec. 15. [EFFECTIVE DATE.]

Sections 1, 10, 12, and 13 are effective for distributions in 1987 and subsequent years, except that the changes in paragraph 3 of section 298.28, subdivision 1, are effective for distributors in 1988 and subsequent years. Sections 2, 3, and 4 are effective for taxes levied in 1986, payable in 1987, and thereafter. Sections 5 and 6 are effective for gross earnings derived after December 31, 1986. Sections 7 and 8 are effective for purchases and use made after May 1, 1986, provided that the first refunds for construction materials and supplies due as a result of the exemption under section 8 may not be paid by the commissioner before July 15, 1987. Except as otherwise provided, section 9 is effective for ores mined or produced after December 31, 1986."

Delete the title and insert:

"A bill for an act relating to taxation; exempting certain construction materials from the sales tax; imposing levy limits on certain towns and cities;

altering provisions governing distribution of certain taconite tax proceeds; reducing the taconite railroad gross earnings tax rate; providing for the deduction of taconite production taxes and transportation costs; providing for a loan guarantee; appropriating money; amending Minnesota Statutes 1984, sections 275.125, subdivision 9; 275.50, subdivision 2; 275.51, subdivisions 3f and 3i; 294.23; 298.225, by adding a subdivision; 298.24, subdivision 1; and 298.282, subdivision 2; Minnesota Statutes 1985 Supplement, sections 294.22; 297A.15, subdivision 5; 297A.257, by adding a subdivision; 298.03; 298.225, subdivision 1; and 298.28, subdivision 1."

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

Senate Conferees: (Signed) Douglas J. Johnson, Ronald R. Dicklich, Mel Frederick

House Conferees: (Signed) Bert J. McKasy, William H. Schreiber, Joseph R. Begich

Mr. Johnson, D.J. moved that the foregoing recommendations and Conference Committee Report on S.F. No. 2280 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

S.F. No. 2280 was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

The roll was called, and there were yeas 65 and nays 1, as follows:

Those who voted in the affirmative were:

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

Mr. Waldorf voted in the negative.

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

MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 1793 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S.F. NO. 1793

A bill for an act relating to local government; permitting an agreement to

finance library construction in McGregor.

March 17, 1986

The Honorable Jerome M. Hughes
President of the Senate

The Honorable David M. Jennings
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 1793, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendment and that S.F. No. 1793 be further amended as follows:

Delete everything after the enacting clause and insert:

“ARTICLE 1

Section 1. [AITKIN COUNTY; DEVELOPMENT LEVY.]

The Aitkin county board may annually levy a tax of not more than one and one third mills on taxable property in the county, to provide funds to be used by the county for tourist, agricultural, industrial, and economic development. A levy under this section is in addition to any other permitted by law and shall be disregarded in the calculation of any other levies or limits on levies provided by Minnesota Statutes, sections 275.50 to 275.56 or other law.

Sec. 2. [REVERSE REFERENDUM.]

If the Aitkin county board intends to exercise the authority provided by section 1, it shall pass a resolution stating the fact. Thereafter, the resolution shall be published for two successive weeks in the official newspaper of the county or, if there is no official newspaper, in a newspaper of general circulation in the county, together with a notice fixing a date for a public hearing on the matter. The hearing shall be held not less than two weeks nor more than four weeks after the first publication of the resolution. Following the public hearing, the county may determine to take no further action or, in the alternative, adopt a resolution confirming its intention to exercise the authority. That resolution shall also be published in the official newspaper of the county or, if there is no official newspaper, in a newspaper of general circulation in the county. If within 30 days thereafter a petition signed by voters equal in number to five percent of the votes cast in the county in the last general election requesting a vote on the proposed resolution is filed with the county auditor, the resolution shall not be effective until it has been submitted to the voters at a general or special election and a majority of votes cast on the question of approving the resolution is in the affirmative. The commissioner of revenue shall prepare a suggested form of question to be presented at the election. The referendum must be held at a special or general election prior to October 1 of the first year for which the tax authorized under section 1 is proposed to be levied.

Sec. 3. Laws 1984, chapter 502, article 13, section 10, subdivision 1, is amended to read:

Subdivision 1. [AUTHORIZATION.] The limitation imposed upon the

levy of the city of Breezy Point by Minnesota Statutes, section 275.11, is increased by ~~\$125,000~~ \$175,000 for taxes levied in 1984 1986 and thereafter.

Sec. 4. [REVERSE REFERENDUM.]

If the Breezy Point city council proposes to increase the levy limit base of the city pursuant to section 3, it shall pass a resolution stating the amount by which the levy limit base is proposed to be increased. Thereafter, the resolution shall be published for two successive weeks in the official newspaper of the city or if there is no official newspaper, in a newspaper of general circulation in the city, together with a notice fixing a date for a public hearing on the proposed increase. The hearing shall be held not less than two weeks nor more than four weeks after the first publication of the resolution. Following the public hearing, the city may determine to take no further action or, in the alternative, adopt a resolution authorizing the increase as originally proposed or approving an increase in the lesser amount it determines. The resolution authorizing an increase shall be published in the official newspaper of the city or if there is no official newspaper, in a newspaper of general circulation in the city. If within 30 days thereafter a petition signed by voters equal in number to five percent of the votes cast in the city in the last general election requesting a referendum on the proposed resolution is filed with the clerk, the resolution shall not be effective until it has been submitted to the voters at a general or special election and a majority of votes cast on the question of approving the resolution is in the affirmative. The commissioner of revenue shall prepare a suggested form of question to be presented at the referendum. The referendum must be held at a special or general election prior to October of the first levy year in which the tax authorized under section 3 is proposed to be levied.

Sec. 5. [AITKIN COUNTY; RETAIL RURAL ELECTRIC COOPERATIVE ASSOCIATION.]

A person who has paid tax on electricity used in agricultural production that is exempt from taxation under section 297A.25, subdivision 1, clause (h), may file a claim for refund with the commissioner if the tax was paid to the retail rural electric cooperative association based in Aitkin county.

Sec. 6. [MCGREGOR; LIBRARY; JOINT FINANCING.]

The city of McGregor may agree with one or more of the towns or home rule charter or statutory cities located in Aitkin county or the county itself that the local government units making the agreement will subject taxable property within their boundaries to taxation to discharge debt incurred for the construction of a library and related facilities in the city of McGregor pursuant to Laws 1985, chapter 138, section 4. The portion of the debt to be discharged by taxation in each unit may be set by agreement or a single rate may be levied against all subject property or, by agreement, both methods may be used in part. A unit may also agree to discharge a portion of the costs of construction or debt incurred for the costs by a transfer of any money available to the unit that the unit is not obliged by law to use for some other purpose. Any joint powers agreement entered between the city of McGregor and any town located in Aitkin county to finance the McGregor library construction must be approved at the annual town meeting by the town electors of the town before the agreement may be entered. Obligations for the purpose may be issued without an election and shall not be subject to the general

limit on net debt. In other respects, the debt shall be incurred and discharged in accordance with Minnesota Statutes, chapter 475.

Sec. 7. [LAND EXCHANGE AUTHORIZED.]

Notwithstanding Minnesota Statutes, section 94.343, subdivision 9, and the appraisal requirement under section 94.343, subdivision 3, the state of Minnesota may exchange certain parcels or tracts of state-owned land located within Carlton county with the city of Thomson.

(a) State lands to be exchanged are described as:

(1) All of the unplatted portion of Government Lot 1 lying northerly and easterly of that strip of land deeded to the Village of Thomson by the Northern Pacific Railway Company, November 18, 1940, and recorded February 5, 1941, as document #101684 and on May 13, 1938, and recorded May 21, 1938, as document #96017; southerly of the former Burlington Northern, Inc.'s St. Paul to Duluth Branch right-of-way and easterly of the right-of-way of Minnesota Highway 210, in section 8, Township 48N, Range 16W.

(2) Lots 1 to 16, both inclusive, and Lot 21 of Block 5 and Lots 3, 4, 8 and 9 of Block 4 in the Townsite of Thomson, according to the plat thereof on file in the Office of the Recorder of Deeds of Carlton County, Minnesota.

(3) Those portions of Lots 17 to 20, both inclusive, 22 and 23 in Block 5 in the Townsite of Thomson, lying southerly of a line 75 feet northerly at right angles and parallel with the centerline of former Burlington Northern, Inc.'s St. Paul to Duluth Branch main line railroad track.

(4) That portion of a 20 foot wide north and south alley between Block 5 and Block 4 in the Townsite of Thomson that lies southerly of a line 75 feet northerly at right angles and parallel with the centerline of former Burlington Northern, Inc.'s St. Paul to Duluth Branch main line railroad track and northerly of the easterly projection of the southerly line of Lot 8 of Block 4 in the Townsite of Thomson.

(5) The South 85 feet of Lots 24 to 46, both inclusive, of Block 5, in the Townsite of Thomson.

(6) The North Half (N 1/2) of vacated Otter Avenue lying between the Southerly extension of the East and West lines of said Block 5, in the Townsite of Thomson.

(b) City lands to be exchanged are described as:

(1) A strip of land two hundred (200) feet wide in Government Lot One (1), Section eight (8), Township forty-eight (48) North, Range sixteen (16) West, 4th P.M., said strip being one hundred (100) feet wide on each side of the centerline of the original main track of the Lake Superior and Mississippi Railroad Company Fond Du Lac Branch as formerly constructed but now removed, and extending from the east line of said Government Lot one (1) to a westerly production of the north line of Block one (1) Original Town of Thomson, according to the recorded plat thereof.

(2) A strip of land fifty (50) feet wide on the northeasterly side of and adjoining the two hundred (200) foot strip above described, extending from a westerly production of the north line of said Block one (1) to a line drawn at right angles to the northeasterly line of the two hundred (200) foot strip

above described from a point therein distant two hundred thirty-five (235) feet northwesterly, measured along said northeasterly line, from the east line of said Government Lot one (1).

(3) A strip of land 250 feet wide in Government Lot 1, said strip lying between two lines drawn parallel with and distant 150 feet northeasterly and 100 feet southwesterly, measured at right angles, from the centerline of the original main tract of the Lake Superior and Mississippi Railroad Company Fond Du Lac Branch as formerly constructed but now removed, and extending from a line drawn parallel with and distant 100 feet southerly, measured at right angles, from the centerline of the main track of the Northern Pacific Railway Company's St. Paul to Duluth Line as now constructed and operated to a westerly projection of the north line of Block 1, Original Town of Thomson, according to the recorded plat thereof.

This section is effective the day after final enactment.

Sec. 8. [DEFINITIONS.]

Subdivision 1. For the purpose of sections 8 to 18, the terms defined in this section have the following meanings.

Subd. 2. "City" means the city of Cambridge or the city of Lindstrom.

Subd. 3. "Special services" means all services rendered or contracted for by the city, including, but not limited to:

(a) the repair, maintenance, operation, and construction of any improvements authorized by Minnesota Statutes, section 429.021;

(b) parking services rendered or contracted for by the city; and

(c) any other service provided to the public by the city that is authorized by law or charter provision.

Special services do not include any service that is ordinarily provided throughout the city from general fund revenues of the city unless an increased level of the service is provided in the special service district.

Subd. 4. "Special service district" means a defined area within the city where special services are rendered and the costs of the special services are paid from revenues collected from taxes and service charges imposed within that area.

Subd. 5. "Assessed value" means the assessed value as most recently certified by the commissioner of revenue before the effective date of the ordinance or resolution adopted pursuant to section 9 or 10.

Subd. 6. "Land area" means the land area in the district which is subject to property taxation.

Sec. 9. [ESTABLISHMENT OF SPECIAL SERVICE DISTRICT.]

Subdivision 1. [ORDINANCE.] The governing body of the city may adopt an ordinance establishing a special service district. Only property which is zoned for commercial, business, or industrial use under a municipal zoning ordinance may be included in a district. The ordinance shall describe with particularity the area within the city to be included in the district and the special services to be furnished in the district. The ordinance may not be

adopted until after a public hearing has been held on the question. Notice of the hearing shall include:

- (a) the time and place of hearing;
- (b) a map showing the boundaries of the proposed district; and
- (c) a statement that all persons owning property in the proposed district will be given opportunity to be heard at the hearing.

Subd. 2. [NOTICE.] Notice of the hearing shall be given by publication in two issues of the official newspaper of the city. The two publications shall be a week apart and the hearing shall be held at least three days after the last publication. Not less than ten days before the hearing, notice shall also be mailed to the owner of each parcel within the area proposed to be included in the district. For the purpose of giving mailed notice, owners shall be those shown on the records of the county auditor. Other records may be used to supply the necessary information. For properties which are tax exempt or subject to taxation on a gross earnings basis in lieu of property tax and are not listed on the records of the county auditor, the owners shall be ascertained by any practicable means and mailed notice given them. At the public hearing any person affected by the proposed district may be heard orally in respect to any issues relevant to the proposed district. The hearing may be adjourned from time to time and the ordinance establishing the district may be adopted at any time within six months after the date of the conclusion of the hearing by a vote of the majority of the governing body of the city.

Sec. 10. [TAXING AUTHORITY; NOTICE AND HEARING REQUIREMENTS.]

Subdivision 1. [TAXES; HEARING.] Ad valorem taxes may be levied on taxable nonhomestead property or service charges may be imposed by the city within the special service district at a rate or amount sufficient to produce the revenues required to provide special services within the district. To determine the appropriate mill rate, nonhomestead taxable property or value shall be determined without regard to captured or original assessed value under Minnesota Statutes, section 273.76. Taxes and service charges shall not be imposed to finance a special service if the service is ordinarily provided by the city from its general fund revenues unless the service is provided in the district at an increased level, in which case only an amount sufficient to pay for the increased level may be imposed. A service charge shall not be imposed on the receipts from the sale of intoxicating liquor, food, or lodging. Before the levy of taxes or imposition of service charges in a district, for each calendar year, notice shall be given and hearing shall be held pursuant to section 9 and notice shall also be mailed to any individual or business organization subject to a service charge. For purposes of this section the notice shall also include:

(a) A statement that all interested persons will be given an opportunity to be heard at the hearing regarding a proposed tax levy or service charge.

(b) The estimated cost of improvements to be paid for in whole or in part by taxes or service charges imposed pursuant to this section, the estimated cost of operating and maintaining the improvements during the first year after completion of the improvements, the proposed method and source of financing the improvements, and the annual cost of operating and maintaining the

improvements.

(c) *The proposed rate or amount of taxes to be extended or the proposed service charge to be imposed in the district during the calendar year and the nature and character of special services to be rendered in the district during the calendar year.*

(d) *A statement that the petition requirements of section 15 have either been met or do not apply to the proposed taxes or service charge.*

Within six months of the public hearing, the city may adopt a resolution levying a tax or imposing a service charge within the district not exceeding the amount or rate expressed in the notice issued pursuant to this section.

Subd. 2. [EXEMPTION OF CERTAIN PROPERTIES FROM TAXES.] *Property exempted from taxation by Minnesota Statutes, section 272.02, is exempt from any ad valorem taxes imposed pursuant to sections 8 to 18.*

Subd. 3. [LEVY LIMIT EXEMPTION.] *Taxes and service charges imposed pursuant to sections 8 to 18 shall not be included in the calculation of levies or limits on levies provided by other law or home rule charter provision.*

Subd. 4. [EXCLUSION FROM HOMESTEAD CREDIT.] *Taxes levied under this section shall not be reduced by a homestead credit.*

Sec. 11. [ENLARGEMENT OF SPECIAL SERVICE DISTRICTS.]

Boundaries of a special service district may be enlarged only after hearing and notice as provided in sections 9 and 10. Notice shall be served in the original district and in the area proposed to be added to the district. Property added to the district shall be subject to all taxes levied and service charges imposed within the district after the property becomes a part of the district. The petition requirement in section 15 and the veto power in section 16 shall only apply to owners, individuals, and business organizations in the area proposed to be added to the district.

Sec. 12. [COLLECTION OF TAXES.]

Ad valorem taxes levied within a special service district shall be collected and paid over as other ad valorem taxes, but shall be spread only upon the assessed value of property described in the ordinance. Service charges imposed shall be collected as provided by ordinance. Taxes collected pursuant to sections 8 to 18 shall not be included in computations under Minnesota Statutes, section 273.76, or any other law that applies to general ad valorem levies.

Sec. 13. [BONDS.]

At any time after a contract for the construction of all or part of an improvement authorized pursuant to sections 8 to 18 has been entered into or the work has been ordered done by day labor, the governing body of the city may issue obligations including certificates of indebtedness in the amount it deems necessary to defray in whole or in part the expense incurred and estimated to be incurred in making the improvement, including every item of cost from inception to completion and all fees and expenses incurred in connection with the improvement or the financing. The obligations shall be payable primarily out of the proceeds of the tax levied pursuant to section 10, or

from any other special assessment or nontax revenues available to be pledged for their payment under charter or other statutory authority, or from any two or more of such sources. The governing body may, by resolution adopted prior to the sale of obligations, pledge the full faith, credit, and taxing power of the municipality to assure payment of the principal and interest if the proceeds of the tax levy in the district are insufficient to pay the principal and interest. The amount of any taxes that are required to be levied outside of the territory of the special services district or taken from the general funds of the municipality to pay principal and interest on the obligations shall be reimbursed to the municipality from taxes levied within the special services district. The obligations shall be issued in accordance with Minnesota Statutes, chapter 475, except that an election shall not be required, and the amount of the obligations shall not be included in determining the net debt of the city under the provisions of any law or charter limiting debt.

Sec. 14. [ADVISORY BOARD.]

The governing body of the city may create and appoint an advisory board for each special service district in the city to advise the governing body in connection with the construction, maintenance, and operation of improvements, and the furnishing of special services in a district. The advisory board shall make recommendations to the governing body on the requests and complaints of owners, occupants, and users of property within the district and members of the public. Before the adoption of any proposal by the governing body to provide services or impose taxes or service charges within the district, the advisory board of the district shall have an opportunity to review and comment upon the proposal.

Sec. 15. [PETITION REQUIRED.]

No action may be taken pursuant to section 9 unless owners of 15 percent or more of the land area of the proposed special service district and owners of 15 percent or more of the assessed value of the proposed district file a petition requesting a public hearing on the proposed action with the city clerk. No action may be taken pursuant to section 10 to impose an ad valorem tax unless owners of 15 percent or more of the land area subject to a proposed tax and owners of 15 percent or more of the assessed value subject to a proposed tax file a petition requesting a public hearing on the proposed action with the city clerk. No action may be taken pursuant to section 10 to impose a service charge unless 15 percent or more of the individual or business organizations subject to the proposed service charge file a petition requesting a public hearing on the proposed action with the city clerk. If the boundaries of a proposed district are changed or the land area or assessed value subject to a tax or the individuals or business organizations subject to a service charge are changed after the public hearing, a petition meeting the requirements of this section must be filed with the city clerk before the ordinance establishing the district or resolution imposing the tax or service charge may become effective.

Sec. 16. [VETO POWER OF OWNERS.]

Subdivision 1. [NOTICE OF RIGHT TO FILE OBJECTIONS.] Except as provided in section 17, the effective date of any ordinance or resolution adopted pursuant to sections 9 and 10 shall be at least 45 days after it is adopted. Within five days after adoption of the ordinance or resolution, a

copy of the ordinance or resolution shall be mailed to the owner of each parcel included in the special service district and any individual or business organization subject to a service charge in the same manner that notice is mailed pursuant to section 9. The mailing shall include a notice that owners subject to a tax and individuals and business organizations subject to a service charge have a right to veto the ordinance or resolution by filing the required number of objections with the city clerk before the effective date of the ordinance or resolution.

Subd. 2. [REQUIREMENT FOR VETO.] If owners of 35 percent of the land area in the district and owners of 35 percent of the assessed value in the district file an objection to the ordinance adopted by the city pursuant to section 9 with the city clerk before the effective date of the ordinance, the ordinance shall not become effective. If owners of 35 percent of the land area subject to a tax and owners of 35 percent of the assessed value subject to a tax file an objection to the resolution adopted levying an ad valorem tax pursuant to section 10 with the city clerk before the effective date of the resolution, the resolution shall not become effective. If 35 percent of individuals and business organizations subject to a service charge file an objection to the resolution adopted imposing a service charge pursuant to section 10 with the city clerk before the effective date of the resolution, the resolution shall not become effective.

Sec. 17. [EXCLUSION FROM PETITION REQUIREMENTS AND VETO POWER.]

The petition requirement of section 15 and the right of owners and those subject to a service charge to veto a resolution in section 20 do not apply to second or subsequent years' applications of a tax or service charge which is authorized to be in effect for more than one year pursuant to a resolution which has met the petition requirements of section 15 and which has not been vetoed under section 20 for the first year's application. A resolution levying a tax or imposing a service charge for more than one year shall not be adopted unless the notice of public hearing required by section 10 and the notice mailed with the adopted resolution pursuant to section 16 include the following information:

(a) In the case of improvements, the maximum rate or amount of taxes to be levied or the maximum service charge to be imposed in any year and the maximum number of years the taxes will be levied or service charges imposed to pay for the improvement.

(b) In the case of operating and maintenance services, the maximum rate or amount of taxes to be levied or the maximum service charge to be imposed in any year and the maximum number of years, or a statement that the tax will be imposed for an indefinite number of years, the taxes will be levied or service charges imposed to pay for operation and maintenance services.

The resolution may provide that the maximum amount of tax to be levied or maximum service charge to be imposed in any year will increase or decrease from the maximum amount authorized in the preceding year based on an indicator of increased cost or a percentage amount established by the resolution.

Sec. 18. [REPORT TO LEGISLATURE.]

The administrator of the city shall file a written report with the chairman of the house local and urban affairs committee and the chairman of the senate local and urban government committee on or before January 31, 1987. The report shall apprise the committee as to the activities undertaken pursuant to sections 8 to 18 and recommend any changes that should be considered if the legislature were to enact statewide legislation for the establishment of special service districts.

Sec. 19. Minnesota Statutes 1984, section 375.09, is amended to read:

375.09 [MAY NOT HOLD OTHER OFFICE; NO INTEREST IN CONTRACT BRIBERY; VIOLATION; MALFEASANCE.]

No county commissioner shall be appointed or hold another elected by the board of which he is a member to any office or position of trust or emolument during tenure as commissioner nor be employed by the county in which he is a commissioner. No commissioner shall receive any money or other valuable thing as a condition of voting or inducement to vote for any contract or other thing under consideration by the board, or become a party to, or directly or indirectly interested in, any contract made by the board. Every appointment or election made and every contract or payment voted for or made contrary to this section is void. Any violation of this section is a malfeasance in office.

Sec. 20. Minnesota Statutes 1984, section 375.18, subdivision 7, is amended to read:

Subd. 7. [TRANSFER OF SURPLUS.] Each county board may transfer by ~~unanimous~~ a majority vote any surplus beyond the needs of the current year in any county fund to any other county fund to supply a deficiency in it.

Sec. 21. [375.84] [PREPAY SOFTWARE, SUBSCRIPTIONS, UNITED STATES DOCUMENTS.]

A county may make advance deposits or payments for software development or maintenance services for county-owned or leased electronic data processing equipment and for newspaper, magazine, and other subscription fees customarily paid for in advance, and may allow advance deposits by any department or agency of the county with the Library of Congress and federal Supervisor of Documents for items to be purchased from these federal agencies.

Sec. 22. [375.85] [COUNTIES MAY MARKET SOFTWARE PRODUCTS.]

Notwithstanding any other law to the contrary, a county or group of counties acting jointly under section 471.59 may sell or license self-developed or vendor custom-developed computer software products or systems either on competitive bids or in the open market, in the discretion of the county or joint powers board. Prices for the software products or systems may be based on market considerations. A county or group of counties may make agreements with private persons or entities to assist with marketing software products or systems.

Sec. 23. [375.86] [APPLICATION OF OTHER LAW.]

Subdivision 1. [NONPUBLIC DATA.] County software product programming source code, object code, and all material relating to product or

system development and distribution is "trade secret information" for purposes of classification under section 13.37, subdivision 2.

Sec. 24. Minnesota Statutes 1984, section 375A.11, subdivision 3, is amended to read:

Subd. 3. [VACANCIES IN CERTAIN ELECTIVE OFFICES.] (a) If any of the offices of county auditor, treasurer or county recorder shall become vacant before the expiration of the term for the office, a county board may appoint either of the holders of the other two offices to fill the vacancy for the unexpired term. The board may provide additional compensation for the added duties imposed on the appointee by virtue of his holding two offices for that period. *If the office of county auditor or treasurer becomes vacant, the county board may initiate a referendum by resolution to consolidate the two offices into one elected office. The referendum shall be conducted according to section 375A.12, subdivisions 4 and 5.*

(b) The authority granted by clause (a) of this subdivision shall be in addition to the authorities granted by existing law or statute and by the provisions of sections 375A.01 to 375A.13 relating to consolidation and appointment of county offices; the authority granted by this subdivision may be exercised notwithstanding any prohibitions against the holding of two offices that may exist in the laws or statutes of this state.

Sec. 25. Minnesota Statutes 1984, section 375A.12, subdivision 3, is amended to read:

Subd. 3. [REFERENDA; PROCEDURE.] Any referendum required to be held as a condition of the adoption of an option may be initiated by a resolution by the county board, a recommendation of a county government study commission or a petition signed by voters equal in number to five percent of the electors voting at the last previous election for the office of governor requesting that a referendum be held on the adoption of one or more of the options provided in sections 375A.01 to 375A.10. ~~Unless the referendum is a recommendation of the study commission~~ *If a study commission has been established,* a referendum on an option may not be initiated by a resolution of the county board or a petition of voters until after the study commission has completed its study provided for in section 375A.13, subdivision 3.

Sec. 26. Minnesota Statutes 1984, section 375A.12, subdivision 4, is amended to read:

Subd. 4. [CONDUCT OF ELECTION.] When a referendum is required to be held, the county auditor shall conduct the referendum following the procedures provided in chapter 372, as nearly as possible and not inconsistent with sections 375A.01 to 375A.10, ~~except, instead of the county board meeting to act on the petition, a committee consisting of the persons who constitute a jury commission as provided in section 593.13, shall meet and act on the petition.~~ The referendum may be held at any primary, general or special election held not less than 30 days before the first day on which candidates may file for county office.

Sec. 27. Minnesota Statutes 1984, section 383C.17, is amended to read:

383C.17 [COURTHOUSE BUILDING COMMISSION.]

~~Notwithstanding the provisions of Minnesota Statutes 1961, sections~~

~~394.01 to 394.05.~~ In St. Louis County, the courthouse building commission shall have the authority to assign and reassign space and rooms to the various offices in the courthouses and county office buildings in said county.

Sec. 28. Minnesota Statutes 1985 Supplement, section 386.77, is amended to read:

386.77 [CONVEYANCES AND DOCUMENTS FOR BENEFIT OF GOVERNMENTAL AGENCIES, FEES.]

An instrument of conveyance, assignment or release, a judgment or other document, which is entitled to recording or filing, and which by its terms is for the benefit of the state or any county, city or town, shall be recorded or filed by any county recorder or registrar of titles without the payment of fees when offered for filing or recording by the state or any of its agencies, or by the benefited subdivision. The fee for the recording or filing shall be paid by the state, its agency, or by the benefited subdivision, *but not by another department or agency of that county*, upon submission of a statement of charges by the county recorder or registrar of titles.

Sec. 29. [REPEALER.]

Minnesota Statutes 1984, sections 394.01, 394.02, 394.03, 394.04, and 394.05 are repealed.

Sec. 30. Minnesota Statutes 1984, section 465.72, is amended to read:

465.72 [SEVERANCE PAY.]

Subdivision 1. [PAYMENT; LIMITS.] Except as may otherwise be provided in Laws 1959, Chapter 690, as amended, any county, city, township, school district or other governmental subdivision may pay severance pay to its employees and promulgate rules for the payment of severance pay to an employee who leaves employment on or before or subsequent to the normal retirement date. Severance pay shall also include the payment of accumulated vacation leave, accumulated sick leave or a combination thereof. The severance pay shall be excluded from retirement deductions and from any calculations in retirement benefits. It shall be paid in a manner mutually agreeable to the employee and employer and, except as provided in subdivision 2, over a period not to exceed five years from retirement or termination of employment. If a retired or terminated employee dies before all or a portion of the severance pay has been disbursed, that balance due shall be paid to a named beneficiary or, lacking same, to the deceased's estate. Except as provided in subdivision 2, in no event shall severance pay provided for an employee leaving employment exceed an amount equivalent to one year of pay.

Subd. 2. [EXCEPTIONS.] The provisions of subdivision 1 requiring that severance pay be paid over a period not to exceed five years from retirement or termination of employment and limiting severance pay to an amount equal to one year of pay do not apply to severance pay constituting compensation for accumulated sick leave in the form of periodic contributions toward premiums for group insurance policies provided for a former employee by a governmental subdivision.

This subdivision applies only to periodic contributions that have commenced before the effective date of this act or that are required under con-

tracts, or, with respect to employees not covered by contracts, personnel policies, formally adopted by the governing body of the governmental subdivision, in existence on the effective date of this act. After the effective date of this act, a governmental subdivision may not enter into a contract or adopt a personnel policy providing for a payment in violation of subdivision 1. A personnel policy or portion of a personnel policy in existence on the effective date of this act and providing for a payment in violation of subdivision 1 is null and void (i) upon the expiration of a collective bargaining agreement containing a similar provision and covering employees of the governmental subdivision that has adopted the policy, or (ii) two years from the effective date of this act, whichever is earlier. Any payments by governmental subdivisions in accordance with this subdivision before the effective date of this act are validated.

Sec. 31. [EFFECTIVE DATE.]

Section 19 does not become effective for any county commissioner currently holding two elected offices until the term of one of the offices expires.

Sec. 32. [EFFECTIVE DATE.]

Sections 1, 2, 3, 4, 5, and 6 are effective the day following final enactment. Sections 8 to 18 are effective separately for each of the cities of Cambridge and Lindstrom the day after its governing body complies with Minnesota Statutes, section 645.021, subdivision 3.

ARTICLE 2

Section 1. Minnesota Statutes 1984, section 116D.04, subdivision 1a, is amended to read:

Subd. 1a. For the purposes of sections 116D.01 to 116D.07, the following terms have the meanings given to them in this subdivision.

(a) "Natural resources" has the meaning given it in section 116B.02, subdivision 4.

(b) "Pollution, impairment or destruction" has the meaning given it in section 116B.02, subdivision 5.

(c) "Environmental assessment worksheet" means a brief document which is designed to set out the basic facts necessary to determine whether an environmental impact statement is required for a proposed action.

(d) "Governmental action" means activities, including projects wholly or partially conducted, permitted, assisted, financed, regulated or approved by units of government including the federal government.

(e) "Governmental unit" means any state agency and any general or special purpose unit of government in the state including, but not limited to, watershed districts organized under chapter 112, counties, towns, cities, port authorities and, housing authorities, and economic development authorities established under sections 13 to 33, but not including courts, school districts and regional development commissions other than the metropolitan council.

Sec. 2. Minnesota Statutes 1984, section 117.521, subdivision 3, is amended to read:

Subd. 3. The provisions of subdivisions 1 and 2 shall not apply to the

acquisition of properties situated wholly or in part within any district for development authorized under Laws 1971, Chapters 548 or 677; or Laws 1973, Chapters 196, 761, or 764; or Laws 1974, Chapter 485; or Minnesota Statutes, Chapters 462, or 458; or sections 13 to 33.

Sec. 3. Minnesota Statutes 1984, section 272.01, subdivision 2, is amended to read:

Subd. 2. (a) When any real or personal property which for any reason is exempt from ad valorem taxes, and taxes in lieu thereof, is leased, loaned, or otherwise made available and used by a private individual, association or corporation in connection with a business conducted for profit, there shall be imposed a tax, for the privilege of so using or possessing such real or personal property, in the same amount and to the same extent as though the lessee or user was the owner of such property.

(b) The tax imposed by this subdivision shall not apply to (1) property leased or used by way of a concession in or relative to the use in whole or part of a public park, market, fair grounds, port authority, *economic development authority established under sections 13 to 33*, municipal auditorium, airport owned by a city, town, county or group thereof but not the metropolitan airports commission, municipal museum or municipal stadium or (2) property constituting or used as a public pedestrian ramp, concourse, passenger check-in area or ticket sale counter, boarding area or luggage claim area in connection with a public airport; provided that real estate which is owned by a municipality in connection with the operation of a public airport and which is leased or used for agricultural purposes shall not be exempt.

(c) Taxes imposed by this subdivision shall be due and payable as in the case of personal property taxes and such taxes shall be assessed to such lessees or users of real or personal property in the same manner as taxes assessed to owners of real or personal property, except that such taxes shall not become a lien against the property. When due, the taxes shall constitute a debt due from the lessee or user to the state, township, city, county and school district for which the taxes were assessed and shall be collected in the same manner as personal property taxes. If property subject to the tax imposed by this subdivision is leased or used jointly by two or more persons, each lessee or user shall be jointly and severally liable for payment of the tax.

Sec. 4. Minnesota Statutes 1984, section 273.72, is amended to read:

273.72 [STATEMENT OF PURPOSE.]

The statutes governing the use of tax increment financing in Minnesota have evolved over a long period of time and exist in several different special and general laws. These laws are sometimes inconsistent and provide varying procedures which render them difficult to administer. It is the intent of the legislature, by enacting the Minnesota tax increment financing act, to ratify and confirm the findings, declarations and determinations made by the legislature in connection with chapters 362A, 458, *sections 13 to 33*, 462, 472A and 474 and to establish a uniform set of standards and procedures to be followed when using this method of financing.

Sec. 5. Minnesota Statutes 1984, section 273.73, subdivision 2, is amended to read:

Subd. 2. [AUTHORITY.] "Authority" means a rural development

financing authority created pursuant to chapter 362A, a housing and redevelopment authority created pursuant to chapter 462; a port authority created pursuant to chapter 458; *an economic development authority created pursuant to sections 13 to 33*; a redevelopment agency as defined by chapter 474; a municipality which is administering a development district created pursuant to chapter 472A or any special law, a municipality which undertakes a project pursuant to chapter 474; or a municipality which exercises the powers of a port authority pursuant to any general or special law.

Sec. 6. Minnesota Statutes 1984, section 273.73, subdivision 8, is amended to read:

Subd. 8. [PROJECT.] "Project" means a project as defined in section 362A.01; an industrial development district as defined in section 458.191, subdivision 1; *an economic development district as defined in section 25, subdivision 1*; a project as defined in section 462.421, subdivision 14; a development district as defined in chapter 472A or any special law; or a project as defined in section 474.02, subdivisions 1, 1a or 1b.

Sec. 7. Minnesota Statutes 1985 Supplement, section 273.75, subdivision 4, is amended to read:

Subd. 4. [LIMITATION ON USE OF TAX INCREMENT.] All revenues derived from tax increment shall be used in accordance with the tax increment financing plan. The revenues shall be used solely for the following purposes: (a) to pay the principal of and interest on bonds issued to finance a project; (b) by a rural development financing authority for the purposes stated in section 362A.01, subdivision 2, by a port authority or municipality exercising the powers of a port authority to finance or otherwise pay the cost of redevelopment pursuant to chapter 458, *by an economic development authority to finance or otherwise pay the cost of redevelopment pursuant to sections 13 to 33*, by a housing and redevelopment authority or *economic development authority* to finance or otherwise pay public redevelopment costs pursuant to chapter 462, by a municipality *or economic development authority* to finance or otherwise pay the capital and administration costs of a development district pursuant to chapter 472A, by a municipality or redevelopment agency to finance or otherwise pay premiums for insurance or other security guaranteeing the payment when due of principal of and interest on the bonds pursuant to chapters 462C, 474, or both chapters, or to accumulate and maintain a reserve securing the payment when due of the principal of and interest on the bonds pursuant to chapters 462C, 474, or both chapters, which revenues in the reserve shall not exceed, subsequent to the fifth anniversary of the date of issue of the first bond issue secured by the reserve, an amount equal to 20 percent of the aggregate principal amount of the outstanding and nondefeased bonds secured by the reserve. Revenues derived from tax increment may be used to finance the costs of an interest reduction program operated pursuant to section 462.445, subdivisions 10 to 13, or pursuant to other law granting interest reduction authority and power by reference to those subdivisions only under the following conditions: (a) tax increments may not be collected for a program for a period in excess of 12 years after the date of the first interest rate reduction payment for the program, (b) tax increments may not be used for an interest reduction program, if the proceeds of bonds issued pursuant to section 273.77 after December 31, 1985, have been or will be used to provide financial assistance to the specific project

which would receive the benefit of the interest reduction program, and (c) not more than 50 percent of the estimated tax increment derived from a project may be used to finance an interest reduction program for owner-occupied single-family dwellings unless a project is located either in an area which would qualify as a redevelopment district or within a city designated as an enterprise zone pursuant to section 273.1312, subdivision 4, clause (c)(3). These revenues shall not be used to circumvent existing levy limit law. No revenues derived from tax increment shall be used for the construction or renovation of a municipally owned building used primarily and regularly for conducting the business of the municipality; this provision shall not prohibit the use of revenues derived from tax increments for the construction or renovation of a parking structure, a commons area used as a public park or a facility used for social, recreational or conference purposes and not primarily for conducting the business of the municipality.

Sec. 8. Minnesota Statutes 1984, section 273.86, subdivision 1, is amended to read:

Subdivision 1. [APPLICATION.] A developer proposing to construct improvements on property located within an industrial development district as defined in section 458.191, subdivision 1; *an economic development district as defined in section 25, subdivision 1*; a development district as defined in section 472A.02, subdivision 3, or any special law; or a redevelopment project as defined in section 462.421, subdivision 14 may apply to the governing body of the city or municipality in which the property is located to obtain deferral of property tax on the improved property, stating the nature and location of the proposed improvement, its estimated cost, and the projected length of construction time. If the governing body finds that the proposed development is consistent with the requirements of the above referred sections, it may approve the application. If the application is approved by June 30, the tax exemption shall be in effect for taxes paid the following year; if it is approved later than June 30, the exemption shall be in effect for taxes paid in the second subsequent taxable year.

Sec. 9. Minnesota Statutes 1985 Supplement, section 353.01, subdivision 2a, is amended to read:

Subd. 2a. [INCLUDED EMPLOYEES.] The following persons are included in the meaning of "public employee":

- (a) Elected or appointed officers and employees of elected officers.
- (b) District court reporters.
- (c) Officers and employees of the public employees retirement association.
- (d) Employees of the League of Minnesota Cities.
- (e) Officers and employees of public hospitals, owned or operated by or an integral part of, any governmental subdivision or governmental subdivisions.
- (f) Employees of a school district who receive separate salaries for driving their own buses.
- (g) Employees of the Association of Minnesota Counties.
- (h) Employees of the Metropolitan Inter-County Association.

- (i) Employees of the Minnesota Municipal Utilities Association.
- (j) Employees of the metropolitan airports commission if employment initially commences on or after July 1, 1979.
- (k) Employees of the Minneapolis employees retirement fund, if employment initially commences on or after July 1, 1979.
- (l) Employees of the Range Association of Municipalities and Schools.
- (m) Employees of the soil and water conservation districts.
- (n) Employees of a county historical society.
- (o) *Employees of an economic development authority created under sections 13 to 33.*

Sec. 10. Minnesota Statutes 1984, section 355.11, subdivision 5, is amended to read:

Subd. 5. "Employing unit" means any municipal housing and redevelopment authorities organized pursuant to sections 462.415 to 462.705 and any soil and water conservation district organized pursuant to chapter 40 or any port authority organized pursuant to chapter 458, *or any economic development authority organized pursuant to sections 13 to 33*, or any hospital district organized or reorganized pursuant to sections 447.31 to 447.37.

Sec. 11. Minnesota Statutes 1985 Supplement, section 395.08, is amended to read:

395.08 [ECONOMIC AND AGRICULTURAL DEVELOPMENT.]

A county board may appropriate not more than ~~\$25,000~~ \$50,000 annually out of the general revenue fund of the county to be paid to any incorporated development society or organization of this state which, in the board's opinion, will use the money for the best interests of the county in promoting, advertising, improving, or developing the economic and agricultural resources of the county.

Sec. 12. [458.101] [NO STATE BAILOUT OF PORT AUTHORITIES.]

State appropriations or credit of the state must not be used to pay or guarantee the payment of the debt of a port authority.

Sec. 13. [458C.01] [DEFINITIONS.]

Subdivision 1. [TERMS.] In sections 13 to 33, the terms defined in this section have the meaning given them.

Subd. 2. [AUTHORITY.] "Authority" means an economic development authority, unless specified otherwise.

Subd. 3. [CITY.] "City" means a home rule charter or statutory city.

Subd. 4. [DEVELOPMENT.] "Development" includes redevelopment, and developing includes redeveloping.

Subd. 5. [COST OF REDEVELOPMENT.] "Cost of redevelopment" means, with respect to an economic development district project, the cost of:

(a) acquiring property, whether by purchase, lease, condemnation, or otherwise;

(b) demolishing or removing structures or other improvements on acquired properties;

(c) correcting soil deficiencies necessary to develop or use the property for an appropriate use as determined by the authority;

(d) constructing or installing public improvements, including streets, roads, and utilities;

(e) providing relocation benefits to the occupants of acquired properties;

(f) planning, engineering, legal and other services necessary to carry out the functions listed in clauses (a) to (e); and

(g) the allocated administrative expenses of the authority for the project.

Sec. 14. [458C.03] [ECONOMIC DEVELOPMENT AUTHORITY; ESTABLISHMENT.]

A city may, by adopting an enabling resolution in compliance with the procedural requirements of section 16, establish an economic development authority that, subject to section 15, has the powers contained in sections 13 to 33 and a housing and redevelopment authority under chapter 462 or other law, and a city under chapter 472A or other law. If the economic development authority exercises the powers of a housing and redevelopment authority contained in chapter 462 or other law, the city shall exercise the powers relating to a housing and redevelopment authority granted to a city by chapter 462 or other law.

Sec. 15. [458C.04] [LIMIT OF POWERS.]

Subdivision 1. [RESOLUTION.] The enabling resolution may impose the following limits upon the actions of the authority:

(1) that the authority must not exercise any specified powers contained in sections 13 to 33, chapters 462 and 472A or that the authority must not exercise any powers without the prior approval of the city council;

(2) that, except when previously pledged by the authority, the city council may, by resolution, require the authority to transfer any portion of the reserves generated by activities of the authority that the city council determines is not necessary for the successful operation of the authority, to the debt service fund of the city, to be used solely to reduce tax levies for bonded indebtedness of the city;

(3) that the sale of all bonds or obligations issued by the authority be approved by the city council before issuance;

(4) that the authority follow the budget process for city departments as provided by the city and as implemented by the city council and mayor;

(5) that all official actions of the authority must be consistent with the adopted comprehensive plan of the city, and any official controls implementing the comprehensive plan;

(6) that the authority submit all planned activities for influencing the action of any other governmental agency, subdivision, or body to the city council for approval;

(7) that the authority submit its administrative structure and management

practices to the city council for approval; and

(8) any other limitation or control established by the city council by the enabling resolution.

Subd. 2. [MODIFICATION OF RESOLUTION.] The enabling resolution may be modified at any time, subject to subdivision 5, and provided that any modification is made in accordance with section 15.

Subd. 3. [REPORT ON RESOLUTION.] Without limiting the right of the authority to petition the city council at any time, each year, within 60 days of the anniversary date of the first adoption of the enabling resolution, the authority shall submit to the city council a report stating whether and how the enabling resolution should be modified. Within 30 days of receipt of the recommendation, the city council shall review the enabling resolution, consider the recommendations of the authority, and make any modification it considers appropriate. Modifications must be made in accordance with the procedural requirements of section 16.

Subd. 4. [COMPLIANCE.] The city council's determination that the authority has complied with the limitations imposed under this section is conclusive.

Subd. 5. [LIMITS; SECURITY.] Limits imposed under this section must not be applied in a manner that impairs the security of any bonds issued or contracts executed before the limit is imposed. The city council must not modify any limit in effect at the time any bonds or obligations are issued or contracts executed to the detriment of the holder of the bonds or obligations or any contracting party.

Sec. 16. [458C.05] [PROCEDURAL REQUIREMENT.]

Subdivision 1. [ENABLING RESOLUTION.] The creation of an authority by a city must be by written resolution known as the enabling resolution. Before adopting the enabling resolution, the city council shall conduct a public hearing. Notice of the time and place of hearing, a statement of the purpose of the hearing, and a summary of the resolution must be published in a newspaper of general circulation within the city once a week for two consecutive weeks. The first publication must appear not more than 30 days from the date of the public hearing.

Subd. 2. [MODIFICATIONS.] All modifications to the enabling resolution must be by written resolution and must be adopted after notice is given and a public hearing conducted as required for the original adoption of the enabling resolution.

Sec. 17. [458C.06] [TRANSFER OF AUTHORITY.]

Subdivision 1. [ECONOMIC DEVELOPMENT, HOUSING, REDEVELOPMENT POWERS.] The city may, by ordinance, divide any economic development, housing, and redevelopment powers granted under chapter 462 and this chapter between the economic development authority and any other authority or commission established under statute or city charter for economic development, housing, or redevelopment.

Subd. 2. [PROJECT CONTROL, AUTHORITY, OPERATION.] The city may, by resolution, transfer the control, authority, and operation of any

project as defined in section 273.73, subdivision 8, or any other program or project authorized by chapter 462 or 472A located within the city, from the governmental agency or subdivision that established the project to the economic development authority. The city council may also require acceptance of control, authority, and operation of the project by the economic development authority. The economic development authority may exercise all of the powers that the governmental unit establishing the project could exercise with respect to the project.

When a project or program is transferred to the economic development authority, the authority shall covenant and pledge to perform the terms, conditions, and covenants of the bond indenture or other agreements executed for the security of any bonds issued by the governmental subdivision that initiated the project or program. The economic development authority may exercise all of the powers necessary to perform the terms, conditions, and covenants of any indenture or other agreements executed for the security of the bonds and shall become obligated on the bonds when the project or program is transferred as provided in this subdivision.

Subd. 3. [TRANSFER OF PERSONNEL.] Notwithstanding any other law or charter provision to the contrary, the city council may, by resolution, place any employees of the housing and redevelopment authority under the direction, supervision, or control of the economic development authority. The placement of any employees under the direction, supervision, or control of the economic development authority does not affect the rights of any employees of the housing and redevelopment authority, including any rights existing under a collective bargaining agreement or fringe benefit plan. The employees shall become employees of the economic development authority.

Sec. 18. [458C.07] [ECONOMIC DEVELOPMENT AUTHORITY.]

An economic development authority is a public body corporate and politic and a political subdivision of the state with the right to sue and be sued in its own name. An authority carries out an essential governmental function when it exercises its power, but the authority is not immune from liability because of this.

Sec. 19. [458C.08] [COMMISSIONERS; APPOINTMENT, TERMS, VACANCIES, PAY, REMOVAL.]

Subdivision 1. [COMMISSIONERS.] Except as provided in subdivision 2, clause (d), an economic development authority shall consist of either three, five, or seven commissioners who shall be appointed after the enabling resolution provided for in section 16 becomes effective. The resolution must indicate the number of commissioners constituting the authority.

Subd. 2. [APPOINTMENT, TERMS; VACANCIES.] (a) Three-member authority: the commissioners constituting a three-member authority, one of whom must be a member of the city council, shall be appointed by the mayor with the approval of the city council. Those initially appointed shall be appointed for terms of two, four, and six years, respectively. Thereafter all commissioners shall be appointed for six-year terms.

(b) Five-member authority: the commissioners constituting a five-member authority, two of whom must be members of the city council, shall be appointed by the mayor with the approval of the city council. Those initially

appointed shall be appointed for terms of two, three, four, and five years respectively and one member for six years. Thereafter all commissioners shall be appointed for six-year terms.

(c) *Seven-member authority: the commissioners constituting a seven-member authority, two of whom must be members of the city council, shall be appointed by the mayor with the approval of the city council. Those initially appointed shall be appointed for terms of one, two, three, four, and five years respectively and two members for six years. Thereafter all commissioners shall be appointed for six-year terms.*

(d) *The enabling resolution may provide that the members of the city council shall serve as the commissioners.*

(e) *The enabling resolution may provide for the appointment of members of the city council in excess of the number required in clauses (a), (b), and (c).*

(f) *A vacancy is created in the membership of an authority when a city council member of the authority ends council membership. A vacancy for this or another reason must be filled for the balance of the unexpired term, in the manner in which the original appointment was made. The city council may set the term of the commissioners who are members of the city council to coincide with their term of office as members of the city council.*

Subd. 3. [INCREASE IN COMMISSION MEMBERS.] An authority may be increased from three to five or seven members, or from five to seven members by a resolution adopted by the city council following the procedure provided for modifying the enabling resolution in section 16.

Subd. 4. [COMPENSATION AND REIMBURSEMENT.] A commissioner, including the president, shall be paid for attending each regular or special meeting of the authority in an amount to be determined by the city council. In addition to receiving pay for meetings, the commissioners may be reimbursed for actual expenses incurred in doing official business of the authority. All money paid for compensation or reimbursement must be paid out of the authority's budget.

Subd. 5. [REMOVAL FOR CAUSE.] A commissioner may be removed by the city council for inefficiency, neglect of duty, or misconduct in office. A commissioner shall be removed only after a hearing. A copy of the charges must be given to the commissioner at least ten days before the hearing. The commissioner must be given an opportunity to be heard in person or by counsel at the hearing. When written charges have been submitted against a commissioner, the city council may temporarily suspend the commissioner. If the city council finds that those charges have not been substantiated, the commissioner shall be immediately reinstated. If a commissioner is removed, a record of the proceedings, together with the charges and findings, shall be filed in the office of the city clerk.

Sec. 20. [458C.09] [OFFICERS; DUTIES; ORGANIZATIONAL MATTERS.]

Subdivision 1. [BYLAWS, RULES, SEAL.] An authority may adopt bylaws and rules of procedure and shall adopt an official seal.

Subd. 2. [OFFICERS.] An authority shall elect a president, a vice presi-

dent, a treasurer, a secretary, and an assistant treasurer. The authority shall elect the president, treasurer, and secretary annually. A commissioner must not serve as president and vice president at the same time. The other offices may be held by the same commissioner. The offices of secretary and assistant treasurer need not be held by a commissioner.

Subd. 3. [DUTIES AND POWERS.] The officers have the usual duties and powers of their offices. They may be given other duties and powers by the authority.

Subd. 4. [TREASURER'S DUTIES.] The treasurer:

- (1) shall receive and is responsible for authority money;
- (2) is responsible for the acts of the assistant treasurer;
- (3) shall disburse authority money by check only;
- (4) shall keep an account of the source of all receipts, and the nature, purpose, and authority of all disbursements; and
- (5) shall file the authority's detailed financial statement with its secretary at least once a year at times set by the authority.

Subd. 5. [ASSISTANT TREASURER.] The assistant treasurer has the powers and duties of the treasurer if the treasurer is absent or disabled.

Subd. 6. [TREASURER'S BOND.] The treasurer shall give bond to the state conditioned for the faithful discharge of official duties. The bond must be approved as to form and surety by the authority and filed with the secretary. The bond must be for twice the amount of money probably on hand at any one time, as determined at least annually by the authority. However, the bond must not exceed \$300,000.

Subd. 7. [PUBLIC MONEY.] Authority money is public money.

Subd. 8. [CHECKS.] An authority check must be signed by the treasurer and one other officer named by the authority in a resolution. The check must state the name of the payee and the nature of the claim that the check is issued for.

Subd. 9. [FINANCIAL STATEMENT.] The authority's detailed financial statement must show all receipts and disbursements, their nature, the money on hand, the purposes to which the money on hand is to be applied, the authority's credits and assets, and its outstanding liabilities in a form required for the city's financial statements. The authority shall examine the statement together with the treasurer's vouchers. If the authority finds that the statement and vouchers are correct, it shall approve them by resolution and enter the resolution in its records.

Sec. 21. [458C.10] [EMPLOYEES; SERVICES; SUPPLIES.]

Subdivision 1. [EMPLOYEES.] An economic development authority may employ an executive director, a chief engineer, other technical experts and agents, and other employees as it may require, and determine their duties, qualifications, and compensation.

Subd. 2. [CONTRACT FOR SERVICES.] The authority may contract for the services of consultants, agents, public accountants, and other persons

needed to perform its duties and exercise its powers.

Subd. 3. [LEGAL SERVICES.] The authority may use the services of the city attorney or hire a general counsel for its legal needs. The city attorney or general counsel, as determined by the authority, is its chief legal advisor.

Subd. 4. [SUPPLIES.] The authority may purchase the supplies and materials it needs to carry out sections 13 to 33.

Subd. 5. [CITY PURCHASING.] An authority may use the facilities of its city's purchasing department in connection with construction work and to purchase equipment, supplies, or materials.

Subd. 6. [CITY FACILITIES, SERVICES.] A city may furnish offices, structures and space, and stenographic, clerical, engineering, or other assistance to its authority.

Subd. 7. [DELEGATION POWER.] The authority may delegate to one or more of its agents or employees powers or duties as it may deem proper.

Sec. 22. [458C.11] [CONFLICT OF INTEREST.]

Except as authorized in section 471.88 a commissioner, officer, or employee of an authority must not acquire any financial interest, direct or indirect, in any project or in any property included or planned to be included in any project, nor shall the person have any financial interest, direct or indirect, in any contract or proposed contract for materials or service to be furnished or used in connection with any project.

Sec. 23. [458C.12] [DEPOSITORIES; DEFAULT; COLLATERAL.]

Subdivision 1. [NAMED; BOND.] Every two years an authority shall name national or state banks within the state as depositories. Before acting as a depository, a named bank shall give the authority a bond approved as to form and surety by the authority. The bond must be conditioned for the safe-keeping and prompt repayment of deposits. The amount of bond must be at least equal to the maximum sums expected to be deposited at any one time.

Subd. 2. [ONE BANK ACCOUNT.] An authority may deposit all its money from any source in one bank account.

Subd. 3. [DEFAULT; COLLATERAL.] When authority funds are deposited by the treasurer in a bonded depository, the treasurer and the surety on the treasurer's official bond are exempt from liability for the loss of the deposits because of the failure, bankruptcy, or other act or default of the depository. However, an authority may accept assignments of collateral from its depository to secure deposits just as assignments of collateral are permitted by law to secure deposits of the authority's city.

Sec. 24. [458C.13] [OBLIGATIONS.]

Subdivision 1. [TAXES AND ASSESSMENTS PROHIBITED.] An authority must not levy a tax or special assessment, except as otherwise provided in sections 13 to 33, pledge the credit of the state or the state's municipal corporations or other subdivisions, or incur an obligation enforceable on property not owned by the authority.

Subd. 2. [BUDGET TO CITY.] Annually, at a time fixed by charter, resolution, or ordinance of the city, an authority shall send its budget to its city's

council. The budget must include a detailed written estimate of the amount of money that the authority expects to need from the city to do authority business during the next fiscal year. The needed amount is what is needed in excess of any expected receipts from other sources.

Subd. 3. [FISCAL YEAR.] The fiscal year of the authority must be the same as the fiscal year of its city.

Subd. 4. [REPORT TO CITY.] Annually, at a time and in a form fixed by the city council, the authority shall make a written report to the council giving a detailed account of its activities and of its receipts and expenditures during the preceding calendar year, together with additional matters and recommendations it deems advisable for the economic development of the city.

Subd. 5. [AUDITS.] The financial statements of the authority must be prepared, audited, filed, and published or posted in the manner required for the financial statements of the city that established the authority. The financial statements must permit comparison and reconciliation with the city's accounts and financial reports. The report must be filed with the state auditor by June 30 of each year. The auditor shall review the report and may accept it or, in the public interest, audit the books of the authority.

Subd. 6. [COMPLIANCE EXAMINATIONS.] At the request of the city or upon the auditor's initiative, the state auditor may make a legal compliance examination of the authority for that city. Each authority examined must pay the total cost of the examination, including the salaries paid to the examiners while actually engaged in making the examination. The state auditor may bill monthly or at the completion of the audit. All collections received must be deposited in the revolving fund of the state auditor.

Sec. 25. [458C.14] [ECONOMIC DEVELOPMENT DISTRICTS; SCHEDULE OF POWERS.]

Subdivision 1. [ESTABLISHMENT.] An economic development authority may create and define the boundaries of economic development districts at any place or places within the city if the district satisfies the requirements of section 273.73, subdivision 10, except that the district boundaries must be contiguous, and may use the powers granted in sections 13 to 33 to carry out its purposes. First the authority must hold a public hearing on the matter. At least ten days before the hearing, the authority shall publish notice of the hearing in a daily newspaper of general circulation in the city. Also, the authority shall find that an economic development district is proper and desirable to establish and develop within the city.

Subd. 2. [ACQUIRE PROPERTY.] The economic development authority may acquire by lease, purchase, gift, devise, or condemnation proceedings the needed right, title, and interest in property to create economic development districts. It shall pay for the property out of money it receives under sections 13 to 33. It may hold and dispose of the property subject to the limits and conditions in sections 13 to 33. The title to property acquired by condemnation or purchase must be in fee simple, absolute. The authority may accept an interest in property acquired in another way subject to any condition of the grantor or donor. The condition must be consistent with the proper use of the property under sections 13 to 33. Property acquired, owned,

leased, controlled, used, or occupied by the authority for any of the purposes of this section is for public governmental and municipal purposes and is exempt from taxation by the state or by its political subdivisions. The exemption applies only while the authority holds property for its own purpose. The exemption is subject to the provisions of section 272.02, subdivision 5. When property is sold it begins to be taxed again.

Subd. 2a. [OPTIONS.] The economic development authority may sign options to purchase, sell, or lease property.

Subd. 3. [EMINENT DOMAIN.] The economic development authority may use eminent domain under chapter 117, or under its city's charter to acquire property it is authorized to acquire by condemnation. The authority may acquire in this way property acquired by its owner by eminent domain or property already devoted to a public use only if its city's council approves. The authority may possess property to be condemned after it files a petition in condemnation proceedings describing the property. The authority may abandon the condemnation before taking possession.

Subd. 4. [CONTRACTS.] The economic development authority may make contracts for the purpose of economic development within the powers given it in sections 13 to 33. The authority may contract or arrange with the federal government, or any of its departments, with persons, public corporations, the state, or any of its political subdivisions, commissions, or agencies, for separate or joint action, on any matter related to using the authority's powers or doing its duties. The authority may contract to purchase and sell real and personal property. However, an obligation or expense must not be incurred except when existing appropriations together with the reasonable expected revenue of the authority from other sources are sufficient to discharge the obligation or pay the expense when due. The state and its municipal subdivisions are not liable on the obligations.

Subd. 4a. [LIMITED PARTNER.] The economic development authority may be a limited partner in a partnership whose purpose is consistent with the authority's purpose.

Subd. 5. [RIGHTS; EASEMENTS.] The economic development authority may acquire rights or an easement for a term of years or perpetually for development of an economic development district.

Subd. 6. [SUPPLIES; MATERIALS.] The economic development authority may buy the supplies and materials it needs to carry out this section.

Subd. 7. [RECEIVE PUBLIC PROPERTY.] The economic development authority may accept land, money, or other assistance, whether by gift, loan or otherwise, in any form from the federal or state government, or an agency of either, or a local subdivision of state government to carry out sections 13 to 33 and to acquire and develop an economic development district and its facilities under this section.

Subd. 8. [DEVELOPMENT DISTRICT AUTHORITY.] The economic development authority may sell or lease land held by it for economic development in economic development districts. The authority may furnish capital equipment permanently or used exclusively on the lands or in the buildings if necessary to the purposes of the buildings or structures. The authority must

intend that the buildings, structures, and equipment be leased or sold to private persons to further develop the economic development district.

The authority may acquire, develop, sell, or lease single or multiple tracts of land regardless of size, to be developed as a part of the economic development of the district under sections 13 to 33.

Subd. 9. [FOREIGN TRADE ZONE.] *The economic development authority may apply to the board defined in United States Code, title 19, section 81a, for the right to use the powers provided in United States Code, title 19, sections 81a to 81u. If the right is granted, the authority may use the powers. One authority may apply with another authority.*

Subd. 10. [RELATION TO CHAPTER 474.] *The economic development authority may exercise powers and duties of a redevelopment agency under chapter 474, for a purpose in sections 13 to 33 or 462.411 to 462.705. The authority may also use the powers and duties in sections 13 to 33 and 462.411 to 462.705 for a purpose in chapter 474.*

Subd. 11. [PUBLIC FACILITIES.] *The authority may operate and maintain a public parking facility or other public facility to promote development in an economic development district.*

Sec. 26. [458C.15] [GENERAL OBLIGATION BONDS.]

Subdivision 1. [AUTHORITY; PROCEDURE.] *An economic development authority may issue general obligation bonds in the principal amount authorized by two-thirds majority vote of its city's council. The bonds may be issued in anticipation of income from any source. The bonds may be issued: (1) to secure funds needed by the authority to pay for acquired property or (2) for other purposes in sections 13 to 33. The bonds must be in the amount and form and bear interest at the rate set by the city council. The authority shall sell the bonds to the highest bidder. The authority shall publish notice of the time and the place for receiving bids, once at least two weeks before the bid deadline. Sections 13 to 33 govern issuance of the bonds. When those sections are silent, chapter 475 governs. The authority when issuing the bonds is a municipal corporation under chapter 475, and issuance of the bonds is subject to the provisions of chapter 475.*

Subd. 2. [DETAIL; MATURITY.] *The authority with the consent of its city's council shall set the date, denominations, place of payment, form, and details of the bonds. The bonds must mature serially. The first installment is due in not more than three years and the last in not more than 20 years from the date of issuance.*

Subd. 3. [SIGNATURES; COUPONS; LIABILITY.] *The bonds must be signed by the president of the authority, be attested by its secretary, and be countersigned by its treasurer; the signatures may be facsimile signatures. The interest coupons if any, must be attached to the bonds. The coupons must be executed and authenticated by the printed, engrossed, or lithographed facsimile signature of the authority's president and secretary. The bonds do not impose any personal liability on a member of the authority.*

Subd. 4. [PLEDGE.] *The bonds must be secured by the pledge of the full faith, credit, and resources of the issuing authority's city. The authority may pledge the full faith, credit, and resources of the city only if the city specifi-*

cally authorizes the authority to do so. The city council must first decide whether the issuance of the bonds by the authority is proper in each case and if so, what amount of bonds to issue. The city council shall give specific consent in an ordinance to the pledge of the city's full faith, credit, and resources. The authority shall pay the principal amount of the bonds and the interest on it from taxes levied under this section to make the payment or from authority income from any source.

§150 Subd. 5. [TAX LEVY.] An authority that issues bonds under this section, shall, before issuing them, levy a tax for each year on the taxable property in the authority's city. The tax must be for at least five percent more than the amount required to pay the principal and interest on the bonds as the principal and interest mature. The tax must be levied annually until the principal and interest are paid in full. After the bonds have been delivered to the purchasers, the tax must not be repealed until the debt is paid. After the bonds are issued, the authority need not take any more action to authorize extending, assessing, and collecting the tax. The authority's secretary shall immediately send a certified copy of the levy to the county auditor. The secretary shall send with the copy full information on the bonds for which the tax is levied. The county auditor shall extend and assess the levied tax annually until the principal and interest are paid in full. The authority shall transfer the surplus from the excess levy in this section to a sinking fund after the principal and interest for which the tax was levied and collected is paid. The authority may direct its secretary to send a certificate to the county auditor before October 15 in a year. The certificate must state how much available income including the amount in the sinking fund the authority will use to pay principal or interest or both on each specified issue of the authority's bonds. The auditor shall then reduce the bond levy for that year by that amount. The authority shall then set aside the certified amount and may not use it for any purpose except to pay the principal and interest on the bonds. The taxes in this section shall be collected and sent to the authority by the county treasurer under the law on collection of other taxes. The taxes must be used only to pay the bonds when due.

Subd. 6. [AUTHORIZED SECURITIES.] Bonds legally issued under this chapter are authorized securities under section 50.14. A savings bank, trust company, or insurance company may invest in them. A public or municipal corporation may invest its sinking funds in them. The bonds may be pledged by a bank or trust company as security for the deposit of public money in place of a surety bond.

The authority's bonds are instrumentalities of a public governmental agency.

Sec. 27. [458C.16] [REVENUE BONDS; PLEDGE; COVENANTS.]

Subdivision 1. [AUTHORITY.] An economic development authority may decide by resolution to issue its revenue bonds either at one time or in series from time to time. The revenue bonds may be issued to provide money to pay to acquire land needed to operate the authority, to purchase or construct facilities, to purchase, construct, install, or furnish capital equipment to operate a facility for economic development of any kind within the city, or to pay to extend, enlarge, or improve a project under its control. The issued bonds may include the amount the authority considers necessary to establish

an initial reserve to pay principal and interest on the bonds. The authority shall state in a resolution how the bonds and their attached interest coupons are to be executed.

Subd. 2. [FORM.] The bonds of each series issued by the authority under this section shall bear interest at a rate or rates, shall mature at the time or times within 20 years from the date of issuance and shall be in the form, whether payable to bearer, registrable as to principal, or fully registrable, as may be determined by the authority. Section 26, subdivision 6, applies to all bonds issued under this section, and the bonds and their coupons, if any, when payable to bearer, shall be negotiable instruments.

Subd. 3. [SALE.] The sale of revenue bonds issued by the authority shall be at public or private sale. The bonds may be sold in the manner and for the price that the authority determines to be for the best interest of the authority. The bonds may be made callable, and if so issued, may be refunded.

Subd. 4. [AGREEMENTS.] The authority may by resolution make an agreement or covenant with the bondholders or their trustee. The authority must first decide that the agreement or covenant is needed or desirable to do what the authority may do under this section and to assure that the revenue bonds are marketable and promptly paid.

Subd. 5. [REVENUE PLEDGE.] In issuing general obligation or revenue bonds, the authority may secure the payment of the principal and the interest on the bonds by a pledge of and lien on authority revenue. The revenue must come from the facility to be acquired, constructed, or improved with the bond proceeds or from other facilities named in the bond-authorizing resolutions. The authority also may secure the payment with its promise to impose, maintain, and collect enough rentals, rates and charges, for the use and occupancy of the facilities and for services furnished in connection with the use and occupancy, to pay its current expenses to operate and maintain the named facilities, and to produce and put enough net revenue in a special fund to meet the interest and principal requirements of the bonds, and to collect and keep any more money required by the resolutions. The authority shall decide what is current expense under this subdivision based on what is normal and reasonable under accepted accounting principles. Revenues pledged by the authority must not be used or pledged for any other authority purpose or to pay any other bonds issued under this section or under section 26, unless the other use or pledge is specifically authorized in the bond-authorizing resolutions.

Subd. 6. [NOT CITY DEBT.] Revenue bonds issued under this section are not a debt of the authority's city nor a pledge of that city's full faith and credit. The bonds are payable only from project revenue as described in this section. A revenue bond must contain on its face a statement to the effect that the economic development authority and its named city do not have to pay the bond or the interest on it except from revenue and that the faith, credit, and taxing power of the city are not pledged to pay the principal of or the interest on the bond.

Subd. 7. [NOT APPLICABLE.] Sections 474.01, subdivisions 7a, 7b, and 8 and 474.02, subdivision 1d, do not apply to revenue bonds issued under this section and chapter 474 if the interest on the revenue bonds is subject to both state and federal income tax or if the revenue bond proceeds are not

loaned by the authority to a private person.

Subd. 8. [TAX INCREMENT BONDS.] Obligations secured or payable from tax increment revenues and issued pursuant to this section or section 26 are subject to the provisions of section 273.77.

Sec. 28. [458C.17] [SECTIONS THAT APPLY IF FEDERAL LIMIT APPLIES.]

Sections 474.16 to 474.23 apply to obligations issued under sections 13 to 33 that are limited by a federal limitation act defined in section 474.16, subdivision 5.

Sec. 29. [458C.18] [ADDITIONAL POWERS.]

Subdivision 1. [AS AGENT.] An economic development authority may cooperate with or act as agent for the federal or the state government, or a state public body, or an agency or instrumentality of a government or a public body to carry out sections 13 to 33 or any other related federal, state or local law in the area of economic development district improvement.

Subd. 2. [STUDIES, ANALYSIS, RESEARCH.] An authority may study and analyze economic development needs in the city, and ways to meet the needs. An authority may study the desirable patterns for land use for economic development and community growth and other factors affecting local economic development in the city and make the result of the studies available to the public and to industry in general. An authority may engage in research and give out information on economic development within the city.

Subd. 3. [PUBLIC RELATIONS.] To further an authorized purpose an authority may (1) join an official, industrial, commercial, or trade association, or another organization concerned with the purpose, (2) have a reception of officials who may contribute to advancing the city and its economic development, and (3) carry out other public relations activities to promote the city and its economic development. Activities under this subdivision have a public purpose.

Subd. 4. [ACCEPT PUBLIC LAND.] An authority may accept conveyances of land from all other public agencies, commissions or other units of government, if the land can be properly used by the authority in an economic development district, to carry out the purposes of sections 13 to 33.

Subd. 5. [ECONOMIC DEVELOPMENT.] An authority may carry out the law on economic development districts to develop and improve the lands in an economic development district to make it suitable and available for economic development uses and purposes. An authority may fill, grade, and protect the property and do anything necessary and expedient, after acquiring the property, to make it suitable and attractive as a tract for economic development. An authority may lease some or all of its lands or property and may set up local improvement districts in all or part of an economic development district.

In general, with respect to an economic development district, an authority may use all the powers given an economic development authority by law.

Subd. 6. [AS BORROWER.] An authority after authorizing bonds under section 26 or 27 may borrow to provide money immediately required for the

bond purpose. The loans must not exceed the amount of the bonds. The authority shall by resolution decide the terms of the loans. The loans must be evidenced by negotiable notes due in not more than 12 months from the date of the loan payable to the order of the lender or to bearer, to be repaid with interest from the proceeds of the bonds when the bonds are issued and delivered to the bond purchasers. The loan must not be obtained from any commissioner of the authority or from any corporation, association, or other institution of which an authority commissioner is a stockholder or officer.

Subd. 7. [AS LENDER.] The proceeds of obligations issued by an authority under section 27 and temporary loans obtained under this section may be used to make or purchase loans for economic development facilities that the authority believes will require financing. To make or purchase the loans, the authority may enter into loan and related agreements, both before and after issuing the obligations, with persons, firms, public or private corporations, federal or state agencies, and governmental units under terms and conditions the authority considers appropriate. A governmental unit in the state may apply, contract for, and receive the loans. Chapter 475 does not apply to the loans.

Subd. 8. [MINED SPACE DEVELOPMENT.] Upon delegation by a municipality as provided in section 472B.08, an authority may exercise any of the delegated powers in connection with mined underground space development under sections 472B.03 to 472B.07.

Subd. 9. [CITY FACILITIES, SERVICES.] An authority city may furnish offices, structures, and space, stenographic, clerical, engineering, or other assistance to its authority.

Sec. 30. [458C.19] [SALE OF PROPERTY.]

Subdivision 1. [POWER.] An economic development authority may sell and convey property owned by it within the city or an economic development district. First, the authority must decide that the sale and conveyance are in the best interests of the city or district and its people, and that the transaction furthers its general plan of economic development. This section is not limited by other law on powers of economic development authorities.

Subd. 2. [NOTICE; HEARING.] An authority shall hold a hearing on the sale. At the hearing a taxpayer may testify for or against the sale. At least ten, but not more than 20, days before the hearing the authority shall publish notice of the hearing on the proposed sale in a newspaper. The newspaper must be published and have general circulation in the authority's county and city. The notice must describe the property to be sold and state the time and place of the hearing. The notice must also state that the public may see the terms and conditions of the sale at the authority's office and that at the hearing the authority will meet to decide if the sale is advisable.

Subd. 3. [DECISION; APPEAL.] The authority shall make its findings and decision on whether the sale is advisable and enter its decision on its records within 30 days of the hearing. A taxpayer may appeal the decision. The appeal is made by filing a notice of appeal with the district court in the city or economic development district's county and serving the notice on the secretary of the authority, within 20 days after the decision is entered. The only ground for appeal is that the action of the authority was arbitrary.

capricious, or contrary to law.

Subd. 4. [TERMS.] *The terms and conditions of sale of the property must include the use that the bidder will be allowed to make of it. The authority may require the purchaser to file security to assure that the property will be given that use. In deciding the sale terms and conditions the authority may consider the nature of the proposed use and the relation of the use to the improvement of the authority's city and the business and the facilities of the authority in general. The sale must be made on the authority's terms and conditions. The authority may publish an advertisement for bids on the property at the same time and in the same manner as the notice of hearing required in this section. The authority may award the sale to the bid considered by it to be most favorable considering the price and the specified intended use. The authority may also sell the property at private sale at a negotiated price if after its hearing the authority considers that sale to be in the public interest and to further the aims and purposes of sections 13 to 33.*

Subd. 5. [ONE-YEAR DEADLINE.] *The purchaser shall, within one year from the date of purchase, devote the property to its intended use, or shall begin work on the improvements to the property to devote it to that use. If the purchaser fails to do so, the authority may cancel the sale and title to the property shall return to it. The authority may extend the time to comply with a condition if the purchaser has good cause. The terms of sale may contain other provisions that the authority considers necessary and proper to protect the public interest. A purchaser must not transfer title to the property within one year of purchase without the consent of the authority.*

Subd. 6. [COVENANT RUNNING WITH THE LAND.] *A sale made under this section must incorporate in the deed as a covenant running with the land the conditions of sections 13 to 33 relating to the use of the land. If the covenant is violated the authority may declare a breach of the covenant and seek a judicial decree from the district court declaring a forfeiture and a cancellation of the deed.*

Subd. 7. [PLANS; SPECIFICATIONS.] *A conveyance must not be made until the purchaser gives the authority plans and specifications to develop the property sold. The authority must approve the plans and specifications in writing. The preparation of final plans and specifications before the hearing on the sale is not required by this subdivision but the authority may make that requirement.*

Sec. 31. [458C.20] [ADVANCES BY AUTHORITY.]

An authority may advance its general fund money or its credit, or both, without interest, for the objects and purposes of sections 13 to 33. The advances must be repaid from the sale or lease, or both, of developed or redeveloped lands. If the money advanced for the development or redevelopment was obtained from the sale of the authority's general obligation bonds, then the advances must have not less than the average annual interest rate that is on the authority's general obligation bonds that are outstanding at the time the advances are made. The authority may advance repaid money for more objects and purposes of sections 13 to 33 subject to repayment in the same manner. The authority must still use rentals of lands acquired with advanced money to collect and maintain reserves to secure the payment of principal and interest on revenue bonds issued to finance economic devel-

opment facilities, if the rentals have been pledged for that purpose under section 27. Advances made to acquire lands and to construct facilities for recreation purposes if authorized by law need not be reimbursed under this section. Sections 13 to 33 do not exempt lands leased from the authority to a private person, or entity from assessments or taxes against the leased property while the lessee is liable for the assessments or taxes under the lease.

Sec. 32. [458C.22] [CITY MAY LEVY TAXES FOR ECONOMIC DEVELOPMENT AUTHORITY.]

Subdivision 1. [CITY TAX LEVY.] A city may, at the request of the authority, levy a tax in any year for the benefit of the authority. The tax must be for not more than .75 mill times the assessed valuation of taxable property in the city. The tax may be levied beyond levy limits in law. The amount levied must be paid by the city treasurer to the treasurer of the authority, to be spent by the authority.

Subd. 2. [REVERSE REFERENDUM.] A city may increase its levy for economic development authority purposes under subdivision 1 in the following way. Its city council must first pass a resolution stating the proposed amount of levy increase. The city must then publish the resolution together with a notice of public hearing on the resolution for two successive weeks in its official newspaper or if none exists in a newspaper of general circulation in the city. The hearing must be held two to four weeks after the first publication. After the hearing, the city council may decide to take no action or may adopt a resolution authorizing the proposed increase or a lesser increase. A resolution authorizing an increase must be published in the city's official newspaper or if none exists in a newspaper of general circulation in the city. The resolution is not effective if a petition requesting a referendum on the resolution is filed with the city clerk within 30 days of publication of the resolution. The petition must be signed by voters equaling five percent of the votes cast in the city in the last general election. The election must be held pursuant to the procedure specified in section 275.58.

Sec. 33. [458C.23] [SPECIAL LAW; OPTIONAL USE.]

A city that has established a port authority by special law or that has been granted the power to establish a port authority by special law, or a city whose city council has been authorized to exercise the powers of a port authority by special law may elect to use the powers granted in sections 13 to 33. If the election is made, the powers and duties set forth in sections 13 to 33 supersede the special law and the special law must not be used anymore. The use of powers under sections 13 to 33 by a city described in this section does not impair the security of any obligations issued or contracts or agreements executed under the special law. Control, authority, and operation of any project may be transferred to the authority in the manner provided in section 17.

Sec. 34. [LEGISLATIVE FINDINGS.]

The statement of policy and the findings of the legislature in enacting Laws 1957, chapter 812, are confirmed and apply equally to the exercise of powers by economic development authorities and statutory or home rule charter cities pursuant to sections 13 to 33.

Sec. 35. Minnesota Statutes 1984; section 462C.02, subdivision 6, is

amended to read:

Subd. 6. "City" means any statutory or home rule charter city, or any public body which (a) is the housing and redevelopment authority in and for a city, ~~or~~ the port authority of a city, *or an economic development authority of a city established under sections 13 to 33*, and (b) is authorized by ordinance to exercise, on behalf of a city, the powers conferred by sections 462C.01 to 462C.08.

Sec. 36. Minnesota Statutes 1984, section 462C.02, subdivision 9, is amended to read:

Subd. 9. "Targeted area" means

(a) a development district established pursuant to section 472A.03,

(b) a development district established pursuant to Laws 1971, Chapter 677 as amended,

(c) a redevelopment project established pursuant to section 462.521,

(d) an industrial development district established pursuant to section 458.191,

(e) a census tract in which 70 percent or more of the families have income which is 80 percent or less of the statewide median family income as estimated by the United States department of housing and urban development, ~~or~~

(f) an area of chronic economic distress designated by the Minnesota housing finance agency, *or*

(g) an economic development district established pursuant to section 25.

Sec. 37. Minnesota Statutes 1985 Supplement, section 462C.12, subdivision 2, is amended to read:

Subd. 2. [POWERS.] The board is granted the following powers:

(a) The board may issue obligations and other forms of indebtedness under this section, subject to the terms and conditions set forth in the joint powers agreement, as may be from time to time amended.

(b) The board is authorized to exercise the powers conferred upon the cities of Minneapolis and St. Paul and their designated housing and redevelopment authorities, or the powers of an agency exercising the powers of a housing and redevelopment authority by this chapter and chapter 462 and any other general or special law of the state of Minnesota relating to housing or housing finance. The powers which may be exercised by the board include, without limitation, the power to undertake and implement projects, developments, or programs, the power to issue and sell obligations and other forms of indebtedness payable exclusively from the revenues of the programs, projects, or developments undertaken by the board, or any of the powers the Minnesota housing finance agency may exercise under chapter 462A, provided that the obligations and other forms of indebtedness may be sold upon terms and conditions as the board may from time to time determine. The board may exercise the powers conferred by this section only with respect to projects, programs, or developments within the corporate limits of the cities of Minneapolis and St. Paul, except as may be otherwise provided in a joint powers agreement entered into under section 471.59 between the board and

any other city, housing and redevelopment authority, ~~or~~ port authority or economic development authority established under sections 13 to 33 in the state of Minnesota.

(c) For the purposes of section 462C.09, the board may be authorized by the cities of Minneapolis and St. Paul, or by any other city with which the board enters into a joint powers agreement, to issue revenue bonds or obligations in an amount not to exceed the amount of bonds allocated by general or special law to such cities, or the board may issue mortgage credit certificates in lieu thereof.

Sec. 38. Minnesota Statutes 1984, section 471.88, subdivision 1, is amended to read:

Subdivision 1. The governing body of any port authority, seaway port authority, *economic development authority*, town, school district, hospital district, county, or city, by unanimous vote, may contract for goods or services with an interested officer of the governmental unit in any of the following cases.

Sec. 39. Minnesota Statutes 1984, section 471.88, subdivision 9, is amended to read:

Subd. 9. When a port authority commissioner or *economic development authority commissioner* is engaged in or employed by a firm engaged in the business of importing or exporting or general trade, it shall be lawful for the authority to do business with the commissioner or his employer provided that in the fixing of any rates affecting shippers or users of the terminal facility, said commissioner shall not vote thereon.

Sec. 40. Minnesota Statutes 1984, section 471.88, subdivision 11, is amended to read:

Subd. 11. When a commissioner of any public housing ~~or~~ port authority, or *economic development authority* is employed by a bank engaged in making loans or performing trust services involving real or personal property affected by any plan or such housing or port authority, no restriction shall apply to any such loans made or trust services performed by said bank if the commissioner shall disclose the nature of such loans or trust services of which he has personal knowledge, which disclosure shall be entered upon the minutes of such authority.

Sec. 41. Minnesota Statutes 1985 Supplement, section 472B.04, is amended to read:

472B.04 [POWERS OF MUNICIPALITY.]

A municipality may, to accomplish the purposes of this chapter:

(1) exercise any or all powers enumerated in chapter 458, but only if the municipality has been granted authority to exercise the powers enumerated in sections 13 to 33, chapters 458, 462, 472, 472A, and 474, in conjunction with the powers granted by this chapter;

(2) provide public facilities pursuant to chapters 429, 430, and any charter provision or any special law;

(3) acquire, by lease, purchase, gift, condemnation, or otherwise, land or

interests in land, and convey land or interests in land. A municipality is empowered to acquire by condemnation any property, property right or interest in property, corporate or incorporeal, within its boundaries which may be needed by it for a project, for access, including surface and subsurface access, for ventilation, or for any other purpose which it finds by resolution to be needed by it in connection with mined underground space development; and the fact that the property or interest in property so needed has been acquired by the owner under the power of eminent domain, or is already devoted to a public use, or is owned by the University of Minnesota, any city, county, school district, town, other municipality, or other governmental subdivision, railroad, or public or private utility, shall not prevent its acquisition by the municipality by the exercise of the right of eminent domain hereby conferred, provided the existing use thereof is not impaired; the necessity of the taking of any property or interest in property by the municipality shall be determined by resolution duly adopted by the governing body of the municipality, which shall describe the property or interest as nearly as it may be described and state the use and purpose to which it is to be devoted; except as otherwise provided in this chapter, the right of eminent domain shall be exercised in accordance with chapter 117, provided that any exercise of the right of eminent domain hereby conferred shall not be for the purpose of preventing the development, mining, and use of mineral resources;

(4) acting alone or with others, acquire, purchase, construct, lease, mortgage, maintain, operate, and convey projects;

(5) borrow money to carry out the purposes of this chapter;

(6) enter into contracts, sue and be sued and do or accomplish all other acts and things necessary or convenient to carry out the purposes and policies of this chapter; and

(7) exercise bonding authority as provided in section 472B.05.

Sec. 42. Minnesota Statutes 1984, section 474.02, subdivision 3, is amended to read:

Subd. 3. "Redevelopment agency" means any port authority referred to in chapter 458, or any city authorized by general or special law to exercise the powers of a port authority; *any economic development authority referred to in sections 13 to 33*; any housing and redevelopment authority referred to in chapter 462 or any body authorized to exercise the powers of a housing and redevelopment authority; and any area or municipal redevelopment agency referred to in chapter 472.

Sec. 43. Minnesota Statutes 1984, section 474.16, subdivision 2, is amended to read:

Subd. 2. "Local issuer" means any home rule charter or statutory city, any town, any housing and redevelopment authority referred to in chapter 462 or any body authorized to exercise the powers of a housing and redevelopment authority, any port authority referred to in chapter 458, *any economic development authority referred to in sections 13 to 33*, or any body authorized to exercise the powers of a port authority, any area or municipal redevelopment agency referred to in chapter 472, any county, or any other municipal authority or agency established pursuant to special law other than the iron range resources and rehabilitation board, acting as an issuer of obli-

gations pursuant to law.

Sec. 44. [EFFECTIVE DATE.]

This article is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to public administration; authorizing home rule charter or statutory cities to establish economic development districts; granting powers to cities and authorities; permitting Aitkin county to levy a tax for development purposes; permitting the city of Breezy Point to increase its levy; providing for certain tax refunds in Aitkin county; permitting the establishment and providing for the powers and duties of economic development authorities; permitting an agreement to finance library construction in the city of McGregor; permitting a land exchange; permitting the establishment of special service districts in the cities of Cambridge and Lindstrom; amending Minnesota Statute 1984, sections 116D.04, subdivision 1a; 117.521, subdivision 3; 272.01, subdivision 2; 273.72; 273.73, subdivisions 2 and 8; 273.86, subdivision 1; 355.11, subdivision 5; 375.09; 375.18, subdivision 7; 375A.11, subdivision 3; 375A.12, subdivisions 3 and 4; 383C.17; 462C.02, subdivisions 6 and 9; 465.72; 471.88, subdivisions 1, 9, and 11; 474.02, subdivision 3; and 474.16, subdivision 2; Minnesota Statutes 1985 Supplement, sections 273.75, subdivision 4; 353.01, subdivision 2a; 386.77; 395.08; 462C.12, subdivision 2; and 472B.04; proposing coding for new law in Minnesota Statutes, chapters 375 and 458; and proposing coding for new law as Minnesota Statutes, chapter 458C; repealing Minnesota Statutes 1984, sections 394.01; 394.02; 394.03; 394.04; and 394.05."

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

Senate Conferees: (Signed) Florian Chmielewski, Betty A. Adkins, Jim Gustafson

House Conferees: (Signed) Paul Anders Ogren, Ben Boo, Lynn H. Becklin

Mr. Chmielewski moved that the foregoing recommendations and Conference Committee Report on S.F. No. 1793 be now adopted, and that the bill be repassed as amended by the Conference Committee.

Mr. Waldorf moved that the recommendations and Conference Committee Report on S.F. No. 1793 be rejected and that the bill be re-referred to the Conference Committee as formerly constituted for further consideration.

CALL OF THE SENATE

Mr. Waldorf imposed a call of the Senate for the balance of the proceedings on S.F. No. 1793. The Sergeant at Arms was instructed to bring in the absent members.

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

The roll was called, and there were yeas 33 and nays 26, as follows:

Those who voted in the affirmative were:

Anderson	Diessner	Knutson	Pehler	Stumpf
Belanger	Dieterich	Kroening	Peterson, D.C.	Taylor
Benson	Frank	Kronebusch	Purfeerst	Vega
Berg	Frederickson	Langseth	Ramstad	Waldorf
Berglin	Freeman	Merriam	Reichgott	Wegscheid
Dahl	Johnson, D.E.	Moe, D.M.	Sieloff	
Dicklich	Knaak	Novak	Spear	

Those who voted in the negative were:

Adkins	DeCramer	Kamrath	Moe, R.D.	Solon
Bernhagen	Gustafson	Laidig	Olson	Willet
Bertram	Hughes	Lantry	Peterson, C.C.	
Brataas	Isackson	Lessard	Peterson, R.W.	
Chmielewski	Johnson, D.J.	Luther	Renneke	
Davis	Jude	McQuaid	Schmitz	

The motion prevailed.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Langseth moved that the following members be excused for a Conference Committee on H.F. No. 1599 from 9:00 to 11:00 p.m.:

Messrs. Langseth, Davis, Berg, Stumpf and DeCramer. The motion prevailed.

MOTIONS AND RESOLUTIONS - CONTINUED

RECONSIDERATION

Mr. Wegscheid moved that the vote whereby H.F. No. 397 failed to pass the Senate on March 17, 1986, be now reconsidered.

CALL OF THE SENATE

Mr. Wegscheid imposed a call of the Senate for the proceedings on H.F. No. 397. The Sergeant at Arms was instructed to bring in the absent members.

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

The roll was called, and there were yeas 31 and nays 30, as follows:

Those who voted in the affirmative were:

Adkins	Diessner	Lessard	Purfeerst	Waldorf
Berglin	Frank	Luther	Reichgott	Wegscheid
Bertram	Freeman	Moe, R.D.	Samuelson	Willet
Dahl	Hughes	Novak	Schmitz	
Davis	Johnson, D.J.	Pehler	Solon	
DeCramer	Kroening	Peterson, C.C.	Stumpf	
Dicklich	Langseth	Pogemiller	Vega	

Those who voted in the negative were:

Anderson	Frederickson	Knaak	Mehrkens	Ramstad
Belanger	Gustafson	Knutson	Merriam	Renneke
Benson	Isackson	Kronebusch	Moe, D.M.	Sieloff
Bernhagen	Johnson, D.E.	Laidig	Olson	Spear
Brataas	Jude	Lantry	Peterson, D.C.	Storm
Dieterich	Kamrath	McQuaid	Peterson, R.W.	Taylor

The motion prevailed. So the vote was reconsidered.

H.F. No. 397: A bill for an act proposing an amendment to the Minnesota Constitution, article I, adding a section to provide that the right to keep and bear arms shall not be abridged; appropriating money.

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

The question was taken on the passage of the bill.

Mr. Moe, R.D. moved that those not voting be excused from voting. The motion prevailed.

The roll was called, and there were yeas 30 and nays 35, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, D.J.	Novak	Schmitz
Berg	DeCramer	Kroening	Pehler	Solon
Berglin	Dicklich	Langseth	Peterson, C.C.	Stumpf
Bertram	Diessner	Lantry	Petty	Vega
Chmielewski	Frank	Lessard	Purfeerst	Wegscheid
Dahl	Hughes	Moe, R.D.	Samuelson	Willet

Those who voted in the negative were:

Anderson	Frederickson	Knaak	Merriam	Reichgott
Belanger	Freeman	Knutson	Moe, D.M.	Renneke
Benson	Gustafson	Kronebusch	Olson	Sieloff
Bernhagen	Isackson	Laidig	Peterson, D.C.	Spear
Brataas	Johnson, D.E.	Luther	Peterson, D.L.	Storm
Dietrich	Jude	McQuaid	Pogemiller	Taylor
Frederick	Kamrath	Mehrrens	Ramstad	Waldorf

So the bill failed to pass.

MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 1869 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S.F. NO. 1869

A bill for an act relating to utilities; changing the powers and responsibilities of the chair of the public utilities commission; requiring the governor to appoint the chair of the commission; changing qualification for commissioners; requiring commissioners to file certain financial information before taking office; prohibiting commissioners and certain employees from engaging in certain activity after leaving the commission; requiring the commission to adopt a code of conduct; providing penalties; amending Minnesota Statutes 1984, sections 216A.03, subdivision 3; and 216A.035; proposing coding for new law in Minnesota Statutes, chapter 216A.

March 17, 1986

The Honorable Jerome M. Hughes
President of the Senate

The Honorable David M. Jennings
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 1869, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendment and that S.F. No. 1869 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1984, section 216A.03, subdivision 1, is amended to read:

Subdivision 1. [MEMBERS.] As of January 1, 1975 The public utilities commission shall consist of five members, ~~three of whom shall be the members then serving, who shall continue to serve for the balance of their elective or appointive terms.~~ There shall be two additional commissioners appointed by the governor with the advice and consent of the senate, one for a term expiring December 31, 1975, and one for a term expiring December 31, 1977. Thereafter The terms of all subsequent members of the commission shall be six years and until their successors have been appointed and qualified. Each commissioner shall be appointed by the governor by and with the advice and consent of the senate. Not more than three commissioners shall belong to the same political party. *At least one commissioner must have been domiciled at the time of appointment outside the seven-county metropolitan area. If the membership of the commission after July 31, 1986, does not consist of at least one member domiciled at the time of appointment outside the seven-county metropolitan area, the membership shall conform to this requirement following normal attrition of the present commissioners.* The governor in his selection of commissioners shall give consideration to persons learned in the law or persons who have engaged in the profession of engineering, public accounting or, property and utility valuation, finance, physical or natural sciences, production agriculture, or natural resources as well as being representative of the general public.

For purposes of this subdivision, "seven-county metropolitan area" means Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington counties.

Sec. 2. Minnesota Statutes 1984, section 216A.03, subdivision 3, is amended to read:

Subd. 3. [CHAIRMAN.] The ~~commission~~ governor shall ~~elect~~ select one of ~~their number~~ the commissioners to serve as the chairman at the meeting of the commission in the second week in January of each year for a term of one year concurrent with that of the governor.

If a vacancy occurs in the position of chairman, the ~~commission~~ governor shall ~~elect~~ select a new chairman to complete the unexpired term.

Sec. 3. Minnesota Statutes 1984, section 216A.035, is amended to read:

216A.035 [CONFLICT OF INTEREST.]

(a) No person during his term of membership on the public utilities commission, while acting as executive secretary of the commission, or while employed in a professional capacity by the commission, shall receive any significant portion of his income, other than dividends or other earnings from a mutual fund or trust if these earnings do not constitute a significant portion of the person's income, directly or indirectly from any public utility or other organization subject to regulation by the commission. No person shall be eligible to be appointed as a member of the public utilities commis-

sion unless and until he divests himself of any significant interest or abandons any employment with a utility.

(b) No person is eligible to be appointed as a member of the commission if the person has been employed with an entity, or an affiliated company of an entity, that is subject to rate regulation by the commission within one year from the date when the person's term on the commission will begin.

(c) No person who is an employee of the public service department shall participate in any manner in any decision or action of the commission where he has a direct or indirect financial interest. Each commissioner or employee of the public service department who is in the general professional, supervisory, or technical units established in section 179A.10 or who is a professional, supervisory, or technical employee defined as confidential in section 179A.03, subdivision 4, or who is a management classification employee and whose duties are related to public utilities or transportation regulation shall report to the ethical practices board annually before April 15 any interest he has in an industry or business regulated by the commission. Each commissioner shall file a statement of economic interest as required by section 10A.09 with the ethical practices board and the public utilities commission before taking office. The statement of economic interest must state any interest that the commissioner has in an industry or business regulated by the commission.

(d) A professional employee of the commission or department must immediately disclose to the commission or to the director of the department, respectively, any communication, direct or indirect, with a person who is a party to a pending proceeding before the commission regarding future benefits, compensation, or employment to be received from that person.

Sec. 4. [216A.036] [EMPLOYMENT RESTRICTIONS.]

(a) A person who serves as (1) a commissioner of the public utilities commission, (2) director of the department of public service, or (3) deputy director of the department, shall not, while employed with or within one year after leaving the commission, or department, accept employment with, receive compensation directly or indirectly from, or enter into a contractual relationship with an entity, or an affiliated company of an entity, that is subject to rate regulation by the commission.

(b) An entity or an affiliated company of an entity that is subject to rate regulation by the commission, or a person acting on behalf of the entity, shall not negotiate or offer to employ or compensate a commissioner, the director, or the deputy director, while the person is so employed or within one year after the person leaves that employment.

(c) For the purposes of this section, "affiliated company" means a company that controls, is controlled by, or is under common control with an entity subject to rate regulation by the commission.

(d) A person who violates this section is subject to a civil penalty not to exceed \$10,000 for each violation. The attorney general may bring an action in district court to collect the penalties provided in this section.

Sec. 5. [216A.037] [RULES.]

Subdivision 1. [EX PARTE COMMUNICATIONS.] The commission

shall adopt rules under chapter 14 prescribing permissible and impermissible *ex parte* communications.

The *ex parte* rules may prohibit only *ex parte* communications by commission members with a party relating to:

- (1) a material issue during a pending contested case proceeding;
- (2) a material issue in a rulemaking proceeding after the beginning of commission deliberations;
- (3) a material issue in a disputed formal petition; and
- (4) any other communication impermissible by law.

A contested case is pending from the time the commission refers the matter to the office of administrative hearings until the commission has issued its final order, and the time to petition for reconsideration has expired or the commission has issued an order finally disposing an application for reconsideration, whichever is later.

Subd. 2. [COMMUNICATIONS PROHIBITED.] A commissioner shall not communicate, directly or indirectly, with a person or entity who is a party to a pending proceeding before the commission regarding past or future benefits or compensation to be received from that person or entity. The commission may dismiss a proceeding if an applicant, petitioner, or complainant violates this subdivision.

Subd. 3. [CODE OF CONDUCT.] Except as limited by subdivision 1, the commission shall adopt rules prescribing a code of conduct for commissioners and employees of the commission. The code of conduct must include standards to preserve the quasi-judicial function of the commission.

The commission shall adopt emergency rules to implement this subdivision.

Sec. 6. Minnesota Statutes 1984, section 216B.16, subdivision 1a, is amended to read:

Subd. 1a. [SETTLEMENT BARRED.] When a public utility proposes changes in general rates that would increase general rates paid by consumers by more than \$500,000 annually, the commission shall not may approve the change until after requiring the office of administrative hearings to conduct without a contested case hearing on, at a minimum, the appropriate rate base, expense and revenue levels for the test year, and the rate of return. If the formal parties to the contested case choose not to cross-examine the testimony presented, it shall be the duty of the commission and its staff to make inquiry of the witnesses presented to ensure that the testimony is well reasoned and constitutes substantial evidence. After a report of the examiner has been issued, the commission may proceed to take action on the proposed rates consistent with the provisions of this section. The commission shall not accept any stipulation that is not agreed to by if applicant and all intervening parties agree to a stipulated settlement of the case and the settlement is supported by substantial evidence. The commission shall accept or reject the settlement in its entirety and, at any time until its final order is issued in the case, may require the office of administrative hearings to conduct a contested case hearing.

Sec. 7. Minnesota Statutes 1984, section 216B.16, subdivision 2, is amended to read:

Subd. 2. [SUSPENSION OF RATES; HEARING.] Whenever there is filed with the commission a schedule modifying or resulting in a change in any rates then in force as provided in subdivision 1, the commission may suspend the operation of the schedule by filing with the schedule of rates and delivering to the affected utility a statement in writing of its reasons for the suspension at any time before the rates become effective. The suspension shall not be for a longer period than ten months beyond the initial filing date. During the suspension the commission shall determine whether all questions of the reasonableness of the rates requested raised by persons deemed interested or by the administrative division of the department of public service can be resolved to the satisfaction of the commission. If the commission finds that all significant issues raised have not been resolved to its satisfaction, or upon petition by ten percent of the affected customers or 250 affected customers, whichever is less, it shall refer the matter to the office of administrative hearings with instructions for a public hearing as a contested case pursuant to chapter 14, except as otherwise provided in this section. The commission may order that the issues presented by the proposed rate changes be bifurcated into two separate hearings as follows: (1) determination of the utility's revenue requirements and (2) determination of the rate design. Upon issuance of both hearing examiner reports, the issues shall again be joined for consideration and final determination by the commission. All prehearing discovery activities of state agency intervenors shall be consolidated and conducted by the department of public service. If the commission does not make a final determination concerning a schedule of rates within ten months after the initial filing date, the schedule shall be deemed to have been approved by the commission; *except if a settlement has been submitted to and rejected by the commission, the schedule is deemed to have been approved 12 months after the initial filing.* For the purposes of this section, "final determination" means the initial decision of the commission and not any order which may be entered by the commission in response to a petition for rehearing or other further relief. The commission may further suspend rates until it determines all those petitions.

Sec. 8. Minnesota Statutes 1984, section 237.075, subdivision 1a, is amended to read:

Subd. 1a. [SETTLEMENT BARRED.] When a telephone company proposes changes in general rates that would increase general rates paid by consumers by more than \$500,000 annually, the commission shall not may approve the change until after requiring the office of administrative hearings to conduct *without* a contested case hearing on, at a minimum, the appropriate rate base, expense and revenue levels for the test year, and the rate of return. If the formal parties to the contested case choose not to cross-examine the testimony presented, it shall be the duty of the commission and its staff to make inquiry of the witnesses presented to ensure that the testimony is well reasoned and constitutes substantial evidence. After a report of the examiner has been issued, the commission may proceed to take action on the proposed rates consistent with the provisions of this section. The commission shall not accept any stipulation that is not agreed to by if applicant and all intervening parties agree to a stipulated settlement of the case and the settlement is sup-

ported by substantial evidence. The commission shall accept or reject the settlement in its entirety and, at any time until its final order is issued in the case, may require the office of administrative hearings to conduct a contested case hearing.

Sec. 9. Minnesota Statutes 1984, section 237.075, subdivision 2, is amended to read:

Subd. 2. [SUSPENSION OF RATES; HEARING.] Whenever there is filed with the commission as provided in subdivision 1 a schedule modifying or resulting in a change in any rate then in force, the commission may suspend the operation of the schedule by filing with the schedule of rates and delivering to the affected telephone company a statement in writing of its reasons for the suspension at any time before the rates become effective. The suspension shall not be for a longer period than ten months beyond the initial filing date. During the suspension the commission shall determine whether all questions of the reasonableness of the rates requested raised by persons deemed interested or by the administrative division of the department of public service can be resolved to the satisfaction of the commission. If the commission finds that all significant issues raised have not been resolved to its satisfaction, or upon petition by ten percent of the affected customers or 250 affected customers, whichever is less, it shall refer the matter to the office of administrative hearings with instructions for a public hearing as a contested case pursuant to chapter 14, except as otherwise provided in this section. The commission may order that the issues presented by the proposed rate changes be bifurcated into two separate hearings as follows: (1) determination of the telephone company's revenue requirements and (2) determination of the rate design. Upon issuance of both administrative law judge reports, the issues shall again be joined for consideration and final determination by the commission. All prehearing discovery activities of state agency intervenors shall be consolidated and conducted by the department of public service. If the commission does not make a final determination concerning a schedule of rates within ten months after the initial filing date, the schedule shall be deemed to have been approved by the commission; *except if a settlement has been submitted to and rejected by the commission, the schedule is deemed to have been approved 12 months after the initial filing.* For the purposes of this section, "final determination" means the initial decision of the commission and not any order which may be entered by the commission in response to a petition for rehearing or other further relief. The commission may further suspend rates until it determines all those petitions.

Sec. 10. [EFFECTIVE DATE.]

Sections 1 and 3, paragraphs (b), (c), and (d), and sections 4 and 5 are effective the day following final enactment. Section 3, paragraph (a), is effective July 1, 1986. Section 2 is effective January 1, 1987."

Delete the title and insert:

"A bill for an act relating to utilities; changing qualifications for members of the public utilities commission; requiring the governor to appoint the chair of the commission; requiring commissioners to file certain information before taking office; prohibiting commissioners and certain employees of the department of public service from engaging in certain activities prior to and after leaving the commission or the department; requiring the commission to

adopt rules relating to ex parte communications and a code of conduct; authorizing stipulated settlements in certain cases; prescribing penalties; amending Minnesota Statutes 1984, sections 216A.03, subdivisions 1 and 3; 216A.035; 216B.16, subdivisions 1a and 2; and 237.075, subdivisions 1a and 2; proposing coding for new law in Minnesota Statutes, chapter 216A."

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

Senate Conferees: (Signed) Neil Dieterich, Tad Jude, Fritz Knaak

House Conferees: (Signed) Elton R. Redalen, Joel Jacobs, David B. Gruenes

Mr. Dieterich moved that the foregoing recommendations and Conference Committee Report on S.F. No. 1869 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

S.F. No. 1869 was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

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

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

MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 1910 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S.F. NO. 1910

A bill for an act relating to transportation; adding new route to trunk highway system in substitution of existing route; allowing old highway to be turned back to city of Willmar; directing revisor of statutes to make route substitution; amending Laws 1974, chapter 151, section 3.

March 17, 1986

The Honorable Jerome M. Hughes
President of the Senate

The Honorable David M. Jennings
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 1910, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendment and that S.F. No. 1910 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [65B.481] [DRIVER TO HAVE PROOF OF INSURANCE IN POSSESSION.]

Every driver shall have in his immediate possession at all times when operating a motor vehicle evidence that insurance covering the vehicle is in effect. On demand of a peace officer, an authorized representative of the department of public safety, or an officer authorized by law to enforce the laws relating to the operation of motor vehicles on public streets and highways, the driver must produce proof of insurance in the form of a valid insurance policy or an identification card issued by an insurer. No person shall be in violation of this section if the person provides the required proof of insurance to the officer within seven days or to the court on or before the date set for appearance. The commissioner of public safety may suspend the license of any operator who violates this section. Commercial vehicles required to file proof of insurance pursuant to chapter 221 and school buses as defined in section 171.01, subdivision 21 are exempt from this section.

Sec. 2. Minnesota Statutes 1984, section 65B.67, subdivision 3, is amended to read:

Subd. 3. [VIOLATION BY DRIVER.] Any other person who operates a motor vehicle or motorcycle upon a public highway, street or road in this state ~~with knowledge~~ *who knows or has reason to know* that the owner does not have security complying with the terms of section 65B.48 in full force and effect is guilty of a misdemeanor and shall be sentenced as provided in subdivision 4.

Sec. 3. Minnesota Statutes 1984, section 65B.67, subdivision 4a, is amended to read:

Subd. 4a. The commissioner of public safety ~~may~~ *shall* revoke the registration of any motor vehicle or motorcycle, and may suspend the driver's license of any operator, without preliminary hearing upon a showing by department records, including accident reports required to be submitted by section 169.09, or other sufficient evidence that security required by section 65B.48 has not been provided and maintained. Before reinstatement of the registration, there shall be filed with the commissioner of public safety the written certificate of an insurance carrier authorized to do business in the state stating that security has been provided as required by section 65B.48. The commissioner of public safety may require the certificate of insurance provided to satisfy this subdivision to be certified by the insurance carrier to be noncancelable for a period not to exceed one year. The commissioner of public safety may also require a certificate of insurance to be filed with respect to all vehicles required to be insured under section 65B.48 and owned by any person whose driving privileges have been suspended or revoked as

provided in this section before reinstating the person's driver's license.

Sec. 4. [160.81] [HIGHWAYS IN RECREATION AREAS.]

Subdivision 1. [JOINT STANDARDS.] The commissioner of transportation, in consultation with the commissioner of natural resources, shall establish standards for trunk highway segments located in areas of unusual scenic interest. The rules shall:

(1) define "areas of unusual scenic interest," which must include major recreational areas, historic areas and major publicly and privately owned tourist attractions;

(2) prescribe standards for right-of-way, shoulders and parking areas for trunk highway segments in such areas; and

(3) prescribe standards for scenic overlooks, parking piers and other parking areas, tourist information facilities, public water access points and other facilities intended to expand the recreational use of trunk highway segments in such areas.

Subd. 2. [PLAN.] The commissioner of transportation, in consultation with the commissioner of natural resources, shall prepare a plan for the recreational uses of trunk highway right-of-way and adjacent public land in areas of unusual scenic interest. The plan must provide for the enhancement of such recreational uses by the construction of new recreational facilities or the improvement or rehabilitation of existing recreational facilities, as enumerated in subdivision 1, clause (3). The plan must provide for joint development of these facilities by the departments of transportation and natural resources, where feasible, and must contain provisions permitting local units of government and regional development commissions to participate in the planning and development of recreational facilities.

Subd. 3. [RECREATIONAL FACILITIES.] The commissioner of transportation may, in areas of unusual scenic interest:

(1) construct, improve, and maintain recreational facilities, including parking areas, scenic overlooks, and tourist information facilities, on trunk highway right-of-way and adjacent areas; and

(2) construct, improve, and maintain access ramps and turnoffs to connect trunk highways with recreational land owned by the department of natural resources.

Subd. 4. [APPLICABILITY OF ADMINISTRATIVE PROCEDURE ACT.] Promulgation of the recreational use plan under subdivision 2 is subject to chapter 14, the administrative procedure act. The standards established under subdivision 1 are not subject to the administrative procedure act.

Sec. 5. [TRUNK HIGHWAY SYSTEM; NEW ROUTE SUBSTITUTED FOR EXISTING ROUTE.]

Subdivision 1. [ADDITIONAL ROUTE.] There is added to the trunk highway system a new route in Minnesota Statutes, section 161.115, described as follows:

Route No. 294. Beginning at the intersection of business route no. 71 (old

trunk highway no. 71) and Civic Center Road (formerly 15th Avenue N.E.) in Willmar, at or near the South Line of Government Lot 1, Section 2, Township 119 North, Range 35 West; thence extending in a general easterly, northerly, and northwesterly direction into and through the grounds of the Willmar state hospital to the intersection with old trunk highway no. 71 about 400 feet northerly of the South Line of Government Lot 1, Section 1, Township 119 North, Range 35 West.

Subd. 2. [SUBSTITUTION.] The route established in subdivision 1 is substituted for route no. 294 as contained and described in Minnesota Statutes 1984, section 161.115. Route no. 294 as contained and described in that section is discontinued and removed from the trunk highway system.

Subd. 3. [DIRECTIONS TO REVISOR.] The revisor of statutes, in compiling the next and subsequent editions of Minnesota Statutes, shall substitute the route established in subdivision 1 for the route discontinued and removed from the trunk highway system in subdivision 2.

Sec. 6. [161.52] [TOURIST INFORMATION CENTERS.]

For the fiscal year ending June 30, 1988, and subsequent years, the payment of the cost of staffing and operating tourist information centers located on trunk highways, including interstate highways, by the commissioner of transportation is subject to the following restrictions:

(a) For the fiscal year ending June 30, 1988, not more than two-thirds of the cost may be paid from the trunk highway fund.

(b) For the fiscal year ending June 30, 1989, not more than one-third of the cost may be paid from the trunk highway fund.

(c) For the fiscal year ending June 30, 1990, no part of the cost may be paid from the trunk highway fund.

That portion of the cost not paid from the trunk highway fund must be paid either by the commissioner from funds appropriated for that purpose from sources other than the trunk highway fund, or by local sources of funding.

Sec. 7. Minnesota Statutes 1984, section 162.06, subdivision 5, is amended to read:

Subd. 5. [STATE PARK ROAD ACCOUNT.] After deducting for administrative costs and for the disaster account and research account as heretofore provided from the remainder of the total sum provided for in subdivision 1, there shall be deducted a sum equal to the three quarters of one percent of the remainder but not to exceed the sum of ~~\$200,000~~ \$600,000 annually. The sum so deducted shall be set aside in a separate account and shall be used for the establishment, location, relocation, construction, reconstruction and improvement of those roads included in the county state-aid highway system under Minnesota Statutes 1961, Section 162.02, Subdivision 6 which border and provide substantial access to an outdoor recreation unit as defined in section 86A.04 or which provide access to the headquarters of or the principal parking lot located within a state park such a unit. At the request of the commissioner of natural resources the counties wherein such roads are located shall do such work as requested in the same manner as on any other county state-aid highway and shall be reimbursed for

such construction, reconstruction or improvements from the amount set aside by this subdivision. *Before requesting a county to do work on a county state-aid highway as provided in this subdivision, the commissioner of natural resources must obtain approval for the project from the county state-aid screening board. The screening board, before giving its approval, must obtain a written comment on the project from the county engineer of the county requested to undertake the project.* Any sums paid to counties in accordance with this subdivision shall reduce the money needs of said counties in the amounts necessary to equalize their status with those counties not receiving such payments. Any balance of the amount so set aside, at the end of each year shall be transferred to the county state-aid highway fund.

Sec. 8. Minnesota Statutes 1984, section 162.14, subdivision 2, is amended to read:

Subd. 2. [PURPOSES FOR WHICH MONEY IS APPORTIONED.] Money so apportioned to each such city shall be used for aid in the establishment, location, construction, reconstruction, improvement, and maintenance of the municipal state-aid street system within each city including the expense of sidewalks, signals and safety devices, *including systems that permit an emergency vehicle operator to activate a green traffic signal for the emergency vehicle*, on such system approved by the commissioner, provided that in the event of hardship or in the event that the municipal state-aid street system of any municipality is improved to the standards set forth in the commissioner's rules and regulations, and subject to the consent of the commissioner and under rules and regulations of the commissioner, a portion of the money so apportioned may be used on other streets or roads within the city. The governing body of any such city may, subject to the consent of the commissioner, and under the rules and regulations of the commissioner, use a portion of the money so apportioned on any state trunk highway or county state-aid highway within the city. The amount of money to be appropriated by such cities from other funds for use in the establishment, location, construction, reconstruction, improvement, and maintenance of the municipal state-aid street system within the city is hereby left to the direction of the individual governing bodies of the cities.

Sec. 9. [163.161] [IMPASSABLE CITY THROUGHFARES.]

When a written complaint signed by five or more freeholders of a statutory city of not more than 5,000 population is presented to the county board stating that a city throughfare located outside an urban area as defined in section 169.01, subdivision 59 has not been properly maintained and because of the improper maintenance is not reasonably passable the county board shall consider and act upon the complaint in the same manner provided for a complaint under section 163.16.

Sec. 10. Minnesota Statutes 1985 Supplement, section 168.011, subdivision 4, is amended to read:

Subd. 4. [MOTOR VEHICLE.] "Motor vehicle" means any self-propelled vehicle not operated exclusively upon railroad tracks and any vehicle propelled or drawn by a self-propelled vehicle and includes vehicles known as trackless trolleys which are propelled by electric power obtained from overhead trolley wires but not operated upon rails, except snowmobiles and manufactured homes. *After July 31, 1985, motor vehicle does not*

include a three-wheel off-road vehicle as defined in section 84.92, subdivision 8; *except that if the three-wheel off-road vehicle was licensed as a motor vehicle before August 1, 1985, the owner may continue to license it as a motor vehicle until it is conveyed or otherwise transferred to another owner, is destroyed, or fails to comply with the registration and licensing requirements of this chapter.*

Sec. 11. Minnesota Statutes 1985 Supplement, section 168.012, subdivision 1c, is amended to read:

Subd. 1c. (a) The annual *administrative* fee for ~~trailer license plates~~ issued to a tax-exempt vehicle under this section is \$5 for each plate. (b) ~~The annual fee for license plates issued to all other tax-exempt vehicles is a \$5 administrative handling fee and \$10 for two plates per vehicle. The license plate fee for a tax-exempt vehicle, except a trailer, is \$10 for two plates per vehicle, payable only on the first tax-exempt registration of the vehicle.~~ (c) ~~On or after March 1, 1986, The registration period for a tax-exempt vehicle is biennial and new plates will be issued for the life of the vehicle. Fees are The administrative fee is due on March 1 biennially and payable the preceding January 1, with validating stickers issued at time of payment. If the tax-exempt vehicle is newly registered for less than the two-year period, the fee must be apportioned by six-month increments, but in no event may the fee be less than \$5 per vehicle.~~

(b) The owner of a tax-exempt vehicle shall apply for tax-exempt license plates, and pay the administrative and plate fees, and the filing fee under section 168.33, subdivision 7, only to a deputy registrar in the county in which the vehicle is domiciled.

Sec. 12. Minnesota Statutes 1985 Supplement, section 168.013, subdivision 1c, is amended to read:

Subd. 1c. [FARM TRUCKS.] (1) On farm trucks having a gross weight of not more than 57,000 pounds, the tax shall be based on total gross weight and shall be 45 percent of the Minnesota base rate prescribed by subdivision 1e during each of the first eight years of vehicle life, but in no event less than \$35, and during the ninth and succeeding years of vehicle life the tax shall be 27 percent of the Minnesota base rate prescribed by subdivision 1e, but in no event less than \$21; ~~except as otherwise provided in this subdivision. On farm trucks having a gross weight of not more than 57,000 pounds during each of the first eight years of vehicle life, the tax shall be 45 percent of the tax imposed in the Minnesota base rate schedule.~~

On farm trucks having a gross weight of not more than 57,000 pounds during the ninth and succeeding years of vehicle life, the tax shall be 27 percent of the Minnesota base rate schedule.

(2) On farm trucks having a gross weight of more than 57,000 pounds, the tax shall be 60 percent of the Minnesota base rate during *each of* the first eight years of vehicle life and 36 percent of the Minnesota base rate during the ninth and succeeding years; ~~except as otherwise provided in this subdivision. On farm trucks having a gross weight of more than 57,000 pounds during the first eight years of vehicle life, the tax shall be 60 percent of the tax imposed in the Minnesota base rate schedule.~~

On farm trucks having a gross weight of more than 57,000 pounds, during

the ninth and succeeding years of vehicle life, the tax shall be 36 percent of the tax imposed in the Minnesota base rate schedule.

In addition to the gross weight tax imposed on a truck-tractor or truck used as a truck-tractor, each semitrailer shall be taxed a fee of \$10 for a one-year period or \$50 for a five-year period whichever the applicant elects.

Sec. 13. Minnesota Statutes 1985 Supplement, section 168.013, subdivision 1e, is amended to read:

Subd. 1e. [TRUCKS; TRACTORS; COMBINATIONS; EXCEPTIONS.] On trucks and tractors except those in this chapter defined as farm trucks, on truck-tractor and semitrailer combinations except those defined as farm combinations, and on commercial zone vehicles, the tax based on total gross weight shall be graduated according to the Minnesota base rate schedule prescribed in this subdivision, but in no event less than \$120.

Minnesota Base Rate Schedule

TOTAL GROSS WEIGHT IN POUNDS		TAX
A	0 - 1,500	\$ 15
B	1,501 - 3,000	20
C	3,001 - 4,500	25
D	4,501 - 6,000	35
E	6,001 - 9,000	45
F	9,001 - 12,000	70
G	12,001 - 15,000	105
H	15,001 - 18,000	145
I	18,001 - 21,000	190
J	21,001 - 26,000	270
K	26,001 - 33,000	360
L	33,001 - 39,000	475
M	39,001 - 45,000	595
N	45,001 - 51,000	715
O	51,001 - 57,000	865
P	57,001 - 63,000	1015
Q	63,001 - 69,000	1185
R	69,001 - 73,280	1325
S	73,281 - 78,000	1525
T	78,001 - 81,000	1625

For each vehicle with a gross weight in excess of 81,000 pounds an additional tax of \$50 is imposed for each ton or fraction thereof in excess of 81,000 pounds, subject to subdivision 12.

Truck-tractors except those herein defined as farm and commercial zone vehicles shall be taxed in accord with the foregoing gross weight tax schedule on the basis of the combined gross weight of the truck-tractor and any semitrailer or semitrailers which the applicant proposes to combine with the truck-tractor.

Commercial zone trucks include only trucks, truck-tractors, and semi-

trailer combinations which are:

(1) used by an authorized local cartage carrier operating under a permit issued under section 221.296 and whose gross transportation revenue consists of at least 60 percent obtained solely from local cartage carriage, and are operated solely within an area composed of two contiguous cities of the first class and municipalities contiguous thereto as defined by section 221.011, subdivision 17; or,

(2) operated by an interstate carrier registered under section 221.60, or by an authorized local cartage carrier or other carrier receiving operating authority under chapter 221, and operated solely within a zone exempt from regulation by the interstate commerce commission pursuant to United States Code, title 49, section 10526(b).

The license plates issued for commercial zone vehicles shall be plainly marked. A person operating a commercial zone vehicle outside the zone or area in which its operation is authorized is guilty of a misdemeanor and, in addition to the penalty therefor, shall have the registration of the vehicle as a commercial zone vehicle revoked by the registrar and shall be required to reregister the vehicle at 100 percent of the full annual tax prescribed in the Minnesota base rate schedule, and no part of this tax shall be refunded during the balance of the registration year.

On commercial zone trucks the tax shall be based on the total gross weight of the vehicle and during *each* of the first eight years of vehicle life shall be 75 percent of the Minnesota base rate schedule. During the ninth and succeeding years of vehicle life the tax shall be 50 percent of the Minnesota base rate schedule, ~~except as otherwise provided in this subdivision. On commercial zone trucks, during the ninth and succeeding years of vehicle life, the tax shall be 50 percent of the tax imposed in the Minnesota base rate schedule.~~

On trucks, truck-tractors and semitrailer combinations, except those defined as farm trucks and farm combinations, and except for those ~~urban trucks and combinations~~ and commercial zone vehicles specifically provided for in this subdivision, the tax for *each* of the first eight years of vehicle life shall be 100 percent of the tax imposed in the Minnesota base rate schedule, and during the ninth and succeeding years of vehicle life, the tax shall be 75 percent of the Minnesota base rate prescribed by this subdivision; ~~except as otherwise provided in this subdivision.~~

~~On trucks, truck-tractors and semitrailer combinations, except those defined as farm trucks and farm combinations, and except for those commercial zone vehicles specifically provided for in this subdivision, during each of the first eight years of vehicle life the tax shall be 100 percent of the tax imposed in the Minnesota base rate schedule.~~

Sec. 14. Minnesota Statutes 1984, section 168.27, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] For the purposes of this section, the following terms have the meanings given them:

(1) "Leasing motor vehicles" means furnishing a motor vehicle for a fee under a bailor-bailee relationship where no incidences of ownership are

intended to be transferred other than the right to use the vehicle for a stated period of time.

(2) "Brokering motor vehicles" means arranging sales between willing buyers and sellers of motor vehicles and receiving a fee for said service.

(3) "Wholesaling motor vehicles" means selling new or used motor vehicles to dealers for resale to the public.

(4) "Auctioning motor vehicles" means arranging for and handling the sale of motor vehicles, not the property of the auctioneer, to the highest bidder.

(5) "Dealer" includes new motor vehicle dealers, used motor vehicle dealers, brokers, wholesalers, auctioneers and lessors of new or used motor vehicles.

(6) "Commercial building" means a building adapted to commercial use and located in an area zoned for commercial or other less restrictive nonresidential use by the governmental unit in which it is located.

(7) *"Horse trailer" is a trailer designed and used to carry horses and other livestock, which has not more than three axles and a maximum gross weight capacity of not more than 24,000 pounds.*

Sec. 15. Minnesota Statutes 1984, section 168.27, subdivision 22, is amended to read:

Subd. 22. [MOTORIZED BICYCLES, BOAT AND SNOWMOBILE TRAILERS.] Any person, copartnership or corporation having a permanent enclosed commercial building or structure either owned in fee or leased and engaged in the business, either exclusively or in addition to any other occupation, of selling motorized bicycles, boat trailers, *horse trailers* or snowmobile trailers, may apply to the registrar for a dealer's license. Upon payment of a \$10 fee the registrar shall license the applicant as a dealer for the remainder of the calendar year in which the application was received. Thereafter the license may be renewed on or before the second day of January of each year by payment of a fee of \$10. The registrar shall issue to each dealer, upon his request, dealer plates as provided in subdivision 16 upon payment of \$3 for each plate, and the plates may be used in the same manner and for the same purposes as is provided in subdivision 16. Except for motorized bicycle dealers, the registrar shall also issue to the dealer, upon his request, "in transit" plates as provided in subdivision 17 upon payment of a fee of \$2 for each plate. This subdivision shall not be construed to abrogate any of the provisions of this section as the same relates to the duties, responsibilities and requirements of persons, copartnerships or corporations engaged in the business, either exclusively or in addition to other occupations, of selling motor vehicles or manufactured homes.

Sec. 16. Minnesota Statutes 1985 Supplement, section 168.27, subdivision 24, is amended to read:

Subd. 24. [BONDS.] All persons licensed hereunder shall keep in full force and effect a bond with a corporate surety to be approved by the registrar of motor vehicles in amounts as herein provided; in the case of boat, snowmobile trailer, *horses trailer* or motorized bicycle dealers in the amount of \$5,000; and as to all other persons in the amount of \$25,000. The bond shall

be conditioned on the faithful performance by the licensee of the obligations imposed by the laws of this state, including the conduct required of a licensee by this section and other sections governing the sale or transfer of motor vehicles, and the payment of all taxes, license fees and penalties. The bond shall be for the benefit of the state of Minnesota and any transferor, seller, or purchaser of a motor vehicle for any monetary loss caused by failure of the licensee to meet the obligations enumerated above. Proceedings on the forfeiture of the bonds shall be commenced in the district court of the county wherein the business of the licensed person was carried on, or if in more than one county, the county in which the offense occurred.

Sec. 17. Minnesota Statutes 1984, section 168.28, is amended to read:

168.28 [VEHICLES SUBJECT TO TAX; EXCEPTIONS.]

Every motor vehicle (except those exempted in section 168.012, and except those ~~exempted in section 168.012~~ which are being towed upon the streets and highways and which shall not be deemed to be using the streets and highways within the meaning of this section) shall be deemed to be one using the public streets and highways and hence as such subject to taxation under this act if such motor vehicle has since April 23, 1921, used such public streets or highways, or shall actually use them, or if it shall come into the possession of an owner other than as a manufacturer, dealer, warehouseman, mortgagee or pledgee. New and unused motor vehicles in the possession of a dealer solely for the purpose of sale, and used or secondhand motor vehicles which have not theretofore used the public streets or highways of this state which are in the possession of a dealer solely for the purpose of sale and which are duly listed as herein provided, shall not be deemed to be vehicles using the public streets or highways. The driving or operating of a motor vehicle upon the public streets or highways of this state by a motor vehicle dealer or any employee of such motor vehicle dealer for demonstration purposes or for any purpose incident to the usual and customary conduct and operation of his business in which he has been licensed under section 168.27 to engage, or solely for the purpose of moving it from points outside or within the state to the place of business or storage of a licensed dealer within the state or solely for the purpose of moving it from the place of business of a manufacturer, or licensed dealer within the state to the place of business or residence of a purchaser outside the state, shall not be deemed to be using the public streets or highways in the state within the meaning of this chapter or of the Constitution of the State of Minnesota, Article 14, and shall not be held to make the motor vehicle subject to taxation under this chapter as one using the public streets or highways, if during such driving or moving the dealer's plates herein provided for shall be duly displayed upon such vehicle. Any dealer or distributor may register a motor vehicle prior to its assessment or taxation as personal property, and pay the license fee and tax thereon for the full calendar year as one using the public streets and highways, and thereafter such vehicle shall be deemed to be one using the public streets and highways and shall not be subject to assessment or taxation as personal property during the calendar year for which it is so registered, whether or not such vehicle shall actually have used the streets or highways.

Sec. 18. Minnesota Statutes 1984, section 169.07, is amended to read:

169.07 [UNAUTHORIZED SIGNS.]

No person shall place, maintain, or display upon or in view of any highway any unauthorized sign, signal, marking, or device which purports to be or is an imitation of or resembles an official traffic-control device or railroad sign or signal, or which attempts to direct the movement of traffic, or which hides from view or interferes with the effectiveness of any official traffic-control device or any railroad sign or signal, and no person shall place or maintain, nor shall any public authority permit, upon any highway any traffic sign or signal bearing thereon any commercial advertising. This shall not be deemed to prohibit (1) the erection upon private property adjacent to highways of signs giving useful directional information and of a type that cannot be mistaken for official signs, or (2) the temporary placement by auctioneers licensed or exempt from licensing under section 330.01, for a period of not more than eight consecutive hours, on or adjacent to the right-of-way of a highway not more than four signs directing motorists to the location of an auction. The signs must conform to standards for size, content, placement, and location for such signs promulgated by the commissioner of transportation. The rules may require a permit for each such sign but no fee may be charged for the permit.

Every such prohibited sign, signal, or marking is hereby declared to be a public nuisance, and the authority having jurisdiction over the highways is hereby empowered to remove the same, or cause it to be removed, without notice.

Sec. 19. Minnesota Statutes 1984, section 169.44, is amended by adding a subdivision to read:

Subd. 18. [MOTOR COACH USED FOR SCHOOL ACTIVITIES.] A school district or an area vocational technical institute shall not acquire a motor coach. Motor coaches acquired by school districts or area vocational technical institutes before the effective date of this section may be used by school districts or area vocational technical institutes only to transport students participating in school activities, their instructors, and supporting personnel, to and from school activities. The motor coaches shall not in any way be outwardly equipped and identified as school buses. A motor coach operated under this subdivision is not a school bus for purposes of section 124.225. By August 1, 1986, the state board of education shall adopt rules governing the equipment, identification, operation, inspection, and certification of motor coaches operated under this subdivision. After January 1, 1998, a school district or area vocational technical institute shall not own or operate a motor coach for any purpose.

Sec. 20. Minnesota Statutes 1984, section 169.99, is amended by adding a subdivision to read:

Subd. 1b. The uniform traffic ticket must provide a blank or space wherein an officer who issues a citation for a violation of section 169.141 must specify whether the speed was greater than ten miles per hours in excess of the speed designated under that section.

Sec. 21. Minnesota Statutes 1984, section 171.02, subdivision 3, is amended to read:

Subd. 3. [MOTORIZED BICYCLES.] No motorized bicycle shall be operated on any public roadway by any person who does not possess a valid

drivers license, unless the person has obtained a motorized bicycle operator's permit or *motorized bicycle instruction permit* from the commissioner of public safety. The *operator's permit* may be issued to any person who has attained the age of 15 years and who has passed the examination prescribed by the commissioner. *The instruction permit may be issued to any person who has attained the age of 15 years and who has passed the written portion of the examination prescribed by the commissioner.* The commissioner may promulgate rules and regulations prescribing the content of the examination and the information to be contained on the ~~permit permits~~.

The fees for motorized bicycle operator's ~~permit permits~~ are as follows:

- | | |
|--|------|
| (a) Examination and operator's permit,
valid for one year | \$4 |
| (b) Duplicate | \$2 |
| (c) Renewal permit before age 18 19
and valid until age 18 19 | \$6 |
| (d) Renewal permit after age 18 19
and valid for four years | \$10 |
| (e) Duplicate of any renewal permit | \$3 |
| (f) <i>Written examination and
instruction permit, valid for
30 days</i> | \$4 |

Sec. 22. Minnesota Statutes 1984, section 171.05, is amended by adding a subdivision to read:

Subd. 3. Notwithstanding any provision in subdivision 1 to the contrary, the department, upon application and payment of the fee prescribed in section 1, may issue a motorized bicycle instruction permit to an applicant who is 15 years of age and who has successfully completed the written portion of the examination prescribed by the commissioner. The holder of this instruction permit who has the permit in possession may operate a motorized bicycle within one mile of the holder's residence for the purpose of practicing to take the operator portion of the examination prescribed by the commissioner.

Sec. 23. Minnesota Statutes 1984, section 171.07, subdivision 5, is amended to read:

Subd. 5. The department may provide a donor document to each person making application for a driver's license or a Minnesota identification card whereby any such person; ~~18 years of age or more~~, may execute an anatomical gift, pursuant to the provisions of the uniform anatomical gift act, sections 525.921 to 525.93. The commissioner of public safety shall prescribe the form of the donor document. *If the donor is 18 years of age or older*, the donor document must be signed by the donor in the presence of two witnesses who must sign the donor document in the donor's presence. If the donor cannot sign, the donor document may be signed for the donor at the donor's direction, in the donor's presence, and in the presence of two witnesses who must sign the donor document in the donor's presence. *If the donor is a minor, the donor document must be signed by the minor donor, and both of*

the minor donor's parents, a legal guardian, or the parent or parents having legal custody. If the minor cannot sign, the donor document may not be signed for the minor. The department shall identify donors of anatomical gifts by the designation "donor" on the front side of the donor's driver's license or Minnesota identification card. The designation "donor" shall constitute sufficient legal authority for the removal of all body organs or parts upon death of the donor for the purpose of transplantation and the designation shall be removed only upon written notice to the department. No designation may be noted upon the driver's license or Minnesota identification card of any person under 18. Delivery of the license or Minnesota identification card during the donor's lifetime is not necessary to make the gift valid.

Sec. 24. Minnesota Statutes 1984, section 171.12, is amended by adding a subdivision to read:

Subd. 6. [CERTAIN CONVICTIONS NOT RECORDED.] The department shall not keep on the record of a driver any conviction for a violation of section 169.141 unless the violation consisted of a speed greater than ten miles per hour in excess of the lawful speed designated under that section.

Sec. 25. Minnesota Statutes 1985 Supplement, section 171.27, is amended to read:

171.27 [EXPIRATION OF LICENSES.]

The expiration date for each driver's license, other than provisional licenses, is the birthday of the driver in the fourth year following the date of issuance of the license. The birthday of the driver shall be as indicated on the application for a driver's license. A license may be renewed on or before expiration or within one year after expiration upon application, payment of the required fee, and passing the examination required of all drivers for renewal. Driving privileges shall be extended or renewed on or preceding the expiration date of an existing driver's license unless the commissioner believes that the licensee is no longer qualified as a driver.

The expiration date for each provisional license shall be the ~~18th~~ 19th birthday of the licensee. Upon the provisional licensee attaining the age of ~~18~~ 19 and upon the application, payment of the required fee, and passing the examination required of all drivers for renewal, a driver's license shall be issued if the commissioner deems the record of the provisional licensee to be satisfactory.

Any valid Minnesota driver's license issued to a person then or subsequently on active duty with the Armed Forces of the United States, or the person's spouse, shall continue in full force and effect without requirement for renewal until 90 days after the date of the person's discharge from such service, provided that a spouse's license must be renewed if the spouse is residing within the state at the time the license expires or within 90 days after the spouse returns to Minnesota and resides within the state.

Sec. 26. Minnesota Statutes 1984, section 173.08, subdivision 1, is amended to read:

Subdivision 1. [ADVERTISING DEVICES RESTRICTED.] No advertising device, excepting the advertising devices described and permitted under sections 173.01 to 173.27, shall be erected or maintained in an adja-

cent area, after June 8, 1971, except the following:

(a) Directional and other official signs, including, but not limited to, signs pertaining to natural wonders, scenic and historical attractions, which are required or authorized by law, and which comply with regulations which shall be promulgated by the commissioner relative to their lighting, size, spacing and other requirements as may be appropriate to implement sections 173.01 to 173.27;

(b) Advertising devices advertising the sale or lease of property upon which they are located, provided that there shall not be more than one such sign, advertising the sale or lease of the same property, visible to traffic proceeding in any one direction on any one interstate or primary highway;

(c) Advertising devices advertising activities conducted on the property on which they are located, including, without limiting the generality of the foregoing, goods sold, stored, manufactured, processed or mined thereon, services rendered thereon, and entertainment provided thereon;

(d) Advertising devices stating the name and address of the owner, lessee or occupant of such property or information otherwise required or authorized by law to be posted or displayed thereon;

(e) Public utility signs;

(f) Service club and religious notices;

(g) Advertising devices of which the advertising copy or the name of the owner thereof is in no part visible from the traveled way of the aforesaid highways;

(h) Advertising devices which are located, or which are to be located, in business areas and which comply, or will comply when erected, with the provisions of sections 173.01 to 173.27;

(i) *Signs placed temporarily by auctioneers under section 169.07.*

Sec. 27. Minnesota Statutes 1985 Supplement, section 221.033, subdivision 3, is amended to read:

Subd. 3. [VARIANCE, RULES.] The commissioner shall adopt rules which provide a procedure for granting a variance from those regulations adopted under subdivision 1 which prescribe specifications for tank motor vehicles used to transport gasoline. The variance may be granted only to persons who transport gasoline in for tank motor vehicles with a capacity of 3,000 gallons or less that are used to transport gasoline and which were designed and manufactured between 1950 and 1975 according to American society of mechanical engineers specifications in effect at the time of manufacture to transport petroleum products. The commissioner shall prescribe alternative requirements to assure the safety of the tank motor vehicles operated under the variance, and shall register each tank motor vehicle operated under the variance.

Sec. 28. Laws 1974, chapter 151, section 3, is amended to read:

Sec. 3. This act shall take effect upon the construction of the trunk highway 42 Route No. 4 and Route No. 49 bypass of Willmar.

Section 29. Laws 1977, chapter 402, section 2, is amended to read:

Sec. 2. [LEXINGTON AVENUE SOUTH OF LARPENTEUR.]

The city of Saint Paul may ~~not~~ take or use existing park land for the redesign, reconstruction or widening of Lexington avenue south of Larpenteur avenue *only if the redesign, reconstruction or widening:*

(a) does not result in a traveled way on Lexington avenue between Horton avenue and Hoyt avenue greater than 32 feet, except for turning lanes, and

(b) is consistent with the Como Park master plan approved by the metropolitan council.

Sec. 30. [VARIANCE NOT REQUIRED.]

Notwithstanding any other provision of law that section of Lexington avenue which is located within Como Park in the city of Saint Paul does not require a variance from municipal state-aid engineering standards in order to be redesigned, reconstructed or widened, and is eligible for inclusion in the money needs of the city on the same basis as other municipal state-aid streets in the city.

Sec. 31. [HIGH OCCUPANCY VEHICLES.]

Subdivision 1. [HIGH OCCUPANCY LANES.] The commissioner of transportation shall, in the design of any controlled access highway within the metropolitan area as defined in Minnesota Statutes, section 473.02, subdivision 5, consider the inclusion in the design of one or more lanes of traffic reserved exclusively for vehicles carrying two or more persons.

Subd. 2. [EXCLUSIVE BUS LANES.] The commissioner of transportation shall, in the management of controlled access highways within the metropolitan area as defined in Minnesota Statutes, section 473.02, subdivision 5, which have entrance ramps reserved exclusively for buses, consider the use of such ramps by any vehicle carrying two or more persons.

Sec. 32. [RECONVEYANCE.]

Notwithstanding any other law, the proceeds from the conveyance of excess real estate in the city of St. Cloud that was acquired for the improvement of marked trunk highway No. 15 in the St. Cloud metropolitan area must be placed by the state treasurer in a separate account if the excess real estate is conveyed before the improvement is completed. All money in this account is hereby appropriated to the commissioner for expenditure only to pay the costs of completing the improvement of marked trunk highway No. 15 in the St. Cloud metropolitan area. The commissioner shall pay any money so appropriated which is in excess of the amount required to complete the improvement to the state treasurer for deposit in the trunk highway fund. For purposes of this section "St. Cloud metropolitan area" means the cities of St. Cloud, St. Joseph, Sauk Rapids, Waite Park and Sartell and all towns contiguous to those cities. For purposes of this section, "improvement" means the segment of trunk highway No. 15 between county road No. 137 in St. Cloud and Benton Drive in Sauk Rapids.

Sec. 33. Laws 1985, First Special Session chapter 15, section 9, subdivision 5, is amended to read:

Subd. 5. Construct rest areas near the cities listed in this

subdivision

4,099,000

(a) Baptism River, on trunk
highway 61

156,000

This appropriation is added to the appropriation in Laws 1983, chapter 344, section 6, subdivision 8, as amended by Laws 1984, chapter 597, section 54.

(b) Bigelow, on trunk highway 60,
including a travel information center

1,191,000

~~One-half the cost of staffing and operating the travel information center must be paid from sources other than the trunk highway fund. The commissioner may proceed with construction only after agreements to provide this funding are obtained.~~

(c) Orr, on trunk highway 53,
including a travel information center

573,000

\$341,000 is for construction of parking spaces.

\$232,000 is for a grant to the city of Orr for site acquisition and development and construction of a travel information center.

The costs of maintaining, staffing, and operating the rest area and travel information center must not be paid from the trunk highway fund.

(d) St. Cloud, on trunk highway 10,
including a travel information center

1,145,000

~~One-half the cost of staffing and operating the travel information center must be paid from sources other than the trunk highway fund. The commissioner may proceed with construction only after agreements to provide this funding are obtained.~~

(e) St. Peter, on trunk highway 169

1,034,000

Sec. 34. Laws 1985, chapter 299, section 40, is amended to read:

Sec. 40. [SPECIAL PERMIT.]

Subdivision 1. [PERMIT TO BE ISSUED.] Notwithstanding any law to the contrary the commissioner of transportation shall issue one special permit authorizing the operation for testing purposes of a three vehicle combination consisting of a motor vehicle, a "motorized hitch" and a trailer. The permit is valid for one year from the date of issuance. The annual fee for the permit is \$30. The permit is subject to all applicable provisions of Minnesota Statutes 1984, section 169.86, except as otherwise provided in this subdivision. The holder of the permit is responsible for all liability for personal injury, property damage or time lost, which may occur as a result of the operation of the combination for which the permit is issued, and must, if a claim is made

against the state or a department, division officer or employee thereof arising from such operation, defend, indemnify and hold them harmless.

Subd. 2. [REPEALER.] This section is repealed July 31, ~~1986~~ 1987.

Sec. 35. [PREPAID FEES FOR TAX-EXEMPT VEHICLES CARRIED FORWARD.]

The owner of a tax-exempt vehicle registered for the two-year period beginning March 1, 1986, whose fees for administrative handling, license plates, and filing exceeded \$20 per vehicle, may apply the excess toward payment of administrative handling fees for tax-exempt vehicles in subsequent registration periods, as provided in this section. Only payments made before the effective date of section 5 may be applied to subsequent administrative handling fees. The registrar shall notify each owner of a tax-exempt vehicle of the amount of the credit, if any, for which the owner is eligible under this section.

Sec. 36. [EXCHANGE OF LAND.]

Unti July 1, 1988, the commissioner of transportation may contract to dispose of and replace existing land, buildings, and associated property located in the southwest quadrant of the intersection of marked interstate highway no. 494 and France Avenue South in the city of Bloomington. The property may be replaced with land, buildings and associated property at a new location if replacement would result in a clear public benefit. A clear public benefit results if the following conditions are satisfied:

(1) the present use of the property to be replaced is not the highest and best use of the property compared to other property located in the immediate, surrounding area;

(2) replacement will promote commercial and economic development and employment in the area;

(3) replacement will not result in diminished service provided by the department or result in significantly increased future costs for the department due solely to the relocation of its facilities;

(4) the replacement will result in a significant economic benefit or interest to the state; and

(5) the procedures to effectuate replacement include an open, competitive contracting process.

The commissioner may enter into a contract for purposes of this paragraph only after presenting a report detailing the terms of the contract to the chairs of the house appropriations committee and the senate finance committee.

Sec. 37. [REPEALER.]

Minnesota Statutes 1984, section 171.15, subdivision 2, is repealed.

Sec. 38. [EFFECTIVE DATES.]

Sections 5, 19, 27, 28, 32 and 34 are effective the day following final enactment. Sections 29 and 30 are effective on approval by the St. Paul city council and compliance with Minnesota Statutes 1984, section 645.021.

Delete the title and insert:

"A bill for an act relating to transportation; providing for the licensing, taxation, ownership, and operation of motor vehicles; providing for the standards and construction of certain highways and payment of street and highway expenses; providing definitions; providing penalties; appropriating money; amending Minnesota Statutes 1984, sections 65B.67, subdivisions 3 and 4a; 162.06, subdivision 5; 162.14, subdivision 2; 168.27, subdivisions 1 and 22; 168.28; 169.07; 169.44, by adding a subdivision; 169.99, by adding a subdivision; 171.02, subdivision 3; 171.05, by adding a subdivision; 171.07, subdivision 5; 171.12, by adding a subdivision; and 173.08, subdivision 1; Minnesota Statutes 1985 Supplement, sections 168.011, subdivision 4; 168.012, subdivision 1c; 168.013, subdivisions 1c and 1e; 168.27, subdivision 24; 171.27; and 221.033, subdivision 3; Laws 1974, chapter 151, section 3; Laws 1977, chapter 402, section 2; Laws 1985, chapter 299, section 40; Laws 1985, First Special Session chapter 15, section 9, subdivision 5; proposing coding for new law in Minnesota Statutes, chapters 65B; 160; 161; and 163; repealing Minnesota Statutes 1984, section 171.15, subdivision 2."

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

Senate Conferees: (Signed) Dean E. Johnson, Robert J. Schmitz, Clarence M. Purfeerst

House Conferees: (Signed) Dennis D. Ozment, Virgil J. Johnson, Glen H. Anderson

Mr. Johnson, D.E. moved that the foregoing recommendations and Conference Committee Report on S.F. No. 1910 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

S.F. No. 1910 was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

The roll was called, and there were yeas 49 and nays 8, as follows:

Those who voted in the affirmative were:

Adkins	Diessner	Knaak	Moe, R. D.	Reichgott
Anderson	Frank	Knutson	Olson	Renneke
Belanger	Frederick	Kronebusch	Pehler	Samuelson
Bernhagen	Frederickson	Laidig	Peterson, C. C.	Schmitz
Bertram	Freeman	Langseth	Peterson, D. C.	Sieloff
Brataas	Hughes	Lantry	Peterson, D. L.	Spear
Chmielewski	Isackson	Lessard	Petty	Storm
Davis	Johnson, D.E.	Luther	Pogemiller	Taylor
DeCramer	Jude	McQuaid	Purfeerst	Willet
Dicklich	Kamrath	Mehrkins	Ramstad	

Those who voted in the negative were:

Berglin	Dieterich	Merriam	Stumpf	Waldorf
Dahl	Kroening	Peterson, R. W.		

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

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

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 1863:

H.F. No. 1863: A bill for an act relating to crimes; clarifying the crime of failing to file a tax return; creating a presumption that property acquired during the course of certain crimes are "proceeds" of the crime for purposes of forfeiture law; providing protection for crime victims against adverse employer actions; amending Minnesota Statutes 1985 Supplement, sections 290.92, subdivision 15; and 609.531, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 611A.

The House respectfully requests that a Conference Committee of three members be appointed thereon.

Seaberg, Kelly and Marsh have been appointed as such committee on the part of the House.

House File No. 1863 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 17, 1986

Mr. Freeman moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 1863, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

RECESS

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

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

APPOINTMENTS

Mr. Moe, R.D. from the Subcommittee on Committees recommends that the following Senators be and they hereby are appointed as a Conference Committee on:

H.F. No. 1863: Messrs. Freeman, Merriam and Novak.

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

MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 1725 and the Conference Committee Report thereon were

reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S.F. NO. 1725

A bill for an act relating to the city of East Grand Forks; permitting the establishment of a port authority; authorizing the port authority to exercise the powers of a municipal housing and redevelopment authority.

March 17, 1986

The Honorable Jerome M. Hughes
President of the Senate

The Honorable David M. Jennings
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 1725, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendment and that S.F. No. 1725 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1984, section 116D.04, subdivision 1a, is amended to read:

Subd. 1a. For the purposes of sections 116D.01 to 116D.07, the following terms have the meanings given to them in this subdivision.

(a) "Natural resources" has the meaning given it in section 116B.02, subdivision 4.

(b) "Pollution, impairment or destruction" has the meaning given it in section 116B.02, subdivision 5.

(c) "Environmental assessment worksheet" means a brief document which is designed to set out the basic facts necessary to determine whether an environmental impact statement is required for a proposed action.

(d) "Governmental action" means activities, including projects wholly or partially conducted, permitted, assisted, financed, regulated or approved by units of government including the federal government.

(e) "Governmental unit" means any state agency and any general or special purpose unit of government in the state including, but not limited to, watershed districts organized under chapter 112, counties, towns, cities, port authorities ~~and~~, housing authorities, *and economic development authorities established under sections 13 to 33*, but not including courts, school districts and regional development commissions other than the metropolitan council.

Sec. 2. Minnesota Statutes 1984, section 117.521, subdivision 3, is amended to read:

Subd. 3. The provisions of subdivisions 1 and 2 shall not apply to the acquisition of properties situated wholly or in part within any district for development authorized under Laws 1971, Chapters 548 or 677; or Laws 1973, Chapters 196, 761, or 764; or Laws 1974, Chapter 485; or Minnesota Statutes, Chapters 462, ~~or~~ 458; *or sections 13 to 33*.

Sec. 3. Minnesota Statutes 1984, section 272.01, subdivision 2, is

amended to read:

Subd. 2. (a) When any real or personal property which for any reason is exempt from ad valorem taxes, and taxes in lieu thereof, is leased, loaned, or otherwise made available and used by a private individual, association or corporation in connection with a business conducted for profit, there shall be imposed a tax, for the privilege of so using or possessing such real or personal property, in the same amount and to the same extent as though the lessee or user was the owner of such property.

(b) The tax imposed by this subdivision shall not apply to (1) property leased or used by way of a concession in or relative to the use in whole or part of a public park, market, fair grounds, port authority, *economic development authority established under sections 13 to 33*, municipal auditorium, airport owned by a city, town, county or group thereof but not the metropolitan airports commission, municipal museum or municipal stadium or (2) property constituting or used as a public pedestrian ramp, concourse, passenger check-in area or ticket sale counter, boarding area or luggage claim area in connection with a public airport; provided that real estate which is owned by a municipality in connection with the operation of a public airport and which is leased or used for agricultural purposes shall not be exempt.

(c) Taxes imposed by this subdivision shall be due and payable as in the case of personal property taxes and such taxes shall be assessed to such lessees or users of real or personal property in the same manner as taxes assessed to owners of real or personal property, except that such taxes shall not become a lien against the property. When due, the taxes shall constitute a debt due from the lessee or user to the state, township, city, county and school district for which the taxes were assessed and shall be collected in the same manner as personal property taxes. If property subject to the tax imposed by this subdivision is leased or used jointly by two or more persons, each lessee or user shall be jointly and severally liable for payment of the tax.

Sec. 4. Minnesota Statutes 1984, section 273.72, is amended to read:

273.72 [STATEMENT OF PURPOSE.]

The statutes governing the use of tax increment financing in Minnesota have evolved over a long period of time and exist in several different special and general laws. These laws are sometimes inconsistent and provide varying procedures which render them difficult to administer. It is the intent of the legislature, by enacting the Minnesota tax increment financing act, to ratify and confirm the findings, declarations and determinations made by the legislature in connection with chapters 362A, 458, *sections 13 to 33*, 462, 472A and 474 and to establish a uniform set of standards and procedures to be followed when using this method of financing.

Sec. 5. Minnesota Statutes 1984, section 273.73, subdivision 2, is amended to read:

Subd. 2. [AUTHORITY.] "Authority" means a rural development financing authority created pursuant to chapter 362A, a housing and redevelopment authority created pursuant to chapter 462; a port authority created pursuant to chapter 458; *an economic development authority created pursuant to sections 13 to 33*; a redevelopment agency as defined by chapter 474; a municipality which is administering a development district created pursuant

to chapter 472A or any special law, a municipality which undertakes a project pursuant to chapter 474; or a municipality which exercises the powers of a port authority pursuant to any general or special law.

Sec. 6. Minnesota Statutes 1984, section 273.73, subdivision 8, is amended to read:

Subd. 8. [PROJECT.] "Project" means a project as defined in section 362A.01; an industrial development district as defined in section 458.191, subdivision 1; *an economic development district as defined in section 25, subdivision 1*; a project as defined in section 462.421, subdivision 14; a development district as defined in chapter 472A or any special law; or a project as defined in section 474.02, subdivisions 1, 1a or 1b.

Sec. 7. Minnesota Statutes 1985 Supplement, section 273.75, subdivision 4, is amended to read:

Subd. 4. [LIMITATION ON USE OF TAX INCREMENT.] All revenues derived from tax increment shall be used in accordance with the tax increment financing plan. The revenues shall be used solely for the following purposes: (a) to pay the principal of and interest on bonds issued to finance a project; (b) by a rural development financing authority for the purposes stated in section 362A.01, subdivision 2, by a port authority or municipality exercising the powers of a port authority to finance or otherwise pay the cost of redevelopment pursuant to chapter 458, *by an economic development authority to finance or otherwise pay the cost of redevelopment pursuant to sections 13 to 33*, by a housing and redevelopment authority *or economic development authority* to finance or otherwise pay public redevelopment costs pursuant to chapter 462, by a municipality *or economic development authority* to finance or otherwise pay the capital and administration costs of a development district pursuant to chapter 472A, by a municipality or redevelopment agency to finance or otherwise pay premiums for insurance or other security guaranteeing the payment when due of principal of and interest on the bonds pursuant to chapters 462C, 474, or both chapters, or to accumulate and maintain a reserve securing the payment when due of the principal of and interest on the bonds pursuant to chapters 462C, 474, or both chapters, which revenues in the reserve shall not exceed, subsequent to the fifth anniversary of the date of issue of the first bond issue secured by the reserve, an amount equal to 20 percent of the aggregate principal amount of the outstanding and nondefeased bonds secured by the reserve. Revenues derived from tax increment may be used to finance the costs of an interest reduction program operated pursuant to section 462.445, subdivisions 10 to 13, or pursuant to other law granting interest reduction authority and power by reference to those subdivisions only under the following conditions: (a) tax increments may not be collected for a program for a period in excess of 12 years after the date of the first interest rate reduction payment for the program, (b) tax increments may not be used for an interest reduction program, if the proceeds of bonds issued pursuant to section 273.77 after December 31, 1985, have been or will be used to provide financial assistance to the specific project which would receive the benefit of the interest reduction program, and (c) not more than 50 percent of the estimated tax increment derived from a project may be used to finance an interest reduction program for owner-occupied single-family dwellings unless a project is located either in an area which would qualify as a redevelopment district or within a city designated as an

enterprise zone pursuant to section 273.1312, subdivision 4, clause (c)(3). These revenues shall not be used to circumvent existing levy limit law. No revenues derived from tax increment shall be used for the construction or renovation of a municipally owned building used primarily and regularly for conducting the business of the municipality; this provision shall not prohibit the use of revenues derived from tax increments for the construction or renovation of a parking structure, a commons area used as a public park or a facility used for social, recreational or conference purposes and not primarily for conducting the business of the municipality.

Sec. 8. Minnesota Statutes 1984, section 273.86, subdivision 1, is amended to read:

Subdivision 1. [APPLICATION.] A developer proposing to construct improvements on property located within an industrial development district as defined in section 458.191, subdivision 1; *an economic development district as defined in section 25, subdivision 1*; a development district as defined in section 472A.02, subdivision 3, or any special law; or a redevelopment project as defined in section 462.421, subdivision 14 may apply to the governing body of the city or municipality in which the property is located to obtain deferral of property tax on the improved property, stating the nature and location of the proposed improvement, its estimated cost, and the projected length of construction time. If the governing body finds that the proposed development is consistent with the requirements of the above referred sections, it may approve the application. If the application is approved by June 30, the tax exemption shall be in effect for taxes paid the following year; if it is approved later than June 30, the exemption shall be in effect for taxes paid in the second subsequent taxable year.

Sec. 9. Minnesota Statutes 1985 Supplement, section 353.01, subdivision 2a, is amended to read:

Subd. 2a. [INCLUDED EMPLOYEES.] The following persons are included in the meaning of "public employee":

- (a) Elected or appointed officers and employees of elected officers.
- (b) District court reporters.
- (c) Officers and employees of the public employees retirement association.
- (d) Employees of the League of Minnesota Cities.
- (e) Officers and employees of public hospitals, owned or operated by or an integral part of, any governmental subdivision or governmental subdivisions.
- (f) Employees of a school district who receive separate salaries for driving their own buses.
- (g) Employees of the Association of Minnesota Counties.
- (h) Employees of the Metropolitan Inter-County Association.
- (i) Employees of the Minnesota Municipal Utilities Association.
- (j) Employees of the metropolitan airports commission if employment initially commences on or after July 1, 1979.
- (k) Employees of the Minneapolis employees retirement fund, if employ-

ment initially commences on or after July 1, 1979.

(l) Employees of the Range Association of Municipalities and Schools.

(m) Employees of the soil and water conservation districts.

(n) Employees of a county historical society.

(o) *Employees of an economic development authority created under sections 13 to 33.*

Sec. 10. Minnesota Statutes 1984, section 355.11, subdivision 5, is amended to read:

Subd. 5. "Employing unit" means any municipal housing and redevelopment authorities organized pursuant to sections 462.415 to 462.705 and any soil and water conservation district organized pursuant to chapter 40 or any port authority organized pursuant to chapter 458, *or any economic development authority organized pursuant to sections 13 to 33*, or any hospital district organized or reorganized pursuant to sections 447.31 to 447.37.

Sec. 11. Minnesota Statutes 1985 Supplement, section 395.08, is amended to read:

395.08 [ECONOMIC AND AGRICULTURAL DEVELOPMENT.]

A county board may appropriate not more than \$25,000 \$50,000 annually out of the general revenue fund of the county to be paid to any incorporated development society or organization of this state which, in the board's opinion, will use the money for the best interests of the county in promoting, advertising, improving, or developing the economic and agricultural resources of the county.

Sec. 12. [458.101] [NO STATE BAILOUT OF PORT AUTHORITIES.]

State appropriations or credit of the state must not be used to pay or guarantee the payment of the debt of a port authority.

Sec. 13. [458C.01] [DEFINITIONS.]

Subdivision 1. [TERMS.] In sections 13 to 33, the terms defined in this section have the meaning given them.

Subd. 2. [AUTHORITY.] "Authority" means an economic development authority, unless specified otherwise.

Subd. 3. [CITY.] "City" means a home rule charter or statutory city.

Subd. 4. [DEVELOPMENT.] "Development" includes redevelopment, and developing includes redeveloping.

Subd. 5. [COST OF REDEVELOPMENT.] "Cost of redevelopment" means, with respect to an economic development district project, the cost of:

(a) acquiring property, whether by purchase, lease, condemnation, or otherwise;

(b) demolishing or removing structures or other improvements on acquired properties;

(c) correcting soil deficiencies necessary to develop or use the property for an appropriate use as determined by the authority;

(d) constructing or installing public improvements, including streets, roads, and utilities;

(e) providing relocation benefits to the occupants of acquired properties;

(f) planning, engineering, legal and other services necessary to carry out the functions listed in clauses (a) to (e); and

(g) the allocated administrative expenses of the authority for the project.

Sec. 14. [458C.03] [ECONOMIC DEVELOPMENT AUTHORITY; ESTABLISHMENT.]

A city may, by adopting an enabling resolution in compliance with the procedural requirements of section 16, establish an economic development authority that, subject to section 15, has the powers contained in sections 13 to 33 and a housing and redevelopment authority under chapter 462 or other law, and a city under chapter 472A or other law. If the economic development authority exercises the powers of a housing and redevelopment authority contained in chapter 462 or other law, the city shall exercise the powers relating to a housing and redevelopment authority granted to a city by chapter 462 or other law.

Sec. 15. [458C.04] [LIMIT OF POWERS.]

Subdivision 1. [RESOLUTION.] The enabling resolution may impose the following limits upon the actions of the authority:

(1) that the authority must not exercise any specified powers contained in sections 13 to 33, chapters 462 and 472A or that the authority must not exercise any powers without the prior approval of the city council;

(2) that, except when previously pledged by the authority, the city council may, by resolution, require the authority to transfer any portion of the reserves generated by activities of the authority that the city council determines is not necessary for the successful operation of the authority, to the debt service fund of the city, to be used solely to reduce tax levies for bonded indebtedness of the city;

(3) that the sale of all bonds or obligations issued by the authority be approved by the city council before issuance;

(4) that the authority follow the budget process for city departments as provided by the city and as implemented by the city council and mayor;

(5) that all official actions of the authority must be consistent with the adopted comprehensive plan of the city, and any official controls implementing the comprehensive plan;

(6) that the authority submit all planned activities for influencing the action of any other governmental agency, subdivision, or body to the city council for approval;

(7) that the authority submit its administrative structure and management practices to the city council for approval; and

(8) any other limitation or control established by the city council by the enabling resolution.

Subd. 2. [MODIFICATION OF RESOLUTION.] The enabling resolution

may be modified at any time, subject to subdivision 5, and provided that any modification is made in accordance with section 15.

Subd. 3. [REPORT ON RESOLUTION.] Without limiting the right of the authority to petition the city council at any time, each year, within 60 days of the anniversary date of the first adoption of the enabling resolution, the authority shall submit to the city council a report stating whether and how the enabling resolution should be modified. Within 30 days of receipt of the recommendation, the city council shall review the enabling resolution, consider the recommendations of the authority, and make any modification it considers appropriate. Modifications must be made in accordance with the procedural requirements of section 16.

Subd. 4. [COMPLIANCE.] The city council's determination that the authority has complied with the limitations imposed under this section is conclusive.

Subd. 5. [LIMITS; SECURITY.] Limits imposed under this section must not be applied in a manner that impairs the security of any bonds issued or contracts executed before the limit is imposed. The city council must not modify any limit in effect at the time any bonds or obligations are issued or contracts executed to the detriment of the holder of the bonds or obligations or any contracting party.

Sec. 16. [458C.05] [PROCEDURAL REQUIREMENT.]

Subdivision 1. [ENABLING RESOLUTION.] The creation of an authority by a city must be by written resolution known as the enabling resolution. Before adopting the enabling resolution, the city council shall conduct a public hearing. Notice of the time and place of hearing, a statement of the purpose of the hearing, and a summary of the resolution must be published in a newspaper of general circulation within the city once a week for two consecutive weeks. The first publication must appear not more than 30 days from the date of the public hearing.

Subd. 2. [MODIFICATIONS.] All modifications to the enabling resolution must be by written resolution and must be adopted after notice is given and a public hearing conducted as required for the original adoption of the enabling resolution.

Sec. 17. [458C.06] [TRANSFER OF AUTHORITY.]

Subdivision 1. [ECONOMIC DEVELOPMENT, HOUSING, REDEVELOPMENT POWERS.] The city may, by ordinance, divide any economic development, housing, and redevelopment powers granted under chapter 462 and this chapter between the economic development authority and any other authority or commission established under statute or city charter for economic development, housing, or redevelopment.

Subd. 2. [PROJECT CONTROL, AUTHORITY, OPERATION.] The city may, by resolution, transfer the control, authority, and operation of any project as defined in section 273.73, subdivision 8, or any other program or project authorized by chapter 462 or 472A located within the city, from the governmental agency or subdivision that established the project to the economic development authority. The city council may also require acceptance of control, authority, and operation of the project by the economic develop-

ment authority. The economic development authority may exercise all of the powers that the governmental unit establishing the project could exercise with respect to the project.

When a project or program is transferred to the economic development authority, the authority shall covenant and pledge to perform the terms, conditions, and covenants of the bond indenture or other agreements executed for the security of any bonds issued by the governmental subdivision that initiated the project or program. The economic development authority may exercise all of the powers necessary to perform the terms, conditions, and covenants of any indenture or other agreements executed for the security of the bonds and shall become obligated on the bonds when the project or program is transferred as provided in this subdivision.

Subd. 3. [TRANSFER OF PERSONNEL.] Notwithstanding any other law or charter provision to the contrary, the city council may, by resolution, place any employees of the housing and redevelopment authority under the direction, supervision, or control of the economic development authority. The placement of any employees under the direction, supervision, or control of the economic development authority does not affect the rights of any employees of the housing and redevelopment authority, including any rights existing under a collective bargaining agreement or fringe benefit plan. The employees shall become employees of the economic development authority.

Sec. 18. [458C.07] [ECONOMIC DEVELOPMENT AUTHORITY.]

An economic development authority is a public body corporate and politic and a political subdivision of the state with the right to sue and be sued in its own name. An authority carries out an essential governmental function when it exercises its power, but the authority is not immune from liability because of this.

Sec. 19. [458C.08] [COMMISSIONERS; APPOINTMENT, TERMS, VACANCIES, PAY, REMOVAL.]

Subdivision 1. [COMMISSIONERS.] Except as provided in subdivision 2, clause (d), an economic development authority shall consist of either three, five, or seven commissioners who shall be appointed after the enabling resolution provided for in section 16 becomes effective. The resolution must indicate the number of commissioners constituting the authority.

Subd. 2. [APPOINTMENT, TERMS; VACANCIES.] (a) Three-member authority: the commissioners constituting a three-member authority, one of whom must be a member of the city council, shall be appointed by the mayor with the approval of the city council. Those initially appointed shall be appointed for terms of two, four, and six years, respectively. Thereafter all commissioners shall be appointed for six-year terms.

(b) Five-member authority: the commissioners constituting a five-member authority, two of whom must be members of the city council, shall be appointed by the mayor with the approval of the city council. Those initially appointed shall be appointed for terms of two, three, four, and five years respectively and one member for six years. Thereafter all commissioners shall be appointed for six-year terms.

(c) Seven-member authority: the commissioners constituting a seven-

member authority, two of whom must be members of the city council, shall be appointed by the mayor with the approval of the city council. Those initially appointed shall be appointed for terms of one, two, three, four, and five years respectively and two members for six years. Thereafter all commissioners shall be appointed for six-year terms.

(d) The enabling resolution may provide that the members of the city council shall serve as the commissioners.

(e) The enabling resolution may provide for the appointment of members of the city council in excess of the number required in clauses (a), (b), and (c).

(f) A vacancy is created in the membership of an authority when a city council member of the authority ends council membership. A vacancy for this or another reason must be filled for the balance of the unexpired term, in the manner in which the original appointment was made. The city council may set the term of the commissioners who are members of the city council to coincide with their term of office as members of the city council.

Subd. 3. [INCREASE IN COMMISSION MEMBERS.] An authority may be increased from three to five or seven members, or from five to seven members by a resolution adopted by the city council following the procedure provided for modifying the enabling resolution in section 16.

Subd. 4. [COMPENSATION AND REIMBURSEMENT.] A commissioner, including the president, shall be paid for attending each regular or special meeting of the authority in an amount to be determined by the city council. In addition to receiving pay for meetings, the commissioners may be reimbursed for actual expenses incurred in doing official business of the authority. All money paid for compensation or reimbursement must be paid out of the authority's budget.

Subd. 5. [REMOVAL FOR CAUSE.] A commissioner may be removed by the city council for inefficiency, neglect of duty, or misconduct in office. A commissioner shall be removed only after a hearing. A copy of the charges must be given to the commissioner at least ten days before the hearing. The commissioner must be given an opportunity to be heard in person or by counsel at the hearing. When written charges have been submitted against a commissioner, the city council may temporarily suspend the commissioner. If the city council finds that those charges have not been substantiated, the commissioner shall be immediately reinstated. If a commissioner is removed, a record of the proceedings, together with the charges and findings, shall be filed in the office of the city clerk.

Sec. 20. [458C.09] [OFFICERS; DUTIES; ORGANIZATIONAL MATTERS.]

Subdivision 1. [BYLAWS, RULES, SEAL.] An authority may adopt bylaws and rules of procedure and shall adopt an official seal.

Subd. 2. [OFFICERS.] An authority shall elect a president, a vice president, a treasurer, a secretary, and an assistant treasurer. The authority shall elect the president, treasurer, and secretary annually. A commissioner must not serve as president and vice president at the same time. The other offices may be held by the same commissioner. The offices of secretary and

assistant treasurer need not be held by a commissioner.

Subd. 3. [DUTIES AND POWERS.] The officers have the usual duties and powers of their offices. They may be given other duties and powers by the authority.

Subd. 4. [TREASURER'S DUTIES.] The treasurer:

(1) shall receive and is responsible for authority money;

(2) is responsible for the acts of the assistant treasurer;

(3) shall disburse authority money by check only;

(4) shall keep an account of the source of all receipts, and the nature, purpose, and authority of all disbursements; and

(5) shall file the authority's detailed financial statement with its secretary at least once a year at times set by the authority.

Subd. 5. [ASSISTANT TREASURER.] The assistant treasurer has the powers and duties of the treasurer if the treasurer is absent or disabled.

Subd. 6. [TREASURER'S BOND.] The treasurer shall give bond to the state conditioned for the faithful discharge of official duties. The bond must be approved as to form and surety by the authority and filed with the secretary. The bond must be for twice the amount of money probably on hand at any one time, as determined at least annually by the authority. However, the bond must not exceed \$300,000.

Subd. 7. [PUBLIC MONEY.] Authority money is public money.

Subd. 8. [CHECKS.] An authority check must be signed by the treasurer and one other officer named by the authority in a resolution. The check must state the name of the payee and the nature of the claim that the check is issued for.

Subd. 9. [FINANCIAL STATEMENT.] The authority's detailed financial statement must show all receipts and disbursements, their nature, the money on hand, the purposes to which the money on hand is to be applied, the authority's credits and assets, and its outstanding liabilities in a form required for the city's financial statements. The authority shall examine the statement together with the treasurer's vouchers. If the authority finds that the statement and vouchers are correct, it shall approve them by resolution and enter the resolution in its records.

Sec. 21. [458C.10] [EMPLOYEES; SERVICES; SUPPLIES.]

Subdivision 1. [EMPLOYEES.] An economic development authority may employ an executive director, a chief engineer, other technical experts and agents, and other employees as it may require, and determine their duties, qualifications, and compensation.

Subd. 2. [CONTRACT FOR SERVICES.] The authority may contract for the services of consultants, agents, public accountants, and other persons needed to perform its duties and exercise its powers.

Subd. 3. [LEGAL SERVICES.] The authority may use the services of the city attorney or hire a general counsel for its legal needs. The city attorney or general counsel, as determined by the authority, is its chief legal advisor.

Subd. 4. [SUPPLIES.] The authority may purchase the supplies and materials it needs to carry out sections 13 to 33.

Subd. 5. [CITY PURCHASING.] An authority may use the facilities of its city's purchasing department in connection with construction work and to purchase equipment, supplies, or materials.

Subd. 6. [CITY FACILITIES, SERVICES.] A city may furnish offices, structures and space, and stenographic, clerical, engineering, or other assistance to its authority.

Subd. 7. [DELEGATION POWER.] The authority may delegate to one or more of its agents or employees powers or duties as it may deem proper.

Sec. 22. [458C.11] [CONFLICT OF INTEREST.]

Except as authorized in section 471.88 a commissioner, officer, or employee of an authority must not acquire any financial interest, direct or indirect, in any project or in any property included or planned to be included in any project, nor shall the person have any financial interest, direct or indirect, in any contract or proposed contract for materials or service to be furnished or used in connection with any project.

Sec. 23. [458C.12] [DEPOSITORIES; DEFAULT; COLLATERAL.]

Subdivision 1. [NAMED; BOND.] Every two years an authority shall name national or state banks within the state as depositories. Before acting as a depository, a named bank shall give the authority a bond approved as to form and surety by the authority. The bond must be conditioned for the safe-keeping and prompt repayment of deposits. The amount of bond must be at least equal to the maximum sums expected to be deposited at any one time.

Subd. 2. [ONE BANK ACCOUNT.] An authority may deposit all its money from any source in one bank account.

Subd. 3. [DEFAULT; COLLATERAL.] When authority funds are deposited by the treasurer in a bonded depository, the treasurer and the surety on the treasurer's official bond are exempt from liability for the loss of the deposits because of the failure, bankruptcy, or other act or default of the depository. However, an authority may accept assignments of collateral from its depository to secure deposits just as assignments of collateral are permitted by law to secure deposits of the authority's city.

Sec. 24. [458C.13] [OBLIGATIONS.]

Subdivision 1. [TAXES AND ASSESSMENTS PROHIBITED.] An authority must not levy a tax or special assessment, except as otherwise provided in sections 13 to 33, pledge the credit of the state or the state's municipal corporations or other subdivisions, or incur an obligation enforceable on property not owned by the authority.

Subd. 2. [BUDGET TO CITY.] Annually, at a time fixed by charter, resolution, or ordinance of the city, an authority shall send its budget to its city's council. The budget must include a detailed written estimate of the amount of money that the authority expects to need from the city to do authority business during the next fiscal year. The needed amount is what is needed in excess of any expected receipts from other sources.

Subd. 3. [FISCAL YEAR.] The fiscal year of the authority must be the

same as the fiscal year of its city.

Subd. 4. [REPORT TO CITY.] Annually, at a time and in a form fixed by the city council, the authority shall make a written report to the council giving a detailed account of its activities and of its receipts and expenditures during the preceding calendar year, together with additional matters and recommendations it deems advisable for the economic development of the city.

Subd. 5. [AUDITS.] The financial statements of the authority must be prepared, audited, filed, and published or posted in the manner required for the financial statements of the city that established the authority. The financial statements must permit comparison and reconciliation with the city's accounts and financial reports. The report must be filed with the state auditor by June 30 of each year. The auditor shall review the report and may accept it or, in the public interest, audit the books of the authority.

Subd. 6. [COMPLIANCE EXAMINATIONS.] At the request of the city or upon the auditor's initiative, the state auditor may make a legal compliance examination of the authority for that city. Each authority examined must pay the total cost of the examination, including the salaries paid to the examiners while actually engaged in making the examination. The state auditor may bill monthly or at the completion of the audit. All collections received must be deposited in the revolving fund of the state auditor.

Sec. 25. [458C.14] [ECONOMIC DEVELOPMENT DISTRICTS; SCHEDULE OF POWERS.]

Subdivision 1. [ESTABLISHMENT.] An economic development authority may create and define the boundaries of economic development districts at any place or places within the city if the district satisfies the requirements of section 273.73, subdivision 10, except that the district boundaries must be contiguous, and may use the powers granted in sections 13 to 33 to carry out its purposes. First the authority must hold a public hearing on the matter. At least ten days before the hearing, the authority shall publish notice of the hearing in a daily newspaper of general circulation in the city. Also, the authority shall find that an economic development district is proper and desirable to establish and develop within the city.

Subd. 2. [ACQUIRE PROPERTY.] The economic development authority may acquire by lease, purchase, gift, devise, or condemnation proceedings the needed right, title, and interest in property to create economic development districts. It shall pay for the property out of money it receives under sections 13 to 33. It may hold and dispose of the property subject to the limits and conditions in sections 13 to 33. The title to property acquired by condemnation or purchase must be in fee simple, absolute. The authority may accept an interest in property acquired in another way subject to any condition of the grantor or donor. The condition must be consistent with the proper use of the property under sections 13 to 33. Property acquired, owned, leased, controlled, used, or occupied by the authority for any of the purposes of this section is for public governmental and municipal purposes and is exempt from taxation by the state or by its political subdivisions. The exemption applies only while the authority holds property for its own purpose. The exemption is subject to the provisions of section 272.02, subdivision 5. When property is sold it begins to be taxed again.

Subd. 2a. [OPTIONS.] The economic development authority may sign options to purchase, sell, or lease property.

Subd. 3. [EMINENT DOMAIN.] The economic development authority may use eminent domain under chapter 117, or under its city's charter to acquire property it is authorized to acquire by condemnation. The authority may acquire in this way property acquired by its owner by eminent domain or property already devoted to a public use only if its city's council approves.

The authority may possess property to be condemned after it files a petition in condemnation proceedings describing the property. The authority may abandon the condemnation before taking possession.

Subd. 4. [CONTRACTS.] The economic development authority may make contracts for the purpose of economic development within the powers given it in sections 13 to 33. The authority may contract or arrange with the federal government, or any of its departments, with persons, public corporations, the state, or any of its political subdivisions, commissions, or agencies, for separate or joint action, on any matter related to using the authority's powers or doing its duties. The authority may contract to purchase and sell real and personal property. However, an obligation or expense must not be incurred except when existing appropriations together with the reasonable expected revenue of the authority from other sources are sufficient to discharge the obligation or pay the expense when due. The state and its municipal subdivisions are not liable on the obligations.

Subd. 4a. [LIMITED PARTNER.] The economic development authority may be a limited partner in a partnership whose purpose is consistent with the authority's purpose.

Subd. 5. [RIGHTS; EASEMENTS.] The economic development authority may acquire rights or an easement for a term of years or perpetually for development of an economic development district.

Subd. 6. [SUPPLIES; MATERIALS.] The economic development authority may buy the supplies and materials it needs to carry out this section.

Subd. 7. [RECEIVE PUBLIC PROPERTY.] The economic development authority may accept land, money, or other assistance, whether by gift, loan or otherwise, in any form from the federal or state government, or an agency of either, or a local subdivision of state government to carry out sections 13 to 33 and to acquire and develop an economic development district and its facilities under this section.

Subd. 8. [DEVELOPMENT DISTRICT AUTHORITY.] The economic development authority may sell or lease land held by it for economic development in economic development districts. The authority may acquire, sell, or lease single or multiple tracts of land regardless of size, to be developed as a part of the economic development of the district under sections 13 to 33.

Subd. 9. [FOREIGN TRADE ZONE.] The economic development authority may apply to the board defined in United States Code, title 19, section 81a, for the right to use the powers provided in United States Code, title 19, sections 81a to 81u. If the right is granted, the authority may use the powers. One authority may apply with another authority.

Subd. 10. [RELATION TO CHAPTER 474.] The economic development

authority may exercise powers and duties of a redevelopment agency under chapter 474, for a purpose in sections 13 to 33 or 462.411 to 462.705. The authority may also use the powers and duties in sections 13 to 33 and 462.411 to 462.705 for a purpose in chapter 474.

Subd. 11. [PUBLIC FACILITIES.] The authority may operate and maintain a public parking facility or other public facility to promote development in an economic development district.

Sec. 26. [458C.15] [GENERAL OBLIGATION BONDS.]

Subdivision 1. [AUTHORITY; PROCEDURE.] An economic development authority may issue general obligation bonds in the principal amount authorized by two-thirds majority vote of its city's council. The bonds may be issued in anticipation of income from any source. The bonds may be issued: (1) to secure funds needed by the authority to pay for acquired property or (2) for other purposes in sections 13 to 33. The bonds must be in the amount and form and bear interest at the rate set by the city council. The authority shall sell the bonds to the highest bidder. The authority shall publish notice of the time and the place for receiving bids, once at least two weeks before the bid deadline. Sections 13 to 33 govern issuance of the bonds. When those sections are silent, chapter 475 governs. The authority when issuing the bonds is a municipal corporation under chapter 475, and issuance of the bonds is subject to the provisions of chapter 475.

Subd. 2. [DETAIL; MATURITY.] The authority with the consent of its city's council shall set the date, denominations, place of payment, form, and details of the bonds. The bonds must mature serially. The first installment is due in not more than three years and the last in not more than 20 years from the date of issuance.

Subd. 3. [SIGNATURES; COUPONS; LIABILITY.] The bonds must be signed by the president of the authority, be attested by its secretary, and be countersigned by its treasurer; the signatures may be facsimile signatures. The interest coupons if any, must be attached to the bonds. The coupons must be executed and authenticated by the printed, engrossed, or lithographed facsimile signature of the authority's president and secretary. The bonds do not impose any personal liability on a member of the authority.

Subd. 4. [PLEDGE.] The bonds must be secured by the pledge of the full faith, credit, and resources of the issuing authority's city. The authority may pledge the full faith, credit, and resources of the city only if the city specifically authorizes the authority to do so. The city council must first decide whether the issuance of the bonds by the authority is proper in each case and if so, what amount of bonds to issue. The city council shall give specific consent in an ordinance to the pledge of the city's full faith, credit, and resources. The authority shall pay the principal amount of the bonds and the interest on it from taxes levied under this section to make the payment or from authority income from any source.

Subd. 5. [TAX LEVY.] An authority that issues bonds under this section, shall, before issuing them, levy a tax for each year on the taxable property in the authority's city. The tax must be for at least five percent more than the amount required to pay the principal and interest on the bonds as the principal and interest mature. The tax must be levied annually until the principal

and interest are paid in full. After the bonds have been delivered to the purchasers, the tax must not be repealed until the debt is paid. After the bonds are issued, the authority need not take any more action to authorize extending, assessing, and collecting the tax. The authority's secretary shall immediately send a certified copy of the levy to the county auditor. The secretary shall send with the copy full information on the bonds for which the tax is levied. The county auditor shall extend and assess the levied tax annually until the principal and interest are paid in full. The authority shall transfer the surplus from the excess levy in this section to a sinking fund after the principal and interest for which the tax was levied and collected is paid. The authority may direct its secretary to send a certificate to the county auditor before October 15 in a year. The certificate must state how much available income including the amount in the sinking fund the authority will use to pay principal or interest or both on each specified issue of the authority's bonds. The auditor shall then reduce the bond levy for that year by that amount. The authority shall then set aside the certified amount and may not use it for any purpose except to pay the principal and interest on the bonds. The taxes in this section shall be collected and sent to the authority by the county treasurer under the law on collection of other taxes. The taxes must be used only to pay the bonds when due.

Subd. 6. [AUTHORIZED SECURITIES.] Bonds legally issued under this chapter are authorized securities under section 50.14. A savings bank, trust company, or insurance company may invest in them. A public or municipal corporation may invest its sinking funds in them. The bonds may be pledged by a bank or trust company as security for the deposit of public money in place of a surety bond.

The authority's bonds are instrumentalities of a public governmental agency.

Sec. 27. [458C.16] [REVENUE BONDS; PLEDGE; COVENANTS.]

Subdivision 1. [AUTHORITY.] An economic development authority may decide by resolution to issue its revenue bonds either at one time or in series from time to time. The revenue bonds may be issued to provide money to pay to acquire land needed to operate the authority, to purchase or construct facilities, to purchase, construct, install, or furnish capital equipment to operate a facility for economic development of any kind within the city, or to pay to extend, enlarge, or improve a project under its control. The issued bonds may include the amount the authority considers necessary to establish an initial reserve to pay principal and interest on the bonds. The authority shall state in a resolution how the bonds and their attached interest coupons are to be executed.

Subd. 2. [FORM.] The bonds of each series issued by the authority under this section shall bear interest at a rate or rates, shall mature at the time or times within 20 years from the date of issuance and shall be in the form, whether payable to bearer, registrable as to principal, or fully registrable, as may be determined by the authority. Section 26, subdivision 6, applies to all bonds issued under this section, and the bonds and their coupons, if any, when payable to bearer, shall be negotiable instruments.

Subd. 3. [SALE.] The sale of revenue bonds issued by the authority shall be at public or private sale. The bonds may be sold in the manner and for the

price that the authority determines to be for the best interest of the authority. The bonds may be made callable, and if so issued, may be refunded.

Subd. 4. [AGREEMENTS.] The authority may by resolution make an agreement or covenant with the bondholders or their trustee. The authority must first decide that the agreement or covenant is needed or desirable to do what the authority may do under this section and to assure that the revenue bonds are marketable and promptly paid.

Subd. 5. [REVENUE PLEDGE.] In issuing general obligation or revenue bonds, the authority may secure the payment of the principal and the interest on the bonds by a pledge of and lien on authority revenue. The revenue must come from the facility to be acquired, constructed, or improved with the bond proceeds or from other facilities named in the bond-authorizing resolutions. The authority also may secure the payment with its promise to impose, maintain, and collect enough rentals, rates and charges, for the use and occupancy of the facilities and for services furnished in connection with the use and occupancy, to pay its current expenses to operate and maintain the named facilities, and to produce and put enough net revenue in a special fund to meet the interest and principal requirements of the bonds, and to collect and keep any more money required by the resolutions. The authority shall decide what is current expense under this subdivision based on what is normal and reasonable under accepted accounting principles. Revenues pledged by the authority must not be used or pledged for any other authority purpose or to pay any other bonds issued under this section or under section 26, unless the other use or pledge is specifically authorized in the bond-authorizing resolutions.

Subd. 6. [NOT CITY DEBT.] Revenue bonds issued under this section are not a debt of the authority's city nor a pledge of that city's full faith and credit. The bonds are payable only from project revenue as described in this section. A revenue bond must contain on its face a statement to the effect that the economic development authority and its named city do not have to pay the bond or the interest on it except from revenue and that the faith, credit, and taxing power of the city are not pledged to pay the principal of or the interest on the bond.

Subd. 7. [NOT APPLICABLE.] Sections 474.01, subdivisions 7a, 7b, and 8 and 474.02, subdivision 1d, do not apply to revenue bonds issued under this section and chapter 474 if the interest on the revenue bonds is subject to both state and federal income tax or if the revenue bond proceeds are not loaned by the authority to a private person.

Subd. 8. [TAX INCREMENT BONDS.] Obligations secured or payable from tax increment revenues and issued pursuant to this section or section 26 are subject to the provisions of section 273.77.

Sec. 28. [458C.17] [SECTIONS THAT APPLY IF FEDERAL LIMIT APPLIES.]

Sections 474.16 to 474.23 apply to obligations issued under sections 13 to 33 that are limited by a federal limitation act defined in section 474.16, subdivision 5.

Sec. 29. [458C.18] [ADDITIONAL POWERS.]

Subdivision 1. [AS AGENT.] An economic development authority may

cooperate with or act as agent for the federal or the state government, or a state public body, or an agency or instrumentality of a government or a public body to carry out sections 13 to 33 or any other related federal, state or local law in the area of economic development district improvement.

Subd. 2. [STUDIES, ANALYSIS, RESEARCH.] An authority may study and analyze economic development needs in the city, and ways to meet the needs. An authority may study the desirable patterns for land use for economic development and community growth and other factors affecting local economic development in the city and make the result of the studies available to the public and to industry in general. An authority may engage in research and give out information on economic development within the city.

Subd. 3. [PUBLIC RELATIONS.] To further an authorized purpose an authority may (1) join an official, industrial, commercial, or trade association, or another organization concerned with the purpose, (2) have a reception of officials who may contribute to advancing the city and its economic development, and (3) carry out other public relations activities to promote the city and its economic development. Activities under this subdivision have a public purpose.

Subd. 4. [ACCEPT PUBLIC LAND.] An authority may accept conveyances of land from all other public agencies, commissions or other units of government, if the land can be properly used by the authority in an economic development district, to carry out the purposes of sections 13 to 33.

Subd. 5. [ECONOMIC DEVELOPMENT.] An authority may carry out the law on economic development districts to develop and improve the lands in an economic development district to make it suitable and available for economic development uses and purposes. An authority may fill, grade, and protect the property and do anything necessary and expedient, after acquiring the property, to make it suitable and attractive as a tract for economic development. An authority may lease some or all of its lands or property and may set up local improvement districts in all or part of an economic development district.

In general, with respect to an economic development district, an authority may use all the powers given an economic development authority by law.

Subd. 6. [AS BORROWER.] An authority after authorizing bonds under section 26 or 27 may borrow to provide money immediately required for the bond purpose. The loans must not exceed the amount of the bonds. The authority shall by resolution decide the terms of the loans. The loans must be evidenced by negotiable notes due in not more than 12 months from the date of the loan payable to the order of the lender or to bearer, to be repaid with interest from the proceeds of the bonds when the bonds are issued and delivered to the bond purchasers. The loan must not be obtained from any commissioner of the authority or from any corporation, association, or other institution of which an authority commissioner is a stockholder or officer.

Subd. 7. [AS LENDER.] The proceeds of obligations issued by an authority under section 27 and temporary loans obtained under this section may be used to make or purchase loans for economic development facilities that the authority believes will require financing. To make or purchase the loans, the authority may enter into loan and related agreements, both before

and after issuing the obligations, with persons, firms, public or private corporations, federal or state agencies, and governmental units under terms and conditions the authority considers appropriate. A governmental unit in the state may apply, contract for, and receive the loans. Chapter 475 does not apply to the loans.

Subd. 8. [MINED SPACE DEVELOPMENT.] Upon delegation by a municipality as provided in section 472B.08, an authority may exercise any of the delegated powers in connection with mined underground space development under sections 472B.03 to 472B.07.

Subd. 9. [CITY FACILITIES, SERVICES.] An authority city may furnish offices, structures, and space, stenographic, clerical, engineering, or other assistance to its authority.

Sec. 30. [458C.19] [SALE OF PROPERTY.]

Subdivision 1. [POWER.] An economic development authority may sell and convey property owned by it within the city or an economic development district. First, the authority must decide that the sale and conveyance are in the best interests of the city or district and its people, and that the transaction furthers its general plan of economic development. This section is not limited by other law on powers of economic development authorities.

Subd. 2. [NOTICE; HEARING.] An authority shall hold a hearing on the sale. At the hearing a taxpayer may testify for or against the sale. At least ten, but not more than 20, days before the hearing the authority shall publish notice of the hearing on the proposed sale in a newspaper. The newspaper must be published and have general circulation in the authority's county and city. The notice must describe the property to be sold and state the time and place of the hearing. The notice must also state that the public may see the terms and conditions of the sale at the authority's office and that at the hearing the authority will meet to decide if the sale is advisable.

Subd. 3. [DECISION; APPEAL.] The authority shall make its findings and decision on whether the sale is advisable and enter its decision on its records within 30 days of the hearing. A taxpayer may appeal the decision. The appeal is made by filing a notice of appeal with the district court in the city or economic development district's county and serving the notice on the secretary of the authority, within 20 days after the decision is entered. The only ground for appeal is that the action of the authority was arbitrary, capricious, or contrary to law.

Subd. 4. [TERMS.] The terms and conditions of sale of the property must include the use that the bidder will be allowed to make of it. The authority may require the purchaser to file security to assure that the property will be given that use. In deciding the sale terms and conditions the authority may consider the nature of the proposed use and the relation of the use to the improvement of the authority's city and the business and the facilities of the authority in general. The sale must be made on the authority's terms and conditions. The authority may publish an advertisement for bids on the property at the same time and in the same manner as the notice of hearing required in this section. The authority may award the sale to the bid considered by it to be most favorable considering the price and the specified intended use. The authority may also sell the property at private sale at a

negotiated price if after its hearing the authority considers that sale to be in the public interest and to further the aims and purposes of sections 13 to 33.

Subd. 5. [ONE-YEAR DEADLINE.] The purchaser shall, within one year from the date of purchase, devote the property to its intended use, or shall begin work on the improvements to the property to devote it to that use. If the purchaser fails to do so, the authority may cancel the sale and title to the property shall return to it. The authority may extend the time to comply with a condition if the purchaser has good cause. The terms of sale may contain other provisions that the authority considers necessary and proper to protect the public interest. A purchaser must not transfer title to the property within one year of purchase without the consent of the authority.

Subd. 6. [COVENANT RUNNING WITH THE LAND.] A sale made under this section must incorporate in the deed as a covenant running with the land the conditions of sections 13 to 33 relating to the use of the land. If the covenant is violated the authority may declare a breach of the covenant and seek a judicial decree from the district court declaring a forfeiture and a cancellation of the deed.

Subd. 7. [PLANS; SPECIFICATIONS.] A conveyance must not be made until the purchaser gives the authority plans and specifications to develop the property sold. The authority must approve the plans and specifications in writing. The preparation of final plans and specifications before the hearing on the sale is not required by this subdivision but the authority may make that requirement.

Sec. 31. [458C.20] [ADVANCES BY AUTHORITY.]

An authority may advance its general fund money or its credit, or both, without interest, for the objects and purposes of sections 13 to 33. The advances must be repaid from the sale or lease, or both, of developed or redeveloped lands. If the money advanced for the development or redevelopment was obtained from the sale of the authority's general obligation bonds, then the advances must have not less than the average annual interest rate that is on the authority's general obligation bonds that are outstanding at the time the advances are made. The authority may advance repaid money for more objects and purposes of sections 13 to 33 subject to repayment in the same manner. The authority must still use rentals of lands acquired with advanced money to collect and maintain reserves to secure the payment of principal and interest on revenue bonds issued to finance economic development facilities, if the rentals have been pledged for that purpose under section 27. Advances made to acquire lands and to construct facilities for recreation purposes if authorized by law need not be reimbursed under this section. Sections 13 to 33 do not exempt lands leased from the authority to a private person, or entity from assessments or taxes against the leased property while the lessee is liable for the assessments or taxes under the lease.

Sec. 32. [458C.22] [CITY MAY LEVY TAXES FOR ECONOMIC DEVELOPMENT AUTHORITY.]

Subdivision 1. [CITY TAX LEVY.] A city may, at the request of the authority, levy a tax in any year for the benefit of the authority. The tax must be for not more than .75 mill times the assessed valuation of taxable property in the city. The tax may be levied beyond levy limits in law. The amount

levied must be paid by the city treasurer to the treasurer of the authority, to be spent by the authority.

Subd. 2. [REVERSE REFERENDUM.] A city may increase its levy for economic development authority purposes under subdivision 1 in the following way. Its city council must first pass a resolution stating the proposed amount of levy increase. The city must then publish the resolution together with a notice of public hearing on the resolution for two successive weeks in its official newspaper or if none exists in a newspaper of general circulation in the city. The hearing must be held two to four weeks after the first publication. After the hearing, the city council may decide to take no action or may adopt a resolution authorizing the proposed increase or a lesser increase. A resolution authorizing an increase must be published in the city's official newspaper or if none exists in a newspaper of general circulation in the city. The resolution is not effective if a petition requesting a referendum on the resolution is filed with the city clerk within 30 days of publication of the resolution. The petition must be signed by voters equaling five percent of the votes cast in the city in the last general election. The election must be held pursuant to the procedure specified in section 275.58.

Sec. 33. [458C.23] [SPECIAL LAW; OPTIONAL USE.]

A city that has established a port authority by special law or that has been granted the power to establish a port authority by special law, or a city whose city council has been authorized to exercise the powers of a port authority by special law may elect to use the powers granted in sections 13 to 33. If the election is made, the powers and duties set forth in sections 13 to 33 supersede the special law and the special law must not be used anymore. The use of powers under sections 13 to 33 by a city described in this section does not impair the security of any obligations issued or contracts or agreements executed under the special law. Control, authority, and operation of any project may be transferred to the authority in the manner provided in section 17.

Sec. 34. [LEGISLATIVE FINDINGS.]

The statement of policy and the findings of the legislature in enacting Laws 1957, chapter 812, are confirmed and apply equally to the exercise of powers by economic development authorities and statutory or home rule charter cities pursuant to sections 13 to 33.

Sec. 35. Minnesota Statutes 1984, section 462C.02, subdivision 6, is amended to read:

Subd. 6. "City" means any statutory or home rule charter city, or any public body which (a) is the housing and redevelopment authority in and for a city, ~~or~~ the port authority of a city, or an economic development authority of a city established under sections 13 to 33, and (b) is authorized by ordinance to exercise, on behalf of a city, the powers conferred by sections 462C.01 to 462C.08.

Sec. 36. Minnesota Statutes 1984, section 462C.02, subdivision 9, is amended to read:

Subd. 9. "Targeted area" means

(a) a development district established pursuant to section 472A.03.

(b) a development district established pursuant to Laws 1971, Chapter 677 as amended,

(c) a redevelopment project established pursuant to section 462.521,

(d) an industrial development district established pursuant to section 458.191,

(e) a census tract in which 70 percent or more of the families have income which is 80 percent or less of the statewide median family income as estimated by the United States department of housing and urban development, ~~or~~

(f) an area of chronic economic distress designated by the Minnesota housing finance agency, *or*

(g) an economic development district established pursuant to section 25.

Sec. 37. Minnesota Statutes 1985 Supplement, section 462C.12, subdivision 2, is amended to read:

Subd. 2. [POWERS.] The board is granted the following powers:

(a) The board may issue obligations and other forms of indebtedness under this section, subject to the terms and conditions set forth in the joint powers agreement, as may be from time to time amended.

(b) The board is authorized to exercise the powers conferred upon the cities of Minneapolis and St. Paul and their designated housing and redevelopment authorities, ~~or the powers of an agency exercising the powers of a housing and redevelopment authority by this chapter and chapter 462 and any other general or special law of the state of Minnesota relating to housing or housing finance.~~ The powers which may be exercised by the board include, without limitation, the power to undertake and implement projects, developments, or programs, the power to issue and sell obligations and other forms of indebtedness payable exclusively from the revenues of the programs, projects, or developments undertaken by the board, or any of the powers the Minnesota housing finance agency may exercise under chapter 462A, provided that the obligations and other forms of indebtedness may be sold upon terms and conditions as the board may from time to time determine. The board may exercise the powers conferred by this section only with respect to projects, programs, or developments within the corporate limits of the cities of Minneapolis and St. Paul, except as may be otherwise provided in a joint powers agreement entered into under section 471.59 between the board and any other city, housing and redevelopment authority, ~~or port authority or economic development authority established under sections 13 to 33 in the state of Minnesota.~~

(c) For the purposes of section 462C.09, the board may be authorized by the cities of Minneapolis and St. Paul, or by any other city with which the board enters into a joint powers agreement, to issue revenue bonds or obligations in an amount not to exceed the amount of bonds allocated by general or special law to such cities, or the board may issue mortgage credit certificates in lieu thereof.

Sec. 38. Minnesota Statutes 1984, section 471.88, subdivision 1, is amended to read:

Subdivision 1. The governing body of any port authority, seaway port

authority, *economic development authority*, town, school district, hospital district, county, or city, by unanimous vote, may contract for goods or services with an interested officer of the governmental unit in any of the following cases.

Sec. 39. Minnesota Statutes 1984, section 471.88, subdivision 9, is amended to read:

Subd. 9. When a port authority commissioner or *economic development authority commissioner* is engaged in or employed by a firm engaged in the business of importing or exporting or general trade, it shall be lawful for the authority to do business with the commissioner or his employer provided that in the fixing of any rates affecting shippers or users of the terminal facility, said commissioner shall not vote thereon.

Sec. 40. Minnesota Statutes 1984, section 471.88, subdivision 11, is amended to read:

Subd. 11. When a commissioner of any public housing or, port authority, or *economic development authority* is employed by a bank engaged in making loans or performing trust services involving real or personal property affected by any plan or such housing or port authority, no restriction shall apply to any such loans made or trust services performed by said bank if the commissioner shall disclose the nature of such loans or trust services of which he has personal knowledge, which disclosure shall be entered upon the minutes of such authority.

Sec. 41. Minnesota Statutes 1985 Supplement, section 472B.04, is amended to read:

472B.04 [POWERS OF MUNICIPALITY.]

A municipality may, to accomplish the purposes of this chapter:

(1) exercise any or all powers enumerated in chapter 458, but only if the municipality has been granted authority to exercise the powers enumerated in sections 13 to 33, chapters 458, 462, 472, 472A, and 474, in conjunction with the powers granted by this chapter;

(2) provide public facilities pursuant to chapters 429, 430, and any charter provision or any special law;

(3) acquire, by lease, purchase, gift, condemnation, or otherwise, land or interests in land, and convey land or interests in land. A municipality is empowered to acquire by condemnation any property, property right or interest in property, corporate or incorporeal, within its boundaries which may be needed by it for a project, for access, including surface and subsurface access, for ventilation, or for any other purpose which it finds by resolution to be needed by it in connection with mined underground space development; and the fact that the property or interest in property so needed has been acquired by the owner under the power of eminent domain, or is already devoted to a public use, or is owned by the University of Minnesota, any city, county, school district, town, other municipality, or other governmental subdivision, railroad, or public or private utility, shall not prevent its acquisition by the municipality by the exercise of the right of eminent domain hereby conferred, provided the existing use thereof is not impaired; the necessity of the taking of any property or interest in property by the municipi-

pality shall be determined by resolution duly adopted by the governing body of the municipality, which shall describe the property or interest as nearly as it may be described and state the use and purpose to which it is to be devoted; except as otherwise provided in this chapter, the right of eminent domain shall be exercised in accordance with chapter 117, provided that any exercise of the right of eminent domain hereby conferred shall not be for the purpose of preventing the development, mining, and use of mineral resources;

(4) acting alone or with others, acquire, purchase, construct, lease, mortgage, maintain, operate, and convey projects;

(5) borrow money to carry out the purposes of this chapter;

(6) enter into contracts, sue and be sued and do or accomplish all other acts and things necessary or convenient to carry out the purposes and policies of this chapter; and

(7) exercise bonding authority as provided in section 472B.05.

Sec. 42. Minnesota Statutes 1984, section 474.02, subdivision 3, is amended to read:

Subd. 3. "Redevelopment agency" means any port authority referred to in chapter 458, or any city authorized by general or special law to exercise the powers of a port authority; *any economic development authority referred to in sections 13 to 33*; any housing and redevelopment authority referred to in chapter 462 or any body authorized to exercise the powers of a housing and redevelopment authority; and any area or municipal redevelopment agency referred to in chapter 472.

Sec. 43. Minnesota Statutes 1984, section 474.16, subdivision 2, is amended to read:

Subd. 2. "Local issuer" means any home rule charter or statutory city, any town, any housing and redevelopment authority referred to in chapter 462 or any body authorized to exercise the powers of a housing and redevelopment authority, *any port authority referred to in chapter 458, any economic development authority referred to in sections 13 to 33*, or any body authorized to exercise the powers of a port authority, any area or municipal redevelopment agency referred to in chapter 472, any county, or any other municipal authority or agency established pursuant to special law other than the iron range resources and rehabilitation board, acting as an issuer of obligations pursuant to law.

Sec. 44. [DOWNTOWN TAXING AREA.]

If a bill is enacted into law in the 1986 legislative session which authorizes the city of Minneapolis to issue bonds and expend certain funds including taxes to finance the acquisition and betterment of a convention center and related facilities, which authorizes certain taxes to be levied in a downtown taxing area, then, notwithstanding the provisions of that law "downtown taxing area" shall mean the geographic area bounded by the portion of the Mississippi River between I-35W and Washington Avenue, the portion of Washington Avenue between the river and I-35W, the portion of I-35W between Washington Avenue and 8th Street South, the portion of 8th Street South between I-35W and Portland Avenue South, the portion of Portland Avenue South between 8th Street South and I-94, the portion of I-94 from the

intersection of Portland Avenue South to the intersection of I-94 and the Burlington Northern Railroad tracks, the portion of the Burlington Northern Railroad tracks from I-94 to Main Street and including Nicollet Island, and the portion of Main Street to Hennepin Avenue and the portion of Hennepin Avenue between Main Street and 2nd Street S.E., and the portion of 2nd Street S.E. between Main Street and Bank Street, and the portion of Bank Street between 2nd Street S.E. and University Avenue S.E., and the portion of University Avenue S.E. between Bank Street and I-35W, and by I-35W from University Avenue S.E., to the river.

Sec. 45. [EFFECTIVE DATE.]

This act is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to public administration; authorizing home rule charter or statutory cities to establish economic development districts; granting powers to cities and authorities; amending Minnesota Statutes 1984, sections 116D.04, subdivision 1a; 117.521, subdivision 3; 272.01, subdivision 2; 273.72; 273.73, subdivisions 2 and 8; 273.86, subdivision 1; 355.11, subdivision 5; 462C.02, subdivisions 6 and 9; 471.88, subdivisions 1, 9, and 11; 474.02, subdivision 3; and 474.16, subdivision 2; Minnesota Statutes 1985 Supplement, section 273.75, subdivision 4; 353.01, subdivision 2a; 395.08; 462C.12, subdivision 2; and 472B.04; proposing coding for new law in Minnesota Statutes, chapter 458; and proposing coding for new law as Minnesota Statutes, chapter 458C."

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

Senate Conferees: (Signed) Roger D. Moe, Lawrence J. Pogemiller, Douglas J. Johnson

House Conferees: (Signed) Bernard L. Lieder, Don J. Valento, Paul M. Thiede

Mr. Moe, R.D. moved that the foregoing recommendations and Conference Committee Report on S.F. No. 1725 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

S.F. No. 1725 was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

The roll was called, and there were yeas 49 and nays 9, as follows:

Those who voted in the affirmative were:

Adkins	Dicklich	Jude	Mehrkens	Ramstad
Anderson	Diessner	Kamrath	Moe, R. D.	Reichgott
Belanger	Frederick	Knaak	Olson	Renneke
Berg	Frederickson	Knutson	Pehler	Schmitz
Bernhagen	Freeman	Kronebusch	Peterson, C.C.	Solon
Bertram	Gustafson	Laidig	Peterson, D.C.	Storm
Brataas	Hughes	Lantry	Peterson, D.L.	Stumpf
Chmielewski	Isackson	Lessard	Petty	Taylor
Davis	Johnson, D.E.	Luther	Pogemiller	Willet
DeCramer	Johnson, D.J.	McQuaid	Purfeerst	

Those who voted in the negative were:

Benson
Berglin

Dahl
Frank

Kroening
Merriam

Peterson, R. W.
Spear

Waldorf

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

MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 1949 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S.F. NO. 1949

A bill for an act relating to natural resources; requiring public access restrictions to be the same as lake use restrictions; amending Minnesota Statutes 1984, sections 378.32, subdivisions 2, 6, and 7; and 459.20; proposing coding for new law in Minnesota Statutes, chapter 378.

March 17, 1986

The Honorable Jerome M. Hughes
President of the Senate

The Honorable David M. Jennings
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 1949, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and that S.F. No. 1949 be further amended as follows:

Page 3, line 2, after "to" insert "*ordinances adopted pursuant to*" and after "*contracts*" delete "*creating*" and insert "*providing for*"

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

Senate Conferees: (Signed) Gene Merriam, John Bernhagen, Randolph W. Peterson

House Conferees: (Signed) Douglas W. Carlson, Harriet A. McPherson, David P. Battaglia

Mr. Merriam moved that the foregoing recommendations and Conference Committee Report on S.F. No. 1949 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

S.F. No. 1949 was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

The roll was called, and there were yeas 56 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill, as amended by the Conference Committee, was repassed 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.

APPOINTMENTS

Mr. Moe, R.D. from the Subcommittee on Committees recommends that the following Senators be and they hereby are appointed as a Conference Committee on:

H.F. No. 1991: Messrs. Moe, D.M.; Purfeerst and Wegscheid.

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

RECONSIDERATION

Having voted on the prevailing side, Mr. Merriam moved that the vote on March 17, 1986, whereby the Conference Committee Report on S.F. No. 1793 was rejected and re-referred to the Conference Committee as formerly constituted, be now reconsidered. The motion prevailed. So the vote was reconsidered.

The question recurred on the motion of Mr. Chmielewski that the recommendations and Conference Committee Report be adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

S.F. No. 1793: A bill for an act relating to local government; permitting an agreement to finance library construction in McGregor.

Was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

The roll was called, and there were yeas 50 and nays 9, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, D.J.	McQuaid	Purfeerst
Anderson	DeCramer	Jude	Mehrkins	Ramstad
Belanger	Dicklich	Kamrath	Moe, R. D.	Reichgott
Benson	Diessner	Knutson	Pehler	Renneke
Berg	Frederick	Kronebusch	Peterson, C.C.	Schmitz
Bernhagen	Frederickson	Laidig	Peterson, D.C.	Sieloff
Bertram	Gustafson	Langseth	Peterson, D.L.	Solon
Brataas	Hughes	Lantry	Peterson, R.W.	Storm
Chmielewski	Isackson	Lessard	Petty	Stumpf
Dahl	Johnson, D.E.	Luther	Pogemiller	Willet

Those who voted in the negative were:

Berglin	Frank	Kroening	Spear	Waldorf
Dieterich	Knaak	Merriam	Taylor	

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

MEMBERS EXCUSED

Messrs. Dicklich and Johnson, D.J. were excused from the Session of today. Mr. Kroening was excused from the Session of today from 10:00 to 11:00 a.m. Mr. Pogemiller was excused from the Session of today from 10:00 to 11:00 a.m. Mr. Frank was excused from the Session of today from 2:30 to 3:00 p.m. Mr. Lessard was excused from the Session of today from 3:15 to 3:45 p.m. and 12:00 midnight to 12:15 a.m. Mr. Hughes was excused from the Session of today from 5:00 to 6:30 p.m. Mrs. Adkins was excused from the Session of today from 8:30 to 9:00 p.m. Ms. Berglin was excused from the Session of today from 12:00 midnight to 12:20 a.m. Mr. Novak was excused from the Session of today at 2:30 a.m.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 11:00 a.m., Tuesday, March 18, 1986. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate