

FIFTY-SIXTH DAY

St. Paul, Minnesota, Friday, May 19, 1989

The Senate met at 12:30 p.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. Marva Jean Hutchins.

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

Adkins	Davis	Knaak	Metzen	Reichgott
Anderson	Decker	Knutson	Moe, D.M.	Renneke
Beckman	DeCramer	Kroening	Moe, R.D.	Samuelson
Belanger	Dicklich	Laidig	Morse	Schmitz
Benson	Diessner	Langseth	Novak	Solon
Berg	Frank	Lantry	Olson	Spear
Berglin	Frederick	Larson	Pariseau	Storm
Bernhagen	Frederickson, D.J.	Lessard	Pehler	Stumpf
Bertram	Frederickson, D.R.	Luther	Peterson, D.C.	Taylor
Brandl	Freeman	Marty	Peterson, R.W.	Vickerman
Brataas	Gustafson	McGowan	Piper	Waldorf
Chmielewski	Hughes	McQuaid	Pogemiller	
Cohen	Johnson, D.E.	Mehrkens	Purfeerst	
Dahl	Johnson, D.J.	Merriam	Ramstad	

The President declared a quorum present.

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

EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communications were received.

May 17, 1989

The Honorable Robert E. Vanasek
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 1989 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

S.F. No.	H.F. No.	Session Laws Chapter No.	Time and Date Approved 1989	Date Filed 1989
	804	138	1632 hours May 16	May 17
	390	139	1822 hours May 16	May 17
	218	140	1824 hours May 16	May 17
	1077	142	1625 hours May 16	May 17
	1411	144	1820 hours May 16	May 17
	832	145	1827 hours May 16	May 17
	942	146	1828 hours May 16	May 17
	931	148	1832 hours May 16	May 17
1269		149	1836 hours May 16	May 17

Sincerely,
Joan Anderson Growe
Secretary of State

May 19, 1989

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

I have the honor of informing you that I have received, approved, signed and deposited in the Office of the Secretary of State, S.F. Nos. 163, 218, 297, 331, 723, 811, 1105 and 1498.

Sincerely,
Rudy Perpich, Governor

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, herewith returned: S.F. No. 1541.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 18, 1989

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. 783: A bill for an act relating to education; proposing a fifth year incentive plan for teachers in the Duluth school district.

Senate File No. 783 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 18, 1989

Mr. Solon moved that the Senate concur in the amendments by the House

to S.F. No. 783 and that the bill be placed on its repassage as amended.

Mr. Pogemiller moved that the Senate do not concur in the amendments by the House to S.F. No. 783, 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 to be appointed on the part of the House.

CALL OF THE SENATE

Mr. Solon imposed a call of the Senate for the balance of the proceedings on S.F. No. 783. The Sergeant at Arms was instructed to bring in the absent members.

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

The roll was called, and there were yeas 34 and nays 33, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Hughes	Morse	Reichgott
Berg	Davis	Langseth	Olson	Renneke
Berglin	DeCramer	Luther	Pehler	Spear
Bertram	Diessner	Marty	Peterson, D.C.	Stumpf
Brandl	Frederickson, D.J.	Merriam	Peterson, R.W.	Taylor
Brataas	Freeman	Moe, D.M.	Piper	Waldorf
Cohen	Gustafson	Moe, R.D.	Pogemiller	

Those who voted in the negative were:

Anderson	Dicklich	Knutson	McQuaid	Samuelson
Beckman	Frank	Kroening	Mehrkens	Schmitz
Belanger	Frederick	Laidig	Metzen	Solon
Benson	Frederickson, D.R.	Lantry	Novak	Storm
Bernhagen	Johnson, D.E.	Larson	Pariseau	Vickerman
Chmielewski	Johnson, D.J.	Lessard	Purfeerst	
Decker	Knaak	McGowan	Ramstad	

The motion prevailed.

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 3 members of the House, on the amendments adopted by the House to the following Senate File:

S.F. No. 299: A bill for an act relating to game and fish; providing for restitution for wild animals that are illegally killed or injured; providing for civil penalties for wild animals killed or injured; restricting expenditures from restitution to replacement and propagation of wild animals illegally killed or injured; amending Minnesota Statutes 1988, section 97A.065, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 97A.

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

Rukavina; Carlson, D. and Munger.

Senate File No. 299 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 19, 1989

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 1408:

H.F. No. 1408: A bill for an act relating to metropolitan transit; requiring joint planning for light rail transit; establishing a joint planning board; requiring approval of light rail transit plans by the regional transit board; specifying the composition of the regional transit board and the metropolitan transit commission; changing various provisions relating to metropolitan transit programs and authorities; amending Minnesota Statutes 1988, sections 398A.04, subdivision 9; 473.169, subdivisions 1, 3, 4, and 5; 473.17; 473.373, subdivisions 1a, 4, 5, and by adding a subdivision; 473.375, subdivisions 8 and 13; and 473.404, subdivisions 2, 3, and 5; proposing coding for new law in Minnesota Statutes, chapter 473; repealing Minnesota Statutes 1988, sections 473.1691 and 473.398.

The House respectfully requests that a Conference Committee of 3 members be appointed thereon.

Carruthers, McLaughlin and Valento have been appointed as such committee on the part of the House.

House File No. 1408 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 May 18, 1989

Mr. Novak moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 1408, 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 House Files, herewith transmitted: H.F. Nos. 417 and 723.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 18, 1989

FIRST READING OF HOUSE BILLS

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

H.F. No. 417: A bill for an act relating to solid waste; establishing plans and programs to reduce waste generated, recycle waste, develop markets for recyclables, address materials that cause special problems in the waste stream, prevent, control, and abate litter, inform and educate the public on proper waste management; appropriating money; amending Minnesota Statutes 1988, sections 18B.01, by adding a subdivision; 115A.03, by adding

subdivisions; 115A.072; 115A.12, subdivision 1; 115A.15, subdivision 5, and by adding subdivisions; 115A.46, subdivision 2, and by adding a subdivision; 115A.48, subdivision 3, and by adding subdivisions; 115A.96, subdivision 2, and by adding a subdivision; 116.07, by adding a subdivision; 116K.04, by adding a subdivision; 275.50, subdivision 5; 325E.115, subdivision 1; 400.08, by adding a subdivision; 473.149, subdivision 1; and 473.803, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 18B; 115A; 116C; 116J; 121; 173; and 473.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 95, now on General Orders.

H.F. No. 723: A bill for an act relating to veterans; providing for establishment of a veterans home in Luverne; requiring a study; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 198.

Mr. Moe, R.D. moved that H.F. No. 723 be laid on the table. The motion prevailed.

REPORTS OF COMMITTEES

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

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 661 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
				661	237

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 661 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 661 and insert the language after the enacting clause of S.F. No. 237, the fifth engrossment; further, delete the title of H.F. No. 661 and insert the title of S.F. No. 237, the fifth engrossment.

And when so amended H.F. No. 661 will be identical to S.F. No. 237, and further recommends that H.F. No. 661 be given its second reading and substituted for S.F. No. 237, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 354 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
				354	556

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 354 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 354 and insert the language after the enacting clause of S.F. No. 556, the second engrossment; further, delete the title of H.F. No. 354 and insert the title of S.F. No. 556, the second engrossment.

And when so amended H.F. No. 354 will be identical to S.F. No. 556, and further recommends that H.F. No. 354 be given its second reading and substituted for S.F. No. 556, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 1181 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
				1181	1067

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1181 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1181 and insert the language after the enacting clause of S.F. No. 1067, the third engrossment; further, delete the title of H.F. No. 1181 and insert the title of S.F. No. 1067, the third engrossment.

And when so amended H.F. No. 1181 will be identical to S.F. No. 1067, and further recommends that H.F. No. 1181 be given its second reading and substituted for S.F. No. 1067, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 624 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
624	1076				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 624 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 624 and insert the language after the enacting clause of S.F. No. 1076, the third engrossment; further, delete the title of H.F. No. 624 and insert the title of S.F. No. 1076, the third engrossment.

And when so amended H.F. No. 624 will be identical to S.F. No. 1076, and further recommends that H.F. No. 624 be given its second reading and substituted for S.F. No. 1076, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 1532 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
1532	1433				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1532 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1532 and insert the language after the enacting clause of S.F. No. 1433, the third engrossment; further, delete the title of H.F. No. 1532 and insert the title of S.F. No. 1433, the third engrossment.

And when so amended H.F. No. 1532 will be identical to S.F. No. 1433, and further recommends that H.F. No. 1532 be given its second reading and substituted for S.F. No. 1433, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

SECOND READING OF HOUSE BILLS

H.F. Nos. 661, 354, 1181, 624 and 1532 were read the second time.

MOTIONS AND RESOLUTIONS

Ms. Reichgott introduced—

Senate Resolution No. 133: A Senate resolution congratulating Cora Beth Fraser, of Crystal, Minnesota, for winning Gold Medals in the Ladies Singles and Ice Dancing competitions at the 1989 Special Olympic Games.

Referred to the Committee on Rules and Administration.

Mr. Bertram introduced—

Senate Resolution No. 134: A Senate resolution recommending that the citizens of our state conduct and attend appropriate Memorial Day ceremonies.

Referred to the Committee on Rules and Administration.

SUSPENSION OF RULES

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate take up the Calendar and that the rules of the Senate be so far suspended as to waive the lie-over requirement. The motion prevailed.

CALENDAR

H.F. No. 1203: A bill for an act relating to nonprofit corporations; providing for the organization, operation, and dissolution of nonprofit corporations; imposing penalties; amending Minnesota Statutes 1988, sections 8.31, subdivision 1; 79A.09, subdivision 1; 257.03; 309.67; 319A.20; 354A.021, subdivision 2; and 469.144, subdivision 1; proposing coding for new law as Minnesota Statutes, chapter 317A; repealing Minnesota Statutes 1988, sections 317.01 to 317.69.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Johnson, D.E.	McQuaid	Ramstad
Anderson	Davis	Johnson, D.J.	Mehrkens	Reichgott
Beckman	Decker	Knaak	Merriam	Renneke
Belanger	DeCramer	Knutson	Metzen	Samuelson
Benson	Dicklich	Kroening	Moe, D.M.	Schmitz
Berg	Diessner	Laidig	Moe, R.D.	Solon
Berglin	Frank	Langseth	Morse	Spear
Bernhagen	Frederick	Lantry	Novak	Storm
Bertram	Frederickson, D.J.	Larson	Pariseau	Stumpf
Brandl	Frederickson, D.R.	Lessard	Pehler	Taylor
Brataas	Freeman	Luther	Peterson, D.C.	Vickerman
Chmielewski	Gustafson	Marty	Piper	Waldorf
Cohen	Hughes	McGowan	Purfeerst	

So the bill passed and its title was agreed to.

H.F. No. 630: A bill for an act relating to elections; changing or clarifying provisions governing absentee voting, mail elections, election day activities, ballots, canvassing, municipal elections, school district elections, voting systems, election contests, and financial reporting; amending Minnesota Statutes 1988, sections 10A.02, subdivision 8; 204B.27, by adding a subdivision; 204B.40; 204B.46; 204C.06, subdivision 1; 204C.31, by adding a subdivision; 204C.36; 204C.361; 204D.08, subdivision 1; 204D.23, by adding a subdivision; 204D.27, subdivision 9; 205.16, by adding a subdivision; 205A.07, by adding a subdivision; 206.57, subdivision 1; 206.66; 206.90, subdivision 3; 209.021, subdivision 1; 211A.02, subdivision 1; 211A.05, subdivision 1; and 211B.11, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 202A; 203B; and 206; repealing

Minnesota Statutes 1988, section 211B.11, subdivision 2.

Mr. Luther moved that H.F. No. 630, No. 2 on the Calendar, be stricken and placed at the top of General Orders.

CALL OF THE SENATE

Mr. Dicklich imposed a call of the Senate for the balance of the proceedings on H.F. No. 630. The Sergeant at Arms was instructed to bring in the absent members.

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

The roll was called, and there were yeas 19 and nays 47, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Hughes	Merriam	Purfeerst
Berglin	Diessner	Lantry	Moe, D.M.	Reichgott
Brandl	Frank	Luther	Moe, R.D.	Spear
Cohen	Freeman	Marty	Novak	

Those who voted in the negative were:

Anderson	Decker	Knutson	Morse	Schmitz
Beckman	DeCramer	Kroening	Olson	Solon
Belanger	Dicklich	Laidig	Pariseau	Storm
Benson	Frederick	Langseth	Pehler	Stumpf
Berg	Frederickson, D.J.	Larson	Peterson, D.C.	Taylor
Bernhagen	Frederickson, D.R.	Lessard	Peterson, R.W.	Vickerman
Bertram	Gustafson	McGowan	Piper	Waldorf
Brataas	Johnson, D.E.	McQuaid	Ramstad	
Chmielewski	Johnson, D.J.	Mehrkens	Renneke	
Davis	Knaak	Metzen	Samuelson	

The motion did not prevail.

H.F. No. 630 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 48 and nays 16, as follows:

Those who voted in the affirmative were:

Anderson	Dahl	Johnson, D.J.	Metzen	Samuelson
Beckman	Davis	Knaak	Morse	Schmitz
Belanger	Decker	Kroening	Olson	Solon
Benson	DeCramer	Laidig	Pariseau	Storm
Berg	Dicklich	Langseth	Pehler	Stumpf
Bernhagen	Frederick	Larson	Peterson, D.C.	Taylor
Bertram	Frederickson, D.J.	Lessard	Piper	Vickerman
Brataas	Frederickson, D.R.	McGowan	Purfeerst	Waldorf
Chmielewski	Gustafson	McQuaid	Ramstad	
Cohen	Johnson, D.E.	Mehrkens	Renneke	

Those who voted in the negative were:

Adkins	Frank	Lantry	Merriam	Novak
Berglin	Freeman	Luther	Moe, D.M.	Reichgott
Brandl	Hughes	Marty	Moe, R.D.	Spear
Diessner				

So the bill passed and its title was agreed to.

H.F. No. 1046: A bill for an act relating to motor vehicles; setting fee for inspection of certain motor vehicles for which salvage certificate of title has been issued; amending Minnesota Statutes 1988, section 168A.152.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

Adkins	Davis	Johnson, D.J.	Mehrkens	Purfeerst
Anderson	Decker	Knaak	Merriam	Ramstad
Beckman	DeCramer	Knutson	Metzen	Reichgott
Belanger	Dicklich	Kroening	Moe, D.M.	Renneke
Benson	Diessner	Laidig	Moe, R.D.	Samuelson
Berg	Frank	Langseth	Morse	Schmitz
Berglin	Frederick	Lantry	Novak	Solon
Bernhagen	Frederickson, D.J.	Larson	Olson	Spear
Bertram	Frederickson, D.R.	Lessard	Pariseau	Storm
Brataas	Freeman	Luther	Pehler	Stumpf
Chmielewski	Gustafson	Marty	Peterson, D.C.	Taylor
Cohen	Hughes	McGowan	Peterson, R.W.	Vickerman
Dahl	Johnson, D.E.	McQuaid	Piper	Waldorf

So the bill passed and its title was agreed to.

H.F. No. 1425: A bill for an act relating to privacy of communications; modifying standards for disclosure of communications by electronic communications services; limiting use of contract personnel; modifying reporting requirements; modifying procedures for the use of pen registers and trap and trace devices; requiring orders for the use of mobile tracking devices; providing for a civil cause of action; removing the sunset on the privacy of communications act; authorizing the attorney general and county attorneys to issue administrative subpoenas; creating crimes that prohibit warning subjects of investigations, electronic surveillance, or search warrants; imposing penalties; amending Minnesota Statutes 1988, sections 626A.02, subdivision 3; 626A.04; 626A.06, subdivisions 1 and 4a; 626A.11, subdivisions 1 and 2; 626A.12, subdivision 1; 626A.17; 626A.35; 626A.36; 626A.37; 626A.38, subdivision 1; 626A.39, by adding a subdivision; and 626A.40; Laws 1988, chapter 577, section 63; proposing coding for new law in Minnesota Statutes, chapters 8, 388, 609, and 626A; repealing Minnesota Statutes 1988, sections 626A.12, subdivision 1a; 626A.22; 626A.23; 626A.24; and 626A.38, subdivision 5; Laws 1988, chapter 577, section 62.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

Adkins	Davis	Johnson, D.J.	Mehrkens	Purfeerst
Anderson	Decker	Knaak	Merriam	Ramstad
Beckman	DeCramer	Knutson	Metzen	Reichgott
Belanger	Dicklich	Kroening	Moe, D.M.	Renneke
Benson	Diessner	Laidig	Moe, R.D.	Samuelson
Berg	Frank	Langseth	Morse	Schmitz
Berglin	Frederick	Lantry	Novak	Solon
Bernhagen	Frederickson, D.J.	Larson	Olson	Spear
Bertram	Frederickson, D.R.	Lessard	Pariseau	Storm
Brataas	Freeman	Luther	Pehler	Stumpf
Chmielewski	Gustafson	Marty	Peterson, D.C.	Taylor
Cohen	Hughes	McGowan	Peterson, R.W.	Vickerman
Dahl	Johnson, D.E.	McQuaid	Piper	Waldorf

So the bill passed and its title was agreed to.

H.F. No. 1150: A bill for an act relating to the collection, access to, and dissemination of data; proposing classifications of data as private, confidential, nonpublic, and protected nonpublic; regulating classification of and access to certain data and meetings; clarifying classification of data; establishing an internal audit function with access to state agency data; clarifying what data on juveniles may be made available to the public; amending Minnesota Statutes 1988, sections 13.02, subdivision 9; 13.10, subdivision 1; 13.32, subdivisions 3 and 5; 13.41, by adding a subdivision; 13.46, subdivision 8; 13.64; 13.82, subdivisions 8 and 10; 16A.055, subdivision 1; 144.581, by adding a subdivision; 245.94, subdivision 1; 260.161, subdivision 3; and 340A.503, subdivision 7; proposing coding for new law in Minnesota Statutes, chapter 13.

Mr. Peterson, R.W. moved that H.F. No. 1150, No. 4 on the Calendar, be stricken and placed at the top of General Orders. The motion prevailed.

S.F. No. 1081: A bill for an act relating to courts; providing for a study by the supreme court of racial bias in the judicial system; appropriating money.

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	Davis	Knaak	Metzen	Renneke
Anderson	Decker	Knutson	Moe, R.D.	Samuelson
Beckman	DeCramer	Kroening	Morse	Schmitz
Belanger	Dicklich	Laidig	Novak	Solon
Benson	Diessner	Langseth	Olson	Spear
Berg	Frank	Lantry	Pariseau	Storm
Berglin	Frederick	Larson	Pehler	Stumpf
Bernhagen	Frederickson, D.J.	Lessard	Peterson, D.C.	Taylor
Bertram	Frederickson, D.R.	Luther	Peterson, R.W.	Vickerman
Brandl	Freeman	Marty	Piper	Waldorf
Brataas	Gustafson	McGowan	Pogemiller	
Chmielewski	Hughes	McQuaid	Purfeerst	
Cohen	Johnson, D.E.	Mehrkens	Ramstad	
Dahl	Johnson, D.J.	Merriam	Reichgott	

So the bill passed and its title was agreed to.

S.F. No. 1001: A bill for an act relating to the community dispute resolution program; giving the state planning agency joint responsibility with the state court administrator's office for administration of the program; establishing eligibility criteria for grant recipients; appropriating money; amending Minnesota Statutes 1988, sections 494.01, subdivisions 1 and 2; proposing coding for new law in Minnesota Statutes, chapter 494; repealing Minnesota Statutes 1988, sections 494.01, subdivisions 3, 4, and 5; and 494.04.

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 67 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Knaak	Metzen	Reichgott
Anderson	Decker	Knutson	Moe, D.M.	Renneke
Beckman	DeCramer	Kroening	Moe, R.D.	Samuelson
Belanger	Dicklich	Laidig	Morse	Schmitz
Benson	Diessner	Langseth	Novak	Solon
Berg	Frank	Lantry	Olson	Spear
Berglin	Frederick	Larson	Pariseau	Storm
Bernhagen	Frederickson, D.J.	Lessard	Pehler	Stumpf
Bertram	Frederickson, D.R.	Luther	Peterson, D.C.	Taylor
Brandl	Freeman	Marty	Peterson, R.W.	Vickerman
Brataas	Gustafson	McGowan	Piper	Waldorf
Chmielewski	Hughes	McQuaid	Pogemiller	
Cohen	Johnson, D.E.	Mehrkens	Purfeerst	
Dahl	Johnson, D.J.	Merriam	Ramstad	

So the bill passed and its title was agreed to.

S.F. No. 345: A bill for an act relating to health; providing for the distribution of maternal and child health block grant funds; amending Minnesota Statutes 1988, section 145.882, subdivisions 1, 3, and 7.

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 62 and nays 4, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Johnson, D.J.	Moe, D.M.	Reichgott
Anderson	Davis	Knaak	Moe, R.D.	Samuelson
Beckman	Decker	Kroening	Morse	Schmitz
Belanger	DeCramer	Laidig	Novak	Solon
Benson	Dicklich	Lantry	Olson	Spear
Berg	Diessner	Lessard	Pariseau	Storm
Berglin	Frank	Luther	Pehler	Stumpf
Bernhagen	Frederickson, D.J.	Marty	Peterson, D.C.	Taylor
Bertram	Frederickson, D.R.	McGowan	Peterson, R.W.	Vickerman
Brandl	Freeman	McQuaid	Piper	Waldorf
Brataas	Gustafson	Mehrkens	Pogemiller	
Chmielewski	Hughes	Merriam	Purfeerst	
Cohen	Johnson, D.E.	Metzen	Ramstad	

Messrs. Frederick, Knutson, Larson and Renneke voted in the negative.

So the bill passed and its title was agreed to.

S.F. No. 431: A bill for an act relating to public safety; regulating the operation and operators of elevators; imposing penalties; appropriating money; amending Minnesota Statutes 1988, sections 16B.70, subdivision 1; 183.351, by adding subdivisions; and 183.355; proposing coding for new law in Minnesota Statutes, chapter 183.

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 67 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Knaak	Metzen	Reichgott
Anderson	Decker	Knutson	Moe, D.M.	Renneke
Beckman	DeCramer	Kroening	Moe, R.D.	Samuelson
Belanger	Dicklich	Laidig	Morse	Schmitz
Benson	Diessner	Langseth	Novak	Solon
Berg	Frank	Lantry	Olson	Spear
Berglin	Frederick	Larson	Pariseau	Storm
Bernhagen	Frederickson, D.J.	Lessard	Pehler	Stumpf
Bertram	Frederickson, D.R.	Luther	Peterson, D.C.	Taylor
Brandl	Freeman	Marty	Peterson, R.W.	Vickerman
Brataas	Gustafson	McGowan	Piper	Waldorf
Chmielewski	Hughes	McQuaid	Pogemiller	
Cohen	Johnson, D.E.	Mehrkens	Purfeerst	
Dahl	Johnson, D.J.	Merriam	Ramstad	

So the bill passed and its title was agreed to.

H.F. No. 762: A resolution memorializing Congress of ratification of a proposed amendment to the Constitution of the United States to provide for a delay in an increase in compensation to members of Congress until an intervening election of representatives has occurred.

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 63 and nays 4, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Johnson, D.E.	McQuaid	Ramstad
Anderson	Davis	Johnson, D.J.	Mehrkens	Reichgott
Beckman	Decker	Knaak	Metzen	Renneke
Belanger	DeCramer	Knutson	Moe, R.D.	Samuelson
Benson	Dicklich	Kroening	Morse	Schmitz
Berg	Diessner	Laidig	Novak	Solon
Berglin	Frank	Langseth	Olson	Storm
Bernhagen	Frederick	Lantry	Pariseau	Stumpf
Bertram	Frederickson, D.J.	Larson	Pehler	Taylor
Brandl	Frederickson, D.R.	Lessard	Peterson, D.C.	Vickerman
Brataas	Freeman	Luther	Peterson, R.W.	Waldorf
Chmielewski	Gustafson	Marty	Piper	
Cohen	Hughes	McGowan	Pogemiller	

Messrs. Merriam; Moe, D.M.; Purfeerst and Spear voted in the negative.

So the resolution passed and its title was agreed to.

H.F. No. 306: A bill for an act relating to trusts; providing for their creation, validity, administration, and supervision; providing for the sale of real property; relating to legal estates in real and personal property; relating to estates; amending Minnesota Statutes 1988, sections 500.17, subdivision 2; and 502.73; proposing coding for new law as Minnesota Statutes, chapter 501B; proposing coding for new law in Minnesota Statutes, chapter 525; repealing Minnesota Statutes 1988, sections 500.13; 501.01; 501.02; 501.03; 501.04; 501.05; 501.06; 501.07; 501.08; 501.09; 501.10; 501.11; 501.115; 501.12; 501.125; 501.13; 501.14; 501.15; 501.155; 501.16; 501.17; 501.18; 501.19; 501.195; 501.20; 501.21; 501.211; 501.22; 501.23; 501.24; 501.25; 501.26; 501.27; 501.28; 501.29; 501.30; 501.31; 501.32; 501.33; 501.34; 501.35; 501.351; 501.36; 501.37; 501.38; 501.39; 501.40; 501.41; 501.42; 501.43; 501.44; 501.45; 501.46; 501.461; 501.48; 501.49; 501.50; 501.51; 501.52; 501.53; 501.54; 501.55; 501.56; 501.57; 501.58; 501.59; 501.60; 501.61; 501.62; 501.63; 501.64; 501.65; 501.66; 501.67; 501.71; 501.72; 501.73; 501.74; 501.75; 501.76; 501.77; 501.78; 501.79; 501.80; 501.805; 501.81; 501A.01; 501A.02; 501A.03; 501A.04; 501A.05;

501A.06; and 501A.07.

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 53 and nays 12, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Kroening	Metzen	Renneke
Anderson	Davis	Laidig	Moe, D.M.	Samuelson
Beckman	Decker	Langseth	Moe, R.D.	Schmitz
Belanger	DeCramer	Lantry	Olson	Solon
Benson	Dicklich	Larson	Pariseau	Storm
Berg	Diessner	Lessard	Pehler	Stumpf
Bernhagen	Frederick	Luther	Peterson, D.C.	Taylor
Bertram	Frederickson, D.R.	Marty	Peterson, R.W.	Vickerman
Brataas	Freeman	McGowan	Pogemiller	Waldorf
Chmielewski	Johnson, D.J.	McQuaid	Purfeerst	
Cohen	Knaak	Mehrkens	Ramstad	

Those who voted in the negative were:

Berglin	Gustafson	Merriam	Novak	Reichgott
Brandl	Hughes	Morse	Piper	Spear
Frank	Knutson			

So the bill passed and its title was agreed to.

H.F. No. 1421: A bill for an act relating to surplus United States government property; directing the commissioner of natural resources to seek acquisition of certain surplus property of the United States government; directing the commissioner to lease the property to a nonprofit organization for development as housing for certain homeless veterans and their families.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

Adkins	Dahl	Johnson, D.J.	Mehrkens	Pogemiller
Anderson	Davis	Knaak	Merriam	Purfeerst
Beckman	Decker	Knutson	Metzen	Ramstad
Belanger	DeCramer	Kroening	Moe, D.M.	Reichgott
Benson	Dicklich	Laidig	Moe, R.D.	Renneke
Berg	Diessner	Langseth	Morse	Schmitz
Berglin	Frank	Lantry	Novak	Solon
Bernhagen	Frederick	Larson	Olson	Spear
Bertram	Frederickson, D.R.	Lessard	Pariseau	Storm
Brandl	Freeman	Luther	Pehler	Stumpf
Brataas	Gustafson	Marty	Peterson, D.C.	Taylor
Chmielewski	Hughes	McGowan	Peterson, R.W.	Vickerman
Cohen	Johnson, D.E.	McQuaid	Piper	Waldorf

So the bill passed and its title was agreed to.

H.F. No. 564: A bill for an act relating to volunteers; providing benefits to certain volunteers injured while performing public service; amending Minnesota Statutes 1988, section 176.011, subdivision 9.

Mr. Frank moved that H.F. No. 564, No. 16 on the Calendar, be stricken and placed at the top of General Orders.

CALL OF THE SENATE

Mr. Johnson, D.J. imposed a call of the Senate for the balance of the proceedings on H.F. No. 564. The Sergeant at Arms was instructed to bring in the absent members.

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

The roll was called, and there were yeas 24 and nays 41, as follows:

Those who voted in the affirmative were:

Berglin	Diessner	Kroening	Novak	Reichgott
Brandl	Frank	Lantry	Peterson, D.C.	Samuelson
Cohen	Freeman	Luther	Peterson, R.W.	Solon
Dahl	Hughes	Merriam	Piper	Spear
Dicklich	Johnson, D.J.	Metzen	Pogemiller	

Those who voted in the negative were:

Adkins	Chmielewski	Knaak	Moe, D.M.	Schmitz
Anderson	Davis	Knutson	Moe, R.D.	Storm
Beckman	Decker	Laidig	Morse	Stumpf
Belanger	DeCramer	Langseth	Olson	Taylor
Benson	Frederick	Larson	Pariseau	Vickerman
Berg	Frederickson, D.J.	Lessard	Pehler	
Bernhagen	Frederickson, D.R.	McGowan	Purfeerst	
Bertram	Gustafson	McQuaid	Ramstad	
Brataas	Johnson, D.E.	Mehrkens	Renneke	

The motion did not prevail.

H.F. No. 564 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 45 and nays 22, as follows:

Those who voted in the affirmative were:

Adkins	Chmielewski	Johnson, D.E.	McQuaid	Purfeerst
Anderson	Davis	Knaak	Mehrkens	Ramstad
Beckman	Decker	Knutson	Moe, D.M.	Renneke
Belanger	DeCramer	Laidig	Moe, R.D.	Schmitz
Benson	Frederick	Langseth	Morse	Storm
Berg	Frederickson, D.J.	Larson	Olson	Stumpf
Bernhagen	Frederickson, D.R.	Lessard	Pariseau	Taylor
Bertram	Gustafson	Luther	Pehler	Vickerman
Brataas	Hughes	McGowan	Peterson, R.W.	Waldorf

Those who voted in the negative were:

Berglin	Diessner	Lantry	Peterson, D.C.	Solon
Brandl	Frank	Marty	Piper	Spear
Cohen	Freeman	Merriam	Pogemiller	
Dahl	Johnson, D.J.	Metzen	Reichgott	
Dicklich	Kroening	Novak	Samuelson	

So the bill passed and its title was agreed to.

H.F. No. 159: A bill for an act relating to crimes; providing for termination, cancellation, and forfeiture of real estate interests related to contraband or controlled substance seizures; amending Minnesota Statutes 1988, sections 566.02; 609.531; 609.5311, subdivisions 2 and 3; proposing coding for new law in Minnesota Statutes, chapters 566 and 609.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

Adkins	Davis	Knaak	Merriam	Purfeerst
Anderson	Decker	Knutson	Metzen	Ramstad
Beckman	DeCramer	Kroening	Moe, D.M.	Reichgott
Belanger	Dicklich	Laidig	Moe, R.D.	Renneke
Benson	Frank	Langseth	Morse	Samuelson
Berglin	Frederick	Lantry	Novak	Schmitz
Bernhagen	Frederickson, D.J.	Larson	Olson	Solon
Bertram	Frederickson, D.R.	Lessard	Pariseau	Spear
Brandl	Freeman	Luther	Pehler	Storm
Brataas	Gustafson	Marty	Peterson, D.C.	Stumpf
Chmielewski	Hughes	McGowan	Peterson, R.W.	Taylor
Cohen	Johnson, D.E.	McQuaid	Piper	Vickerman
Dahl	Johnson, D.J.	Mehrkens	Pogemiller	Waldorf

So the bill passed and its title was agreed to.

S. F. No. 890: A bill for an act relating to judicial administration; providing for the transfer of law clerks and district administration staff from county to state employment; providing that guardians ad litem are county employees for purposes of tort claims and clarifying tort liability for other court employees; providing for state funding of the trial court information system; providing for inclusion of the second and fourth judicial districts in the public defender system; providing for appointment of public defenders in the second and fourth judicial districts; providing for conciliation court fees and transferring certain fees to the state; authorizing the supreme court to adopt transition rules; appropriating money; amending Minnesota Statutes 1988, sections 3.732, subdivision 1; 43A.02, subdivision 25; 43A.24, subdivision 2; 273.1398, subdivision 2; 352.01, subdivision 2b; 353.01, subdivision 2a; 357.021, subdivisions 1a, 2, and 4; 357.08; 466.01, subdivision 6; 477A.012, by adding a subdivision; 480.058; 480.235; 484.545, subdivisions 1 and 2; 484.64, subdivision 3; 484.65, subdivision 3; 484.68, subdivision 5; 485.018, subdivision 5; 487.31, subdivision 1; 488A.119; 488A.14, subdivision 1; 488A.17, subdivision 2; 488A.31, subdivision 1; 488A.34, subdivision 2; 525.033; and 611.26, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 357; 480; and 611; repealing Minnesota Statutes 1988, sections 383B.63, subdivisions 4 and 5; 487.31, subdivision 4; 525.012, subdivisions 1, 2, 3, and 4; 611.12; and 611.214; and Laws 1975, chapter 258, section 6, subdivisions 1, 3, 4, and 5.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, D.J.	Mehrkens	Pogemiller
Anderson	Decker	Knaak	Merriam	Ramstad
Beckman	DeCramer	Knutson	Metzen	Reichgott
Belanger	Dicklich	Kroening	Moe, D.M.	Renneke
Benson	Diessner	Laidig	Moe, R.D.	Samuelson
Berglin	Frank	Langseth	Morse	Schmitz
Bernhagen	Frederick	Lantry	Novak	Spear
Bertram	Frederickson, D.J.	Larson	Olson	Storm
Brandl	Frederickson, D.R.	Lessard	Pariseau	Stumpf
Brataas	Freeman	Luther	Pehler	Taylor
Chmielewski	Gustafson	Marty	Peterson, D.C.	Vickerman
Cohen	Hughes	McGowan	Peterson, R.W.	Waldorf
Dahl	Johnson, D.E.	McQuaid	Piper	

So the bill passed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

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 that the House has adopted the recommendation and report of the Conference Committee on House File No. 95, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 95 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 19, 1989

CONFERENCE COMMITTEE REPORT ON H.F. NO. 95

A bill for an act relating to crime victims; clarifying certain criminal fine provisions; authorizing the deposit of unclaimed and abandoned restitution payments in the crime victim and witness account; increasing the maximum amount of reparations payable for funeral, burial, or cremation expenses; authorizing the payment of reparations under certain circumstances to Minnesota residents injured by crimes committed elsewhere; clarifying the authority of the reparations board to deny reparations on the basis of claimant's contributory misconduct; amending Minnesota Statutes 1988, sections 345.48, subdivision 1; 609.101, subdivision 2; 611A.52, subdivision 8; 611A.53, by adding a subdivision; and 611A.54.

May 10, 1989

The Honorable Robert Vanasek
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H.F. No. 95, 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. 95 be further amended as follows:

Page 3, delete lines 11 to 14

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

House Conferees: (Signed) David T. Bishop, Randy C. Kelly, Kathleen Vellenga

Senate Conferees: (Signed) Donna C. Peterson, Donald M. Moe, William V. Belanger, Jr.

Ms. Peterson, D.C. moved that the foregoing recommendations and Conference Committee Report on H.F. No. 95 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. 95 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 54 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, D.E.	Mehrrens	Piper
Anderson	Decker	Knaak	Merriam	Pogemiller
Beckman	Dicklich	Knutson	Metzen	Ramstad
Belanger	Diessner	Laidig	Moe, R.D.	Reichgott
Benson	Frank	Lantry	Morse	Renneke
Berg	Frederick	Larson	Novak	Samuelson
Berglin	Frederickson, D.J.	Lessard	Olson	Schmitz
Bernhagen	Frederickson, D.R.	Luther	Pariseau	Storm
Bertram	Freeman	Marty	Pehler	Taylor
Brataas	Gustafson	McGowan	Peterson, D.C.	Vickerman
Dahl	Hughes	McQuaid	Peterson, R.W.	

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

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Waldorf moved that the following members be excused for a Conference Committee on S.F. No. 1625 at 4:40 p.m.:

Messrs. Waldorf, Dicklich, Taylor, DeCramer and Mrs. Brataas. The motion prevailed.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Johnson, D.J. moved that the following members be excused for a Conference Committee on H.F. No. 1734 at 4:40 p.m.:

Messrs. Johnson, D.J.; Brandl; Novak; Pogemiller and Stumpf. The motion prevailed.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Spear moved that the following members be excused for a Conference Committee on S.F. No. 139 at 4:45 p.m.:

Messrs. Spear, Cohen and Knaak. The motion prevailed.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Spear moved that the following members be excused for a Conference Committee on H.F. No. 59 at 6:00 p.m.:

Messrs. Spear, Cohen, Luther, McGowan and Ms. Peterson, D.C. The motion prevailed.

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 166, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 166 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 19, 1989

CONFERENCE COMMITTEE REPORT ON H.F. NO. 166

A bill for an act relating to state agencies; providing that certain information submitted to department of transportation is public data; providing for development of internal auditing standards; classifying certain internal auditing data as other than public; defining terms; providing for limousine registration; exempting certain special transportation service providers holding current certificate of compliance from motor carrier regulations; delineating requirements of carriers to display certain information; providing for permits of special passenger carriers and household goods carriers; providing for operation under motor carrier permit on death of holder; providing for amount of insurance, bond, or other security required of motor carriers; giving commissioner of transportation subpoena power for certain enforcement purposes; providing for suspension of registration of interstate authority for failure to maintain insurance; amending Minnesota Statutes 1988, sections 13.72, by adding subdivisions; 16A.055, subdivision 1; 168.011, subdivision 35; 168.128, subdivision 2; 174.30, subdivision 6; 221.011, subdivisions 16, 20, and by adding a subdivision; 221.031, subdivision 6; 221.111; 221.121, subdivision 6a; 221.141, subdivision 1b, and by adding a subdivision; and 221.60, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 13; 65B; and 221.

May 18, 1989

The Honorable Robert Vanasek
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H.F. No. 166, report that we have agreed upon the items in dispute and recommend as follows:

That the House concur in the Senate amendments and that H.F. No. 166 be further amended as follows:

Page 2, after line 7, insert:

“Sec. 3. [65B.135] [LIMOUSINE INSURANCE.]

An insurer who provides insurance for limousines, defined in section 168.011, subdivision 35, shall provide insurance in a minimum aggregate amount of \$300,000 per accident for each limousine covered.”

Page 2, line 24, after "drivers" insert "*and certification by the owner that an insurance policy in an aggregate amount of \$300,000 per accident is in effect for the entire period of the registration under section 3*"

Page 4, after line 20, insert:

"Sec. 9. Minnesota Statutes 1988, section 221.031, subdivision 2a, is amended to read:

Subd. 2a. [PRIVATE AGRICULTURAL CARRIERS.] (a) Notwithstanding the provisions of subdivision 2, private carriers engaged in intrastate commerce and operating vehicles transporting agricultural and other farm products within an area having a 50-mile radius from the business location of the private carrier must comply only with the commissioner's rules for safety of operations and equipment, *except as provided in paragraph (b).*

(b) *A rear-end dump truck or other rear-unloading truck while being used for hauling agricultural and other farm products from a place of production or on-farm storage site to a place of processing or storage, is not subject to any rule of the commissioner, including a federal regulation adopted by reference, requiring rear-end protection.*"

Renumber the sections in sequence

Correct internal references

Amend the title:

Page 1, line 5, after "registration" insert "and insurance"

Page 1, line 16, after the semicolon insert "exempting farm trucks from rear-end protection requirements;"

Page 1, line 20, delete the first "subdivision" and insert "subdivisions 2a and"

Page 1, line 24, delete "chapter" and insert "chapters 65B and"

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

House Conferees: (Signed) Harold Lasley, Peter Rodosovich, Joyce Henry

Senate Conferees: (Signed) Steven G. Novak, Phyllis W. McQuaid, Marilyn M. Lantry

Mr. Novak moved that the foregoing recommendations and Conference Committee Report on H.F. No. 166 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion did not prevail.

Mr. Merriam moved that the recommendations and Conference Committee Report on H.F. No. 166 be rejected and that the bill be re-referred to the Conference Committee as formerly constituted for further consideration. The motion prevailed.

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 162, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 162 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 19, 1989

CONFERENCE COMMITTEE REPORT ON H.F. NO. 162

A bill for an act relating to insurance; regulating insurance information collection, use, disclosure, access, and correction practices; requiring reasons for adverse underwriting decisions; amending Minnesota Statutes 1988, section 72A.20, subdivision 11; proposing coding for new law in Minnesota Statutes, chapter 72A.

May 18, 1989

The Honorable Robert Vanasek
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H.F. No. 162, 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. 162 be further amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1988, section 72A.20, subdivision 11, is amended to read:

Subd. 11. [APPLICATION TO CERTAIN SECTIONS.] Violating any provision of the following sections of this chapter not set forth in this section shall constitute an unfair method of competition and an unfair and deceptive act or practice: sections 72A.12, subdivisions 2, 3, and 4, 72A.16, subdivision 2, 72A.03 and 72A.04, 72A.08, subdivision 1, as modified by ~~section~~ sections 72A.08, subdivision 4, 72A.201, sections 2 to 17, and 65B.13.

Sec. 2. [72A.49] [SHORT TITLE.]

Sections 2 to 17 may be cited as the “Minnesota insurance fair information reporting act.”

Sec. 3. [72A.491] [DEFINITIONS.]

Subdivision 1. [APPLICATION.] For the purposes of sections 2 to 17, the following terms shall have the meanings given to them.

Subd. 2. [ADVERSE UNDERWRITING DECISION.] “Adverse underwriting decision” means any of the following actions with respect to insurance transactions involving insurance coverage which is individually underwritten:

(1) denial, in whole or in part, of coverage which was requested in writing to the insurer;

(2) termination or reduction of insurance coverage or policy;

(3) failure of an insurance agent to apply for coverage with a specific

insurer which the agent represents and which is specifically requested by an applicant;

(4) placement by an insurer or insurance agent of a risk with a residual market mechanism, an unauthorized insurer, or an insurer which specializes in substandard risks;

(5) charging a higher rate on the basis of information which differs from that which the applicant or policyholder furnished for property or casualty coverage;

(6) an offer to insure at higher than standard rates for life, health, or disability coverage; or

(7) the rescission of a policy.

Subd. 3. [AFFILIATE OR AFFILIATED.] "Affiliate" or "affiliated" means a person who directly, or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with another person.

Subd. 4. [APPLICANT.] "Applicant" means any person who seeks to contract for insurance coverage from an insurer.

Subd. 5. [CONSUMER REPORT.] "Consumer report" means any written, oral, or other communication of information bearing on a person's credit worthiness, credit standing, credit capacity, character, general reputation, personal characteristics, or mode of living which is used or expected to be used in connection with an insurance transaction.

Subd. 6. [CONSUMER REPORTING AGENCY.] "Consumer reporting agency" means any person who:

(1) regularly engages, in whole or in part, in the practice of assembling or preparing consumer reports for a monetary fee;

(2) obtains information primarily from sources other than insurers; and

(3) furnishes consumer reports to other persons.

Subd. 7. [CONTROL.] "Control," "controlled by," or "under common control with" means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting securities, by contract other than a commercial contract for goods or nonmanagement services, or otherwise, unless the power is the result of an official position with or corporate office held by the person.

Subd. 8. [HEALTH CARE INSTITUTION.] "Health care institution" means any facility or institution that is licensed to provide health care services to natural persons.

Subd. 9. [HEALTH PROFESSIONAL.] "Health professional" means any person licensed or certified to provide health care services to natural persons.

Subd. 10. [HEALTH RECORD INFORMATION.] "Health record information" means personal information which:

(1) relates to an individual's physical or mental condition, health history, or health treatment; and

(2) is obtained from a health professional or health care institution, from

the individual, or from the individual's spouse, parent, legal guardian, or other person.

Subd. 11. [INDIVIDUAL.] "Individual" means any natural person who:

(1) in the case of property or casualty insurance is a past, present, or proposed named insured or certificate holder;

(2) in the case of life, health, or disability insurance is a past, present, or proposed principal insured or certificate holder;

(3) is a past, present, or proposed policy owner;

(4) is a past or present applicant;

(5) is a past or present claimant; or

(6) derived, derives, or is proposed to derive insurance coverage under an insurance policy or certificate subject to this act.

Subd. 12. [INSURANCE-SUPPORT ORGANIZATION.] (a) "Insurance-support organization" means any person who regularly engages, in whole or in part, in the practice of assembling or collecting information about persons for the primary purpose of providing the information to an insurer or insurance agent for insurance transactions, including:

(1) the furnishing of consumer reports or investigative consumer reports to an insurer or insurance agent for use in connection with an insurance transaction; and

(2) the collection of personal information from insurers, insurance agents, or other insurance-support organizations for the purpose of detecting or preventing fraud, material misrepresentation, or material nondisclosure in connection with insurance underwriting or insurance claim activity.

(b) Insurance-support organizations do not include insurance agents, government institutions, insurers, health care institutions, or health professionals.

Subd. 13. [INSURANCE TRANSACTION.] "Insurance transaction" means any transaction which involves:

(1) the determination of an individual's eligibility for an insurance coverage, benefit, or payment; or

(2) the servicing of an insurance application, policy, contract, or certificate.

Subd. 14. [INSURER.] "Insurer" means any insurance company, risk retention group as defined under section 60E.02, service plan corporation as defined under section 62C.02, health maintenance organization as defined under section 62D.02, fraternal benefit society regulated under chapter 64B, township mutual company regulated under chapter 67A, joint self-insurance plan or multiple employer trust regulated under chapter 60F, 62H, or section 471.617, subdivision 2, and persons administering a self-insurance plan as defined under section 60A.23, subdivision 8, paragraph (2), clauses (a) and (d).

Subd. 15. [INSURER WHICH SPECIALIZES IN SUBSTANDARD RISKS.] "Insurer which specializes in substandard risks" means an insurer whose rates and market orientation are directed at risks other than preferred or standard risks.

Subd. 16. [INVESTIGATIVE CONSUMER REPORT.] "Investigative

consumer report" means a consumer report or portion thereof in which information about a person's character, general reputation, personal characteristics, or mode of living is obtained through personal interviews with the person's neighbors, friends, associates, acquaintances, or others who may have knowledge concerning these items of information.

Subd. 17. [PERSONAL INFORMATION.] "Personal information" means any individually identifiable information gathered in connection with an insurance transaction from which judgments can be made about an individual's character, habits, avocations, finances, occupation, general reputation, credit, health, or any other personal characteristics. The term includes the individual's name and address and health record information, but does not include privileged information. "Personal information" does not include health information maintained by a health maintenance organization as defined under section 62D.02, subdivision 4, in its capacity as a health provider.

Subd. 18. [POLICYHOLDER.] "Policyholder" means any individual who is a present named insured, a present policyowner, or a present group certificate holder.

Subd. 19. [PRIVILEGED INFORMATION.] (a) "Privileged information" means any individually identifiable information that:

(1) relates to a claim for insurance benefits or a civil or criminal proceeding; or

(2) is collected in connection with or in reasonable anticipation of a claim for insurance benefits or civil or criminal proceeding.

(b) Information otherwise meeting the definition of privileged information under paragraph (a) shall be considered personal information if it is disclosed in violation of section 14.

Subd. 20. [RESIDUAL MARKET MECHANISM.] "Residual market mechanism" means an association, organization, or other entity created under the laws of this state for the purpose of providing insurance coverage to any person who is unable to obtain coverage through ordinary methods in the normal insurance markets.

Subd. 21. [TERMINATION OF INSURANCE COVERAGE OR POLICY.] "Termination of insurance coverage" or "termination of an insurance policy" means either a cancellation or nonrenewal of an insurance policy, in whole or in part, for any reason other than the failure to pay a premium as required by the policy.

Subd. 22. [UNAUTHORIZED INSURER.] "Unauthorized insurer" means an insurance company that has not been granted a certificate of authority by the commissioner to transact the business of insurance in this state.

Sec. 4. [72A.492] [SCOPE.]

Subdivision 1. [COVERED POLICIES.] The obligations imposed by sections 2 to 17 apply to insurers, insurance agents, and insurance-support organizations which:

(1) collect, receive, or maintain information in connection with insurance transactions which pertains to persons who are residents of this state; or

(2) engage in insurance transactions with applicants, individuals, or policyholders who are residents of this state.

Subd. 2. [COVERED PERSONS.] The rights granted by sections 2 to 17 extend to:

(1) a person who is a resident of this state and is the subject of information collected, received, or maintained in connection with an insurance transaction; and

(2) a person who is a resident of this state and engages in or seeks to engage in an insurance transaction.

Subd. 3. [EXCEPTIONS.] (a) Sections 2 to 17 do not apply to information collected from the public records of a governmental authority and maintained by an insurance company or its representatives for the purpose of insuring the title to real property located in this state.

(b) Nothing in sections 2 to 17 gives a patient access to the health records pertaining to the patient maintained by the patient's health provider, or gives the patient the right to alter or amend those health records unless otherwise provided by law.

(c) Sections 2 to 17 do not apply to any insurance transactions involving property and casualty insurance primarily for business or professional needs.

Sec. 5. [72A.493] [OBTAINING INFORMATION BY IMPROPER MEANS.]

An insurer, insurance agent, or insurance-support organization must not obtain information or authorize another person to obtain information in connection with an insurance transaction by:

(1) pretending to be someone he or she is not;

(2) pretending to represent a person he or she is not in fact representing;

(3) misrepresenting the true purpose of the interview; or

(4) refusing to identify himself or herself upon request.

Sec. 6. [72A.494] [NOTICE.]

Subdivision 1. [REQUIRED.] Each insurer or insurance agent shall provide a notice relating to information practices to each applicant or policyholder in the manner and at the time required by this section.

Subd. 2. [EXEMPTION.] A notice is not required to be provided under this section for:

(1) a group policy or contract that is not individually underwritten; or

(2) a renewal, reinstatement, or a change in benefits for a policy or contract if no personal information is to be collected other than from the applicant or policyholder, or from public records.

Subd. 3. [TIMING.] (a) In the case of an application for insurance coverage, the notice must be provided to the applicant or policyholder no later than the time application is made for the coverage, renewal, reinstatement, or change in benefits.

(b) If personal information is to be collected only from the applicant or from public records, the notice may be provided at the time of delivery of the policy or the certificate.

Subd. 4. [CONTENT OF NOTICE.] The notice required by this section

must be in writing and state:

(1) whether personal information may be collected from persons other than the individual or individuals proposed for coverage;

(2) the types of personal information that may be collected and the types of sources and investigative techniques that may be used to collect the information;

(3) the types of disclosures of personal information that may be made under section 13 and the circumstances under which the disclosures may be made without prior authorization; except that only those circumstances which occur with such frequency as to indicate a general business practice must be described;

(4) a description of the rights established under sections 9 and 10 and the manner in which those rights may be exercised; and

(5) that information obtained from a report prepared by an insurance-support organization may be retained by the insurance-support organization and disclosed to other persons.

Subd. 5. [ABBREVIATED NOTICE.] In lieu of the notice required under subdivision 4, the insurer or insurance agent may provide an abbreviated notice informing the applicant or policyholder that:

(1) personal information may be collected from persons other than the person or persons proposed for coverage;

(2) the information collected by the insurer or insurance agent may in certain circumstances be disclosed to third parties without authorization;

(3) the person has a right to see their personal records and correct personal information collected; and

(4) the person will be furnished the detailed notice required under subdivision 4 upon request.

Subd. 6. [OTHER COMPANIES OR AGENCIES ACTING ON ITS BEHALF] The obligations imposed by this section upon an insurer or insurance agent may be satisfied by another insurer or insurance agent authorized to act on its behalf.

Sec. 7. [72A.495] [MARKETING AND RESEARCH SURVEYS.]

An insurer or insurance agent shall clearly specify any questions designed to obtain information solely for marketing or research purposes from an individual in connection with an insurance transaction, and state that responses to the questions are not required to obtain coverage.

Sec. 8. [72A.496] [INVESTIGATIVE CONSUMER REPORTS.]

Subdivision 1. [NOTICE.] An insurer, insurance agent, or insurance-support organization must not prepare or request an investigative consumer report about an individual in connection with an insurance transaction involving an application for insurance, a policy renewal, a policy reinstatement, or a change in insurance benefits, unless the insurer or insurance agent informs the person:

(1) that the individual may request to be interviewed in connection with the preparation of the investigative consumer report; and

(2) that, upon a request pursuant to section 9, the individual is entitled

to receive a copy of the investigative consumer report.

Subd. 2. [REPORTS PREPARED BY INSURERS.] If an investigative consumer report is to be prepared by an insurer or insurance agent, the insurer or insurance agent shall institute reasonable procedures to conduct a personal interview requested by an individual.

Subd. 3. [REPORTS PREPARED BY INSURANCE-SUPPORT ORGANIZATIONS.] If an investigative consumer report is to be prepared by an insurance-support organization, the insurer or insurance agent desiring the report shall inform the insurance-support organization whether a personal interview has been requested by the individual. The insurance-support organization shall institute reasonable procedures for conducting an interview, if requested.

Sec. 9. [72A.497] [ACCESS TO PERSONAL INFORMATION.]

Subdivision 1. [REQUEST.] (a) If an individual, after proper identification, submits a written request to an insurer, insurance agent, or insurance-support organization for access to personal information about the individual, the insurer, insurance agent, or insurance-support organization shall within 30 business days from the date the request is received:

(1) inform the individual of the nature and substance of the personal information that they possess in writing, by telephone, or by other oral communication, whichever the insurer, insurance agent, or insurance-support organization elects;

(2) permit the individual to see and copy, in person, the personal information pertaining to that person;

(3) permit the individual to obtain by mail a copy of the entire personal information or a reasonably described portion thereof, whichever the individual requests;

(4) disclose to the individual the identity of those persons to whom the insurer, insurance agent, or insurance-support organization has disclosed the personal information within two years prior to the request; and

(5) provide the individual with a summary of the procedures by which the person may request correction, amendment, or deletion of personal information, as provided under section 10.

(b) If the personal information is in coded form, an accurate translation in plain language must be provided in writing.

(c) If credit information is requested which federal law prohibits an insurer to disclose, the insurer must disclose that the individual has the right to receive the credit information from the credit reporting agency. The insurer must disclose the name, address, and telephone number of the credit reporting agency that supplied the insurer with the credit information.

Subd. 2. [SOURCE.] Any personal information collected must specifically identify the source of the information.

Subd. 3. [HEALTH RECORDS.] (a) Health record information requested under subdivision 1 which has been supplied by a health care institution or a health professional must provide the identity of the health professional or health care institution which supplied the information. The health record information must be provided either directly to the individual or to a health professional designated by the person who is licensed to provide health

care with respect to the condition to which the information relates, whichever the individual elects. If the information is provided to a designated health professional, the insurer, insurance agent, or insurance-support organization shall notify the person, at the time of the disclosure, that the information has been provided to the health professional.

(b) If a health professional or a health care institution has provided health information to an insurer, insurance-support organization, or insurance agent that the health professional or health care institution has determined and indicates in writing that the release of the health record information is detrimental to the physical or mental health of the person, or is likely to cause the individual to inflict self harm or to harm another, the insurer, insurance agent, or insurance-support organization may provide that information directly to the individual only with the approval of the health professional with treatment responsibility for the condition to which the information relates. If approval is not obtained, the information must be provided to the health professional designated by the individual.

(c) Nothing in this section may reduce or affect a patient's rights under section 144.335.

Subd. 4. [FEE.] An insurer, insurance agent, or insurance-support organization may charge a reasonable fee, not to exceed the actual costs, to copy information provided under this section. If an individual is requesting information as a result of an adverse underwriting decision, the insurer, insurance agent, or insurance-support organization must provide the information free of any charge.

Subd. 5. [OTHER COMPANIES OR AGENTS ACTING ON ITS BEHALF] The obligations imposed by this section upon an insurer or insurance agent may be satisfied by another insurer or insurance agent authorized to act on its behalf. With respect to the copying and disclosure of personal information under a request under subdivision 1, an insurer, insurance agent, or insurance-support organization may make arrangements with an insurance-support organization or a consumer reporting agency to copy and disclose personal information on its behalf.

Subd. 6. [PRIVILEGED INFORMATION.] The rights granted under this section and section 10 do not extend to privileged information.

Sec. 10. [72A.498] [CORRECTION, AMENDMENT, OR DELETION OF PERSONAL INFORMATION.]

Subdivision 1. [PROCEDURE.] Within 30 business days from the date of receipt of a written request from an individual to correct, amend, or delete any personal information about the person within its possession, an insurer, insurance agent, or insurance-support organization shall either:

(1) correct, amend, or delete the portion of the personal information in dispute; or

(2) notify the individual of its refusal to make the correction, amendment, or deletion, the reasons for the refusal, and the person's right to file a statement as provided in subdivision 3, and the individual's right to appeal to the commissioner under subdivision 5.

Subd. 2. [NOTICE.] If the insurer, insurance agent, or insurance-support organization corrects, amends, or deletes disputed personal information upon request of an individual or as ordered by the commissioner, the insurer, insurance agent, or insurance-support organization shall notify the person

in writing and provide the correction, amendment, or fact of deletion to:

(1) any person specifically designated by the individual who may have within the preceding two years received the personal information;

(2) any insurance-support organization whose primary source of personal information is insurers, if the insurance-support organization has systematically received the personal information from the insurer within the preceding seven years, provided that the correction, amendment, or fact of deletion need not be provided to an insurance-support organization if the insurance-support organization no longer maintains personal information about the individual; and

(3) any insurance-support organization that provided the personal information that has been corrected, amended, or deleted.

Subd. 3. [STATEMENT.] If the insurer, insurance agent, or insurance-support organization refuses to correct, amend, or delete disputed personal information, the individual must be permitted to file with the insurer, insurance agent, or insurance-support organization a concise statement setting forth what the person thinks is the correct, relevant, or fair information and stating the reasons why the individual disagrees with the insurer's, insurance agent's, or insurance-support organization's refusal to correct, amend, or delete disputed personal information.

Subd. 4. [DISPUTED INFORMATION.] In the event an individual files a statement described in subdivision 3, the insurer, insurance agent, or insurance-support organization shall:

(1) file the statement with the disputed personal information and provide a means by which anyone reviewing the disputed personal information will be made aware of the individual's statement and have access to it;

(2) in any subsequent disclosure by the insurer, insurance agent, or insurance-support organization of the disputed personal information, clearly identify the matter or matters in dispute and provide the individual's statement along with the personal information being disclosed; and

(3) furnish the statement to the persons and in the manner specified in subdivision 2.

Subd. 5. [APPEAL.] (a) If an insurer, insurance-support organization, or insurance agent refuses to correct, amend, or delete disputed personal information, the individual may file an appeal with the commissioner.

(b) The commissioner may, after providing the insurer, insurance-support organization, or insurance agent an opportunity for a hearing, order the insurer, insurance-support organization, or insurance agent to amend, correct, or delete disputed personal information if the commissioner finds that the personal information kept by the insurer, insurance-support organization, or insurance agent is in error. If the commissioner finds that the disputed personal information maintained by the insurer, insurance agent, or insurance-support organization is correct, the insurer, insurance agent, or insurance-support organization may delete from the individual's records any statement filed with them by that individual relating to the disputed information under subdivision 3.

Sec. 11. [72A.499] [REASONS FOR ADVERSE UNDERWRITING DECISIONS.]

Subdivision 1. [NOTICE AND INFORMATION.] In the event of an

adverse underwriting decision, the insurer or insurance agent responsible for the decision shall provide in writing to the applicant, policyholder, or individual proposed for coverage:

(1) the specific reason or reasons for the adverse underwriting decision, a summary of the person's rights under sections 9 and 10, and that upon request the person may receive the specific items of personal information that support those reasons and the specific sources of the information; or

(2) the specific reason or reasons for the adverse underwriting decision, the specific items of personal and privileged information that support those reasons, the names and addresses of the sources that supplied the specific items of information specified, and a summary of the rights established under sections 9 and 10.

Subd. 2. [HEALTH REASONS.] If the specific reason for an adverse underwriting decision is based on health record information, the insurer may, in lieu of providing the specific reason to the individual under subdivision 1, provide the individual with the specific source of the adverse underwriting decision referring to the specific date, page, and line of the information received from a health professional or health care institution. If the insured has been informed of the condition indicated by their health provider and is unable to determine the reason for the adverse underwriting decision, then the insurer must provide the specific reason to the individual. The insurer must provide the specific reason for the adverse underwriting decision to a health professional designated by the individual, if requested either orally or in writing by the individual.

Subd. 3. [EXEMPTION.] (a) This section is not applicable to group policies or contracts, except for group policies that are individually underwritten. For group policies or contracts that are individually underwritten, the notice required under this section must be given to the individual or individuals in the group whose personal information resulted in the adverse underwriting decision.

(b) If a policy or contract is terminated on a class or statewide basis, or an insurance coverage is declined solely because the coverage is unavailable on a class or statewide basis, the insurer or agent is not required to provide the notice required under this section provided that the applicant or policyholder is provided with the specific reason for the termination or declination of coverage.

Subd. 4. [PRIVILEGED INFORMATION.] (a) An insurer or insurance agent is not required to provide particular, specific items of privileged information under subdivision 1 if it has a reasonable suspicion, based upon that specific information, that the applicant, policyholder, or person proposed for coverage has engaged in criminal activity, fraud, material misrepresentation, or material nondisclosure. If an insurer or insurance agent does not provide the specific items of information because the information is privileged under this subdivision, the insurer or insurance agent must notify the applicant, policyholder, or individual proposed for coverage that the specific items of information are privileged and of the person's right to appeal to the commissioner under this subdivision.

(b) If a person is not provided with the specific items of information relating to an adverse underwriting decision because the information is privileged under this subdivision, the person may request that the commissioner review the information. The commissioner may then order the

insurer or insurance agent to supply the privileged information to the commissioner. If the commissioner determines that the information is not privileged under this subdivision, the commissioner shall order the insurer or insurance agent to provide the information to the applicant, policyholder, or person proposed for coverage.

Subd. 5. [HEALTH RECORDS INFORMATION.] Specific items of health record information supplied by a health care institution or health professional, and the identity of the health professional or health care institution that supplied the information, must be disclosed in the manner required under section 9, subdivision 3.

Subd. 6. [OTHER COMPANIES OR AGENTS ACTING ON THEIR BEHALF.] The obligations imposed by this section upon an insurer or insurance agent may be satisfied by another insurer or insurance agent authorized to act on its behalf.

Sec. 12. [72A.50] [PREVIOUS ADVERSE UNDERWRITING DECISIONS.]

Subdivision 1. [ADDITIONAL INFORMATION REQUIRED.] An insurer, insurance agent, or insurance-support organization must not seek information in connection with an insurance transaction concerning any previous adverse underwriting decision experienced by a person, or any previous insurance coverage obtained by a person through a residual market mechanism, unless the inquiry also requests the reasons for the previous adverse underwriting decision or the reasons why insurance coverage was previously obtained through a residual market mechanism.

Subd. 2. [PROHIBITIONS.] An insurer or insurance agent may not base an adverse underwriting decision, in whole or in part, on:

(1) the fact of a previous adverse underwriting decision or the fact that a person previously obtained insurance coverage through a residual market mechanism, provided that an insurer or insurance agent may base an adverse underwriting decision on further information obtained from an insurer or insurance agent responsible for a previous adverse underwriting decision; or

(2) personal information received from an insurance-support organization whose primary source of information is insurers, provided that an insurer or insurance agent may base an adverse underwriting decision on further personal information obtained as the result of information received from the insurance-support organization.

Sec. 13. [72A.501] [DISCLOSURE AUTHORIZATION.]

Subdivision 1. [REQUIREMENT; CONTENT.] An authorization used by an insurer, insurance-support organization, or insurance agent to disclose or collect personal information must be in writing and must meet the following requirements:

(1) is written in plain language;

(2) is dated;

(3) specifies the types of persons authorized to disclose information about the person;

(4) specifies the nature of the information authorized to be disclosed;

(5) names the insurer or insurance agent and identifies by generic reference representatives of the insurer to whom the person is authorizing information to be disclosed;

(6) specifies the purposes for which the information is collected; and

(7) specifies the length of time the authorization remains valid.

Subd. 2. [APPLICATION.] (a) If the authorization is signed to collect information in connection with an application for a property and casualty insurance policy, a policy reinstatement, or a request for a change in benefits, the authorization must not remain valid for longer than one year from the date the authorization is signed or the date the insurer grants or denies coverage, reinstatement, or change in benefits, whichever is sooner.

(b) If the authorization is signed to collect information in connection with an application for a life, disability, and health insurance policy or contract, reinstatement, or request for change in benefits, the authorization may not remain valid for longer than 26 months from the date the authorization is signed.

Subd. 3. [CLAIMS.] If the authorization is signed to collect information in connection with a claim for benefits under an insurance policy, the authorization must not remain valid for longer than:

(1) the term of coverage of the policy, if the claim is for a health insurance benefit; or

(2) the duration of the claim, if the claim is for a claim other than for a health insurance benefit.

Subd. 4. [AUTHORIZATION; NONINSURERS.] If an authorization is submitted to an insurer, insurance-support organization, or insurance agent by a person other than an insurer, insurance-support organization, or insurance agent, the authorization must be dated, signed by the person, and obtained one year or less before the date a disclosure is sought.

Sec. 14. [72A.502] [DISCLOSURE OF INFORMATION; LIMITATIONS AND CONDITIONS.]

Subdivision 1. [REQUIREMENT.] An insurer, insurance agent, or insurance-support organization must not disclose any personal or privileged information about a person collected or received in connection with an insurance transaction without the written authorization of that person except as authorized by this section. An insurer, insurance agent, or insurance-support organization must not collect personal information about a policyholder or an applicant not relating to a claim from sources other than public records without a written authorization from the person.

Subd. 2. [PREVENTION OF FRAUD.] Personal or privileged information may be disclosed without a written authorization to another person if the information is limited to that which is reasonably necessary to detect or prevent criminal activity, fraud, material misrepresentation, or material nondisclosure in connection with an insurance transaction, and that person agrees not to disclose the information further without the individual written authorization unless the further disclosure is otherwise permitted by this section if made by an insurer, insurance agent, or insurance-support organization.

Subd. 3. [HEALTH CARE INSTITUTIONS AND PROFESSIONALS.] Personal or privileged information may be disclosed without a written

authorization to a health care institution or health professional for the purpose of verifying insurance coverage benefits, informing a person of a health problem of which the person must not be aware, or conducting an operations or services audit, if the information is only disclosed that is reasonably necessary to accomplish the purposes under this subdivision.

Subd. 4. [REGULATORY AUTHORITY.] Personal or privileged information may be disclosed without a written authorization to an insurance regulatory authority.

Subd. 5. [OTHER GOVERNMENTAL AUTHORITIES.] Personal or privileged information may be disclosed without a written authorization to a law enforcement or other governmental authority if:

(1) the disclosure is to protect the interests of the insurer, agent, or insurance-support organization in preventing or prosecuting the perpetration of fraud upon it; or

(2) the insurer, agent, or insurance-support organization reasonably believes that illegal activities have been conducted by the individual.

Subd. 6. [OTHER LAWS OR ORDER.] Personal or privileged information may be disclosed without a written authorization if permitted or required by another law or in response to a facially valid administrative or judicial order, including a search warrant or subpoena.

Subd. 7. [ACTUARIAL AND RESEARCH STUDIES.] Personal or privileged information may be disclosed without a written authorization to conduct actuarial or research studies if:

(1) no individual may be identified in the actuarial or research report;

(2) materials allowing an individual to be identified are returned or destroyed as soon as they are no longer needed; and

(3) the actuarial or research organization agrees not to disclose the information unless the disclosure would otherwise be permitted by this section if made by an insurance company, agent, or insurance-support organization.

Subd. 8. [AFFILIATE COMPANIES.] Personal or privileged information may be disclosed without a written authorization to an affiliate whose only use of the information will be in connection with an audit of the insurer or agent or the marketing of an insurance product or service, provided the affiliate agrees to not disclose the information for any other purpose or to unaffiliated persons.

Subd. 9. [GROUP POLICYHOLDER.] Personal or privileged information may be disclosed with written authorization to a group policyholder only to report claims experience or conduct an audit of the insurer's or agent's operations or services, if the information disclosed is reasonably necessary for the group policyholder to conduct the review or audit.

Subd. 10. [GOVERNMENTAL LICENSING BOARD.] Personal or privileged information may be disclosed without a written authorization to a governmental professional licensing or regulatory board to review the service or conduct of a health care institution or health professional that the insurer has reason to believe has violated its licensing act or engaged in the unlawful practice of a licensed professional.

Subd. 11. [PROFESSIONAL PEER REVIEW.] Subject to the terms of

a contract between an insurer and a health professional or health care institution, personal or privileged information may be disclosed without a written authorization to a professional peer review organization to review the service or conduct of a health care institution or health professional.

Subd. 12. [NOTICE.] Whenever an insurer, insurance agent, or insurance-support organization discloses personal or privileged information about a person that requires the written authorization of that person under this section, the insurer, insurance agent, or insurance-support organization shall notify that person in writing within ten days of the date the information was disclosed. The notification must specify the identity of the person to whom information was disclosed and the nature and substance of the information that was disclosed. A notice is not required to be given under this subdivision if an insurer is disclosing personal information for underwriting purposes to another insurer, or to an insurance-support organization if the person had signed an authorization authorizing the disclosure.

Sec. 15. [72A.503] [PRIVATE REMEDIES.]

Subdivision 1. [LIABILITY.] Any insurer, insurance agent, or insurance-support organization that violates sections 2 to 17 is liable to the aggrieved person for damages sustained by the person as a result of the violation. In addition, the court may award punitive damages in an amount not to exceed \$50,000.

Subd. 2. [EQUITABLE RELIEF] Upon application by an aggrieved person, a court of competent jurisdiction may grant equitable and declaratory relief as necessary to enforce the requirements of sections 2 to 17.

Subd. 3. [COSTS.] In any successful action brought under this section, the costs of the action, including reasonable attorney fees as determined by the court, may be awarded in addition to any damages.

Sec. 16. [72A.504] [OBTAINING INFORMATION UNDER IMPROPER MEANS.]

Any person who knowingly and willfully obtains information about a person in violation of section 5 is subject to a fine not to exceed \$3,000 or imprisonment not to exceed one year, or both.

Sec. 17. [72A.505] [IMMUNITY.]

No cause of action in the nature of defamation, invasion of privacy, or negligence may arise against an insurer, insurance agent, or insurance-support organization for disclosing personal or privileged information required to be disclosed under sections 1 to 16, provided no immunity exists for disclosing false information with malice or willful intent to injure any person.

Sec. 18. [EFFECTIVE DATE.]

Sections 1 to 5 and 7 to 17 are effective August 1, 1989, and the rights granted under those sections are effective on that date, regardless of the date of the collection or receipt of the information which is subject to those sections. Section 6 is effective January 1, 1990. Insurers may use, until July 1, 1990, notices that are in substantial compliance with this section that have not been approved by the commissioner of commerce."

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

House Conferees: (Signed) Wesley J. Skoglund, John Burger, Howard Orenstein

Senate Conferees: (Signed) John J. Marty, Michael O. Freeman

Mr. Marty moved that the foregoing recommendations and Conference Committee Report on H.F. No. 162 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion did not prevail.

Mr. Frederick moved that the recommendations and Conference Committee Report on H.F. No. 162 be rejected and that the bill be re-referred to the Conference Committee as formerly constituted for further consideration. The motion prevailed.

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 811, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 811 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 19, 1989

CONFERENCE COMMITTEE REPORT ON H.F. NO. 811

A bill for an act relating to natural resources; changing certain provisions relating to the taking of turtles; amending Minnesota Statutes 1988, sections 97A.475, subdivision 41; 97C.605, subdivisions 2 and 3; and 97C.611; repealing Minnesota Statutes 1988, section 97C.615.

May 17, 1989

The Honorable Robert Vanasek
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H.F. No. 811, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment.

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

House Conferees: (Signed) Thomas W. Pugh, Bob Johnson, Charlie Weaver

Senate Conferees: (Signed) Charles A. Berg, Pat Piper, Dennis R. Frederickson

Mr. Berg moved that the foregoing recommendations and Conference Committee Report on H.F. No. 811 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. 811 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 45 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Chmielewski	Frederickson, D.R.	Marty	Pehler
Anderson	Cohen	Freeman	McGowan	Piper
Beckman	Dahl	Gustafson	McQuaid	Ramstad
Belanger	Davis	Hughes	Mehrkens	Reichgott
Benson	Decker	Johnson, D.E.	Metzen	Renneke
Berg	Diessner	Knutson	Moe, R.D.	Schmitz
Berglin	Frank	Langseth	Morse	Solon
Bernhagen	Frederick	Larson	Olson	Storm
Bertram	Frederickson, D.J.	Luther	Pariseau	Vickerman

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

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 700, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 700 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 19, 1989

CONFERENCE COMMITTEE REPORT ON H.F. NO. 700

A bill for an act relating to crimes; increasing penalties for certain crimes when committed because of the victim's or another's actual or perceived race, color, religion, sex, sexual orientation, disability, age, political affiliation, membership or lack of membership in a labor union, or national origin; increasing penalties for using the mail or making telephone calls and falsely impersonating another for the purpose of harassing, abusing, or threatening another person; amending Minnesota Statutes 1988, sections 609.2231, by adding a subdivision; 609.595, subdivisions 2, 3, and by adding a subdivision; 609.605, by adding a subdivision; 609.746, by adding a subdivision; 609.79, by adding a subdivision; and 609.795.

May 16, 1989

The Honorable Robert Vanasek
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H.F. No. 700, report that we have agreed upon the items in dispute and recommend as follows:

That the House concur in the Senate amendment adopted May 1, 1989,

and that the Senate recede from the amendment adopted May 5, 1989, and that H.F. No. 700 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1988, section 609.2231, is amended by adding a subdivision to read:

Subd. 4. [ASSAULTS MOTIVATED BY BIAS.] (a) Whoever assaults another because of the victim's or another's actual or perceived race, color, religion, sex, sexual orientation, disability as defined in section 363.01, age, or national origin may be sentenced to imprisonment for not more than one year or to payment of a fine of not more than \$3,000, or both.

(b) Whoever violates the provisions of paragraph (a) within five years of a previous conviction under paragraph (a) is guilty of a felony and may be sentenced to imprisonment for not more than one year and a day or to payment of a fine of not more than \$3,000, or both.

Sec. 2. Minnesota Statutes 1988, section 609.595, is amended by adding a subdivision to read:

Subd. 1a. [CRIMINAL DAMAGE TO PROPERTY IN THE SECOND DEGREE.] (a) Whoever intentionally causes damage described in subdivision 2, paragraph (a), because of the property owner's or another's actual or perceived race, color, religion, sex, sexual orientation, disability as defined in section 363.01, age, or national origin is guilty of a felony and may be sentenced to imprisonment for not more than one year and a day or to payment of a fine of not more than \$3,000, or both.

(b) In any prosecution under paragraph (a), the value of property damaged by the defendant in violation of that paragraph within any six-month period may be aggregated and the defendant charged accordingly in applying this section. When two or more offenses are committed by the same person in two or more counties, the accused may be prosecuted in any county in which one of the offenses was committed for all of the offenses aggregated under this paragraph.

Sec. 3. Minnesota Statutes 1988, section 609.595, subdivision 2, is amended to read:

Subd. 2. [CRIMINAL DAMAGE TO PROPERTY IN THE ~~SECOND~~ THIRD DEGREE.] (a) Except as otherwise provided in section 2, whoever intentionally causes damage to another person's physical property without the other person's consent may be sentenced to imprisonment for not more than one year or to payment of a fine of not more than \$3,000, or both, if the damage reduces the value of the property by more than \$250 but not more than \$500 as measured by the cost of repair and replacement.

(b) Whoever intentionally causes damage to another person's physical property without the other person's consent because of the property owner's or another's actual or perceived race, color, religion, sex, sexual orientation, disability as defined in section 363.01, age, or national origin may be sentenced to imprisonment for not more than one year or to payment of a fine of not more than \$3,000, or both, if the damage reduces the value of the property by not more than \$250.

(c) In any prosecution under paragraph (a), the value of property damaged by the defendant in violation of that ~~clause~~ paragraph within any six-month period may be aggregated and the defendant charged accordingly

in applying this section. When two or more offenses are committed by the same person in two or more counties, the accused may be prosecuted in any county in which one of the offenses was committed for all of the offenses aggregated under this paragraph.

Sec. 4. Minnesota Statutes 1988, section 609.595, subdivision 3, is amended to read:

Subd. 3. [CRIMINAL DAMAGE TO PROPERTY IN THE ~~THIRD~~ FOURTH DEGREE.] Whoever intentionally causes damage described in subdivision 2 under any other circumstances is guilty of a misdemeanor.

Sec. 5. Minnesota Statutes 1988, section 609.605, is amended by adding a subdivision to read:

Subd. 3. [TRESPASSES MOTIVATED BY BIAS.] *Whoever commits an act described in subdivision 1, clause (13), because of the property owner's or another's actual or perceived race, color, religion, sex, sexual orientation, disability as defined in section 363.01, age, or national origin may be sentenced to imprisonment for not more than one year or to payment of a fine of not more than \$3,000, or both.*

Sec. 6. Minnesota Statutes 1988, section 609.746, is amended by adding a subdivision to read:

Subd. 3. [INTRUSION ON PRIVACY; AGGRAVATED VIOLATION.] *Whoever commits an act described in subdivision 2 because of the victim's or another's actual or perceived race, color, religion, sex, sexual orientation, disability as defined in section 363.01, age, or national origin, may be sentenced to imprisonment for not more than one year or to payment of a fine of not more than \$3,000, or both.*

Sec. 7. Minnesota Statutes 1988, section 609.79, is amended by adding a subdivision to read:

Subd. 1a. [OBSCENE OR HARASSING TELEPHONE CALLS; AGGRAVATED VIOLATIONS.] *(a) Whoever commits an act described in subdivision 1 because of the victim's or another's actual or perceived race, color, religion, sex, sexual orientation, disability as defined in section 363.01, age, or national origin may be sentenced to imprisonment for not more than one year or to payment of a fine of not more than \$3,000, or both.*

(b) Whoever commits an act described in subdivision 1 by falsely impersonating another with intent to harass, abuse, or threaten that person or another, may be sentenced to imprisonment for not more than one year or to payment of a fine of not more than \$3,000, or both.

Sec. 8. Minnesota Statutes 1988, section 609.795, is amended to read:

609.795 [LETTER, TELEGRAM, OR PACKAGE; OPENING; HARASSMENT.]

Subdivision 1. [MISDEMEANORS.] Whoever does any of the following is guilty of a misdemeanor:

(1) knowing that the actor does not have the consent of either the sender or the addressee, intentionally opens any sealed letter, telegram, or package addressed to another; or

(2) knowing that a sealed letter, telegram, or package has been opened without the consent of either the sender or addressee, intentionally publishes

any of the contents thereof; or

(3) with the intent to harass, abuse, or threaten, repeatedly uses the mails or delivers letters, telegrams, or packages.

Subd. 2. [GROSS MISDEMEANORS.] (a) Whoever commits an act described in subdivision 1, clause (3), because of the victim's or another's actual or perceived race, color, religion, sex, sexual orientation, disability as defined in section 363.01, age, or national origin may be sentenced to imprisonment for not more than one year or to payment of a fine of not more than \$3,000, or both.

(b) Whoever commits an act described in subdivision 1, clause (3), by falsely impersonating another with intent to harass, abuse, or threaten that person or another, may be sentenced to imprisonment for not more than one year or to payment of a fine of not more than \$3,000, or both.

Sec. 9. Minnesota Statutes 1988, section 626.5531, subdivision 2, is amended to read:

Subd. 2. [USE OF INFORMATION COLLECTED.] The head of a local law enforcement agency or state law enforcement department that employs peace officers licensed under section 626.843 must file a monthly report describing crimes reported under this section with the department of public safety, bureau of criminal apprehension. The commissioner of public safety must summarize and analyze the information received and file an annual report with the department of human rights and the legislature. The commissioner may include information in the annual report concerning any additional criminal activity motivated by bias that is not covered by this section.

Sec. 10. [EFFECTIVE DATE.]

Sections 1 to 8 are effective August 1, 1989, and apply to crimes committed on or after that date."

Delete the title and insert:

"A bill for an act relating to crimes; increasing penalties for certain crimes when committed because of the victim's or another's actual or perceived race, color, religion, sex, sexual orientation, disability, age, or national origin; increasing penalties for using the mail or making telephone calls and falsely impersonating another for the purpose of harassing, abusing, or threatening another person; authorizing the commissioner of public safety to report on additional bias-motivated criminal activity not covered by the bias crime reporting law; amending Minnesota Statutes 1988, sections 609.2231, by adding a subdivision; 609.595, subdivisions 2, 3, and by adding a subdivision; 609.605, by adding a subdivision; 609.746, by adding a subdivision; 609.79, by adding a subdivision; 609.795; and 626.5531, subdivision 2."

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

House Conferees: (Signed) Lee Greenfield, Richard H. Jefferson

Senate Conferees: (Signed) Linda Berglin, Allan H. Spear, Howard A. Knutson

Ms. Berglin moved that the foregoing recommendations and Conference Committee Report on H.F. No. 700 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. 700 was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

The roll was called, and there were yeas 40 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Cohen	Freeman	Marty	Piper
Anderson	Dahl	Gustafson	McGowan	Ramstad
Belanger	Davis	Hughes	McQuaid	Renneke
Benson	Decker	Johnson, D.E.	Mehrkens	Samuelson
Bernhagen	Diessner	Knutson	Moe, R.D.	Schmitz
Bertram	Frederick	Langseth	Morse	Spear
Brandl	Frederickson, D.J.	Larson	Olson	Storm
Chmielewski	Frederickson, D.R.	Luther	Pariseau	Vickerman

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

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Lessard moved that the following members be excused for a Conference Committee on H.F. No. 66 at 5:00 p.m.:

Messrs. Lessard, Knaak, Purfeerst, Mrs. Lantry and Ms. Peterson, D.C. The motion prevailed.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Peterson, R.W. moved that the following members be excused for a Conference Committee on H.F. No. 654 at 5:15 p.m.:

Mr. Peterson, R.W.; Ms. Peterson, D.C.; Messrs. Pehler, DeCramer and Hughes. The motion prevailed.

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 1160, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 1160 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 19, 1989

CONFERENCE COMMITTEE REPORT ON H.F. NO. 1160

A bill for an act relating to education; authorizing school district participation in certain energy efficiency projects; proposing coding for new law in Minnesota Statutes, chapter 124.

May 17, 1989

The Honorable Robert Vanasek
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H.F. No. 1160, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that H.F. No. 1160 be further amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. [124.85] [ENERGY EFFICIENCY PROJECTS.]

Subdivision 1. [DEFINITIONS.] The definitions in this subdivision apply to this section.

(a) “*Energy conservation measure*” means a training program or facility alteration designed to reduce energy consumption or operating costs and includes:

- (1) *Insulation of the building structure and systems within the building;*
- (2) *Storm windows and doors, caulking or weatherstripping, multiglazed windows and doors, heat absorbing or heat reflective glazed and coated window and door systems, additional glazing, reductions in glass area, and other window and door system modifications that reduce energy consumption;*
- (3) *Automatic energy control systems;*
- (4) *Heating, ventilating, or air conditioning system modifications or replacements;*
- (5) *Replacement or modifications of lighting fixtures to increase the energy efficiency of the lighting system without increasing the overall illumination of a facility, unless such increase in illumination is necessary to conform to the applicable state or local building code for the lighting system after the proposed modifications are made;*
- (6) *Energy recovery systems;*
- (7) *Cogeneration systems that produce steam or forms of energy such as heat, as well as electricity, for use primarily within a building or complex of buildings;*
- (8) *Energy conservation measures that provide long-term operating cost reductions.*

(b) “*Guaranteed energy savings contract*” means a contract for the evaluation and recommendations of energy conservation measures, and for one or more energy conservation measures. The contract must provide that all payments, except obligations on termination of the contract before its expiration, are to be made over time, but not to exceed ten years from the date of final installation, and the savings are guaranteed to the extent necessary to make payments for the systems.

(c) “*Qualified provider*” means a person or business experienced in the design, implementation, and installation of energy conservation measures. A qualified provider to whom the contract is awarded shall give a sufficient bond to the school district for its faithful performance.

Subd. 2. [ENERGY EFFICIENCY CONTRACT.] Notwithstanding any law to the contrary, a school district may enter into a guaranteed energy savings contract with a qualified provider to significantly reduce energy or operating costs.

Before entering into a contract under this subdivision, the board shall provide published notice of the meeting in which it proposes to award the contract, the names of the parties to the proposed contract, and the contract's purpose.

Before installation of equipment, modification, or remodeling, the qualified provider shall first issue a report, summarizing estimates of all costs of installations, modifications, or remodeling, including costs of design, engineering, installation, maintenance, repairs, or debt service, and estimates of the amounts by which energy or operating costs will be reduced.

Subd. 3. [CONTRACT PROVISIONS.] Guaranteed energy savings contracts that include a written guarantee that savings will meet or exceed the cost of energy conservation measures is not subject to competitive bidding requirements. The contract is not subject to section 123.37 or 471.345.

Subd. 4. [DISTRICT ACTION.] A district may enter into a guaranteed energy savings contract with a qualified provider if, after review of the report, it finds that the amount it would spend on the energy conservation measures recommended in the report is not likely to exceed the amount to be saved in energy and operation costs over ten years from the date of installation if the recommendations in the report were followed, and the qualified provider provides a written guarantee that the energy or operating cost savings will meet or exceed the costs of the system. The guaranteed energy savings contract may provide for payments over a period of time, not to exceed ten years.

Subd. 5. [INSTALLATION CONTRACTS.] A school district may enter into an installment payment contract for the purchase and installation of energy conservation measures. The contract must provide for payments of not less than one-tenth of the price to be paid within two years from the date of the first operation, and the remaining costs to be paid monthly, not to exceed a ten-year term from the date of the first operation.

Subd. 6. [CONTRACT CONTINUANCE.] Guaranteed energy savings contracts may extend beyond the fiscal year in which they become effective. The school district shall include in its annual appropriations measure for each later fiscal year any amounts payable under guaranteed energy savings contracts during the year. Failure of a board to make such an appropriation does not affect the validity of the guaranteed energy savings contract or the school district's obligations under the contracts.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective the day after its final enactment."

Delete the title and insert:

"A bill for an act relating to education; allowing school districts to enter into certain contracts to reduce energy and operating costs; proposing coding for new law in Minnesota Statutes, chapter 124."

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

House Conferees: (Signed) Jerry J. Bauerly, Mary Jo McGuire, Bernie

Omann

Senate Conferees: (Signed) David J. Frederickson, James C. Pehler, Fritz Knaak

Mr. Frederickson, D.J. moved that the foregoing recommendations and Conference Committee Report on H.F. No. 1160 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. 1160 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 42 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Cohen	Gustafson	McQuaid	Ramstad
Anderson	Dahl	Hughes	Mehrrens	Renneke
Beckman	Davis	Johnson, D.E.	Moe, D.M.	Schmitz
Belanger	Decker	Knutson	Moe, R.D.	Spear
Benson	Diessner	Langseth	Morse	Storm
Berg	Frank	Larson	Olson	Vickerman
Berglin	Frederick	Luther	Pariseau	
Bernhagen	Frederickson, D.J.	Marty	Piper	
Bertram	Freeman	McGowan	Pogemiller	

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

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 1435, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 1435 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 19, 1989

CONFERENCE COMMITTEE REPORT ON H.F. NO. 1435

A bill for an act relating to liquor; authorizing issuance of a certain on-sale license in Todd county.

May 18, 1989

The Honorable Robert Vanasek
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H.F. No. 1435, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments

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

House Conferees: (Signed) Richard Krueger, Joel Jacobs, Bob Anderson

Senate Conferees: (Signed) Don Anderson, David J. Frederickson, Charles A. Berg

Mr. Anderson moved that the foregoing recommendations and Conference Committee Report on H.F. No. 1435 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. 1435 was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

The roll was called, and there were yeas 40 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Chmielewski	Frederickson, D.J.	McGowan	Piper
Anderson	Cohen	Freeman	McQuaid	Ramstad
Beckman	Dahl	Johnson, D.E.	Mehrkens	Renneke
Belanger	Davis	Knutson	Moe, D.M.	Schmitz
Benson	Decker	Laidig	Moe, R.D.	Solon
Berg	Diessner	Langseth	Morse	Spear
Bernhagen	Frank	Larson	Olson	Storm
Bertram	Frederick	Luther	Pariseau	Vickerman

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

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 1530, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 1530 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 19, 1989

CONFERENCE COMMITTEE REPORT ON H.F. NO. 1530

A bill for an act relating to commerce; regulating business relations between manufacturers of heavy and utility equipment and independent retail dealers of those products; proposing coding for new law in Minnesota Statutes, chapter 325E.

May 16, 1989

The Honorable Robert Vanasek
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H.F. No. 1530, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that H.F. No. 1530 be further amended as follows:

Page 2, line 27, delete "*form*" and insert "*from*"

Page 3, line 31, delete "*180*" and insert "*90*"

Page 3, lines 34 and 35, delete "*180 days*" and insert "*until expiration of the notice period*"

Page 3, line 36, delete "*180 days*" and insert "*the notice period*"

Page 4, line 30, delete "*including a sustained drought*"

Page 4, line 31, delete "*in the dealership market area,*"

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

House Conferees: (Signed) Bernard L. "Bernie" Lieder, Wally Sparby, Tony L. Bennett

Senate Conferees: (Signed) Robert J. Schmitz, Glen Taylor, David J. Frederickson

Mr. Schmitz moved that the foregoing recommendations and Conference Committee Report on H.F. No. 1530 be now adopted, and that the bill be repassed as amended by the Conference Committee.

Mr. Frederick moved that the recommendations and Conference Committee Report on H.F. No. 1530 be rejected and that the bill be re-referred to the Conference Committee as formerly constituted for further consideration. The motion did not prevail.

The question recurred on the motion of Mr. Schmitz. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H.F. No. 1530 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 0, as follows:

Those who voted in the affirmative were:

Adkins	Chmielewski	Knutson	Metzen	Reichgott
Anderson	Cohen	Laidig	Moe, D.M.	Renneke
Beckman	Dahl	Langseth	Moe, R.D.	Schmitz
Belanger	Davis	Larson	Morse	Spear
Benson	Decker	Luther	Olson	Storm
Berg	Frank	Marty	Pariseau	Stumpf
Berglin	Frederickson, D.J.	McGowan	Piper	Vickerman
Bernhagen	Freeman	McQuaid	Pogemiller	
Bertram	Gustafson	Mehrkens	Ramstad	

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

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 1016, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 1016 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 19, 1989

CONFERENCE COMMITTEE REPORT ON H.F. NO. 1016

A bill for an act relating to juvenile justice; authorizing the juvenile court to place juvenile alcohol or controlled substance offenders on probation; authorizing the juvenile court to require the commissioner of public safety to revoke the driver's license or permit of habitual petty offenders or to deny driving privileges to them if they do not have a license or permit; removing certain limitations on parental liability for thefts by minors; removing a repealer; amending Minnesota Statutes 1988, sections 171.04; 260.195, subdivision 3, and by adding subdivisions; and 332.51, subdivision 3; repealing Laws 1985, chapter 278, section 2.

May 18, 1989

The Honorable Robert Vanasek
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H.F. No. 1016, report that we have agreed upon the items in dispute and recommend as follows:

That the House concur in the Senate amendment adopted pursuant to Rule 49 May 2, 1989, and that H.F. No. 1016 be further amended as follows:

(The text of the amended House File is identical to S.F. No. 1266.)

Page 4, after line 24, insert:

“(c) If the adjudicated petty offender has a driver's license or permit, the court may suspend the driver's license or permit for a period of up to 90 days, but may allow the offender driving privileges as necessary to travel to and from work.”

Page 4, line 25, delete “(c)” and insert “(d)”

Page 4, after line 33, insert:

“Sec. 4. Minnesota Statutes 1988, section 332.51, subdivision 3, is amended to read:

Subd. 3. [LIABILITY OF PARENT OR GUARDIAN.] ~~The provisions of Section 540.18 apply~~ *applies* to this section, *except that recovery is not limited to special damages.*”

Page 4, line 34, delete “4” and insert “5”

Page 5, line 2, delete "5" and insert "6"

Page 5, line 3, delete "3" and insert "4"

Page 5, line 4, after the period, insert "*Section 5 is effective the day following final enactment.*"

Amend the title as follows:

Page 1, line 8, after the semicolon, insert "clarifying parental liability for theft by minors;"

Page 1, line 11, after the semicolon, insert "and 332.51, subdivision 3;"

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

House Conferees: (Signed) Connie Morrison, Randy C. Kelly, Thomas W. Pugh

Senate Conferees: (Signed) Richard J. Cohen, Allan H. Spear, Gary W. Laidig

Mr. Cohen moved that the foregoing recommendations and Conference Committee Report on H.F. No. 1016 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. 1016 was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

The roll was called, and there were yeas 40 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Bertram	Frederickson, D.J.	Marty	Olson
Anderson	Chmielewski	Freeman	McGowan	Pariseau
Beckman	Cohen	Gustafson	McQuaid	Piper
Belanger	Dahl	Knutson	Mehrkens	Ramstad
Benson	Davis	Laidig	Metzen	Renneke
Berg	Decker	Langseth	Moe, D.M.	Storm
Berglin	Diessner	Larson	Moe, R.D.	Stumpf
Bernhagen	Frank	Luther	Morse	Vickerman

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

MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 1618 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S.F. NO. 1618

A bill for an act relating to the organization and operation of state government; appropriating money for the department of transportation and other agencies with certain conditions; providing for regulation of certain activities and practices; requiring studies and reports; fixing and limiting fees; amending Minnesota Statutes 1988, sections 12.14; 41A.09; 43A.08, subdivision 1; 237.30; 341.10; 473.384, subdivision 7; and 473.386, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 299C.

May 19, 1989

The Honorable Jerome M. Hughes
President of the Senate

The Honorable Robert Vanasek
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 1618, 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. 1618 be further amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. [TRANSPORTATION AND OTHER AGENCIES; APPROPRIATIONS.]

The sums shown in the columns marked “APPROPRIATIONS” are appropriated from the general fund, or another named fund, to the agencies and for the purposes specified in this act, to be available for the fiscal years indicated for each purpose. The figures “1989,” “1990,” and “1991,” where used in this act, mean that the appropriation or appropriations listed under them are available for the year ending June 30, 1989, June 30, 1990, or June 30, 1991, respectively.

SUMMARY BY FUND

	1990	1991	TOTAL
General	\$ 94,998,000	\$ 94,533,000	\$ 189,531,000
Special Revenue	5,827,000	5,988,000	11,815,000
Airports	14,099,000	13,927,000	28,026,000
M.S.A.S.	76,800,000	78,200,000	155,000,000
C.S.A.H.	237,400,000	242,000,000	479,400,000
Tr. Hwy.	796,051,000	813,602,000	1,609,653,000
Hwy. User	11,047,000	11,287,000	22,334,000
Transit Assistance	23,344,000	23,344,000	46,688,000
Motor Vehicle Transfer	869,000	869,000	1,738,000
Petroleum Cleanup	56,000	56,000	112,000
Transfers to Other			
Direct	(2,789,000)	(2,543,000)	(5,332,000)
TOTAL	\$ 1,257,702,000	\$ 1,281,263,000	\$ 2,538,965,000

APPROPRIATIONS
Available for the Year
Ending June 30
1990 1991

Sec. 2. TRANSPORTATION

Subdivision 1. Total Appropriation	\$1,076,057,000	\$1,101,119,000
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Approved Complement - 4,767

General - 14

State Airports - 40

Trunk Highway - 4,697

Federal - 16

The appropriations in this section are from the trunk highway fund, except where another fund is named.

Summary by Fund

General	\$ 4,205,000	\$ 4,203,000
Airports	\$ 14,099,000	\$ 13,927,000
M.S.A.S.	\$ 76,800,000	\$ 78,200,000
C.S.A.H.	\$237,400,000	\$242,000,000
Trunk Highway	\$734,607,000	\$753,843,000
Transit Assistance Fund	\$ 8,077,000	\$ 8,077,000
Motor Vehicle Transfer	\$ 869,000	\$ 869,000

The amounts that may be spent from this appropriation for each program are specified in the following subdivisions.

Subd. 2. Highway Development 750,467,000 791,014,000

Summary by Fund

M.S.A.S.	\$ 76,800,000	\$ 78,200,000
C.S.A.H.	\$237,400,000	\$242,000,000
Trunk Highway	\$435,398,000	\$469,945,000
Motor Vehicle Transfer	\$ 869,000	\$ 869,000

(a) Trunk Highways

1990	1991
\$426,816,000	\$426,816,000

Summary by Fund

Trunk Highway	\$425,947,000	\$425,947,000
Motor Vehicle Transfer	\$ 869,000	\$ 869,000

It is estimated that the appropriation from the trunk highway fund will be funded as follows:

Federal Highway Aid
\$210,000,000 \$210,000,000

Highway User Taxes
\$215,947,000 \$215,947,000

The commissioner of transportation shall notify the chair of the committee on finance of the senate and chair of the committee on appropriations of the house of representatives promptly of any events that should cause these estimates to change.

This appropriation is for the actual construction, reconstruction, and improvement of trunk highways. This includes

the cost of actual payment to landowners for lands acquired for highway right-of-way, payment to lessees, interest subsidies, and relocation expenses.

\$300,000 appropriated by Laws 1988, chapter 603, section 7, paragraph (a), from the highway user tax distribution fund to the transportation study board is available until June 30, 1991.

(b) County State Aids

\$237,400,000 \$242,000,000

This appropriation is from the county state-aid highway fund and is available until spent.

(c) Municipal State Aids

\$ 76,800,000 \$ 78,200,000

This appropriation is from the municipal state-aid street fund and is available until spent.

If an appropriation for either county state aids or municipal state aids does not exhaust the balance in the fund from which it is made in the year for which it is made, the commissioner of finance, upon request of the commissioner of transportation, shall notify the committee on finance of the senate and the committee on appropriations of the house of representatives of the amount of the remainder and shall then add that amount to the appropriation. The amount added is appropriated for the purposes of county state aids or municipal state aids, as appropriate.

(d) Highway Debt Service

\$ 9,451,000 \$ 43,998,000

\$9,057,000 the first year and \$8,704,000 the second year are for transfer to the state bond fund.

If this appropriation is insufficient to make all transfers required in the year for which it is made, the commissioner of finance shall notify the committee on finance of the senate and the committee on appropriations of the house of representatives of the amount of the deficiency and shall then transfer that amount under the statutory open appropriation.

Any excess appropriation must be canceled to the trunk highway fund.

Subd. 3. Public Transit

Assistance		11,551,000	11,551,000
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Summary by Fund

General	\$ 3,474,000	\$ 3,474,000
Transit Assistance	\$ 8,077,000	\$ 8,077,000

Any unencumbered balance remaining in the first year does not cancel but is available for the second year of the biennium.

Up to \$100,000 of this appropriation may be used for a study of transportation services provided by volunteer drivers, including, but not limited to, identification of issues relating to insurance availability and cost. The commissioner shall report the findings of the study to the 1991 legislature.

(a) Light Rail Transit
\$ 3,408,000 \$ 3,408,000

This appropriation is from the transit assistance fund.

A grant for light rail transit service within the seven-county metropolitan area must be made only with the approval of the regional transit board.

(b) Greater Minnesota Transit Assistance
\$ 8,143,000 \$ 8,143,000

\$4,669,000 the first year and \$4,669,000 the second year are from the transit assistance fund.

Subd. 4. Aeronautics	10,031,000	10,181,000
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This appropriation is from the state airports fund.

(a) Airport Development and Assistance
\$ 9,966,000 \$ 10,116,000

\$1,746,000 the first year and \$1,746,000 the second year are for navigational aids.

\$6,039,000 the first year and \$6,089,000 the second year are for airport construction grants.

\$1,773,000 the first year and \$1,773,000 the second year are for airport maintenance grants.

If the appropriation for either year for navigational aids, airport construction

grants, or airport maintenance grants is insufficient, the appropriation for the other year is available for it. The appropriations for construction grants and maintenance grants must be expended only for grant-in-aid programs for airports that are not state owned.

These appropriations must be expended in accordance with Minnesota Statutes, section 360.305, subdivision 4.

The commissioner of transportation may transfer unencumbered balances among the appropriations for airport development and assistance with the approval of the governor after consultation with the legislative advisory commission.

\$8,000 the first year and \$8,000 the second year are for maintenance of the Pine Creek Airport.

\$400,000 the first year and \$500,000 the second year are for air service grants.

(b) Civil Air Patrol

\$ 65,000 \$ 65,000

Subd. 5. Operations

188,268,000 188,336,000

The amounts that may be spent from this appropriation for each activity are as follows:

(a) Maintenance

\$128,504,000 \$128,544,000

(b) Construction Support

\$ 59,764,000 \$ 59,792,000

Subd. 6. Technical Services

56,173,000 55,393,000

The amounts that may be spent from this appropriation for each activity are as follows:

(a) Program Delivery

\$ 52,411,000 \$ 51,631,000

\$75,000 the first year and \$75,000 the second year are for a transportation research contingent account to finance research projects that are reimbursable from the federal government or from other sources. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

The department is directed to seek federal funding for all or part of the costs

associated with construction and operation of the cold region test facility. The local road research board may contribute available research funds to the department to further the development of this facility.

(b) State Aid Technical Assistance
 \$ 946,000 \$ 946,000

(c) Electronic Communications
 \$ 2,816,000 \$ 2,816,000

Subd. 7. Program Management 11,817,000 11,175,000

Summary by Fund

General	\$ 684,000	\$ 682,000
Trunk Highway	\$ 7,719,000	\$ 6,969,000
State Airports	\$ 3,414,000	\$ 3,524,000

The amounts that may be spent from this appropriation for each activity are as follows:

(a) Highway Program Administration
 \$ 1,850,000 \$ 1,850,000

Summary by Fund

General	\$ 75,000	\$ 75,000
Trunk Highway	\$ 1,775,000	\$ 1,775,000

\$243,000 the first year and \$243,000 the second year are available for grants to regional development commissions outside the seven-county metropolitan area for transportation studies to identify critical concerns, problems, and issues.

(b) Motor Carrier Administration
 \$ 1,212,000 \$ 1,212,000

(c) Railroads and Waterways
 \$ 962,000 \$ 961,000

Summary by Fund

General	\$ 237,000	\$ 236,000
Trunk Highway	\$ 725,000	\$ 725,000

(d) Transit Administration
 \$ 597,000 \$ 596,000

Summary by Fund

General	\$ 372,000	\$ 371,000
Trunk Highway	\$ 225,000	\$ 225,000

(e) Aeronautics Administration
 \$ 3,414,000 \$ 3,524,000

This appropriation is from the state airports fund.

(f) Transportation Data Analysis

\$ 3,782,000 \$ 3,032,000

Subd. 8. General Support

Services 38,355,000 33,469,000

Summary by Fund

General	\$ 47,000	\$ 47,000
Airports	\$ 254,000	\$ 222,000
Trunk Highway	\$ 38,054,000	\$ 33,200,000

The amounts that may be spent from this appropriation for each activity are as follows:

(a) General Administration

\$ 12,483,000 \$ 12,505,000

(b) General Services

\$ 6,837,000 \$ 5,687,000

Summary by Fund

General	\$ 42,000	\$ 42,000
Airports	\$ 131,000	\$ 120,000
Trunk Highway	\$ 6,664,000	\$ 5,525,000

\$1,375,000 the first year is for data processing development. Any unencumbered balance remaining in the first year does not cancel but is available for the second year of the biennium.

(c) Equipment

\$ 17,815,000 \$ 14,057,000

If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

Summary by Fund

General	\$ 5,000	\$ 5,000
Airports	\$ 69,000	\$ 48,000
Trunk Highway	\$ 17,741,000	\$ 14,004,000

(d) Legal Services

\$ 1,166,000 \$ 1,166,000

This appropriation is for the purchase of legal services from or through the attorney general.

(e) Air Transportation Services

\$ 54,000 \$ 54,000

This appropriation is from the state airports fund.

Subd. 9. Transfers

The commissioner of transportation with the approval of the commissioner of

finance may transfer unencumbered balances among the appropriations from the trunk highway fund and the state airports fund made in this section. No transfer may be made from the appropriation for trunk highway development. No transfer may be made from the appropriations for debt service to any other appropriation. Transfers may not be made between funds. Transfers must be reported immediately to the committee on finance of the senate and the committee on appropriations of the house of representatives.

Subd. 10. Contingent Appropriation

The commissioner of transportation, with the approval of the governor after consultation with the legislative advisory commission, may transfer all or part of the unappropriated balance in the trunk highway fund to an appropriation for trunk highway design, construction, or inspection in order to take advantage of an unanticipated receipt of income to the trunk highway fund, or to trunk highway maintenance in order to meet an emergency. The amount transferred is appropriated for the purpose of the account to which it is transferred.

Subd. 11. Buildings 9,395,000

Summary by Fund

Trunk Highway	\$ 8,995,000	\$	-0-
Airports	\$ 400,000	\$	-0-

The appropriations in this subdivision are available the day following final enactment and until spent.

(a) St. Paul Central Office Building 150,000

This appropriation is to prepare, in consultation with the department of administration, alternative building, site, and financing proposals for consideration by the 1990 legislature.

(b) Duluth District Headquarters 3,900,000

This appropriation is to construct an addition for office, shops, and vehicle storage; to remodel and update the four-story office tower; to remove asbestos; to improve mechanical, electrical, fire, and life safety items; and to enlarge the parking lot to accommodate relocated employees.

(c) Marshall Area Maintenance Building	2,200,000
This appropriation is to construct a new building with space for shops, storage, offices, and support facilities.	
(d) Moorhead Weigh Station	655,000
This appropriation is to construct a scale house, electronic weigh scale platform and pit, and a weighing-in-motion sorter.	
(e) St. Cloud Area Headquarters	90,000
This appropriation is to prepare working drawings for remodeling and construction of an addition to the office areas.	
(f) Maple Grove Truck Station	60,000
This appropriation is to prepare working drawings for construction of an addition to provide space for offices and equipment.	
(g) Detroit Lakes Headquarters	100,000
This appropriation is to prepare working drawings for remodeling and construction of an addition to provide space for offices, shops, and storage.	
(h) Mankato Headquarters	90,000
This appropriation is to prepare working drawings for remodeling and construction of an addition to provide space for offices, shops, and storage.	
(i) Spring Lake Park	55,000
This appropriation is to prepare working drawings for a new equipment storage building.	
(j) Golden Valley Headquarters	50,000
This appropriation is to prepare schematic plans for solving problems related to inadequate space for offices, shops, and storage.	
(k) Arden Hills Training Center	50,000
This appropriation is to prepare schematic plans for remodeling and renovating the center.	
(l) Thief River Falls Government Service Center	100,000
This appropriation is to prepare working drawings for a building to house the resident engineer construction office, the truck station, the state patrol district	

office, and the department of natural resources area office.

(m) Statewide

- (1) Remove asbestos from department buildings and reinsulate pipes 250,000
- (2) Replace underground storage tanks or upgrade to EPA standards 750,000
- (3) Construct or remodel chemical storage sheds 405,000
- (4) Acquire land 90,000

This appropriation is to acquire land for truck stations.

(n) St. Paul Downtown Airport 400,000

This appropriation is from the state airports fund to acquire an airplane hangar.

Sec. 3. REGIONAL TRANSIT BOARD

Subdivision 1. Total

Appropriation	24,923,000	24,923,000
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Summary by Fund

General	\$ 9,656,000	\$ 9,656,000
Transit Assistance	\$ 15,267,000	\$ 15,267,000

The amounts that may be spent from this appropriation for each program are specified in the following subdivisions.

If an appropriation in this section for either year is insufficient, the appropriation for the other year is available for it.

For the purpose of improving air quality and promoting alternative energy sources in the metropolitan area, the regional transit board shall evaluate and promote the use of vehicles that operate on clean-burning alternative fuels, including natural gas, methanol, and ethanol. The board shall: evaluate the feasibility and effectiveness of using the fuels; review the efforts of other public agencies in the use of the fuels; and examine opportunities and demonstrate, when technically and economically feasible, the use of the fuels in vehicles and buses operated by the board, the metropolitan transit commission, and other transit operators and in the vehicle fleets of other metropolitan agencies. In its 1990 and 1991 reports to the legislature, the board shall include a report on its activities in carrying out

the provisions of this paragraph.

Subd. 2. Regular Route Service
\$ 11,154,000 \$ 11,154,000

Subd. 3. Metro Mobility
\$ 11,500,000 \$ 11,500,000

Subd. 4. Small Urban, Rural, and
Replacement Services
\$ 919,000 \$ 919,000

Subd. 5. Planning and Programs
\$ 900,000 \$ 900,000

Subd. 6. Administration
\$ 450,000 \$ 450,000

Sec. 4. TRANSPORTATION
REGULATION BOARD 629,000 609,000

Approved Complement - 9.5

This appropriation is from the trunk
highway fund.

Sec. 5. PUBLIC SAFETY

Subdivision 1. Total
Appropriation 93,727,000 92,489,000

	1990	1991
Approved Complement -	1,731.9	1,744.9
General -	394.2	397.2
Special Revenue -	22.5	26.5
Trunk Highway -	1,090.8	1,092.8
Highway User -	172.6	172.6
Federal -	51.8	55.8

The above approved complement includes
531 for state-funded, unclassified patrol
officers and supervisors of the state patrol.
Nothing in this provision is intended to
limit the authority of the commissioner
of public safety to transfer personnel, with
the approval of the commissioner of
finance, among the various units and
divisions within this section, provided that
the above complement must be reduced
accordingly.

Summary by Fund

General	\$ 23,971,000	\$ 23,752,000
Trunk Highway	\$ 59,944,000	\$ 58,279,000
Highway User	\$ 10,922,000	\$ 11,162,000
Special Revenue	\$ 1,679,000	\$ 1,839,000
Transfers to Other		
Direct	(\$ 2,789,000)	(\$ 2,543,000)

The amounts that may be spent from this

appropriation for each program are specified in the following subdivisions.

Subd. 2. Administration and Related Services

\$ 5,481,000 \$ 5,066,000

Summary by Fund

General	\$ 53,000	\$ 53,000
Trunk Highway	\$ 5,338,000	\$ 4,923,000
Highway User	\$ 90,000	\$ 90,000

\$967,000 the first year and \$549,000 the second year are for management information systems. Any unencumbered balance remaining in the first year does not cancel but is available for the second year of the biennium.

Subd. 3. Emergency Management

\$ 955,000 \$ 955,000

\$426,000 the first year and \$426,000 the second year are for nuclear plant preparedness. Any unencumbered balance remaining in the first year does not cancel but is available for the second year of the biennium.

Subd. 4. Criminal Apprehension

\$ 13,495,000 \$ 13,525,000

Summary by Fund

General	\$ 12,046,000	\$ 12,076,000
Special Revenue	\$ 480,000	\$ 480,000
Trunk Highway	\$ 969,000	\$ 969,000

\$223,000 the first year and \$223,000 the second year are for use by the bureau of criminal apprehension for the purpose of investigating cross-jurisdictional criminal activity. Any unencumbered balance remaining in the first year does not cancel but is available for the second year of the biennium.

\$171,000 the first year and \$171,000 the second year are for grants to local officials for the cooperative investigation of cross-jurisdictional criminal activity. Any unencumbered balance remaining in the first year does not cancel but is available for the second year of the biennium.

\$384,000 the first year and \$384,000 the second year from the Bureau of Criminal Apprehension Account in the special revenue fund are for laboratory activities.

\$96,000 the first year and \$96,000 the second year from the Bureau of Criminal Apprehension Account in the special revenue fund are for grants to local officials for the cooperative investigation of cross-jurisdictional criminal activity. Any unencumbered balance remaining in the first year does not cancel but is available for the second year.

\$730,000 the first year and \$730,000 the second year are for the purchase of an automated fingerprint identification system through lease-purchase. Any unencumbered balance remaining in the first year does not cancel but is available for the second year.

Subd. 5. Fire Safety
\$ 1,898,000 \$ 1,894,000

Subd. 6. State Patrol
\$ 39,050,000 \$ 37,998,000

This appropriation is from the trunk highway fund.

No more than five positions, excluding the chief patrol officer, in the state patrol support activity may be filled by state troopers.

This appropriation includes \$100,000 in the first year from the trunk highway fund to install Minnesota State Emergency Frequency (MINSEF) Base Stations at the following six locations: Dresbach, Hader, Biscay, Truman, Erhard, and Crookston.

The commissioner may purchase other motor fuel when gasohol is not available for the operation of state patrol vehicles.

During the biennium ending June 30, 1991, and notwithstanding other law to the contrary, the commissioner shall authorize the appointing authority to permit the donation of up to eight hours of accumulated vacation time in each year by each employee who is a member of the law enforcement unit number 1 to the employee's union representative for the purpose of carrying out the duties of office.

\$900,000 the first year and \$371,000 the second year from the trunk highway fund are to modernize the metropolitan area

radio communications centers. Any unencumbered balance remaining in the first year does not cancel but is available for the second year.

Subd. 7. Capitol Security
\$ 1,540,000 \$ 1,572,000

Subd. 8. Driver and Vehicle Licensing
\$ 28,347,000 \$ 28,358,000

Summary by Fund

General	\$ 4,377,000	\$ 4,377,000
Trunk Highway	\$ 14,587,000	\$ 14,389,000
Highway User	\$ 9,383,000	\$ 9,592,000

\$431,000 the first year and \$431,000 the second year are for alcohol assessment reimbursements to counties.

Subd. 9. Liquor Control
\$ 738,000 \$ 738,000

Subd. 10. Ancillary Services
\$ 2,223,000 \$ 2,383,000

Summary by Fund

General	\$ 1,024,000	\$ 1,024,000
Special Revenue	\$ 1,199,000	\$ 1,359,000

(a) Pipeline Safety
\$ 549,000 \$ 709,000

This appropriation is from the pipeline safety account in the special revenue fund. The pipeline safety account is a dedicated receipt account, which means that fee revenue generated in one year does not cancel but is carried forward to the following year.

(b) Crime Victims Reparations Board
\$ 1,390,000 \$ 1,390,000

Summary by Fund

General	\$ 840,000	\$ 840,000
Special Revenue	\$ 550,000	\$ 550,000

The appropriation from the special revenue fund is from the crime victim and witness account. Any unencumbered balance remaining the first year does not cancel but is available for the second year of the biennium.

Notwithstanding any other law to the contrary, the crime victims reparations board shall, to the extent possible, distribute the appropriation in equal monthly increments. In no case shall the total

awards exceed the appropriation made in this subdivision.

(c) Children's Trust Fund
\$ 100,000 \$ 100,000

This appropriation is from the children's trust fund account in the special revenue fund.

(d) Emergency Response Commission
\$ 129,000 \$ 129,000

(e) Private Detective and Protective
Agency Licensing Board
\$ 55,000 \$ 55,000

Subd. 11. Transfers

The commissioner of public safety with the approval of the commissioner of finance may transfer unencumbered balances not specified for a particular purpose among the programs within a fund. Transfers must be reported immediately to the committee on finance of the senate and the committee on appropriations of the house of representatives.

Subd. 12. Reimbursements

(a) \$1,340,000 for the first year and \$1,063,000 for the second year are appropriated from the general fund for transfer by the commissioner of finance to the trunk highway fund on January 1, 1990, and January 1, 1991, respectively, in order to reimburse the trunk highway fund for expenses not related to the fund. These represent amounts appropriated out of the trunk highway fund for general fund purposes in the administration and related services program.

(b) \$455,000 for the first year and \$453,000 for the second year are appropriated from the highway user tax distribution fund for transfer by the commissioner of finance to the trunk highway fund on January 1, 1990, and January 1, 1991, respectively, in order to reimburse the trunk highway fund for expenses not related to the fund. These represent amounts appropriated out of the trunk highway fund for highway user fund purposes in the administration and related services program.

(c) \$994,000 for the first year and \$1,027,000 for the second year are appropriated from the highway user tax

distribution fund for transfer by the commissioner of finance to the general fund on January 1, 1990, and January 1, 1991, respectively, in order to reimburse the general fund for expenses not related to the fund. These represent amounts appropriated out of the general fund for operation of the criminal justice data network related to driver and motor vehicle licensing.

Sec. 6. BOARD OF PEACE OFFICER STANDARDS AND TRAINING

General Operations and Management	3,600,000	3,600,000
Approved Complement - 11		

These appropriations are from the peace officers training account in the special revenue fund and are available until spent.

Notwithstanding any other law to the contrary, if any presently duly elected sheriff is licensed by the board on July 1, 1989, only as a result of Laws 1987, chapter 358, section 6, the county board of that county may, after notice to the sheriff and a public hearing, declare by resolution that the office of sheriff in that county is vacant, and may schedule a special election to fill that office. Any presently duly elected sheriff who is licensed by the board on July 1, 1989, only as a result of Laws 1987, chapter 358, section 6, may continue to serve in that office without meeting the licensing requirements of the board only until a successor is duly elected at a special election or, if no special election is held, until the expiration of the term for which the sheriff was elected.

Sec. 7. AGRICULTURE

Subdivision 1. Total Appropriation	11,269,000	11,294,000
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	<i>1990</i>	<i>1991</i>
Approved Complement -	474.8	475.8
General -	196.8	197.8
Special/Revolving -	259.7	259.7
Federal -	18.3	18.3

Summary by Fund

General	\$ 11,084,000	\$ 11,109,000
Special Revenue	\$ 185,000	\$ 185,000

The amounts that may be spent from this appropriation for each program are specified in the following subdivisions.

Subd. 2. Protection Service
\$ 4,269,000 \$ 4,269,000

Subd. 3. Promotion and Marketing
\$ 757,000 \$ 757,000

\$200,000 the first year and \$200,000 the second year are for transfer to the Minnesota grown account.

\$100,000 the first year and \$100,000 the second year is appropriated under Minnesota Statutes, section 41A.09, subdivision 1, to the commissioner of agriculture to promote the use of ethanol fuel. This appropriation is in addition to the other appropriations in section 41A.09.

Subd. 4. Family Farm Security
\$ 1,559,000 \$ 1,559,000

\$962,000 the first year and \$962,000 the second year are for family farm security interest payment adjustments. If the appropriation for either year is insufficient, the appropriation for the other year is available for it. No new loans may be approved in fiscal year 1990 or 1991.

\$300,000 the first year and \$300,000 the second year are for farm crisis assistance.

Subd. 5. Administrative Support and Grants
\$ 4,684,000 \$ 4,709,000

Summary by Fund

General	\$ 4,499,000	\$ 4,524,000
Special Revenue	\$ 185,000	\$ 185,000

\$185,000 the first year and \$185,000 the second year are from the commodities research and promotion account in the special revenue fund.

\$200,000 the first year and \$200,000 the second year are for grants to farmers for demonstration projects involving sustainable agriculture. If a project cost is more than \$25,000, the amount above \$25,000 must be cost-shared at a state-applicant ratio of one to one. Priorities must be given for projects involving multiple parties. Up to \$20,000 each year

may be used for dissemination of information about the demonstration grant projects.

\$73,000 the first year and \$73,000 the second year are for the Northern Crops Institute. These appropriations, and money granted to the Northern Crops Institute for fiscal year 1989, may be spent to purchase equipment and are available until spent.

\$31,000 the first year and \$31,000 the second year are for payment of claims relating to livestock damaged by endangered animal species. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

\$10,000 the first year and \$10,000 the second year are for payment of claims relating to agricultural crops damaged by elk.

\$103,000 the first year and \$103,000 the second year are for the seaway port authority of Duluth.

Subd. 6. Transfers

The commissioner of agriculture with the approval of the commissioner of finance may transfer unencumbered balances not specified for a particular purpose among the above programs. Transfers must be reported immediately to the committee on finance of the senate and the committee on appropriations of the house of representatives.

Sec. 8. WORLD TRADE CENTER CORPORATION

1,350,000

800,000

This appropriation includes \$450,000 in the first year to cover part of the cost of conducting the World Assembly in Minnesota in 1990. It is the intent of the legislature that the World Trade Center Corporation secure an additional \$300,000 from sources other than state funds to cover the cost of conducting this event. The corporation shall report the results of its efforts to the legislature by January 15, 1991.

Any unencumbered balance remaining in fiscal year 1989 does not cancel but is available for fiscal year 1990 and any

unencumbered balance remaining in fiscal year 1990 does not cancel but is available for fiscal year 1991.

Sec. 9. BOARD OF WATER AND SOIL RESOURCES

4,948,000

4,948,000

Approved Complement - 25

\$10,000 the first year and \$10,000 the second year are for the International Water Coalition.

\$978,000 the first year and \$978,000 the second year are for general purpose grants to soil and water conservation districts, including conservation tillage and review and comment on water permits. Upon approval of the board, expenditures may be made from these appropriations for supplies and services benefiting soil and water conservation districts.

\$199,000 the first year and \$199,000 the second year are for grants to watershed districts and other local units of government in the southern Minnesota river basin study area 2 for flood plain management.

\$1,501,000 the first year and \$1,501,000 the second year are for grants to soil and water conservation districts for cost-sharing contracts for erosion control and water quality management.

The appropriations in this section for the southern Minnesota river basin study area 2 and for grants to soil and water districts for cost-sharing contracts for erosion control and water quality management are available until expended.

\$159,000 the first year and \$159,000 the second year are for grants-in-aid to soil and water conservation districts and local units of government to assist them in solving sediment and erosion control problems. Grants must not exceed 50 percent of total project costs or 50 percent of the local share if federal money is used. Priority must be given to projects designed to solve lakeshore, stream bank, and roadside erosion and to projects eligible for federal matching money.

\$175,000 the first year and \$175,000 the second year are for comprehensive local water planning.

\$902,000 the first year and \$902,000 the

\$ 56,000 \$ 56,000

This appropriation is from the Petroleum Tank Release Cleanup Fund for administration.

Subd. 5. Administrative Services

\$ 1,602,000 \$ 1,637,000

Subd. 6. Enforcement and Licensing

\$ 2,632,000 \$ 2,633,000

Summary by Fund

General	\$ 2,334,000	\$ 2,334,000
Special Revenue	\$ 298,000	\$ 299,000

\$298,000 the first year and \$299,000 the second year are from the real estate education, research, and recovery account in the special revenue fund for the purpose of Minnesota Statutes, section 82.34, subdivision 6. If the appropriation from the special revenue fund for either year is insufficient, the appropriation for the other year is available for it.

Subd. 7. Transfers

The commissioner with the approval of the commissioner of finance may transfer unencumbered balances not specified for a particular purpose among the above programs. Transfers must be reported immediately to the committee on finance of the senate and the committee on appropriations of the house of representatives.

Up to \$50,000 may be used to study the cost effectiveness of care provided by members of the healing arts, as defined in Minnesota Statutes, chapter 146. The commissioner shall report the findings to the legislature by January 1, 1990.

Sec. 12. NON-HEALTH-RELATED BOARDS

Subdivision 1. Total for this section	964,000	955,000
Subd. 2. Board of Abstractors	9,000	8,000
Subd. 3. Board of Accountancy	358,000	358,000
Approved Complement - 5		
Subd. 4. Board of Architecture, Engineering, Land Surveying, and Landscape Architecture	411,000	403,000
Approved Complement - 6.5		

Subd. 5. Board of Barber Examiners	127,000	127,000
Approved Complement - 2.5		
Subd. 6. Board of Boxing	59,000	59,000
Approved Complement - 1.5		
Sec. 13. PUBLIC UTILITIES COMMISSION	2,060,000	2,050,000
Approved Complement - 39		

Notwithstanding Minnesota Statutes, section 216B.243, subdivision 6, for any certificate of need application for expansion of the storage capacity for spent nuclear fuel rods, the commission and department shall assess actual amounts billed by the office of administrative hearings and up to \$300,000 of reasonable costs of the commission and department pursuant to Minnesota Statutes, section 216B.62, subdivision 6, during the biennium, subject to the limitations of Minnesota Statutes, section 216B.62, subdivision 2.

Sec. 14. PUBLIC SERVICE

Subdivision 1. Total Appropriation	6,577,000	6,581,000
Approved Complement - 141.8		
General - 124.3		
Special Revenue - 7.5		
Federal - 10.0		

Summary by Fund

General	\$ 6,512,000	\$ 6,516,000
Special Revenue	\$ 65,000	\$ 65,000

The amounts that may be spent from this appropriation for each program are specified in the following subdivisions.

Subd. 2. Utility Regulation
\$ 1,974,000 \$ 1,974,000

Subd. 3. Weights and Measures
\$ 1,973,000 \$ 1,977,000

Subd. 4. Administrative Services
\$ 665,000 \$ 665,000

Subd. 5. Energy
\$ 1,965,000 \$ 1,965,000

Summary by Fund

General	\$ 1,900,000	\$ 1,900,000
Special Revenue	\$ 65,000	\$ 65,000

Subd. 6. Transfers

The department of public service, with the approval of the commissioner of finance, may transfer unencumbered balances not specified for a particular purpose among the above programs. Transfers must be reported immediately to the committee on finance of the senate and the committee on appropriations in the house of representatives.

Sec. 15. RACING COMMISSION	930,000	935,000
Approved Complement - 9.5		
General - 8		
Special Revenue - 1.5		
Sec. 16. ETHICAL PRACTICES BOARD	277,000	276,000
Approved Complement - 6		
Sec. 17. MINNESOTA MUNICIPAL BOARD	252,000	253,000
Approved Complement - 4		
Sec. 18. MINNESOTA-WISCONSIN BOUNDARY AREA COMMISSION	111,000	115,000
Sec. 19. UNIFORM LAWS COMMISSION	17,000	17,000
Sec. 20. VOYAGEUR'S NATIONAL PARK CITIZENS COMMITTEE	71,000	71,000

Notwithstanding other law to the contrary, the citizen's council on Voyageurs National Park is extended until June 30, 1991.

Sec. 21. MINNESOTA HISTORICAL SOCIETY

Subdivision 1. Total Appropriation	11,521,000	11,943,000
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The amounts that may be spent from this appropriation for each program are specified in the following subdivisions.

This appropriation includes funds to continue the copying and cataloguing of Hubert H. Humphrey Film Archives material as determined by the society.

The society may cooperate with the supreme court to ensure that the marble fountain which occupied space in the former mechanic arts high school building is installed in the judicial building, using funds included in the supreme court appropriation for this purpose.

The appropriation in this section includes no money for compensation increases. The Minnesota historical society is eligible for a salary supplement in the same manner as state agencies. The commissioner of finance will determine the amount of the salary supplement based on available appropriations. Employees of the Minnesota historical society will be paid in accordance with the appropriate pay plan.

Subd. 2. Minnesota Historical Society Operations	6,706,000	6,711,000
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Any unencumbered balance remaining at the end of the first year must be returned to the state treasury and credited to the general fund.

Subd. 3. Historic Site Operations	3,178,000	3,198,000
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\$20,000 the first year and \$40,000 the second year are to restore and operate the Meighen store in Forestville state park.

Subd. 4. State History Center	379,000	941,000
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Notwithstanding any other law to the contrary, unencumbered balances from appropriations in Minnesota Session Laws 1983, chapter 344, section 13, are reappropriated to the Minnesota historical society for the state history center building and exhibit construction purposes. The Minnesota historical society shall report to the chair of the senate committee on finance and the chair of the house of representatives committee on appropriations on expenditures made under this subdivision. The purpose of the reappropriation is to cover existing projects and not to cover expansion of projects.

Subd. 5. Repair and Replacement	454,000	454,000
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If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

Subd. 6. Historic Grant-In-Aid	367,000	292,000
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(a) Historic Preservation
 \$ 295,000 \$ 265,000

For historic site grants to encourage local historic preservation projects.

To be eligible for a grant, a county or local project group must provide a 50

percent match, in accordance with the historical society's guidelines.

Any unencumbered balance remaining in the first year does not cancel but is available for the second year.

\$30,000 the first year is for a grant to the city of Little Falls to preserve a railroad depot designed by Cass Gilbert.

(b) Archaeology
 \$ 27,000 \$ 27,000

(c) Special Projects
 \$ 45,000

This appropriation is available until expended for the following purposes: \$15,000 to the Southwest Regional Development Commission for the Prairieland Expo Center for project assistance; \$25,000 to the Leech Lake Band of Chippewa Indians for project planning assistance relating to Battle Point; and \$5,000 to Houston county to relocate the Mayville town hall.

Subd. 7. Fiscal Agent	437,000	347,000
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(a) Sibley House Association
 \$ 93,000 \$ 93,000

This appropriation is available for operation and maintenance of the Sibley House and related buildings on the Old Mendota state historic site owned by the Sibley House association.

The historical society should seek an agreement with the Sibley House association whereby the historical society will make payments to the association for this purpose and will provide the association with technical assistance in applying for federal grants.

Notwithstanding any other law, the Sibley House association may purchase fire, wind, hail, and vandalism insurance, and insurance coverage for fine art objects from this appropriation.

\$20,000 the first year and \$20,000 the second year are for repairs and are available as approved by the Minnesota historical society working in cooperation with the Sibley House Association.

The Minnesota historical society shall study and report to the governor and the

legislature by July 1, 1990, on the ownership and management of the Sibley house historic site, which includes the Sibley, Faribault, and Du Puis houses. The purpose of the study is to prepare for transferring these properties to the state for inclusion in the state's historic site network. The study must include the governance of the site, funding needed to repair and restore the site, restoration priorities, funding needed to operate the site, and ownership of the collections. The study must contain joint recommendations of the society and the association regarding these issues as well as a recommendation on when the site should be turned over to the state. Recommendations for funding must be included in the 1992-1993 biennial budget request.

(b) Minnesota Humanities Commission
 \$ 147,000 \$ 147,000

(c) Minnesota International Center
 \$ 78,000 \$ 38,000

\$40,000 the first year is to be divided equally by the Minnesota International Center among school districts participating in the U.S.- U.S.S.R. high school academic program and must be used to help pay the cost of sending Minnesota students to study in the Soviet Union.

(d) Minnesota Military Museum
 \$ 30,000

(e) Minnesota Air National Guard Museum
 \$ 20,000

(f) Government Learning Center
 \$ 69,000 \$ 69,000

This appropriation is for Project 120.

(g) Balances Forward

Any unencumbered balance remaining in this subdivision the first year does not cancel but is available for the second year of the biennium.

Sec. 22. BOARD OF THE ARTS 4,164,000 4,164,000

1990

Approved Complement - 16
 General - 13
 Federal - 3

\$1,382,000 the first year and \$1,382,000

the second year are for the support of regional arts councils throughout the state.

Any unencumbered balance remaining in this section the first year does not cancel but is available for the second year of the biennium.

Sec. 23. MINNESOTA HORTICULTURAL SOCIETY	68,000	68,000
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The appropriation in Laws 1978, chapter 793, section 24, for the garden state project may also be spent for the Minnesota Green project.

Sec. 24. MINNESOTA ACADEMY OF SCIENCE	28,000	28,000
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Sec. 25. SCIENCE MUSEUM OF MINNESOTA	638,000	638,000
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Sec. 26. MINNESOTA SAFETY COUNCIL	71,000	71,000
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This appropriation is from the trunk highway fund and includes \$20,000 each year for state involvement in the National Safety Kids campaign, to reduce childhood accidental injury and death resulting from vehicle traffic or related causes.

Sec. 27. VETERANS OF FOREIGN WARS	31,000	31,000
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For carrying out the provisions of Laws 1945, chapter 455.

Sec. 28. MILITARY ORDER OF THE PURPLE HEART	10,000	10,000
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Sec. 29. GENERAL CONTINGENT ACCOUNTS	325,000	325,000
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The appropriations in this section may only be spent with the approval of the governor after consultation with the legislative advisory commission pursuant to Minnesota Statutes, section 3.30.

If an appropriation in this section for either year is insufficient, the appropriation for the other year is available for it.

Summary by Fund

Trunk Highway Fund	\$ 200,000	\$ 200,000
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Highway User Tax Distribution Fund	\$ 125,000	\$ 125,000
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Sec. 30. TORT CLAIMS	600,000	600,000
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To be spent by the commissioner of finance.

This appropriation is from the trunk highway fund.

If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

Sec. 31. [SPECIAL GREAT RIVER ROAD ACCOUNT.]

Subdivision 1. [ACCOUNT CREATED.] There is created in the state treasury a special Great River Road account, consisting of money credited under subdivision 2.

Subd. 2. [ACCOUNT FUNDED.] Notwithstanding Minnesota Statutes, section 297B.09 or other law, in the fiscal year ending June 30, 1990, the first \$750,000 that would otherwise be credited to the highway user tax distribution fund under Minnesota Statutes, section 297B.09, must be set aside and credited to the special Great River Road account created in subdivision 1.

Subd. 3. [DISTRIBUTION OF ACCOUNT.] The commissioner shall distribute money in the special Great River Road account and provide for distribution of money in the fund for the development of the Great River Road established under Minnesota Statutes, section 161.142. In providing assistance to any political subdivision, the commissioner shall follow the general policy of the Mississippi River parkway commission and shall give principal consideration on how the project would promote public safety, recreation, travel, trade, and the general welfare of the state. Priority should be given to new construction of the Great River Road system, to projects that provide local or federal matching assistance, and to projects for which highway user tax distribution funds are not available.

Subd. 4. [TERMINATION OF ACCOUNT.] The account created in subdivision 1, expires June 30, 1991. The state treasurer shall credit all undistributed money in the account on that date to the highway user tax distribution fund.

Subd. 5. [REPEALER.] This section is repealed effective July 1, 1991.

Sec. 32. [CONSTRUCTION OF EXIT ON T.H. 65.]

The commissioner of transportation shall construct by January 1, 1990, an exit from marked trunk highway No. 65 in Anoka county, within one-fourth mile of the intersection of the highway with marked trunk highway No. 242 and Anoka county highway No. 14, under the following conditions:

(1) the exit has been studied and approved for safety purposes by a qualified consultant;

(2) the exit must be constructed to state standards;

(3) the cost of the project must be paid by Anoka county; and

(4) the exit will be removed at no cost to the state if necessitated by a reconstruction of the intersection of marked trunk highway No. 65 with marked trunk highway No. 242 and Anoka county highway No. 14.

Sec. 33. [EXCHANGE OF INTERESTS IN LANDS.]

(a) The commissioner of transportation shall convey to the regional

railroad authority of St. Louis and Lake counties a 25-foot wide easement for railroad purposes lying generally southerly and southeasterly of the northbound lane of marked interstate highway 35 between 10th Avenue West and 5th Avenue East in Duluth. The easement must include two spur lines in the vicinity of the Duluth steam plant and a crossover connection, approximately 1,000 feet in length, in the vicinity of 9th Avenue West. This crossover connection is intended to allow a reconnection of railroad track with the Lake Superior Museum of Transportation. The commissioner shall also convey easements necessary to provide a continuous 25-foot wide easement for railroad purposes lying generally southeasterly and easterly of the northbound lane of marked interstate highway 35 between 14th Avenue East and 26th Avenue East in Duluth. The commissioner of transportation shall maintain a temporary construction easement as required to complete the marked interstate highway 35 extension, provided the easement does not interfere with operation of the railroad after June 1, 1990.

As consideration, the St. Louis and Lake counties regional railroad authority shall grant to either the department of transportation or the department of natural resources an option to establish an easement for a multiuse recreation trail along the regional rail authority-owned railway right-of-way between the municipalities of Duluth and Two Harbors. This easement must begin at a point east of the Lester River (Milepost 8) and shall continue to the Two Harbors Depot (Milepost 26.5).

The conveyances of the exchanged properties must be in a form approved by the attorney general. The regional rail authority and commissioner of transportation shall provide complete and accurate property descriptions of the lands to be exchanged.

The rail authority retains the right to determine where on their right-of-way this easement may be granted and may impose restrictions or alterations if it determines that the recreational trail interferes with the operation of the railroad right-of-way or any of its revenue-related uses.

This easement is conveyed exclusively to the regional railroad authority and is terminated if the line is abandoned.

(b) This section is effective the day following final enactment.

Sec. 34. [COMMISSIONER TO ACT AS AGENT.]

The commissioner of transportation shall act as agent for the Bois Fort Indian Reservation in the use of federal demonstration funds and state matching funds for the design and construction of a proposed highway project in the Lake Vermillion Indian Reservation Recreational Complex as authorized in the Surface Transportation and Uniform Relocation Assistance Act of 1987, Public Law Number 100-17.

Sec. 35. [REPORT ON CERTAIN SPECIAL TRANSPORTATION SERVICES.]

Subdivision 1. [SUBJECT.] The commissioner of the state planning agency shall report to the legislature, by January 1, 1990, on: (1) providing special transportation services in the metropolitan area for persons traveling on a regular basis, using standing orders or guaranteed trip requests, to or from public or private human services agencies or jobs and training agencies that generate a large number of such trip requests; and (2) related issues as the commissioner deems appropriate.

Subd. 2. [RECOMMENDATIONS.] The report shall include recommendations on:

(1) a service plan that describes a method or methods of providing the services and an estimate of costs for the services;

(2) the appropriate responsibility of governmental and other agencies and programs for planning, arranging, providing, and financing the services;

(3) the sources and amounts of public or other funding available for the services, apart from the funds available to the regional transit board, and a method or methods of providing the public or other funding required to subsidize the services; and

(4) an adequate and coordinated program to train persons to use regular route transit.

Subd. 3. [COMMUNITY INVOLVEMENT.] The commissioner shall actively involve interested parties in this process, including but not limited to:

(1) members of the transportation handicapped advisory committee;

(2) representatives of the department of human services;

(3) members of the transit providers advisory committee;

(4) representatives of nonprofit transit and social service providers;

(5) organizations representing the elderly, handicapped, and disabled communities; and

(6) interested members of the general public.

Sec. 36. Minnesota Statutes 1988, section 12.14, is amended to read:

12.14 [ASSESSMENT FOR NUCLEAR SAFETY PREPAREDNESS ACT.]

Any person, firm, corporation, or association in the business of owning or operating a nuclear fission electrical generating plant located in Minnesota, shall pay an assessment to cover the cost of nuclear power plant emergency response plans and other programs necessary to deal with incidents resulting from the operation of nuclear fission electrical generating plants. An assessment of ~~\$137,500~~ \$177,500 per plant shall be paid to the commissioner of public safety on July 1 of each year.

Sec. 37. Minnesota Statutes 1988, section 41A.09, is amended to read:

41A.09 [ETHANOL DEVELOPMENT FUND.]

Subdivision 1. [FUND CREATED APPROPRIATION.] ~~An ethanol development fund is created as a separate fund in the state treasury. The department of revenue shall administer the fund. The fund~~ A sum sufficient to make the payments required by this section is annually appropriated from the general fund to the commissioner of revenue ~~for the purposes of this section~~ and all money so appropriated is available until expended.

Subd. 2. [DEFINITION.] For purposes of this section "ethanol" means agriculturally derived fermentation ethyl alcohol of a purity of at least 99 percent, determined without regard to any added denaturants, denatured in conformity with one of the approved methods set forth by the United States Department of Treasury, Bureau of Alcohol, Tobacco and Firearms, and derived from the following agricultural products: potatoes, cereal, grains,

cheese whey, or sugar beets.

Subd. 3. [PAYMENTS FROM FUND.] The commissioner of revenue shall make cash payments ~~from the development fund~~ to producers of ethanol or agricultural grade alcohol, for use as a motor fuel, located in the state. The amount of the payment for each producer's annual production shall be as follows:

(a) For each gallon of ethanol produced:

(1) For the period beginning July 1, 1986, and ending June 30, 1987, 15 cents per gallon;

(2) For the period beginning July 1, 1987, and ending June 30, 2000, 20 cents per gallon.

(b) For each gallon produced of agricultural grade alcohol of a purity of at least 50 percent but not more than 90 percent and designed to be used in conjunction with diesel fuel in an engine's internal combustion process, for the period beginning July 1, 1987, and ending June 30, 2000, 11 cents per gallon.

The total payments from the fund to all producers may not exceed \$200,000 during the period beginning July 1, 1986, and ending June 30, 1987, and may not exceed \$10,000,000 in any fiscal year during the period beginning July 1, 1987, and ending June 30, 2000. Total payments to any producer from the fund in any fiscal year may not exceed \$3,000,000.

By the last day of October, January, April, and July, each producer shall file a claim for payment for production during the preceding three calendar months. The volume of production must be verified by a certified financial audit performed by an independent certified public accountant using generally accepted accounting procedures.

Payments shall be made November 15, February 15, May 15, and August 15.

Subd. 4. [RULEMAKING AUTHORITY.] The commissioner shall adopt emergency and permanent rules to implement this section.

Subd. 5. [EXPIRATION.] This section expires July 1, 2000, and ~~all money in the fund~~ *the unobligated balance of each appropriation under this section* on that date reverts to the general fund.

Subd. 6. [CONTINUED PAYMENTS.] A plant in production or under construction by January 1, 1990, shall continue to receive uninterrupted payments under subdivision 3 of at least 20 cents per gallon of ethanol produced until July 1, 2000.

Sec. 38. Minnesota Statutes 1988, section 43A.08, subdivision 1, is amended to read:

Subdivision 1. [UNCLASSIFIED POSITIONS.] Unclassified positions are held by employees who are:

(a) chosen by election or appointed to fill an elective office;

(b) heads of agencies required by law to be appointed by the governor or other elective officers, and the executive or administrative heads of departments, bureaus, divisions, and institutions specifically established by law in the unclassified service;

(c) deputy and assistant agency heads and one confidential secretary in

the agencies listed in subdivision 1a;

(d) the confidential secretary to each of the elective officers of this state and, for the secretary of state, state auditor, and state treasurer, an additional deputy, clerk, or employee;

(e) intermittent help employed by the commissioner of public safety to assist in the issuance of vehicle licenses;

(f) employees in the offices of the governor and of the lieutenant governor and one confidential employee for the governor in the office of the adjutant general;

(g) employees of the Washington, D.C., office of the state of Minnesota;

(h) employees of the legislature and of legislative committees or commissions; provided that employees of the legislative audit commission, except for the legislative auditor, the deputy legislative auditors, and their confidential secretaries, shall be employees in the classified service;

(i) presidents, vice-presidents, deans, other managers and professionals in academic and academic support programs, administrative or service faculty, teachers, research assistants, and student employees eligible under terms of the federal economic opportunity act work study program in the school and resource center for the arts, state universities and community colleges, but not the custodial, clerical, or maintenance employees, or any professional or managerial employee performing duties in connection with the business administration of these institutions;

(j) officers and enlisted persons in the national guard;

(k) attorneys, legal assistants, examiners, and three confidential employees appointed by the attorney general or employed with the attorney general's authorization;

(l) judges and all employees of the judicial branch, referees, receivers, jurors, and notaries public, except referees and adjusters employed by the department of labor and industry;

(m) members of the state patrol; provided that selection and appointment of state patrol troopers shall be made in accordance with applicable laws governing the classified service;

(n) chaplains employed by the state;

(o) examination monitors and intermittent training instructors employed by the departments of employee relations and commerce and by professional examining boards;

(p) student workers; ~~and~~

(q) *one position in the hazardous substance notification and response activity in the department of public safety; and*

(r) employees unclassified pursuant to other statutory authority.

Sec. 39. Minnesota Statutes 1988, section 168.123, subdivision 2, is amended to read:

Subd. 2. [DESIGN.] The commissioner of veterans affairs shall design the special plates, subject to the approval of the registrar, that satisfy the following requirements:

(a) For a Vietnam veteran who served after July 1, 1961, and before July

1, 1978, the special plates must bear the inscription "VIETNAM VET" and the letters "V" and "V" with the first letter directly above the second letter and both letters just preceding the first numeral of the special license plate number.

(b) For a veteran stationed on the island of Oahu, Hawaii, or offshore, during the attack on Pearl Harbor on December 7, 1941, the special plates must bear the inscription "PEARL HARBOR SURVIVOR" and the letters "P" and "H" with the first letter directly above the second letter and both letters just preceding the first numeral of the special license plate number.

(c) For a veteran who served during World War I or World War II, the special plates must bear the inscription "WORLD WAR VET" and:

(1) for a World War I veteran, the characters "W" and "I" with the first character directly above the second character and both characters just preceding the first numeral of the special license plate number; or

(2) for a World War II veteran, the characters "W" and "II" with the first character directly above the second character and both characters just preceding the first numeral of the special license plate number.

(d) For a veteran who served during the Korean Conflict, the special plates must bear the inscription "KOREAN VET" and the letters "K" and "V" with the first letter directly above the second letter and both letters just preceding the first numeral of the special license plate number.

(e) For a combat wounded veteran who is a recipient of the purple heart medal, the special plates must bear the inscription "COMBAT WOUNDED VET" and inscribed with a facsimile of the official purple heart medal and the letters "c" over "w" with the first letter directly over the second letter just preceding the first numeral of the special license plate number.

Sec. 40. Minnesota Statutes 1988, section 168.33, subdivision 2, is amended to read:

Subd. 2. [POWERS.] The registrar shall have the power to appoint, hire and discharge and fix the compensation of the necessary employees, in the manner provided by law, as may be required to enable the registrar to properly carry out the duties imposed by the provisions of this chapter. As of April 14, 1976, the registrar may appoint, and for cause discontinue, a deputy registrar for any city as the public interest and convenience may require, without regard to whether the county auditor of the county in which the city is situated has been appointed as the deputy registrar for the county or has been discontinued as the deputy registrar for the county, and without regard to whether the county in which the city is situated has established a county license bureau which issues motor vehicle licenses as provided in section 373.32.

Effective August 1, 1976, the registrar may appoint, and for cause discontinue, a deputy registrar for any city as the public interest and convenience may require, if the auditor for the county in which the city is situated chooses not to accept appointment as the deputy registrar for the county or is discontinued as a deputy registrar, or if the county in which the city is situated has not established a county license bureau which issues motor vehicle license as provided in section 373.32. Any person appointed by the registrar as a deputy registrar for any city shall be a resident of the county in which the city is situated.

The registrar may appoint, and for cause discontinue, the county auditor

of each county as a deputy registrar. Upon approval of the county board, the auditor, with the approval of the director of motor vehicles, may appoint, and for cause discontinue, the clerk or equivalent officer of each city or any other person as a deputy registrar as public interest and convenience may require, regardless of the appointee's county of residence. Notwithstanding any other provision, a person other than a county auditor or a director of a county license bureau, who was appointed by the registrar before August 1, 1976, as a deputy registrar for any city, may continue to serve as deputy registrar and may be discontinued for cause only by the registrar. The county auditor who appointed the deputy registrars shall be responsible for the acts of deputy registrars appointed by the auditor. Each such deputy, before entering upon the discharge of duties, shall take and subscribe an oath to faithfully discharge the duties and to uphold the laws of the state. If a deputy registrar appointed hereunder is not an officer or employee of a county or city, such deputy shall in addition give bond to the state in the sum of \$10,000, or such larger sum as may be required by the registrar, conditioned upon the faithful discharge of duties as deputy registrar. A corporation governed by chapter 302A may be appointed a deputy registrar. Upon application by an individual serving as a deputy registrar and the giving of the requisite bond as provided in subdivision 2, personally assured by the individual or another individual approved by the commissioner of public safety, a corporation named in an application shall become the duly appointed and qualified successor to the deputy registrar. Each deputy registrar appointed hereunder shall keep and maintain, in a convenient public place within or in close proximity to the place for which appointed, a registration and motor vehicle tax collection bureau, to be approved by the registrar, for the registration of motor vehicles and the collection of motor vehicle taxes thereon. The deputy registrar shall keep such records and make such reports to the registrar as that officer, from time to time, may require. Such records shall be maintained at the facility of the deputy registrar. The records and facilities of the deputy registrar shall at all times be open to the inspection of the registrar or the registrar's agents. The deputy registrar shall report to the registrar by the next working day following receipt all registrations made and taxes and fees collected by the deputy registrar. The filing fee imposed pursuant to subdivision 7 shall be deposited in the treasury of the place for which appointed, or if not a public official, such deputy shall retain the filing fee, but the registration tax and any additional fees for delayed registration the deputy registrar has collected the deputy registrar shall deposit by the next working day following receipt in an approved state depository to the credit of the state through the state treasurer. The place for which the deputy registrar is appointed through its governing body shall provide the deputy registrar with facilities and personnel to carry out the duties imposed by this subdivision if such deputy is a public official. In all other cases, the deputy shall maintain a suitable facility for serving the public.

Sec. 41. Minnesota Statutes 1988, section 168.33, subdivision 7, is amended to read:

Subd. 7. [FEES.] In addition to all other statutory fees and taxes, a filing fee of ~~\$3.25~~ \$3.50 is imposed on every application; except that a filing fee may not be charged for a document returned for a refund or for a correction of an error made by the department or a deputy registrar. The filing fee shall be shown as a separate item on all registration renewal notices sent out by the department of public safety. No filing fee or other fee may be charged for the permanent surrender of a certificate of title and

license plates for a motor vehicle.

Sec. 42. Minnesota Statutes 1988, section 173.25, is amended to read:
173.25 [AVAILABILITY OF FEDERAL AID.]

The commissioner of transportation shall not expend money for the acquisition of advertising devices controlled under this chapter, except those for which acquisition proceedings were begun before June 8, 1979 or for which federal money has been appropriated by Congress and the federal share has been made available to the commissioner. No advertising device legal under Laws 1971, chapter 883, shall be required to be removed or relocated until payment as provided in Laws 1971, chapter 883, is tendered by the commissioner of transportation. *No further state funds shall be used for any existing or proposed acquisitions other than those funds necessary to obtain full federal participation in the acquisition proceeding pursuant to United States Code, title 23, "Highways."*

Sec. 43. Minnesota Statutes 1988, section 237.30, is amended to read:
237.30 [TELEPHONE INVESTIGATION REVOLVING FUND.]

The sum of \$25,000 is hereby appropriated out of any moneys in the state treasury not otherwise appropriated, to establish and provide a revolving fund to be known as the Minnesota Telephone Investigation Fund for the use of the department of public service and of the attorney general in investigations, valuations, and revaluations under section 237.295. All sums paid by the telephone companies *to reimburse the department of public service for its expenses* pursuant to section 237.295 shall be credited to the revolving fund and shall be deposited in a separate bank account and not commingled with any other state funds or moneys, but any balance in excess of \$25,000 in the revolving fund at the end of each fiscal year shall be paid into the state treasury and credited to the general fund. The sum of \$25,000 herein appropriated and all subsequent credits to said revolving fund shall be paid upon the warrant of the commissioner of finance upon application of the department or of the attorney general to an aggregate amount of not more than one-half of such sums to each of them, which proportion shall be constantly maintained in all credits and withdrawals from the revolving fund.

Sec. 44. [299C.23] [CONTINUING EDUCATION FEES.]

The commissioner of public safety may charge tuition to cover the cost of continuing education courses provided by the bureau of criminal apprehension when money available to the commissioner for this purpose is not adequate to pay these costs. The tuition fees collected are appropriated to the commissioner.

Sec. 45. Minnesota Statutes 1988, section 341.10, is amended to read:
341.10 [LICENSE FEES.]

The board shall have authority to collect and require the payment of a license fee in an amount set by the board from the owners of franchises or licenses. *Notwithstanding section 16A.128, subdivision 1a, the fee is not subject to approval by the commissioner of finance and need not recover all costs.* The board shall require the payment of the fee at the time of the issuance of the license or franchise to the owner. The moneys so derived shall be collected by the board and paid to the state treasurer. The board shall have authority to license all boxers, managers, seconds, referees and

judges and may require them to pay a license fee. All moneys collected by the board from such licenses shall be paid to the state treasurer.

Sec. 46. Minnesota Statutes 1988, section 373.35, subdivision 1, is amended to read:

Subdivision 1. The county auditor shall serve as the director of the county license bureau or, if the auditor chooses not to serve, the county board shall appoint any other county officer or employee, or any other person, to serve as the director upon the terms and conditions the county board deems advisable. The county board shall set the compensation of the director and may provide for the expenses of the office including the premium of any bond required to be furnished by the director. The director shall have the powers and duties imposed on the county officer who previously had the authority to issue or process the application for any license referred to in section 373.32.

Notwithstanding section 168.33, subdivision 2, the commissioner of public safety may appoint, and for cause discontinue, the director as the deputy registrar of motor vehicles in the county. If appointed a deputy registrar the director shall have the same authority as a county auditor to appoint one or more deputy registrars as provided in section 168.33, subdivision 2. *If the director is a deputy registrar, all provisions of section 168.33 and Minnesota Rules, chapter 7406, apply to a county license bureau.*

Sec. 47. Minnesota Statutes 1988, section 473.384, subdivision 7, is amended to read:

Subd. 7. [MTC IMPACT ASSESSMENT.] Prior to entering into a contract for operating assistance with a recipient other than the transit commission the board shall evaluate the effect, if any, of the contract on the ridership, routes, schedules, fares, and staffing levels of the existing and proposed service provided by the commission. A copy of the assessment must be provided to the commission. The board may enter into the contract only if it determines that the service to be assisted under the contract will not impose an undue hardship on the ridership or financial condition of the commission, ~~or cause the dismissal of persons that are employed by the commission.~~ *The requirements of this subdivision do not apply to contracts for assistance to recipients who, as part of a negotiated cost-sharing arrangement with the board, pay a substantial part of the cost of services that directly benefit the recipient as an institution or organization.*

Sec. 48. Minnesota Statutes 1988, section 473.386, subdivision 4, is amended to read:

Subd. 4. [COORDINATION REQUIRED.] The board may not grant any financial assistance to any recipient that proposes to use any part of the grant to provide special transportation service in the metropolitan area unless the program is coordinated with the board's special transportation service in the manner determined by the board. *The board is not required to provide funding for transportation services from a residence to a service site and home again when the services are used by individuals in conjunction with their participation in human service developmental achievement center programs in which transportation to and from the program is a required and funded component of those programs.*

Sec. 49. Minnesota Statutes 1988, section 505.1792, subdivision 1, is amended to read:

Subdivision 1. In order to give supplemental information to the public as to the location of streets, county roads, county state-aid highways, and town roads, and other transportation corridors, and the right of way thereof, the governing body of any city, town, or county may file for record in the office of the county recorder and the registrar of titles of said county such maps or plats showing such information as the governing body shall determine necessary. The map or plat shall be subscribed by the mayor or chair of the governing body and the county surveyor, together with a certified copy of the resolution of the governing body setting forth the necessity for said plat, and shall be entitled to record without compliance with the provisions of this chapter. Any amendments, alterations, or vacations of such maps or plats so filed may be entitled to record in like manner.

Sec. 50. [APPLICABILITY.]

Section 48 is effective January 1, 1990, in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington."

Delete the title and insert:

"A bill for an act relating to the organization and operation of state government; appropriating money for the department of transportation and other agencies with certain conditions; providing for regulation of certain activities and practices; providing for certain rights-of-way; requiring studies and reports; fixing and limiting accounts and fees; amending Minnesota Statutes 1988, sections 12.14; 41A.09; 43A.08, subdivision 1; 168.123, subdivision 2; 168.33, subdivisions 2 and 7; 173.25; 237.30; 341.10; 373.35, subdivision 1; 473.384, subdivision 7; 473.386, subdivision 4; and 505.1792, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 299C."

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

Senate Conferees: (Signed) Keith Langseth, Clarence M. Purfeerst, James P. Metzen, Lyle G. Mehrkens, Charles A. Berg

House Conferees: (Signed) James I. Rice, Bernard L. Lieder, Henry J. Kalis, John J. Sarna, Virgil J. Johnson

Mr. Langseth moved that the foregoing recommendations and Conference Committee Report on S.F. No. 1618 be now adopted, and that the bill be repassed as amended by the Conference Committee.

Mr. Storm moved that the recommendations and Conference Committee Report on S.F. No. 1618 be rejected and that the bill be re-referred to the Conference Committee as formerly constituted for further consideration.

CALL OF THE SENATE

Mr. Moe, R.D. imposed a call of the Senate for the balance of the proceedings on S.F. No. 1618. The Sergeant at Arms was instructed to bring in the absent members.

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

The roll was called, and there were yeas 14 and nays 31, as follows:

Those who voted in the affirmative were:

Anderson	Bernhagen	Frederick	Knaak	Renneke
Belanger	Dahl	Frederickson, D.R.	Laidig	Storm
Benson	Decker	Gustafson	Ramstad	

Those who voted in the negative were:

Adkins	Davis	Larson	Morse	Solon
Beckman	Diessner	Luther	Novak	Stumpf
Berg	Frederickson, D.J.	Marty	Olson	Vickerman
Berglin	Freeman	McQuaid	Pariseau	
Bertram	Knutson	Mehrkens	Reichgott	
Chmielewski	Kroening	Metzen	Samuelson	
Cohen	Langseth	Moe, R.D.	Schmitz	

The motion did not prevail.

The question recurred on the motion of Mr. Langseth. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

S.F. No. 1618 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 4, as follows:

Those who voted in the affirmative were:

Adkins	Cohen	Freeman	Mehrkens	Ramstad
Beckman	Dahl	Gustafson	Metzen	Reichgott
Belanger	Davis	Knaak	Moe, D.M.	Samuelson
Benson	Decker	Kroening	Moe, R.D.	Schmitz
Berg	Diessner	Langseth	Morse	Solon
Berglin	Frank	Larson	Novak	Stumpf
Bernhagen	Frederick	Luther	Olson	Vickerman
Bertram	Frederickson, D.J.	Marty	Piper	
Chmielewski	Frederickson, D.R.	McQuaid	Pogemiller	

Messrs. Knutson, Laidig, Renneke and Storm 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. 104 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S.F. NO. 104

A bill for an act relating to agriculture; making changes in the rural finance authority loan program; amending Minnesota Statutes 1988, sections 41B.02, subdivisions 12, 15, and 18; 41B.03, subdivision 3, and by adding a subdivision; 41B.039, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 41B; repealing Minnesota Statutes 1988, sections 41B.03, subdivision 4; and 41B.039, subdivisions 3, 4, and 5.

May 17, 1989

The Honorable Jerome M. Hughes
President of the Senate

The Honorable Robert Vanasek
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 104, 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. 104 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1988, section 41B.02, subdivision 12, is amended to read:

Subd. 12. [PRIMARY PRINCIPAL.] "Primary principal" means that portion of the outstanding balance on a loan covered by ~~sections 41B.01 to 41B.23~~ *section 41B.04* that is equal to the current market value of the property secured by the loan.

Sec. 2. Minnesota Statutes 1988, section 41B.02, subdivision 15, is amended to read:

Subd. 15. [SECONDARY PRINCIPAL.] "Secondary principal" means that portion of the ~~principal~~ *outstanding on balance of a restructured* loan covered by ~~sections 41B.01 to 41B.23~~ *section 41B.04* that is in excess of the current market value of the property secured by the loan.

Sec. 3. Minnesota Statutes 1988, section 41B.02, subdivision 18, is amended to read:

Subd. 18. [SELLER-SPONSORED LOAN.] "Seller-sponsored loan" means a loan in which part or all of the price of a farm is financed by a loan from the seller of the farm who is a natural person, a partnership, or a family farm corporation as defined in section 500.24, located in Minnesota. ~~The loan must be secured by a real estate mortgage evidenced by one or more notes that may carry different interest rates or by a contract for deed. The definition of a seller-sponsored loan under this subdivision does not include a loan between persons within the second degree of kindred according to common law. A seller-sponsored loan may not be made to a person who has previously defaulted on a state loan or state guarantee of a loan.~~

Sec. 4. Minnesota Statutes 1988, section 41B.03, subdivision 3, is amended to read:

Subd. 3. [ELIGIBILITY FOR BEGINNING FARMER LOANS.] In addition to the requirements under subdivision 1, a prospective borrower for a beginning farm loan, ~~including a seller-sponsored loan,~~ in which the authority holds an interest, must:

- (1) have sufficient education, training, or experience in the type of farming for which the loan is desired;
- (2) have a total net worth, including assets and liabilities of the borrower's spouse and dependents, of less than \$100,000;
- (3) demonstrate a need for the loan;
- (4) demonstrate an ability to repay the loan;
- (5) ~~demonstrate~~ *certify* that the agricultural land to be purchased will be used by the borrower for agricultural purposes; ~~and~~
- (6) ~~demonstrate~~ *certify* that farming will be the principal occupation of the borrower-;
- (7) *agree to participate in a farm management program approved by the commissioner of agriculture for at least the first five years of the loan, if an approved program is available within 45 miles from the borrower's residence; and*

(8) agree to file an approved soil and water conservation plan with the soil conservation service office in the county where the land is located.

Sec. 5. Minnesota Statutes 1988, section 41B.03, is amended by adding a subdivision to read:

Subd. 5. [ELIGIBILITY FOR SELLER-SPONSORED LOANS.] In addition to the requirements under subdivision 1, a prospective borrower under the seller-sponsored loan program must either meet the conditions of subdivision 3 if the person is a beginning farmer, or other conditions the authority prescribes if the person is reentering farming through the seller-sponsored loan program.

Sec. 6. Minnesota Statutes 1988, section 41B.039, subdivision 1, is amended to read:

Subdivision 1. [ESTABLISHMENT.] The authority may establish, develop criteria, and implement a beginning farmer program. ~~The program may include assistance for persons entering or reentering farming through the use of seller-sponsored loans.~~

Sec. 7. [41B.042] [SELLER-SPONSORED PROGRAM.]

Subdivision 1. [ESTABLISHMENT.] The authority must, within 120 days after the effective date of this act, establish, develop criteria, and implement a seller-sponsored loan participation program to assist persons entering or reentering farming. The authority must conduct a study on the feasibility of implementing a program for assistance to persons entering or reentering farming through seller-participation contracts for deed and report to the legislature by January 15, 1990.

Subd. 2. [SECURITY.] Seller-sponsored loans in which the authority holds an interest must be secured by a real estate mortgage evidenced by one or more notes that may carry different interest rates.

Subd. 3. [PROHIBITED PARTICIPATION.] The authority may not participate in seller-sponsored loans if the buyer or seller has previously participated in a family farm security loan or a seller-sponsored loan under chapter 41. Unless the loan is partially financed by an eligible lender, the authority may not participate in loans between persons that are related to each other as parent and child, brother and sister, grandparent and grandchild, uncle or aunt and niece or nephew, or first cousins.

Subd. 4. [PARTICIPATION LIMIT; INTEREST.] The authority may participate in new seller-sponsored loans to the extent of 35 percent of the principal amount of the loan or \$50,000, whichever is less. The interest rates and repayment terms of the authority's participation interest may be different than the interest rates and repayment terms of the seller's retained portion of the loan.

Sec. 8. [REPEALER.]

Minnesota Statutes 1988, sections 41B.03, subdivision 4; and 41B.039, subdivisions 3, 4, and 5, are repealed."

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

Senate Conferees: (Signed) Tracy L. Beckman, Charles A. Berg, Jim M. Vickerman

House Conferees: (Signed) Ted Winter, Andy Steensma, Stephen E. Dille

Mr. Beckman moved that the foregoing recommendations and Conference Committee Report on S.F. No. 104 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. 104 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 42 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Cohen	Freeman	McQuaid	Ramstad
Beckman	Dahl	Gustafson	Mehrkens	Reichgott
Belanger	Davis	Knaak	Moe, D.M.	Renneke
Benson	Decker	Knutson	Moe, R.D.	Samuelson
Berg	Diessner	Laidig	Morse	Schmitz
Berglin	Frank	Langseth	Novak	Vickerman
Bernhagen	Frederick	Larson	Olson	
Bertram	Frederickson, D.J.	Luther	Pariseau	
Chmielewski	Frederickson, D.R.	Marty	Piper	

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

MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 1358 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S.F. NO. 1358

A bill for an act relating to metropolitan airport planning; requiring various actions, plans, and reports by the metropolitan council and the metropolitan airports commission; establishing a state advisory council on metropolitan airport planning; providing for a study on the effects of a runway expansion at Airlake airport and the use of certain airports to relieve congestion at Minneapolis-St. Paul international airport; amending Minnesota Statutes 1988, sections 473.604, subdivision 1; 473.608, subdivision 1; and 473.621, subdivision 1a; proposing coding for new law in Minnesota Statutes, chapter 473.

May 18, 1989

The Honorable Jerome M. Hughes
President of the Senate

The Honorable Robert Vanasek
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 1358, 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. 1358 be further amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. [473.155] [AVIATION PLANNING.]

Subdivision 1. [AVIATION PLANNING ASSESSMENT.] By February

15 of each year, the council shall prepare a long-range assessment of air transportation trends and factors that may affect major airport development in the metropolitan area for a prospective 30-year period. The council shall involve the airports commission in preparing the assessment and shall take into consideration the airport development and operations plans and activities of the commission.

Subd. 2. [AVIATION PLAN.] By February 1, 1990, the council shall amend the aviation chapter of the metropolitan development guide to incorporate policies and strategies that will ensure a comprehensive, coordinated, continuing, thorough, and timely investigation and evaluation of alternatives for major airport development in the metropolitan area for a prospective 30-year period. The alternatives to be examined must include both the airport improvements and enhancements of capacity that may be necessary at the existing airport and the location and development of a new airport.

Subd. 3. [SEARCH AREA.] By January 1, 1992, the council, in consultation with the airports commission, shall designate a search area for a major new airport.

Subd. 4. [LEGISLATIVE REPORTS.] (a) Until the activities required by section 3, subdivision 3, and section 4 are completed, the council shall report to the legislature by February 15 of each year on the results of the aviation planning activities of the council under this section. The report must include a summary of expenditures and sources of funding for the activities.

(b) By February 1, 1990, the council shall report to the legislature recommending methods and legislative actions that would be necessary to protect a new airport search area from conflicting development, to protect and control development on land at and around a site for a major new airport, and to inhibit land speculation and reduce incentives for land speculation in the airport and all surrounding areas.

(c) By March 1, 1990, after consulting with the airports commission, the federal aviation administration, industry representatives, and other persons, the council shall report to the legislature on assumptions and methods that will be used by the council to forecast demand related to the need for major airport facilities in the metropolitan area for a prospective 30-year period.

(d) By March 1, 1990, the council shall report to the legislature analyzing and making recommendations on long-range aviation goals for the major airport facility in the metropolitan area for a prospective 30-year period. The report must address goals for safety, environmental impact, and service, including ground access and service levels to other states and countries and to nonmetropolitan areas of the state. In preparing the report, the council shall consider regional growth patterns, economic development, economic impact, regional and statewide investment, and ground transportation.

(e) By December 1, 1990, the council shall report to the legislature on the general availability of suitable land for a new airport in and in the area surrounding the metropolitan area.

(f) By January 1, 1993, the council shall report to the legislature on policies for the reuse of the existing major airport site should a new major airport be developed.

Sec. 2. Minnesota Statutes 1988, section 473.604, subdivision 1, is amended to read:

Subdivision 1. The commission consists of:

(1) the mayor of each of the cities, or a qualified voter appointed by the mayor, for the term of office as mayor;

(2) a number of members appointed from precincts equal or nearest to but not exceeding half the number of districts which are provided by law for the selection of members of the metropolitan council in section 473.123. Each member shall be a resident of the precinct represented. The members shall be appointed by the governor as follows: a number as near as possible to one-fourth, for a term of one year; a similar number for a term of two years; a similar number for a term of three years; and a similar number for a term of four years, all of which terms shall commence on July 1, 1981. The successors of each member shall be appointed for four-year terms commencing in July of each fourth year after the expiration of the original term. Before making an appointment, the governor shall consult with each member of the legislature from the precinct for which the member is to be appointed, to solicit the legislator's recommendation on the appointment; ~~and~~

(3) four members appointed from outside of the metropolitan area to reflect fairly the various regions and interests throughout the state that are affected by the operation of the commission's major airport and airport system. Two of these members must be residents of statutory or home rule charter cities, towns, or counties containing an airport designated by the commissioner of transportation as a key airport. The other two must be residents of statutory or home rule charter cities, towns, or counties containing an airport designated by the commissioner of transportation as an intermediate airport. The members must be appointed by the governor as follows: one for a term of one year, one for a term of two years, one for a term of three years, and one for a term of four years. All of the terms start on July 1, 1989. The successors of each member must be appointed to four-year terms commencing on July 1 of each fourth year after the expiration of the original term. Before making an appointment, the governor shall consult each member of the legislature representing the municipality or county from which the member is to be appointed, to solicit the legislator's recommendation on the appointment; and

(4) a chair appointed by the governor for a term of four years. The chair may be removed at the pleasure of the governor.

Sec. 3. [473.616] [COMPREHENSIVE AIRPORT PLANNING.]

Subdivision 1. [WOLD-CHAMBERLAIN PLAN.] (a) By January 1, 1991, the commission shall adopt a long-term comprehensive plan for the international airport at its existing location. The plan must describe:

(1) aviation demand and air transportation needs;

(2) airport capacity limits and potential;

(3) facilities requirements;

(4) a plan for physical development, including financial estimates and a tentative development schedule;

(5) airport operational characteristics;

- (6) compatibility with metropolitan and local physical facility systems;
- (7) environmental effects;
- (8) safety; and
- (9) the effect on the neighboring communities.

The plan must satisfy the air transportation needs for a prospective 20-year period. At the same time, the commission shall adopt a concept plan for the airport, including an estimate of facilities requirements, to satisfy the air transportation needs for an additional ten-year period. The plans must be consistent with the development guide of the council. The plans must be updated at least every five years. The plans must be amended as necessary to reflect changes in trends and conditions, facilities requirements, and development plans and schedules. The plans are subject to sections 473.165 and 473.611.

(b) Until January 1, 1996, or until the commission has completed the activities required by subdivision 3 and section 4, whichever occurs first, the commission may construct a new runway or a new, substantially expanded, or relocated terminal facility if the commission determines that construction of the runway or facility is necessary and prudent, considering the economic, financial, environmental, and other costs and benefits of the new runway or facility, the current and long-term future need for major airport facilities, capacity constraints, and the time required to construct airport facilities. The commission shall make its determination by resolution, containing findings of fact and conclusions. Before making its determination, the commission shall hold a public hearing on the question. The hearing may be held separately or in conjunction with any other hearing required on the project, as the commission deems appropriate. The commission may plan, prepare designs and specifications, and conduct an environmental review of a facility before the public hearing.

Subd. 2. [NEW AIRPORT; CONCEPTUAL DESIGN STUDY AND PLAN.] *By March 1, 1990, the commission, in consultation with the council, shall complete a study of facilities requirements, airport functioning, and conceptual design for a major new airport. By January 1, 1991, the commission shall complete a conceptual design plan for a major new airport. The conceptual design study and plan must describe and satisfy air transportation needs for a prospective 30-year period and be consistent with the development guide of the council. The conceptual design plan must include an analysis of estimated costs, potential financing methods and sources of public and private funding, and cost allocation issues and options. The council shall use the design study and plan in evaluating areas for locating a new airport under section 1, subdivision 3.*

Subd. 3. [NEW AIRPORT; SITE SELECTION; COMPREHENSIVE PLAN.] *Within four years following the council's designation of a search area under section 1, the commission shall: (1) select a site for a major new airport in the search area designated by the council; (2) prepare a comprehensive plan and schedule, including financial plans, for the development of a major airport at that site for a prospective 20-year period following a decision to develop a new airport; (3) prepare an estimate of facilities requirements and a concept plan for development of the airport for an additional ten years; and (4) prepare and submit for administrative review the environmental documents that are required for site acquisition.*

Subd. 4. [LEGISLATIVE REPORTS.] (a) Until the activities required by subdivision 3 and section 4 are completed, the commission shall report to the legislature by February 15 of each year on the results of the airport planning activities of the commission under this section. The report must include a summary of expenditures and sources of funding for the activities.

(b) By March 1, 1990, after consulting with the council, the federal aviation administration, industry representatives, and other persons, the commission shall report to the legislature on the assumptions and methods that the commission will use in preparing forecasts for airport development and operations purposes and for determining capacity and facility needs.

(c) By March 1, 1990, the commission shall report to the legislature on the integration of major airport facilities in the metropolitan area with state, national, and international air transportation systems and on the commission's planning assumptions and parameters related to such airport development issues as capacity, safety, environmental impact, and air service.

(d) By March 1, 1990, the commission shall report to the legislature on the conceptual design study for a major new airport, prepared under subdivision 2. By January 1, 1991, the commission shall report to the legislature on the conceptual design plan prepared under subdivision 2.

Sec. 4. [473.618] [AIRPORT PLANNING AND DEVELOPMENT REPORT.]

Within 180 days after the completion of the actions required by section 3, subdivision 3, the metropolitan council and the airports commission shall report to the legislature on the long-range planning and development of major airport facilities in the metropolitan area. The report must include the recommendations of the agencies on major airport development in the metropolitan area for a prospective 30-year period and on acquiring a site for a major new airport. The report must include an analysis of the effect of a new airport on present and proposed facilities at the existing airport and on the local, regional, and state economies. The report must contain the recommendations of the agencies on financial planning and financing for a major new airport, including: cost; cost allocation; amortization of major improvements at the existing airport before a transfer of operations; financing methods and sources of public and private funds; lease agreements and user charges at a new airport; and a method of capturing for public uses a portion of the revenue from development around a new airport.

Sec. 5. [473.619] [PLANNING ADMINISTRATION.]

Subdivision 1. [INTERAGENCY AGREEMENT.] The metropolitan council and the airports commission shall enter into an intergovernmental agreement by July 1, 1989. The agreement must establish a process and agency responsibilities for comprehensive and coordinated planning for major airport development, consistent with the requirements of this section and sections 1, 3, and 4. The agreement must establish a joint committee composed of board members of the two agencies to oversee implementation of the agreement.

Subd. 2. [SCOPE OF WORK REPORT.] By September 1, 1989, the metropolitan council and the airports commission shall prepare a scope of work report that describes the general scope and schedule of work and the topics to be addressed in the planning and study tasks required of the agencies under sections 1, 3, and 4.

Subd. 3. [FEDERAL PARTICIPATION.] The metropolitan council and the airports commission shall make use of available federal funding for their activities under sections 1, 3, and 4.

Subd. 4. [CONSULTATION.] The metropolitan council and the airports commission shall prepare the plans and reports under sections 1, 3, and 4 in consultation with each other, the commissioner of transportation, the federal aviation administration, industry representatives, and other interested persons.

Subd. 5. [COMMENCEMENT.] In order to meet the planning deadlines prescribed in sections 1, 3, and 4, the agencies may begin preparing plans and studies immediately, without waiting for the completion of the inter-agency agreement or the completion and review of the scope of work report.

Sec. 6. Minnesota Statutes 1988, section 473.621, subdivision 1a, is amended to read:

Subd. 1a. [RELATIONSHIP TO LEGISLATURE.] The commission shall be held accountable to the legislature in its activities, plans, policies, and programs. It shall report each session to appropriate committees of the legislature as to its activities, plans, policies, and programs and shall make other reports and recommendations which the legislature or its committees deem appropriate. ~~The commission shall adopt a long-term comprehensive plan for the Minneapolis-St. Paul International Airport. The plan must describe, in the degree of detail that the commission deems appropriate for at least a prospective ten-year period, the following:~~

- ~~(1) aviation demand;~~
- ~~(2) airport capacity, including environmental, runway, terminal, and other factors relevant to capacity;~~
- ~~(3) a plan and financial estimates for physical development;~~
- ~~(4) airport operational characteristics;~~
- ~~(5) compatibility with the capacity of metropolitan and local physical facility systems;~~
- ~~(6) environmental effects; and~~
- ~~(7) the effect on the neighboring communities.~~

~~The plan must be submitted to the legislature by December 31, 1988, and be updated at least every five years thereafter. The plan is subject to sections 473.165 and 473.611.~~

Sec. 7. [STATE ADVISORY COUNCIL.]

Subdivision 1. [ESTABLISHMENT; PURPOSE.] A state of Minnesota advisory council on metropolitan airport planning is established to provide a forum at the state level for education, discussion, and advice to the legislature on the reports prepared for the legislature by the metropolitan council and metropolitan airports commission. The creation of this advisory council does not affect the existing reporting relationship of the commission and council to the legislature.

Subd. 2. [AUTHORITY; DUTIES.] (a) The advisory council shall review and comment to the legislature on the scope of work report required by section 5, subdivision 2.

(b) The advisory council shall review and comment to the legislature on the reports to the legislature required by section 1, subdivision 4; section 3, subdivision 4; and section 4.

(c) The advisory council may conduct public meetings on the reports to inform the public and solicit opinion.

(d) The advisory council may request interim briefings on work in progress.

(e) The advisory council may gather information, conduct research and analysis, and advise the legislature on matters related to the council's charge.

Subd. 3. [MEMBERSHIP] The members of the advisory council are:

(1) six legislators, three members of the senate and three members of the house of representatives, appointed by the customary appointing authority of each house;

(2) the commissioners of transportation, state planning, and the pollution control agency, or their designees;

(3) two members of the metropolitan council, appointed by the metropolitan council;

(4) two members of the metropolitan airports commission, appointed by the airports commission;

(5) two representatives of the aviation industry, appointed by the metropolitan council;

(6) six public members who are not eligible for selection under the other clauses of this subdivision, three appointed by the customary appointing authority of each house of the legislature;

(7) a representative of the federal aviation administration, serving as a nonvoting member; and

(8) a person selected by the Minnesota congressional delegation, serving as a nonvoting member.

At least one of the three persons appointed by each house under clause (6) must reside outside of the metropolitan area.

Members serve at the pleasure of the appointing authority.

Subd. 4. [CHAIRS.] The legislative appointing authorities shall each designate a legislative appointee to serve as a co-chair of the advisory council.

Subd. 5. [ADMINISTRATION.] On the request of the advisory council, legislative staff offices and the state and metropolitan agencies represented on the advisory council shall provide administrative and staff assistance. Members appointed under subdivision 3, clause (6), are compensated as provided in section 15.0575, subdivision 3.

Subd. 6. [TERMINATION.] The advisory council ceases to exist when the actions required by section 3, subdivision 3, and section 4 are completed.

Sec. 8. [COMPLIANCE WITH OTHER LAWS.]

Nothing in sections 1 to 9 relieves the commission or the council of any duties or responsibilities otherwise imposed by law.

Sec. 9. [APPLICATION.]

Except as otherwise provided in sections 2 and 7, sections 1 to 8 apply in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington."

Delete the title and insert:

"A bill for an act relating to metropolitan airport planning; requiring various actions, plans, and reports by the metropolitan council and the metropolitan airports commission; expanding the membership of the commission; establishing a state advisory council on metropolitan airport planning; amending Minnesota Statutes 1988, sections 473.604, subdivision 1; and 473.621, subdivision 1a; proposing coding for new law in Minnesota Statutes, chapter 473."

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

Senate Conferees: (Signed) Roger D. Moe, John E. Brandl

House Conferees: (Signed) Ann Wynia, Bernard L. "Bernie" Lieder, Ben Boo

Mr. Moe, R.D. moved that the foregoing recommendations and Conference Committee Report on S.F. No. 1358 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. 1358 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 44 and nays 17, as follows:

Those who voted in the affirmative were:

Adkins	Brataas	Frederickson, D.R.	Luther	Samuelson
Anderson	Chmielewski	Freeman	Marty	Schmitz
Beckman	Cohen	Gustafson	Mehrkens	Solon
Benson	Davis	Johnson, D.E.	Moe, D.M.	Spear
Berg	Decker	Johnson, D.J.	Moe, R.D.	Stumpf
Berglin	Dicklich	Langseth	Morse	Taylor
Bernhagen	Diessner	Lantry	Peterson, D.C.	Vickerman
Bertram	Frederick	Larson	Piper	Waldorf
Brandl	Frederickson, D.J.	Lessard	Purfeerst	

Those who voted in the negative were:

Belanger	Knutson	Metzen	Pogemiller	Storm
Dahl	Laidig	Novak	Ramstad	
Frank	McGowan	Olson	Reichgott	
Knaak	McQuaid	Pariseau	Renneke	

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

MOTIONS AND RESOLUTIONS - CONTINUED

Without objection, remaining on the Order of Business of Motions and Resolutions, 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. 245, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 245 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 19, 1989

CONFERENCE COMMITTEE REPORT ON H.F. NO. 245

A bill for an act relating to environment; exempting generators of small amounts of hazardous waste from administrative regulation; amending Minnesota Statutes 1988, section 116.07, subdivision 2.

May 17, 1989

The Honorable Robert Vanasek
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H.F. No. 245, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment.

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

House Conferees: (Signed) Loren G. Jennings, Bob Neuenschwander, Dennis Ozment

Senate Conferees: (Signed) Leroy A. Stumpf, Gregory L. Dahl

Mr. Stumpf moved that the foregoing recommendations and Conference Committee Report on H.F. No. 245 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. 245 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 0, as follows:

Those who voted in the affirmative were:

Adkins	Chmielewski	Gustafson	McQuaid	Pogemiller
Anderson	Dahl	Johnson, D.E.	Mehrkens	Ramstad
Beckman	Davis	Johnson, D.J.	Metzen	Reichgott
Belanger	Decker	Knaak	Moe, D.M.	Renneke
Benson	Diessner	Knutson	Moe, R.D.	Samuelson
Berg	Frank	Laidig	Morse	Schmitz
Berglin	Frederick	Larson	Novak	Storm
Bernhagen	Frederickson, D.J.	Lessard	Olson	Stumpf
Bertram	Frederickson, D.R.	Luther	Pariseau	Vickerman
Brandl	Freeman	Marty	Piper	

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

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 266, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 266 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 19, 1989

CONFERENCE COMMITTEE REPORT ON H.F. NO. 266

A bill for an act relating to taxation; making technical corrections and clarifications and administrative changes to premium taxes, cigarette taxes, sales taxes, motor vehicle excise taxes, gasoline and special fuel taxes, liquor taxes, marijuana and controlled substances taxes, lodging taxes, and the metropolitan solid waste landfill fee; providing for unmarked vehicles for use by the department of revenue; providing for sales of unstamped tobacco products and liquor to Indian tribes; providing for cancellation of sales tax permits; repealing obsolete or unnecessary terms or provisions; repealing express company, freight line company, and sleeping car company gross earnings taxes; requiring notification of the commissioner prior to selling cigarettes at prices other than those presumed by law; amending Minnesota Statutes 1988, sections 16B.54, subdivision 2; 41A.09, subdivision 3; 69.011, subdivision 2; 69.54; 168.012, subdivision 1; 270.06; 270.60; 296.18, subdivision 1; 297.041, subdivisions 1, 2, and 4; 297A.06; 297A.17; 297A.20; 297A.21, subdivision 4; 297A.25, subdivisions 11 and 16; 297B.01, subdivision 5; 297B.02, subdivision 1; 297B.03; 297D.13, by adding a subdivision; 325D.32, subdivision 10; 325D.37, by adding a subdivision; 469.190, subdivision 1; 473.843, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 297, 297A, 297C, and 297D; repealing Minnesota Statutes 1988, sections 295.01, subdivisions 4, 5, 6, 7, and 8; 295.15; 295.21; 295.23; 295.24; 295.25; 295.27; 295.29; 295.30; 295.31; 297A.19; 297A.253; 477A.018; and 477A.019.

May 16, 1989

The Honorable Robert Vanasek
Speaker of the House of Representatives

The Honorable Jerome M. Hughes

President of the Senate

We, the undersigned conferees for H.F. No. 266, 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. 266 be further amended as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1

DEPARTMENT SALES AND SPECIAL TAXES

Section 1. Minnesota Statutes 1988, section 16B.54, subdivision 2, is amended to read:

Subd. 2. [VEHICLES.] (a) [ACQUISITION FROM AGENCY; APPROPRIATION.] The commissioner may direct an agency to make a transfer of a passenger motor vehicle or truck presently assigned to it. The transfer must be made to the commissioner for use in the central motor pool. The commissioner shall reimburse an agency whose motor vehicles have been paid for with funds dedicated by the constitution for a special purpose and which are assigned to the central motor pool. The amount of reimbursement for a motor vehicle is its average wholesale price as determined from the midwest edition of the national automobile dealers association official used car guide.

(b) [PURCHASE.] To the extent that funds are available for the purpose, the commissioner may purchase or otherwise acquire additional passenger motor vehicles and trucks necessary for the central motor pool. The title to all motor vehicles assigned to or purchased or acquired for the central motor pool is in the name of the department of administration.

(c) [TRANSFER AT AGENCY REQUEST.] On the request of an agency, the commissioner may transfer to the central motor pool any passenger motor vehicle or truck for the purpose of disposing of it. The department or agency transferring the vehicle or truck shall be paid for it from the motor pool revolving account established by this section in an amount equal to two-thirds of the average wholesale price of the vehicle or truck as determined from the midwest edition of the National Automobile Dealers Association official used car guide.

(d) [VEHICLES; MARKING.] The commissioner shall provide for the uniform marking of all motor vehicles. Motor vehicle colors must be selected from the regular color chart provided by the manufacturer each year. The commissioner may further provide by rule for the use of motor vehicles without uniform coloring or marking by the governor, the lieutenant governor, the division of criminal apprehension, arson investigators of the division of fire marshal in the department of public safety, financial institutions division of the department of commerce, *the department of revenue*, and the office of the attorney general.

Sec. 2. Minnesota Statutes 1988, section 41A.09, subdivision 3, is amended to read:

Subd. 3. [PAYMENTS FROM FUND.] The commissioner of revenue shall make cash payments from the development fund to producers of ethanol or agricultural grade alcohol, ~~for use as a motor fuel~~, located in the state. The amount of the payment for each producer's annual production shall be as follows:

(a) For each gallon of ethanol produced:

(1) For the period beginning July 1, 1986, and ending June 30, 1987, 15 cents per gallon;

(2) For the period beginning July 1, 1987, and ending June 30, 2000, 20 cents per gallon.

(b) For each gallon produced of agricultural grade alcohol of a purity of at least 50 percent but not more than 90 percent and designed to be used in conjunction with diesel fuel in an engine's internal combustion process, for the period beginning July 1, 1987, and ending June 30, 2000, 11 cents per gallon.

The total payments from the fund to all producers may not exceed \$200,000 during the period beginning July 1, 1986, and ending June 30, 1987, and may not exceed \$10,000,000 in any fiscal year during the period beginning July 1, 1987, and ending June 30, 2000. Total payments to any producer from the fund in any fiscal year may not exceed \$3,000,000.

By the last day of October, January, April, and July, each producer shall file a claim for payment for production during the preceding three calendar months. The volume of production must be verified by a certified financial audit performed by an independent certified public accountant using generally accepted accounting procedures.

Payments shall be made November 15, February 15, May 15, and August 15.

Sec. 3. Minnesota Statutes 1988, section 69.011, subdivision 2, is amended to read:

Subd. 2. [QUALIFICATION FOR FIRE OR POLICE STATE AID.] (a) In order to qualify to receive fire state aid, on or before ~~July~~ + *March 15*, annually, in conjunction with the financial report required pursuant to section 69.051, the clerk of each municipality having a duly organized fire department as provided in subdivision 4, or the secretary of each independent nonprofit firefighting corporation having a subsidiary incorporated firefighters' relief association whichever is applicable, and the fire chief, shall jointly certify the existence of the municipal fire department or of the independent nonprofit firefighting corporation, whichever is applicable, which meets the minimum qualification requirements set forth in this subdivision, and the fire personnel and equipment of the municipal fire department or the independent nonprofit firefighting corporation as of the preceding December 31. Certification shall be made to the commissioner on a form prescribed by the commissioner and shall include any other facts the commissioner may require. The certification shall be made to the commissioner in duplicate. Each copy of the certificate shall be duly executed and deemed an original. The commissioner shall forward one copy to the auditor of the county wherein the fire department is located and retain one copy.

(b) On or before ~~July~~ + *March 15* annually the clerk of each municipality having a duly organized police department and having a duly incorporated relief association shall certify that fact to the county auditor of the county where the police department is located and to the commissioner on a form prescribed by the commissioner together with the other facts the commissioner or auditor may require.

On or before ~~July~~ + *March 15* annually, the clerk of each municipality and the auditor of each county employing one or more peace officers as

defined in subdivision 1, clause (h), shall certify the number of such peace officers to the commissioner on forms prescribed by the commissioner. Credit for officers employed less than a full year shall be apportioned. Each full month of employment of a qualifying officer during the calendar year shall entitle the employing municipality or county to credit for 1/12 of the payment for employment of a peace officer for the entire year. For purposes of sections 69.011 to 69.051, employment of a peace officer shall commence when the peace officer is entered on the payroll of the respective municipal police department or county sheriff's department. No peace officer shall be included in the certification of the number of peace officers by more than one municipality or county for the same month.

Sec. 4. Minnesota Statutes 1988, section 69.54, is amended to read:

69.54 [SURCHARGE ON PREMIUMS TO RESTORE DEFICIENCY IN SPECIAL FUND.]

The commissioner shall order and direct a surcharge to be collected of two percent of the fire, lightning, and sprinkler leakage gross premiums, less return premiums, on all direct business received by any licensed foreign or domestic fire insurance company on property in this city of the first class, or by its agents for it, in cash or otherwise. This surcharge shall be due and payable from these companies to the state treasurer on March 31, May 31, and ~~November 30~~ *October 31* of each calendar year, and if not paid within 30 days after these dates, a penalty of ten percent shall accrue thereon and thereafter this sum and penalty shall draw interest at the rate of one percent per month until paid.

Sec. 5. Minnesota Statutes 1988, section 168.012, subdivision 1, is amended to read:

Subdivision 1. (a) The following vehicles are exempt from the provisions of this chapter requiring payment of tax and registration fees, except as provided in subdivision 1c:

(1) vehicles owned and used solely in the transaction of official business by representatives of foreign powers, by the federal government, the state, or any political subdivision;

(2) vehicles owned and used exclusively by educational institutions and used solely in the transportation of pupils to and from such institutions;

(3) vehicles owned by nonprofit charities and used exclusively to transport handicapped persons for educational purposes;

(4) vehicles owned and used by honorary consul or consul general of foreign governments.

(b) Vehicles owned by the federal government, municipal fire apparatus, police patrols and ambulances, the general appearance of which is unmistakable, shall not be required to register or display number plates.

(c) Unmarked vehicles used in general police work, arson investigations, and passenger vehicles, station wagons, and buses owned or operated by the department of corrections shall be registered and shall display passenger vehicle classification license number plates which shall be furnished by the registrar at cost. Original and renewal applications for these passenger vehicle license plates authorized for use in general police work and for use by the department of corrections must be accompanied by a certification signed by the appropriate chief of police if issued to a police vehicle, the

appropriate sheriff if issued to a sheriff's vehicle, the commissioner of corrections if issued to a department of corrections vehicle, or the appropriate officer in charge if issued to a vehicle of any other law enforcement agency. The certification must be on a form prescribed by the commissioner and state that the vehicle will be used exclusively for a purpose authorized by this section.

(d) Unmarked vehicles used by the department of revenue in conducting seizures or criminal investigations must be registered and must display passenger vehicle classification license number plates which shall be furnished at cost by the registrar. Original and renewal applications for these passenger vehicle license plates must be accompanied by a certification signed by the commissioner of revenue. The certification must be on a form prescribed by the commissioner and state that the vehicles will be used exclusively for the purposes authorized by this section.

(e) All other motor vehicles shall be registered and display tax exempt number plates which shall be furnished by the registrar at cost, except as provided in subdivision 1c. All vehicles required to display tax exempt number plates shall have the name of the state department or public subdivision on the vehicle plainly displayed on both sides thereof in letters not less than 2-1/2 inches high and one-half inch wide; except that each state hospital and institution for the mentally ill and mentally retarded may have one vehicle without the required identification on the sides of the vehicle. Such identification shall be in a color giving contrast with that of the part of the vehicle on which it is placed and shall endure throughout the term of the registration. The identification must not be on a removable plate or placard and shall be kept clean and visible at all times; except that a removable plate or placard may be utilized on vehicles leased or loaned to a political subdivision.

Sec. 6. Minnesota Statutes 1988, section 270.06, is amended to read:

270.06 [POWERS AND DUTIES.]

The commissioner of revenue shall:

(1) have and exercise general supervision over the administration of the assessment and taxation laws of the state, over assessors, town, county, and city boards of review and equalization, and all other assessing officers in the performance of their duties, to the end that all assessments of property be made relatively just and equal in compliance with the laws of the state;

(2) confer with, advise and give the necessary instructions and directions to local assessors and local boards of review throughout the state as to their duties under the laws of the state;

(3) direct proceedings, actions, and prosecutions to be instituted to enforce the laws relating to the liability and punishment of public officers and officers and agents of corporations for failure or negligence to comply with the provisions of the laws of this state governing returns of assessment and taxation of property, and cause complaints to be made against local assessors, members of boards of equalization, members of boards of review, or any other assessing or taxing officer, to the proper authority, for their removal from office for misconduct or negligence of duty;

(4) require county attorneys to assist in the commencement of prosecutions in actions or proceedings for removal, forfeiture and punishment for violation of the laws of this state in respect to the assessment and

taxation of property in their respective districts or counties;

(5) require town, city, county, and other public officers to report information as to the assessment of property, collection of taxes received from licenses and other sources, and such other information as may be needful in the work of the department of revenue, in such form and upon such blanks as the commissioner may prescribe;

(6) require individuals, copartnerships, companies, associations, and corporations to furnish information concerning their capital, funded or other debt, current assets and liabilities, earnings, operating expenses, taxes, as well as all other statements now required by law for taxation purposes;

(7) summon witnesses to appear and give testimony, and to produce books, records, papers and documents relating to any tax matter which the commissioner may have authority to investigate or determine. Provided, that any summons which does not identify the person or persons with respect to whose tax liability the summons is issued may be served only if (a) the summons relates to the investigation of a particular person or ascertainable group or class of persons, (b) there is a reasonable basis for believing that such person or group or class of persons may fail or may have failed to comply with any tax law administered by the commissioner, (c) the information sought to be obtained from the examination of the records (and the identity of the person or persons with respect to whose liability the summons is issued) is not readily available from other sources, (d) the summons is clear and specific as to the information sought to be obtained, and (e) the information sought to be obtained is limited solely to the scope of the investigation. Provided further that the party served with a summons which does not identify the person or persons with respect to whose tax liability the summons is issued shall have the right, within 20 days after service of the summons, to petition the district court for the judicial district in which lies the county in which that party is located for a determination as to whether the commissioner of revenue has complied with all the requirements in (a) to (e), and thus, whether the summons is enforceable. If no such petition is made by the party served within the time prescribed, the summons shall have the force and effect of a court order;

(8) To cause the deposition of witnesses residing within or without the state, or absent therefrom, to be taken, upon notice to the interested party, if any, in like manner that depositions of witnesses are taken in civil actions in the district court, in any matter which the commissioner may have authority to investigate or determine;

(9) investigate the tax laws of other states and countries and to formulate and submit to the legislature such legislation as the commissioner may deem expedient to prevent evasions of assessment and taxing laws, and secure just and equal taxation and improvement in the system of assessment and taxation in this state;

(10) consult and confer with the governor upon the subject of taxation, the administration of the laws in regard thereto, and the progress of the work of the department of revenue, and furnish the governor, from time to time, such assistance and information as the governor may require relating to tax matters;

(11) transmit to the governor, on or before the third Monday in December of each even-numbered year, and to each member of the legislature, on or

before November 15 of each even numbered year, the report of the department of revenue for the preceding years, showing all the taxable property in the state and the value of the same, in tabulated form;

(12) inquire into the methods of assessment and taxation and ascertain whether the assessors faithfully discharge their duties, particularly as to their compliance with the laws requiring the assessment of all property not exempt from taxation;

(13) exercise and perform such further powers and duties as may be required or imposed upon the commissioner of revenue by law;

(14) promulgate rules having the force and effect of law, for the administration and enforcement of the property tax;

(15) execute and administer any agreement with the secretary of the treasury of the United States regarding the exchange of information and administration of the tax laws of both the United States and the state of Minnesota;

(16) administer and enforce the provisions of sections ~~325.64 to 325.76~~ *325D.30 to 325D.42*, the Minnesota unfair cigarette sales act; and

(17) authorize the use of unmarked motor vehicles to conduct seizures or criminal investigations pursuant to the commissioner's authority.

Sec. 7. Minnesota Statutes 1988, section 270.60, is amended to read:

270.60 [TAX REFUND AGREEMENTS WITH INDIANS.]

The commissioner of revenue is authorized to enter into a tax refund agreement with the governing body of any Sioux or Chippewa reservation in Minnesota. The agreement may provide for a mutually agreed upon amount as a refund to the governing body of any sales or excise tax paid by the Indian residents of a reservation into the state treasury, or for an amount which measures the economic value of an agreement by the council to pay the equivalent of the state sales tax on items included in the sales tax base but exempt on the reservation, notwithstanding any other law which limits the refundment of taxes.

The commissioner of revenue is also authorized to enter into a tax refund agreement with the governing body of any federally recognized Indian reservation in Minnesota, for refund of a mutually agreed upon amount of the cigarette taxes collected from sales on reservations or trust lands of an Indian tribe to the established governing body of the tribe having jurisdiction over the reservation or trust land on which the sale is made.

There is annually appropriated from the general fund to the commissioner of revenue the amounts necessary to make the refunds provided in this section.

Sec. 8. Minnesota Statutes 1988, section 296.18, subdivision 1, is amended to read:

Subdivision 1. [GASOLINE OR SPECIAL FUEL USED IN OTHER THAN MOTOR VEHICLES.] Any person who shall buy and use gasoline for a qualifying purpose other than use in motor vehicles, snowmobiles, or motorboats, or special fuel for a qualifying purpose other than use in licensed motor vehicles, and who shall have paid the Minnesota excise tax directly or indirectly through the amount of the tax being included in the price of the gasoline or special fuel, or otherwise, shall be reimbursed and

repaid the amount of the tax paid upon filing with the commissioner a signed claim in writing in the form and containing the information the commissioner shall require and accompanied by the original invoice thereof. By signing any such claim which is false or fraudulent, the applicant shall be subject to the penalties provided in this section for knowingly making a false claim. The claim shall set forth the total amount of the gasoline so purchased and used by the applicant other than in motor vehicles, or special fuel so purchased and used by the applicant other than in licensed motor vehicles, and shall state when and for what purpose it was used. When a claim contains an error in computation or preparation, the commissioner is authorized to adjust the claim in accordance with the evidence shown on the claim or other information available to the commissioner. The commissioner, on being satisfied that the claimant is entitled to the payments, shall approve the claim and transmit it to the commissioner of finance. No repayment shall be made unless the claim and invoice shall be filed with the commissioner within one year from the date of the purchase. The postmark on the envelope in which the claim is mailed shall determine the date of filing. The words "gasoline" or "special fuel" as used in this subdivision do not include aviation gasoline or special fuel for aircraft. Gasoline or special fuel bought and used for a "qualifying purpose" means:

(1) Gasoline or special fuel used in carrying on a trade or business, used on a farm situated in Minnesota, and used for a farming purpose. "Farm" and "farming purpose" have the meanings given them in section 6420(c)(2), (3), and (4) of the Internal Revenue Code of 1954 1986, as amended through December 31, 1983 1988.

(2) Gasoline or special fuel used for off-highway business use. "Off-highway business use" means any use by a person in that person's trade, business, or activity for the production of income. "Off-highway business use" does not include use as a fuel in a motor vehicle which, at the time of use, is registered or is required to be registered for highway use under the laws of any state or foreign country.

(3) Gasoline or special fuel placed in the fuel tanks of new motor vehicles, manufactured in Minnesota, and shipped by interstate carrier to destinations in other states or foreign countries.

Sec. 9. Minnesota Statutes 1988, section 297.041, subdivision 1, is amended to read:

Subdivision 1. [WHOLESALEERS.] ~~Any~~ A wholesaler who furnishes a surety bond in a sum satisfactory to the commissioner ~~shall be permitted to may set aside, without affixing the stamps required by this chapter, that the part of the wholesaler's stock necessary for the conduct of business in making to make sales to the established governing body of any an Indian tribe recognized by the United States Department of Interior without paying the tax required by this chapter.~~ The unstamped stock shall be kept separate and apart from stamped stock. ~~Every wholesaler shall, at the time of~~ When shipping or delivering any of the unstamped stock to an Indian tribal organization, the wholesaler shall make a true duplicate invoice which shall. The invoice must show the complete details of the sale or delivery and shall transmit. The wholesaler must send the duplicate to the commissioner not later than the 18th day of the following calendar month. ~~Failure If the wholesaler fails to comply with the requirements of this section shall cause,~~ the commissioner to shall revoke the permission granted to the wholesaler to ~~maintain~~ keep a stock of unstamped goods which may be unstamped.

Sec. 10. Minnesota Statutes 1988, section 297.041, subdivision 2, is amended to read:

Subd. 2. [RETAILERS.] Retailers who are Indian tribal organizations may ~~maintain~~ keep unstamped stock intended for sale to qualified purchasers.

Sec. 11. Minnesota Statutes 1988, section 297.041, subdivision 4, is amended to read:

Subd. 4. [SALES TO NONQUALIFIED BUYERS.] ~~Any~~ A retailer who sells or otherwise disposes of ~~any~~ unstamped cigarettes other than to a qualified purchaser shall collect from the buyer or transferee the tax imposed by section 297.02, subdivision 1, and remit the tax to the department of revenue at the same time and manner as required by section 297.07. ~~In the event~~ If the retailer fails to collect the tax from the buyer or transferee, or fails to remit the tax, the retailer ~~shall be~~ is personally responsible for the tax and the commissioner may seize any cigarettes destined to be delivered to the retailer. The cigarettes so seized shall be considered contraband and be subject to the procedures outlined in section 297.08, subdivision 3. The proceeds of the sale of ~~any such~~ the cigarettes may, ~~after deducting all costs and expenses,~~ after deducting all costs and expenses, be applied to any tax liability owed by the retailer ~~after deducting all costs and expenses.~~

~~The provisions of~~ This section ~~shall~~ does not relieve the buyer or possessor of unstamped cigarettes from personal liability for the tax.

Sec. 12. [297.335] [SALES TO INDIAN TRIBES.]

Subdivision 1. [WHOLESALEERS.] A wholesaler may set aside the part of the wholesaler's stock necessary to make sales to the established governing body of an Indian tribe recognized by the United States Department of the Interior without paying the tax required by this chapter. When shipping or delivering untaxed stock to an Indian tribal organization, the wholesaler shall make a true duplicate invoice. The invoice must show the complete details of the sale or delivery. The wholesaler must send the duplicate to the commissioner not later than the 18th day of the following calendar month. If the wholesaler fails to comply with this section, the commissioner shall revoke the permission granted to the wholesaler to keep a stock of untaxed goods.

Subd. 2. [RETAILERS.] Retailers who are Indian tribal organizations may keep untaxed stock intended for sale to qualified purchasers.

Subd. 3. [QUALIFIED PURCHASERS.] A qualified purchaser of untaxed tobacco means only an enrolled member of the Indian tribe offering the tobacco for sale.

Subd. 4. [SALES TO NONQUALIFIED BUYERS.] A retailer who sells or otherwise disposes of untaxed tobacco other than to a qualified purchaser shall collect from the buyer or transferee the tax imposed by this chapter and remit the tax to the department of revenue at the same time and manner as required by this chapter. If the retailer fails to collect the tax from the buyer or transferee, or fails to remit the tax, the retailer is personally responsible for the tax, and the commissioner may seize any tobacco destined to be delivered to the retailer. The procedures for seized contraband outlined in section 297.08, subdivision 3, apply to the seized tobacco. The proceeds of the sale of the tobacco may be applied to any tax liability owed by the retailer after deducting all costs and expenses.

This section does not relieve the buyer or possessor of untaxed tobacco from personal liability for the tax.

Sec. 13. Minnesota Statutes 1988, section 297A.06, is amended to read:
297A.06 [PERMIT.]

After compliance with sections 297A.04 and 297A.28, when security is required, the commissioner shall issue to each applicant a separate permit for each place of business within Minnesota. A permit shall be valid until *canceled or* revoked but shall not be assignable and shall be valid only for the person in whose name it is issued and for the transaction of business at the place designated therein. It shall at all times be conspicuously displayed at the place for which issued.

Sec. 14. [297A.065] [CANCELLATION OF PERMITS.]

The commissioner may cancel a permit when one of the following conditions occurs:

(1) the permit holder has not filed a sales or use tax return for one year or more;

(2) the permit holder has not reported any sales or use tax liability on the permit holder's returns for two or more years; or

(3) the permit holder requests cancellation of the permit.

Sec. 15. Minnesota Statutes 1988, section 297A.17, is amended to read:
297A.17 [TAX TO BE COLLECTED; STATUS AS DEBT.]

The use tax required to be collected by the retailer constitutes a debt owed by the retailer to Minnesota and shall be a debt from the purchaser to the retailer recoverable at law in the same manner as other debts. A retailer who does not maintain a place of business within this state, *as defined in section 297A.21, subdivision 1*, shall not be indebted to Minnesota for amounts of use tax which it was required to collect but did not collect unless the retailer knew or had been advised by the commissioner of its obligation to collect the use tax.

Sec. 16. Minnesota Statutes 1988, section 297A.20, is amended to read:
297A.20 [VIOLATIONS.]

Any person violating ~~sections~~ *section 297A.16, or 297A.18, or 297A.19* shall be guilty of a misdemeanor.

Sec. 17. Minnesota Statutes 1988, section 297A.21, subdivision 4, is amended to read:

Subd. 4. [REQUIRED REGISTRATION BY OUT-OF-STATE RETAILER NOT MAINTAINING PLACE OF BUSINESS IN MINNESOTA.] (a) A retailer making retail sales from outside this state to a destination within this state and not maintaining a place of business in this state shall file an application for a permit pursuant to section 297A.04 and shall collect and remit the use tax as provided in section 297A.16 if the retailer engages in the regular or systematic soliciting of sales from potential customers in this state by:

(1) the distribution, by mail or otherwise, without regard to the state from which such distribution originated or in which the materials were

prepared, of catalogs, periodicals, advertising flyers, or other written solicitations of business to customers in this state;

(2) display of advertisements on billboards or other outdoor advertising in this state;

(3) advertisements in newspapers published in this state;

(4) advertisements in trade journals or other periodicals the circulation of which is primarily within this state;

(5) advertisements in a Minnesota edition of a national or regional publication or a limited regional edition in which this state is included of a broader regional or national publication which are not placed in other geographically defined editions of the same issue of the same publication;

(6) advertisements in regional or national publications in an edition which is not by its contents geographically targeted to Minnesota but which is sold over the counter in Minnesota or by subscription to Minnesota residents;

(7) advertisements broadcast on a radio or television station located in Minnesota; or

(8) any other solicitation by telegraphy, telephone, computer data base, cable, optic, microwave, or other communication system.

(b) The location within or without this state of vendors independent of the retailer which provide products or services to the retailer in connection with its solicitation of customers within this state, including such products and services as creation of copy, printing, distribution, and recording, is not to be taken into account in the determination of whether the retailer is required to collect use tax. Paragraph (a) shall be construed without regard to the state from which distribution of the materials originated or in which they were prepared.

(c) A retailer not maintaining a place of business in this state shall be presumed, subject to rebuttal, to be engaged in regular solicitation within this state if it (1) engages in any of the activities in paragraph (a) and makes 100 or more retail sales from outside this state to destinations within this state during a period of 12 consecutive months-, or (2) makes ten or more retail sales totaling more than \$100,000 from outside this state to destinations within this state during a period of 12 consecutive months.

(d) A retailer not maintaining a place of business in this state shall not be required to collect use tax imposed by any local governmental unit or subdivision of this state and this section does not subject such a retailer to any regulation of any local unit of government or subdivision of this state.

Sec. 18. Minnesota Statutes 1988, section 297A.25, subdivision 11, is amended to read:

Subd. 11. [SALES TO GOVERNMENT.] The gross receipts from all sales, including sales in which title is retained by a seller or a vendor or is assigned to a third party under an installment sale or lease purchase agreement under section 465.71, of tangible personal property to, and all storage, use or consumption of such property by, the United States and its agencies and instrumentalities, the University of Minnesota, state universities, community colleges, technical institutes, state academies, and political subdivisions of the state are exempt. Sales exempted by this subdivision

include sales under section 297A.01, subdivision 3, clause (f). This exemption shall not apply to building, construction or reconstruction materials purchased by a contractor or a subcontractor as a part of a lump-sum contract or similar type of contract with a guaranteed maximum price covering both labor and materials for use in the construction, alteration or repair of a building or facility. This exemption does not apply to construction materials purchased by tax exempt entities or their contractors to be used in constructing buildings or facilities which will not be used principally by the tax exempt entities. *This exemption does not apply to the leasing of a motor vehicle as defined in section 297B.01, subdivision 5, except for leases entered into by the United States or its agencies or instrumentalities.*

Sec. 19. Minnesota Statutes 1988, section 297A.25, subdivision 16, is amended to read:

Subd. 16. [SALES TO NONPROFIT GROUPS.] The gross receipts from the sale of tangible personal property to, and the storage, use or other consumption of such property by, any corporation, society, association, foundation, or institution organized and operated exclusively for charitable, religious or educational purposes if the property purchased is to be used in the performance of charitable, religious or educational functions, or any senior citizen group or association of groups that in general limits membership to persons age 55 or older and is organized and operated exclusively for pleasure, recreation and other nonprofit purposes, no part of the net earnings of which inures to the benefit of any private shareholders, are exempt. Sales exempted by this subdivision include sales pursuant to section 297A.01, subdivision 3, clauses (d) and (f). This exemption shall not apply to building, construction or reconstruction materials purchased by a contractor or a subcontractor as a part of a lump-sum contract or similar type of contract with a guaranteed maximum price covering both labor and materials for use in the construction, alteration or repair of a building or facility. This exemption does not apply to construction materials purchased by tax exempt entities or their contractors to be used in constructing buildings or facilities which will not be used principally by the tax exempt entities. *This exemption does not apply to the leasing of a motor vehicle as defined in section 297B.01, subdivision 5.*

Sec. 20. Minnesota Statutes 1988, section 297B.01, subdivision 5, is amended to read:

Subd. 5. "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 for which registration is required by chapter 168.~~ *Motor vehicle* includes vehicles known as trackless trolleys which are propelled by electric power obtained from overhead trolley wires but not operated upon rails; ~~except snowmobiles, for which registration is required by chapter 168, but not including and motor vehicles that are purchased on Indian reservations where the tribal council has entered into a motor vehicle excise tax refund agreement with the state of Minnesota.~~ *Motor vehicle does not include snowmobiles, house trailers, or manufactured homes.*

Sec. 21. Minnesota Statutes 1988, section 297B.02, subdivision 1, is amended to read:

Subdivision 1. [RATE.] There is imposed an excise tax at the rate provided in chapter 297A on the purchase price of any motor vehicle purchased or acquired, either in or outside of the state of Minnesota, which is required to be registered under the laws of this state.

The excise tax is also imposed on the purchase price of motor vehicles purchased or acquired on Indian reservations when the tribal council has entered into a motor vehicle excise tax refund agreement with the state of Minnesota.

Sec. 22. Minnesota Statutes 1988, section 297B.025, subdivision 2, is amended to read:

Subd. 2. [COLLECTOR VEHICLES.] A passenger automobile that is ~~currently~~ registered under section 168.10, ~~subdivisions~~ *subdivision 1a, 1b, 1c, and 1d, or 1h,* shall be taxed under section 297B.02, subdivision 3, and the registrar shall not designate as an above-market automobile a passenger automobile registered under those subdivisions. *If the vehicle is subsequently registered in another class not under section 168.10, subdivision 1a, 1b, 1c, 1d, or 1h, within one year of the date of registration under those subdivisions, it shall be subject to the full excise tax imposed under subdivision 1.*

Sec. 23. Minnesota Statutes 1988, section 297B.03, is amended to read:

297B.03 [EXEMPTIONS.]

There is specifically exempted from the provisions of this chapter and from computation of the amount of tax imposed by it the following:

(1) Purchase or use, including use under a lease purchase agreement or installment sales contract made pursuant to section 465.71, of any motor vehicle by the United States and its agencies and instrumentalities and by any person described in and subject to the conditions provided in section 297A.25, subdivision 18.

(2) Purchase or use of any motor vehicle by any person who was a resident of another state at the time of the purchase and who subsequently becomes a resident of Minnesota, provided the purchase occurred more than 60 days prior to the date such person began residing in the state of Minnesota.

(3) Purchase or use of any motor vehicle by any person making a valid election to be taxed under the provisions of section 297A.211.

(4) Purchase or use of any motor vehicle previously registered in the state of Minnesota by any corporation or partnership when such transfer constitutes a transfer within the meaning of section 351 or 721 of the Internal Revenue Code of ~~1954~~ 1986, as amended through December 31, 1974 1988.

(5) Purchase or use of any vehicle owned by a resident of another state and leased to a Minnesota based private or for hire carrier for regular use in the transportation of persons or property in interstate commerce provided the vehicle is titled in the state of the owner or secured party, and that state does not impose a sales or motor vehicle excise tax on motor vehicles used in interstate commerce.

(6) Purchase or use of a motor vehicle by a private nonprofit or public educational institution for use as an instructional aid in automotive training programs operated by the institution.

Sec. 24. [297C.045] [SALES TO INDIAN TRIBES.]

Subdivision 1. [WHOLESALEERS.] A wholesaler may set aside the part

of the wholesaler's stock necessary to make sales to the established governing body of an Indian tribe recognized by the United States Department of the Interior, without paying the tax required by this chapter. When shipping or delivering untaxed stock to an Indian tribal organization, the wholesaler shall make a true duplicate invoice. The invoice must show the complete details of the sale or delivery. The wholesaler must send the duplicate to the commissioner not later than the 18th day of the following calendar month. If a wholesaler fails to comply with the requirements of this section, the commissioner shall revoke the permission granted to the wholesaler to keep a stock of untaxed goods.

Subd. 2. [RETAILERS.] Retailers who are Indian tribal organizations may keep untaxed stock intended for sale to qualified purchasers.

Subd. 3. [QUALIFIED PURCHASERS.] A qualified purchaser of untaxed liquor means only an enrolled member of the Indian tribe that is offering the liquor for sale.

Subd. 4. [SALES TO NONQUALIFIED BUYERS.] A retailer who sells or otherwise disposes of untaxed liquor other than to a qualified purchaser shall collect from the buyer or transferee the tax imposed by this chapter and remit the tax to the department of revenue at the same time and manner as required by this chapter. If the retailer fails to collect the tax from the buyer or transferee, or fails to remit the tax, the retailer is personally responsible for the tax and the commissioner may seize any liquor destined to be delivered to the retailer. The procedures outlined in section 297C.12 apply to the seized liquor. The proceeds of the sale of the liquor may be applied to any tax liability owed by the retailer after deducting all costs and expenses.

This section does not relieve the buyer or possessor of untaxed liquor from personal liability for the tax.

Sec. 25. [297D.085] [CREDIT FOR PREVIOUSLY PAID TAXES.]

If another state or local unit of government has previously assessed an excise tax on the marijuana or controlled substances, the taxpayer must pay the difference between the tax due under section 297D.08 and the tax previously paid. If the tax previously paid to the other state or local unit of government was equal to or greater than the tax due under section 297D.08, no tax is due. The burden is on the taxpayer to show that an excise tax on the marijuana or controlled substances has been paid to another state or local unit of government.

Sec. 26. Minnesota Statutes 1988, section 297D.13, is amended by adding a subdivision to read:

Subd. 4. [POSSESSION OF STAMPS.] A stamp denoting payment of the tax imposed under this chapter must not be used against the taxpayer in a criminal proceeding, except that the stamp may be used against the taxpayer in connection with the administration or civil or criminal enforcement of the tax imposed under this chapter or any similar tax imposed by another state or local unit of government.

Sec. 27. Minnesota Statutes 1988, section 325D.32, subdivision 10, is amended to read:

Subd. 10. (a) "Cost to wholesaler" means the basic cost of the cigarettes, prior to deducting manufacturer's timely payment and stamping discounts and any other discounts or rebates, plus the cost of doing business by the

wholesaler, as defined in sections 325D.30 to 325D.42.

(b) The cost of doing business by the wholesaler is presumed to be four percent of the basic cost of the cigarettes, plus cartage to the retail outlet, if furnished or paid for by the wholesaler, in the absence of proof of a lesser or higher cost. Such cartage cost is presumed to be one-half of one percent of the basic cost of the cigarettes in the absence of proof of a lesser or higher cost.

(c) *A wholesaler electing to sell cigarettes at a price other than that presumed by law must submit to the commissioner documentation substantiating the actual cost of the cigarettes before selling at actual cost. For purposes of this paragraph "actual cost" means basic cost as defined in subdivision 9 plus the wholesaler's cost of doing business. The commissioner shall review the documents submitted and, if necessary, request additional documentation to verify the accuracy of the cost computations. If, within 15 days of submission of the documentation, the commissioner has not notified the wholesaler of any deficiencies in the cost computations, the wholesaler may begin selling at actual cost. The cost computations are effective for a period of not more than 12 months beginning 15 days after submission of the documentation. Fifteen days before expiration of the 12-month period, the wholesaler must submit new cost documentation for review by the commissioner to continue selling at less than the price presumed by law. New cost documentation must also be submitted to the commissioner on the last day of a month in which the basic cost of cigarettes increases.*

Sec. 28. Minnesota Statutes 1988, section 325D.37, is amended by adding a subdivision to read:

Subd. 3. Before selling cigarettes at a price set in good faith to meet competition, a wholesaler shall contact the commissioner to verify that a competitor has met the requirements of section 325D.32, subdivision 10, or that a competitor has contacted the commissioner under this subdivision in response to a wholesaler who has met the requirements of section 325D.32, subdivision 10.

Sec. 29. [325D.415] [CIGARETTE DISTRIBUTOR FEES.]

A cigarette distributor as defined in section 297.01, subdivision 7, shall pay to the commissioner an annual fee as follows:

(1) a fee of \$2,500 is due from those distributors whose annual cigarette tax collections exceed \$2,000,000; and

(2) a fee of \$1,200 is due from those distributors whose annual cigarette tax collections are \$2,000,000 or less.

The annual fee must be paid by December 31 of each year. If the fee is not paid when due, the commissioner shall revoke or refuse to issue or renew the license under chapter 297. The annual fee must be deposited into the general fund.

Sec. 30. Minnesota Statutes 1988, section 469.190, subdivision 1, is amended to read:

Subdivision 1. [AUTHORIZATION.] Notwithstanding section 477A.016 or any other law, a statutory or home rule charter city may by ordinance, and a town may by the affirmative vote of the electors at its the annual town meeting, or at a special town meeting, impose a tax of up to three

percent on the gross receipts from the furnishing for consideration of lodging at a hotel, motel, rooming house, tourist court, or resort, other than the renting or leasing of it for a continuous period of 30 days or more. A statutory or home rule charter city may by ordinance impose the tax authorized under this subdivision on the camping site receipts of a municipal campground.

Sec. 31. Minnesota Statutes 1988, section 473.843, subdivision 1, is amended to read:

Subdivision 1. [AMOUNT OF FEE; APPLICATION.] The operator of a mixed municipal solid waste disposal facility in the metropolitan area shall pay a fee on solid waste accepted and disposed at the facility as follows:

(a) A facility that weighs the waste that it accepts must pay a fee of 50 cents per cubic yard based on equivalent cubic yards of waste accepted at the entrance of the facility.

(b) A facility that does not weigh the waste but that measures the volume of the waste that it accepts must pay a fee of 50 cents per cubic yard of waste accepted at the entrance of the facility. *This fee and the tipping fee must be calculated on the same basis.*

(c) Waste residue from energy and resource recovery facilities at which solid waste is processed for the purpose of extracting, reducing, converting to energy, or otherwise separating and preparing solid waste for reuse is exempt from one-half of the amount of fee imposed by this subdivision if there is at least an 85 percent volume reduction in the solid waste processed. To qualify for exemption under this clause, waste residue must be brought to a disposal facility separately. The commissioner of revenue, with the advice and assistance of the agency, shall prescribe procedures for determining the amount of waste residue qualifying for exemption.

Sec. 32. [CONTINUATION OF EFFECT.]

The repeal of Minnesota Statutes, sections 477A.018 and 477A.019, in this act shall be deemed to be a part of a repeal and reenactment under Laws 1987, chapter 291, with the effect provided in Minnesota Statutes, section 645.37. A statutory or home rule charter city, county, or town ordinance, resolution, or vote to impose a tax under Minnesota Statutes 1988, section 477A.018, may continue in effect under the terms of Minnesota Statutes, section 469.190.

Sec. 33. [COMPLEMENT INCREASE.]

The special taxes division of the department of revenue is given a complement of two positions for the enforcement of sections 325D.30 to 325D.42.

Sec. 34. [APPROPRIATION.]

\$91,500 is appropriated from the general fund to the commissioner of revenue for the fiscal year ending June 30, 1990, and \$91,500 for fiscal year ending June 30, 1991, for the enforcement of sections 325D.30 to 325D.42.

Sec. 35. [REPEALER.]

Minnesota Statutes 1988, sections 295.01, subdivisions 4, 5, 6, 7, and 8; 295.15; 295.21; 295.23; 295.24; 295.25; 295.27; 295.29; 295.30; 295.31; 297A.19; 297A.253; 477A.018; and 477A.019, are repealed.

Sec. 36. [EFFECTIVE DATE.]

Sections 1, 2, 4 to 6, 8 to 14, 16, 17, 20 to 25, 27 to 31, and 35 are effective July 1, 1989. Section 3 is effective for reports filed in 1990 and thereafter. Section 7 is retroactively effective July 1, 1988. Section 15 is retroactively effective June 1, 1988. Sections 18 and 19 are effective for all sales made after June 30, 1989, but do not apply to sales of tangible personal property made pursuant to bona fide written contracts that were enforceable before July 1, 1989, and delivery is made on or before December 31, 1989. Section 26 is retroactively effective August 1, 1986. Section 32 is retroactively effective August 1, 1987.

ARTICLE 2

PROPERTY TAXES

Section 1. Minnesota Statutes 1988, section 38.27, subdivision 1, is amended to read:

Subdivision 1. [TAX LEVY; POWERS.] ~~In All counties, in addition to all other powers now or hereafter by law conferred upon county boards, authority hereby is given~~ *may annually to levy a tax upon all property subject to taxation and, from time to time, to appropriate and pay over the proceeds of this tax, when collected, to any county agricultural society of its county which is a member of the state agricultural society, to assist the society in paying its financial obligations now or hereafter incurred, and for the construction, reconstruction, alteration, repairs and improvements of necessary buildings.*

Sec. 2. Minnesota Statutes 1988, section 93.55, subdivision 4, is amended to read:

Subd. 4. After the mineral interest has forfeited to the state pursuant to this section, a person claiming an ownership interest before the forfeiture may recover the fair market value of the interest, either: (1) as an alternative claim raised in the hearing on the order to show cause why the mineral interest should not forfeit absolutely, with fair market value to be determined and paid as provided in this subdivision, or (2) in a separate action brought as follows. An action may be commenced within six years after ~~the forfeiture entry of judgment~~ under this section to determine the ownership and the fair market value of the mineral interests in the property both at the time of forfeiture and at the time of bringing the action. The action shall be brought in the manner provided in chapter 559, for an action to determine adverse claims, to the extent applicable. The person bringing the action shall serve notice of the action on the commissioner of natural resources in the same manner as is provided for service of notice of the action on a defendant. The commissioner may appear and contest the allegations of ownership and value in the same manner as a defendant in such actions. Persons determined by the court to be owners of the interests at the time of forfeiture to the state under this section may present to the commissioner of finance a verified claim for refund of the fair market value of the interest. A copy of the court's decree shall be attached to the claim. Thereupon the commissioner of finance shall refund to the claimant the fair market value at the time of forfeiture, *which is the expiration of the period within which tax forfeiture would not have been possible had the mineral interest been properly and timely filed for record under section 93.52,* or at the time of bringing the action, whichever is lesser, less any taxes, penalties, costs, and interest which could have been collected during the period following the forfeiture under this section, had the interest in minerals been valued and assessed for tax purposes at the time of forfeiture under this section.

There is appropriated from the general fund to the persons entitled to a refund an amount sufficient to pay the refund.

Sec. 3. Minnesota Statutes 1988, section 124.155, subdivision 2, is amended to read:

Subd. 2. [ADJUSTMENT TO AIDS.] The amount specified in subdivision 1 shall be used to adjust the following state aids and credits in the order listed:

- (a) general education aid authorized in section 124A.23;
- (b) secondary vocational aid authorized in section 124.573;
- (c) special education aid authorized in section 124.32;
- (d) secondary vocational aid for handicapped children authorized in section 124.574;
- (e) aid for pupils of limited English proficiency authorized in section 124.273;
- (f) transportation aid authorized in section 124.225;
- (g) community education programs aid authorized in section 124.271;
- (h) adult education aid authorized in section 124.26;
- (i) early childhood family education aid authorized in section 124.2711;
- (j) capital expenditure aid authorized in sections 124.244 and 124.245;
- (k) homestead credit under section 273.13 for taxes payable in 1989 and *additional homestead and agricultural credit guarantee* under section 273.1398, *subdivision 5*, for taxes payable in 1990 and thereafter;
- (l) agricultural credit under section 273.132 for taxes payable in 1989 and *additional homestead and agricultural credit guarantee* under section 273.1398, *subdivision 5*, for taxes payable in 1990 and thereafter; and
- (m) ~~transition~~ *homestead and agricultural credit* aid and disparity reduction aid authorized in section 273.1398, *subdivision 2*;
- (n) attached machinery aid authorized in section 273.138, subdivision 3.

The commissioner of education shall schedule the timing of the adjustments to state aids and credits specified in subdivision 1, as close to the end of the fiscal year as possible.

Sec. 4. Minnesota Statutes 1988, section 124.2139, is amended to read:

124.2139 [REDUCTION OF PAYMENTS TO SCHOOL DISTRICTS.]

The commissioner of revenue shall reduce the homestead credit payments under section 273.13 for fiscal year 1990, *and the sum of the additional homestead and agricultural credit guarantee, and transition homestead and agricultural credit* aid, and disparity reduction aid payments under section 273.1398 for fiscal years 1991 and thereafter made to school districts by the product of:

- (1) the district's fiscal year 1984 payroll for coordinated plan members of the public employees retirement association, times
- (2) the difference between the employer contribution rate in effect prior to July 1, 1984, and the total employer contribution rate in effect after

June 30, 1984.

Sec. 5. Minnesota Statutes 1988, section 256.82, subdivision 1, is amended to read:

Subdivision 1. [MONTHLY PAYMENTS.] For the period from January 1 to June 30, based upon estimates submitted by the county agency to the state agency, which shall state the estimated required expenditures for the succeeding month, upon the direction of the state agency payment shall be made monthly in advance by the state to the counties of all federal funds available for that purpose for such succeeding month, together with an amount of state funds equal to 85 percent of the difference between the total estimated cost and the federal funds so available for payments made except as provided for in section 256.017. Adjustment of any overestimate or underestimate made by any county shall be made upon the direction of the state agency in any succeeding month. Subsequent to July 1 of each year, the state agency shall reimburse the county agency for the funds expended during the January 1 to June 30 period except as provided for in section 256.017. For the period from July 1 to December 31 based upon the estimates submitted by the county agency to the state agency, which shall state the estimated required expenditures for the succeeding month, upon the direction of the state agency, payment shall be made monthly in advance by the state to the counties of all state and federal funds available for that purpose for the succeeding month except as provided for in section 256.017. Payment shall be made on the basis of federal and state participation rates described in this subdivision. Adjustment of any overestimate or underestimate made by any county shall be made upon the direction of the state agency in any succeeding month. Effective January 1, ~~1989~~ 1990, the state rate of participation shall be determined as a percentage that equals the difference between 100 percent and the percentage rate of federal financial participation.

Sec. 6. Minnesota Statutes 1988, section 256.871, subdivision 6, is amended to read:

Subd. 6. [ESTIMATED EXPENDITURES; PAYMENTS.] The county agency shall submit to the state agency an estimate of expenditures for each succeeding month in such form as required by the state agency. For the period from January 1 to June 30, payment shall be made monthly in advance by the state agency to the counties, of federal funds available for that purpose for each succeeding month, together with an amount of state funds equal to ten percent of the difference between the total estimated cost and the federal funds so available, except as provided for in section 256.017. Subsequent to July 1 of each year the state agency shall reimburse the county agency for the funds expended during the January 1 to June 30 period, except as provided for in section 256.017. For the period from July 1 to December 31, payment shall be made monthly in advance by the state agency to the counties, of all state and federal funds available for that purpose for the succeeding month, except as provided for in section 256.017. Payment shall be made on the basis of federal and state participation rates described in this subdivision. Effective January 1, ~~1989~~ 1990, the state rate of participation shall be determined as a percentage that equals the difference between 100 percent and the percentage rate of federal financial participation. Adjustment of any overestimate or underestimate made by any county shall be made upon the direction of the state agency in any succeeding month.

Sec. 7. Minnesota Statutes 1988, section 256B.041, subdivision 5, is amended to read:

Subd. 5. [PAYMENT BY COUNTY TO STATE TREASURER.] If required by federal law or rules promulgated thereunder, or by authorized rule of the state agency, each county shall pay to the state treasurer the portion of medical assistance paid by the state for which it is responsible. Effective January 1, ~~1989~~ 1990, the state rate of participation shall be determined as a percentage that equals the difference between 100 percent and the percentage rate of federal financial participation.

For the period from January 1 to June 30, the county shall advance ten percent of that portion of medical assistance costs not met by federal funds, based upon estimates submitted by the state agency to the county agency, stating the estimated expenditures for the succeeding month. Upon the direction of the county agency, payment shall be made monthly by the county to the state for the estimated expenditures for each month. Adjustment of any overestimate or underestimate based on actual expenditures shall be made by the state agency by adjusting the estimate for any succeeding month. Subsequent to July 1 of each year, the state agency shall reimburse the county agency for the funds expended during the January 1 to June 30 period, except as provided for in section 256.017. For the period from July 1 to December 31, payments will be made by the state agency, except as provided for in section 256.017, and the county agency will be advised of the amounts paid monthly.

Sec. 8. Minnesota Statutes 1988, section 270.071, subdivision 6, is amended to read:

Subd. 6. (a) "Air commerce" means the transportation by aircraft of persons or property for hire in interstate, intrastate, or international transportation on regularly scheduled flights or on intermittent or irregularly timed flights by airline companies operating under authorization from the United States ~~Civil Aeronautics Board~~ *Department of Transportation*.

(b) "Air commerce" also includes but is not limited to an intermittent or irregularly timed flight, a flight arranged at the convenience of an airline and the person contracting for the transportation, or a charter flight. *It includes an airline company making three or more flights in or out of Minnesota during a calendar year.*

(c) "Air commerce" does not include casual transportation for hire by aircraft commonly owned and used for private airflight purposes if the person furnishing the transportation does not hold out to be engaged regularly in transportation for hire.

Sec. 9. Minnesota Statutes 1988, section 270.072, subdivision 2, is amended to read:

Subd. 2. [ASSESSMENT OF FLIGHT PROPERTY.] The flight property of all air carriers operating in Minnesota under a certificate of public convenience and necessity or under authorization from the United States ~~Civil Aeronautics Board~~ *Department of Transportation* shall be assessed annually by the commissioner in the manner prescribed by sections 270.071 to 270.079. Aircraft with a gross weight of less than 30,000 pounds and used on intermittent or irregularly timed flights shall be excluded from the provisions of sections 270.071 to 270.079.

Sec. 10. Minnesota Statutes 1988, section 270.072, subdivision 3, is

amended to read:

Subd. 3. [REPORT BY AIRLINE COMPANY.] Every airline company engaged in air commerce in this state shall file with the commissioner on or before the time fixed by the commissioner a report under oath setting forth specifically the information prescribed by the commissioner to enable the commissioner to make the assessment required in sections 270.071 to 270.079, unless the commissioner determines that the airline company or person should be excluded from filing because its activities do not constitute air commerce as defined herein. *A penalty of five percent of the tax being assessed is imposed on a late filing of the annual report. If the report is not filed within 30 days, an additional penalty of five percent of the assessed tax is imposed for each additional 30 days or fraction of 30 days until the return is filed. The penalty imposed under this section must not exceed the lesser of \$25,000 or 25 percent of the assessed tax.*

Sec. 11. Minnesota Statutes 1988, section 270.075, subdivision 2, is amended to read:

Subd. 2. As soon as practicable and not later than December 1 next following the levy of the tax, the commissioner shall give actual notice to the airline company of the gross tax capacity and of the tax. The taxes imposed under sections 270.071 to 270.079 shall become due and payable on January 1 following the levy thereof. If any tax is not paid on the due date or, if an appeal is made pursuant to section 270.076, within 60 days after notice of an increased tax, a late payment penalty of ~~ten~~ five percent of the unpaid tax shall be assessed. *If the tax remains unpaid for more than 30 days, an additional penalty of five percent of the unpaid tax is imposed for each additional 30 days or fraction of 30 days that the tax remains unpaid. The penalty imposed under this section must not exceed the lesser of \$25,000 or 25 percent of the unpaid tax.* The unpaid tax and penalty shall bear interest at the rate specified in section 270.75 from the time such tax should have been paid until paid. All interest and penalties shall be added to the tax and collected as a part thereof.

Sec. 12. Minnesota Statutes 1988, section 270.12, subdivision 2, is amended to read:

Subd. 2. The board shall meet annually between July 15 and October 1 at the office of the commissioner of revenue and examine and compare the returns of the assessment of the property in the several counties, and equalize the same so that all the taxable property in the state shall be assessed at its market value, subject to the following rules:

(1) The board shall add to the aggregate valuation of the real property of every county, which the board believes to be valued below its market value in money, such percent as will bring the same to its market value in money;

(2) The board shall deduct from the aggregate valuation of the real property of every county, which the board believes to be valued above its market value in money, such percent as will reduce the same to its market value in money;

(3) If the board believes the valuation for a class or classes of the real property of any town or district in any county, or the valuation for a class or classes of the real property of any county not in towns or cities, should be raised or reduced, without raising or reducing the other real property of such county, or without raising or reducing it in the same ratio, the board

may add to, or take from, the valuation of a class or classes in any one or more of such towns or cities, or of the property not in towns or cities, such percent as the board believes will raise or reduce the same to its market value in money;

(4) The board shall add to the aggregate valuation of any class of personal property of any county, town, or city, which the board believes to be valued below the market value thereof, such percent as will raise the same to its market value in money;

(5) The board shall take from the aggregate valuation of any class of personal property in any county, town or city, which the board believes to be valued above the market value thereof, such percent as will reduce the same to its market value in money;

(6) The board shall not reduce the aggregate valuation of all the property of the state, as returned by the several county auditors, more than one percent on the whole valuation thereof;

(7) When it would be of assistance in equalizing values the board may require any county auditor to furnish statements showing assessments of real and personal property of any individuals, firms, or corporations within the county. The board shall consider and equalize such assessments and may increase the assessment of individuals, firms, or corporations above the amount returned by the county board of equalization when it shall appear to be undervalued, first giving notice to such persons of the intention of the board so to do, which notice shall fix a time and place of hearing. The board shall not decrease any such assessment below the valuation placed by the county board of equalization; and

(8) In equalizing values pursuant to this section, the board shall utilize a 12-month assessment/sales ratio study conducted by the department of revenue containing only sales that occurred between October 1 of the year immediately preceding the previous year to September 30 of the previous year. The sales prices used in the study must be discounted for terms of financing. The board shall use the median ratio as the statistical measure of the level of assessment for any particular category of property.

Sec. 13. Minnesota Statutes 1988, section 270.485, is amended to read:
270.485 [SENIOR ACCREDITATION.]

The legislature finds that the property tax system would be enhanced by requiring that every ~~county assessor and~~ senior appraiser in the department of revenue's local government services division obtain senior accreditation from the state board of assessors. *Every senior appraiser, including the department's regional representatives, by January 1, 1990, or in the case of a and every county assessor within one year two years of the first appointment under section 273.061, or by January 1, 1992, whichever is later, every county assessor and senior appraiser, including the department's regional representatives,* must obtain senior accreditation from the state board of assessors. The board shall provide the necessary courses or training. If a department senior appraiser or regional representative fails to obtain senior accreditation by January 1, 1990, the failure shall be grounds for dismissal, disciplinary action, or corrective action. Except as provided in section 273.061, subdivision 2, paragraph (c), after December 30, ~~1989~~ 1991, the commissioner must not approve the appointment of a county assessor who is not senior accredited by the state board of assessors. No employee hired by the commissioner as a senior appraiser or regional

representative after June 30, 1987, shall attain permanent status until the employee obtains senior accreditation.

Sec. 14. Minnesota Statutes 1988, 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, fairgrounds, port authority, economic development authority established under chapter 458C, municipal auditorium, *municipal automobile parking facility*, airport owned by a city, town, county, or group thereof but not the airports owned or operated by the metropolitan airports commission or a city of over 50,000 population or an airport authority therein, municipal museum or municipal stadium or (2) property constituting or used as a public pedestrian ramp or concourse in connection with a public airport or (3) property constituting or used as a passenger check-in area or ticket sale counter, boarding area, or luggage claim area in connection with a public airport but not the airports owned or operated by the metropolitan airports commission or cities of over 50,000 population or an airport authority therein. Real estate owned by a municipality in connection with the operation of a public airport and 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.

(d) The tax on real property of the state or any of its political subdivisions that is leased by a private individual, association, or corporation and becomes taxable under this subdivision or other provision of law must be assessed and collected as a personal property assessment. The taxes do not become a lien against the real property.

Sec. 15. Minnesota Statutes 1988, section 272.02, subdivision 1, is amended to read:

Subdivision 1. All property described in this section to the extent herein limited shall be exempt from taxation:

- (1) all public burying grounds;
- (2) all public schoolhouses;
- (3) all public hospitals;

(4) all academies, colleges, and universities, and all seminaries of learning;

(5) all churches, church property, and houses of worship;

(6) institutions of purely public charity except parcels of property containing structures and the structures described in section 273.13, subdivision 25, paragraph (c), ~~clause clauses (1) or (2), and (3), or paragraph (d), clause (2);~~

(7) all public property exclusively used for any public purpose;

(8) except for the taxable personal property enumerated below, all personal property and the property described in section 272.03, subdivision 1, paragraphs (c) and (d), shall be exempt.

The following personal property shall be taxable:

(a) personal property which is part of an electric generating, transmission, or distribution system or a pipeline system transporting or distributing water, gas, crude oil, or petroleum products or mains and pipes used in the distribution of steam or hot or chilled water for heating or cooling buildings and structures;

(b) railroad docks and wharves which are part of the operating property of a railroad company as defined in section 270.80;

(c) personal property defined in section 272.03, subdivision 2, clause (3);

(d) leasehold or other personal property interests which are taxed pursuant to section 272.01, subdivision 2; 273.124, subdivision 7; or 273.19, subdivision 1; or any other law providing the property is taxable as if the lessee or user were the fee owner;

(e) manufactured homes and sectional structures; and

(f) flight property as defined in section 270.071.

(9) Real and personal property used primarily for the abatement and control of air, water, or land pollution to the extent that it is so used, other than real property used primarily as a solid waste disposal site.

Any taxpayer requesting exemption of all or a portion of any equipment or device, or part thereof, operated primarily for the control or abatement of air or water pollution shall file an application with the commissioner of revenue. The equipment or device shall meet standards, rules, or criteria prescribed by the Minnesota pollution control agency, and must be installed or operated in accordance with a permit or order issued by that agency. The Minnesota pollution control agency shall upon request of the commissioner furnish information or advice to the commissioner. On determining that property qualifies for exemption, the commissioner shall issue an order exempting the property from taxation. The equipment or device shall continue to be exempt from taxation as long as the permit issued by the Minnesota pollution control agency remains in effect.

(10) Wetlands. For purposes of this subdivision, "wetlands" means (1) land described in section 105.37, subdivision 15, or (2) land which is mostly under water, produces little if any income, and has no use except for wildlife or water conservation purposes, provided it is preserved in its natural condition and drainage of it would be legal, feasible, and economically practical for the production of livestock, dairy animals, poultry, fruit, vegetables, forage and grains, except wild rice. "Wetlands" shall include

adjacent land which is not suitable for agricultural purposes due to the presence of the wetlands. "Wetlands" shall not include woody swamps containing shrubs or trees, wet meadows, meandered water, streams, rivers, and floodplains or river bottoms. Exemption of wetlands from taxation pursuant to this section shall not grant the public any additional or greater right of access to the wetlands or diminish any right of ownership to the wetlands.

(11) Native prairie. The commissioner of the department of natural resources shall determine lands in the state which are native prairie and shall notify the county assessor of each county in which the lands are located. Pasture land used for livestock grazing purposes shall not be considered native prairie for the purposes of this clause and ~~section 273-116~~. Upon receipt of an application for the exemption and credit provided in this clause and ~~section 273-116~~ for lands for which the assessor has no determination from the commissioner of natural resources, the assessor shall refer the application to the commissioner of natural resources who shall determine within 30 days whether the land is native prairie and notify the county assessor of the decision. Exemption of native prairie pursuant to this clause shall not grant the public any additional or greater right of access to the native prairie or diminish any right of ownership to it.

(12) Property used in a continuous program to provide emergency shelter for victims of domestic abuse, provided the organization that owns and sponsors the shelter is exempt from federal income taxation pursuant to section 501(c)(3) of the Internal Revenue Code of 1986, as amended through December 31, 1986, notwithstanding the fact that the sponsoring organization receives funding under section 8 of the United States Housing Act of 1937, as amended.

(13) If approved by the governing body of the municipality in which the property is located, property not exceeding one acre which is owned and operated by any senior citizen group or association of groups that in general limits membership to persons age 55 or older and is organized and operated exclusively for pleasure, recreation, and other nonprofit purposes, no part of the net earnings of which inures to the benefit of any private shareholders; provided the property is used primarily as a clubhouse, meeting facility, or recreational facility by the group or association and the property is not used for residential purposes on either a temporary or permanent basis.

(14) To the extent provided by section 295.44, real and personal property used or to be used primarily for the production of hydroelectric or hydro-mechanical power on a site owned by the state or a local governmental unit which is developed and operated pursuant to the provisions of section 105.482, subdivisions 1, 8, and 9.

(15) If approved by the governing body of the municipality in which the property is located, and if construction is commenced after June 30, 1983:

(a) a "direct satellite broadcasting facility" operated by a corporation licensed by the federal communications commission to provide direct satellite broadcasting services using direct broadcast satellites operating in the 12-ghz. band; and

(b) a "fixed satellite regional or national program service facility" operated by a corporation licensed by the federal communications commission to provide fixed satellite-transmitted regularly scheduled broadcasting services using satellites operating in the 6-ghz. band.

An exemption provided by paragraph (15) shall apply for a period not to exceed five years. When the facility no longer qualifies for exemption, it shall be placed on the assessment rolls as provided in subdivision 4. Before approving a tax exemption pursuant to this paragraph, the governing body of the municipality shall provide an opportunity to the members of the county board of commissioners of the county in which the facility is proposed to be located and the members of the school board of the school district in which the facility is proposed to be located to meet with the governing body. The governing body shall present to the members of those boards its estimate of the fiscal impact of the proposed property tax exemption. The tax exemption shall not be approved by the governing body until the county board of commissioners has presented its written comment on the proposal to the governing body, or 30 days has passed from the date of the transmittal by the governing body to the board of the information on the fiscal impact, whichever occurs first.

(16) Real and personal property owned and operated by a private, non-profit corporation exempt from federal income taxation pursuant to United States Code, title 26, section 501(c)(3), primarily used in the generation and distribution of hot water for heating buildings and structures.

(17) Notwithstanding section 273.19, state lands that are leased from the department of natural resources under section 92.46.

(18) Electric power distribution lines and their attachments and appurtenances, that are used primarily for supplying electricity to farmers at retail.

(19) Transitional housing facilities. "Transitional housing facility" means a facility that meets the following requirements. (i) It provides temporary housing to parents and children who are receiving AFDC or parents of children who are temporarily in foster care. (ii) It has the purpose of reuniting families and enabling parents to *obtain self-sufficiency*, advance their education, get job training, or become employed in jobs that provide a living wage. (iii) It provides support services such as child care, work readiness training, and career development counseling; and a self-sufficiency program with periodic monitoring of each resident's progress in completing the program's goals. (iv) It provides services to a resident of the facility for at least six months but no longer than ~~one year~~ *three years*, except residents enrolled in an educational or vocational institution or job training program. These residents may receive services during the time they are enrolled but in no event longer than four years. (v) It is sponsored by an organization that has received a grant under *either* section 256.7365 for the biennium ending June 30, 1989, *or* section 462A.07, subdivision 15, for the biennium ending June 30, 1991, for the purposes of providing the services in items (i) to (iv). (vi) It is sponsored by an organization that is exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code of 1986, as amended through December 31, 1987. This exemption applies notwithstanding the fact that the sponsoring organization receives financing by a direct federal loan or federally insured loan or a loan made by the Minnesota housing finance agency under the provisions of either Title II of the National Housing Act or the Minnesota housing finance agency law of 1971 or rules promulgated by the agency pursuant to it, and notwithstanding the fact that the sponsoring organization receives funding under Section 8 of the United States Housing Act of 1937, as amended.

Sec. 16. Minnesota Statutes 1988, section 273.01, is amended to read:

273.01 [LISTING AND ASSESSMENT, TIME.]

All real property subject to taxation shall be listed and at least one-fourth of the parcels listed shall be appraised each year with reference to their value on January 2 preceding the assessment so that each parcel shall be reappraised at maximum intervals of four years. All real property becoming taxable in any year shall be listed with reference to its value on January 2 of that year. Except as provided in section 274.01, subdivision 1, all real property assessments shall be completed two weeks prior to the date scheduled for the local board of review or equalization ~~and no valuations entered thereafter shall be of any force and effect. Any changes made by the assessor after this time must be fully documented and maintained in a file in the assessor's office and shall be available for review by any person. A copy of any changes made during this period shall be sent to the county board.~~ In the event a valuation and classification is not placed on any real property by the dates scheduled for the local board of review or equalization the valuation and classification determined in the preceding assessment shall be continued in effect and the provisions of section 273.13 shall, in such case, not be applicable, except with respect to real estate which has been constructed since the previous assessment. Real property containing iron ore, the fee to which is owned by the state of Minnesota, shall, if leased by the state after January 2 in any year, be subject to assessment for that year on the value of any iron ore removed under said lease prior to January 2 of the following year. Personal property subject to taxation shall be listed and assessed annually with reference to its value on January 2; and, if acquired on that day, shall be listed by or for the person acquiring it.

Sec. 17. Minnesota Statutes 1988, section 273.061, subdivision 1, is amended to read:

Subdivision 1. [OFFICE CREATED; APPOINTMENT, QUALIFICATIONS.] Every county in this state shall have a county assessor. The county assessor shall be appointed by the board of county commissioners ~~and shall be a resident of this state.~~ The assessor shall be selected and appointed because of knowledge and training in the field of property taxation and appointment shall be approved by the commissioner of revenue before the same shall become effective. Upon receipt by the county commissioners of the commissioner of revenue's refusal to approve an appointment, the term of the appointee shall terminate at the end of that day. Notwithstanding any law to the contrary, a county assessor must have senior accreditation from the state board of assessors by January 1, ~~1990~~ 1992, or within ~~one year~~ two years of the assessor's first appointment under this section, whichever is later.

Sec. 18. Minnesota Statutes 1988, section 273.061, subdivision 2, is amended to read:

Subd. 2. [TERM; VACANCY.] (a) The terms of county assessors appointed under this section shall be four years. A new term shall begin on January 1 of every fourth year after 1973. When any vacancy in the office occurs, the board of county commissioners, within 30 days thereafter, shall fill the same by appointment for the remainder of the term, following the procedure prescribed in subdivision 1. The term of the county assessor may be terminated by the board of county commissioners at any time, on charges of inefficiency or neglect of duty by the commissioner of revenue. If the board of county commissioners does not intend to reappoint a county assessor

who has been certified by the state board of assessors, the board shall present written notice to the county assessor not later than 90 days prior to the termination of the assessor's term, that it does not intend to reappoint the assessor. If written notice is not timely made, the county assessor will automatically be reappointed by the board of county commissioners.

The commissioner of revenue may recommend to the state board of assessors the nonrenewal, suspension, or revocation of an assessor's license as provided in sections 270.41 to 270.53.

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

(c) In the case of the first appointment under paragraph (a) of a county assessor who is accredited but who does not have senior accreditation, an approval of the appointment by the commissioner shall be ~~for a term of one year~~ *provisional, provided that* a county assessor appointed to a ~~one-year~~ *provisional* term under this paragraph must reapply to the commissioner at the end of the ~~one-year~~ *provisional* term. *A provisional term may not exceed two years.* The commissioner shall not approve the appointment for the remainder of the four-year term unless the assessor has obtained senior accreditation.

Sec. 19. Minnesota Statutes 1988, section 273.111, subdivision 3, is amended to read:

Subd. 3. (a) Real estate consisting of ten acres or more *or a nursery or greenhouse qualifying for classification as class 1b, 2a, or 2b under section 273.13, subdivision 23, paragraph (d)*, shall be entitled to valuation and tax deferment under this section only if it is actively and exclusively devoted to agricultural use as defined in subdivision 6 and either:

(1) is the homestead of the owner, or of a surviving spouse, child, or sibling of the owner or is real estate which is farmed with the real estate which contains the homestead property; or

(2) has been in possession of the applicant, the applicant's spouse, parent, or sibling, or any combination thereof, for a period of at least seven years prior to application for benefits under the provisions of ~~Laws 1969, chapter 1039,~~ *this section, or is real estate which is farmed with the real estate which qualifies under this clause and is within two townships or cities or combination thereof from the qualifying real estate;* or

(3) is the homestead of a shareholder in a family farm corporation as defined in section 500.24, notwithstanding the fact that legal title to the real estate may be held in the name of the family farm corporation; or

(4) *is in the possession of a nursery or greenhouse or an entity owned by a proprietor, partnership, or corporation which also owns the nursery or greenhouse operations on the parcel or parcels.*

(b) Valuation of real estate under this section is limited to parcels the ownership of which is in noncorporate entities except for:

- (1) family farm corporations organized pursuant to section 500.24; and
 (2) corporations that derive 80 percent or more of their gross receipts from the wholesale or retail sale of horticultural or nursery stock.

Corporate entities who previously qualified for tax deferment pursuant to this section and who continue to otherwise qualify under subdivisions 3 and 6 for a period of at least three years following the effective date of this section will not be required to make payment of the previously deferred taxes, notwithstanding the provisions of subdivision 9. Sale of the land prior to the expiration of the three-year period shall result in payment of deferred taxes as follows: sale within the first year requires payment of payable 1980, 1981, and 1982 deferred taxes; sale during the second year requires payment of payable 1981 and 1982 taxes deferred; and sale at any time during the third year will require payment of payable 1983 taxes deferred. Deferred taxes shall be paid even if the land qualifies pursuant to subdivision 11a. Special assessments are payable at the end of the three-year period or at time of sale, whichever comes first.

Sec. 20. Minnesota Statutes 1988, 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;

(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.

If a golf club membership allows use of golf course facilities by more than one adult per membership, the use must be equally available to all adults entitled to use of the golf course under the membership, except that use may be restricted on the basis of sex as permitted in this section. Memberships that permit play during restricted times may be allowed only if the restricted times apply to all adults using the membership. *A golf club may not offer a membership or golfing privileges to a spouse of a member that provides greater or less access to the golf course than is provided to that person's spouse under the same or a separate membership in that club, except that the terms of a membership may provide that one spouse may have no right to use the golf course at any time while the other spouse may have either limited or unlimited access to the golf course.*

A golf club may have or create an individual membership category which entitles a member for a reduced rate to play during restricted hours as established by the club. The club must have on record a written request by the member for such membership.

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

Sec. 21. Minnesota Statutes 1988, section 273.112, is amended by adding a subdivision to read:

Subd. 6a. The commissioner of revenue shall develop and issue guidelines for qualification by private golf clubs under this section covering the access to and use of the golf course by members and other adults so as to be consistent with the purposes and terms of this section. The guidelines shall be mailed to the county attorney and assessor of each county not later than 60 days following the date of enactment of this act. Within 15 days of receipt of the guidelines from the commissioner, the assessor shall mail a copy of the guidelines to each golf club in the county. The guidelines issued under this subdivision are not subject to the administrative procedure act under chapter 14.

Sec. 22. Minnesota Statutes 1988, section 273.124, subdivision 1, is amended to read:

Subdivision 1. [GENERAL RULE.] Residential real estate that is occupied and used for the purposes of a homestead by its owner, who must be a Minnesota resident, is a residential homestead.

Agricultural land, as defined in section 273.13, subdivision 23, that is occupied and used as a homestead by its owner, who must be a Minnesota resident, is an agricultural homestead.

Dates for establishment of a homestead and homestead treatment provided to particular types of property are as provided in this section.

The assessor shall require proof, by affidavit or otherwise, of the facts upon which classification as a homestead may be determined.

For purposes of this section, homestead property shall include property which is used for purposes of the homestead but is separated from the homestead by a road, street, lot, waterway, or other similar intervening property. The term "used for purposes of the homestead" shall include but not be limited to uses for gardens, garages, or other outbuildings commonly associated with a homestead, but shall not include vacant land held primarily for future development. In order to receive homestead treatment for the noncontiguous property, the owner shall apply for it to the assessor by July 1 of the year when the treatment is initially sought. After initial qualification for the homestead treatment, additional applications for subsequent years are not required.

In the case of property owned by a married couple in joint tenancy or tenancy in common, the assessor must not deny homestead treatment in whole or in part if only one of the spouses is occupying the property and the other spouse is absent due to divorce or separation, or is a resident of a nursing home or a boarding care facility.

If an individual is purchasing property with the intent of claiming it as a homestead, and is required by the terms of the financing agreement to have one or both parents shown on the deed as coowners, the assessor shall

allow a full homestead classification and extend full homestead credit. This provision only applies to first time purchasers, whether married or single, or to a person who had previously been married and is purchasing as a single individual for the first time. The application for homestead benefits must be on a form prescribed by the commissioner and must contain the data necessary for the assessor to determine if full homestead benefits are warranted.

Sec. 23. Minnesota Statutes 1988, section 273.124, subdivision 8, is amended to read:

Subd. 8. [HOMESTEAD OWNED BY FAMILY FARM CORPORATION OR PARTNERSHIP] (a) Each family farm corporation and each partnership operating a family farm is entitled to class 1b under section 273.13, subdivision 22, paragraph (b), or class 2a assessment for one homestead occupied by a shareholder or partner thereof who is residing on the land and actively engaged in farming of the land owned by the corporation or partnership. Homestead treatment applies even if legal title to the property is in the name of the corporation or partnership and not in the name of the person residing on it. "Family farm corporation" and "family farm" have the meanings given in section 500.24, *except that the number of allowable shareholders or partners under this subdivision shall not exceed 12.*

(b) In addition to property specified in paragraph (a), any other residences owned by corporations or partnerships described in paragraph (a) which are located on agricultural land and occupied as homesteads by shareholders or partners who are actively engaged in farming on behalf of the corporation or partnership must also be assessed as class 2a property or as class 1b property under section 273.13, subdivision 22, paragraph (b), but the property eligible is limited to the residence itself and as much of the land surrounding the homestead, not exceeding one acre, as is reasonably necessary for the use of the dwelling as a home, and does not include any other structures that may be located on it.

Sec. 24. Minnesota Statutes 1988, section 273.124, subdivision 9, is amended to read:

Subd. 9. [HOMESTEAD ESTABLISHED AFTER ASSESSMENT DATE.] Any property that was not used for the purpose of a homestead on the assessment date, but which was used for the purpose of a homestead ~~on~~ by June 1 of a year, constitutes class 1 or class 2a ~~to the extent of one-half of the valuation that would have been includable in class 1 or class 2a.~~

Any taxpayer meeting the requirements of this subdivision must notify the county assessor, or the assessor who has the powers of the county assessor pursuant to section 273.063, in writing, prior to June 15 of the year of occupancy in order to qualify under this subdivision.

The county assessor and the county auditor may make the necessary changes on their assessment and tax records to provide for proper homestead classification as provided in this subdivision.

The owner of any property qualifying under this subdivision, which has not been accorded the benefits of this subdivision, regardless of whether or not the notification has been timely filed, may be entitled to receive homestead classification by proper application as provided in section 270.07 or 375.192.

The county assessor shall publish in a newspaper of general circulation

within the county no later than June 1 of each year a notice informing the public of the requirement to file an application for homestead prior to June 15.

Sec. 25. Minnesota Statutes 1988, section 273.124, subdivision 12, is amended to read:

Subd. 12. [~~HOMESTEAD OF MEMBER OF UNITED STATES ARMED FORCES; PEACE CORPS; VISTA.~~] Real estate actually occupied and used for the purpose of a homestead by a ~~member of the armed forces of the United States person,~~ or by a member of that person's immediate family shall; ~~notwithstanding the absence of the person, while on active duty with the armed forces of the United States or the family under such conditions,~~ be classified as a homestead ~~provided that absence of the owner is solely by reason of service in the armed forces, and that even though the person or family is absent if (1) the person or the person's family is absent solely because the person is on active duty with the armed forces of the United States, or is serving as a volunteer under the VISTA or Peace Corps program; (2) the owner intends to return as soon as discharged or relieved from service; and (3) the owner claims it as a homestead.~~ ~~Every~~ A person who, ~~for the purpose of obtaining or aiding another in obtaining any benefit under this subdivision, shall knowingly make makes or submit submits to any an assessor any an affidavit or other statement which that is false in any material matter shall be to obtain or aid another in obtaining a benefit under this subdivision is guilty of a felony.~~

Sec. 26. Minnesota Statutes 1988, section 273.124, subdivision 13, is amended to read:

Subd. 13. [~~SOCIAL SECURITY NUMBER REQUIRED FOR HOMESTEAD APPLICATION.~~] Every property owner applying for homestead classification must furnish to the county assessor that owner's social security ~~or taxpayer identification~~ number. If the social security ~~or taxpayer identification~~ number is not provided, the county assessor shall classify the property as nonhomestead. The social security numbers of the property owners are private data on individuals as defined by section 13.02, subdivision 12, but, notwithstanding that section, the private data may be disclosed to the commissioner of revenue.

At the request of the commissioner, each county must give the commissioner a list that includes the name and social security ~~or taxpayer identification~~ number of each property owner applying for homestead classification.

If, in comparing the lists supplied by the counties, the commissioner finds that a property owner is claiming more than one homestead, the commissioner shall notify the appropriate counties. Within 90 days of the notification, the county assessor shall investigate to determine if the homestead classification was properly claimed. If the property owner does not qualify, the county assessor shall notify the county auditor who will determine the amount of homestead benefits that had been improperly allowed. For the purpose of this section, "homestead benefits" means the tax reduction resulting from the classification as a homestead under section 273.13, the homestead credit under section 273.13 for taxes payable in 1989 and under section 273.1398 for taxes payable in 1990 and thereafter, the taconite homestead credit, and the supplemental homestead credit, and the tax reduction resulting from the agricultural credit under section 273.132 for taxes payable in 1989 and under section 273.1398 for taxes payable in 1990 and

thereafter. The county auditor shall send a notice to the owners of the affected property, demanding reimbursement of the homestead benefits plus a penalty equal to 25 percent of the homestead benefits. The property owners may appeal the county's determination by filing a notice of appeal with the Minnesota tax court within 60 days of the date of the notice from the county.

If the amount of homestead benefits and penalty is not paid within 60 days, and if no appeal has been filed, the county auditor shall certify the amount to the succeeding year's tax list to be collected as part of the property taxes.

Any amount of homestead benefits recovered from the property owner must be transmitted to the commissioner by the end of each calendar quarter. Any amount recovered attributable to taconite homestead credit shall be transmitted to the St. Louis county auditor to be deposited in the taconite property tax relief account. The amount of penalty collected must be deposited in the county general fund.

The commissioner will provide suggested homestead applications to each county. If a property owner has applied for more than one homestead and the county assessors cannot determine which property should be classified as homestead, the county assessors will refer the information to the commissioner. The commissioner shall make the determination and notify the counties within 60 days.

In addition to lists of homestead properties, the commissioner may ask the counties to furnish lists of all properties and the record owners.

Sec. 27. Minnesota Statutes 1988, section 273.124, is amended by adding a subdivision to read:

Subd. 14. [AGRICULTURAL HOMESTEADS; SPECIAL PROVISIONS.] (a) Real estate of less than ten acres that is the homestead of its owner must be classified as class 2a under section 273.13, subdivision 23, paragraph (a), if:

(1) the parcel on which the house is located is contiguous to agricultural land on at least two sides;

(2) its owner also owns a noncontiguous parcel of agricultural land that is at least 20 acres;

(3) the noncontiguous land is located not farther than two townships or cities, or a combination of townships or cities from the homestead; and

(4) the agricultural use value of the noncontiguous land and farm buildings is equal to at least 50 percent of the market value of the house, garage and one acre of land.

Homesteads initially classified as class 2a under the provisions of this subdivision shall remain classified as class 2a, irrespective of subsequent changes in the use of adjoining properties, as long as the homestead remains under the same ownership, the owner owns a noncontiguous parcel of agricultural land that is at least 20 acres, and the agricultural use value qualifies under clause (4).

(b) Noncontiguous land shall be included as part of a homestead under section 273.13, subdivision 23, paragraph (a), only if the homestead is classified as class 2a and the detached land is located in the same township or city, or not farther than two townships or cities or combination thereof

from the homestead.

(c) Agricultural land used for purposes of a homestead and actively farmed by a person holding a vested remainder interest in it must be classified as a homestead under section 273.13, subdivision 23, paragraph (a). If agricultural land is classified class 2a, any other dwellings on the land used for purposes of a homestead by persons holding vested remainder interests who are actively engaged in farming the property, and up to one acre of the land surrounding each homestead and reasonably necessary for the use of the dwelling as a home, must also be assessed class 2a.

Sec. 28. Minnesota Statutes 1988, section 273.13, subdivision 22, is amended to read:

Subd. 22. [CLASS 1.] (a) Except as provided in subdivision 23, real estate which is residential and used for homestead purposes is class 1. The market value of class 1a property must be determined based upon the value of the house, garage, and land.

The first \$68,000 of market value of class 1a property has a net tax capacity of one percent of its market value and a gross tax capacity of 2.17 percent of its market value. The market value of class 1a property that exceeds \$68,000 but does not exceed \$100,000 has a tax capacity of 2.5 percent of its market value. The market value of class 1a property that exceeds \$100,000 has a tax capacity of 3.3 percent of its market value.

(b) Class 1b property includes real estate or manufactured homes used for the purposes of a homestead by

(1) any blind person, if the blind person is the owner thereof or if the blind person and the blind person's spouse are the sole owners thereof; or

(2) any person, hereinafter referred to as "veteran," who:

(i) served in the active military or naval service of the United States; and

(ii) is entitled to compensation under the laws and regulations of the United States for permanent and total service-connected disability due to the loss, or loss of use, by reason of amputation, ankylosis, progressive muscular dystrophies, or paralysis, of both lower extremities, such as to preclude motion without the aid of braces, crutches, canes, or a wheelchair; and

(iii) with assistance by the administration of veterans affairs has acquired a special housing unit with special fixtures or movable facilities made necessary by the nature of the veteran's disability, or the surviving spouse of the deceased veteran for as long as the surviving spouse retains the special housing unit as a homestead; or

(3) any person who:

(i) is permanently and totally disabled and

(ii) receives 90 percent or more of total income from

(A) aid from any state as a result of that disability; or

(B) supplemental security income for the disabled; or

(C) workers' compensation based on a finding of total and permanent disability; or

(D) social security disability, including the amount of a disability insurance benefit which is converted to an old age insurance benefit and any subsequent cost of living increases; or

(E) aid under the Federal Railroad Retirement Act of 1937, United States Code Annotated, title 45, section 228b(a)5; or

(F) a pension from any local government retirement fund located in the state of Minnesota as a result of that disability; or

(iii) whose household income as defined in section 290A.03, subdivision 5, is 150 percent or less of the federal poverty level.

Property is classified and assessed pursuant to clause (1) only if the commissioner of jobs and training certifies to the assessor that the owner of the property satisfies the requirements of this subdivision. ~~The commissioner of jobs and training shall provide a copy of the certification to the commissioner of revenue.~~

Permanently and totally disabled for the purpose of this subdivision means a condition which is permanent in nature and totally incapacitates the person from working at an occupation which brings the person an income. The first \$32,000 market value of class 1b property has a net tax capacity of .4 percent of its market value and a gross tax capacity of .87 percent of its market value. The remaining market value of class 1b property has a gross or net tax capacity using the rates for class 1 or class 2a property, whichever is appropriate, of similar market value.

(c) Class 1c property is commercial use real property that abuts a lake-shore line and is devoted to temporary and seasonal residential occupancy for recreational purposes but not devoted to commercial purposes for more than 200 days in the year preceding the year of assessment, and that includes a portion used as a homestead by the owner. Class 1c property has a tax capacity of .9 percent of market value with the following limitation: the area of the property must not exceed 100 feet of lakeshore footage for each cabin or campsite located on the property up to a total of 800 feet and 500 feet in depth, measured away from the lakeshore.

(d) For taxes levied in 1988, payable in 1989 only, the tax to be paid on class 1a or class 1b property shall be reduced by 54 percent of the tax imposed on the first \$68,000 of market value. The amount of the reduction shall not exceed \$725.

Sec. 29. Minnesota Statutes 1988, section 273.13, subdivision 23, is amended to read:

Subd. 23. [CLASS 2.] (a) Class 2a property is agricultural land including any improvements that is homesteaded. The market value of the house and garage and immediately surrounding one acre of land that does not exceed \$65,000 has a net tax capacity of .805 percent of market value and a gross tax capacity of 1.75 percent of market value. The excess market value over \$65,000 has a tax capacity of 2.2 percent. If the market value of the house, garage, and surrounding one acre of land is less than \$65,000, the value of the remaining land including improvements equal to the difference between \$65,000 and the market value of the house, garage, and surrounding one acre of land has a net tax capacity of 1.12 percent of market value and a gross tax capacity of 1.75 percent of market value for the first 320 acres of land and the remaining value over 320 acres has a net tax capacity of 1.295 percent of market value and a gross tax capacity of 1.75 percent of

market value. The remaining value of class 2a property over the \$65,000 market value that does not exceed 320 acres has a net tax capacity of 1.44 percent of market value and a gross tax capacity of 2.25 percent of market value. The remaining property over the \$65,000 market value in excess of 320 acres has a net tax capacity of 1.665 percent of market value and a gross tax capacity of 2.25 percent of market value.

Noncontiguous land shall constitute class 2a only if the homestead is classified as class 2a and the detached land is located in the same township or city or not farther than two townships or cities or combination thereof from the homestead.

Agricultural land used for purposes of a homestead and actively farmed by a person holding a vested remainder interest in it must be classified class 2a. If agricultural land is classified class 2a, any other dwellings on the land used for purposes of a homestead by persons holding vested remainder interests who are actively engaged in farming the property, and up to one acre of the land surrounding each homestead and reasonably necessary for the use of the dwelling as a home, must also be assessed class 2a and is entitled to the homestead credit.

For taxes levied in 1988, payable in 1989 only, the tax to be paid on class 2a property and class 1b property under section 273.13, subdivision 22, paragraph (b), used for agricultural purposes shall be reduced by 54 percent of the tax. The amount of the reduction shall not exceed \$725.

(b) Class 2b property is (1) real estate, rural in character and used exclusively for growing trees for timber, lumber, and wood and wood products; and (2) real estate that is nonhomestead agricultural land. Class 2b property has a net tax capacity of 1.665 percent of market value and a gross tax capacity of 2.25 percent of market value.

(c) Agricultural land as used in this section means contiguous acreage of ten acres or more, primarily used during the preceding year for agricultural purposes. Agricultural use may include pasture, timber, waste, unusable wild land, and land included in federal farm programs.

(d) Real estate of less than ten acres used principally for raising poultry, livestock, fruit, vegetables or other agricultural products, including the breeding of fish for sale and consumption ~~provided that it is located if the fish breeding occurs~~ on land zoned for agricultural use, shall be considered as agricultural land, if it is not used primarily for residential purposes. *The term "agricultural products" as used in the preceding sentence means any of the products identified in section 273.111, subdivision 6, clause (2). "Agricultural purposes" as used in this section means the raising or cultivation of agricultural products.*

(e) *If a parcel used for agricultural purposes is also used for commercial or industrial purposes, including but not limited to:*

(1) *wholesale and retail sales;*

(2) *processing of raw agricultural products or other goods;*

(3) *warehousing or storage of processed goods; and*

(4) *office facilities for the support of the activities enumerated in clauses (1), (2), and (3),*

the assessor shall classify the part of the parcel used for agricultural

purposes as class 1b, 2a, or 2b, whichever is appropriate, and the remainder in the class appropriate to its use. The grading, sorting, and packaging of raw agricultural products for first sale is considered an agricultural purpose. A greenhouse or other building where horticultural or nursery products are grown that is also used for the conduct of retail sales must be classified as agricultural if it is primarily used for the growing of horticultural or nursery products from seed, cuttings, or roots and occasionally as a showroom for the retail sale of those products. Use of a greenhouse or building only for the display of already grown horticultural or nursery products does not qualify as an agricultural purpose.

The assessor shall determine and list separately on the records the market value of the homestead dwelling and the one acre of land on which that dwelling is located. If any farm buildings or structures are located on this homesteaded acre of land, their market value shall not be included in this separate determination.

Sec. 30. Minnesota Statutes 1988, section 273.135, subdivision 2, is amended to read:

Subd. 2. For taxes payable in 1989 only, the amount of the reduction authorized by subdivision 1 shall be:

(a) In the case of property located within the boundaries of a municipality which meets the qualifications prescribed in section 273.134, 66 percent of the net tax up to the taconite breakpoint plus a percentage equal to the homestead credit equivalency percentage of the net tax in excess of the taconite breakpoint, provided that the reduction shall not exceed the maximum amounts specified in clause (c), and shall not exceed an amount sufficient to reduce the effective tax rate on each parcel of property to 95 percent of the base year effective tax rate. In no case will the reduction for each homestead resulting from this credit be less than \$10.

(b) In the case of property located within the boundaries of a school district which qualifies as a tax relief area but which is outside the boundaries of a municipality which meets the qualifications prescribed in section 273.134, 57 percent of the net tax up to the taconite breakpoint plus a percentage equal to the homestead credit equivalency percentage of the net tax in excess of the taconite breakpoint, provided that the reduction shall not exceed the maximum amounts specified in clause (c), and shall not exceed an amount sufficient to reduce the effective tax rate on each parcel of property to 95 percent of the base year effective tax rate. In no case will the reduction for each homestead resulting from this credit be less than \$10.

(c)(1) The maximum reduction of the net tax up to the taconite breakpoint is \$225.40 on property described in clause (a) and \$200.10 on property described in clause (b), for taxes payable in 1985. These maximum amounts shall increase by \$15 times the quantity one minus the homestead credit equivalency percentage per year for taxes payable in 1986 and subsequent years.

(2) The total maximum reduction of the net tax on property described in clause (a) is \$490 for taxes payable in 1985. The total maximum reduction for the net tax on property described in clause (b) is \$435 for taxes payable in 1985. These maximum amounts shall increase by \$15 per year for taxes payable in 1986 and thereafter.

For the purposes of this subdivision, "net tax" means the tax on the

property after deduction of any credit under section 273.13, subdivision 22 or 23, "taconite breakpoint" means the lowest possible net tax for a homestead qualifying for the maximum reduction pursuant to section 273.13, subdivision 22, rounded to the nearest whole dollar, "homestead credit equivalency percentage" means a percentage equal to the percentage reduction authorized in section 273.13, subdivision 22, "effective tax rate" means tax divided by the market value of the property, and the "base year effective tax rate" means the tax on the property after the application of the credits payable under section 273.13, subdivisions 22 and 23, and this section for taxes payable in 1988, divided by the market value of the property. A new parcel of property or a parcel with a current year classification that is different from its base year classification has the same base year effective tax rate as an equivalent homesteaded parcel.

Sec. 31. Minnesota Statutes 1988, section 273.1391, subdivision 2, is amended to read:

Subd. 2. For taxes payable in 1989 only, the amount of the reduction authorized by subdivision 1 shall be:

(a) In the case of property located within a school district which does not meet the qualifications of section 273.134 as a tax relief area, but which is located in a county with a population of less than 100,000 in which taconite is mined or quarried and wherein a school district is located which does meet the qualifications of a tax relief area, and provided that at least 90 percent of the area of the school district which does not meet the qualifications of section 273.134 lies within such county, 57 percent of the net tax up to the taconite breakpoint plus a percentage equal to the homestead credit equivalency percentage of the net tax in excess of the taconite breakpoint on qualified property located in the school district that does not meet the qualifications of section 273.134, provided that the amount of said reduction shall not exceed the maximum amounts specified in clause (c), and shall not exceed an amount sufficient to reduce the effective tax rate on each parcel of property to 95 percent of the base year effective tax rate. In no case will the reduction for *each homestead* resulting from this credit be less than \$10. The reduction provided by this clause shall only be applicable to property located within the boundaries of the county described therein.

(b) In the case of property located within a school district which does not meet the qualifications of section 273.134 as a tax relief area, but which is located in a school district in a county containing a city of the first class and a qualifying municipality, but not in a school district containing a city of the first class or adjacent to a school district containing a city of the first class unless the school district so adjacent contains a qualifying municipality, 57 percent of the net tax up to the taconite breakpoint plus a percentage equal to the homestead credit equivalency percentage of the net tax in excess of the taconite breakpoint, but not to exceed the maximums specified in clause (c), and shall not exceed an amount sufficient to reduce the effective tax rate on each parcel of property to 95 percent of the base year effective tax rate. In no case will the reduction for *each homestead* resulting from this credit be less than \$10.

(c)(1) The maximum reduction of the net tax up to the taconite breakpoint is \$200.10 for taxes payable in 1985. This maximum amount shall increase by \$15 multiplied by the quantity one minus the homestead credit equivalency percentage per year for taxes payable in 1986 and subsequent years.

(2) The total maximum reduction of the net tax is \$435 for taxes payable in 1985. This total maximum amount shall increase by \$15 per year for taxes payable in 1986 and thereafter.

For the purposes of this subdivision, "net tax" means the tax on the property after deduction of any credit under section 273.13, subdivision 22 or 23, "taconite breakpoint" means the lowest possible net tax for a homestead qualifying for the maximum reduction pursuant to section 273.13, subdivision 22, rounded to the nearest whole dollar, "homestead credit equivalency percentage" means a percentage equal to the percentage reduction authorized in section 273.13, subdivision 22, and "effective tax rate" means tax divided by the market value of the property, and the "base year effective tax rate" means the tax on the property after application of the credits payable under section 273.13, subdivisions 22 and 23, and this section for taxes payable in 1988, divided by the market value of the property. A new parcel with a current year classification that is different from its base year classification has the same base year effective tax rate as an equivalent homesteaded parcel.

Sec. 32. Minnesota Statutes 1988, section 273.1393, is amended to read:
273.1393 [COMPUTATION OF NET PROPERTY TAXES.]

Notwithstanding any other provisions to the contrary, "net" property taxes are determined by subtracting the credits in the order listed from the gross tax:

- (1) disaster credit as provided in section 273.123;
- (2) powerline credit as provided in section 273.42;
- (3) agricultural preserves credit as provided in section 473H.10;
- (4) enterprise zone credit as provided in section 469.171;
- (5) ~~state agricultural credit as provided in section 273.132~~ *disparity reduction credit*;
- (6) ~~state paid homestead~~ *conservation tax credit* as provided in section ~~273.13~~ 273.119;
- (7) taconite homestead credit as provided in section 273.135; *and*
- (8) supplemental homestead credit as provided in section 273.1391.

The combination of all property tax credits must not exceed the gross tax amount.

Sec. 33. Minnesota Statutes 1988, section 273.1398, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] (a) In this section, the terms defined in this subdivision have the meanings given them.

(b) "Unique taxing jurisdiction" means the geographic area subject to the same set of tax capacity rates.

(c) "Gross tax capacity" means the product of the appropriate percentages of market value listed as gross tax capacities in section 273.13 and equalized market values. "Total gross tax capacity" means the gross tax capacities for all property within the unique taxing jurisdiction. The total gross tax capacity used shall be reduced by the sum of (1) the unique taxing jurisdiction's gross tax capacity of commercial industrial property as defined

in section 473F02, subdivision 3, multiplied by the ratio determined pursuant to section 473F08, subdivision 6, for the municipality, as defined in section 473F02, subdivision 8, in which the unique taxing jurisdiction is located and (2) the gross tax capacity of the captured value of tax increment financing districts as defined in section 469.177, subdivision 2. For purposes of determining the gross tax capacity of property referred to in clauses (1) and (2) for disparity reduction aid payable in 1989, the gross tax capacity before equalization shall equal the property's 1987 assessed value multiplied by 12 percent. Gross tax capacity cannot be less than zero.

(d) "Net tax capacity" means the product of the appropriate percentages of market value listed as net tax capacities in section 273.13 and equalized market values. "Total net tax capacity" means the net tax capacities for all property within the unique taxing jurisdiction. The total net tax capacity used shall be reduced by the sum of (1) the unique taxing jurisdiction's net tax capacity of commercial industrial property as defined in section 473F02, subdivision 3, multiplied by the ratio determined pursuant to section 473F08, subdivision 6, for the municipality, as defined in section 473F02, subdivision 8, in which the unique taxing jurisdiction is located and (2) the net tax capacity of the captured value of tax increment financing districts as defined in section 469.177, subdivision 2. For purposes of determining the net tax capacity of property referred to in clauses (1) and (2), the net tax capacity before equalization shall equal the property's 1987 assessed value multiplied by 12 percent. Net tax capacity cannot be less than zero.

(e) "Equalized market values" are market values that have been equalized by dividing the assessor's estimated market value for the second year prior to that in which the aid is payable by the assessment sales ratios determined by class in the assessment sales ratio study conducted by the department of revenue pursuant to section 124.2131 in the second year prior to that in which the aid is payable. For computation of aids payable in 1989 only, if the aggregate assessment sales ratio is less than or equal to 92 percent, the assessment sales ratios by class shall be adjusted proportionally so that the aggregate ratio of the unequalized market values to the equalized market values equals 92 percent; otherwise the equalized market values shall equal the unequalized market values divided by the assessment sales ratio.

(f) "Homestead effective rate" means the product of (i) 46 percent; (ii) 2.17 percent; and (iii) the total tax capacity rate for taxes payable in 1989 within a unique taxing jurisdiction multiplied by the 1988 aggregate assessment sales ratio. A sales ratio of .92 is used if the actual sales ratio is less than .92.

(g) For purposes of calculating the *transition homestead and agricultural credit* aid authorized pursuant to subdivision 2, the "subtraction factor" is the product of (i) a unique taxing jurisdiction's homestead effective rate; (ii) its net tax capacity; and (iii) 103.

(h) For purposes of calculating and allocating *transition homestead and agricultural credit* aid authorized pursuant to subdivision 2 and the disparity reduction aid authorized in subdivision 3, "gross taxes levied on all properties" or "gross taxes" means the total gross taxes levied on all properties except that levied on the captured value of tax increment districts as defined in section 469.177, subdivision 2, and that levied on the portion of commercial industrial properties' assessed value or gross tax capacity, as defined in section 473F02, subdivision 3, subject to the areawide tax as provided in section 473F08, subdivision 6, in a unique taxing jurisdiction before

reduction by any credits for taxes payable in the year prior to that in which the aids are payable. For purposes of disparity reduction aid only, total gross taxes shall be reduced by the taxes levied for any school district referendum levies authorized pursuant to section 124A.03, subdivision 2, and any school district debt levies authorized pursuant to section 475.61. Gross taxes levied cannot be less than zero.

(i) "Income maintenance aids" means:

(1) medical assistance under sections 256B.041, subdivision 5, and 256B.19, subdivision 1;

(2) preadmission screening and alternative care grants under section 256B.091, subdivision 8;

(3) general assistance, and work readiness under section 256D.03, subdivision 2;

(4) general assistance medical care under section 256D.03, subdivision 6;

(5) aid to families with dependent children under section 256.82, subdivision 1, including emergency assistance under section 256.871, subdivision 6; and funeral expense payments under section 256.935, subdivision 1; and

(6) supplemental aid under section 256D.36, subdivision 1.

Sec. 34. Minnesota Statutes 1988, section 273.1398, subdivision 4, is amended to read:

Subd. 4. [DISPARITY REDUCTION CREDIT.] (a) Beginning with taxes payable in 1989, class 4a, class 3a, and class 3b property *qualifies for a disparity reduction credit if: (1) the property is located in a border city that has an enterprise zone designated pursuant to section 469.168, subdivision 4; (2) the property is located in cities a city with a population greater than 2,500 and less than 35,000 according to the 1980 decennial census which are; (3) the city is adjacent to cities a city in another state or immediately adjacent to a city adjacent to a city in another state qualify for disparity reduction credits, if; and (4) the adjacent city in the other state has a population of greater than 5,000 and less than 75,000.*

(b) The credit is an amount sufficient to reduce (i) the taxes levied on class 4a property to three percent of the property's market value and (ii) the tax on class 3a and class 3b property to 3.3 percent of market value.

(c) The county auditor shall annually certify the costs of the credits to the department of revenue. The department shall reimburse local governments for the property taxes foregone as the result of the credits in proportion to their total levies.

Sec. 35. Minnesota Statutes 1988, section 273.1398, subdivision 5, is amended to read:

Subd. 5. [ADDITIONAL HOMESTEAD AND AGRICULTURAL CREDIT GUARANTEE.] Beginning with taxes payable in 1990, each unique taxing jurisdiction may receive additional homestead and agricultural credit *guarantee* payments.

(1) Each year, the commissioner shall certify to the county auditor the total education aids paid under chapters 124 and 124A, ~~transition~~ *homestead and agricultural credit* aid and disparity reduction aid paid under section

273.1398, local government aid to cities, counties, and towns paid under chapter 477A, and income maintenance aid paid to counties for each taxing jurisdiction. The county auditor shall apportion each local government's aids to the unique taxing jurisdiction based upon the proportion that the unique taxing jurisdiction's tax capacity bears to the total tax capacity of the local government.

(2) Each year, the county auditor will compute a gross tax capacity rate for each taxing jurisdiction equal to its total levy divided by its gross tax capacity. For each unique taxing jurisdiction, a total gross tax capacity rate will be determined. This total gross tax capacity rate will be applied against the gross tax capacity of each property that would have been eligible for the homestead credit or the agricultural credit for taxes payable in 1989. A credit amount will be determined for each parcel based upon the credit rate structure in effect for taxes payable in 1989. The resulting credit amounts will be summed for all parcels in the unique taxing jurisdiction.

If the amount determined in clause (2) is greater than the amount determined in clause (1), the difference will be additional homestead and agricultural credit *guarantee* payments for the unique taxing jurisdiction. The additional credit amount shall proportionately reduce the tax capacity rates of all local governments levying taxes within the unique taxing jurisdiction. The county auditor shall certify the amounts of ~~the~~ additional credits determined under this ~~section~~ *subdivision* in a form prescribed by the commissioner.

Sec. 36. Minnesota Statutes 1988, section 273.1398, subdivision 6, is amended to read:

Subd. 6. [PAYMENT.] The commissioner shall certify the aids provided in subdivisions 2 and 3 before September 30 of the year preceding the distribution year to the county auditor of the affected local government and pay them and the credit reimbursements to local governments other than school districts at the times provided in section 477A.015 for payment of local government aid to taxing jurisdictions. Aids and credit reimbursements to school districts must be certified to the commissioner of education and paid under section 273.1392. Payment shall not be made to any taxing jurisdiction that has ceased to levy a property tax nor shall ~~transition~~ *homestead and agricultural credit* aid be payable on the part of a levy to which ~~transition~~ *homestead and agricultural credit* aid was separately allocated under subdivision 2, paragraph (b), clause (2), which is no longer levied.

Sec. 37. Minnesota Statutes 1988, section 275.07, subdivision 3, is amended to read:

Subd. 3. The county auditor shall adjust each local government's levy certified under subdivision 1 by the amount of ~~transition~~ *homestead and agricultural credit* aid certified by section 273.1398, subdivision 2. If a local government's ~~transition~~ *homestead and agricultural credit* aid was further allocated between portions of its levy pursuant to section 273.1398, subdivision 2, paragraph (b)(2), the levy or fund to which the ~~transition~~ *homestead and agricultural credit* aid was allocated is the levy or fund which must be adjusted.

Sec. 38. [276.131] [DISTRIBUTION OF PENALTIES, INTEREST, AND COSTS.]

The penalties, interest, and costs collected on special assessments and real and personal property taxes must be distributed as follows:

(1) all penalties and interest collected on special assessments against real or personal property must be distributed to the taxing jurisdiction that levied the assessment;

(2) 50 percent of all penalties and interest collected on real and personal property taxes must be distributed to the county in which the property is located, and the other 50 percent must be distributed to the school district in which the property is located. The distribution to the school district must be in accordance with the provisions of section 124.10; and

(3) all costs collected by the county on special assessments and on delinquent real and personal property taxes must be distributed to the county in which the property is located.

Sec. 39. Minnesota Statutes 1988, section 278.01, subdivision 1, is amended to read:

Subdivision 1. [DETERMINATION OF VALIDITY.] Any person having any estate, right, title, or interest in or lien upon any parcel of land, who claims that such property has been partially, unfairly, or unequally assessed in comparison with other property in the (1) city, or (2) county, or (3) in the case of a county containing a city of the first class, the portion of the county excluding the first class city, or that the parcel has been assessed at a valuation greater than its real or actual value, or that the tax levied against the same is illegal, in whole or in part, or has been paid, or that the property is exempt from the tax so levied, may have the validity of the claim, defense, or objection determined by the district court of the county in which the tax is levied or by the tax court by serving two copies of a petition for such determination upon the county auditor and one copy each on the county treasurer and the county attorney and filing the same, with proof of service, in the office of the court administrator of the district court before the 16th day of May of the year in which the tax becomes payable. The county auditor shall immediately forward one copy of the petition to the appropriate governmental authority in a home rule charter or statutory city or town in which the property is located if that city or town employs its own certified assessor. A copy of the petition shall also be sent to the school board of the school district in which the property is located. A petition for determination under this section may be transferred by the district court to the tax court. An appeal may also be taken to the tax court under chapter 271 at any time following receipt of the valuation notice required by section 273.121 but prior to May 16 of the year in which the taxes are payable.

Sec. 40. Minnesota Statutes 1988, section 278.03, is amended to read:

278.03 [PAYMENT OF TAX.]

If the proceedings instituted by the filing of the petition have not been completed before the 16th day of May next following the filing, the petitioner shall pay to the county treasurer 50 percent of the tax levied for such year against the property involved, unless permission to continue prosecution of the petition without such payment is obtained as herein provided. If the proceedings instituted by the filing of the petition have not been completed by the next October 16, or, in the case of class 1b agricultural homestead, class 2a agricultural homestead, and class 2e 2b(2) agricultural nonhomestead property, November 16, the petitioner shall pay to the county treasurer 50 percent of the unpaid balance of the taxes levied for the year against the property involved if the unpaid balance is \$2,000 or less and

80 percent of the unpaid balance if the unpaid balance is over \$2,000, unless permission to continue prosecution of the petition without payment is obtained as herein provided. The petitioner, upon ten days notice to the county attorney and to the county auditor, given at least ten days prior to the 16th day of May or the 16th day of October, or, in the case of class 1b agricultural homestead, class 2a agricultural homestead, and class ~~2e~~ 2b(2) agricultural nonhomestead property, the 16th day of November, may apply to the court for permission to continue prosecution of the petition without payment; and, if it is made to appear

(1) That the proposed review is to be taken in good faith;

(2) That there is probable cause to believe that the property may be held exempt from the tax levied or that the tax may be determined to be less than 50 percent of the amount levied; and

(3) That it would work a hardship upon petitioner to pay the taxes due, the court may permit the petitioner to continue prosecution of the petition without payment, or may fix a lesser amount to be paid as a condition of continuing the prosecution of the petition.

Failure to make payment of the amount required when due shall operate automatically to dismiss the petition and all proceedings thereunder unless the payment is waived by an order of the court permitting the petitioner to continue prosecution of the petition without payment. The county treasurer shall, upon request of the petitioner, issue duplicate receipts for the tax payment, one of which shall be filed by the petitioner in the proceeding.

Sec. 41. Minnesota Statutes 1988, section 278.05, subdivision 4, is amended to read:

Subd. 4. [SALES RATIO STUDIES AS EVIDENCE.] The sales ratio studies published by the department of revenue, or any part of the studies, or any copy of the studies or records accumulated to prepare the studies which is prepared by the commissioner of revenue for use in determining ~~school~~ education aids shall be admissible in evidence as a public record without the laying of a foundation if the sales prices used in the study are adjusted for the terms of the sale to reflect market value and are adjusted to reflect the difference in the date of sale compared to the assessment date. *The department of revenue sales ratio study shall be prima facie evidence of the level of assessment.* Additional evidence relevant to the sales ratio study is also admissible. No sales ratio study received into evidence shall be conclusive or binding on the court and evidence of its reliability or unreliability may be introduced by any party including, but not limited to, evidence of inadequate adjustment of sale prices for terms of financing, inadequate adjustment of sales prices to reflect the difference in the date of sale compared to the assessment date, and inadequate sample size.

No reduction in value on the grounds of discrimination shall be granted on the basis of a sales ratio study ~~published by the department of revenue~~ unless

(a) the sales prices are adjusted for the terms of the sale to reflect market value,

(b) the sales prices are adjusted to reflect the difference in the date of sale compared to the assessment date, ~~and~~

(c) there is an adequate sample size, and

(d) the median ratio of the same classification of property in the same county, city, or town as the subject property is lower than 90 percent, except that in the case of a county containing a city of the first class, the median ratio for the county shall be the ratio determined excluding sales from the first class city within the county.

If a reduction in value on the grounds of discrimination is granted based on the above criteria, the reduction shall equal the difference between 90 percent and the median ratio determined by the court.

Sec. 42. Minnesota Statutes 1988, section 278.05, subdivision 5, is amended to read:

Subd. 5. Any time after the filing of the petition and before the trial of the issues raised thereby, when the defense or claim presented is that the property has been partially, unfairly, or unequally assessed, or that the parcel has been assessed at a valuation greater than its real or actual value, or that a parcel which is classified as homestead under the provisions of section 273.13, subdivision 22 or 23, has been assessed at a valuation which exceeds by ten percent or more the valuation which the parcel would have if it were valued at the average assessment/sales ratio for real property in the same class in that portion of the county in which the parcel is located, for which the commissioner is able to establish and publish a sales ratio study, the attorney representing the state, county, city or town in the proceedings may serve on the petitioner, or the petitioner's attorney, and file with the court administrator of the district court, an offer to reduce the valuation of any tract or tracts to a valuation set forth in the offer. If, within ten days thereafter, the petitioner, or the attorney, gives notice in writing to the county attorney, or the attorney for the city or town, that the offer is accepted, the official notified may file the offer with proof of notice, and the court administrator shall enter judgment accordingly. Otherwise, the offer shall be deemed withdrawn and evidence thereof shall not be given; and, unless a lower valuation than specified in the offer is found by the court, no costs or disbursements shall be allowed to the petitioner, but the costs and disbursements of the state, county, city or town, including interest at six percent on the tax based on the amount of the offer from and after the 16th day of October, or, in the case of class 1b agricultural homestead, class 2a agricultural homestead, and class ~~2e~~ 2b(2) agricultural nonhomestead property, the 16th day of November, of the year the taxes are payable, shall be taxed in its favor and included in the judgment and when collected shall be credited to the county revenue fund, unless the taxes were paid in full before the 16th day of October, or, in the case of class 1b agricultural homestead, class 2a agricultural homestead, and class ~~2e~~ 2b(2) agricultural nonhomestead property, the 16th day of November, of the year in which the taxes were payable, in which event interest shall not be taxable.

Sec. 43. Minnesota Statutes 1988, section 279.01, subdivision 1, is amended to read:

Subdivision 1. Except as provided in subdivision 3, on May 16, of each year, with respect to property actually occupied and used as a homestead by the owner of the property, a penalty of three percent shall accrue and thereafter be charged upon all unpaid taxes on real estate on the current lists in the hands of the county treasurer, and a penalty of seven percent on nonhomestead property, except that this penalty shall not accrue until

June 1 of each year on commercial use real property used for seasonal residential recreational purposes and classified as class ~~4d~~ /c or 4c, and on other commercial use real property classified as class 3a, provided that over 60 percent of the gross income earned by the enterprise on the class 3a property is earned during the months of May, June, July, and August. Any property owner of such class 3a property who pays the first half of the tax due on the property after May 15 and before June 1 shall attach an affidavit to the payment attesting to compliance with the income provision of this subdivision. Thereafter, for both homestead and nonhomestead property, on the first day of each month, up to and including October 1 following, an additional penalty of one percent for each month shall accrue and be charged on all such unpaid taxes. When the taxes against any tract or lot exceed \$50, one-half thereof may be paid prior to May 16; and, if so paid, no penalty shall attach; the remaining one-half shall be paid at any time prior to October 16 following, without penalty; but, if not so paid, then a penalty of four percent shall accrue thereon for homestead property and a penalty of four percent on nonhomestead property. Thereafter, for homestead property, on the first day of November and December following, an additional penalty of two percent for each month shall accrue and be charged on all such unpaid taxes. Thereafter, for nonhomestead property, on the first day of November and December following, an additional penalty of four percent for each month shall accrue and be charged on all such unpaid taxes. If one-half of such taxes shall not be paid prior to May 16, the same may be paid at any time prior to October 16, with accrued penalties to the date of payment added, and thereupon no penalty shall attach to the remaining one-half until October 16 following.

A county may provide by resolution that in the case of a property owner that has multiple tracts or parcels with aggregate taxes exceeding \$50, payments may be made in installments as provided in this subdivision.

The county treasurer may accept payments of more or less than the exact amount of a tax installment due. If the accepted payment is less than the amount due, payments must be applied first to the penalty accrued for the year the payment is made. Acceptance of partial payment of tax does not constitute a waiver of the minimum payment required as a condition for filing an appeal under section 278.03 or any other law, nor does it affect the order of payment of delinquent taxes under section 280.39.

Sec. 44. Minnesota Statutes 1988, section 279.01, subdivision 3, is amended to read:

Subd. 3. In the case of class 1b agricultural homestead, class 2a agricultural homestead property, and class ~~2e~~ 2b(2) agricultural nonhomestead property, no penalties shall attach to the second one-half property tax payment as provided in this section if paid by November 15. Thereafter for class 1b agricultural homestead and class 2a homestead property, on November 16 following, a penalty of six percent shall accrue and be charged on all such unpaid taxes and on December 1 following, an additional two percent shall be charged on all such unpaid taxes. Thereafter for class ~~2e~~ 2b(2) agricultural nonhomestead property, on November 16 following, a penalty of eight percent shall accrue and be charged on all such unpaid taxes and on December 1 following, an additional four percent shall be charged on all such unpaid taxes.

If the owner of class 1b agricultural homestead, class 2a, or class ~~2e~~ 2b(2) agricultural property receives a consolidated property tax statement

that shows only an aggregate of the taxes and special assessments due on that property and on other property not classified as class 1b agricultural homestead, class 2a, or class ~~2e 2b(2)~~ agricultural property, the aggregate tax and special assessments shown due on the property by the consolidated statement will be due on November 15 provided that at least 50 percent of the property's market value is classified class 1b agricultural, class 2a, or class ~~2e 2b(2)~~ agricultural.

Sec. 45. Minnesota Statutes 1988, section 279.37, subdivision 7, is amended to read:

Subd. 7. The county auditor's statement and county treasurer's receipt issued for payment of a deferred installment, as herein provided for, shall not read for any specific year's taxes, but shall read for partial or full release of judgment, as the case may be, and shall show the year that such judgment was entered. In distributing the taxes collected in this manner, the county auditor shall apply the same in the inverse order to that in which such taxes were levied. All penalties and interest collected under the provisions of this section shall be apportioned by the county auditor in accordance with ~~Minnesota Statutes 1941, sections 276.13 and 276.14~~ *section 276.131*. A duplicate treasurer's receipt for payment of a deferred installment, as hereinafter provided, shall be delivered to the court administrator of the district court, and the court administrator of the district court shall credit the amount so paid upon the judgment entered.

Sec. 46. Minnesota Statutes 1988, section 290A.03, subdivision 12, is amended to read:

Subd. 12. [GROSS RENT.] "Gross rent" means rental paid for the right of occupancy, at arms-length, of a homestead, exclusive of charges for any medical services furnished by the landlord as a part of the rental agreement, whether expressly set out in the rental agreement or not. If the landlord and tenant have not dealt with each other at arms-length and the commissioner determines that the gross rent charged was excessive, the commissioner may adjust the gross rent to a reasonable amount for purposes of this chapter.

Any amount paid by a claimant residing in property assessed pursuant to section ~~273.13~~ *273.124*, subdivision 3, 4, 5, or 6 for occupancy in that property shall be excluded from gross rent for purposes of this chapter. However, property taxes imputed to the homestead of the claimant or the dwelling unit occupied by the claimant that qualifies for homestead treatment pursuant to section ~~273.13~~ *273.124*, subdivision 3, 4, 5, or 6 shall be included within the term "property taxes payable" as defined in subdivision 13, notwithstanding the fact that ownership is not in the name of the claimant.

Sec. 47. Minnesota Statutes 1988, section 298.28, subdivision 3, is amended to read:

Subd. 3. [CITIES; TOWNS.] (a) 12.5 cents per taxable ton, less any amount distributed under subdivision 8, and paragraph (b), must be allocated to the taconite municipal aid account to be distributed as provided in section 298.282.

(b) An amount must be allocated to towns or cities that is 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.

(c) The amount allocated under paragraph (b) 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 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), provided that the amount distributed shall not exceed \$55 per capita in the case of a township or \$75 per capita in the case of a city. For purposes of this limitation, population will be determined according to the 1980 decennial census conducted by the United States Bureau of the Census. ~~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 paragraph shall not apply. *For purposes of this paragraph, "assessed value," when used in reference to years other than 1980 or 1982, means, for distributions for production year 1989, production taxes payable in 1990, the appropriate gross tax capacities multiplied by 8.2 and for distributions for production year 1990 and thereafter, production taxes payable in 1991 and thereafter, the appropriate net tax capacities multiplied by 10.2.*

Sec. 48. [365B.01] [TOWNS; SUBORDINATE SERVICE DISTRICTS; PURPOSE.]

It is the purpose of sections 48 to 57 to provide a means by which a town as a unit of general local government can effectively provide and finance various governmental services for its residents.

Sec. 49. [365B.02] [DEFINITION.]

"Subordinate service district" means a defined area within the town in which one or more governmental services or additions to townwide services are provided by the town specially for the area and financed from revenues from the area. The boundaries of a single subordinate service district may not embrace an entire town.

Sec. 50. [365B.03] [ESTABLISHMENT OF SERVICE DISTRICT.]

Notwithstanding any provision of law requiring uniform property tax rates on real or personal property within the town, a town may establish subordinate service districts to provide and finance a governmental service or function that it is otherwise authorized to undertake. A function or service to be provided may include a function or service that the town ordinarily provides throughout the town only to the extent that there is an increase in the level of the function or service provided in the service district over that provided throughout the town.

Sec. 51. [365B.04] [CREATION BY PETITION.]

Subdivision 1. [PETITION.] A petition signed by at least 50 percent of the property owners in the part of the town proposed for the subordinate

service district may be submitted to the town board requesting the establishment of a subordinate service district to provide a service that the town is otherwise authorized by law to provide. The petition must include the territorial boundaries of the proposed district and specify the kinds of services to be provided within the district.

Subd. 2. [PUBLIC HEARING.] Upon receipt of the petition, and the verification of the signatures by the town clerk, the town board shall, within 30 days following verification, hold a public hearing on the question of whether or not the requested district shall be established.

Subd. 3. [APPROVAL; DISAPPROVAL.] Within 30 days after the public hearing, the town board by resolution shall approve or disapprove the establishment of the requested district. A resolution approving the establishment of the district may contain amendments or modifications of the district's boundaries or functions as set forth in the petition.

Sec. 52. [365B.05] [PUBLICATION AND EFFECTIVE DATE.]

Within 20 days after passage of a resolution authorizing the establishment of a subordinate service district, the town board shall have the resolution published once in a qualified newspaper of general circulation within the town. The resolution must include a general description of the territory to be included within the district, the kind of service to be provided, and a statement of how the service will be financed. A notice must also be mailed to the owner of each parcel within the area proposed to be included in the district. The notice shall be sent to the same address as on the property tax statement. The district shall begin 60 days after publication or at a later date specified in the resolution.

Sec. 53. [365B.06] [REVERSE REFERENDUM.]

Subdivision 1. [PETITION.] Upon receipt of a petition signed by at least 25 percent of the property owners within the territory of the proposed district, before the effective date of its establishment as specified in section 52, the establishment shall be in abeyance pending referendum vote within the boundaries of the proposed district.

Subd. 2. [ELECTION.] The town board shall hold a special election within the boundaries of the proposed district not less than 30 nor more than 90 days after receipt of the petition. The question submitted and voted upon by the property owners within the territory of the proposed district must be phrased substantially as follows:

"Shall a subordinate service district be established to provide (service or services to be provided) financed by (revenue sources)?"

If a majority of those voting on the question favor creation of the district, the district shall begin upon certification of the vote by the town clerk. The town clerk shall administer the election.

Sec. 54. [365B.07] [EXPANSION OF BOUNDARIES OF A DISTRICT.]

The town board, upon petition, may enlarge any existing subordinate service district under the procedures specified in sections 50 to 53. Only property owners residing in territory to be added to the district shall be eligible to participate in an election, unless at least 25 percent of the property owners residing in the existing district petition to participate, in which case all property owners residing in the proposed enlarged district shall be eligible.

Sec. 55. [365B.08] [FINANCING.]

Upon adoption of the next annual budget following the creation of a subordinate service district the town board shall include in the budget appropriate provisions for the operation of the district including either a property tax levied only on property of the users of the service within the boundaries of the district or a levy of a service charge against the users of the service within the district, or a combination of a property tax and a service charge on the users of the service.

A tax or service charge or a combination of them may be imposed to finance a function or service in the district that the town ordinarily provides throughout the town only to the extent that there is an increase in the level of the function or service provided in the service district over that provided throughout the town. In that case, in addition to the townwide tax levy, an amount necessary to pay for the increase in the level of the function or service may be imposed in the district.

Sec. 56. [365B.09] [WITHDRAWAL; ELECTION.]

Upon receipt of a petition signed by at least 50 percent of the property owners in the territory of the subordinate service district requesting the removal of the district, the town board shall hold a special election within the service district not less than 30 nor more than 90 days after the resolution or receipt of the petition. The question to be submitted and voted upon by the property owners in the district shall be phrased substantially as follows:

“Shall the subordinate service district presently established be removed and the service or services of the town as provided for the service district be discontinued?”

If a majority of those voting on the question favor the removal and discontinuance of the services, the service district shall be removed and the services shall be discontinued upon certification of the vote by the town clerk. The town clerk shall administer the election.

Sec. 57. [365B.10] [COORDINATION OF DISTRICTS.]

If a county establishes a subordinate service district in part of a town under enabling law for counties, a town may not establish a subordinate service district to provide the same service in the part of the town served by the county. If a town establishes a subordinate service district in part of the town under this chapter or other law, a county may not establish a subordinate service district to provide the same service in the part of the town served by the town.

Sec. 58. Minnesota Statutes 1988, section 375.192, subdivision 2, is amended to read:

Subd. 2. Notwithstanding section 270.07, upon written application by the owner of the property, if the application seeks a reduction in estimated market value not in excess of ~~\$2,000~~ \$10,000, the county board may grant the reduction or abatement of estimated market valuation or taxes and of any costs, penalties or interest on them as the board deems just and equitable and order the refund in whole or part of any taxes, costs, penalties or interest which have been erroneously or unjustly paid. The application must be approved by the county assessor, or, if the property is located in a city of the first or second class having a city assessor, by the city assessor, and

by the county auditor before consideration by the county board. The methods of obtaining a reduction or abatement of ad valorem values contained in subdivisions 1 and 2 are in addition to the method provided in section 270.07.

Sec. 59. Minnesota Statutes 1988, section 459.14, is amended by adding a subdivision to read:

Subd. 8. [PROPERTY EXEMPT FROM TAXATION.] Any real or personal property owned, leased, maintained, or operated as a municipal parking facility under this section is owned, leased, maintained, or operated for essential public and governmental purposes, and is exempt from all ad valorem taxes levied by the state or a political subdivision of the state.

Sec. 60. Minnesota Statutes 1988, section 469.012, is amended by adding a subdivision to read:

Subd. 12. [PARKING FACILITIES.] An authority may operate and maintain public parking facilities in connection with any of its projects.

Sec. 61. Minnesota Statutes 1988, section 469.040, subdivision 2, is amended to read:

Subd. 2. [LEASED PROPERTY, EXCEPTION.] Notwithstanding the provisions of subdivision 1, any property other than property to be operated as a parking facility that the authority leases to private individuals or corporations for development in connection with a redevelopment project shall have the same tax status as if the leased property were owned by the private individuals or corporations.

Sec. 62. Minnesota Statutes 1988, section 469.174, subdivision 8, is amended to read:

Subd. 8. [PROJECT.] "Project" means a project as described in section 469.142; an industrial development district as described in section 469.058, subdivision 1; an economic development district as described in section 469.101, subdivision 1; a project as defined in section 469.002, subdivision 12; a development district as defined in section 469.125, subdivision 8 9, or any special law; or a project as defined in section 469.153, subdivision 2, paragraph (a), (b), or (c).

Sec. 63. Minnesota Statutes 1988, section 469.175, subdivision 7, is amended to read:

Subd. 7. [CREATION OF HAZARDOUS SUBSTANCE SUBDISTRICT; RESPONSE ACTIONS.] (a) A municipality or authority which is creating or has created a tax increment financing district may establish within the district a hazardous substance subdistrict upon the notice and after the discussion, public hearing, and findings required for approval of the original plan. The geographic area of the subdistrict is made up of any parcels in the district designated for inclusion by the municipality or authority that are designated hazardous substance sites, and any additional parcels in the district designated for inclusion that are contiguous to the hazardous substances sites except for the interposition of a right-of-way. Before or at the time of approval of the tax increment financing plan, the municipality must make the findings under paragraphs (b) to (d), and set forth in writing the reasons and supporting facts for each.

(b) Development or redevelopment of the site, in the opinion of the

municipality, would not reasonably be expected to occur solely through private investment and tax increment otherwise available, and therefore the hazardous substance district is deemed necessary.

(c) Other parcels that are not designated hazardous substance sites are expected to be developed together with a designated hazardous substance site.

(d) The subdistrict is not larger than, and the period of time during which increments are elected to be received is not longer than, that which is necessary in the opinion of the municipality to provide for the additional costs due to the designated hazardous substance site.

(e) Upon request by a municipality or authority that has incurred expenses for removal or remedial actions to implement a development response action plan, the attorney general may:

(1) bring a civil action on behalf of the municipality or authority to recover the expenses, including administrative costs and litigation expenses, under section 115B.04 or other law; or

(2) assist the municipality or agency in bringing an action as described in clause (1), by providing legal and technical advice, intervening in the action, or other appropriate assistance.

The decision to participate in any action to recover expenses is at the discretion of the attorney general.

(f) If the attorney general brings an action as provided in paragraph (e), clause (1), the municipality or authority shall certify its reasonable and necessary expenses incurred to implement the development response action plan and shall cooperate with the attorney general as required to effectively pursue the action. The certification by the municipality or authority is prima facie evidence that the expenses are reasonable and necessary. The attorney general may deduct litigation expenses incurred by the attorney general from any amounts recovered in an action brought under paragraph (e), clause (1). The municipality or authority shall reimburse the attorney general for litigation expenses not recovered in an action under paragraph (e), clause (1), and for litigation expenses incurred to assist in bringing an action under paragraph (e), clause ~~(1)~~ (2). All money recovered or paid to the attorney general for litigation expenses under this paragraph shall be paid to the general fund of the state for deposit to the account of the attorney general. For the purposes of this section, "litigation expenses" means attorney fees and costs of discovery and other preparation for litigation.

(g) The municipality or authority shall reimburse the pollution control agency for its administrative expenses incurred to review and approve a development action response plan and associated activities, and for expenses incurred for any services rendered to the attorney general to support the attorney general in actions brought or assistance provided under paragraph (e). All money paid to the pollution control agency under this paragraph shall be deposited in the environmental response, compensation and compliance fund.

(h) Actions taken by a municipality or authority consistent with a development response action plan are deemed to be authorized response actions for the purpose of section 115B.17, subdivision 12. A municipality or agency that takes actions consistent with a development response action

plan qualifies for the defenses available under sections 115B.04, subdivision 11, and 115B.05, subdivision 9.

(i) All money recovered by a municipality or authority in an action brought under paragraph (e) in excess of the amounts paid to the attorney general and the pollution control agency must be treated as excess increments and be distributed as provided in section 469.176, subdivision 2, clause (4), to the extent the removal and remedial actions were initially financed with increment revenues.

Sec. 64. Minnesota Statutes 1988, section 469.176, subdivision 4c, is amended to read:

Subd. 4c. [ECONOMIC DEVELOPMENT DISTRICTS.] Revenue derived from tax increment from an economic development district may not be used to provide improvements, loans, subsidies, grants, interest rate subsidies, or assistance in any form to developments consisting of buildings and ancillary facilities, if *at least* 25 percent of the buildings and facilities (determined on the basis of square footage) are used for the purposes listed in section 144(a)(8) of the Internal Revenue Code of 1986 (determined without regard to the 25 percent restriction in subparagraph (A)). The restrictions under this paragraph apply only to districts located in development regions, as defined in section 462.384, with populations in excess of 1,000,000. Population must be determined under the provisions of section 477A.011.

Sec. 65. Minnesota Statutes 1988, section 475.53, subdivision 4, is amended to read:

Subd. 4. [SCHOOL DISTRICTS.] Except as otherwise provided by law, no school district shall be subject to a net debt in excess of ten percent of the actual market value of all taxable property situated within its corporate limits, as computed in accordance with this subdivision. The county auditor of each county containing taxable real or personal property situated within any school district shall certify to the district upon request the market value of all such property. ~~The commissioner of revenue shall certify to the district upon request the market value of railroad property within the district as most recently determined under section 270.87.~~ Whenever the commissioner of revenue, in accordance with section 124.2131, subdivision 1, has determined that the gross tax capacity of any district furnished by county auditors is not based upon the market value of taxable property in the district, the commissioner of revenue shall certify to the district upon request the ratio most recently ascertained to exist between such value and the actual market value of property within the district. The actual market value of property within a district, on which its debt limit under this subdivision is based, is (a) the value certified by the county auditors ~~and, where applicable, by the commissioner of revenue under section 270.87,~~ or (b) this value divided by the ratio certified by the commissioner of revenue, whichever results in a higher value.

Sec. 66. Minnesota Statutes 1988, section 477A.011, subdivision 15, is amended to read:

Subd. 15. [CITY REVENUE.] "City revenue" equals the sum of (i) the city's aid payable under section 477A.013, in the year prior to that for which aids are being calculated, and (ii) its levy for taxes payable in the year prior to that for which aids are being calculated; ~~and (iii) for aids payable in 1991 and subsequent years, the city's transition aid payable under section~~

~~273.1398, subdivision 2, in the year prior to that for which aids are being calculated.~~

Sec. 67. Minnesota Statutes 1988, section 477A.013, subdivision 1, is amended to read:

Subdivision 1. [TOWNS.] In calendar year 1988, each town which had levied for taxes payable in the previous year at least one mill on the dollar of the assessed value of the town shall receive a distribution equal to the greater of: (a) 60 percent of the amount received in 1983 pursuant to Minnesota Statutes 1982, sections 273.138, 273.139, and 477A.011 to 477A.03; or (b) the amount certified in 1987 pursuant to sections 477A.011 to 477A.03. In calendar year 1989, each town that had levied for taxes payable in 1988 at least one mill on the dollar of the assessed value of the town shall receive a distribution equal to 106 percent of the distribution received under Minnesota Statutes 1987 Supplement, section 477A.013, subdivision 1, in 1988. In calendar year 1990 and subsequent years, each town that had levied for taxes payable in the prior year a tax capacity rate of at least ~~0.125~~ .008 shall receive a distribution equal to the amount received in 1989 under this subdivision.

Sec. 68. Laws 1988, chapter 719, article 8, section 37, is amended to read:

Sec. 37. [EFFECTIVE DATE.]

The part of section 31 that strikes a part of paragraph (c) is effective June 1, 1990. Section 32 ~~is, and the part of section 36 that provides approval of 25 additional positions in the department of human services for food stamp quality control, are~~ effective June 1, 1989. Except as provided in section 34, the rest of this article is effective January 1, 1990.

Sec. 69. Laws 1988, chapter 719, article 12, section 29, is amended to read:

Sec. 29. [TRANSITION RULES.]

(a) The provisions of sections 3, 6, 10, and ~~44 16~~ do not apply to proposed tax increment financing districts for which the authority called for a public hearing in a resolution dated March 23, 1987, and for which a public hearing was held on April 28, 1987. The provisions of Minnesota Statutes 1987 Supplement, sections 469.174, subdivision 10, and 469.176, subdivision 4, apply to such districts.

(b) The provisions of sections 3, 6, 10, and ~~44 16~~ do not apply to candidate sites in the ~~old highway 8 corridor tax increment project area,~~ identified in the old highway 8 corridor plan as approved by an authority on October 14, 1986, if the requests for certification of the districts are filed with the county before January 1, 1998. The provisions of Minnesota Statutes 1987 Supplement, sections 469.174, subdivision 10, and 469.176, subdivision 4, apply to such districts.

(c) The provisions of section ~~44 16~~, subdivision 4c, do not apply to an economic development district located in a development district approved on November 9, 1987, provided the request for certification of the tax increment district is submitted to the county by September 30, 1988.

Sec. 70. [SPECIAL SERVICES DEFINED.]

For purposes of sections 70 and 71, "special services" means all services rendered or contracted for by the city of Mankato, including but not limited

to:

(1) the repair, maintenance, operation, and construction of any improvement authorized by Minnesota Statutes, section 429.021;

(2) parking services rendered or contracted for by the city; and

(3) any other service provided to the public by the city that is authorized by law or charter.

Sec. 71. [CITY OF MANKATO; ESTABLISHMENT OF SPECIAL SERVICES DISTRICT.]

The governing body of the city of Mankato may adopt an ordinance establishing a special service district. The provisions of Minnesota Statutes, chapter 428A govern the establishment and operation of special service districts in the city.

Sec. 72. [LOCAL APPROVAL.]

Sections 70 and 71 are effective the day after compliance with Minnesota Statutes, section 645.021, subdivision 3, by the governing body of the city of Mankato.

Sec. 73. [SPECIAL SERVICES DEFINED.]

For purposes of sections 73 to 75, "special services" means all services rendered or contracted for by the city of Hopkins, including, but not limited to:

(1) the repair, maintenance, operation, and construction of any improvement authorized by Minnesota Statutes, section 429.021;

(2) parking services rendered or contracted for by the city; and

(3) any other service provided to the public by the city that is authorized by law or charter.

Sec. 74. [CITY OF HOPKINS; ESTABLISHMENT OF SPECIAL SERVICE DISTRICT.]

The governing body of the city of Hopkins may adopt an ordinance establishing a special service district. The provisions of Minnesota Statutes, chapter 428A govern the establishment and operation of special service districts in the city.

Sec. 75. [LOCAL APPROVAL.]

Sections 73 and 74 are effective the day following compliance with Minnesota Statutes, section 645.021, subdivision 3, by the governing body of the city of Hopkins.

Sec. 76. Laws 1988, chapter 719, article 7, section 9, is amended to read:

Sec. 9. [COUNTY ASSESSORS; SENIOR ACCREDITATION.]

Notwithstanding Minnesota Statutes, section 273.061, the commissioner of revenue's approval on January 1, 1989, of appointments of assessors who are not senior accredited on January 1, 1989, shall be for a term of ~~one~~ *three* years. A county assessor appointed for a ~~one-year~~ *three-year* term must reapply to the commissioner by January 1, ~~1990~~ *1992*, to obtain the approval of the commissioner for the remainder of the four-year term.

Sec. 77. [REPEALER.]

(a) *Minnesota Statutes 1988, sections 38.17; 38.27, subdivision 3; and 38.28 are repealed.*

(b) *Minnesota Statutes 1988, sections 276.13 and 276.14, are repealed.*

(c) *Laws 1988, chapter 719, article 8, section 35, is repealed.*

(d) *Minnesota Statutes 1988, sections 275.57 and 275.58, subdivision 4, are repealed.*

Sec. 78. [EFFECTIVE DATE.]

Sections 1, 34, 40, 42 to 44, and 77, paragraphs (a) and (d), are effective for taxes levied in 1988, payable in 1989, and thereafter except as provided in those sections. Sections 5 to 7 are effective January 1, 1989. Sections 8 to 11 are effective January 1, 1989, for property assessed in 1989, payable in 1990, and thereafter. Sections 12, 13, 17, 18, 21, 28, 38, 45, 63, 65, 66, and 77, paragraph (b), are effective the day following final enactment.

Section 15 is effective the day following final enactment except the amendments to the transitional housing exemption in clause (19) are effective for taxes levied in 1989, payable in 1990, and thereafter.

Notwithstanding the May 1 application date in Minnesota Statutes, section 273.111, subdivision 8, section 19 is effective for the 1989 assessment, payable in 1990, and thereafter.

Section 20 is effective for taxes levied in 1989, payable in 1990, and thereafter. Notwithstanding Minnesota Statutes, section 273.112, subdivision 6, in order to qualify for valuation under Minnesota Statutes, section 273.112, for the 1989 assessment, the taxpayer of the property operated by private clubs under Minnesota Statutes, section 273.112, subdivision 3, clause (c)(3), must submit an affidavit or other written verification to the assessor by August 1, 1989, showing that the bylaws in rules and regulations of the private club meet the eligibility requirements of section 20 by August 1, 1989.

Sections 30 and 31 are effective for taxes payable in 1989 only. Sections 39 and 41 are effective for appeals filed after the date of enactment. Section 47 is effective for distributions for production year 1989, production taxes payable in 1990, and thereafter. Section 58 is effective July 1, 1989. Section 64 is effective as provided in Laws 1988, chapter 719, article 12, section 30, as amended in Laws 1989, chapter 1, section 11. Section 67 is effective for distributions in calendar year 1990 and thereafter. Section 68 is effective June 1, 1989. Section 69 is effective May 8, 1988.

Section 77, paragraph (c), is effective for fiscal year 1989. Sections 3, 4, 14, 22, 24 to 27, 29, 33, 35 to 37, and 59 to 61 are effective for taxes levied in 1989, payable in 1990, and thereafter.

ARTICLE 3

SPECIAL TAXES

Section 1. Minnesota Statutes 1988, section 297.01, subdivision 13, is amended to read:

Subd. 13. "Stamp" means the adhesive stamp supplied by the revenue commissioner ~~or the imprint made by a tax meter machine authorized by the commissioner.~~

Sec. 2. Minnesota Statutes 1988, section 297.01, is amended by adding a subdivision to read:

Subd. 16. "Licensing period" means a two-year period during which licenses are issued. A licensing period begins on January 1 of each even-numbered year and ends on December 31 of the following odd-numbered year.

Sec. 3. Minnesota Statutes 1988, section 297.03, subdivision 6, is amended to read:

Subd. 6. [TAX METER MACHINES; STAMPING MACHINES.] (a) Before ~~January~~ July 1, 1990, the commissioner may authorize any person licensed as a distributor to stamp packages with a tax meter machine, approved by the commissioner, which shall be provided by the distributor. The commissioner may provide for the use of such a machine by the distributor, supervise and check its operation, provide for the payment of the tax on any package so stamped, subject to the discount provided in subdivision 5. ~~Except as provided in paragraph (d), the commissioner may require the furnishing of a corporate surety bond, check guarantee bond, or certified check in a suitable amount to guarantee the payment of the tax.~~

(b) ~~Before January 1, 1990, the commissioner may authorize, and After December 31, 1989~~ June 30, 1990, the commissioner shall require any person licensed as a distributor ~~whose stamp meter machine is no longer operational~~ to stamp packages with a heat-applied tax stamping machine, approved by the commissioner, which shall be provided by the distributor. The commissioner shall supervise and check the operation of the machines and shall provide for the payment of the tax on any package so stamped, subject to the discount provided in subdivision 5. The commissioner may sell heat-applied stamps on a credit basis under conditions prescribed by the commissioner. ~~Except as provided in paragraph (d), the commissioner may require the furnishing of a corporate surety bond, check guarantee bond, or certified check in an amount suitable to guarantee payment of the tax stamps so purchased by a distributor.~~ The stamps shall be sold by the commissioner at a price which includes the tax after giving effect to the discount provided in subdivision 5. The commissioner shall recover the actual costs of the stamps from the distributor.

(c) If the commissioner finds that a stamping machine is not ~~printing or~~ affixing a legible stamp on the package, the commissioner may order the distributor to immediately cease the stamping process until the machine is functioning properly.

(d) ~~Every prior continuous compliance taxpayer is exempt from all requirements under this chapter concerning the furnishing of a bond. This exemption continues for the taxpayer until the commissioner determines that the taxpayer (1) is delinquent in the filing of any return, or (2) is delinquent or deficient in the payment of any uncontested tax liability under this chapter. At that time that taxpayer is subject to the bond requirements of this chapter and, as a condition of being allowed to continue to engage in the business licensed under this chapter, is required to furnish bond to the commissioner as provided in this chapter. The taxpayer shall furnish the bond for a period of two years, after which, if the taxpayer has not been delinquent in the filing of any returns, or delinquent or deficient in the paying of any tax under this chapter, the commissioner may reinstate the person as a prior continuous compliance taxpayer. A taxpayer who fails~~

to pay an uncontested tax liability under this chapter may be required to post bond or other acceptable security with the commissioner guaranteeing the payment of the uncontested tax liability. The commissioner shall annually establish the maximum amount of heat applied stamps or meter units that may be purchased each month. Notwithstanding any other provisions of this chapter, the tax due on the return will be based upon actual heat applied stamps or meter units purchased during the reporting period.

Sec. 4. Minnesota Statutes 1988, section 297.04, subdivision 4, is amended to read:

Subd. 4. [DISTRIBUTOR'S APPLICATION; FEE; BOND; CERTIFIED CHECK; SUBJOBBER'S LICENSE.] (a) ~~Except as otherwise provided in paragraph (b),~~ Each application for a distributor's license shall be accompanied by a fee of \$150 and a corporate surety bond issued by a surety licensed to do business in this state in the sum of \$1,000, conditioned upon the true and faithful compliance by the licensee with all of the provisions of this act. ~~This bond, or a reissue thereof, or a substitute therefor, shall be kept in full force and effect during the entire period covered by the license \$300.~~ A separate application for license shall be made for each place of business at which a distributor proposes to engage in business as such under sections 297.01 to 297.13, provided that a separate application for a subjobber's license may be made by a licensed distributor for each place of business (other than that licensed in the distributor's license) to which the distributor delivers and from which the distributor sells or distributes stamped cigarettes.

Each application for a subjobber's license shall be accompanied by a fee of ~~\$12~~ \$24.

A distributor or subjobber applying for a license ~~between July 1 and December 31~~ during the second year of any year a two-year licensing period shall be required to pay only one-half of the license fee provided for herein.

~~(b) In lieu of the bond required in paragraph (a), a certified check made payable to the commissioner may be filed with the commissioner. The department of revenue shall not pay interest on funds encumbered by the check.~~

Sec. 5. Minnesota Statutes 1988, section 297.04, subdivision 5, is amended to read:

Subd. 5. [ISSUANCE.] The commissioner, upon receipt of the application and bond in proper form, and payment of the license fee required by subdivision 4, shall, unless otherwise provided by sections 297.01 to 297.13, issue the applicant a license in form as prescribed by the commissioner, which said license shall permit the applicant to whom it is issued to engage in business as a distributor or subjobber at the place of business shown in the application.

Sec. 6. Minnesota Statutes 1988, section 297.04, subdivision 6, is amended to read:

Subd. 6. [EXPIRATION.] Each license issued shall expire on December 31 ~~following its date of issue~~ the second year of the licensing period unless sooner revoked by the commissioner or unless the business with respect to which the license was issued is transferred. In either case the holder of the license shall immediately surrender it to the commissioner.

Sec. 7. Minnesota Statutes 1988, section 297.041, subdivision 1, is amended to read:

Subdivision 1. [WHOLESALEERS.] Any wholesaler ~~who furnishes a surety bond in a sum satisfactory to the commissioner~~ shall be permitted to set aside, without affixing the stamps required by this chapter, that part of the wholesaler's stock necessary for the conduct of business in making sales to the established governing body of any Indian tribe recognized by the United States Department of Interior. The unstamped stock shall be kept separate and apart from stamped stock. Every wholesaler shall, at the time of shipping or delivering any of the unstamped stock to an Indian tribal organization, make a true duplicate invoice which shall show the complete details of the sale or delivery and shall transmit the duplicate to the commissioner not later than the 18th day of the following calendar month. Failure to comply with the requirements of this section shall cause the commissioner to revoke the permission granted to the wholesaler to maintain a stock of goods which may be unstamped.

Sec. 8. Minnesota Statutes 1988, section 297.08, subdivision 1, is amended to read:

Subdivision 1. [CONTRABAND DEFINED.] The following are declared to be contraband:

(1) All packages which do not have stamps affixed to them as provided in sections 297.01 to 297.13 and all devices for the vending of cigarettes in which such unstamped packages are found, including all contents contained within the devices.

(2) Any device for the vending of cigarettes and all packages of cigarettes contained therein, where the device does not afford at least partial visibility of contents. Where any package exposed to view does not carry the stamp ~~or imprint~~ required by sections 297.01 to 297.13, it shall be presumed that all packages contained in the device are unstamped and contraband.

(3) Any device for the vending of cigarettes to which the commissioner or authorized agents have been denied access for the inspection of contents. In lieu of seizure, the commissioner or an agent may seal the device to prevent its use until inspection of contents is permitted.

(4) Any device for the vending of cigarettes which does not carry the name and address of the owner, plainly marked and visible from the front of the machine.

(5) Any device including, but not limited to, motor vehicles, trailers, snowmobiles, airplanes, and boats used with the knowledge of the owner or of a person operating with the consent of the owner for the storage or transportation of more than 5,000 cigarettes which are contraband under this subdivision. When cigarettes are being transported in the course of interstate commerce, or are in movement from either a public warehouse to a distributor upon orders from a manufacturer or distributor, or from one distributor to another, the cigarettes are not contraband, notwithstanding the provisions of clause (1).

Sec. 9. Minnesota Statutes 1988, section 297.31, is amended by adding a subdivision to read:

Subd. 17. "Licensing period" means a two-year period during which licenses are issued. A licensing period begins on January 1 of each even-numbered year and ends on December 31 of the following odd-numbered

year.

Sec. 10. Minnesota Statutes 1988, section 297.33, subdivision 4, is amended to read:

Subd. 4. ~~(a) Except as otherwise provided in paragraph (b), Each application for a distributor's license shall be accompanied by a fee of \$37.50 \$75. The application shall also be accompanied by a corporate surety bond issued by a surety licensed to do business in this state, in the sum of \$1,000, conditioned upon the true and faithful compliance by the distributor with all the provisions of sections 297.31 to 297.39 and the payment when due of all taxes, penalties, and accrued interest arising in the ordinary course of business or by reason of any delinquent money which may be due the state of Minnesota. This bond shall be in a form to be fixed by the commissioner and approved by the attorney general. Whenever it is the opinion of the commissioner that the bond given by a licensee is inadequate in amount to fully protect the state, the commissioner shall require either an increase in the amount of said bond or additional bond, in such amount as the commissioner deems sufficient. Any bond required by this subdivision, or a reissue thereof, or a substitute therefor, shall be kept in full force and effect during the entire period covered by the license.~~

A separate application for license shall be made for each place of business at which a distributor proposes to engage in business as such under sections 297.31 to 297.39. A separate application for a subjobber's license may be made by a licensed distributor for each place of business, other than that licensed in the distributor's license, to which the distributor sells or distributes tobacco products upon which the tax imposed by this chapter has been imposed to other than the ultimate consumer.

~~(b) In lieu of the bond required in paragraph (a), a certified check may be filed with the commissioner. The check must be made payable to the commissioner and in an amount to be established by the commissioner or the commissioner's designee but not less than twice the average monthly liability of the taxpayer. The department of revenue shall pay no interest on funds encumbered by the check.~~

Sec. 11. Minnesota Statutes 1988, section 297.33, subdivision 5, is amended to read:

Subd. 5. (a) Each application for a subjobber's license shall be accompanied by a fee of ~~\$10~~ \$20.

(b) All licenses expire on December 31 of the *second year of the licensing period in which they were issued.*

Sec. 12. Minnesota Statutes 1988, section 297.33, subdivision 6, is amended to read:

Subd. 6. A distributor or subjobber applying for a license ~~between July 1 and December 31 of any~~ *during the second year of a licensing period* shall be required to pay only one-half of the license fee provided for herein.

Sec. 13. Minnesota Statutes 1988, section 297.33, subdivision 7, is amended to read:

Subd. 7. The commissioner, upon receipt of the application ~~(and bond, in the case of the distributor)~~ in proper form, and payment of the license fee required by subdivision 4 or subdivision 5, shall, unless otherwise provided by sections 297.31 to 297.39, issue the applicant a license in

form as prescribed by the commissioner, which license shall permit the applicant to whom it is issued to engage in business as a distributor or subjobber at the place of business shown in the application. The commissioner shall assign a permit number to each person licensed as a distributor at the time of issuance of the first license, which shall be inscribed upon all licenses issued to that distributor.

Sec. 14. Minnesota Statutes 1988, section 297.33, subdivision 8, is amended to read:

Subd. 8. Each license ~~issued for any period subsequent to June 30, 1971~~ shall expire on December 31 ~~following its date of issue the second year of the licensing period~~ unless sooner revoked by the commissioner or unless the business with respect to which the license was issued is transferred. In either case the holder of the license shall immediately surrender it to the commissioner.

Sec. 15. Minnesota Statutes 1988, section 297C.03, subdivision 1, is amended to read:

Subdivision 1. [MANNER AND TIME OF PAYMENT; PENALTIES; DEPOSIT OF TAX PROCEEDS.] The tax on wines and distilled spirits on which the excise tax has not been previously paid must be paid to the commissioner by persons ~~having on file with the commissioner a sufficient bond as provided in subdivision 4~~ ~~liable for the tax on or before the 18th day of the month following the month in which the first sale is made in this state by a licensed manufacturer or wholesaler.~~ Every person liable for the tax on wines or distilled spirits imposed by section 297C.02 must file with the commissioner on or before the 18th day of the month following first sale in this state by a licensed manufacturer or wholesaler a return in the form prescribed by the commissioner, and must keep records and render reports required by the commissioner. ~~A person liable for any tax on wines or distilled spirits not having on file a sufficient bond must pay the tax within 24 hours after first sale in this state.~~ The commissioner may certify to the commissioner of public safety any failure to pay taxes when due as a violation of a statute relating to the sale of intoxicating liquor for possible revocation or suspension of license.

Sec. 16. Minnesota Statutes 1988, section 297C.09, is amended to read:

297C.09 [IMPORTATION BY INDIVIDUALS.]

A person, other than a person under the age of 21 years, entering Minnesota from another state may have in possession one liter of intoxicating liquor or 288 ounces of malt liquor and a person entering Minnesota from a foreign country may have in possession four liters of intoxicating liquor or ten quarts (320 ounces) of malt liquor without the required payment of the Minnesota excise tax. ~~Amounts in excess of these quantities may be imported only by a licensee holding the appropriate license as manufacturer, wholesaler, or importer under section 340A.301 or 340A.302.~~ A collector of commemorative bottles, other than a person under the age of 21 years, entering Minnesota from another state may have in possession 12 or fewer commemorative bottles without the required payment of the Minnesota excise tax. A person who imports or has in possession untaxed intoxicating liquor or malt liquor in excess of the quantities provided for in this section is guilty of a misdemeanor. This section does not apply to the consignments of alcoholic beverages shipped into this state by holders of Minnesota import licenses or Minnesota manufacturers and wholesalers when licensed

by the commissioner of public safety or to common carriers with licenses to sell intoxicating liquor in more than one state. A peace officer, the commissioner, or their authorized agents, may seize untaxed liquor.

Sec. 17. [REPEALER.]

Minnesota Statutes 1988, sections 297.01, subdivision 15; 297.03, subdivision 12; 297.04, subdivision 10; 297.33, subdivision 13; and 297C.03, subdivisions 4 and 4a, are repealed.

Sec. 18. [EFFECTIVE DATE.]

Sections 1 and 8 are effective July 1, 1990. Sections 2, 4, 6, 9 to 12, and 14 are effective for license applications for the year 1990 and thereafter, except that sections 4 and 10 are effective for bonding periods beginning after December 31, 1989, for provisions applying to bonding requirements. Any bonds for periods before January 1, 1990, must be kept in full force and effect until the statute of limitations for those periods has expired.

Sections 3, 5, 7, 13, 15, and 17 are effective for bonding periods beginning after December 31, 1989, with the following exceptions: (1) any bonds for periods before January 1, 1990, must be kept in full force and effect until the statute of limitations for those periods has expired, (2) section 17 is effective July 1, 1990, for provisions applying to stamps and tax meter machines, (3) section 3 is effective July 1, 1989, for provisions applying to tax meter machines, and (4) section 3 is effective July 1, 1990, for provisions applying to meter units.

Section 16 is effective the day following final enactment.

ARTICLE 4

MILL RATE CONVERSIONS

Section 1. Minnesota Statutes 1988, section 3.983, subdivision 3, is amended to read:

Subd. 3. [MISCELLANEOUS EXCEPTIONS.] A fiscal note need not be prepared for the cost of a mandated action if the law containing the mandate:

- (a) (1) accommodates a specific local request;
- (b) (2) results in no new local government duties;
- (c) (3) leads to revenue losses from exemptions to taxes other than sales, use, or property taxes;
- (d) (4) provides only clarifying or conforming, nonsubstantive changes on local government;
- (e) (5) imposes additional net local costs which are minor (less than \$200 for any single local government if the mandate does not apply statewide or less than ~~one-tenth of a mill~~ 0.00242 percent times the entire market value of taxable property in the state if the mandate is statewide) and do not cause a financial burden on local government;
- (f) (6) is a legislative mandate or executive order enacted before July 1, 1985, or a rule initially implementing legislation enacted before July 1, 1985;
- (g) (7) implements something other than a state statute or executive order, such as a federal, court, or voter-approved mandate;

- (h) (8) appears in rules that are permissive or discretionary in nature;
- (i) (9) defines a new crime or redefines an existing crime or infraction;
- (j) (10) provides, or falls within the purview of existing, revenue sources or other financing mechanisms; or
- (k) (11) results in savings that equal or exceed costs.

Sec. 2. Minnesota Statutes 1988, section 18.022, subdivision 2, is amended to read:

Subd. 2. [COST.] (a) In order to defray the cost of such activities, the governing body of ~~any such~~ the political subdivision may levy a special tax which, except when levied by a county, ~~shall~~ does not exceed ~~two-thirds mill~~ 0.01596 percent of taxable market value in any year in excess of charter or statutory millage limitations, but not in any event more than 50 cents per capita, ~~and any such~~. The political subdivision may make such a levy, where necessary, separate from the general levy and at any time of the year.

(b) If, because of the prevalence of Dutch elm disease, the governing body of ~~such a~~ the political subdivision is unable to defray the cost of control activities authorized by this section within the limits set by this subdivision, the limits set by this subdivision are increased to ~~4-13 mills~~ 0.03216 percent of taxable market value, but not in any event more than one dollar per capita.

Sec. 3. Minnesota Statutes 1988, section 18.111, subdivision 1, is amended to read:

Subdivision 1. [LEVY LIMIT.] An annual levy of not to exceed ~~one-third mill on each dollar of gross tax capacity~~ 0.00798 percent of market value may be levied for mosquito abatement purposes on all taxable property in any governmental unit undertaking mosquito abatement as provided in sections 18.041 to 18.161. ~~Such~~ The tax shall be certified, levied and collected in the same manner as other taxes ~~enused to be~~ levied by the governmental unit.

Sec. 4. Minnesota Statutes 1988, section 40A.15, subdivision 2, is amended to read:

Subd. 2. [ELIGIBLE RECIPIENTS.] All counties within the state, municipalities that prepare plans and official controls instead of a county, and districts are eligible for assistance under the program. Counties and districts may apply for assistance on behalf of other municipalities. In order to be eligible for financial assistance a county or municipality must agree to levy at least ~~one-half mill on the dollar of gross tax capacity of property within its jurisdiction~~ 0.01209 percent of taxable market value for agricultural land preservation and conservation activities or otherwise spend the equivalent amount of local money on those activities, or spend \$15,000 of local money, whichever is less.

Sec. 5. Minnesota Statutes 1988, section 88.04, subdivision 3, is amended to read:

Subd. 3. All towns and cities are hereby authorized and directed to shall take necessary precautions to prevent the starting and spreading of forest or prairie fires and to extinguish the same; and are hereby further authorized to them. They may levy a tax of not more than ~~3-13 mills~~ 0.08059 percent

~~of taxable market value annually upon the taxable property of such municipalities, but in no municipality to. The tax in any municipality shall not exceed a total of \$3,000 in any one year, which. The tax when collected shall be known as the fire fund and kept separate and apart from all other funds and used only in paying to pay all necessary and incidental expenses incurred in enforcing the provisions of sections 88.03 to 88.21. Not Up to exceed \$500 shall be expended in any one year from any such fire fund for the support of any municipal fire department. No such municipality shall make any levy for its fire fund at any time when the same fund contains \$5,000 or more, consisting of including cash on hand or and uncollected taxes that are not delinquent or both.~~

Sec. 6. Minnesota Statutes 1988, section 110.71, subdivision 2, is amended to read:

Subd. 2. The governing body of any city or town may use any available funds and may levy a special tax of not to exceed ~~two thirds of one mill, nor the lesser of (1) 0.01596 percent of taxable market value, or (2) 50 cents per capita, in any year in addition to all other taxes authorized by law,~~ to carry out the provisions of subdivisions 1 to 4.

Sec. 7. Minnesota Statutes 1988, section 110B.20, is amended to read:

110B.20 [EXEMPTION FROM LEVY LIMIT.]

The governing body of any county, municipality, or township may levy a tax in an amount required to implement sections 110B.01 to 110B.30. ~~A levy to pay the cost of implementing sections 110B.01 to 110B.30 or to pay the cost of projects or programs identified in an adopted comprehensive water plan is in addition to other taxes authorized by law. The amount of the levy up to .75 mill times the adjusted gross tax capacity of the county, municipality, or town 0.01813 percent of taxable market value is exempt from any the per capita limitation on taxes imposed by chapter 275 section 275.11.~~

Sec. 8. Minnesota Statutes 1988, section 112.61, subdivision 2, is amended to read:

Subd. 2. [ORGANIZATIONAL EXPENSE FUND.] The organizational expense fund consists of an ad valorem tax levy, not to exceed ~~two thirds of one mill on each dollar of gross tax capacity of all taxable property within the district 0.01596 percent of taxable market value,~~ or \$60,000, whichever is less. The funds shall be used for organizational expenses and preparation of an overall plan for projects and improvements. The managers of the district may borrow from the affected counties up to 75 percent of the anticipated funds to be collected from the organizational expense fund levy and the counties affected may make the advancements. The advancement of anticipated funds shall be apportioned among affected counties in the same ratio as the gross tax capacity of the area of the counties within the district bears to the gross tax capacity of the entire district. If an established district is enlarged, an organizational expense fund may be levied against the area added to the district in the way provided in this subdivision. Unexpended funds collected for the organizational expense may be transferred to the administrative fund and used for the purposes authorized for it.

Sec. 9. Minnesota Statutes 1988, section 112.61, subdivision 3, is amended to read:

Subd. 3. [ADMINISTRATIVE FUND.] The administrative fund consists of an ad valorem tax levy not to exceed ~~one mill on each dollar of gross tax capacity of all taxable property within the district~~ *0.02418 percent of taxable market value*, or \$125,000, whichever is less. The funds shall be used for general administrative expenses and to construct and maintain projects of common benefit to the district. The managers may make an annual levy for this fund as provided in section 112.611. In addition to the annual administrative levy, the managers may annually levy a tax ~~of not to exceed one-third of one mill~~ *0.00798 percent of taxable market value* for a period of not to exceed 15 consecutive years to pay the cost attributable to the basic water management features of projects initiated by petition of a municipality of the district.

Sec. 10. Minnesota Statutes 1988, section 112.61, subdivision 8, is amended to read:

Subd. 8. [SURVEY AND DATA ACQUISITION FUND.] The survey and data acquisition fund is established or used only when no other funds are available to the district to pay to make necessary surveys and acquire data. The fund consists of ~~an ad valorem levy the proceeds of a property tax, which can be levied not more than once every five years, not to exceed one mill on each dollar of gross tax capacity of all taxable property within the district~~ *0.02418 percent of taxable market value*. The balance of the survey and data acquisition fund must never exceed \$50,000. In a subsequent proceeding for a work where a survey has been made, the attributable cost of the survey as determined by the managers shall be included as a part of the cost of the work and repaid to the survey and data acquisition fund.

Sec. 11. Minnesota Statutes 1988, section 138.053, is amended to read:

138.053 [COUNTY HISTORICAL SOCIETY; TAX LEVY; CITIES OR TOWNS.]

The governing body of any home rule charter or statutory city or town excepting cities of the first class may appropriate annually an amount from its general fund of not to exceed ~~one mill of the gross tax capacity of the taxable property in the city or town~~ *the amount raised by a levy of 0.02418 percent of taxable market value* to be paid to the historical society of ~~their~~ *its* respective county to be used for the promotion of historical work and to aid in defraying the expenses of carrying on the historical work in ~~said~~ *the* county. No city or town may appropriate any funds for the benefit of any historical society unless ~~such the society shall be~~ *is* affiliated with and approved by the Minnesota historical society.

Sec. 12. Minnesota Statutes 1988, section 162.07, subdivision 3, is amended to read:

Subd. 3. [COMPUTATIONS FOR RURAL COUNTIES.] ~~A two-thirds of one mill levy~~ *An amount equal to a levy of 0.01596 percent* on each rural county's total ~~gross tax capacity taxable market value~~ for the last preceding calendar year shall be computed and shall be subtracted from ~~such the county's total estimated construction costs~~. The result thereof shall be the money needs of ~~such the county~~. For the purpose of this section, "rural counties" ~~shall be construed to mean~~ *means* all counties having a population of less than 175,000.

Sec. 13. Minnesota Statutes 1988, section 162.07, subdivision 4, is amended to read:

Subd. 4. [COMPUTATION FOR URBAN COUNTIES.] A ~~four-tenths mill levy~~ *An amount equal to a levy of 0.00967 percent* on each urban county's total ~~gross tax capacity~~ *taxable market value* for the last preceding calendar year shall be computed and shall be subtracted from ~~such the~~ county's total estimated construction costs. The result thereof shall be the money needs of the county. For the purpose of this section, "urban counties" ~~shall be construed to mean~~ *means* all counties having a population of 175,000 or more.

Sec. 14. Minnesota Statutes 1988, section 162.081, subdivision 4, is amended to read:

Subd. 4. [PURPOSES.] Money apportioned to a county from the town road account must be distributed to the treasurer of each town within the county, according to a distribution formula adopted by the county board. The formula must take into account each town's levy for road and bridge purposes, its population and town road mileage, and other factors as the county board deems advisable in the interests of achieving equity among the towns. Distribution of town road funds to the treasurer of the towns must be made at the same time as the first payment is made for tax payments received by the county treasurer as provided in section 276.11. Distribution of funds to town treasurers in a county which has not adopted a distribution formula under this subdivision must be made according to a formula prescribed by the commissioner by rule. A formula adopted by a county board or by the commissioner must provide that a town, in order to be eligible for distribution of funds from the town road account in a calendar year, must have levied in the previous year for road and bridge purposes at least ~~two mills on the dollar of the gross tax capacity of the town~~ *0.04835 percent of taxable market value*.

Money distributed to a town under this subdivision may be expended by the town only for the construction, reconstruction, and gravel maintenance of town roads within the town.

Sec. 15. Minnesota Statutes 1988, section 164.04, subdivision 3, is amended to read:

Subd. 3. [EMERGENCIES.] In case of emergency after the town meeting, but not later than October 1 in the same year, the town board may levy a tax on the property in the town for road and bridge purposes, in addition to any tax voted at the annual town meeting for road and bridge purposes, in an amount not to exceed ~~1.6-2/3 mills on the dollar of the gross tax capacity of the property in the town~~ *0.04028 percent of taxable market value*. Any tax so levied shall ~~forthwith~~ be certified to the county auditor for extension and collection. The town board may thereafter pledge the credit of the town by issuing town orders, not exceeding the amount of the additional tax so levied for road and bridge purposes, in payment for the emergency work done or material used on the roads within the town.

Sec. 16. Minnesota Statutes 1988, section 164.05, subdivision 1, is amended to read:

Subdivision 1. [POWERS.] In any town ~~wherein in which~~ the voters shall ~~at the annual town meeting vote as hereinafter provided~~ to authorize the town board ~~so to do so as provided in this section~~, the town board may levy and assess on the real and personal property in the town, other than money and credits taxed under the provisions of chapter 285, a tax not to exceed in amount ~~3-1/3 mills on the dollar of the gross tax capacity of~~

such property, which tax so levied *0.08051 percent of taxable market value*. The tax shall be known as the town road drainage tax. Such tax shall be additional to all other taxes which the town is or may hereafter be authorized to levy, and the amount of such tax so levied and collected shall be deemed to have been levied and collected for road and bridge purposes within the meaning of any law limiting the amount of taxes which may be levied or voted at the annual town meeting; provided, that in towns having a gross tax capacity of not less than \$1,000,000, nor more than \$8,000,000, and which otherwise come under the provisions of sections 368.02 to 368.11 the amount of such tax so levied and collected shall not be deemed to have been levied and collected for road and bridge purposes within the meaning of any law limiting the amount of taxes which may be levied or voted at the annual town meeting.

Sec. 17. Minnesota Statutes 1988, section 174.27, is amended to read:

174.27 [PUBLIC EMPLOYER COMMUTER VAN PROGRAMS.]

Any statutory or home rule charter city, county, school district, independent board or agency may acquire or lease commuter vans, enter into contracts with another public or private employer to acquire or lease such vans, or purchase such a service for the use of its employees. The governing body of any such city, county, or school district may by resolution establish a commuter van revolving fund to be used to acquire or lease commuter vans for the use of its employees. Any payments out of the fund shall be repaid to the fund out of revenues derived from the use by the employees of the city, county, or school district, of the vans so purchased or leased. For the purpose of establishing the fund any city, county, or school district is authorized to make a one time levy not to exceed ~~one tenth of a mill~~ *0.00242 percent of taxable market value* in excess of all taxing limitations *except the limitations imposed under sections 275.50 to 275.56*, without affecting the amount or rate of taxes which may be levied by the city, county, or school district for other purposes or by any local governments in the area. Any city, county, or school district which establishes a commuter van acquisition program or contracts for this service is authorized to levy a tax not to exceed ~~4400 mill~~ *0.00024 percent of taxable market value* for the purpose of paying the administrative and promotional costs of the program which levy shall be in excess of all taxing limitations, ~~without affecting the amount or rate of taxes which may be levied by the city, county, or school district for other purposes or by a local government in the area except the limitations imposed under sections 275.50 to 275.56~~. The governing body of any city, county, or school district may by resolution terminate the commuter van revolving fund and use the funds for other purposes authorized by law.

Sec. 18. Minnesota Statutes 1988, section 193.145, subdivision 2, is amended to read:

Subd. 2. [TAX LEVY, LIMITATION.] A county or municipality in which an armory has been constructed or is to be constructed hereunder may by resolution of its governing body irrevocably provide for levying and collecting annually for a specified period, not exceeding 40 years, a tax ~~upon all taxable property therein of such amount as such governing body may determine~~, which, unless levied by a county, shall not exceed ~~one third of one mill~~ *0.00798 percent of taxable market value*.

The proceeds of ~~such~~ *the* levy as collected shall be paid to ~~such~~ *the*

corporation for the purposes herein prescribed. ~~Such~~ *The* county or municipality ~~shall have power to~~ *may* make ~~such tax~~ *the* levies and payments and ~~to~~ bind itself thereto by ~~such~~ resolution of its governing body. The provisions of ~~such the~~ resolution may be made conditional upon the giving of an agreement by the adjutant general as authorized in subdivision 4. The obligations of ~~such the~~ county or municipality to levy, collect, and pay over ~~such the~~ taxes shall not be deemed ~~or construed~~ to constitute an indebtedness of ~~such the~~ county or municipality within the meaning of any provision of law or of its charter limiting its total or net indebtedness, and such taxes may be levied and collected without regard to any statutory or charter provision limiting the amount or rate of taxes which such county or municipality is otherwise authorized to levy.

Sec. 19. Minnesota Statutes 1988, section 237.35, is amended to read:
237.35 [TAX LEVY FOR CONSTRUCTION.]

When any town ~~shall have~~ *has* authorized the construction, acquiring, operation, or maintenance of a telephone system, as set forth in sections 237.33 and 237.34, and determined the amount of money to be raised for that purpose, the town board of supervisors may levy a tax for the amount of money to be raised therefor. The ~~annual~~ tax levy for ~~such that~~ purpose shall not exceed ~~3 1/3 mills upon the taxable property of such town~~ *0.08051 percent of taxable market value.*

Sec. 20. Minnesota Statutes 1988, section 273.1102, subdivision 3, is amended to read:

Subd. 3. [1988 ADJUSTMENT.] ~~For School districts~~ *district* levy limitations or authorities expressed in terms of mills and adjusted assessed value, ~~their levy limitations in any special law that is not codified in Minnesota Statutes shall be converted by the department of education to~~ *“equalized gross tax capacity rates” for taxes payable in 1989 and 1990 and to equalized net tax capacity rates for taxes payable in 1991 and thereafter.* For purposes of this calculation, the 1987 adjusted assessed values of the district shall be converted to “adjusted gross tax capacities” by multiplying the equalized market values by class of property by the gross tax capacity rates provided in section 273.13. Each county assessor and the city assessors of Minneapolis, Duluth, and St. Cloud shall furnish the commissioner of revenue the 1987 market value for taxes payable in 1988 for any new classes of property established in this article. The commissioner shall use those values, and estimate values where needed, in developing the 1987 tax capacity for each school district under this section. The requirements of section 124.2131, subdivisions 1, paragraph (c), and 2 and 3, shall remain in effect.

Sec. 21. Minnesota Statutes 1988, section 275.011, subdivision 1, is amended to read:

Subdivision 1. The property tax levied for any purpose *under a special law that is not codified in Minnesota Statutes or a city charter provision and that is* subject to a mill rate limitation imposed by ~~statute or the special law or city charter provision~~, excluding levies subject to mill rate limitations that use adjusted assessed values determined by the commissioner of revenue under section 124.2131, must not exceed the following amount for the years specified:

(a) for taxes payable in 1988, the product of the applicable mill rate

limitation imposed by ~~statute~~ or special law or city charter provision multiplied by the total assessed valuation of all taxable property subject to the tax as adjusted by the provisions of Minnesota Statutes 1986, sections 272.64; 273.13, subdivision 7a; and 275.49;

(b) for taxes payable in 1989, the product of (1) the property tax levy limitation for the taxes payable year 1988 determined under clause (a) multiplied by (2) an index for market valuation changes equal to the assessment year 1988 total market valuation of all taxable property subject to the tax divided by the assessment year 1987 total market valuation of all taxable property subject to the tax; and

(c) for taxes payable in 1990 and subsequent years, the product of (1) the property tax levy limitation for the previous year determined pursuant to this subdivision multiplied by (2) an index for market valuation changes equal to the total market valuation of all taxable property subject to the tax for the current assessment year divided by the total market valuation of all taxable property subject to the tax for the previous assessment year.

For the purpose of determining the property tax levy limitation for the taxes payable year 1988 and subsequent years under this subdivision, "total market valuation" means the total market valuation of all taxable property subject to the tax without valuation adjustments for fiscal disparities (chapter 473F), tax increment financing (sections 469.174 to 469.179), and high voltage transmission lines (section 273.425).

Sec. 22. Minnesota Statutes 1988, section 275.011, subdivision 2, is amended to read:

Subd. 2. A mill rate levy limitation imposed by ~~statute~~ or a special law or city charter provision that is presently in effect, excluding those mill rate levy limitations that use adjusted assessed values determined by the commissioner of revenue under section 124.2131, shall be construed to allow no more and no less property taxes than the amount determined under this section.

Sec. 23. Minnesota Statutes 1988, section 275.077, subdivision 2, is amended to read:

Subd. 2. The difference between the correct levy and the erroneous levy shall be added to the township levy for the subsequent levy year; provided that if the amount of the difference exceeds ~~five mills~~ *0.12089 percent of taxable market value*, the excess shall be added to the township levy for the second and later subsequent levy years, not to exceed an additional levy of ~~five mills~~ *0.12089 percent of taxable market value* in any year, until the full amount of the difference has been levied. The funds collected from the corrected levies shall be used to reimburse the county for the payment required by subdivision 1.

Sec. 24. Minnesota Statutes 1988, section 275.28, subdivision 1, is amended to read:

Subdivision 1. [AUDITOR TO MAKE.] The county auditor shall make out the tax lists according to the prescribed form, and to correspond with the assessment districts. The rate percent necessary to raise the required amount of the various taxes shall be calculated on the gross tax capacity of property as determined by the state board of equalization, but, in calculating such rates, no rate shall be used resulting in a fraction other than a decimal fraction, or less than ~~one-tenth of a mill~~ *a gross tax capacity*

rate of .01 percent or a net tax capacity rate of .01 percent; and, in extending any tax, whenever it amounts to the fractional part of a cent, it shall be made one cent. The tax lists shall also be made out to correspond with the assessment books in reference to ownership and description of property, with columns for the valuation and for the various items of tax included in the total amount of all taxes set down opposite each description; ~~and~~. Opposite each description which has been sold for taxes, and which is subject to redemption, but not redeemed, shall be placed the words "sold for taxes." The amount of all special taxes shall be entered in the proper columns, but the general taxes may be shown by entering the rate percent of each tax at the head of the proper columns, without extending the same, in which case a schedule of the rates percent of such taxes shall be made on the first page of each tax list. If the auditor ~~shall fail~~ fails to enter on any such list before its delivery to the treasurer any tax levied, ~~such the~~ tax may be subsequently entered. The tax lists shall be deemed completed, and all taxes extended thereon, as of October 16 annually.

Sec. 25. Minnesota Statutes 1988, section 275.56, is amended to read:

275.56 [EFFECT UPON OTHER LEVY LIMITS.]

All special and general laws and charter provisions establishing per capita, mill, *tax capacity rate*, or other general limitations on tax levies of governmental subdivisions are ~~hereby~~ superseded to the extent that they authorize property taxation in excess of the limitations established by sections 275.50 to 275.56, but otherwise such levy limitations and those established for special purposes are in no way affected by sections 275.50 to 275.56.

Sec. 26. Minnesota Statutes 1988, section 275.58, subdivision 1, is amended to read:

Subdivision 1. Notwithstanding the provisions of sections 275.50 to 275.56, but subject to other law or charter provisions establishing per capita, mill, *tax capacity rate*, or other limitations on the amount of taxes that may be levied, the levy of a governmental subdivision, as defined by section 275.50, subdivision 1, may be increased above the limitation imposed by sections 275.50 to 275.56 in any per capita or dollar amount which is approved by the majority of voters of the governmental subdivision voting on the question at a general or special election. When the governing body of the governmental subdivision resolves to increase the levy of the governmental subdivision pursuant to this section, it shall provide for submission of the proposition of an increase in the levy limit base per capita or the proposition of an additional levy, as the case may be, at a general or special election. Notice of ~~such the~~ election shall be given in the manner required by law. If the proposition is for an adjustment to the governmental subdivision's levy limit base per capita, increasing the levy limit base per capita over the per capita amount established pursuant to section 275.51, subdivision 3, ~~such the~~ notice shall state the purpose of ~~such the~~ per capita adjustment and the per capita amount of ~~such the~~ adjustment. If the proposition is for an additional levy, ~~such the~~ notice shall state the purpose and maximum yearly amount of ~~such the~~ additional levy.

Sec. 27. Minnesota Statutes 1988, section 298.28, subdivision 4, is amended to read:

Subd. 4. [SCHOOL DISTRICTS.] (a) 27.5 cents per taxable ton plus the increase provided in paragraph (d) must be allocated to qualifying school

districts to be distributed, based upon the certification of the commissioner of revenue, under paragraphs (b) and (c).

(b) 5.5 cents per taxable ton must be distributed 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 subdivision 2.

(c)(i) 22 cents per taxable ton, less any amount distributed under paragraph (e), shall be distributed to a group of school districts comprised of those school districts ~~wherein~~ *in which* 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 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 gross tax capacity per pupil unit for school districts receiving aid under this clause as calculated pursuant to chapter 124A for the school year ending prior to distribution to the adjusted gross tax capacity 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 that receives a distribution under sections 298.018; 298.23 to 298.28, exclusive of any amount received under this clause; 298.34 to 298.39; 298.391 to 298.396; 298.405; or any law imposing a tax on severed mineral values that is 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 shall receive a distribution equal to the difference; the amount necessary to make this payment shall be derived from proportionate reductions in the initial distribution to other school districts under clause (i).

(d) On July 15, in years prior to 1988, an amount equal to the increase derived by increasing the amount determined by paragraph (c) 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 paragraph (c) where a levy increase pursuant to section 124A.03, subdivision 2, is authorized by referendum, according to the following formula. On July 15, 1988, the increase over the amount established for 1987 shall be determined as if there had been an increase in the tax rate under section 298.24, subdivision 1, paragraph (b), according to the increase in the implicit price deflator. On July 15, 1989, 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, enrolled in the second previous year or the 1983-1984 school year, whichever is greater, less the product of ~~1-3/4 mills~~ *0.04231 percent* times the district's taxable ~~valuation~~ *market value* 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~~ *0.04231*

percent times the district's taxable ~~valuation~~ market value in the second previous year.

If the total amount provided by paragraph (d) 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 paragraph (d) shall not be applied to reduce general education aid which the district receives pursuant to section 124A.23 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 subdivision 11.

(e) There shall be distributed to any school district the amount which the school district was entitled to receive under section 298.32 in 1975.

Sec. 28. Minnesota Statutes 1988, 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~~ that year and the amount to be distributed to each qualifying municipality during ~~such~~ the year. The amount to be distributed to each qualifying municipality shall be determined by determining an index for each qualifying municipality by subtracting its local effort tax capacity rate, multiplied by its equalized gross tax capacity, 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 tax capacity rate" means its fiscal need factor per capita divided by ~~\$17~~ \$21 per capita ~~per mill for each one percent of the gross tax capacity rate or \$17 per capita for each one percent of the net tax capacity rate~~ for the first \$350 of its fiscal need factor per capita; plus its fiscal need factor per capita divided by ~~\$15~~ \$18 per capita ~~per mill for each one percent of the gross tax capacity rate or \$15 per capita for each one percent of the net tax capacity rate~~ 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 tax capacity rate be less than ~~eight mills~~, a gross tax capacity rate of 6.56 percent or a net tax capacity rate of 8.16 percent. A municipality's "equalized ~~cap- tured~~ gross tax capacity" means its previous year tax capacity, less the tax capacity 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 section 298.28, subdivisions 2, 11, paragraph (b), and this section 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 275.58, 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 in the same manner as the distribution made pursuant to subdivision 2, except that the qualifying municipality receiving an initial distribution 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~~ *the* determination, the commissioner of revenue shall certify to the chief clerical officer of each qualifying municipality the amount which will be distributed to ~~such~~ *the* municipality from the taconite municipal aid account that year.

Sec. 29. Minnesota Statutes 1988, section 366.27, is amended to read:
366.27 [FIREFIGHTERS' RELIEF; TAX LEVY.]

The town board of any town in this state having therein a platted portion on which ~~there reside~~ *resides* 1,200 or more people, and wherein a duly incorporated firefighters' relief association is located may each year ~~at the time the tax levies for the support of the town are made and in addition thereto~~ levy a tax not to exceed ~~one-third of one mill on all taxable property within the town~~ *0.00806 percent of taxable market value* for the benefit of ~~such~~ *the* relief association.

Sec. 30. Minnesota Statutes 1988, section 373.40, subdivision 4, is amended to read:

Subd. 4. [LIMITATIONS ON AMOUNT.] A county, other than Hennepin or Ramsey, may not issue bonds under this section if the maximum amount of principal and interest to become due in any year on all the outstanding bonds issued pursuant to this section (including the bonds to be issued) will equal or exceed ~~one mill multiplied by the taxable gross tax capacity~~ *0.05367 percent of taxable market value* of property in the county. Ramsey county may not issue bonds under this section if the maximum amount of principal and interest to become due in any year on all the outstanding bonds issued pursuant to this section (including the bonds to be issued) will equal or exceed ~~1.2 mills multiplied by the taxable gross tax capacity~~ *0.06455 percent of taxable market value* of property in the county. Hennepin county may not issue bonds under this section if the maximum amount of principal and interest to become due in any year on all the outstanding bonds issued pursuant to this section together with the bonds proposed to be issued, will equal or exceed ~~one-half mill multiplied by the taxable gross tax capacity~~ *0.02684 percent of taxable market value* of the property in the county. Calculation of the limit must be made using the taxable ~~gross tax capacity~~ *market value* for the taxes payable year in which the obligations are issued and sold. This section does not limit the authority to issue bonds under any other special or general law.

Sec. 31. Minnesota Statutes 1988, section 373.40, subdivision 6, is amended to read:

Subd. 6. [BUILDING FUND LEVY.] (a) If a county other than Hennepin has an approved capital improvement plan, the county board may annually levy ~~an amount equal to one mill~~ *0.05367 percent of taxable market value*, less the amount levied to pay principal and interest on bonds issued under this section. If the Hennepin county board has an approved capital improvement plan, the county board may annually levy ~~an amount equal to one-half mill~~ *0.02684 percent of taxable market value*, less the amount levied to pay principal and interest on bonds issued under this section. The proceeds of this levy must be deposited in the county building fund under section 373.25 and may only be expended for capital improvements as provided in the approved capital improvement plan.

(b) The maximum amount of the levy, when added to the unexpended balance in the building fund, must not exceed the projected cost of the remaining improvements in the capital improvement plan. A levy made under this section is not subject to any other levy limitation, nor may the levy be included in the computation of any other levy limitation.

(c) This subdivision and the exercise of levy authority under it does not supersede or preempt the authority to levy under section 373.25 or any other law.

Sec. 32. Minnesota Statutes 1988, section 375.167, subdivision 1, is amended to read:

Subdivision 1. [APPROPRIATIONS.] Notwithstanding any contrary law, a county board may appropriate from the general revenue fund to any nonprofit corporation a sum not to exceed ~~one-fourth of a mill on the dollar of the taxable gross tax capacity of the county~~ *an amount equal to a levy of 0.00604 percent of taxable market value* to provide legal assistance to persons who are unable to afford private legal counsel. ~~This levy is subject to the levy limits established by sections 275.50 to 275.58.~~

Sec. 33. Minnesota Statutes 1988, section 375.18, subdivision 3, is amended to read:

Subd. 3. [COURTHOUSE.] Each county board may erect, furnish, and maintain a suitable courthouse. No indebtedness shall be created for a courthouse in excess of ~~1-2/3 mills on each dollar of gross tax capacity~~ *an amount equal to a levy of 0.04030 percent of taxable market value* without the approval of a majority of the voters of the county voting on the question of issuing the obligation at an election.

Sec. 34. Minnesota Statutes 1988, section 375.555, is amended to read:
375.555 [FUNDING.]

To implement the county emergency jobs program, the county board may expend an amount equal to what would be generated by a levy of ~~0-5 mills on all taxable property within the county~~ *0.01209 percent of taxable market value*. The money to be expended may be from any available funds not otherwise earmarked.

Sec. 35. Minnesota Statutes 1988, section 383A.03, subdivision 4, is amended to read:

Subd. 4. [ICE ARENAS AND GALL'S GOLF COURSE.] Ramsey county may levy, annually, a tax not to exceed ~~one mill~~ *0.02418 percent of taxable*

market value for the acquisition and construction of nine artificial ice arenas and a golf course, to pay the interest on the bonds as it accrues and to pay the principal thereof in full at maturity, and not to exceed ~~one-half mill~~ *0.01209 percent of taxable market value* to provide for the operation of these facilities. The board of county commissioners shall levy a tax for this purpose.

Sec. 36. Minnesota Statutes 1988, section 383A.411, subdivision 5, is amended to read:

Subd. 5. In substitution of, but not in addition to, powers granted to Ramsey county in subdivision 4, Ramsey county may levy and collect a tax, not to exceed the lesser of \$5,000,000 or ~~two mills, upon all taxable property in Ramsey county~~ *0.04835 percent of taxable market value* to finance the construction, installation, modification, or improvement of heating, cooling, and domestic hot water systems serving buildings owned in whole or part, operated, or maintained by the county or Ramsey county medical center commission. ~~A levy made pursuant to this subdivision shall not be subject to any limitation provided by other law.~~

Sec. 37. Minnesota Statutes 1988, section 383A.49, subdivision 2, is amended to read:

Subd. 2. [EMERGENCY APPROPRIATIONS.] To meet a public emergency affecting life, health, property or the public peace, and to the extent that there are no available unappropriated revenues to meet the emergency, the board may, by unanimous vote, authorize the issuance of emergency notes. These notes may be renewed from time to time but the emergency notes and renewals in a fiscal year shall be paid not later than the last day of the fiscal year next succeeding that in which the emergency appropriation was made. The issuance and payment of these notes is subject to the ~~mill~~ limits on taxing power established by law for Ramsey county.

Sec. 38. Minnesota Statutes 1988, section 383B.152, is amended to read:

383B.152 [BUILDING AND MAINTENANCE FUND.]

The county board may by resolution levy a ~~direct general ad valorem tax upon all taxable property in the county~~ to provide money which shall be kept in a fund known as the county reserve building and maintenance fund ~~and. Money in the fund shall be used solely for the construction, maintenance and equipping of such county buildings as are now or hereafter may be that are constructed or maintained by the board.~~ The levy shall not be subject to any limit fixed by any other law ~~except the limitations imposed in sections 275.50 to 275.56 or by any board of tax levy or other corresponding body, but shall not exceed a sum equal to 1/12 mills times the gross tax capacity of all taxable property in the county in any year~~ *0.02215 percent of taxable market value*, less the amount required by chapter 475 to be levied in ~~such~~ the year for the payment of the principal of and interest on all bonds issued pursuant to Extra Session Laws 1967, chapter 47, section 1.

Sec. 39. Minnesota Statutes 1988, section 383B.245, is amended to read:

383B.245 [~~MILL~~ LEVY.]

The county board may also levy a tax of not more than ~~two-thirds mills~~ *0.01612 percent of market value* on taxable property within the county outside of any city in which is situated a free public library of the city to acquire, better and construct county library buildings and branches and to

pay principal and interest on bonds issued for that purpose. The levy of the tax shall not cause the amount of other taxes levied or to be levied by the county, which are subject to any limitation, to be reduced in any amount ~~whatsoever~~.

The county board may by resolution adopted by a five-sevenths vote issue and sell general obligation bonds of the county in the manner provided in sections 475.60 to 475.73. The bonds shall not be subject to the limitations of sections 475.51 to 475.59, but the maturity years and amounts and interest rates of each series of bonds shall be fixed so that the maximum amount of principal and interest to become due in any year, on the bonds of that series and of all outstanding series issued by or for the purposes of libraries, shall not exceed an amount equal to ~~two-thirds mills times the gross tax capacity~~ *0.01612 percent of market value* of all taxable property in the county, which was not taxed in 1987 by any city for the support of any free public library, as last finally equalized before the issuance of the new series. When the tax levy authorized in this section is collected it shall be appropriated and credited to a debt service fund for the bonds in amounts required each year in lieu of a countywide tax levy for the debt service fund under section 475.61.

Sec. 40. Minnesota Statutes 1988, section 383B.73, subdivision 1, is amended to read:

Subdivision 1. [LEVY.] To provide funds for the purposes of the Hennepin county park reserve district as set forth in its annual budget, in lieu of the levies authorized by any other special law for such purposes, the board of park district commissioners may levy taxes on all the taxable property in the county and park district at a rate not exceeding ~~4.3 mills on the gross tax capacity thereof~~ *0.03224 percent of market value*. Notwithstanding section 398.16, on or before October 1 of each year, after public hearing, the board of park district commissioners shall adopt a budget for the ensuing year and shall determine the total amount necessary to be raised from ad valorem tax levies to meet its budget. The board of park district commissioners shall submit the budget to the county board. The county board may veto or modify an item contained in the budget. If the county board determines to veto or to modify an item in the budget, it must, within 15 days after the budget was submitted by the district board, state in writing the specific reasons for its objection to the item vetoed or the reason for the modification. The park reserve district board, after consideration of the county board's objections and proposed modifications, may reapprove a vetoed item or the original version of an item with respect to which a modification has been proposed, by a two-thirds majority. If the district board does not reapprove a vetoed item, the item shall be deleted from the budget. If the district board does not reapprove the original version of a modified item, the item shall be included in the budget as modified by the county board. After adoption of the final budget and no later than October 1, the superintendent of the park district shall certify to the office of the Hennepin county director of tax and public records exercising the functions of the county auditor the total amount to be raised from ad valorem tax levies to meet its budget for the ensuing year. The director of tax and public records shall add the amount of any levy certified by the district to other tax levies on the property of the county within the district for collection by the director of tax and public records with other taxes. When collected, the director shall make settlement of such taxes with the district in the same manner as other taxes are distributed to the other political subdivisions

in Hennepin county. ~~The levy authorized by this section shall be in addition to any other taxes authorized by law.~~

Sec. 41. Minnesota Statutes 1988, section 383B.73, subdivision 2, is amended to read:

Subd. 2. [BONDS.] To provide funds for the acquisition and betterment of park properties and facilities of the district in accordance with plans filed by it under section 398.19, upon request of the board of park district commissioners by a resolution or resolutions regularly adopted by a majority of all members thereof, the board of county commissioners of Hennepin county may, prior to August 1, 1985, in addition to bonds issued by the county for this purpose before January 1, 1973, by resolution issue and sell general obligation bonds of the county in the manner provided in sections 475.60 to 475.753, in an aggregate amount not exceeding \$2,500,000. Taxes for the payment of the principal of and interest on such bonds shall be assessed and extended upon all taxable property in the county. Such bonds shall not be subject to the limitations of sections 475.51 to 475.59, but the maturity years and amounts and interest rates of each series of bonds shall be fixed so that the maximum amount of principal and interest to become due in any year on the bonds authorized by this law and all bonds issued by the county for the purposes of the district before January 1, 1973, shall not exceed an amount equal to ~~three-tenths of one mill times the gross tax capacity of a levy of 0.00725 percent of market value~~ on all taxable property in the county as last finally equalized before the issuance of the new series. Taxes for the payment of principal and interest on bonds issued after August 1, 1985 shall be assessed and extended upon all taxable property in the park district.

Sec. 42. Minnesota Statutes 1988, section 383C.42, subdivision 1, is amended to read:

Subdivision 1. [AUTHORITY.] To provide necessary funds to construct and maintain county or regional juvenile detention and/or treatment centers and to provide matching funds for any federal, state or regional grant, the county boards of St. Louis, Carlton, Cook, Lake, Itasca, Koochiching and Aitkin counties may levy annually upon all taxable property in their respective counties; ~~a special tax in excess of any tax capacity rate, per capita, or other statutory limitation, but such levy shall that does not exceed 1-1/2 mills 0.01209 percent of market value.~~

Sec. 43. Minnesota Statutes 1988, section 398A.04, subdivision 8, is amended to read:

Subd. 8. [TAXATION.] Before deciding to exercise the power to tax, the authority shall give six weeks published notice in all municipalities in the region. If a number of voters in the region equal to five percent of those who voted for candidates for governor at the last gubernatorial election present a petition within nine weeks of the first published notice to the secretary of state requesting that the matter be submitted to popular vote, it shall be submitted at the next general election. The question prepared shall be:

“Shall the regional rail authority have the power to impose a property tax?

Yes
No”

If a majority of those voting on the question approve or if no petition is

presented within the prescribed time the authority may thereafter levy a tax at any annual rate not exceeding ~~two mills on the gross tax capacity~~ *0.04835 percent of market value* of all taxable property situated within the municipality or municipalities named in its organization resolution. Its recording officer shall file in the office of the county auditor of each county in which territory under the jurisdiction of the authority is located a certified copy of the board of commissioners' resolution levying the tax, and each county auditor shall assess and extend upon the tax rolls of each municipality named in the organization resolution the portion of the tax that bears the same ratio to the whole amount that the gross tax capacity of taxable property in that municipality bears to the gross tax capacity of taxable property in all municipalities named in the organization resolution. Collections of the tax shall be remitted by each county treasurer to the treasurer of the authority.

Sec. 44. Minnesota Statutes 1988, section 412.251, is amended to read:

412.251 [ANNUAL TAX LEVY.]

The council shall make its annual tax levy by resolution within the per capita limits established by statute. The amount of taxes levied for general city purposes shall not exceed ~~11-2/3 mills on each dollar of the gross tax capacity of the property taxable in the city~~ *0.28207 percent of taxable market value* in cities having a ~~gross tax capacity taxable market value~~ of less than \$1,500,000 \$6,200,000 and ~~ten mills on each dollar~~ *0.24177 percent of taxable market value* in cities having a ~~gross tax capacity taxable market value~~ of more than \$1,500,000 \$6,200,000. ~~In calculating such limit property used for homestead purposes shall be figured as provided in section 273.13, subdivision 7a.~~ The following taxes may be levied in addition to the levies above authorized:

(1) a tax for the payment of principal and interest on outstanding obligations of the city as provided by sections 475.61, 475.73 and 475.74-;

(2) a tax for the payment of judgments as authorized by section 465.14-;

~~(4) (3)~~ a maximum of ~~one-third of one mill~~ *0.00805 percent of taxable market value* but not to exceed \$500 to provide musical entertainment to the public in public buildings or on public grounds-;

~~(5) (4)~~ a tax for band purposes as authorized by section 449.09-;

~~(6) (5)~~ a tax for the support of a municipal forest, as authorized by section 459.06-;

~~(7) (6)~~ a tax for advertising purposes, as authorized by section 469.189-;

~~(8) (7)~~ a tax for forest fire protection in any city in a forest area, as authorized by section 88.04-;

~~(9) (8)~~ a maximum of ~~1-2/3 mills~~ *0.04030 percent of taxable market value* for the utilities fund in any city whose utilities are under the jurisdiction of a public utilities commission. ~~Such~~ *The* tax shall be levied for the purpose of paying the cost of the utility service or other services supplied to the city-;

~~(10) (9)~~ a tax for the support of a public library, as authorized by section 134.07-;

~~(11) (10)~~ a tax for firefighters' relief association purposes as authorized by sections 69.772, subdivision 4, 69.773, subdivision 5, or other statutes-; and

~~(12) Such~~ (11) other special taxes as may be authorized by law.

Nothing in this section shall be construed to reduce levies of any municipality below the per capita levy spread in 1970.

Sec. 45. Minnesota Statutes 1988, section 412.531, subdivision 1, is amended to read:

Subdivision 1. [ESTABLISHMENT, TRANSFER; TAX LEVIES.] For the purpose of carrying out the powers of the park board there shall be established in the city treasury a special fund to be called a park fund. The council may transfer to the park fund ~~such moneys as it shall consider~~ *the money it deems* necessary for park purposes. No later than September 1 of each year the park board shall present to the council in ~~such~~ *the* detail as the council ~~shall require~~ *requires* its estimate of the financial needs of the board for the ensuing fiscal year. In any county having a population of more than 200,000 the council of any city, whether having a park board or not, may annually ~~at the time of levying other taxes~~ *levy a special tax* of not to exceed ~~two thirds of one mill~~ *0.01620 percent of taxable market value* for park purposes. The proceeds of this tax shall be placed in the park fund.

Sec. 46. Minnesota Statutes 1988, section 414.035, is amended to read:

414.035 [DIFFERENTIAL TAXATION.]

Whenever a board order, under section 414.031, 414.0325, or 414.033, annexes part or all of a township to a municipality, the board may provide that the ~~mill levy tax rate~~ of the annexing municipality on the area annexed shall be increased in substantially equal proportions over not more than six years to equality with the ~~mill levy tax rate~~ on the property already within the municipality. The appropriate period, if any, shall be based on the time reasonably required to effectively provide full municipal services to the annexed area.

Sec. 47. Minnesota Statutes 1988, section 414.041, subdivision 7, is amended to read:

Subd. 7. [DIFFERENTIAL TAXATION.] Where one municipality is receiving substantially fewer municipal services, the board may provide that the ~~mill levy tax rate of such a~~ *the* municipality shall be increased in substantially equal proportions over a period of not more than five years to equality with the ~~mill levy tax rate~~ in the remainder of the new municipality; ~~such~~. ~~The period to~~ *shall* be determined by the board on the basis of the period reasonably required ~~effectively~~ to provide substantially equal municipal services.

Sec. 48. Minnesota Statutes 1988, section 426.04, is amended to read:

426.04 [TAXES FOR GENERAL PURPOSES.]

The governing body of any home rule charter city of the third or fourth class in this state is ~~hereby authorized to~~ *may* levy taxes ~~annually against the taxable property in any such city~~ for all general fund purposes, not exceeding ~~13 1/3 mills on the dollar of the gross tax capacity of the city, computed as permitted under section 273.13, subdivision 7a. If 0.32237 percent of taxable market value unless the charter of such the city authorizes it to levy taxes for general fund purposes in excess of 13 1/3 mills on the dollar, these provisions shall not limit any such city that amount.~~ This section does not apply to a third class city which is contiguous to a city of the first class located in a different county or to a fourth class city in a county containing a first class city.

Sec. 49. Minnesota Statutes 1988, section 447.10, is amended to read:

447.10 [TAX LEVY FOR OPERATING AND MAINTAINING HOSPITAL.]

The governing body of a city of the first class owning a hospital may annually levy a tax to operate and maintain the hospital. The tax must not exceed ~~one-third of one mill on each dollar of the city's taxable property~~ *0.00806 percent of taxable market value*.

Sec. 50. Minnesota Statutes 1988, section 449.06, is amended to read:

449.06 [ENTERTAINMENT TAX IN CITIES OF THE FOURTH CLASS.]

The governing body of any city of the fourth class ~~in this state~~ operating under a home rule charter of commission form of government: ~~is hereby authorized to annually~~ *may* levy a tax not exceeding ~~one-half of one mill on the dollar in excess of existing mill limitations but not in excess of any existing per capita limitations against taxable property in the city~~ *0.01209 percent of taxable market value* for the purpose of providing musical entertainments to the public in public buildings or upon public grounds. The total sum that may be levied or expended in any year shall not exceed ~~the sum of~~ \$3,500.

Sec. 51. Minnesota Statutes 1988, section 449.08, is amended to read:

449.08 [TAX LEVY FOR MUSICAL ENTERTAINMENTS IN CITIES OF THE THIRD CLASS.]

The council of any city of the third class ~~is hereby authorized and empowered to~~ *may* levy a tax of not exceeding ~~one-third of one mill on all the taxable property within the city~~ *0.00806 percent of taxable market value* for the purpose of providing free musical entertainment for the general public. ~~This tax shall be levied by the council in the same manner and at the same times as taxes for other purposes are levied, and shall be collected in the same manner.~~ The proceeds of this tax shall be used only for the purpose of providing free musical entertainment for the public. The annual expenditure for this purpose is ~~hereby~~ limited to the sum of \$3,000.

Sec. 52. Minnesota Statutes 1988, section 449.09, is amended to read:

449.09 [BANDS, ORCHESTRAS OR CHORUSES, TAX LEVY.]

Cities of the second, third, or fourth class, statutory cities, or towns, however organized, may, when authorized as ~~hereinafter~~ *provided in section 449.10*, levy each year a tax not to exceed ~~one mill~~ *0.02418 percent of taxable market value* for the purpose of providing a fund for the maintenance, transportation, or employment of a band, orchestra, or chorus for municipal purposes. No levy by any municipality shall exceed, in any one year, \$10,000 except in cities of the second class, situated in a county having over 45,000 and less than 49,000 inhabitants according to the 1950 federal census, ~~wherein~~ *such in which* the levy shall not exceed \$25,000 in any one year. No levy by any town shall exceed \$1,500. All sums shall be separately levied and when collected these sums shall be paid into a special fund and used for these purposes. When taxes are levied and collected for the maintenance or employment of a band, orchestra, or chorus for municipal purposes and the band, orchestra, or chorus is discontinued or the city or town by a vote of the people as now provided by law decide not to employ a band, orchestra, or chorus, the governing body may transfer the sums so levied and collected to the general fund. No levy shall be made ~~of~~ *for* any such fund when there is in

the fund an unexpended balance equal to the maximum levy permitted by law ~~therefor~~ *this section*.

Sec. 53. Minnesota Statutes 1988, section 449.10, is amended to read:

449.10 [TAX LEVY ELECTION; PETITION.]

~~Such~~ *The* authority shall be initiated by a petition signed by ten percent of the legal voters of the city or town, as shown by the last regular municipal election. This petition shall be filed with the governing body of the city or town, and shall request that the following question be submitted to the voters: "Shall a tax of not exceeding mills percent of tax capacity be levied each year for the purpose of furnishing a band, orchestra, or chorus fund?"

Sec. 54. Minnesota Statutes 1988, section 450.19, is amended to read:

450.19 [TOURIST CAMPING GROUNDS.]

~~All cities and towns in the state are hereby authorized and empowered to~~ *A home rule charter or statutory city or town may establish and maintain public tourist camping grounds and. The council or other legislative or governing body thereof is hereby empowered to* ~~may~~ acquire, by lease, purchase, or by gift, suitable lands located either within or without the corporate limits for use as public tourist camping grounds and ~~to~~ provide for the equipment, operation, and maintenance of the same. The amount that may be expended for the maintenance, improvement, or operation of tourist camping grounds shall not exceed, in any ~~one~~ year, a sum equal to the amount ~~which may be raised by a one-third of one mill tax upon the taxable property of the municipality of 0.00806 percent of taxable market value.~~

Sec. 55. Minnesota Statutes 1988, section 450.25, is amended to read:

450.25 [MUSEUM, GALLERY, OR SCHOOL OF ARTS OR CRAFTS; TAX LEVY.]

~~After the requirement acquisition of any museum, gallery or school of arts or crafts, there shall be annually levied and it shall be the duty of the board of park commissioners of the city in which it is located any museum, gallery, or school of arts or crafts to~~ *shall* cause to be included in the annual tax levy, upon all the taxable property of the county in which is ~~located said the~~ museum, gallery, or school of arts or crafts *is located*, a tax of ~~.35 mills upon each dollar of the gross tax capacity of property in the county in which is located said museum, gallery, or school of arts or crafts subject to taxation, and of 0.00846 percent of market value.~~ The board shall certify the levy to the *county* auditor ~~of the county in which the museum, gallery, or school of arts or crafts is situated, and the same~~ *it* shall be added to, and collected with and as part of, the general, real, and personal property taxes, with like penalties and interest, in case of nonpayment and default, and all provisions of law in respect to the levy, collection, and enforcement of other taxes shall, so far as applicable, be followed in respect of these taxes. All of these taxes, penalties, and interest, when collected, shall be paid to the city treasurer of the city in which is located ~~said the~~ museum, gallery, or school of arts or crafts and ~~shall be~~ credited to a fund to be known and ~~denominated~~ *denominated* as the park museum fund, and shall be used *only* for the purposes specified in sections 450.23 to 450.25, ~~and for no other purpose.~~ Any part of the proceeds of the levy not expended for the purposes specified in section 450.24 may be used for the erection of new buildings for the same purposes. ~~The tax capacity rate~~

referred to herein shall be mills as determined after the adoption of section 273.1102-

Sec. 56. Minnesota Statutes 1988, section 458A.10, is amended to read:
458A.10 [PROPERTY TAX.]

The commission shall ~~subject to the further provisions hereof,~~ annually levy a ~~direct~~ tax not to exceed ~~five mills~~ *0.12089 percent of market value* on all the taxable property in the transit area at a rate sufficient to produce an amount necessary for the purposes of sections 458A.01 to 458A.15, other than the payment of principal and interest due on any revenue bonds issued pursuant to section 458A.05. Property taxes levied under this section shall be certified by the commission to the county auditors of the transit area, extended, assessed, and collected in ~~like the~~ manner as provided by law for the ~~regular~~ property taxes levied by the governing bodies of cities. The proceeds of the taxes levied under this section shall be remitted by the respective county treasurers to the treasurer of the commission, who shall credit the same to the funds of the commission for use for the purposes of sections 458A.01 to 458A.15 subject to any applicable pledges or limitations on account of tax anticipation certificates or other specific purposes. At any time after making a tax levy under this section and certifying ~~the same~~ *it* to the county auditors, the commission may issue general obligation certificates of indebtedness in anticipation of the collection of ~~such the~~ taxes ~~upon like procedure and subject to the provisions and limitations~~ as provided by section 412.261.

Sec. 57. Minnesota Statutes 1988, section 458A.31, subdivision 1, is amended to read:

Subdivision 1. Notwithstanding anything to the contrary contained in the charter of the city of Duluth, any ordinance thereof, or any statute applicable thereto, limiting the amount levied in any one year for general or special purposes, the city council of the city of Duluth shall each year, ~~at the time the tax levies for the support of the city are made,~~ levy a tax on all taxable property in an amount not to exceed ~~three mills in any year~~ *0.07253 percent of taxable market value*, by ordinance. An ordinance fixing the levy shall take effect immediately upon its passage and approval. The proceeds ~~from such of the~~ levy shall be paid into the city treasury, and ~~shall be~~ deposited in the operating fund provided for in section 458A.24, subdivision 3.

Sec. 58. Minnesota Statutes 1988, section 459.06, subdivision 1, is amended to read:

Subdivision 1. [ACCEPT DONATIONS.] Any county, city, or town ~~in this state,~~ *may* by resolution of ~~the its~~ governing body ~~thereof,~~ *may* accept donations of land that ~~such the~~ governing body ~~may deem~~ *deems* to be better adapted for the production of timber and wood than for any other purpose, for a forest, and may manage ~~the same~~ *it* on forestry principles. The donor of not less than 100 acres of any such land shall be entitled to have the ~~same land~~ perpetually bear the donor's name. The governing body of any city, or town ~~in this state,~~ when funds are available or have been levied therefor, may, when authorized by a majority vote by ballot of the voters voting at any general or special city election or town meeting where ~~such the~~ question is properly submitted, purchase or obtain by condemnation proceedings, and preferably at the sources of streams, any tract of land for a forest which is better adapted for the production of timber and

wood than for any other purpose, and which is conveniently located for the purpose, and manage ~~the same~~ *it* on forestry principles. The selection of ~~such~~ *the* lands and the plan of management ~~thereof shall have the approval of~~ *must be approved by* the director of lands and forestry. ~~Such~~ *The* city or town is ~~authorized to may~~ *authorized to* levy and collect an annual tax of not exceeding ~~1-2/3~~ *1-2/3* mills on the dollar of its real estate gross tax capacity, in addition to all other taxes authorized or permitted by law, ~~0.04030~~ *0.04030* percent of taxable market value to procure and maintain such forests.

Sec. 59. Minnesota Statutes 1988, section 459.14, subdivision 2, is amended to read:

Subd. 2. [FINANCING.] ~~Any such~~ *The* municipality may pay for any portion of the cost of providing automobile parking facilities by:

~~(a)~~ *(1)* appropriating ~~moneys therefor~~ *money* as authorized in subdivision 1;

~~(b)~~ *(2)* levying a tax, not exceeding ~~one-sixth of one mill in any one year, on all taxable property in the municipality~~ *0.00403 percent of taxable market value*;

~~(c)~~ *(3)* levying special assessments against benefited property;

~~(d)~~ *(4)* appropriating any or all net revenues derived from the operation of its parking facilities;

~~(e)~~ *(5)* classifying the users of ~~such~~ *the* facilities as a subject for taxation, and imposing taxes thereon computed according to the extent of use of the facilities;

~~(f)~~ *(6)* imposing reasonable rates, rents, fees and charges for the use of any on-street or off-street parking privilege or facility, which may be in excess of actual cost of operation, maintenance, regulation and supervision of parking at the particular location where the privilege is exercised;

~~(g)~~ *(7)* leasing any off-street facilities at specified or determinable rents to be paid to the municipality under a lease made as ~~hereinafter~~ *authorized and limited provided in subdivision 4*;

~~(h)~~ *(8)* borrowing money and issuing bonds as authorized and limited by subdivision 3; or

~~(i)~~ *(9)* any combination of ~~all or any of~~ the foregoing.

Sec. 60. Minnesota Statutes 1988, section 462.396, subdivision 2, is amended to read:

Subd. 2. On or before August 20, ~~1971, and~~ each year thereafter, the commission shall submit its proposed budget for the ensuing calendar year showing anticipated receipts, disbursements and ad valorem tax levy with a written notice of the time and place of the public hearing on the proposed budget to each county auditor and municipal clerk within the region and those town clerks who in advance have requested a copy of the budget and notice of public hearing. On or before October 1, ~~1971, and~~ each year thereafter, the commission shall adopt, after a public hearing held not later than September 20, a budget covering its anticipated receipts and disbursements for the ensuing year and shall decide upon the total amount necessary to be raised from ad valorem tax levies to meet its budget. After adoption of the budget and no later than October 1, the secretary of the commission shall certify to the auditor of each county within the region the county

share of ~~such~~ the tax, which shall be an amount bearing the same proportion to the total levy agreed on by the commission as the gross tax capacity of the county bears to the gross tax capacity of the region. The maximum amount of any levy made for the purposes of sections 462.381 to 462.398 shall not exceed ~~one sixth of one mill on each dollar of gross tax capacity of 0.00403 percent of market value on~~ all taxable property in the region. The auditor of each county in the region shall add the amount of any levy made by the commission within the limits imposed by this subdivision to other tax levies of the county for collection by the county treasurer with other taxes. When collected the county treasurer shall make settlement of ~~such~~ the taxes with the commission in the same manner as other taxes are distributed to political subdivisions. ~~The levy authorized by this section shall be in addition to any other county taxes authorized by law.~~

Sec. 61. Minnesota Statutes 1988, section 469.033, subdivision 6, is amended to read:

Subd. 6. [OPERATION AREA AS TAXING DISTRICT, SPECIAL TAX.] All of the territory included within the area of operation of any authority shall constitute a taxing district for the purpose of levying and collecting special benefit taxes as provided in this subdivision. All of the taxable property, both real and personal, within that taxing district shall be deemed to be benefited by projects to the extent of the special taxes levied under this subdivision. Subject to the consent by resolution of the governing body of the city in and for which it was created, an authority may levy each year a ~~special~~ tax upon all ~~taxable~~ property, ~~both real and personal~~, within that taxing district. The authority shall ~~cause~~ certify the tax so levied each year ~~to be certified~~ to the auditor of the county in which the taxing district is located on or before October 10 each year. The tax shall be extended, spread, and included with and as a part of the general taxes for state, county, and municipal purposes by the county auditor, to be collected and enforced therewith, together with the penalty, interest, and costs. As the tax, including any penalties, interest, and costs, is collected by the county treasurer it shall be accumulated and kept in a separate fund to be known as the "housing and redevelopment project fund." The money in the fund shall be turned over to the authority at the same time and in the same manner that the tax collections for the city are turned over to the city, and shall be expended ~~and applied only~~ for the purposes of sections 469.001 to 469.047, ~~and for no other purpose~~. It shall be paid out upon vouchers signed by the chair of the authority or an authorized representative. The amount of the ~~special tax~~ levy shall be an amount approved by the governing body of the city, but shall not exceed ~~ten cents on each \$100 of gross tax capacity in the area of operation, .0081 percent of taxable market value~~ except that in cities of the first class having a population of less than 200,000, the ~~special tax~~ levy shall not exceed ~~five cents on each \$100 of gross tax capacity in the area of operation .00403 percent of taxable market value~~. The authority may levy an additional levy, not to exceed ~~one cent on each \$100 of gross tax capacity in the area of operation .0008 percent of taxable market value~~, to be used to defray costs of providing informational service and relocation assistance as set forth in section 462.445, subdivision 4. The authority shall each year formulate and file a budget in accordance with the budget procedure of the city in the same manner as required of executive departments of the city or, if no budgets are required to be filed, by August 1. The amount of the tax levy for the following year shall be based on that budget and shall be approved by the governing body.

Sec. 62. Minnesota Statutes 1988, section 469.053, subdivision 4, is amended to read:

Subd. 4. [MANDATORY CITY LEVY.] A city shall, at the request of the port authority, levy a tax in any year for the benefit of the port authority. The tax must not exceed ~~75 mill times the gross tax capacity of taxable property in the city~~ *0.01813 percent of taxable market value*. ~~The tax is not subject to levy limits.~~ The amount levied must be paid by the city treasurer to the treasurer of the port authority, to be spent by the authority.

Sec. 63. Minnesota Statutes 1988, section 469.053, subdivision 6, is amended to read:

Subd. 6. [DISCRETIONARY CITY LEVY.] Upon request of a port authority, the port authority's city may levy a tax to be spent by and for its port authority. The tax must enable the port authority to carry out efficiently and in the public interest sections 469.048 to 469.068 to create and develop industrial development districts. The levy must not be ~~for more than 7/60 of one mill on each dollar of gross tax capacity of taxable property in the city~~ *0.00282 percent of taxable market value*. The county treasurer shall pay the proceeds of the tax to the port authority treasurer. The money may be spent by the authority in performance of its duties to create and develop industrial development districts. In spending the money the authority must judge what best serves the public interest. The levy in this subdivision is in addition to the levy in subdivision 4 ~~and is not subject to levy limits.~~

Sec. 64. Minnesota Statutes 1988, section 469.107, subdivision 1, is amended to read:

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 gross tax capacity of taxable property in the city~~ *0.01813 percent of taxable market value*. ~~The tax is not subject to levy limits.~~ The amount levied must be paid by the city treasurer to the treasurer of the authority, to be spent by the authority.

Sec. 65. Minnesota Statutes 1988, section 469.180, subdivision 2, is amended to read:

Subd. 2. [TAX LEVIES.] Notwithstanding any law, the county board of any county may appropriate from the general revenue fund a sum not to exceed ~~1/30 of a mill on the gross tax capacity of the a county~~ *levy of 0.00080 percent of taxable market value* to carry out the purposes of this section.

Sec. 66. Minnesota Statutes 1988, section 469.187, is amended to read:

469.187 [EXPENDITURE FOR PUBLICITY; PUBLICITY BOARD; FIRST CLASS CITIES.]

Any city of the first class may expend money for city publicity purposes. The city may levy a tax, ~~at a rate not exceeding 1/30 of one mill upon the gross tax capacity of the taxable property of the city~~ *0.00080 percent of taxable market value*. The proceeds of the levy shall be expended in the manner and for the city publicity purposes the council directs. The council may establish and provide for a publicity board or bureau to administer the fund, subject to the conditions and limitations the council prescribes by ordinance.

Sec. 67. Minnesota Statutes 1988, section 469.188, is amended to read:

469.188 [TAX FOR ADVERTISING RESOURCES; CITIES OF SECOND OR THIRD CLASS.]

The governing body of any city of the second or third class in this state may levy a tax ~~of not to exceed one-third of one mill against the taxable property in the city~~ *0.00806 percent of taxable market value* for the purpose of advertising agricultural, industrial business, and all other resources of the community ~~subject to the city's levy limits.~~

Sec. 68. Minnesota Statutes 1988, section 471.191, subdivision 2, is amended to read:

Subd. 2. Any such city may issue bonds pursuant to chapter 475, for the acquisition and betterment of land, buildings, and facilities for the purpose of carrying out the powers granted by this section. Such bonds, unless authorized as general obligations of the issuer pursuant to approval of the electors or pursuant to another law or charter provision permitting such issuance without an election, shall be payable solely from the income of land, buildings, and facilities used or useful for the operation of the program, but may be secured by a pledge to the bondholders, or to a trustee, of all income and revenues of whatsoever nature derived from any such land, buildings, and facilities, as a first charge on the gross revenues thereof to the extent necessary to pay the bonds and interest thereon when due and to accumulate and maintain an additional reserve for that purpose in an amount equal to the total amount of ~~such~~ payments to become due in any fiscal year. In this event the governing body of the issuer may by resolution or trust indenture define the land, buildings, or facilities, the revenues of which are pledged, and establish covenants and agreements to be made by the issuer for the security of the bonds, including a covenant that the issuer will establish, maintain, revise when necessary, and collect charges for all services, products, use, and occupancy of the land, buildings, and facilities, in the amounts and at the times required to produce the revenues pledged, and also sufficient, with any other funds appropriated by the governing body from time to time, to provide adequately for the operation and maintenance of the land, buildings, and facilities. ~~From and~~ After the issuance of any bonds for which revenues are so pledged, the governing body of the issuer shall provide in its budget each year for any anticipated deficiency in the revenues available for such operation and maintenance. For this purpose any issuer other than a city of the first class may levy a tax of not more than ~~two-thirds of one mill on the gross tax capacity of all taxable property within its corporate limits~~ *0.01612 percent of taxable market value*, in excess of taxes which may otherwise be levied within legal and charter limitations, provided ~~such~~ *the* excess levy is approved by a majority of its electors voting on ~~such~~ *the* question at a regular or special election. The authority to levy additional taxes granted herein shall not apply to cities or towns in which the gross tax capacity consists in part of iron ore or lands containing taconite or semitaconite.

Sec. 69. Minnesota Statutes 1988, section 471.1921, is amended to read:

471.1921 [CITIES AND TOWNS; PLAYGROUNDS AND RECREATION; TAX LEVY.]

Whenever any city or town in which the gross tax capacity consists in part of iron ore or lands containing taconite or semitaconite operates a program of public recreation and playgrounds or other recreational facilities and expends funds for the operation of the program pursuant to sections 471.15 to 471.19, in addition to funds otherwise provided therefor, the

governing body of the city or town may levy a tax in excess of any charter or statutory limitation, except the limitation imposed in sections 275.50 to 275.58, for the support of this program of public recreation and playgrounds as follows:

(a) (1) in cities the council or governing body may levy a tax ~~of not exceeding two-ninths of a mill and not exceeding the lesser of (i) 0.00537 percent of taxable market value; (ii) \$3 per capita and not exceeding; or (iii) \$15,000-;~~ and

(b) (2) in towns the governing body may levy a tax ~~of not exceeding two-ninths of a mill and not exceeding the lesser of (i) 0.00537 percent of taxable market value; or (ii) \$10,000.~~

Sec. 70. Minnesota Statutes 1988, section 471.571, subdivision 1, is amended to read:

Subdivision 1. [APPLICATION.] This section applies to each city in which the gross tax capacity of real and personal property consists in part of iron ore or lands containing taconite or semitaconite and in which the total ~~gross tax capacity~~ taxable market value of real and personal property exceeds ~~\$200,000~~ \$2,500,000.

Sec. 71. Minnesota Statutes 1988, section 471.571, subdivision 2, is amended to read:

Subd. 2. [CREATION OF FUND, TAX LEVY.] The governing body of ~~such~~ the city may create a permanent improvement and replacement fund to be maintained by an annual tax levy. The governing body may levy a tax in excess of any charter ~~or statutory~~ limitation ~~and in excess of the per capita limitation imposed under section 275.11~~ for the support of ~~such~~ the permanent improvement and replacement fund, but not exceeding the following:

(a) In cities having a population of not more than 500 inhabitants, the lesser of \$20 per capita or ~~3-1/3 mills~~ 0.08059 percent of taxable market value;

(b) In cities having a population of more than 500 and less than 2500, the greater of \$12.50 per capita or \$10,000 but not exceeding ~~3-1/3 mills~~ 0.08059 percent of taxable market value;

(c) In cities having a population of more than 2500 inhabitants, the greater of \$10 per capita or \$31,500 but not exceeding ~~3-1/3 mills~~ 0.08059 percent of taxable market value.

Sec. 72. Minnesota Statutes 1988, section 473.325, subdivision 2, is amended to read:

Subd. 2. The metropolitan council shall sell and issue ~~such~~ the bonds in the manner provided in chapter 475, and shall have the same powers and duties as a municipality issuing bonds under that law, except that the approval of a majority of the electors shall not be required and the net debt limitations ~~therein~~ shall not apply. The terms of each series of ~~such~~ bonds shall be fixed so that the amount of principal and interest on all outstanding and undischarged bonds, together with the bonds proposed to be issued, due in any year shall not exceed ~~5 mills~~ times the gross tax capacity 0.01209 percent of market value of all taxable property in the metropolitan area as last finally equalized prior to a proposed issue. The bonds shall be secured in accordance with section 475.61, subdivision 1, and any taxes

required for their payment shall be levied by the council, shall not affect the amount or rate of taxes which may be levied by the council for other purposes, shall be spread against all taxable property in the metropolitan area and shall not be subject to limitation as to rate or amount. Any taxes certified by the council to the county auditors for collection shall be reduced by the amount received by the council from the commissioner of finance or the federal government for the purpose of paying the principal and interest on bonds to which the levy relates. The council shall certify the fact and amount of all money so received to the county auditors, and the auditors shall reduce the levies ~~thereof~~ *theretofore previously made for such the bonds* in the manner and to the extent provided in section 475.61, subdivision 3.

Sec. 73. Minnesota Statutes 1988, section 473.446, subdivision 1, is amended to read:

Subdivision 1. [TAXATION WITHIN TRANSIT TAXING DISTRICT.] For the purposes of sections 473.404 to 473.449 and the metropolitan transit system, except as otherwise provided in this subdivision, the regional transit board shall levy each year upon all taxable property within the metropolitan transit taxing district, defined in subdivision 2, a transit tax consisting of:

(a) an amount which shall be used for payment of the expenses of operating transit and paratransit service and to provide for payment of obligations issued by the commission under section 473.436, subdivision 6;

(b) an additional amount, if any, as the board determines to be necessary to provide for the full and timely payment of its certificates of indebtedness and other obligations outstanding on July 1, 1985, to which property taxes under this section have been pledged; and

(c) an additional amount necessary to provide full and timely payment of certificates of indebtedness, bonds, including refunding bonds or other obligations issued or to be issued under section 473.39 by the council for purposes of acquisition and betterment of property and other improvements of a capital nature and to which the council or board has specifically pledged tax levies under this clause.

The property tax levied by the regional transit board for general purposes under clause (a) must not exceed the following amount for the years specified:

(1) for taxes payable in 1988, the product of two mills multiplied by the total assessed valuation of all taxable property located within the metropolitan transit taxing district as adjusted by the provisions of Minnesota Statutes 1986, sections 272.64; 273.13, subdivision 7a; and 275.49;

(2) for taxes payable in 1989, the product of (i) the regional transit board's property tax levy limitation for general purposes for the taxes payable year 1988 determined under clause (1) multiplied by (ii) an index for market valuation changes equal to the assessment year 1988 total market valuation of all taxable property located within the metropolitan transit taxing district divided by the assessment year 1987 total market valuation of all taxable property located within the metropolitan transit taxing district; and

(3) for taxes payable in 1990 and subsequent years, the product of (i) the regional transit board's property tax levy limitation for general purposes for the previous year determined under this subdivision multiplied by (ii) an index for market valuation changes equal to the total market valuation of all taxable property located within the metropolitan transit taxing district for the current assessment year divided by the total market valuation of all

taxable property located within the metropolitan transit taxing district for the previous assessment year.

For the purpose of determining the regional transit board's property tax levy limitation for general purposes for the taxes payable year 1988 and subsequent years under this subdivision, "total market valuation" means the total market valuation of all taxable property within the metropolitan transit taxing district without valuation adjustments for fiscal disparities (chapter 473F), tax increment financing (sections 469.174 to 469.179), and high voltage transmission lines (section 273.425).

The county auditor shall reduce the tax levied pursuant to this subdivision on all property within statutory and home rule charter cities and towns that receive full peak service and limited off-peak service by an amount equal to the tax levy that would be produced by applying a rate of ~~0.5 mills~~ *0.01209 percent of market value* on the property. The county auditor shall reduce the tax levied pursuant to this subdivision on all property within statutory and home rule charter cities and towns that receive limited peak service by an amount equal to the tax levy that would be produced by applying a rate of ~~0.75 mills~~ *0.01813 percent of market value* on the property. The amounts so computed by the county auditor shall be submitted to the commissioner of revenue as part of the abstracts of tax lists required to be filed with the commissioner under section 275.29. Any prior year adjustments shall also be certified in the abstracts of tax lists. The commissioner shall review the certifications to determine their accuracy and may make changes in the certification as necessary or return a certification to the county auditor for corrections. The commissioner shall pay to the regional transit board the amounts certified by the county auditors on the dates provided in section 273.1398. There is annually appropriated from the general fund in the state treasury to the department of revenue the amounts necessary to make these payments ~~in fiscal year 1987 and thereafter.~~

For the purposes of this subdivision, "full peak and limited off-peak service" means peak period regular route service, plus weekday midday regular route service at intervals longer than 60 minutes on the route with the greatest frequency; and "limited peak period service" means peak period regular route service only.

Sec. 74. Minnesota Statutes 1988, section 473.661, subdivision 3, is amended to read:

Subd. 3. In any budget certified by the commissioners, ~~pursuant to any of the provisions of~~ *under* this section, the amount included for operation and maintenance shall not exceed an amount which, when extended against the ~~gross tax capacity of property then~~ taxable therefor under the provisions of section 473.621, subdivision 5, will require a levy at the rate of ~~one-third of one mill upon such gross tax capacity~~ *0.00806 percent of market value*. Taxes levied by the corporation shall not affect the amount or rate of taxes which may be levied by any other local government unit within the metropolitan area under the provisions of any ~~law or~~ charter.

Sec. 75. Minnesota Statutes 1988, section 473.667, subdivision 9, is amended to read:

Subd. 9. [ADDITIONAL TAXES.] Nothing herein shall prevent the commission from levying a tax not to exceed ~~in any year 1/20 of one mill on the gross tax capacity of~~ *0.00121 percent of market value* on taxable property within its taxing jurisdiction, ~~over and above in addition to any levies~~

found necessary for the debt service fund as authorized by section 473.671. Nothing herein shall prevent the levy and appropriation for purposes of the commission of any other tax on property or on any income, transaction, or privilege, when and if authorized by law. All collections of any taxes so levied shall be included in the revenues appropriated for the purposes referred to in this section, unless otherwise provided in the law authorizing ~~such~~ the levies; but no covenant as to the continuance or as to the rate and amount of any such levy shall be made with the holders of the commission's bonds unless specifically authorized by law.

Sec. 76. Minnesota Statutes 1988, section 473.671, is amended to read:
473.671 [LIMIT OF TAX LEVY.]

The taxes levied against the property of the metropolitan area in any one year shall not exceed ~~one third of one mill upon the gross tax capacity thereof~~ *0.00806 percent of taxable market value*, exclusive of the taxes ~~it may be necessary to levy~~ levied to pay the principal or interest on any bonds or indebtedness of ~~said the city~~ issued by it under the provisions of Laws 1943, chapter 500, and exclusive of any ~~amounts required~~ *taxes levied* to pay the share of ~~such~~ the city for payments on bonded indebtedness of the corporation provided for in Laws 1943, chapter 500. The levy of taxes authorized in Laws 1943, chapter 500, shall be in addition to the maximum rate allowed to be levied to defray the cost of government under the provisions of the charter of any city affected by Laws 1943, chapter 500.

Sec. 77. Minnesota Statutes 1988, section 473.882, subdivision 3, is amended to read:

Subd. 3. [TAX.] After adoption of the ordinance under subdivision 2, a local government unit may annually levy a tax on all taxable property in the district for the purposes for which the tax district is established. The tax ~~levied~~ may not exceed ~~one mill~~ *0.02418 percent of market value on taxable* property located in rural towns other than urban towns, unless allowed by resolution of the town electors. The proceeds of the tax shall be paid into a fund reserved for these purposes. Any proceeds remaining in the reserve fund at the time the tax is terminated or the district is dissolved shall be transferred and irrevocably pledged to the debt service fund of the local unit to be used solely to reduce tax levies for bonded indebtedness of taxable property in the district. A tax levied in accordance with this subdivision for paying capital costs is a levy for the payment of principal and interest on bonded indebtedness within the meaning of section 275.50, subdivision 5, clause (e).

Sec. 78. Minnesota Statutes 1988, section 473.883, subdivision 6, is amended to read:

Subd. 6. [TAX.] For the payment of principal and interest on the bonds issued under subdivision 5 and the payment required under subdivision 4, the county shall irrevocably pledge and appropriate the proceeds of ~~an ad valorem~~ a tax levied on all taxable property located within the territory of the watershed management organization or minor watershed unit for which the bonds are issued. Each year until the reserve for payment of the bonds is sufficient to retire the bonds, the county shall levy on all taxable property in the territory of the organization or unit, without respect to any statutory or other limitation on taxes, an amount of taxes sufficient to pay principal and interest on the bonds and to restore any deficiencies in reserves required to be maintained for payment of the bonds. The tax levied on rural towns

other than urban towns may not exceed ~~one mill~~ *0.02418 percent of taxable market value*, unless approved by resolution of the town electors. If at any time the amounts available from the levy on property in the territory of the organization are insufficient to pay principal and interest on the bonds when due, the county shall make payment from any available funds in the county treasury. The amount of any taxes which are required to be levied outside of the territory of the watershed management organization or unit or taken from the general funds of the county to pay principal or interest on the bonds shall be reimbursed to the county from taxes levied within the territory of the watershed management organization or unit.

Sec. 79. Minnesota Statutes 1988, section 641.23, is amended to read:

641.23 [FUNDS, HOW PROVIDED.]

Before any contract is made for the erection of a county jail, sheriff's residence, or both, the county board shall either levy a sufficient tax to provide the necessary funds, or issue county bonds therefor in accordance with the provisions of chapter 475, provided that the amount of all bonds issued for this purpose and interest on them which are due and payable in any year shall not exceed an amount equal to ~~four mills times the gross tax capacity~~ *0.09671 percent of market value of taxable property within the county, as last determined before the bonds are issued.*

Sec. 80. [REPEALER.]

Minnesota Statutes 1988, sections 69.36; 423.376; 423.47; 423.807; 424.12; and 424.13, are repealed.

Sec. 81. [EFFECTIVE DATE.]

Sections 30, 35, 39, 41, 72, 78, and 79 are effective for bonds and other obligations issued after June 30, 1989, provided that the limitations in those sections include the amount of debt service on obligations issued before that date. Section 33 is effective for obligations issued after the date of enactment of this act."

Delete the title and insert:

"A bill for an act relating to taxation; making technical corrections, clarifications and administrative and enforcement changes to property taxes, premium taxes, cigarette taxes, sales taxes, motor vehicle excise taxes, gasoline and special fuel taxes, taxes on flight property, liquor taxes, marijuana and controlled substances taxes, lodging taxes, and the metropolitan solid waste landfill fee; correcting dates relating to income maintenance aids; providing for unmarked vehicles for use by the department of revenue; providing for cancellation of sales tax permits; providing for sales of unstamped tobacco products and liquor to Indian tribes; repealing obsolete or unnecessary terms or provisions; changing terms; repealing certain gross earnings taxes; requiring notification of the commissioner prior to selling cigarettes at prices other than those presumed by law; changing cigarette distribution licensing requirements; converting mill rate limitations to percentages of market value; changing assessor senior accreditation requirements; exempting certain property from property taxes; changing requirements for valuation and tax deferral for certain property; allowing homestead classification in certain cases; providing for subordinate service districts; authorizing the cities of Mankato and Hopkins to establish special service districts; increasing and imposing fees; imposing penalties; appropriating money; amending Minnesota Statutes 1988, sections 3.983, subdivision 3;

16B.54, subdivision 2; 18.022, subdivision 2; 18.111, subdivision 1; 38.27, subdivision 1; 40A.15, subdivision 2; 41A.09, subdivision 3; 69.011, subdivision 2; 69.54; 88.04, subdivision 3; 93.55, subdivision 4; 110.71, subdivision 2; 110B.20; 112.61, subdivisions 2, 3, and 8; 124.155, subdivision 2; 124.2139; 138.053; 162.07, subdivisions 3 and 4; 162.081, subdivision 4; 164.04, subdivision 3; 164.05, subdivision 1; 168.012, subdivision 1; 174.27; 193.145, subdivision 2; 237.35; 256.82, subdivision 1; 256.871, subdivision 6; 256B.041, subdivision 5; 270.06; 270.071, subdivision 6; 270.072, subdivisions 2 and 3; 270.075, subdivision 2; 270.12, subdivision 2; 270.485; 270.60; 272.01, subdivision 2; 272.02, subdivision 1; 273.01; 273.061, subdivisions 1 and 2; 273.1102, subdivision 3; 273.111, subdivision 3; 273.112, subdivision 3, and by adding a subdivision; 273.124, subdivisions 1, 8, 9, 12, 13, and by adding a subdivision; 273.13, subdivisions 22 and 23; 273.135, subdivision 2; 273.1391, subdivision 2; 273.1393; 273.1398, subdivisions 1, 4, 5, and 6; 275.011, subdivisions 1 and 2; 275.07, subdivision 3; 275.077, subdivision 2; 275.28, subdivision 1; 275.56; 275.58 subdivision 1; 278.01, subdivision 1; 278.03; 278.05, subdivisions 4 and 5; 279.01, subdivisions 1 and 3; 279.37, subdivision 7; 290A.03, subdivision 12; 296.18, subdivision 1; 297.01, subdivision 13, and by adding a subdivision; 297.03, subdivision 6; 297.04, subdivisions 4, 5, and 6; 297.041, subdivisions 1, 2, and 4; 297.08, subdivision 1; 297.31, by adding a subdivision; 297.33, subdivisions 4, 5, 6, 7, and 8; 297A.06; 297A.17; 297A.20; 297A.21, subdivision 4; 297A.25, subdivisions 11 and 16; 297B.01, subdivision 5; 297B.02, subdivision 1; 297B.025, subdivision 2; 297B.03; 297C.03, subdivision 1; 297C.09; 297D.13, by adding a subdivision; 298.28, subdivisions 3 and 4; 298.282, subdivision 2; 325D.32, subdivision 10; 325D.37, by adding a subdivision; 366.27; 373.40, subdivisions 4 and 6; 375.167, subdivision 1; 375.18, subdivision 3; 375.192, subdivision 2; 375.555; 383A.03, subdivision 4; 383A.411, subdivision 5; 383A.49, subdivision 2; 383B.152; 383B.245; 383B.73, subdivisions 1 and 2; 383C.42, subdivision 1; 398A.04, subdivision 8; 412.251; 412.531, subdivision 1; 414.035; 414.041, subdivision 7; 426.04; 447.10; 449.06; 449.08; 449.09; 449.10; 450.19; 450.25; 458A.10; 458A.31, subdivision 1; 459.06, subdivision 1; 459.14, subdivision 2, and by adding a subdivision; 462.396, subdivision 2; 469.012, by adding a subdivision; 469.033, subdivision 6; 469.040, subdivision 2; 469.053, subdivisions 4 and 6; 469.107, subdivision 1; 469.174, subdivision 8; 469.175, subdivision 7; 469.176, subdivision 4c; 469.180, subdivision 2; 469.187; 469.188; 469.190, subdivision 1; 471.191, subdivision 2; 471.1921; 471.571, subdivisions 1 and 2; 473.325, subdivision 2; 473.446, subdivision 1; 473.661, subdivision 3; 473.667, subdivision 9; 473.671; 473.843, subdivision 1; 473.882, subdivision 3; 473.883, subdivision 6; 475.53, subdivision 4; 477A.011, subdivision 15; 477A.013, subdivision 1; 641.23; Laws 1988, chapter 719, articles 7, section 9; 8, section 37; and 12, section 29; proposing coding for new law in Minnesota Statutes, chapters 276; 297; 297A; 297C; 297D; 325D; and 365B; repealing Minnesota Statutes 1988, sections 38.17; 38.27, subdivision 3; 38.28; 69.36; 275.57; 275.58, subdivision 4; 276.13; 276.14; 295.01, subdivisions 4, 5, 6, 7, and 8; 295.15; 295.21; 295.23; 295.24; 295.25; 295.27; 295.29; 295.30; 295.31; 297.01, subdivision 15; 297.03, subdivision 12; 297.04, subdivision 10; 297.33, subdivision 13; 297A.19; 297A.253; 297C.03, subdivisions 4 and 4a; 423.376; 423.47; 423.807; 424.12; 424.13; 477A.018; and 477A.019; Laws 1988, chapter 719, article 8, section 35."

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

House Conferees: (Signed) Dee Long, Alan W. Welle, John Himle

Senate Conferees: (Signed) LeRoy A. Stumpf, John Bernhagen, A. W. "Bill" Diessner

Mr. Stumpf moved that the foregoing recommendations and Conference Committee Report on H.F. No. 266 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. 266 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 38 and nays 3, as follows:

Those who voted in the affirmative were:

Adkins	Chmielewski	Johnson, D.J.	Metzen	Renneke
Anderson	Davis	Knaak	Morse	Schmitz
Beckman	Decker	Knutson	Novak	Solon
Belanger	Diessner	Kroening	Olson	Storm
Berg	Frank	Laidig	Pariseau	Stumpf
Bernhagen	Frederickson, D.J.	Langseth	Piper	Vickerman
Bertram	Frederickson, D.R.	McQuaid	Ramstad	
Brandl	Gustafson	Mehrkens	Reichgott	

Messrs. Benson, Frederick and Larson voted in the negative.

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

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Freeman moved that the following members be excused for a Conference Committee on H.F. No. 46 at 7:00 p.m.:

Messrs. Freeman, Morse, Samuelson, Waldorf and Johnson, D.E. The motion prevailed.

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 826, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 826 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 19, 1989

CONFERENCE COMMITTEE REPORT ON H.F. NO. 826

A bill for an act relating to the collection and dissemination of data; providing access to private and confidential data related to delinquent acts for law enforcement purposes; amending Minnesota Statutes 1988, sections 13.84, subdivision 5a; and 260.161, subdivision 2.

May 17, 1989

The Honorable Robert Vanasek
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H.F. No. 826, 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. 826 be further amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1988, section 13.84, subdivision 5a, is amended to read:

Subd. 5a. [PUBLIC BENEFIT DATA.] The responsible authority or its designee of a parole or probation authority or correctional agency may release private or confidential court services data related to: (1) criminal acts to any law enforcement agency, if necessary for law enforcement purposes; ~~or~~; and (2) *criminal acts or delinquent acts* to the ~~victim~~ victims of a criminal ~~act~~ *where* or delinquent acts to the extent that the data are necessary for the victim to assert the victim's legal right to restitution. *In the case of delinquent acts, the data that may be released include only the juvenile's name, address, date of birth, and place of employment; the name and address of the juvenile's parents or guardians; and the factual part of police reports related to the investigation of the delinquent act.*

Sec. 2. Minnesota Statutes 1988, section 260.161, subdivision 2, is amended to read:

Subd. 2. Except as provided in this subdivision and in subdivision 1, and except for legal records arising from proceedings that are public under section 260.155, subdivision 1, none of the records of the juvenile court and none of the records relating to an appeal from a nonpublic juvenile court proceeding, except the written appellate opinion, shall be open to public inspection or their contents disclosed except (a) by order of a court or (b) as required by sections 611A.03, 611A.04, and 611A.06. The records of juvenile probation officers and county home schools are records of the court for the purposes of this subdivision. *Court services data relating to delinquent acts that are contained in records of the juvenile court may be released as allowed under section 13.84, subdivision 5a.* This subdivision applies to all proceedings under this chapter, including appeals from orders of the juvenile court, except that this subdivision does not apply to proceedings under section 260.255, 260.261, or 260.315 when the proceeding involves an adult defendant. The court shall maintain the confidentiality of adoption files and records in accordance with the provisions of laws relating to adoptions. In juvenile court proceedings any report or social history furnished to the court shall be open to inspection by the attorneys of record and the guardian ad litem a reasonable time before it is used in connection with any proceeding before the court.

When a judge of a juvenile court, or duly authorized agent of the court, determines under a proceeding under this chapter that a child has violated a state or local law, ordinance, or regulation pertaining to the operation of a motor vehicle on streets and highways, except parking violations, the judge or agent shall immediately report the violation to the commissioner

of public safety. The report must be made on a form provided by the department of public safety and must contain the information required under section 169.95.”

Amend the title as follows:

Page 1, line 4, delete “law enforcement”

Page 1, line 5, after “purposes” insert “of victim restitution”

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

House Conferees: (Signed) Charlie Weaver, Randy C. Kelly, Sandy Pappas

Senate Conferees: (Signed) Gene Merriam, Fritz Knaak, Randolph W. Peterson

Mr. Merriam moved that the foregoing recommendations and Conference Committee Report on H.F. No. 826 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. 826 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 46 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Chmielewski	Knaak	Metzen	Renneke
Anderson	Dahl	Knutson	Moe, D.M.	Schmitz
Beckman	Davis	Kroening	Moe, R.D.	Solon
Belanger	Decker	Laidig	Morse	Storm
Benson	Diessner	Langseth	Novak	Stumpf
Berg	Frank	Larson	Olson	Vickerman
Berglin	Frederick	Marty	Pariseau	
Bernhagen	Frederickson, D.J.	McQuaid	Piper	
Bertram	Frederickson, D.R.	Mehrkens	Ramstad	
Brandl	Gustafson	Merriam	Reichgott	

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

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to 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. 530: A bill for an act relating to waste management; defining waste reduction; extending the expiration date of waste advisory councils; authorizing counties to designate waste to landfills; requiring financial reports from landfills; clarifying the limits of political subdivision liability for superfund cleanup at landfills; authorizing the pollution control agency to acquire interests in real estate necessary for superfund; authorizing superfund to reimburse political subdivisions for costs incurred in responding to emergency releases of hazardous materials; making claims for injuries due to petroleum contamination eligible for compensation by the harmful

substance compensation fund; authorizing transfer of money from the petroleum tank release cleanup fund; altering the metropolitan council's authority for solid waste planning; raising the solid waste disposal fee in the metropolitan area; clarifying the 1990 ban on disposal of unprocessed waste in the metropolitan area; extending the date until which metalcasters are not liable for payment of solid waste generator fees; requiring a study of solid waste management district legislation; amending Minnesota Statutes 1988, sections 115A.01; 115A.02; 115A.03, by adding a subdivision; 115A.12, subdivision 1; 115A.14, subdivision 2; 115A.46, subdivision 2; 115A.54, subdivision 2a; 115A.80; 115A.81, subdivision 2; 115A.83; 115A.84; 115A.85, subdivision 2; 115A.86, subdivisions 3 and 5; 115A.893; 115A.906, by adding a subdivision; 115A.919; 115A.921; 115A.94, by adding subdivisions; 115B.04, subdivision 4; 115B.17, by adding a subdivision; 115B.20, subdivision 2; 115B.25, subdivisions 1, 2, 7, and by adding subdivisions; 115B.26; 115B.27, subdivision 1; 115B.28, subdivision 2; 115B.29, subdivision 1; 115B.30, subdivision 3; 115B.34, subdivision 2; 115C.08, subdivision 4, and by adding a subdivision; 116.07, by adding a subdivision; 400.04, subdivision 3; 466.04, subdivision 1; 473.149, subdivisions 2d and 2e, and by adding a subdivision; 473.803, by adding a subdivision; 473.811, subdivisions 1a and 4; 473.823, subdivisions 3 and 6; 473.831, subdivision 2; 473.833, subdivision 2a; 473.840, subdivision 2; 473.843, subdivisions 1 and 2; 473.844, subdivision 1a; 473.8441, subdivision 5; 473.845, subdivisions 1 and 2; and 473.848; Laws 1984, chapter 644, section 85, as amended; proposing coding for new law in Minnesota Statutes, chapters 115A and 473; repealing Minnesota Statutes 1988, sections 115A.98; 115B.29, subdivision 2; 473.149, subdivision 2b; 473.803, subdivision 1a; and 473.806.

Senate File No. 530 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 19, 1989

Mr. Merriam moved that the Senate do not concur in the amendments by the House to S.F. No. 530, 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 to be appointed on the part of the House. The motion prevailed.

MOTIONS AND RESOLUTIONS - CONTINUED

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

INTRODUCTION AND FIRST READING OF SENATE BILLS

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

Mr. Marty introduced—

S.F. No. 1650: A bill for an act relating to the environment; requiring the pollution control agency to amend noise pollution rules.

Referred to the Committee on Environment and Natural Resources.

Mr. Diessner introduced—

S.F. No. 1651: A bill for an act relating to state government; requiring the state planning agency to study data collection practices in state agencies.

Referred to the Committee on Governmental Operations.

Messrs. Moe, R.D. and Stumpf introduced—

S.F. No. 1652: A bill for an act relating to environment; requiring an environmental impact statement for over-the-horizon backscatter central radar receiver systems; prescribing criteria.

Referred to the Committee on Environment and Natural Resources.

Messrs. Pogemiller and Johnson, D.J. introduced—

S.F. No. 1653: A bill for an act relating to tax administration; recodifying and providing for the administration of certain taxes; imposing penalties; appropriating money; amending Minnesota Statutes 1988, sections 270.06; 270.07, subdivision 1, and by adding a subdivision; 270.65; 270.67, subdivision 2; 270.68, subdivisions 1 and 3; 270.69, subdivisions 2, 3, 7, 8, and by adding a subdivision; 270.70, subdivisions 1 and 2; 270.73, subdivision 1; 290.05, subdivision 4; 290.92, subdivisions 6a, 15, 23, and 24; 290A.07, subdivisions 2a and 3; 290A.19; 291.09, subdivision 3a; 296.18, subdivisions 2 and 3; 296.25; 297A.03, subdivision 2; 297A.041; 297A.17; 297A.18; and 297A.211, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 270; proposing coding for new law as Minnesota Statutes, chapter 289A; repealing Minnesota Statutes 1988, sections 270.08; 270.10, subdivision 4; 270.651; 270.77; 271.061; 290.05, subdivision 5; 290.067, subdivision 5; 290.281, subdivision 5; 290.29; 290.37; 290.38; 290.39; 290.391; 290.40; 290.41; 290.42; 290.43; 290.44; 290.45; 290.46; 290.47; 290.49; 290.50, as amended; 290.52; 290.521; 290.522; 290.523; 290.53, subdivisions 1, 1a, 2, 2a, 3, 3a, 4, 5, 7, 8, 9, 10, and 11; 290.54; 290.56; 290.57; 290.58; 290.59; 290.65; 290.92, subdivisions 6, 7, 8, 11, 13, 14, and 15; 290.923, subdivision 7; 290.93; 290.931; 290.932; 290.933; 290.934; 290.935; 290.936; 290.974; 290A.06; 290A.11, subdivisions 1, 1a, 2, 3, and 4; 290A.111; 290A.112; 290A.12; 291.09, subdivisions 1a, 2a, 4a, 6, and 7; 291.11; 291.131; 291.14; 291.15, subdivisions 1 and 3; 291.215, subdivisions 2 and 3; 291.31, subdivisions 1 and 2; 291.32; 296.027; 296.16, subdivision 3; 296.17, subdivision 13; 296.18, subdivisions 3a and 7; 296.24; 297A.08; 297A.121; 297A.15, subdivision 3; 297A.20; 297A.26; 297A.27; 297A.275; 297A.29; 297A.30; 297A.31; 297A.32; 297A.33, subdivisions 1, 3, 4, and 5; 297A.34; 297A.35; 297A.39, subdivisions 1, 2, 2a, 3, 4, 5, 7, and 8; 297A.40; 297A.41; 297A.42; and 297A.44, subdivision 2.

Referred to the Committee on Taxes and Tax Laws.

Mr. Freeman and Ms. Piper introduced—

S.F. No. 1654: A bill for an act relating to employment; regulating employment termination; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 181.

Referred to the Committee on Employment.

Mr. Diessner introduced—

S.F. No. 1655: A bill for an act relating to health; requiring a study of quality control mechanisms for health care.

Referred to the Committee on Health and Human Services.

Mr. Frederickson, D.J. introduced—

S.F. No. 1656: A bill for an act relating to agriculture; providing for agriculture curriculum; proposing coding for new law in Minnesota Statutes, chapter 17.

Referred to the Committee on Agriculture and Rural Development.

Mr. Diessner introduced—

S.F. No. 1657: A bill for an act relating to education; restricting events on school nights; amending Minnesota Statutes 1988, sections 123.33, by adding a subdivision; and 129.121, by adding a subdivision.

Referred to the Committee on Education.

Mr. Bertram introduced—

S.F. No. 1658: A bill for an act relating to health; requiring the physician to make a determination of viability; prohibiting abortions except those necessary to preserve the life or health of the mother; regulating the method of abortion of the viable fetus; requiring the presence of a second physician at the abortion of a viable unborn child; regulating the standard of care for the viable unborn child; according protection of law to the child born alive as a result of abortion; providing a penalty; proposing coding for new law in Minnesota Statutes, chapter 144.

Referred to the Committee on Health and Human Services.

MOTIONS AND RESOLUTIONS - CONTINUED

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated H.F. No. 878 a Special Order to be heard immediately.

SPECIAL ORDER

H.F. No. 878: A bill for an act relating to agriculture; providing partial premium payment for federal crop insurance; requiring lawn waste containers to be degradable; establishing uniformity with certain federal regulations; requiring the use of soy-oil based inks for printing under certain conditions; providing Minnesota-grown coupons to WIC coupon recipients at test sites; suspending certain noxious weed control practices during drought conditions; providing for development of a community needs assessment model; authorizing an investigation of cheese marketing institutions and practices; establishing a grasshopper control program; creating an agricultural liming materials law; establishing an advisory task force on farm safety; extending the farmer-lender mediation act and clarifying various provisions; extending the date for a report of the team study on low livestock productivity; changing certain requirements for motor vehicle fuel labeling; establishing an agricultural landlord rental incentive program; limiting liability of certain agricultural society board numbers; setting a dairy industry check-off rate; providing for arbitration of seed claims; providing for purchase of the agriculture department building; authorizing

bond sales; regulating wild rice labeling; appropriating money; amending Minnesota Statutes 1988, sections 17.7242, subdivisions 1 and 2; 17.59, by adding a subdivision; 30.49; 31.101; 31.102, subdivision 1; 31.103, subdivision 1; 31.104; 31.11; 38.013; 47.20, subdivision 15; 116O.09, subdivision 5; 239.79, subdivision 2, and by adding a subdivision; 308.12, subdivision 5; 325E.045, subdivision 1, and by adding subdivisions; 500.24, subdivision 6; 550.37, subdivisions 4a, 5, and 7; 580.031; 583.24, subdivision 4; 583.26, subdivision 1; Laws 1983, chapter 215, section 16, as amended; Laws 1986, chapter 398, article 1, section 18, as amended; Laws 1987, chapter 396, article 9, section 1, subdivision 4, as amended; proposing coding for new law in Minnesota Statutes, chapters 16B; 17; 17B; 18; 21; 41B; and 169; repealing Minnesota Statutes 1988, sections 17.7241; 17.4244; 17.7246; and 84.152, subdivision 5.

Mr. Knaak moved to amend H.F. No. 878, as amended pursuant to Rule 49, adopted by the Senate May 18, 1989, as follows:

(The text of the amended House File is identical to S.F. No. 1404.)

Page 44, after line 6, insert:

"ARTICLE 12

SCHOOL TRUST FUND LANDS

Section 1. [MORATORIUM ON LOT SALES.]

Notwithstanding any law to the contrary, the commissioner of natural resources shall cease all proceedings relating to the sale of permanent school fund land until July 1, 1990.

Sec. 2. [LEGISLATIVE AUDITOR REPORT.]

By January 1, 1990, the legislative auditor shall review the sale of permanent school fund lands. The legislative auditor shall determine whether selling or leasing land at market value would produce a greater benefit to the permanent school fund. The legislative auditor shall also review the actions of the department of natural resources relating to permanent school fund land, including sale, procedures, practices, and the use of the assets of the permanent school fund to pay the costs of sale."

Re-number the articles in sequence and correct the internal references

Amend the title accordingly

Mr. Berg questioned whether the amendment was germane.

The President ruled that the amendment was germane.

CALL OF THE SENATE

Mr. Merriam imposed a call of the Senate for the balance of the proceedings on the Knaak amendment. The Sergeant at Arms was instructed to bring in the absent members.

The question was taken on the adoption of the Knaak amendment.

The roll was called, and there were yeas 11 and nays 31, as follows:

Those who voted in the affirmative were:

Knaak	McQuaid	Metzen	Olson	Ramstad
Knutson	Merriam	Moe, D.M.	Pariseau	Renneke
McGowan				

Those who voted in the negative were:

Adkins	Brandl	Diessner	Larson	Solon
Anderson	Chmielewski	Frank	Luther	Stumpf
Beckman	Cohen	Frederickson, D.J.	Marty	Vickerman
Berg	Dahl	Frederickson, D.R.	Mehrkens	
Berglin	Davis	Gustafson	Morse	
Bernhagen	Decker	Johnson, D.J.	Reichgott	
Bertram	Dicklich	Langseth	Schmitz	

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

Mr. Bernhagen moved to amend H.F. No. 878, as amended pursuant to Rule 49, adopted by the Senate May 18, 1989, as follows:

(The text of the amended House File is identical to S.F. No. 1404.)

Page 44, after line 6, insert:

“ARTICLE 12

PURCHASE OF FEDERAL CROP INSURANCE

Section 1. [FINDING OF PUBLIC PURPOSE.]

The legislature finds that federal crop insurance represents the lowest cost, most economically feasible mechanism for protecting farm families from severe economic stress caused by drought and other natural disasters. The legislature further finds that costs to the state for rural disaster relief are greatly reduced when a majority of farmers carry federal crop insurance. In order to encourage all farmers to carry federal crop insurance, it is a valid public purpose for state funds to be used to make grants for a portion of the premium costs of the crop insurance.

Sec. 2. [GRANTS FOR PARTIAL PAYMENT OF FEDERAL CROP INSURANCE.]

Subdivision 1. [CERTIFICATION OF ELIGIBILITY.] An applicant for a grant under this section must apply to the Minnesota extension service or the agricultural stabilization and conservation service for a certificate of eligibility. That service must determine which crops are or will be covered by federal crop insurance and the premium cost paid or to be paid by the farmer. The service must then provide to the commissioner of agriculture a certificate of eligibility stating the acreage of each crop covered and the total premium cost.

Subd. 2. [PAYMENT OF GRANT LIMITS.] Within funds appropriated for this program the commissioner shall reimburse eligible farmers certified by the Minnesota extension service or the agricultural stabilization and conservation service for 20 percent of the annual premium paid by the farmer for federal crop insurance. The maximum grant to any farmer in a calendar year is \$1,000.

Sec. 3. [RULES.]

The commissioner of agriculture may adopt rules for purposes of sections 1 to 3.”

Page 48, after line 13, insert:

“Subd. 24. [FEDERAL CROP INSURANCE GRANTS.] \$5,000,000 is appropriated from the general fund to the commissioner of agriculture to make federal crop insurance grants under article 12, sections 1 to 3, to be available until June 30, 1991. Of this amount, not more than \$75,000 is available for administrative expenses of the program.”

Renumber the articles in sequence and correct the internal references

Amend the title accordingly

CALL OF THE SENATE

Mr. Merriam imposed a call of the Senate for the balance of the proceedings on H.F. No. 878. The Sergeant at Arms was instructed to bring in the absent members.

The question was taken on the adoption of the Bernhagen amendment.

The roll was called, and there were yeas 13 and nays 25, as follows:

Those who voted in the affirmative were:

Adkins	Bernhagen	Gustafson	Mehrkens	Vickerman
Anderson	Frederick	Larson	Moe, D.M.	
Belanger	Frederickson, D.R.	McGowan	Renneke	

Those who voted in the negative were:

Beckman	Chmielewski	Frank	Marty	Ramstad
Berg	Cohen	Frederickson, D.J.	McQuaid	Reichgott
Berglin	Dahl	Langseth	Merriam	Schmitz
Bertram	Davis	Lantry	Metzen	Spear
Brandl	Decker	Luther	Olson	Stumpf

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

Mr. Berg moved to amend H.F. No. 878, as amended pursuant to Rule 49, adopted by the Senate May 18, 1989, as follows:

(The text of the amended House File is identical to S.F. No. 1404.)

Page 35, after line 8, insert:

“Section 1. [41.535] [TRANSFER OF PROGRAM TO RURAL FINANCE AUTHORITY.]

The family farm security program is terminated and administration of existing loans is transferred to the rural finance authority. Existing loans may not be assigned. Properties acquired are transferred to the rural finance authority for disposal in accordance with law.”

Page 44, after line 6, insert:

“Sec. 20. [REPEALER.]

Minnesota Statutes, sections 41.54, 41.55, and 41.56, subdivisions 1 and 2, are repealed.”

Renumber the sections of article 11 in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Bernhagen moved to amend H.F. No. 878, as amended pursuant to Rule 49, adopted by the Senate May 18, 1989, as follows:

(The text of the amended House File is identical to S.F. No. 1404.)

Page 44, after line 6, insert:

“ARTICLE 12

HAY-RELATED DROUGHT RELIEF

Section 1. [PURCHASE OF HAY.]

The commissioner of agriculture shall reimburse a farmer for hay the farmer must purchase to feed the farmer's livestock if the farmer has no

hay because of the 1988 drought. To be eligible for reimbursement, the farmer must have owned and been feeding livestock on April 1, 1989, and on the date of application. The farmer must be reimbursed for the purchase of hay for feed at maintenance levels for a four-week period for the number and type of livestock the farmer owns and feeds as of April 1, 1989, or the date the farmer applies for the reimbursement, whichever is fewer. The farmer may only be reimbursed for hay purchased through April 1, 1989.

The farmer must apply for reimbursement by June 30, 1989, to the Minnesota extension service, which must review the farmer's application, investigate the farmer's circumstances, and certify to the commissioner of agriculture the applicant's eligibility for reimbursement under this section. Payments may not be made until July 1, 1989.

Sec. 2. [APPEALS.]

A farmer may appeal a decision of the commissioner of agriculture or the University of Minnesota agricultural extension service under the Minnesota administrative procedure act in Minnesota Statutes, chapter 14."

Page 48, after line 13, insert:

"Subd. 24. [PURCHASED HAY.] \$3,000,000 is appropriated from the general fund to the commissioner of agriculture for the purposes of article 12, section 1, to be available until June 30, 1991. If there is an insufficient amount for reimbursement to all applicants, the reimbursement shall be made on a pro rata basis."

Renumber the articles in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mrs. McQuaid moved to amend H.F. No. 878, as amended pursuant to Rule 49, adopted by the Senate May 18, 1989, as follows:

(The text of the amended House File is identical to S.F. No. 1404.)

Page 8, after line 32, insert:

"Sec. 2. Minnesota Statutes 1988, section 92.67, is amended by adding a subdivision to read:

Subd. 1a. [SINGLE LOT SALE.] The commissioner shall not sell more than one lot that borders public waters to an individual, partnership, or corporation. A person acting as an agent of or on behalf of an individual, partnership, or corporation must disclose the name of the individual, partnership, or corporation for which the person is acting."

Amend the title accordingly

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

H.F. No. 878 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 44 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Brandl	Frederickson, D.J.	McGowan	Purfeerst
Anderson	Chmielewski	Frederickson, D.R.	McQuaid	Ramstad
Beckman	Cohen	Gustafson	Mehrkens	Reichgott
Belanger	Dahl	Knaak	Merriam	Renneke
Benson	Davis	Knutson	Metzen	Schmitz
Berg	Decker	Lantry	Moe, D.M.	Storm
Berglin	Diessner	Larson	Novak	Stumpf
Bernhagen	Frank	Luther	Olson	Vickerman
Bertram	Frederick	Marty	Pariseau	

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

MOTIONS AND RESOLUTIONS - CONTINUED

Remaining on the Order of Business of Motions and Resolutions, Mr. Luther moved that the Senate take up the General Orders Calendar. The motion prevailed.

GENERAL ORDERS

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

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

H.F. No. 257, which the committee reports progress, subject to the following motions:

Mr. Moe, D.M. moved to amend H.F. No. 257, as amended pursuant to Rule 49, adopted by the Senate May 12, 1989, as follows:

(The text of the amended House File is identical to S.F. No. 257.)

Page 2, line 23, reinstate the stricken "provided"

Amend the title as follows:

Page 1, line 18, after the semicolon, insert "appropriating money;"

The motion prevailed. So the amendment was adopted.

Mr. Moe, D.M. then moved to amend H.F. No. 257, as amended pursuant to Rule 49, adopted by the Senate May 12, 1989, as follows:

(The text of the amended House File is identical to S.F. No. 257.)

Pages 15 to 17, delete section 19 and insert:

"Sec. 19. [TECHNOLOGY AND COMMUNICATIONS TASK FORCE.]

Subdivision 1. [MEMBERSHIP] The technology and communications task force consists of:

- (1) the commissioners of administration and state planning;
- (2) a member of the senate appointed by the subcommittee on committees of the committee on rules and administration and a member of the house of representatives appointed by the speaker;
- (3) a representative of the courts appointed by the chief justice;
- (4) a representative of private industry and two representatives of local governmental units appointed by the governor; and
- (5) the chair of the advisory task force established by Minnesota Statutes, section 16B.41, subdivision 4.

The assistant commissioner of administration assigned to the information

policy office shall serve as the primary staff person for the task force. Members of the task force may designate other agency, legislative, or judicial staff to assist the task force.

Subd. 2. [DUTIES.] (a) The task force shall determine the current capabilities and anticipated future needs of state agencies, the legislature, the courts, public post-secondary educational institutions, public corporations, and local governmental units with respect to the communication of voice, data, and video within and among themselves and with the public. In making this determination, the task force shall use information gathered by the advisory council established by section 12, subdivision 2, and the advisory task force established by Minnesota Statutes, section 16B.41, subdivision 4, and may make any additional studies or surveys necessary.

(b) In addition, the task force shall:

(1) compile a list of technological equipment and systems currently in use by the entities listed in paragraph (a), whether owned by the entity or leased from an outside public or private supplier, and a list of equipment or systems the entities plan to acquire;

(2) identify any duplication or underutilization of equipment or systems and any unmet needs for equipment or systems; and

(3) recommend the designation of an existing state agency or the establishment of a new state agency to oversee public sector communications technology, including the statewide telecommunications access routing system established by section 12, and to coordinate the design, acquisition, maintenance, and use of public communications and other technological equipment and systems to serve the current and future needs of state agencies, the legislature, the courts, public post-secondary educational institutions, public corporations, and local governmental units efficiently and effectively.

The task force recommendation under clause (3) must recommend an administrative structure capable of evaluating communications and other technological needs and selecting appropriate equipment and systems to meet those needs consistent with the overall needs of the state's public sector and the equipment and systems already in use.

Subd. 3. [REPORT.] The task force shall report its findings and recommendation to the legislature by February 15, 1990. Upon submission of its report and recommendation, the task force is disbanded.

Subd. 4. [MORATORIUM.] The University of Minnesota, the state universities, the community colleges, and the technical institutes may not purchase, contract for, or otherwise commit themselves to new two-way interactive television equipment, systems, or services, other than maintenance agreements, that expand the capacity of two-way interactive television until the task force has submitted the report and recommendation required by subdivision 3. This subdivision does not prevent an institution from implementing a contract entered into before the effective date of this section."

The motion prevailed. So the amendment was adopted.

Ms. Reichgott moved to amend H.F. No. 257, as amended pursuant to Rule 49, adopted by the Senate May 12, 1989, as follows:

(The text of the amended House File is identical to S.F. No. 257.)

Page 1, after line 28, insert:

“ARTICLE I

WORKERS' COMPENSATION COURT OF APPEALS

Section 1. Minnesota Statutes 1988, section 15A.083, subdivision 7, is amended to read:

Subd. 7. [WORKERS' COMPENSATION COURT OF APPEALS AND COMPENSATION JUDGES.] (a) Salaries of judges of the workers' compensation court of appeals shall be 90 percent of the salary for district court judges as provided ~~in~~ *under section 15A.082, subdivision 4 3; except that, the salary of the chief judge shall be 95 percent of the salary for district court judges.*

(b) Salaries of compensation judges shall be 75 percent of the salary of district court judges as provided ~~in~~ *under section 15A.082, subdivision 4 3. The chief workers' compensation settlement judge at the department of labor and industry may be paid an annual salary that is up to five percent greater than the salary of workers' compensation settlement judges at the department of labor and industry.*

Sec. 2. Minnesota Statutes 1988, section 175A.01, is amended to read:
175A.01 [CREATION.]

Subdivision 1. [~~ESTABLISHMENT; MEMBERSHIP; APPOINTMENT; QUALIFICATIONS.~~] The workers' compensation court of appeals as previously constituted is reconstituted as an independent agency in the executive branch.

The ~~workers' compensation court of appeals~~ shall consist of five judges, each serving in the unclassified service. ~~The five judges shall be learned in the law.~~

Subd. 2. [APPOINTMENT; TERMS; LIMITATION.] Each judge ~~of the workers' compensation court of appeals~~ shall be appointed by the governor, ~~by and with the advice and consent of the senate,~~ for a term of six years commencing at the expiration of the preceding term. Any vacancy shall be filled by the governor for the unexpired term, ~~subject to confirmation by the senate.~~ The terms of the judges shall expire on the first Monday in January of the year in which they expire. The terms of the judges shall be staggered. ~~The judges of the workers' compensation court of appeals as now created shall be the judges of the workers' compensation court of appeals until the expiration of the terms for which they have been appointed and qualified. They shall be selected on the basis of their experience with and knowledge of workers' compensation and the workers' compensation laws of Minnesota.~~

Subd. 3. [CONFIRMATION; RECONFIRMATION.] (a) *Appointments to the court are subject to confirmation by the senate.*

(b) *A judge is subject to reconfirmation by the senate after two years of the judge's term have elapsed. The governor may submit a recommendation at that time either supporting or opposing reconfirmation. If the senate reconfirms, the judge may continue to serve the remaining balance of the unexpired term. If the senate rejects reconfirmation, the judge shall not continue to serve and the vacancy shall be filled by the governor for the unexpired term.*

(c) *Reappointments are subject to confirmation by the senate, but they*

are not subject to reconfirmation as provided under paragraph (b) unless the reappointed judge was initially appointed to fill a vacancy for an unexpired term having less than two years remaining.

Subd. 4. [QUALIFICATIONS.] To qualify for appointment to the court, a candidate shall be learned in the law, have been licensed to practice law for at least five years, and have experience with and knowledge of workers' compensation and the workers' compensation laws of Minnesota.

Subd. 5. [ADVISORY COMMITTEE.] The governor, speaker of the house, and majority leader of the senate shall each appoint two members to a six-member advisory committee which shall screen applicants for appointment to the court and recommend at least three qualified candidates per vacancy. The committee shall be appointed and subject to the provisions of section 15.059, subdivisions 1, 2, 3, 4, and 6. The membership shall fairly represent the diverse groups having an interest in the efficient, just, and equitable administration of the state's workers' compensation laws, and the dispute resolution process thereunder.

Subd. 6. [STANDARDS OF CONDUCT.] The judges of the workers' compensation court of appeals shall be subject to the provisions of the Minnesota Constitution, article VI, section 6, the jurisdiction of the commission on judicial standards, as provided in sections 490.15 and 490.16, and the provisions of the code of judicial conduct.

Subd. 7. [JURISDICTION.] The workers' compensation court of appeals shall have statewide jurisdiction. Except for an appeal to the supreme court or any other appeal allowed under this subdivision, the workers' compensation court of appeals shall be the sole, exclusive, and final authority for the hearing and determination of all questions of law and fact arising under the workers' compensation laws of the state in those cases that have been appealed to the workers' compensation court of appeals and in any case that has been transferred by the district court to the workers' compensation court of appeals. The workers' compensation court of appeals shall have no jurisdiction in any case that does not arise under the workers' compensation laws of the state or in any criminal case, provided that the workers' compensation court of appeals shall exercise appellate jurisdiction under the laws governing employees of the state, a county, or other governmental subdivision who contract tuberculosis and under chapter 352E.

Subd. 8. [OATH.] Each judge of the workers' compensation court of appeals before entering upon the duties of office, shall take the oath prescribed by law.

Sec. 3. Minnesota Statutes 1988, section 175A.02, is amended to read:
175A.02 [ADMINISTRATIVE OFFICERS.]

Subdivision 1. [WCCA; CHIEF JUDGE.] The ~~judges of the workers' compensation court of appeals~~ governor shall ~~choose~~ designate a chief judge from among ~~their number~~ the judges. The chief judge shall ~~appoint one of the judges to serve as the administrator, who shall be have overall responsibility for administration of the court, including acting as custodian of the court's files and records and shall coordinate and make coordinator of hearing assignments.~~ The chief judge who is appointed the administrator may ~~delegate the duties of administrator to an employee chosen to be the~~ appoint an assistant administrator to assist the judge in the performance of administrative duties. The chief judge shall also have responsibility for

oversight of other judges and court personnel with respect to timely performance of duties in a professional manner.

*Subd. 2. [DISTRICT COURTS.] The court administrator of district court in each county shall be the court administrator of the workers' compensation court of appeals in that county. Filing fees and library fees deposited with the court administrator of district court in the capacity as clerk of the workers' compensation court of appeals and in cases originally commenced in district court and transferred to the workers' compensation court of appeals shall be retained by the court administrator of district court. The workers' compensation court of appeals court administrator in each county shall be subject to the supervision of the ~~administrator~~ *chief judge appointed under subdivision 1* in workers' compensation court of appeals matters.*

Sec. 4. Minnesota Statutes 1988, section 175A.05, is amended to read:
175A.05 [QUORUM.]

*A majority of the judges of the workers' compensation court of appeals shall constitute a quorum for the exercise of the powers conferred and the duties imposed on the workers' compensation court of appeals except that all appeals shall be heard by no more than a panel of three of the five judges unless the ~~appeal case appealed~~ *is determined to be of exceptional importance by the chief judge prior to assignment of the case to a panel, or by a ~~four-fifths~~ three-fifths vote of the judges prior to assignment of the case to a panel or after the case has been considered by the panel but prior to the service and filing of the decision.* A vacancy shall not impair the ability of the remaining judges of the workers' compensation court of appeals to exercise all the powers and perform all of the duties of the workers' compensation court of appeals.*

Sec. 5. Minnesota Statutes 1988, section 175A.07, subdivision 2, is amended to read:

*Subd. 2. [PERSONNEL.] The ~~judges~~ *chief judge* of the workers' compensation court of appeals shall appoint in the manner provided by law all personnel required by the workers' compensation court of appeals; *except that, each judge shall appoint the judge's own law clerks.* The law clerks are in the unclassified service. The commissioner of administration shall provide the court with necessary additional staff and administrative services, and the court shall reimburse the commissioner for the cost of these services.*

Sec. 6. [STATUS OF CURRENT JUDGES.]

Notwithstanding Minnesota Statutes, section 175A.01, subdivision 2, judges currently serving on the workers' compensation court of appeals who are reappointed are subject to confirmation by the senate, but not reconfirmation as provided under section 175A.01, subdivision 3.

Sec. 7. [EFFECTIVE DATE.]

Sections 1 to 6 are effective July 1, 1989.

ARTICLE 2"

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Storm moved to amend H.F. No. 257, as amended pursuant to Rule 49, adopted by the Senate May 12, 1989, as follows:

(The text of the amended House File is identical to S.F. No. 257.)

Pages 7 and 8, delete section 10

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 28 and nays 12, as follows:

Those who voted in the affirmative were:

Anderson	Dicklich	Johnson, D.E.	Larson	Ramstad
Beckman	Frank	Knaak	Lessard	Solon
Benson	Frederick	Knutson	McGowan	Storm
Berg	Frederickson, D.J.	Kroening	Mehrkens	Vickerman
Chmielewski	Frederickson, D.R.	Laidig	Pariseau	
Decker	Gustafson	Langseth	Purfeerst	

Those who voted in the negative were:

Adkins	Lantry	Moe, D.M.	Piper	Spear
Bertram	Luther	Moe, R.D.	Schmitz	Waldorf
Diessner	Marty			

The motion prevailed. So the amendment was adopted.

H.F. No. 257 was then progressed.

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

MOTIONS AND RESOLUTIONS - CONTINUED

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate reverted to the Orders of Business of Messages From the House and First Reading of House Bills.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 1764, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 1764 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 19, 1989

CONFERENCE COMMITTEE REPORT ON H.F. NO. 1764

A bill for an act relating to transportation; changing distribution of highway user taxes; authorizing use of state park road account to improve and maintain city streets and town roads that provide immediate access to state parks and campgrounds; increasing motor vehicle license tax on older vehicles; appropriating money; amending Minnesota Statutes 1988, sections 161.081; 161.082, subdivision 2a; 162.06, subdivision 5; 162.081, subdivision 1; 168.013, subdivision 1a; and 297B.09, subdivision 1.

May 18, 1989

The Honorable Robert Vanasek
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H.F. No. 1764, 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. 1764 be further amended as follows:

Page 5, line 16, strike "20" and insert "40"

Page 5, line 17, strike "15" and insert "30"

Pages 5 and 6, delete section 6 and insert:

"Sec. 6. Minnesota Statutes 1988, section 297B.09, subdivision 1, is amended to read:

Subdivision 1. [GENERAL FUND SHARE.] (a) Money collected and received under this chapter must be deposited in the state treasury and credited to the general fund. The amounts collected and received shall be credited as provided in this subdivision, and transferred from the general fund on July 15 and January 15 of each fiscal year. The commissioner of finance must make each transfer based upon the actual receipts of the preceding six calendar months and include the interest earned during that six-month period. The commissioner of finance may establish a quarterly or other schedule providing for more frequent payments to the transit assistance fund if the commissioner determines it is necessary or desirable to provide for the cash flow needs of the recipients of money from the transit assistance fund.

(b) Thirty percent of the money collected and received under this chapter after June 30, 1988, and before July 1, 1991, must be ~~deposited in transferred~~ to the highway user tax distribution fund and the transit assistance fund for apportionment as follows: 75 percent must be ~~credited~~ transferred to the highway user tax distribution fund for apportionment in the same manner and for the same purposes as other money in that fund, and the remaining 25 percent of the money must be ~~credited~~ transferred to the transit assistance fund to be appropriated to the commissioner of transportation for transit assistance within the state and to the regional transit board.

(c) ~~Thirty~~ Five percent of the money collected and received under this chapter after June 30, 1989 and before July 1, 1991, must be transferred as follows: 75 percent must be transferred to the trunk highway fund and 25 percent must be transferred to the transit assistance fund.

(d) ~~Thirty-five~~ percent of the money collected and received under this chapter after June 30, 1991, must be ~~deposited in the trunk highway fund and the transit assistance fund for apportionment~~ transferred as follows: 75 percent must be ~~credited~~ transferred to the trunk highway fund and ~~the remaining~~ 25 percent must be ~~credited~~ transferred to the transit assistance fund.

(~~d~~) (e) The distributions under this subdivision to the highway user tax distribution fund until June 30, 1991, and to the trunk highway fund thereafter, must be reduced by the amount necessary to fund the appropriation under section 41A.09, subdivision 1. For the fiscal years ending June 30, 1988, and June 30, 1989, the commissioner of finance, before making the transfers required on July 15 and January 15 of each year, shall estimate

the amount required to fund the appropriation under section 41A.09, subdivision 1, for the six-month period for which the transfer is being made. The commissioner shall then reduce the amount transferred to the highway user tax distribution fund by the amount of that estimate. The commissioner shall reduce the estimate for any six-month period by the amount by which the estimate for the previous six-month period exceeded the amount needed to fund the appropriation under section 41A.09, subdivision 1, for that previous six-month period. If at any time during a six-month period in those fiscal years the amount of reduction in the transfer to the highway user tax distribution fund is insufficient to fund the appropriation under section 41A.09, subdivision 1 for that period, the commissioner shall transfer to the general fund from the highway user tax distribution fund an additional amount sufficient to fund the appropriation for that period, but the additional amount so transferred to the general fund in a six-month period may not exceed the amount transferred to the highway user tax distribution fund for that six-month period."

Page 7, line 35, delete "\$40,000,000" and insert "\$60,900,000"

Page 8, line 4, delete "\$5,700,000 \$18,400,000"
and insert "\$5,800,000 \$17,600,000"

Page 8, line 7, after "fund" insert "and is for highway development"

Page 8, after line 7, insert:
"(b) Trunk highways \$1,000,000 \$3,100,000

This appropriation is from the trunk highway fund and is for program delivery."

Page 8, line 8, delete "(b)" and insert "(c)"
and delete "\$2,950,000 \$9,400,000"
and insert "\$11,500,000 \$18,100,000"

Page 8, line 13, delete "(c)" and insert "(d)"
and delete "\$850,000 \$2,700,000"
and insert "\$900,000 \$2,900,000"

Page 8, line 19, delete "5" and insert "4, 6,"

Page 8, line 20, delete "November 15, 1989" and insert "January 1, 1990"

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

House Conferees: (Signed) Henry J. Kalis, Harold Lasley, Elton R. Redalen, Chuck Brown, Andy Steensma

Senate Conferees: (Signed) Keith Langseth, Marilyn M. Lantry, James P. Metzen, Gary M. DeCramer

Mr. Langseth moved that the foregoing recommendations and Conference Committee Report on H.F. No. 1764 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.

CALL OF THE SENATE

Mr. Moe, R.D. imposed a call of the Senate for the balance of the proceedings on H.F. No. 1764. The Sergeant at Arms was instructed to bring in the absent members.

H.F. No. 1764 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 37 and nays 22, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Lantry	Morse	Schmitz
Beckman	Dicklich	Larson	Pehler	Spear
Berg	Diessner	Lessard	Peterson, D.C.	Stumpf
Berglin	Frederickson, D.J.	Luther	Peterson, R.W.	Vickerman
Bertram	Frederickson, D.R.	Marty	Piper	Waldorf
Brandl	Freeman	Merriam	Pogemiller	
Chmielewski	Johnson, D.J.	Moe, D.M.	Purfeerst	
Davis	Langseth	Moe, R.D.	Reichgott	

Those who voted in the negative were:

Anderson	Decker	Knaak	Olson	Storm
Belanger	Frank	Knutson	Pariseau	Taylor
Benson	Frederick	Kroening	Ramstad	
Bernhagen	Gustafson	McGowan	Renneke	
Dahl	Johnson, D.E.	Mehrkens	Samuelson	

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

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on Senate File No. 104, and repassed said bill in accordance with the report of the Committee, so adopted.

S.F. No. 104: A bill for an act relating to agriculture; making changes in the rural finance authority loan program; amending Minnesota Statutes 1988, sections 41B.02, subdivisions 12, 15, and 18; 41B.03, subdivision 3, and by adding a subdivision; 41B.039, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 41B; repealing Minnesota Statutes 1988, sections 41B.03, subdivision 4; and 41B.039, subdivisions 3, 4, and 5.

Senate File No. 104 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 19, 1989

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. 1618, and repassed said bill in accordance with the report of the Committee, so adopted.

S.F. No. 1618: A bill for an act relating to the organization and operation of state government; appropriating money for the department of transportation and other agencies with certain conditions; providing for regulation of certain activities and practices; requiring studies and reports; fixing and limiting fees; amending Minnesota Statutes 1988, sections 12.14; 41A.09; 43A.08, subdivision 1; 237.30; 341.10; 473.384, subdivision 7; and 473.386,

subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 299C.

Senate File No. 1618 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 19, 1989

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. 738: A bill for an act relating to traffic regulations; providing for special permits for vehicles transporting pole-length pulpwood; setting a fee; amending Minnesota Statutes 1988, section 169.86, subdivision 5; proposing coding for new law in Minnesota Statutes, chapter 169.

Senate File No. 738 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 19, 1989

Mr. Stumpf moved that the Senate do not concur in the amendments by the House to S.F. No. 738, 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. 491: A bill for an act relating to health care; creating a health care access commission; requiring a health care access study; appropriating money.

Senate File No. 491 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 19, 1989

Ms. Berglin moved that the Senate do not concur in the amendments by the House to S.F. No. 491, 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 that the House refuses to concur in the Senate amendments to House File No. 878:

H.F. No. 878: A bill for an act relating to agriculture; providing partial

premium payment for federal crop insurance; requiring lawn waste containers to be degradable; establishing uniformity with certain federal regulations; requiring the use of soy-oil based inks for printing under certain conditions; providing Minnesota-grown coupons to WIC coupon recipients at test sites; suspending certain noxious weed control practices during drought conditions; providing for development of a community needs assessment model; authorizing an investigation of cheese marketing institutions and practices; establishing a grasshopper control program; creating an agricultural liming materials law; establishing an advisory task force on farm safety; extending the farmer-lender mediation act and clarifying various provisions; extending the date for a report of the team study on low livestock productivity; changing certain requirements for motor vehicle fuel labeling; establishing an agricultural landlord rental incentive program; limiting liability of certain agricultural society board numbers; setting a dairy industry check-off rate; providing for arbitration of seed claims; providing for purchase of the agriculture department building; authorizing bond sales; regulating wild rice labeling; appropriating money; amending Minnesota Statutes 1988, sections 17.7242, subdivisions 1 and 2; 17.59, by adding a subdivision; 30.49; 31.101; 31.102, subdivision 1; 31.103, subdivision 1; 31.104; 31.11; 38.013; 47.20, subdivision 15; 116O.09, subdivision 5; 239.79, subdivision 2, and by adding a subdivision; 308.12, subdivision 5; 325E.045, subdivision 1, and by adding subdivisions; 500.24, subdivision 6; 550.37, subdivisions 4a, 5, and 7; 580.031; 583.24, subdivision 4; 583.26, subdivision 1; Laws 1983, chapter 215, section 16, as amended; Laws 1986, chapter 398, article 1, section 18, as amended; Laws 1987, chapter 396, article 9, section 1, subdivision 4, as amended; proposing coding for new law in Minnesota Statutes, chapters 16B; 17; 17B; 18; 21; 41B; and 169; repealing Minnesota Statutes 1988, sections 17.7241; 17.4244; 17.7246; and 84.152, subdivision 5.

The House respectfully requests that a Conference Committee of 5 members be appointed thereon.

Wenzel, Cooper, Dille, Sparby and Winter have been appointed as such committee on the part of the House.

House File No. 878 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 May 19, 1989

Mr. Davis moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 878, 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.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Morse moved that the following members be excused for a Conference Committee on S.F. No. 262 at 9:30 p.m.:

Messrs. Morse, Merriam, Davis, Dahl and Bernhagen. The motion prevailed.

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 871, 1163, 1194 and 618.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 19, 1989

FIRST READING OF HOUSE BILLS

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

H.F. No. 871: A bill for an act relating to taxation; allowing a special levy to the cities of Windom and Jackson to meet costs of operating municipal hospitals; amending Minnesota Statutes 1988, section 275.50, subdivision 5, and by adding a subdivision.

Referred to the Committee on Taxes and Tax Laws.

H.F. No. 1163: A bill for an act relating to resource development; requiring a research study on the effect of aspen thinning; appropriating money.

Referred to the Committee on Finance.

H.F. No. 1194: A bill for an act relating to insurance; requiring obligors to issue an insurance identification card; requiring a driver or owner to produce an insurance identification card, policy, or written statement; providing for administrative review; exempting certain vehicles; providing for the impoundment of registration plates; providing for a limited license in certain circumstances; defining terms; providing penalties; amending Minnesota Statutes 1988, sections 65B.67, subdivisions 2 and 4; 168.041, subdivisions 4, 4a, and by adding a subdivision; 169.09, subdivision 14; and 171.30, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 65B and 169; repealing Minnesota Statutes 1988, section 65B.481.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1044, now on General Orders.

H.F. No. 618: A bill for an act relating to corrections; requiring the commissioner of corrections to make high school diploma equivalency programs available to inmates; providing a reduction in an inmate's supervised release term if the inmate completes such a program; amending Minnesota Statutes 1988, sections 244.03; and 244.05, subdivision 1, and by adding a subdivision.

Referred to the Committee on Finance.

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. 1408: Messrs. Novak, Metzen and Mrs. McQuaid.

H.F. No. 1155: Mr. Frederick replaces Mr. Laidig.

S.F. No. 783: Messrs. Solon; Moe, R.D.; Pogemiller; Moe, D.M. and Renneke.

S.F. No. 530: Messrs. Merriam, Dahl, Stumpf, Marty and Mrs. McQuaid.

S.F. No. 738: Messrs. Stumpf, Frederick and Langseth.

S.F. No. 491: Ms. Berglin, Messrs. Samuelson and Larson.

H.F. No. 878: Messrs. Davis; Decker; Frederickson, D.J.; Vickerman and Berg.

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

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Moe, R.D. moved that S.F. No. 539, No. 39 on General Orders, be stricken and returned to its author. The motion prevailed.

Ms. Berglin moved that S.F. No. 621, No. 49 on General Orders, be stricken and returned to its author. The motion prevailed.

Mr. Freeman moved that S.F. No. 1036, No. 47 on General Orders, be stricken and returned to its author. The motion prevailed.

Ms. Peterson, D.C. moved that S.F. No. 1095, No. 12 on General Orders, be stricken and returned to its author. The motion prevailed.

Mr. Benson moved that S.F. No. 680, No. 1 on General Orders, be stricken and returned to its author. The motion prevailed.

Mrs. Lantry moved that S.F. No. 235, No. 2 on General Orders, be stricken and returned to its author. The motion prevailed.

Mr. Frederickson, D.J. moved that S.F. No. 1047, No. 5 on General Orders, be stricken and returned to its author. The motion prevailed.

Mr. Moe, D.M. moved that S.F. No. 1201, No. 15 on General Orders, be stricken and re-referred to the Committee on Governmental Operations. The motion prevailed.

Mr. Davis moved that H.F. No. 1014, No. 22 on General Orders, be stricken and re-referred to the Committee on Judiciary. The motion prevailed.

MEMBERS EXCUSED

Mr. Frederickson, D.R. was excused from the Session of today from 5:00 to 6:00 p.m. Mrs. McQuaid was excused from the Session of today at 8:45 p.m. Mr. Renneke was excused from the Session of today from 9:20 to 9:55 p.m.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 12:00 noon, Saturday, May 20, 1989. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate