

VOLUME 3

JOURNAL

OF THE

HOUSE

OF REPRESENTATIVES

1981 THIRD SPECIAL SESSION

OF THE

LEGISLATURE

STATE OF MINNESOTA

NOTE: See page 4999 for 1982 Regular Session.

RAMALEY PRINTING COMPANY



STATE OF MINNESOTA

THIRD SPECIAL SESSION - 1981

FIRST DAY

SAINT PAUL, MINNESOTA, TUESDAY, DECEMBER 1, 1981

In obedience to the proclamation of the Honorable Albert H. Quie, Governor of the State of Minnesota, summoning the two houses of the Legislature to meet in Special Session, the members of the House of Representatives assembled in the House chamber at the Capitol in Saint Paul on Tuesday, the first day of December, 1981, at 2:00 p.m.

A copy of the proclamation for the Third Special Session 1981 is on file in the office of the Chief Clerk. The proclamation is dated November 19, 1981.

Pursuant to the proclamation and Minnesota Statutes 1980, Section 3.073, the Honorable Harry A. Sieben, Jr., Speaker of the House, called the House of Representatives to order.

Prayer was offered by Reverend Mark S. Hanson, Edina Community Lutheran Church, Edina, Minnesota.

Speaker Sieben, H., introduced the new House member, Don Frerichs, from District 32B and announced that he had previously been administered the oath of office and that his election certificate was on file. He was elected in a special election held on July 15, 1981, following the resignation of Donald L. Friedrich dated June 14, 1981.

The Chief Clerk called the roll by legislative district in numerical order and the following members answered to their names:

- District 1A Myron Nysether
- District 1B LeRoy Stumpf
- District 2A Tony Stadum
- District 2B Willis Eken
- District 3A Irv Anderson
- District 3B Robert Lemen
- District 4A John A. Ainley
- District 4B Glen Sherwood
- District 5A Dominic J. Elioff

District 5B	Lona Minne
District 6A	Joseph R. Begich
District 6B	David P. Battaglia
District 7A	Willard Munger
District 7B	Ben E. Gustafson
District 8A	Arlene Lehto
District 8B	Thomas R. Berkelman
District 9A	
District 9B	Merlyn Valan
District 10A	Jim Evans
District 10B	Bob Anderson
District 11A	Paul D. Aasness
District 11B	Dave Fjoslien
District 12A	Bruce Nelsen
District 12B	Stephen G. Wenzel
District 13A	Don Samuelson
District 13B	Paul Anders Ogren
District 14A	Doug Carlson
District 14B	Mary Murphy
District 15A	Earl Hauge
District 15B	Glen Anderson
District 16A	Joe T. Niehaus
District 16B	B. J. Brinkman
District 17A	Marcus Marsh
District 17B	Dave Gruenes
District 18A	Dick Welch
District 18B	Bob McEachern
District 19A	John T. Clawson
District 19B	John Weaver
District 20A	Ray Welker
District 20B	Cal Ludeman
District 21A	Dean Elton Johnson
District 21B	Gaylin Den Ouden
District 22A	Adolph L. Kvam
District 22B	Tony Onnen
District 23A	Gary Schafer
District 23B	Carl M. Johnson
District 24A	Robert E. Vanasek
District 24B	Marnie Luknic
District 25A	Steve Sviggum
District 25B	Lyle Mehrkens
District 26A	
District 26B	Wendell O. Erickson
District 27A	George Mann
District 27B	David Jennings
District 28A	Gilbert Esau
District 28B	Terry Dempsey
District 29A	Mark Piepho
District 29B	Richard (Dick) Wigley
District 30A	Henry J. Kalis
District 30B	Jerry Schoenfeld
District 31A	Bob Haukoos
District 31B	Leo J. Reding
District 32A	Tom J. Shea

District 32B	Don Frerichs
District 33A	J. R. "Dick" Kaley
District 33B	Ken Zubay
District 34A	Warren "Tom" Stowell
District 34B	Tim Sherman
District 35A	Elton R. Redalen
District 35B	Al Wieser, Jr.
District 36A	K. J. McDonald
District 36B	Tom Rees
District 37A	Shirley Hokanson
District 37B	James C. "Jim" Swanson
District 38A	Kathleen Blatz
District 38B	Bill Peterson
District 39A	Mary Forsythe
District 39B	John Himle
District 40A	Doug Ewald
District 40B	Jerry Knickerbocker
District 41A	Sally Olsen
District 41B	Elliot Rothenberg
District 42A	Tad Jude
District 42B	Robert L. Searles
District 43A	Lon Heinitz
District 43B	Jim Heap
District 44A	Lyndon R. Carlson
District 44B	Dorothy Hokr
District 45A	Bill Schreiber
District 45B	Robert L. "Bob" Ellingson
District 46A	Paul McCarron
District 46B	Wayne Simoneau
District 47A	Joel Jacobs
District 47B	Gordon O. Voss
District 48A	Steven G. Novak
District 48B	John Rose
District 49A	Don Valento
District 49B	Robert W. (Bob) Reif
District 50A	Connie Levi
District 50B	Dick Kostohryz
District 51A	Gary W. Laidig
District 51B	Mike Sieben
District 52A	James P. Metzen
District 52B	Harry Sieben, Jr.
District 53A	Carolyn Rodriguez
District 53B	Charles C. "Chuck" Halberg
District 54A	George Dahlvang
District 54B	James I. Rice
District 55A	Lawrence J. Pogemiller
District 55B	John J. Sarna
District 56A	Randy W. Staten
District 56B	Dee Long
District 57A	Phyllis Kahn
District 57B	Lee Greenfield
District 58A	Bill Dean
District 58B	Todd Otis
District 59A	Karen Clark

District 59B	Ken Nelson
District 60A	Janet Clark
District 60B	Donna Peterson
District 61A	John Brandl
District 61B	Wesley J. "Wes" Skoglund
District 62A	Ann Wynia
District 62B	Walter Hanson
District 63A	Kathleen Vellenga
District 63B	John Drew
District 64A	Tom Osthoff
District 64B	Peggy Byrne
District 65A	Fred C. Norton
District 65B	Tom Harens
District 66A	Richard M. O'Connor
District 66B	Randy C. Kelly
District 67A	
District 67B	John Tomlinson

131 members answered to the call by legislative district.

Anderson, B.; Hoberg and Rodriguez, F., were excused.

The roll was called in alphabetical order and the following members were present:

Aasness	Erickson	Kahn	Novak	Sieben, M.
Ainley	Esau	Kaley	Nysether	Simoneau
Anderson, G.	Evans	Kalis	O'Connor	Skoglund
Anderson, I.	Ewald	Kelly	Olsen	Stadum
Anderson, R.	Fjoslien	Knickerbocker	Onnen	Staten
Battaglia	Forsythe	Kostohryz	Osthoff	Stowell
Begich	Frerichs	Kvam	Peterson, B.	Stumpf
Berkelman	Greenfield	Laidig	Peterson, D.	Sviggum
Blatz	Gruenes	Lehto	Piepho	Swanson
Brandl	Gustafson	Levi	Pogemiller	Tomlinson
Brinkman	Halberg	Long	Redalen	Valan
Byrne	Hanson	Ludeman	Reding	Valento
Carlson, D.	Harens	Mann	Rees	Vanasek
Carlson, L.	Hauge	Marsh	Reif	Vellenga
Clark, J.	Haukoos	McCarron	Rice	Voss
Clark, K.	Heap	McDonald	Rodriguez, C.	Weaver
Clawson	Heinitz	McEachern	Rose	Welch
Dahlvang	Himle	Mehrkens	Rothenberg	Welker
Dean	Hokanson	Metzen	Samuelson	Wenzel
Dempsey	Hokr	Minne	Sarna	Wieser
Den Ouden	Jacobs	Munger	Schafer	Wigley
Drew	Jennings	Murphy	Schoenfeld	Wynia
Eken	Johnson, C.	Nelson, K.	Searles	Zubay
Elioff	Johnson, D.	Niehaus	Shea	Spkr. Sieben, H.
Ellingson	Jude	Norton	Sherman	

A quorum was present.

Eken moved that the Chief Clerk be and is hereby instructed to inform the Senate and the Governor by message that the House of Representatives is now duly organized for this 1981 Third Special Session pursuant to law. The motion prevailed.

INTRODUCTION AND FIRST READING
OF HOUSE BILLS

The following House Files were introduced:

Voss; Anderson, I.; Sieben, H., and Eken introduced:

H. F. No. 1, A bill for an act relating to local government; guaranteeing the payment of certain state aids and payments to local governments for calendar year 1981; granting local governments temporary borrowing authority.

The bill was read for the first time and referred to the Committee on Local and Urban Affairs.

Sarna; Metzen; Anderson, G.; Schreiber and Lehto introduced:

H. F. No. 2, A bill for an act relating to motor vehicles; defining vans; providing for the registration and taxation of certain vans as passenger automobiles; amending Minnesota Statutes 1980, Section 168.011, by adding a subdivision; and Minnesota Statutes 1981 Supplement, Section 168.011, Subdivisions 7 and 10.

The bill was read for the first time and referred to the Committee on Transportation.

Rose, Simoneau and Ainley introduced:

H. F. No. 3, A bill for an act relating to unemployment compensation; altering provisions with respect to the advance of federal funds; altering "triggers" relating to extended benefits; altering eligibility requirements for extended benefits; altering eligibility and disqualifying provisions for individuals whose training is approved under the Federal Trade Act of 1974; amending Minnesota Statutes 1980, Sections 268.05, Subdivision 6; 268.071, Subdivisions 1, 3, 5, and 6, and by adding subdivisions; 268.08, Subdivision 1; and 268.09, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Heinitz, Kaley, Forsythe and Den Ouden introduced :

H. F. No. 4, A bill for an act relating to public welfare; altering certain provisions of the program of aid to families with dependent children; redefining the term "dependent child"; expanding the definition of persons ineligible; eliminating eligibility of the unborn; requiring rules to define "special needs" for eligible pregnant women; requiring recoupment of overpayments; requiring registration of certain dependent recipients for employment services, training, and employment; restricting the earned income disregard to four months; restricting work expense disregards; providing for voluntary third party payments; eliminating eligibility for recipients participating in a strike; eliminating a prepaid funeral contract and reverse mortgage loan guarantees as disregarded resources; modifying the service fee for child support collection services; modifying the resource limits for recipients of aid to families with dependent children; amending Minnesota Statutes 1980, Sections 256.12, Subdivision 14; 256.73, Subdivisions 3a, 5, 6, and by adding a subdivision; 256.736, Subdivisions 3 and 4; 256.74, Subdivision 1; 256.81; 256.871, Subdivision 2; 256.935, Subdivision 2; 256.99; Minnesota Statutes 1981 Supplement, Sections 256.73, Subdivision 2; and 518.551, Subdivision 7; and proposing new law coded in Minnesota Statutes, Chapter 256.

The bill was read for the first time and referred to the Committee on Health and Welfare.

Jennings, Ludeman and Schafer introduced :

H. F. No. 5, A bill for an act relating to education; removing a provision prohibiting the commissioner of finance from reducing allotments pursuant to appropriations for state aids, payments, reimbursements, or fund transfers to or on behalf of school districts; authorizing the commissioner of education to selectively withhold school aids based on the cash and cash flow needs of the recipients; amending Minnesota Statutes 1981 Supplement, Section 16A.15, Subdivision 1; proposing new law coded in Minnesota Statutes, Chapter 124.

The bill was read for the first time and referred to the Committee on Education.

MESSAGES FROM THE SENATE

The following message was received from the Senate :

Mr. Speaker :

This is to notify you that the Senate is now duly organized pursuant to the Minnesota Constitution and Minnesota Statutes.

PATRICK E. FLAHAVEN, Secretary of the Senate

MOTIONS AND RESOLUTIONS

Reif introduced:

House Resolution No. 1, A house resolution honoring Gerry Spiess for his historic trans-Pacific crossing.

The resolution was referred to the Committee on Rules and Legislative Administration.

ADJOURNMENT

Eken moved that when the House adjourns today it adjourn until 2:00 p.m., Thursday, December 3, 1981. The motion prevailed.

Eken moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 2:00 p.m., Thursday, December 3, 1981.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

STATE OF MINNESOTA

THIRD SPECIAL SESSION - 1981

SECOND DAY

SAINT PAUL, MINNESOTA, THURSDAY, DECEMBER 3, 1981

The House of Representatives convened at 2:00 p.m. and was called to order by Harry A. Sieben, Jr., Speaker of the House.

Prayer was offered by Father Edward J. Flahavan, St. Stephens Catholic Church, Minneapolis, Minnesota.

The roll was called and the following members were present:

Aasness	Esau	Kelly	Nysether	Simoneau
Ainley	Evans	Knickerbocker	O'Connor	Skoglund
Anderson, B.	Ewald	Kostohryz	Ogren	Stadum
Anderson, G.	Fjoslién	Kvam	Olsen	Staten
Anderson, I.	Forsythe	Laidig	Onnen	Stowell
Anderson, R.	Frerichs	Lehto	Osthoff	Stumpf
Battaglia	Greenfield	Lemen	Otis	Sviggum
Begich	Gruenes	Levi	Peterson, B.	Swanson
Berkelman	Gustafson	Long	Peterson, D.	Tomlinson
Blatz	Halberg	Ludeman	Piepho	Valan
Brandl	Hanson	Luknic	Pogemiller	Valento
Brinkman	Harens	Mann	Redalen	Vanasek
Byrne	Haukoos	Marsh	Rees	Vellenga
Carlson, D.	Heap	McCarron	Reif	Voss
Carlson, L.	Heinitz	McDonald	Rodriguez, C.	Weaver
Clark, J.	Himle	McEachern	Rose	Welch
Clark, K.	Hokanson	Mehrkens	Rothenberg	Welker
Clawson	Hokr	Metzen	Samuelson	Wenzel
Dahlvang	Jacobs	Minne	Sarna	Wieser
Dean	Jennings	Munger	Schafer	Wigley
Dempsey	Johnson, C.	Murphy	Schoenfeld	Zubay
Den Ouden	Johnson, D.	Nelsen, B.	Schreiber	Spkr. Sieben, H.
Drew	Jude	Nelson, K.	Searles	
Eken	Kahn	Niehaus	Sherman	
Elioff	Kaley	Norton	Sherwood	
Erickson	Kalis	Novak	Sieben, M.	

A quorum was present.

Ellingson; Hauge; Hoberg; Reding; Rice; Rodriguez, F.; Shea and Wynia were excused.

The Chief Clerk proceeded to read the Journal of the preceding day. Simoneau moved that further reading of the Journal be dispensed with and that the Journal be approved as corrected by the Chief Clerk. The motion prevailed.

REPORTS OF STANDING COMMITTEES

Voss from the Committee on Local and Urban Affairs to which was referred:

H. F. No. 1, A bill for an act relating to local government; guaranteeing the payment of certain state aids and payments to local governments for calendar year 1981; granting local governments temporary borrowing authority.

Reported the same back with the following amendments:

Page 1, line 17, delete "*general purpose*"

Page 2, line 2, delete "*or*" and after "*town*" insert "*, or other taxing district within the meaning of section 273.13, subdivision 15a, other than a school district*"

Page 2, line 4, delete "*CITIES, COUNTIES, AND*" and insert "*MUNICIPALITIES*"

Page 2, line 5, delete "*TOWNS*"

Page 2, line 7, delete "*March 1*" and insert "*February 28*"

Page 2, line 8, delete "*any*" and insert "*the*"

Page 2, line 14, delete "*calendar year*" and insert "*November and December,*"

Page 2, line 16, delete "*calendar year*" and insert "*November and December,*"

Page 2, line 17, delete second "*and*"

Page 2, line 20, delete "*calendar year*" and insert "*November and December,*"

Page 2, line 23, delete the period and insert "*, and*"

Page 2, after line 23, insert:

"(d) *Any state aids, payments, reimbursements or fund transfers to be made during November and December, 1981 pursuant to any law other than those specified in clauses (a) to (c).*"

Page 2, line 33, delete "*any*" and insert "*the*"

Page 3, line 2, delete "*first*"

Page 3, line 7, delete "*aid*" and insert "*aids,*"

Page 3, line 7, after "*payments*" insert "*, reimbursements or fund transfers scheduled*"

Page 3, line 8, delete "*during calendar years 1981 and 1982*" and insert "*on or before February 28, 1982*"

Page 3, after line 33, insert:

"Sec. 5. [APPROPRIATION.]

An amount sufficient to pay the interest payable under section 3, subdivision 3 is appropriated from the general fund to the commissioner of revenue."

Renumber the sections

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Taxes.

The report was adopted.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Den Ouden and Heinitz introduced:

H. F. No. 6, A bill for an act relating to public welfare; altering limits on reimbursement for drugs in the medical assistance program; amending Minnesota Statutes 1981 Supplement, Section 256B.02, Subdivision 8.

The bill was read for the first time and referred to the Committee on Health and Welfare.

Jennings, Ludeman and Schafer introduced:

H. F. No. 7, A bill for an act relating to education; authorizing the commissioner of education to suspend certain education aids in December, 1981 and January, 1982; authorizing the commissioner of education to consider cash flow requirements of each recipient in determining whether to suspend education aids; requiring the commissioner of finance to pay by February 26, 1982 any payments that were suspended.

The bill was read for the first time and referred to the Committee on Education.

MOTIONS AND RESOLUTIONS

Jennings moved that H. F. No. 5 be returned to its author.

POINT OF ORDER

Knickerbocker raised a point of order pursuant to rule 5.4. The Speaker ruled the point of order not well taken.

The question recurred on the Jennings motion to return H. F. No. 5 to its author. The motion prevailed.

ADJOURNMENT

Eken moved that when the House adjourns today it adjourn until 2:00 p.m., Monday, December 7, 1981. The motion prevailed.

Eken moved that the House adjourn. The motion prevailed and the Speaker declared the House stands adjourned until 2:00 p.m., Monday, December 7, 1981.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

STATE OF MINNESOTA

THIRD SPECIAL SESSION - 1981

THIRD DAY

SAINT PAUL, MINNESOTA, MONDAY, DECEMBER 7, 1981

The House of Representatives convened at 2:00 p.m. and was called to order by Harry A. Sieben, Jr., Speaker of the House.

Prayer was offered by Rabbi Leigh Lerner, Mt. Zion Temple, St. Paul, Minnesota.

The roll was called and the following members were present:

Aasness	Evans	Knickerbocker	Ogren	Simoneau
Ainley	Ewald	Kostohryz	Olsen	Skoglund
Anderson, B.	Fjoslien	Kvam	Onnen	Stadum
Anderson, G.	Forsythe	Laidig	Osthoff	Staten
Anderson, I.	Frerichs	Lehto	Otis	Stowell
Anderson, R.	Greenfield	Lemen	Peterson, B.	Stumpf
Battaglia	Gruenes	Levi	Peterson, D.	Sviggum
Begich	Gustafson	Long	Piepho	Tomlinson
Berkelman	Halberg	Ludeman	Pogemiller	Valan
Blatz	Harens	Luknic	Redalen	Valento
Brandl	Haukoos	Mann	Reding	Vanasek
Brinkman	Heap	Marsh	Rees	Vellenga
Carlson, D.	Heinitz	McCarron	Reif	Voss
Carlson, L.	Himle	McDonald	Rice	Weaver
Clark, J.	Hoberg	McEachern	Rodriguez, C.	Welch
Clark, K.	Hokanson	Mehrkens	Rose	Welker
Clawson	Hokr	Metzen	Rothenberg	Wenzel
Dahlvang	Jacobs	Munger	Samuelson	Wieser
Dempsey	Jennings	Murphy	Sarna	Wynia
Den Ouden	Johnson, C.	Nelsen, B.	Schafer	Zubay
Drew	Johnson, D.	Nelson, K.	Schreiber	Spkr. Sieben, H.
Eken	Jude	Niehaus	Searles	
Elioff	Kahn	Norton	Shea	
Ellingson	Kaley	Novak	Sherman	
Erickson	Kalis	Nysether	Sherwood	
Esau	Kelly	O'Connor	Sieben, M.	

A quorum was present.

Byrne; Dean; Hanson; Hauge; Minne; Rodriguez, F.; Schoenfeld; Swanson and Wigley were excused.

The Chief Clerk proceeded to read the Journal of the preceding day. Kelly moved that further reading of the Journal be

dispensed with and that the Journal be approved as corrected by the Chief Clerk. The motion prevailed.

REPORTS OF STANDING COMMITTEES

Johnson, C., from the Committee on Education to which was referred:

H. F. No. 7, A bill for an act relating to education; authorizing the commissioner of education to suspend certain education aids in December, 1981 and January, 1982; authorizing the commissioner of education to consider cash flow requirements of each recipient in determining whether to suspend education aids; requiring the commissioner of finance to pay by February 26, 1982 any payments that were suspended.

Reported the same back with the following amendments:

Page 1, after line 23, insert:

"Sec. 2. [CERTIFICATION.] On or before December 31, 1981 and January 31, 1982, the commissioner shall certify to each recipient the amount of aids, payments, reimbursements, or fund transfers suspended pursuant to section 1. The commissioner shall issue a certificate of unpaid aids for the certified amount to be paid by February 26, 1982."

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

Renumber the section

Amend the title as follows:

Page 1, line 7, after "aids;" insert "requiring the commissioner to issue certificates of aid;"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Taxes.

The report was adopted.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Searles and Sherwood introduced:

H. F. No. 8, A bill for an act relating to the operation and financing of state and local government; reducing certain property tax credits; limiting property taxes eligible for the property tax refund; limiting certain appropriations for local government aid and property tax relief; adopting certain federal income tax amendments; limiting the income tax investment credit subtraction; removing a provision prohibiting the commissioner of finance from reducing allotments pursuant to appropriations for state aids, payments, reimbursements, or fund transfers to or on behalf of school districts; increasing the limitation on the principal amount of certificates of indebtedness of the state; authorizing the commissioner of education to apportion allotment reductions made by the commissioner of finance; authorizing the commissioner of finance to delay payments and credits due to cities, towns, counties, or school districts; reducing appropriations for the general legislative and executive agencies of state government; providing for transfer of appropriations from the second year of the biennium back into the first year of the biennium; changing the state and county shares of the cost of certain public assistance programs; providing for establishment of a drug formulary by the commissioner of public welfare; limiting certain rate increases for medical assistance to eight percent; providing for a statewide uniform rate methodology; altering eligibility requirements for medical assistance; limiting certification of beds for skilled nursing care; decreasing the per diem rate for medical assistance for certain intermediate care facilities; authorizing the transfer of certain funds appropriated to the higher education coordinating board for obligations under interstate tuition reciprocity agreements; abolishing the general assistance medical care program; providing for distribution of funds to counties for health care of indigent persons; providing for the use of certain appropriations to discharge workers' compensation and unemployment compensation obligations; appropriating money; amending Minnesota Statutes 1980, Sections 256.82; 256B.04, by adding a subdivision; 256B.041, Subdivision 5; 256B.19, Subdivision 1; 256D.02, Subdivision 11; 256D.36, Subdivision 1; 261.21, Subdivision 1, and by adding subdivisions; 273.13, Subdivision 14a; 352.04, Subdivisions 2 and 3; 352.92, Subdivisions 1 and 2; Minnesota Statutes 1981 Supplement, Sections 16A.123; 16A.671, Subdivision 3; 124.213, Subdivision 1; 256.966; 256.967; 256.968; 256B.02, Subdivision 8; 256B.03, Subdivision 2; 256B.06, Subdivision 1; 256D.04; 256D.07; 273.13, Subdivisions 6, 7, and 15b; 290.01, Subdivision 20; 290.09, Subdivisions 3, 7, and 29; 290.92, Subdivision 15; 290.93, Subdivision 1; 290.934, Subdivision 4; 290A.03, Subdivisions 3 and 13; 477A.03, Subdivision 2; Laws 1981, Chapters 60, Section 27; 356, Sections 45, 46, and 62, Subdivision 2; and 359, Section 3, Subdivision 3; First Special Session, Chapter 1, Article 3, Section 3; proposing new law coded in Minnesota Statutes, Chapters 16A and 124; repealing Minnesota Statutes 1980, Sections 256D.02, Subdivision 4a; 256D.03, Subdivision 3; 261.21, Subdivision 2;

261.22; 261.23; 261.231; 261.232; 290.65, Subdivisions 2, 3, 4, 5, 6, and 7; Minnesota Statutes 1981 Supplement, Section 256D.03, Subdivision 4.

The bill was read for the first time and referred to the Committee on Taxes.

Sieben, M., introduced:

H. F. No. 9, A bill for an act relating to certain appropriations made to the University of Minnesota; providing that certain unexpended balances shall not lapse; amending Laws 1981, Chapter 359, Section 9, Subdivision 12.

The bill was read for the first time and referred to the Committee on Appropriations.

ADJOURNMENT

Eken moved that when the House adjourns today it adjourn until 2:00 p.m., Thursday, December 10, 1981. The motion prevailed.

Eken moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 2:00 p.m., Thursday, December 10, 1981.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

STATE OF MINNESOTA

THIRD SPECIAL SESSION - 1981

FOURTH DAY

SAINT PAUL, MINNESOTA, THURSDAY, DECEMBER 10, 1981.

The House of Representatives convened at 2:00 p.m. and was called to order by Harry A. Sieben, Jr., Speaker of the House.

Prayer was offered by Dr. Charles S. Anderson, President of Augsburg College, Clergyman of American Lutheran Church, Minneapolis, Minnesota.

The roll was called and the following members were present:

Aasness	Erickson	Jude	Niehaus	Schreiber
Ainley	Esau	Kahn	Novak	Sherman
Anderson, B.	Evans	Kaley	Nysether	Sherwood
Anderson, G.	Ewald	Kalis	O'Connor	Sieben, M.
Anderson, I.	Fjoslien	Kelly	Ogren	Simoneau
Battaglia	Forsythe	Knickerbocker	Olsen	Skoglund
Begich	Frerichs	Kostohryz	Onnen	Stadum
Berkelman	Greenfield	Kvam	Osthoff	Staten
Blatz	Gruenes	Laidig	Otis	Stowell
Brandl	Gustafson	Lehto	Peterson, B.	Stumpf
Brinkman	Halberg	Lemen	Peterson, D.	Sviggum
Byrne	Hanson	Levi	Piepho	Swanson
Carlson, D.	Harens	Long	Pogemiller	Tomlinson
Carlson, L.	Hauge	Ludeman	Redalen	Valan
Clark, J.	Haukoos	Luknic	Reding	Valento
Clark, K.	Heap	Marsh	Rees	Vanasek
Clawson	Heinitz	McCarron	Reif	Vellenga
Dahlvang	Himle	McDonald	Rodriguez, C.	Weaver
Dean	Hoberg	McEachern	Rodriguez, F.	Welch
Dempsey	Hokanson	Mehrkens	Rose	Welker
Den Ouden	Hokr	Metzen	Rothenberg	Wenzel
Drew	Jacobs	Minne	Samuelson	Wynia
Eken	Jennings	Munger	Sarna	Zubay
Elioff	Johnson, C.	Murphy	Schafer	Spkr. Sieben, H.
Ellingson	Johnson, D.	Nelsen, B.	Schoenfeld	

A quorum was present.

Anderson, R.; Mann; Nelson, K.; Norton; Rice; Searles; Shea; Voss; Wieser and Wigley were excused.

The Chief Clerk proceeded to read the Journal of the preceding day. Vanasek moved that further reading of the Journal

be dispensed with and that the Journal be approved as corrected by the Chief Clerk. The motion prevailed.

REPORTS OF STANDING COMMITTEES

Swanson from the Committee on Health and Welfare to which was referred:

H. F. No. 4, A bill for an act relating to public welfare; altering certain provisions of the program of aid to families with dependent children; redefining the term "dependent child"; expanding the definition of persons ineligible; eliminating eligibility of the unborn; requiring rules to define "special needs" for eligible pregnant women; requiring recoupment of overpayments; requiring registration of certain dependent recipients for employment services, training, and employment; restricting the earned income disregard to four months; restricting work expense disregards; providing for voluntary third party payments; eliminating eligibility for recipients participating in a strike; eliminating a prepaid funeral contract and reverse mortgage loan guarantees as disregarded resources; modifying the service fee for child support collection services; modifying the resource limits for recipients of aid to families with dependent children; amending Minnesota Statutes 1980, Sections 256.12, Subdivision 14; 256.73, Subdivisions 3a, 5, 6, and by adding a subdivision; 256.736, Subdivisions 3 and 4; 256.74, Subdivision 1; 256.81; 256.871, Subdivision 2; 256.935, Subdivision 2; 256.99; Minnesota Statutes 1981 Supplement, Sections 256.73, Subdivision 2; and 518.551, Subdivision 7; and proposing new law coded in Minnesota Statutes, Chapter 256.

Reported the same back with the following amendments:

Page 3, line 8, strike "a reasonable market" and insert "*an equity*"

Page 3, line 9, strike "\$400" and insert "\$1,000"

Page 3, line 9, strike "a one child recipient or \$600 for more than"

Page 3, line 10, strike "one child recipient" and insert "*the entire assistance unit*"

Page 4, line 16, insert: "; or

(e) any family assistance unit if its eligibility is based on a parent's unemployment and the parent who is the principal wage earner, without good cause, fails or refuses to participate in the work incentive program if required under section 256.736;

or to accept employment; or to be currently registered with the public employment office"

Page 5, line 29, delete "from" and insert "by"

Page 5, line 32, delete "90" and insert "95"

Page 5, line 35, delete "95" and insert "99"

Page 9, delete line 17, and insert "*The agency shall compute the amount of monthly assistance payments using a second prior month retrospective budgeting system.*"

Page 9, line 18, delete "*month retrospective system of budgeting.*"

Page 11, after line 20, insert:

"Sec. 10. Minnesota Statutes 1980, Section 256.74, is amended by adding a subdivision to read:

Subd. 1a. [STEPPARENT'S INCOME.] In making the determination of income available to the assistance unit, as required by subdivision 1, the county agency shall take into account the remaining income of the dependent child's stepparent who lives in the same household after disregarding:

(1) The first \$75 of the stepparent's gross earned income. The commissioner shall prescribe by rule lesser amounts to be disregarded for stepparents who are not engaged in full-time employment or not employed throughout the month;

(2) An amount for support of the stepparent and any other individuals whom the stepparent claims as dependents for tax purposes and who live in the same household but whose needs are not considered in determining eligibility for assistance under sections 256.72 to 256.87. The amount equals the standard of need for a family of the same composition as the stepparent and these other individuals;

(3) Amounts the stepparent actually paid to individuals not living in the same household but whom the stepparent claims as dependents for tax purposes; and

(4) Alimony or child support, or both, paid by the stepparent for individuals not living in the same household."

Page 12, delete lines 16 to 36

Page 13, delete lines 1 to 5

Page 13, after line 26, insert:

"Sec. 14. Minnesota Statutes 1981 Supplement, Section 256B.06, Subdivision 1, is amended to read:

Subdivision 1. Medical assistance may be paid for any person:

(1) Who is eligible for or receiving public assistance under the aid to families with dependent children program; or

(2) *Who is pregnant, and such pregnancy has been medically verified, and who would be eligible for assistance under the program of aid to families with dependent children, if the child had been born and were living with her; or*

(3) Who is eligible for or receiving supplemental security income for the aged, blind and disabled; or

((3)) (4) Who except for the amount of income or resources would qualify for supplemental security income for the aged, blind and disabled, or aid to families with dependent children and is in need of medical assistance; or

((4)) (5) Who is under 21 years of age and in need of medical care that neither he nor his relatives responsible under sections 256B.01 to 256B.26 are financially able to provide; or

((5)) (6) Who is residing in a hospital for treatment of mental disease or tuberculosis and is 65 years of age or older and without means sufficient to pay the per capita hospital charge; and

((6)) (7) Who resides in Minnesota, or, if absent from the state, is deemed to be a resident of Minnesota in accordance with the regulations of the state agency; and

((7)) (8) Who alone, or together with his spouse, does not own real property other than the homestead. For the purposes of this section, "homestead" means the house owned and occupied by the applicant as his dwelling place, together with the land upon which it is situated and an area no greater than two contiguous lots in a platted or laid out city or town or the smallest parcel allowed under applicable zoning regulations in unplatted land. Real estate not used as a home may not be retained unless it produces net income applicable to the family's needs or the family is making a continuing effort to sell it at a fair and reasonable price or unless sale of the real estate would net an insignificant amount of income applicable to the family's needs, or unless the commissioner determines that sale of the real estate would cause undue hardship; and

((8)) (9) Who individually does not own more than \$2,000 in cash or liquid assets, or if a member of a household with two family members (husband and wife, or parent and child), does not own more than \$4,000 in cash or liquid assets, plus \$200 for each additional legal dependent. When only one spouse resides, or will reside after applying for medical assistance, in a nursing home, or is receiving or will receive alternative care under the alternative care grants program in a county with pre-admission screening under section 256B.091, the cash or liquid asset amount for two family members is \$10,000. The value of the following shall not be included:

(a) the homestead, and (b) one motor vehicle licensed pursuant to chapter 168 and defined as: (1) passenger automobile, (2) station wagon, (3) motorcycle, (4) motorized bicycle or (5) truck of the weight found in categories A to E, of section 168.013, subdivision 1e; and

((9)) (10) Who has or anticipates receiving an annual income not in excess of \$2,600 for a single person, or \$3,250 for two family members (husband and wife, parent and child, or two siblings), plus \$625 for each additional legal dependent, or who has income in excess of these maxima and in the month of application, or during the three months prior to the month of application, incurs expenses for medical care that total more than one-half of the annual excess income in accordance with the regulations of the state agency. In computing income to determine eligibility of persons who are not residents of long term care facilities, the commissioner shall disregard increases in income of social security or supplementary security income recipients due solely to increases required by sections 215(i) and 1617 of the social security act, and shall disregard income of disabled persons that is also disregarded in determining eligibility for supplemental aid under section 256D.37, subdivision 1, unless prohibited by federal law or regulation. If prohibited, the commissioner shall first seek a waiver. In excess income cases, eligibility shall be limited to a period of six months beginning with the first of the month in which these medical obligations are first incurred; and

((10)) (11) Who has continuing monthly expenses for medical care that are more than the amount of his excess income, computed on a monthly basis, in which case eligibility may be established before the total income obligation referred to in the preceding paragraph is incurred, and medical assistance payments may be made to cover the monthly unmet medical need. In licensed nursing home and state hospital cases, income over and above that required for justified needs, determined pursuant to a schedule of contributions established by the commissioner of public welfare, is to be applied to the cost of institutional care. The commissioner of public welfare may establish a schedule of contributions to be made by the spouse of a

nursing home resident to the cost of care and shall seek a waiver from federal regulations which establish the amount required to be contributed by either spouse when one spouse is a nursing home resident; and

((11)) (12) Who has applied or agrees to apply all proceeds received or receivable by him or his spouse from automobile accident coverage and private health care coverage to the costs of medical care for himself, his spouse, and children. The state agency may require from any applicant or recipient of medical assistance the assignment of any rights accruing under private health care coverage. Any rights or amounts so assigned shall be applied against the cost of medical care paid for under this chapter. Any assignment shall not be effective as to benefits paid or provided under automobile accident coverage and private health care coverage prior to receipt of the assignment by the person or organization providing the benefits."

Page 14, line 14, delete "*which are*" and insert "*as*"

Page 14, after line 15, insert:

"Sec. 17. [REPEALER.]

Minnesota Statutes 1981 Supplement, Section 257.021, is repealed."

Page 14, line 17, delete everything after "*effective*" and insert "*beginning with the first month beginning after the close*"

Page 14, line 18, delete "*immediately following adjournment*"

Renumber the sections

Amend the title as follows:

Page 1, line 12, after the second semicolon insert "*specifying the amount of stepparent income to be considered available in determining need;*"

Page 1, line 19, after the semicolon insert "*extending medical assistance coverage to certain pregnant women;*"

Page 1, line 23, after "Subdivision 1" insert "*,*" and by adding a subdivision"

Page 1, line 23, delete "*256.871, Subdivision 2;*"

Page 1, line 25, before "*and*" insert "*256B.06, Subdivision 1;*"

Page 1, line 26, delete "and"

Page 1, line 27, before the period insert, "; repealing Minnesota Statutes 1981 Supplement, Section 257.021"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Anderson, B., introduced:

H. F. No. 10, A bill for an act relating to waters; limiting the rulemaking authority of the commissioner of natural resources with respect to signs posted around water aeration systems; amending Minnesota Statutes 1981 Supplement, Section 378.22, Subdivisions 1 and 2.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

Lemen, Staten, Evans and Gustafson introduced:

H. F. No. 11, A bill for an act relating to economic development; creating a legislative commission for job development; appropriating money; amending Minnesota Statutes 1980, Section 290.06, by adding a subdivision; Minnesota Statutes 1981 Supplement, Sections 290.06, Subdivision 1; and 297A.25, Subdivision 1; proposing new law coded in Minnesota Statutes, Chapter 362.

The bill was read for the first time and referred to the Committee on Commerce and Economic Development.

Lehto introduced:

H. F. No. 12, A bill for an act relating to taxation; modifying the exemption of certain town levies; amending Minnesota Statutes 1981 Supplement, Section 275.515.

The bill was read for the first time and referred to the Committee on Taxes.

McEachern introduced:

H. F. No. 13, A bill for an act relating to education; altering the recognition of school district tax revenue; reducing state aids for education in fiscal year 1983 by the amount of the June, 1983 school district tax settlements; requiring payment of tax receipts to school districts within 28 days after settlement; reducing education aid appropriations for fiscal year 1983; amending Minnesota Statutes 1980, Sections 121.904, by adding a subdivision; 276.11; Minnesota Statutes 1981 Supplement, Section 124.2121, Subdivision 5; proposing new law coded in Minnesota Statutes, Chapter 124; repealing Minnesota Statutes 1980, Section 121.904, Subdivision 4.

The bill was read for the first time and referred to the Committee on Education.

Anderson, I.; Sieben, H., and Eken introduced:

H. F. No. 14, A bill for an act relating to the financing and operation of state government; reducing the appropriations for local government aids; clarifying the application of the taxable net income adjustment factor to fiscal year taxpayers and its computation for 1981; limiting inflation adjustments of the income tax brackets, credits, and maximum standard deduction under certain circumstances; modifying the computation of the taxable net income adjustment factor; altering the method of taxing the income of certain oil companies by prohibiting their use of certain deductions and requiring the use of combined worldwide income; eliminating the use of the arithmetic average allocation formula for major oil companies; amending Minnesota Statutes 1980, Sections 290.01, by adding a subdivision; 290.06, by adding a subdivision; 290.18, by adding a subdivision; 290.19, Subdivision 1; Minnesota Statutes 1981 Supplement, Section 290.09, Subdivisions 1 and 7; 290.091; 290.18, Subdivision 4; 290.21, Subdivision 4; 477A.03, Subdivision 2; Laws 1981, First Special Session, Chapter 1, Article I, Section 5.

The bill was read for the first time and referred to the Committee on Taxes.

ADJOURNMENT

Eken moved that when the House adjourns today it adjourn until 2:00 p.m., Monday, December 14, 1981. The motion prevailed.

Eken moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 2:00 p.m., Monday, December 14, 1981.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

STATE OF MINNESOTA

THIRD SPECIAL SESSION - 1981

FIFTH DAY

SAINT PAUL, MINNESOTA, MONDAY, DECEMBER 14, 1981

The House of Representatives convened at 2:00 p.m. and was called to order by Harry A. Sieben, Jr., Speaker of the House.

Prayer was offered by Pastor W. Dennis Pederson, North Heights Lutheran Church, Roseville, Minnesota.

The roll was called and the following members were present:

Aasness	Evans	Kalis	O'Connor	Sherman
Ainley	Ewald	Keily	Ogren	Sherwood
Anderson, B.	Fjoslien	Knickerbocker	Olsen	Sieben, M.
Anderson, G.	Forsythe	Kostohryz	Onnen	Simoneau
Anderson, I.	Frerichs	Kvam	Osthoff	Skoglund
Anderson, R.	Greenfield	Laidig	Otis	Stadum
Battaglia	Gruenes	Lemen	Peterson, B.	Staten
Begich	Gustafson	Levi	Peterson, D.	Stowell
Berkelman	Halberg	Long	Piepho	Stumpf
Blatz	Hanson	Ludeman	Pogemiller	Sviggum
Brandl	Harens	Luknie	Redalen	Swanson
Brinkman	Hauge	Mann	Reding	Tomlinson
Byrne	Haukoos	Marsh	Rees	Valan
Carlson, D.	Heap	McCarron	Reif	Valento
Carlson, L.	Heinitz	McDonald	Rice	Vanasek
Clark, J.	Himle	McEachern	Rodriguez, C.	Vellenga
Clark, K.	Hoberg	Mehrkens	Rodriguez, F.	Voss
Dahlvang	Hokanson	Metzen	Rose	Weaver
Dean	Hokr	Minne	Rothenberg	Welch
Den Ouden	Jacobs	Munger	Samuelson	Welker
Drew	Jennings	Murphy	Sarna	Wenzel
Eken	Johnson, C.	Nelsen, B.	Schafer	Wieser
Elioff	Johnson, D.	Neison, K.	Schoenfeld	Wynia
Ellingson	Jude	Niehaus	Schreiber	Zubay
Erickson	Kahn	Novak	Searies	Spkr. Sieben, H.
Esau	Kaley	Nysether	Shea	

A quorum was present.

Clawson, Dempsey, Norton and Wigley were excused. Lehto was excused until 2:35 p.m.

The Chief Clerk proceeded to read the Journal of the preceding day. Niehaus moved that further reading of the Journal be

dispensed with and that the Journal be approved as corrected by the Chief Clerk. The motion prevailed.

REPORTS OF STANDING COMMITTEES

Mann from the Committee on Transportation to which was referred:

H. F. No. 2, A bill for an act relating to motor vehicles; defining vans; providing for the registration and taxation of certain vans as passenger automobiles; amending Minnesota Statutes 1980, Section 168.011, by adding a subdivision; and Minnesota Statutes 1981 Supplement, Section 168.011, Subdivisions 7 and 10.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1981 Supplement, Section 168.011, Subdivision 7, is amended to read:

Subd. 7. [PASSENGER AUTOMOBILE.] “Passenger automobile” means any motor vehicle designed and used for the carrying of not more than ten persons *including station wagons* but excluding motorcycles and motor scooters. *For purposes of taxation only*, “passenger automobile” includes pickup trucks (AND STATION WAGONS) *and vans*.

Sec. 2. Minnesota Statutes 1981 Supplement, Section 168.011, Subdivision 10, is amended to read:

Subd. 10. [TRUCK.] “Truck” means any motor vehicle designed and used for carrying things other than passengers, except pickup trucks *and vans* included within the definition of passenger automobile in subdivision 7.

Sec. 3. Minnesota Statutes 1980, Section 168.011, is amended by adding a subdivision to read:

Subd. 28 [VAN.] “Van” means any vehicle of box-like design with no barrier or separation between the operator’s area and the remainder of the passenger-carrying or cargo-carrying area, and with a manufacturers rated capacity of 2,000 pounds or less.

Sec. 4. Minnesota Statutes 1980, Section 168.011, is amended by adding a subdivision to read:

Subd. 29. [PICKUP TRUCKS.] “Pickup truck” means any truck with a manufacturer’s rated capacity of 2,000 pounds or less.

Sec. 5. Minnesota Statutes 1981 Supplement, Section 168.013, Subdivision 1c, is amended to read:

Subd. 1c. [FARM TRUCKS.] (1) On farm trucks having a gross weight of not more than 57,000 pounds, the tax shall be based on total gross weight and shall be 45 percent of the Minnesota base rate prescribed by subdivision 1e during each of the first eight years of vehicle life, but in no event less than \$35, and during the ninth and succeeding years of vehicle life the tax shall be 27 percent of the Minnesota base rate prescribed by subdivision 1e, but in no event less than \$21, except as otherwise provided in this subdivision. On farm trucks having a gross weight of not more than 57,000 pounds during each of the first eight years of vehicle life, the tax shall be:

(a) for the registration year 1982, 34 percent of the tax imposed in the Minnesota base rate schedule;

(b) for the registration year 1983, 38 percent of the tax imposed in the Minnesota base rate schedule;

(c) for the registration year 1984, 42 percent of the tax imposed in the Minnesota base rate schedule;

(d) for the registration year 1985, and each succeeding year, 45 percent of the tax imposed in the Minnesota base rate schedule.

On farm trucks having a gross weight of not more than 57,000 pounds during the ninth and succeeding years of vehicle life, the tax shall be:

(a) for the 1982 registration year, 20 percent of the tax imposed in the Minnesota base rate schedule;

(b) for the 1983 registration year, 22 percent of the tax imposed in the Minnesota base rate schedule;

(c) for the 1984 registration year, 24 percent of the tax imposed in the Minnesota base rate schedule;

(d) for the 1985 registration year, and each succeeding year, 27 percent of the Minnesota base rate schedule.

(2) On farm trucks having a gross weight of more than 57,000 pounds, the tax shall be 60 percent of the Minnesota base rate during the first eight years of vehicle life and 36 percent of the Minnesota base rate during the (TENTH) *ninth* and succeeding years, except as otherwise provided in this subdivision. On farm trucks having a gross weight of more than 57,000 pounds during the first eight years of vehicle life, the tax shall be:

(a) for the registration year 1982, 38 percent of the tax imposed in the Minnesota base rate schedule;

(b) for the registration year 1983, 45 percent of the tax imposed in the Minnesota base rate schedule;

(c) for the registration year 1984, 53 percent of the tax imposed in the Minnesota base rate schedule;

(d) for the registration year 1985, and each succeeding year, 60 percent of the tax imposed in the Minnesota base rate schedule.

On farm trucks having a gross weight of more than 57,000 pounds, during the ninth and succeeding years of vehicle life, the tax shall be:

(a) for the 1982 registration year, 23 percent of the tax imposed in the Minnesota base rate schedule;

(b) for the 1983 registration year, 27 percent of the tax imposed in the Minnesota base rate schedule;

(c) for the 1984 registration year, 31 percent of the tax imposed in the Minnesota base rate schedule;

(d) for the 1985 registration year, and each succeeding year, 36 percent of the tax imposed in the Minnesota base rate schedule.

In addition to the gross weight tax imposed on a truck-tractor or truck used as a truck-tractor, each semitrailer shall be taxed a fee of \$10 for a one year period or \$50 for a five year period whichever the applicant elects.

Sec. 6. Minnesota Statutes 1981 Supplement, Section 168.-013, Subdivision 1e, is amended to read:

Subd. 1e. [TRUCKS; TRACTORS; COMBINATIONS; EXCEPTIONS.] On all trucks and tractors except those in this chapter defined as farm trucks, and urban trucks, and on all truck-tractor and semi-trailer combinations except those defined as farm combinations and urban combinations and on commercial zone vehicles, the tax based on total gross weight shall be graduated according to the Minnesota base rate schedule prescribed in this subdivision, but in no event less than \$120.

MINNESOTA BASE RATE SCHEDULE

Scheduled taxes include five percent
surtax provided for in subdivision 14

TOTAL GROSS

WEIGHT		Tax
IN POUNDS		
A	0 - 1,500	\$ 15
B	1,501 - 3,000	20
C	3,001 - 4,500	25
D	4,501 - 6,000	35
E	6,001 - 9,000	45
F	9,001 - 12,000	70
G	12,001 - 15,000	105
H	15,001 - 18,000	145
I	18,001 - 21,000	190
J	21,001 - 27,000	270
K	27,001 - 33,000	360
L	33,001 - 39,000	470
M	39,001 - 45,000	590
N	45,001 - 51,000	710
O	51,001 - 57,000	860
P	57,001 - 63,000	1010
Q	63,001 - 69,000	1180
R	69,001 - 73,280	1320
S	73,281 - 78,000	1520
T	78,001 - 81,000	1620

For each vehicle with a gross weight in excess of 81,000 pounds an additional tax of \$50 is imposed for each ton or fraction thereof in excess of 81,000 pounds, subject to provisions of subdivision 12.

All truck-tractors except those herein defined as farm and urban truck-tractors and commercial zone vehicles shall be taxed in accord with the foregoing gross weight tax schedule on the basis of the combined gross weight of such truck-tractor and any semi-trailer or semitrailers which the applicant proposes to combine with the truck-tractor. In addition, to the gross weight tax imposed on the truck-tractor, each semi-trailer shall be taxed a fee of \$10 for a one year period or \$50 for a five year period whichever the applicant elects.

Commercial zone trucks include only all trucks and all truck-tractors and (SEMI-TRAILERS) *semi-trailer combinations* which are:

(1) used by an authorized local cartage carrier operating under a permit issued pursuant to section 221.296 and whose gross transportation revenue consists of at least 60 percent obtained solely from local cartage carriage, and are operated solely within the area defined in section 221.296, subdivision 1; or,

(2) operated by an interstate carrier registered pursuant to section 221.61 or 221.62, or by an authorized local cartage carrier or other carrier receiving operating authority pursuant to chapter 221, and operated solely within a zone exempt from regulation by the Interstate Commerce Commission pursuant to 49 U.S.C. 10526(b).

The license plates issued for commercial zone vehicles shall be plainly marked. Any person operating a commercial zone vehicle outside the zone or area in which its operation is authorized is guilty of a misdemeanor and, in addition to the penalty therefor, shall have the registration of the vehicle as a commercial zone vehicle revoked by the registrar and shall be required to re-register the vehicle at 100 percent of the full annual tax prescribed in the Minnesota base rate schedule, and no part of this tax shall be refunded during the balance of the registration year.

On commercial zone trucks the tax shall be based on the total gross weight of the vehicle and during the first eight years of vehicle life shall be 75 percent of the Minnesota base rate schedule. During the ninth and succeeding years of vehicle life the tax shall be 50 percent of the Minnesota base rate schedule, except as otherwise provided in this subdivision. On commercial zone trucks, during the ninth and succeeding years of vehicle life, the tax shall be:

(a) for the 1982 registration year, 35 percent of the tax imposed in the Minnesota base rate schedule;

(b) for the 1983 registration year, 40 percent of the tax imposed in the Minnesota base rate schedule;

(c) for the 1984 registration year, 45 percent of the tax imposed in the Minnesota base rate schedule;

(d) for the 1985 registration year, and each succeeding year, 50 percent of the tax imposed in the Minnesota base rate schedule.

On all trucks, truck-tractors and semi-trailer combinations, except those defined as farm trucks and farm combinations, and except for those urban trucks and combinations and commercial zone vehicles specifically provided for in this subdivision, the tax for the first eight years of vehicle life shall be 100 percent of the tax imposed in the Minnesota base rate schedule, and during the ninth and succeeding years of vehicle life, the tax shall be 75 percent of the Minnesota base rate prescribed by this subdivision, except as otherwise provided in this subdivision.

On all trucks, truck-tractors and semi-trailer combinations, except those defined as farm trucks and farm combinations, and except for those urban trucks and combinations and commercial zone vehicles specifically provided for in this subdivision, during each of the first eight years of vehicle life the tax shall be:

(a) for the registration year 1982, 83 percent of the tax imposed in the Minnesota base rate schedule;

(b) for the registration year 1983, 89 percent of the tax imposed in the Minnesota base rate schedule;

(c) for the registration year 1984, 95 percent of the tax imposed in the Minnesota base rate schedule;

(d) for the registration year 1985, and each succeeding year, 100 percent of the tax imposed in the Minnesota base rate schedule.

Sec. 7. Minnesota Statutes 1981 Supplement, Section 168.013, Subdivision 1i, is amended to read:

Subd. 1i. [URBAN TRUCKS.] On all vehicles registered as urban trucks for the registration year 1981, or any part thereof, and which are not registered as commercial zone trucks for the registration year 1982 and succeeding years, the tax shall be:

- (a) for the registration year 1982, 50 percent of the tax imposed in the Minnesota base rate schedule;
- (b) for the registration year 1983, 67 percent of the tax imposed in the Minnesota base rate schedule;
- (c) for the registration year 1984, 84 percent of the tax imposed in the Minnesota base rate schedule;
- (d) for the registration year 1985, and each succeeding year, 100 percent of the tax imposed in the Minnesota base rate schedule.

Beginning with the registration year 1985, the registrar shall not issue urban license plates.

For purposes of this subdivision, "urban trucks" include only all trucks and all truck-tractors and semi-trailer combinations used exclusively in transporting property within the metropolitan area consisting of Hennepin, Ramsey, Scott, Dakota, Anoka, Washington and Carver counties or within the corporate limits of any city or contiguous cities or within one mile of cities of the first and second class. For the purposes of this clause a land area ceded to the United States of America under General Laws 1889, Chapter 57, is a statutory city. The vehicle shall not be operated outside the metropolitan area or corporate limits of any such city or contiguous cities, or beyond one mile of cities of the first and second class; except that the commissioner of public safety may by special permit authorize the permanent removal of the vehicle from any registration area to another.

Sec. 8. Minnesota Statutes 1980, Section 168.10, Subdivision 1c, is amended to read:

Subd. 1c. [COLLECTOR'S VEHICLE, COLLECTOR LICENSE.] Any motor vehicle, *including any truck*, that is at least 20 model years old and manufactured after 1935, or *any motor vehicle* of a defunct make (,) defined as any car or truck originally licensed as a separate identifiable make as designated by the division of motor vehicles, and owned and operated solely as a collector's vehicle, shall be listed for taxation and registration as follows: An affidavit shall be executed stating the name and address of the person from whom purchased and of the new owner, the make of the motor vehicle, year and number of the model, the manufacturer's identification number and that the vehicle is owned and operated solely as a collector's item and not for general transportation purposes. The owner must also prove that he or she also has one or more vehicles with regular license plates. If the registrar is satisfied that the affidavit is true and correct and the owner pays a \$20 tax, the registrar shall list (SUCH) the vehicle for taxation and registration and shall issue number plates.

The number plates (SO) issued shall bear the inscription "Collector," "Minnesota" and the registration number, but no date. The number plates are valid without renewal as long as the vehicle is in existence and shall be issued for the applicant's use only for (SUCH) *the* vehicle. The registrar has the power to revoke (SUCH) *the* plates for failure to comply with this subdivision.

In the event of the defacement, loss or destruction of (SUCH) *the* number plates, the registrar, upon receiving and filing a sworn statement of the vehicle owner, setting forth the circumstances, together with any defaced plates and the payment of a \$2 fee, shall issue duplicate plates specially designed for that purpose. The registrar shall then note on his records the issue of (SUCH) *the* new number plates and shall proceed in (SUCH A) *the* manner as he may deem advisable to cancel and call in the original plates.

Sec. 9. [EFFECTIVE DATE.]

Sections 1 to 7 of this act are effective the day following enactment and apply to registration year 1982 and subsequent years. Section 8 is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to motor vehicles; defining vans and pickup trucks; providing for the registration and taxation of certain vans as passenger automobiles; correcting references to the taxation of farm trucks and commercial zone combinations; defining urban trucks; and certain collector's vehicles; including certain trucks among the motor vehicles entitled to collector license plates; amending Minnesota Statutes 1980, Sections 168.011, by adding subdivisions; 168.10, Subdivision 1c; and Minnesota Statutes 1981 Supplement, Sections 168.011, Subdivisions 7 and 10; and 168.013, Subdivisions 1c, 1e and 1i."

With the recommendation that when so amended the bill pass and be placed on the Consent Calendar.

The report was adopted.

POINT OF ORDER

Schreiber raised a point of order pursuant to rule 1.16. The Speaker ruled the point of order not well taken.

SECOND READING OF HOUSE BILLS

H. F. No. 2 was read for the second time.

INTRODUCTION AND FIRST READING
OF HOUSE BILLS

The following House Files were introduced:

Sieben, M., and Levi introduced:

H. F. No. 15, A bill for an act relating to education; authorizing certain school districts in Washington County which did not qualify for the grandfather levy to make an additional levy for school maintenance purposes; amending Minnesota Statutes 1980, Section 275.125, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Education.

Voss, for the Committee on Local and Urban Affairs, introduced:

H. F. No. 16, A bill for an act relating to local governments; guaranteeing payment levels and payment dates for local government aids; allowing local governmental units to recertify levies in the event of cutbacks in local government aids.

The bill was read for the first time and referred to the Committee on Taxes.

Redalen introduced:

H. F. No. 17, A bill for an act relating to taxation; limiting eligibility for the state school agricultural credit; amending Minnesota Statutes 1981 Supplement, Section 124.213, Subdivision 1.

The bill was read for the first time and referred to the Committee on Taxes.

Kalis introduced:

H. F. No. 18, A bill for an act relating to taxation; providing an exception to the property tax credits limitation; amending Minnesota Statutes 1981 Supplement, Section 273.13, Subdivision 15b.

The bill was read for the first time and referred to the Committee on Taxes.

Erickson, Eken, Kvam, Brinkman and Dempsey introduced:

H. F. No. 19, A bill for an act relating to taxation; providing that farm income is wholly apportioned to Minnesota; amending Minnesota Statutes 1981 Supplement, Section 290.-17, Subdivision 2.

The bill was read for the first time and referred to the Committee on Taxes.

McEachern introduced:

H. F. No. 20, A bill for an act relating to education; repealing the Minnesota Improved Learning and Principal-Teacher, Counselor-Teacher, and Career Teacher Act; cancelling an appropriation; repealing Minnesota Statutes 1981 Supplement, Sections 121.501 to 121.507; 124.251; and Laws 1981, Chapter 358, Article VI, Section 46, Subdivision 19.

The bill was read for the first time and referred to the Committee on Education.

MOTIONS AND RESOLUTIONS

McEachern moved that the name of Tomlinson be added as an author on H. F. No. 13. The motion prevailed.

Schreiber moved that pursuant to rule 1.15, H. F. No. 7 be recalled from the Committee on Taxes, be given its second reading and be advanced to General Orders.

A roll call was requested and properly seconded.

CALL OF THE HOUSE

On the motion of Schreiber and on the demand of 10 members, a call of the House was ordered. The following members answered to their names:

Aasness	Clark, J.	Forsythe	Hokanson	Lemen
Ainley	Clark, K.	Frerichs	Hokr	Levi
Anderson, B.	Dahlvang	Greenfield	Jacobs	Long
Anderson, G.	Dean	Gruenes	Jennings	Ludeman
Anderson, I.	Den Ouden	Gustafson	Johnson, C.	Luknic
Battaglia	Drew	Halberg	Johnson, D.	Mann
Begich	Eken	Hanson	Jude	Marsh
Berkelman	Elioff	Harens	Kahn	McCarron
Blatz	Ellingson	Hauge	Kaley	McDonald
Brandl	Erickson	Haukoos	Kalis	McEachern
Brinkman	Esau	Heap	Knickerbocker	Mehrkens
Byrne	Evans	Heinitz	Kostohryz	Metzen
Carlson, D.	Ewald	Himle	Kvam	Minne
Carlson, L.	Fjoslien	Hoberg	Laidig	Munger

Murphy	Peterson, D.	Rothenberg	Simoneau	Vanasek
Nelsen, B.	Piepho	Samuelson	Skoglund	Vellenga
Nelson, K.	Pogemiller	Sarna	Stadum	Voss
Niehaus	Redalen	Schafer	Staten	Weaver
Novak	Reding	Schoenfeld	Stowell	Welch
Nysether	Rees	Schreiber	Stumpf	Welker
O'Connor	Reif	Searles	Sviggum	Wenzel
Ogren	Rice	Shea	Swanson	Wieser
Olsen	Rodriguez, C.	Sherman	Tomlinson	Wynia
Onnen	Rodriguez, F.	Sherwood	Valan	Zubay
Osthoff	Rose	Sieben, M.	Valento	Spkr. Sieben, H.
Otis				

Schreiber moved that further proceedings of the roll call be dispensed with and that the Sergeant at Arms be instructed to bring in the absentees. The motion prevailed and it was so ordered.

The question was taken on the Schreiber motion to recall H. F. No. 7 from the Committee on Taxes and the roll was called.

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

There were 62 yeas and 67 nays as follows:

Those who voted in the affirmative were:

Aasness	Forsythe	Knickerbocker	Olsen	Sherwood
Ainley	Frerichs	Kvam	Onnen	Stadum
Anderson, R.	Gruenes	Laidig	Peterson, B.	Stowell
Blatz	Halberg	Lemen	Piepho	Sviggum
Carlson, D.	Haukoos	Levi	Redalen	Valan
Dean	Heap	Ludeman	Rees	Valento
Den Ouden	Heinitz	Luknic	Reif	Weaver
Drew	Himle	Marsh	Rose	Welker
Erickson	Hoberg	McDonald	Rothenberg	Wieser
Esau	Hokr	Mehrkens	Schafer	Zubay
Hvans	Jennings	Nelsen, B.	Schreiber	
Ewald	Johnson, D.	Niehaus	Searles	
Fjoslien	Kaley	Nysether	Sherman	

Those who voted in the negative were:

Anderson, B.	Elioff	Lehto	Otis	Staten
Anderson, G.	Ellingson	Long	Peterson, D.	Stumpf
Anderson, I.	Greenfield	Mann	Pogemiller	Swanson
Battaglia	Gustafson	McCarron	Reding	Tomlinson
Begich	Hanson	McEachern	Rice	Vanasek
Berkelman	Harens	Metzen	Rodriguez, C.	Vellenga
Brandl	Hauge	Minne	Rodriguez, F.	Voss
Brinkman	Hokanson	Munger	Samuelson	Welch
Byrne	Jacobs	Murphy	Sarna	Wenzel
Carlson, L.	Johnson, C.	Nelson, K.	Schoenfeld	Wynia
Clark, J.	Jude	Novak	Shea	Spkr. Sieben, H.
Clark, K.	Kahn	O'Connor	Sieben, M.	
Dahlvang	Kalis	Ogren	Simoneau	
Eken	Kostohryz	Osthoff	Skoglund	

The motion did not prevail.

ADJOURNMENT

Eken moved that when the House adjourns today it adjourn until 2:00 p.m., Wednesday, December 16, 1981. The motion prevailed.

Eken moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 2:00 p.m., Wednesday, December 16, 1981.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

STATE OF MINNESOTA
THIRD SPECIAL SESSION - 1981

SIXTH DAY

SAINT PAUL, MINNESOTA, TUESDAY, DECEMBER 15, 1981

The Senate met on Tuesday, December 15, 1981, which was the Sixth Day of the Third Special Session of the Minnesota State Legislature. The House of Representatives did not meet on this date.

STATE OF MINNESOTA

THIRD SPECIAL SESSION - 1981

SEVENTH DAY

SAINT PAUL, MINNESOTA, WEDNESDAY, DECEMBER 16, 1981

The House of Representatives convened at 2:00 p.m. and was called to order by Harry A. Sieben, Jr., Speaker of the House.

Prayer was offered by Pastor Orrin P. Sheggeby, Lake Nokomis Lutheran, Minneapolis, Minnesota.

The roll was called and the following members were present :

Aasness	Esau	Kalis	O'Connor	Sherman
Ainley	Evans	Kelly	Ogren	Sherwood
Anderson, B.	Ewald	Knickerbocker	Olsen	Sieben, M.
Anderson, G.	Fjoslien	Kostohryz	Onnen	Simoneau
Anderson, I.	Forsythe	Kvam	Osthoff	Skoglund
Anderson, R.	Frerichs	Laidig	Otis	Stadum
Battaglia	Greenfield	Lehto	Peterson, B.	Staten
Begich	Gruenes	Lemen	Peterson, D.	Stowell
Berkelman	Gustafson	Levi	Piepho	Stumpf
Blatz	Halberg	Long	Pogemiller	Sviggum
Brandl	Hanson	Ludeman	Redalen	Swanson
Brinkman	Hauge	Luknic	Reding	Tomlinson
Byrne	Haukoos	Mann	Rees	Valan
Carlson, D.	Heap	Marsh	Reif	Valento
Carlson, L.	Heinitz	McDonald	Rice	Vanasek
Clark, J.	Himle	McEachern	Rodriguez, C.	Vellenga
Clark, K.	Hoberg	Mehrkens	Rodriguez, F.	Voss
Clawson	Hokanson	Metzen	Rose	Weaver
Dahlvang	Hokr	Minne	Rothenberg	Welch
Dean	Jacobs	Munger	Samuelson	Welker
Dempsey	Jennings	Murphy	Sarna	Wenzel
Den Ouden	Johnson, C.	Nelsen, B.	Schafer	Wieser
Eken	Johnson, D.	Nelson, K.	Schoenfeld	Wynia
Elihoff	Jude	Niehaus	Schreiber	Zubay
Ellingson	Kahn	Novak	Searles	Spkr. Sieben, H.
Erickson	Kaley	Nysether	Shea	

A quorum was present.

Drew, Harens, McCarron, Norton and Wigley were excused.

The Chief Clerk proceeded to read the Journals of the preceding days. Clawson moved that further reading of the Journals be dispensed with and that the Journals be approved as corrected by the Chief Clerk. The motion prevailed.

REPORTS OF CHIEF CLERK

Pursuant to Rules of the House, printed copies of H. F. No. 2 have been placed in the members' files.

REPORTS OF STANDING COMMITTEES

Sieben, M., from the Committee on Appropriations to which was referred:

H. F. No. 9, A bill for an act relating to certain appropriations made to the University of Minnesota; providing that certain unexpended balances shall not lapse; amending Laws 1981, Chapter 359, Section 9, Subdivision 12.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. [APPROPRIATION REDUCTIONS: SUMMARY.]

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

SUMMARY OF REDUCTIONS BY FUNCTION

	1982	1983	TOTAL
STATE			
DEPARTMENTS	(\$20,282,700)	(\$22,422,900)	(\$42,705,600)
TRANSPORTATION AND OTHER AGENCIES	(5,533,200)	(5,351,100)	(10,884,300)
EDUCATION	(11,549,300)	(23,448,700)	(34,998,000)
WELFARE, CORRECTIONS, HEALTH	(3,546,000)	(10,930,600)	(14,476,600)
TOTAL	(\$40,911,200)	(\$62,153,300)	(\$103,064,500)

SUMMARY OF APPROPRIATIONS

Fiscal Year	1982	1983	TOTAL
STATE DEPARTMENTS	-0-	2,250,000	2,250,000
TRANSPORTATION AND OTHER AGENCIES	75,000	-0-	75,000
WELFARE, CORRECTIONS, HEALTH	26,500,000	49,553,000	76,053,000
TOTAL	26,575,000	51,803,000	78,378,000

Sec. 2. [APPROPRIATION REDUCTIONS.]

1982

1983

Subdivision 1. [STATE DEPARTMENTS.]

The general fund appropriations in Laws 1981, Chapters 306, 346 and 356 as amended by Laws 1981, Special Session 1, Chapter 4, Article 4, are reduced by the listed amounts:

(a) Legislature	(1,394,400)	(705,400)
(1) House		
1982	1983	
(1,014,000)	(-0-)	
(2) Legislative Coordinating Commission—General Support		
(25,000)	(900)	
(3) LCC—Workers' Compensation Study		
(3,000)	(-0-)	
(4) LCC—Transit Study		
(20,000)	(-0-)	
(5) Legislative Reference Library		
(42,500)	(48,800)	

(6) Revisor of Statutes		
(59,300)	(401,900)	
(7) Legislative Committee on Science and Technology		
(12,500)	(14,700)	
(8) Advisory Council on the Economic Status of Women		
(6,800)	(15,700)	
(9) Great Lakes Commission		
(2,000)	(2,000)	
(10) Legislative Commission on Pensions and Retirement		
(9,500)	(20,500)	
(11) Legislative Commission on Employee Relations		
(13,600)	(10,000)	
(12) Legislative Commission to Review Administrative Rules		
(9,900)	(11,200)	
(13) Legislative Audit Commission		
(1,800)	(1,800)	
(14) Legislative Auditor		
(174,500)	(177,900)	
(b) Supreme Court	(-0-)	(200,000)
<p>This reduction equals the appropriation contained in Laws 1981, Chapter 356, Section 3 for judicial district computer hardware costs. The funds produced by this reduction are added to the fiscal year 1983 appropriation made in Laws 1981, Chapter 356, Section 4 for district and county judge travel costs.</p>		
(c) Board on Judicial Standards ..	(-0-)	(3,000)
(d) Governor	(175,200)	(218,700)

(e) Secretary of State (23,800) (39,300)

(f) State Auditor

The commissioner of transportation and the state auditor are directed to review whether duplication of effort occurs between the fiscal studies unit of the department of transportation relating to local government financial reporting and the governmental information division within the office of the state auditor. On or before February 15, 1982, the commissioner and the auditor shall report to the chairmen of the house appropriations and senate finance committees what state and local cost savings would accrue with the merger of these activities within the office of the auditor.

(g) State Treasurer

The insurance division shall assist and cooperate with the state treasurer in examining for unclaimed property.

(h) Attorney General (354,700) (494,600)

(i) Administrative Hearings (66,600) (141,000)

The office of administrative hearings shall maintain an office in Duluth.

(j) Administration (1,778,400) (2,025,800)

(k) Finance (567,700) (588,800)

The positions of debt management director and research scientist within the economic analysis section shall not be held vacant to make this reduction.

(l) Employee Relations (255,500) (261,100)

(m) Revenue (493,100) (689,000)

Walk-in taxpayer assistance shall not be reduced.

(n) Agriculture (1,984,000) (2,917,400)

None of this reduction shall be in the agricultural protection service program.

No more than \$124,300 in 1982 and \$211,300 in 1983 shall be reduced from the family farm security program.

\$150,000 in fiscal year 1982 and \$150,000 in fiscal year 1983 is reduced from grants to agricultural societies.

(o) Animal Health, Board of	(158,800)	(163,000)
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The state agricultural society shall reimburse the board for services it provides on the state fairgrounds.

(p) Natural Resources	(4,426,100)	(4,567,100)
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Money appropriated from the receipts for watercraft licenses shall not be reduced and shall be expended only as authorized by Minnesota Statutes, Section 361.03.

(q) Zoological Board	(280,000)	(420,000)
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(r) Water Resources Board	(-0-)	(25,900)
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(s) Pollution Control Agency	(790,400)	(747,300)
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(t) Waste Management Board	(147,000)	(195,000)
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(u) Energy, Planning and Development	(896,700)	(771,000)
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(v) Natural Resources		
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Acceleration (LCMR)	(1,396,500)	(1,797,500)
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This appropriation reduction is made in order to return money to the general fund, upon the recommendation of the legislative commission on Minnesota resources.

(w) Labor and Industry	(279,200)	(279,200)
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None of this reduction shall occur in the appropriations for the special compensation fund or for peace officer death benefits.

Expenditure of the monies appropriated in Laws 1981, Chapter 346, Section 144, Subdivision 7 shall not be governed by the low bid requirements of section 16.08.

(x) Mediation Services	(54,700)	(55,600)
(y) Military Affairs	(500,000)	(500,000)
(z) Veterans Affairs	(317,800)	(332,600)

This reduction shall not be made in direct patient care positions at the veterans homes.

Notwithstanding the provisions of section 198.055, the members of the veterans advisory committee may forego the compensation provided therein.

The nondedicated receipt limitation in Laws 1981, Chapter 356, Section 36 for fiscal year 1982 is reduced by \$930,000.

(aa) Indian Affairs Intertribal Board	(14,800)	(15,200)
(bb) Council on Black Minnesotans	(-0-)	(9,300)
(cc) Council for the Handicapped	(17,800)	(18,300)
(dd) Human Rights	(137,300)	(140,100)
(ee) Council on Affairs of Spanish-Speaking People	(2,600)	(2,700)
(ff) Retirements	(3,769,600)	(4,099,000)

These reductions are made in recognition of the reduced employer contributions required by Minnesota Statutes, Section 352.04, 352.92, 352D.04 and 352D.09, as amended by Article I, Sections 21 to 26 of this act.

Of these amounts \$802,074 in fiscal year 1982 and \$873,054 in fiscal year 1983 are reduced from the general operation and maintenance appropriation made to the University of Minnesota in Laws 1981, Chapter 359, Section 7.

Of these amounts \$220,437 in fiscal year 1982 and \$238,072 in fiscal year 1983 are reduced from the public transit appropriation made to the metropolitan transit commission in Laws 1981, Chapter 363, Section 55, Subdivision 1.

Of these amounts, \$2,747,089 in fiscal year 1982 and \$2,987,875 in fiscal year 1983 are reduced from other employer contributions for state employees to the Minnesota state retirement system.

Subd. 2. [TRANSPORTATION AND OTHER AGENCIES.]

The general fund appropriations in Laws 1981, Chapters 306, 346, 357, and 363, as amended by Laws 1981, Special Session 1, Chapter 4, Article 4, are reduced by the listed amounts:

- (a) Housing Finance Agency (2,500,000) (-0-)

The appropriation in Laws 1981, Chapter 306, Section 21, is reduced by the amount indicated.

- (b) Transportation (791,000) (3,157,000)

Appropriations for Rail Service Improvement Grants are reduced by \$124,000 in the first year.

Appropriations for MTC operating grants are reduced \$2,400,000 in the second year. No reductions shall be made in metro mobility projects, metro mobility control center, and metropolitan transit commission project mobility.

Notwithstanding Laws 1981, Chapter 363, Section 55, Subdivision 1, the metropolitan transit commission shall raise fares during the peak hours by 15 cents effective April 1, 1982.

The metropolitan transit commission shall reduce its support staff by 50 positions below the actual level existing on December 1, 1981. 31 positions shall be reduced by April 1, 1982 and the remaining 19 positions shall be reduced by July 1, 1983. Support staff includes all staff other than drivers, mechanics and security personnel.

The metropolitan transit commission is directed to prepare a report to the legislature regarding both employee benefit packages, including pension programs, and peak hour staffing practices. The report shall include projections of both short and long term costs. The report shall be submitted to the chairman of house appropriations committee and the chairman of the senate finance committee by February 1, 1982.

The metropolitan transit commission shall not expend capital or operating funds for the purchase of articulated buses with wheelchair lifts. This restriction shall apply to any articulated buses which may be on order.

Appropriations for private transit operators in the metropolitan area are reduced \$57,500 in the first year and \$184,500 in the second year.

Appropriations for statewide transit operating assistance are reduced \$562,500 in the first year and \$562,500 in the second year.

Appropriations for public transit capital grants are reduced \$37,200 in the first year.

Appropriations for public transit study are reduced \$10,000 the first year and \$10,000 the second year.

Reimbursements from the general fund to the trunk highway fund are reduced \$116,000 in the first year and \$192,300 in the second year.

(c) Public Safety (709,300) (505,700)

This reduction shall not apply to the liquor control program. The liquor control program shall concentrate its activities along the border areas of Minnesota.

The general fund complement of the department of public safety is reduced by 19.7 effective July 1, 1983.

Reimbursements from the general fund to the trunk highway fund are reduced \$37,600 in the first year and \$38,900 in the second year.

(d) Commerce	(244,200)	(305,400)
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The general fund complement of the department of commerce is reduced by 17 effective July 1, 1983. No more than seven positions shall be reduced from the insurance division. The department of commerce shall transfer funds by July 1, 1982 from other areas of the department in order to fill four additional positions within the insurance division. The complement reduction shall not apply to the supervision of state chartered financial institutions.

(e) Boxing, Board of	(4,000)	(4,200)
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(f) Peace Officer Standards and Training, Board of	(11,700)	(11,800)
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(g) Public Utilities Commission ..	(20,700)	(21,700)
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(h) Public Service	(33,300)	(33,400)
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(i) Ethical Practices Board	(17,000)	(15,400)
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(j) Minnesota Municipal Board ...	(20,700)	(21,000)
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(k) Minnesota-Wisconsin Boundary Area Commission	(3,400)	(3,700)
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(l) Uniform Laws Commission	(12,600)	(12,900)
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(m) Voyageurs National Park Citizens Committee	(-0-)	(12,800)
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(n) Southern Minnesota Rivers Basin Board	(5,900)	(5,900)
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(o) Minnesota Historical Society ..	(689,400)	(703,500)
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This reduction shall not apply to the Minnesota military history museum at Fort Snelling and Camp Ripley, the Sibley House Association, government learning center, Minnesota humanities commission, Minnesota international

center, and the historic grant-in-aid program to encourage local historic preservation projects.

(p) Arts, Board of the (267,700) (290,100)

The amounts to be reduced from each program are as follows:

(1) Administrative Services (\$112,100) (\$154,500)

(2) Subsidies and Grants (\$155,600) (\$135,600)

Of the remaining appropriations, \$815,000 in the first year and \$965,000 in the second year is for the general support one program; \$150,900 in the first year and \$171,600 in the second year is for the general support two program; and \$682,700 in the first year and \$706,200 in the second year is for the regional program. Regional grants shall be distributed according to the formula included in the work papers adopted by the conference committee.

(q) Minnesota Humane Society ... (6,200) (-0-)

(r) County Attorneys Council (15,100) (-0-)

(s) Minnesota Horticultural Society (8,900) (9,600)

(t) Minnesota Academy of Science . (-0-) (5,800)

(u) Science Museum of Minnesota . (18,500) (-0-)

This reduction shall be reinstated on the basis of one dollar for every two dollars received from the city of Saint Paul.

Subd. 3. [EDUCATION.]

The general fund appropriations in Laws 1981, Chapter 359, as amended by Laws 1981, Special Session 1, Chapter 2, are reduced by the listed amounts:

(a) Education, Department of (1,671,400) (3,393,300)

(b) Higher Education Coordinating Board	(141,900)	(288,100)
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\$152,000 of the amount for 1983 is a reduction from the private college contract program. The private college contract program shall not provide funds for post baccalaureate students.

Notwithstanding any law to the contrary, if a portion of sums appropriated to the higher education coordinating board pursuant to Laws 1981, Chapter 359, Section 3, Subdivisions 3, 4, 5, 7, 8, 9 and 10 for state scholarships, nurses scholarships, state grants-in-aid, part time student subsidy, special assistance, state work study, medical student loans, AVTI tuition subsidy and private college contracts for fiscal year 1983 are refunded and unused, that portion may be transferred to meet obligations under interstate tuition reciprocity agreements. However, the higher education coordinating board shall demonstrate to the commissioner of finance that the intended level of expenditure for the programs is not reduced. In addition, transfers made may be reversed if necessary to meet the needs and objectives of affected programs.

(c) State University Board	(2,191,900)	(4,450,300)
(d) State Community College Board	(1,042,900)	(2,117,500)
(e) University of Minnesota	(6,248,000)	(12,685,400)
(f) Mayo Medical School	(253,200)	(514,100)

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

The general fund appropriations in Laws 1981, Chapter 360, as amended by Laws 1981, Special Session 1, Chapter 2, are reduced by the listed amounts:

(a) Public Welfare, Department of	(767,500)	(8,286,700)
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The commissioner of public welfare shall apply to the department of health and human services for a waiver to

limit physician calendar visits to residents of long-term care facilities to no more than once every six months, unless otherwise determined to be necessary by the facility staff or treating physician.

The commissioner of public welfare shall study the fiscal and programmatic impact, the number of persons who would be affected, and any other effects, if the costs of providing developmental achievement services and semi-independent living services were paid through Title XIX of the Social Security Act and Minnesota Statutes, Chapter 256B. The study shall be completed and submitted to the legislature not later than two months following final enactment of federal appropriation amounts.

(b) Economic Security, Department of (2,000,000) (1,018,700)

None of this reduction shall be in the following programs: displaced homemakers; crisis fuel-emergency assistance; summer youth; office of economic opportunity administration.

(c) Corrections, Department of ... (590,500) (1,428,900)

Notwithstanding the provisions of any other law to the contrary, the commissioner of corrections may for the purpose of maximizing the benefits of the subsidy paid to counties under Minnesota Statutes 1980, Sections 401.14 and 401.15, waive the requirements of 11 MCAR, Sections 2.006(c) and 2.007(b) that specify the percentages of the total subsidy received by each participating county which must be expended only for information systems, program evaluation, training, and education.

(d) Health, Department of (188,000) (196,300)

Notwithstanding any law to the contrary the commissioner of health shall increase the fee charged for medical laboratory services up to \$5.

Sec. 3. [APPROPRIATIONS.] The appropriations made in this section are from the general fund.

	FY 1982	FY 1983
Subdivision 1. Contingent Accounts	-0-	2,050,000

This appropriation is added to the appropriation made in Laws 1981, Chapter 356, Section 9, Subdivision 4. The entire appropriation shall be available to the department of natural resources for unemployment and workers' compensation obligations for fiscal years 1981 and 1982.

Subd. 2. Department of Public Welfare	26,500,000	49,553,000
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For the purpose of paying additional income maintenance costs, these sums are in addition to appropriations in Laws 1981, Chapter 360, Section 2, Subdivision 4.

Subd. 3. [DEPARTMENT OF TRANSPORTATION.] (a) Any unexpended balance of the appropriation for AMTRAK rail subsidy Duluth-Twin Cities made by Laws 1980, Chapter 614, Section 27, (c) is hereby reinstated and reappropriated for the biennium ending June 30, 1983.

(b) The immediately available appropriation for AMTRAK operations made by Laws 1981, Chapter 357, Section 2, Subdivision 4 (e) is reappropriated for the biennium ending June 30, 1983, and may be expended without regard to the restrictions stated therein.

Sec. 4. [APPROPRIATION; TRANSFERS AUTHORIZED.]

An appropriation to agencies from the general fund for fiscal year 1982 and fiscal year 1983 is available for expenditure in either fiscal year with the advance approval of the commissioner of finance. Approvals shall be reported to the committee on finance of the senate and the committee on appropriations of the house of representatives.

Sec. 5. [PLANS FOR DECLINING ENROLLMENT.]

Subdivision 1. [UNIVERSITY OF MINNESOTA; STATE UNIVERSITIES; COMMUNITY COLLEGES; AREA VOCATIONAL-TECHNICAL INSTITUTES.] The board of

regents of the University of Minnesota, the state university board, the community college board, and the state board for vocational education shall each develop a plan for providing post secondary education services under conditions of declining or reduced enrollments. Each plan shall specify the fiscal implications of declining enrollments and a proposed strategy for potential campus mergers, reorganizations, changes in system governance or other methods of adjusting the present level of facilities and services to the projected level of reduced demand even to the point of campus closures, if deemed necessary. The purpose of the plan is to reduce the cost of present facilities and services in proportion to the reduction in enrollment. Each plan shall be submitted to the legislature by January 1, 1983.

Subd. 2. [FACTORS.] In determining strategies for the adjustment of present facilities and services to reduced levels of demand, the boards shall consider such factors as the system's mission, the impact of such adjustments on students, short-term and long-term enrollment trends, accessibility for the handicapped, fiscal implications, geographic accessibility to comparable institutions, availability of alternative programs, legal implications and feasibility of employee transfers.

Subd. 3. [STUDENT TRANSFERS.] In planning for reorganization, merger, or closing of campuses the boards shall, insofar as possible, plan to provide students with the opportunity to complete programs in their major course of study and to complete graduation requirements by transferring to other institutions. The plans should provide for full transfer of earned credits and flexibility in meeting graduation requirements to the extent possible.

Subd. 4. [PROCESS.] The central administration of each post secondary system shall develop and submit a plan to its state board. In the process of developing the plan the central administration of each system shall consult with the central administrations of the other systems. Each board shall submit its plan to the higher education coordinating board for its review and recommendation pursuant to section 136A.04, subdivision 1, clause (d).

Subd. 5. [EMPLOYEE TRANSFER.] To the extent possible, the plans shall provide that employees whose positions will be eliminated by the mergers, reorganizations or closings will be allowed to transfer to positions in other post secondary institutions within each system and will be given preference in new hirings. The plans shall provide for the maintenance of seniority, salary, fringe benefits and other employment terms insofar as possible consistent with the pertinent bargaining agreements, if any.

Sec. 6. Minnesota Statutes 1981 Supplement, Section 15.052, Subdivision 5, is amended to read:

Subd. 5. [COURT REPORTERS; AUDIO RECORDINGS.] The office of administrative hearings may maintain a court reporter system and in addition to or in lieu thereof may contract with nongovernmental sources for court reporter services. The court reporters may additionally be utilized as the chief hearing examiner directs. Unless the chief hearing examiner determines that the use of a court reporter is more appropriate, an audio magnetic recording device shall be used to keep a record at any hearing which takes place under this chapter or under chapter 176. (IN CASES ARISING UNDER CHAPTER 176, THE CHIEF HEARING EXAMINER, IN CONSULTATION WITH THE COMPENSATION JUDGE, SHALL DECIDE THE METHOD OF RECORDING.) *If the chief hearing examiner determines that the use of an audio magnetic recording device is more appropriate, any party to a hearing under this chapter or chapter 176 may secure the services of a court reporter from the office of administrative hearings or from the chief hearing examiner's list of non-governmental sources to keep the record at the hearing. The person requesting the services of a court reporter shall be responsible for securing such services, notifying the court reporter in the event of a cancellation of the hearing and for the cost of the appearance of the court reporter at the hearing. The cost of a court reporter from the list of non-governmental sources shall be paid directly to the court reporter.*

Court reporters serving in the court reporter system of the office of administrative hearings shall be in the classified service. Notwithstanding the provisions of section 15.17, subdivision 4, copies of transcriptions of hearings conducted pursuant to this section may be obtained only through the office of administrative hearings or the non-governmental source court reporter if used to record the hearing.

Sec. 7. Minnesota Statutes 1981 Supplement, Section 16A.128, is amended to read:

16A.128 [FEE ADJUSTMENTS.]

The fees fixed for the various accounts for which appropriations are made by law, shall be neither increased nor decreased except with the approval of the commissioner of finance. All these fees shall be reviewed at least once each six months, and, except in special fee situations as determined by the commissioner, adjustments shall be made to the end that the total fees received shall approximate the amount appropriated for the several accounts, plus the portion of the general support costs and statewide indirect costs of the agency that is attributable to the function for which the fee is charged. Fee adjustments authorized under this section may

be made without a public hearing when the total fees estimated to be received during the fiscal biennium will not exceed (110 PERCENT OF) the sum of all direct appropriations, *indirect costs*, transfers in, and salary supplements for that purpose for the biennium.

Sec. 8. Minnesota Statutes 1981 Supplement, Section 176.081, Subdivision 7a, is amended to read:

Subd. 7a. At any time prior to one day before a matter is to be heard, a party litigating a claim made pursuant to this chapter may serve upon the adverse party a reasonable offer of settlement of the claim, with provision for costs and disbursements then accrued. If before the hearing the adverse party serves written notice that the offer is accepted, either party may then file the offer and notice of acceptance, together with the proof of service thereof, and thereupon judgment shall be entered.

If an offer by an employer or insurer is not accepted by the employee, it shall be deemed withdrawn and evidence thereof is not admissible, except in a proceeding to determine attorney's fees. Notwithstanding the provisions of subdivision 7, if the judgment finally obtained by the employee is less favorable than the offer, the employer shall not be liable for any part of the attorney's fees awarded pursuant to this section.

If an offer by an employee is not accepted by the employer or insurer, it shall be deemed withdrawn and evidence thereof is not admissible, except in a proceeding to determine attorney's fees. Notwithstanding the provisions of subdivision 7, if the judgment finally obtained by the employee is at least as favorable as the offer, the employer shall pay an additional 25 percent, over the amount provided in subdivision 7, of that portion of the attorney's fee which has been awarded pursuant to this section that is in excess of \$250.

The fact that an offer is made but not accepted does not preclude a subsequent offer.

Cases settled under this section shall be conclusively presumed to be fair and reasonable and shall not be subject to approval by the commissioner or a compensation judge if all parties are represented by attorneys. Attorney's fees which are part of the settlement are subject to review by the commissioner who may reduce the fees included in the settlement. Failure of the commissioner to reduce the fees within 14 days after receiving the settlement shall be deemed approval. The commissioner may correct clerical or mathematical errors in these cases at any time.

Sec. 9. Minnesota Statutes 1981 Supplement, Section 176.371, is amended to read:

176.371 [AWARD OR DISALLOWANCE OF COMPENSATION.]

The compensation judge to whom a petition has been assigned for hearing, shall hear all *relevant and competent evidence produced at the hearing (,).* *Unless all parties agree otherwise, the compensation judge shall insure that all testimony, motions, objections, arguments and comments of the parties or the compensation judge are recorded and, as soon after the hearing as possible, within 60 days after a matter has been finally submitted to the compensation judge, he shall make findings of fact, conclusions of law, and (AWARD OR DISALLOWANCE OF) an order allowing or disallowing compensation or other order as the pleadings, evidence, this chapter and rule require.*

The findings of fact shall contain the facts as found by the compensation judge delineating the relevant employment history of the petitioner; the nature and extent of the injury or disability; the medical history, treatment and expenses directly related to the injury or disability; the nature and extent of the disability and duration thereof; the petitioner's wage rate during the dates of the disability; facts necessary to determine attorney's fees and costs to be awarded; and such other matters as may be necessary to a full determination of the issues in controversy.

The conclusions shall refer to the legal requirements of this chapter.

The order shall state whether the petitioner is entitled to benefits and the time periods for which the benefits are to be paid. The order shall include an award of attorney's fees and costs, if appropriate. If benefits are ordered to be paid, the compensation judge shall not calculate the actual benefit amounts. The actual calculations of benefit amounts shall be the responsibility of the employer or insurer subject to the authority of the commissioner to correct any mathematical errors.

A compensation judge shall attach a memorandum to the order only if necessary to delineate the resources for the decision or to discuss the credibility of witnesses. A memorandum shall not contain a recitation of the evidence presented at the hearing but shall be limited to the compensation judge's basis for the decision.

Sec. 10. Minnesota Statutes 1980, Section 176.421, Subdivision 3, is amended to read:

Subd. 3. [NOTICE OF APPEAL.] The appellant or his attorney shall prepare and sign a written notice of appeal specifying:

- (1) the order appealed from;
- (2) that appellant appeals from the order to the workers' compensation court of appeals;
- (3) the particular finding of fact or conclusion of law which he claims was unwarranted by the evidence or procured by fraud, coercion, or other improper conduct; (AND,)
- (4) the testimony or other part of the record of the hearing necessary to be transcribed in order for the court of appeals to consider the appeal; and,
- (5) any other ground upon which the appeal is taken.

Sec. 11. Minnesota Statutes 1981 Supplement, Section 176.421, Subdivision 4, is amended to read:

Subd. 4. [SERVICE AND FILING OF NOTICE; COST OF TRANSCRIPT.] Within the 30 day period for taking an appeal, the appellant shall:

- (1) Serve a copy of the notice of appeal on each adverse party;
- (2) File the original notice, with proof of service by admission or affidavit, with the chief hearing examiner and file a copy with the commissioner;
- (3) In order to defray the cost of the (TRANSCRIPT) preparation of the record of the proceedings appealed from, pay to the (CHIEF HEARING EXAMINER) state treasurer, the sum of (\$10 OR SO MUCH OF THAT SUM AS IS NECESSARY TO PRESENT THE QUESTION RAISED ON THE APPEAL) \$25.

(THE APPELLANT IS LIABLE FOR THE COST OF THE TRANSCRIPT IN EXCESS OF \$10, BUT IS ENTITLED TO A REFUND OF ANY PART OF THAT SUM NOT USED TO PAY THE COST OF THE TRANSCRIPT.)

- (4) Submit a request that the chief hearing examiner order the preparation of a transcription of that part of the hearing delineated in the notice of appeal if the record of the hearing was kept by an audio magnetic recording device or a court reporter who is an employee of the office of administrative hearings.

If the hearing was recorded by a court reporter who is not an employee of the office of administrative hearings, the appellant shall, on the same date the notice of appeal is filed, request the court reporter to prepare a transcription of that part of the hearing delineated in the notice of appeal.

If any party desires a transcription of more of the hearing than has been requested by the appellant, that party shall, within five working days of service of the notice of appeal, make that request of the chief hearing examiner or the non-employee court reporter, whichever is appropriate.

The party requesting the preparation of the transcript or any part thereof is liable for the cost of preparation.

Upon a showing of cause, the chief hearing examiner may direct that a transcript be prepared without expense to the (APPELLANT) party requesting its preparation, in which case the cost of the transcript shall be paid by the office of administrative hearings.

Sec. 12. Minnesota Statutes 1981 Supplement, Section 176.421, Subdivision 5, is amended to read:

Subd. 5. [TRANSCRIPT; CERTIFICATION OF THE RECORD.] When the notice of appeal has been filed with the chief hearing examiner and the (TRANSCRIPTION) preparation of the record fee has been paid, the chief hearing examiner shall immediately (PREPARE) insure that a typewritten transcript of the proceedings is prepared. The official reporter or other person designated by the chief hearing examiner who transcribes the proceedings shall certify to their correctness.

If the transcript is prepared by a person who is not an employee of the office of administrative hearings, upon completion of the transcript, the original shall be filed with the chief hearing examiner.

When the transcript has been completed and is on file with the chief hearing examiner, he shall certify the record to the workers' compensation court of appeals and notify the commissioner of the certification.

Sec. 13. Minnesota Statutes 1980, Section 176.521, as amended by Laws 1981, Chapter 346, Sections 134 and 135, is amended to read:

176.521 [SETTLEMENT OF CLAIMS.]

Subdivision 1. [VALIDITY.] An agreement between an employee or his dependent and the employer or insurer to settle any claim, which is not upon appeal before the work-

ers' compensation court of appeals, for compensation under this chapter is valid where it has been executed in writing and signed by the parties (,) and intervenors in the matter, and, *where one or more of the parties is not represented by an attorney*, the division or a compensation judge has approved the settlement and made an award thereon. If the matter is upon appeal before the workers' compensation court of appeals or district court, the workers' compensation court of appeals or district court is the approving body.

Subd. 2. [APPROVAL.] Settlements shall be approved only where the terms conform with this chapter.

The division, a compensation judge, (AND) the workers' compensation court of appeals *and the district court* shall exercise discretion in approving or disapproving a proposed settlement.

The parties to the agreement of settlement have the burden of proving that the settlement is reasonable, fair, and in conformity with this chapter. A settlement agreement where both the employee or his dependent and the employer or insurer and intervenors in the matter are represented by an attorney shall be *conclusively* presumed to be reasonable, fair, and in conformity with this chapter.

Subd. 3. [COMMISSIONER.] *When a settled case is not subject to approval, upon receipt of the stipulation for settlement, a compensation judge shall refer the matter to the chief hearing examiner who shall immediately refer the file to the commissioner. Attorney's fees which are part of the settlement are subject to review by the commissioner who may reduce the fees included in the settlement. Failure of the commissioner to reduce the fees within 14 days after receiving the settlement shall be deemed approval. The commissioner may correct mathematical or clerical errors at any time.*

Subd. (3) 4. [SETTING ASIDE AWARD UPON SETTLEMENT.] *Notwithstanding any provision in the agreement of settlement to the contrary, upon the filing of a petition by any party to the settlement and after hearing agreement thereon, the workers' compensation court of appeals may set aside an award made upon a settlement, pursuant to this chapter. In such cases, the workers' compensation court of appeals shall refer the matter to the chief hearing examiner for assignment to a compensation judge for hearing on those issues it deems necessary to a final determination.*

Sec. 14. Minnesota Statutes 1980, Section 197.23, is amended to read:

197.23 [MAY PROVIDE MARKERS.]

The commissioner of veterans affairs (SHALL) *may*, upon the petition of any five reputable freeholders of any

township or municipality, or of any patriotic or ex-service-men's organization, procure for and furnish to the petitioners some suitable and appropriate metal socket and an appropriate marker for the grave of each and every soldier, sailor, marine, or nurse who served with honor in the forces of the United States and who is buried within the limits of the state, to be placed on the grave of such soldier, sailor, marine, or nurse for the purpose of permanently marking and designating the grave for memorial purposes.

Sec. 15. Minnesota Statutes 1980, Section 345.32, is amended to read:

345.32 [PROPERTY HELD BY BANKING OR FINANCIAL ORGANIZATIONS OR BY BUSINESS ASSOCIATIONS.]

The following property held or owing by a banking or financial organization or by a business association is presumed abandoned:

(a) Any demand, savings or matured time deposit made in this state with a banking organization, together with any interest or dividend thereon, excluding contracted service charges which may be deducted for a period not to exceed one year, unless the owner has, within (SEVEN) *five* years:

(1) increased or decreased the amount of the deposit, or presented the passbook or other similar evidence of the deposit for the crediting of interest; or

(2) corresponded in writing with the banking organization concerning the deposit; or

(3) otherwise indicated an interest in the deposit as evidenced by a memorandum on file with the banking organization; or

(4) received tax reports or regular statements of the deposit by mail from the banking or financial organization regarding the deposit. Receipt of the statement by the owner should be presumed if the statement is mailed first class by the banking or financial organization and not returned; or

(5) acted as provided in paragraphs (1), (2), (3) and (4) of this subsection in regard to another demand, savings or time deposit made with the banking or financial organization.

(b) Any funds or dividends deposited or paid in this state toward the purchase of shares or other interest in a business association where the stock certificates or other evidence of

interest in the business have not been issued, or in a financial organization, and any interest or dividends thereon, excluding contracted service charges which may be deducted for a period not to exceed one year, unless the owner has within (SEVEN) *five* years:

(1) increased or decreased the amount of the funds or deposit, or presented an appropriate record for the crediting of interest or dividends; or

(2) corresponded in writing with the financial organization concerning the funds or deposit; or

(3) otherwise indicated an interest in the funds or deposit as evidenced by a memorandum on file with the financial organization; or

(4) received tax reports or regular statements of the deposit or accounting by mail from the financial organization or business association regarding the deposit. Receipt of the statement by the owner should be presumed if the statement is mailed first class by the financial organization or business association and not returned.

(c) Any sum, excluding contracted service charges which may be deducted for a period not to exceed one year, payable on checks certified in this state or on written instruments issued in this state on which a banking or financial organization or business association is directly liable, including, by way of illustration but not of limitation, drafts, money orders and traveler's checks, that has been outstanding for more than (SEVEN) *five* years from the date it was payable, or from the date of its issuance if payable on demand, or, in the case of traveler's checks, has been outstanding for more than 15 years from the date of its issuance, unless the owner has within (SEVEN) *five* years, or within 15 years in the case of traveler's checks, corresponded in writing with the banking or financial organization or business association concerning it, or otherwise indicated an interest as evidenced by a memorandum on file with the banking or financial organization or business association.

(d) Any funds or other personal property, tangible or intangible, removed from a safe deposit box or any other safe-keeping repository in this state on which the lease or rental period has expired due to nonpayment of rental charges or other reason, that have been unclaimed by the owner for more than (SEVEN) *five* years from the date on which the lease or rental period expired.

(1) If the amount due for the use or rental of a safe deposit box has remained unpaid for a period of six months, the bank, savings bank, trust company, savings and loan, or safe

deposit company shall, within 60 days of the expiration of that period, send by certified mail, addressed to the renter or lessee of the safe deposit box, directed to the address standing on its books, a written notice that, if the amount due for the use or rental of the safe deposit box is not paid within 60 days after the date of the mailing of the notice, it will cause the safe deposit box to be opened and its contents placed in one of its general safe deposit boxes.

(2) Upon the expiration of 60 days from the date of mailing the notice, and in default of payment within the 60 days of the amount due for the use or rental of the safe deposit box, the bank, savings bank, trust company, savings and loan, or safe deposit company, in the presence of its president, vice-president, secretary, treasurer, assistant secretary, assistant treasurer or superintendent, or such other person as specifically designated by its board of directors, and of a notary public not in its employ, shall cause the safe deposit box to be opened and the contents thereof, to be removed and sealed by the notary public in a package, upon which he shall mark the name of the renter or lessee and also the estimated value of the contents of the safe deposit box and, in the presence of one of the bank officers listed above, the notary public shall place the package in one of the bank's general safe deposit boxes and set out the proceedings in a certificate under his official seal, which shall be delivered to the bank, savings bank, trust company, savings and loan, or safe deposit company.

(3) The bank, savings bank, trust company, savings and loan, or safe deposit company shall hold the contents of abandoned safe deposit boxes until they are claimed by the owner or the bank turns them over to the state treasurer pursuant to chapter 345.

Sec. 16. Minnesota Statutes 1980, Section 345.33, is amended to read:

345.33 [UNCLAIMED FUNDS HELD BY LIFE INSURANCE CORPORATIONS.]

(a) Unclaimed funds, as defined in this section, held and owing by a life insurance corporation shall be presumed abandoned if the last known address, according to the records of the corporation, of the person entitled to the funds is within this state. If a person other than the insured or annuitant is entitled to the funds and no address of such person is known to the corporation or if it is not definite and certain from the records of the corporation what person is entitled to the funds, it is presumed that the last known address of the person entitled to the funds is the same as the last known address of the insured or annuitant according to the records of the corporation.

(b) "Unclaimed funds," as used in this section, means all moneys held and owing by any life insurance corporation unclaimed and unpaid for more than (SEVEN) *five* years after the moneys became due and payable as established from the records of the corporation under any life or endowment insurance policy or annuity contract which has matured. A life insurance policy not matured by actual proof of the death of the insured is deemed to be matured and the proceeds thereof are deemed to be due and payable if such policy was in force when the insured attained the limiting age under the mortality table on which the reserve is based, unless the person appearing entitled thereto has within the preceding (SEVEN) *five* years, (1) assigned, readjusted or paid premiums on the policy, or subjected the policy to loan, or (2) corresponded in writing with the life insurance corporation concerning the policy. Moneys or drafts otherwise payable according to the records of the corporation are deemed due and payable although the policy or contract has not been surrendered as required.

Sec. 17. Minnesota Statutes 1980, Section 345.34, is amended to read:

345.34 [DEPOSITS HELD BY UTILITIES.]

Any deposit held or owing by any utility made by a subscriber after January 1, 1960, to secure payment for, or any sum paid in advance for, utility services to be furnished in this state, excluding any charges that may lawfully be withheld, that has remained unclaimed by the person appearing on the records of the utility entitled thereto for more than (SEVEN) *five* years after the termination of the services for which the deposit or advance payment was made is presumed abandoned.

Sec. 18. Minnesota Statutes 1980, Section 345.37, is amended to read:

345.37 [PROPERTY HELD BY FIDUCIARIES.]

All intangible personal property and any income or increment thereon, held in a fiduciary capacity for the benefit of another person is presumed abandoned unless the owner has, within (SEVEN) *five* years after it becomes payable or distributable, increased or decreased the principal, accepted payment of principal or income, corresponded in writing concerning the property, or otherwise indicated an interest as evidenced by a memorandum on file with the fiduciary if:

(a) the property is held by a banking organization or a financial organization or by a business association organized under the laws of or created in this state; or

(b) it is held by a business association, doing business in this state, but not organized under the laws of or created in this state, and the records of the business association indicate that the last known address of the person entitled thereto is in this state; or

(c) it is held in this state by any other person.

Sec. 19. Minnesota Statutes 1980, Section 345.38, is amended to read:

345.38 [PROPERTY HELD BY STATE COURTS AND PUBLIC OFFICERS AND AGENCIES.]

Subdivision 1. All intangible personal property held for the owner by any court, public corporation, public authority or public officer of this state, or a political subdivision thereof, that has remained unclaimed by the owner for more than (SEVEN) *five* years is presumed abandoned except as provided in section 524.3-914.

Subd. 2. This section shall not apply to property held for persons while residing in public correctional or other institutions. As to such persons, said property shall be presumed abandoned if it has remained unclaimed by the owner for more than (SEVEN) *five* years after such residence ceases.

Subd. 3. All intangible personal property held for the owner by any government or political subdivision or agency, that has remained unclaimed by the owner for more than (SEVEN) *five* years is presumed abandoned and is reportable pursuant to section 345.41, if:

(a) the last known address as shown on the records of the holder of the apparent owner is in this state; or

(b) no address of the apparent owner appears on the records of the holder; and

(1) the last known address of the apparent owner is in this state; or

(2) the holder is domiciled in this state and has not previously transferred the property to the state of the last known address of the apparent owner.

Sec. 20. Minnesota Statutes 1980, Section 345.39, is amended to read:

345.39 [MISCELLANEOUS PERSONAL PROPERTY HELD FOR ANOTHER PERSON.]

All intangible personal property, not otherwise covered by sections 345.31 to 345.60, including any income or increment thereon, but excluding any charges that may lawfully be

withheld, that is held or owing in this state in the ordinary course of the holder's business and has remained unclaimed by the owner for more than (SEVEN) *five* years after it became payable or distributable is presumed abandoned. Property covered by this section includes, but is not limited to: (a) unclaimed wages or workers' compensation; (b) deposits or payments for repair or purchase of goods or services; (c) credit checks or memos, or customer overpayments; (d) unidentified remittances, unrefunded overcharges; (e) unpaid claims, unpaid accounts payable or unpaid commissions; (f) unpaid mineral proceeds, royalties or vendor checks; and (g) credit balances, accounts receivable and miscellaneous outstanding checks.

Sec. 21. Minnesota Statutes 1980, Section 352.04, Subdivision 2, is amended to read:

Subd. 2. [EMPLOYEE CONTRIBUTIONS.] The employee contribution to the fund shall be an amount equal to (FOUR) *3-1/2* percent of salary, beginning with the first full pay period after June 30, (1973) *1981*. These contributions shall be made by deduction from salary in the manner provided in subdivision 4.

Sec. 22. Minnesota Statutes 1980, Section 352.04, Subdivision 3, is amended to read:

Subd. 3. [EMPLOYER CONTRIBUTIONS.] The employer contribution to the fund shall be an amount equal to the total amount deducted from the salaries of employees on each payroll abstract, plus an additional (TWO) *1.84* percent of salary beginning with the first full pay period after June 30, (1973) *1981*. The employer contribution shall be made in the manner provided in subdivisions 5 and 6.

Sec. 23. Minnesota Statutes 1980, Section 352.92, Subdivision 1, is amended to read:

Subdivision 1. [EMPLOYEE CONTRIBUTIONS.] Beginning with the first full pay period after June 30, (1973) *1981*, in lieu of employee contributions payable under section 352.04, subdivision 2, contributions by covered correctional employees shall be in an amount equal to (SIX) *4.3* percent of salary.

Sec. 24. Minnesota Statutes 1980, Section 352.92, Subdivision 2, is amended to read:

Subd. 2. [EMPLOYER CONTRIBUTIONS.] Beginning with the first full pay period after June 30, (1973) *1981*, in lieu of employer contributions payable under section 352.04, subdivision 3, the employer shall contribute for covered correc-

tional employees (1) an amount equal to (1 1/2 TIMES THE DEDUCTION FROM) 6.45 percent of the salaries of covered correctional employees on each payroll abstract, plus (2) an additional amount of (FIVE) 2.85 percent of salaries of covered correctional employees on each payroll abstract.

Sec. 25. Minnesota Statutes 1981 Supplement, Section 352D.04, Subdivision 2, is amended to read:

Subd. 2. The moneys used to purchase shares under this section shall be the employee (, EMPLOYER) and employer (ADDITIONAL) contributions (AS) provided in (SECTION 352.04, SUBDIVISIONS 2 AND 3) *this subdivision.*

(a) *The employee contribution shall be an amount equal to four percent of salary.*

(b) *The employer contribution shall be an amount equal to six percent of salary.*

These contributions shall be made by deduction from salary in the manner provided in section 352.04, subdivisions 4, 5, and 6.

Sec. 26. Minnesota Statutes 1980, Section 352D.09, Subdivision 7, is amended to read:

Subd. 7. One-tenth of one percent of salary shall be deducted from the employee contributions (AUTHORIZED BY SECTION 352.04, SUBDIVISION 2,) and one-tenth of one percent of salary from the employer contributions authorized by section (352.04, SUBDIVISION 3, CLAUSE (1)) *352D.04, subdivision 2*, to pay the administrative expenses of the unclassified program.

Sec. 27. Minnesota Statutes 1981 Supplement, Section 473.446, Subdivision 1, is amended to read:

Subdivision 1. [TAXATION WITHIN TRANSIT TAXING DISTRICT.] For the purposes of sections 473.401 to 473.451 and the metropolitan transit system, except as otherwise provided in this subdivision the metropolitan transit commission 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 equal to (1.72) *two* mills times the assessed value of all such property, the proceeds of which shall be used for payment of the expenses of operating transit and paratransit service;

(b) An additional amount, if any, as the commission determines to be necessary to provide for the full and timely

payment of its certificates of indebtedness and other obligations outstanding on July 1, 1977, 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, or other obligations issued pursuant to section 473.436 for purposes of acquisition and betterment of property and other improvements of a capital nature and to which the commission has specifically pledged tax levies under this clause.

In any statutory or home rule charter city or town in the metropolitan transit taxing district which is receiving financial assistance under section 174.265, the commission shall levy a tax equal to ten percent of the sum of levies provided for in clauses (a) to (c), plus a levy sufficient to yield the amounts of available local transit funds transferred pursuant to section 174.265 from the state assistance available to the commission, less any amount paid to the commission by the city or town under a contract for service entered into pursuant to subdivision 2.

Sec. 28. Laws 1981, Chapter 356, Section 45, is amended to read:

Sec. 45. [WORKERS' COMPENSATION.]

The appropriations in this act for the operation of each state department or agency (, EXCEPT THE DEPARTMENT OF NATURAL RESOURCES,) in fiscal 1982 and 1983 include amounts needed to pay workers' compensation obligations to the state compensation revolving fund. It is the intent of the legislature not to appropriate additional money at any future time to pay workers' compensation obligations for fiscal 1982 and 1983, except (FOR THE DEPARTMENT OF NATURAL RESOURCES OR) as may be required by an increase in the statutory level of workers' compensation benefits.

Sec. 29. Laws 1981, Chapter 356, Section 46, is amended to read:

Sec. 46. [UNEMPLOYMENT COMPENSATION.]

The appropriations in this act for the operation of each state department or agency (, EXCEPT THE DEPARTMENT OF NATURAL RESOURCES,) in fiscal 1982 and 1983 include amounts needed to pay unemployment compensation obligations to the unemployment compensation fund. It is the intent of the legislature not to appropriate additional money at any future time to pay unemployment compensation obligations for fiscal 1982 and 1983, except (FOR THE DEPARTMENT OF NATURAL RESOURCES OR) as may be required by an increase in the statutory level of unemployment compensation benefits.

Sec. 30. Laws 1981, Chapter 356, Section 62, Subdivision 2, is amended to read:

Subd. 2. [TRANSFER.] The commissioner shall transfer the necessary amounts to the proper accounts and shall promptly notify the committee on finance of the senate and the committee on appropriations of the house of representatives of the amount transferred to each appropriation account. *An amount not to exceed \$12,000,000 in the second year may be transferred to agencies where attrition has not provided the necessary savings to meet the required budget reductions. In addition, transfers from an agency's salary supplement allocation in the second year may be transferred into the first year to offset unrealized budget reductions due to delays in attrition savings.*

Sec. 31. Laws 1981, Chapter 359, Section 3, Subdivision 3, is amended to read:

Subd. 3. State Scholarship, Nurses
Scholarship and State Grant-In-Aid

\$27,720,000 \$27,720,000

The general goal of this program is that the proportion of funds flowing to students attending private institutions not exceed a figure which is approximately 50 percent of the total amount of money available. It is expected that approximately \$3,000,000 of this appropriation will (REVERT TO THE GENERAL FUND AT THE END OF FISCAL YEAR 1983) *not be needed and any balance may be transferred to subdivision 6 of this section to the extent a deficiency occurs in the interstate tuition reciprocity appropriation.*

Sec. 32. [REPEALER.]

Minnesota Statutes 1981 Supplement, Sections 3.965, Subdivision 6; and 362.453, are repealed.

Sec. 33. [EFFECTIVE DATE.]

Sections 1 to 32 are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to the operation and financing of state and local government; reducing appropriations for the general legislative and executive agencies of state govern-

ment; providing for the planning for declining enrollments at higher education institutions; providing for transfer of appropriations between fiscal years; authorizing the transfer of certain funds appropriated to the higher education coordinating board for obligations under interstate tuition reciprocity agreements; providing for the use of certain appropriations to discharge workers' compensation and unemployment compensation obligations; appropriating money; amending Minnesota Statutes 1980, Sections 176.421, Subdivision 3; 176.521, as amended; 197.23; 345.32; 345.33; 345.34; 345.37; 345.38; 345.39; 352.04, Subdivisions 2 and 3; 352.92, Subdivisions 1 and 2; 352D.09, Subdivision 7; Minnesota Statutes 1981 Supplement, Sections 15.052, Subdivision 5; 16A.128; 176.081, Subdivision 7a; 176.371; 176.421, Subdivisions 4 and 5; 352D.04, Subdivision 2; 473.446, Subdivision 1; Laws 1981, Chapters 356, Sections 45, 46, and 62, Subdivision 2; and 359, Section 3, Subdivision 3; repealing Minnesota Statutes 1981 Supplement, Sections 3.965, Subdivision 6; and 362.453."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Taxes.

The report was adopted.

Johnson, C., from the Committee on Education to which was referred:

H. F. No. 13, A bill for an act relating to education; altering the recognition of school district tax revenue; reducing state aids for education in fiscal year 1983 by the amount of the June, 1983 school district tax settlements; requiring payment of tax receipts to school districts within 28 days after settlement; reducing education aid appropriations for fiscal year 1983; amending Minnesota Statutes 1980, Sections 121.904, by adding a subdivision; 276.11; Minnesota Statutes 1981 Supplement, Section 124.2121, Subdivision 5; proposing new law coded in Minnesota Statutes, Chapter 124; repealing Minnesota Statutes 1980, Section 121.904, Subdivision 4.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1980, Section 121.904, is amended by adding a subdivision to read:

Subd. 4a. [LEVY RECOGNITION.] Beginning with taxes assessed in 1982, payable in 1983, and thereafter, all cur-

rent levies of local taxes, including portions assumed by the state, shall be recognized as receivable in the same fiscal year during which collection normally takes place. These receivables shall be for use in the current fiscal year. Settlements of current taxes received by a school district on or before June 30 shall be recorded as revenue in the fiscal year ending on that June 30.

Sec. 2. [124.115] [AID REDUCTIONS DUE TO TAX LEVY REVENUE RECOGNITION CHANGE.]

Subdivision 1. [AUTHORIZATION.] Notwithstanding any law to the contrary, state aid due school districts in fiscal year 1983 shall be reduced as provided in this section.

Subd. 2. [AMOUNT OF REDUCTION.] State aid due any school district in fiscal year 1983 under the provisions enumerated in subdivision 3 shall be reduced by 93 percent of the amount the district levied for taxes assessed in 1982, payable in 1983, which is to be recognized as revenue in fiscal year 1983 pursuant to section 1, exclusive of any levy portions that are assumed by the state. For purposes of computing this state aid reduction, the amount levied by the district shall not include the amounts levied to make payments for bonds issued and for interest thereon; the amounts necessary for repayment of debt service loans and capital loans; the amounts necessary to pay the district's obligations under section 268.06, subdivision 25; and amounts levied pursuant to section 275.125, subdivisions 6a, 9a, 14a and 20.

Subd. 3. [SUBTRACTION FROM AIDS.] The amount specified in subdivision 2 shall be subtracted from the following state aid payments in the order listed in fiscal year 1983:

(a) Foundation aid as defined in section 124.212, subdivision 1;

(b) Secondary vocational aid as defined 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) Gifted and talented aid authorized in section 124.247;

(f) Aid for pupils of limited English proficiency authorized in section 124.273;

(g) Aid for improved learning programs authorized in section 124.251;

- (h) Aid for chemical use programs authorized in section 124.246;
- (i) Transportation aid authorized in section 124.225;
- (j) School lunch aid authorized in section 124.646;
- (k) Community education programs aid authorized in section 124.271;
- (l) Adult education aid authorized in section 124.26;
- (m) Capital expenditure equalization aid authorized in section 124.245;
- (n) Homestead credit payments authorized in section 273.13, subdivisions 6, 7, and 14a;
- (o) Taconite homestead credit payments authorized in section 273.135;
- (p) Wetlands credit authorized in section 273.115;
- (q) Native prairie credit authorized in section 273.116; and
- (r) Attached machinery aid authorized in section 273.138, subdivision 3.

If necessary, state aid payments in fiscal year 1984 and subsequent years may be reduced until the entire amount specified in subdivision 2 has been subtracted.

Subd. 4. [ACCOUNTING.] Notwithstanding any law to the contrary, the amount of the levy subtracted from state aid payments shall be recognized and reported on the school district books of account in the same way that the state aid payments would have been recognized and reported. Seven percent of the amount the district levied for taxes in 1982, payable in 1983, which is to be recognized as revenue in fiscal year 1983, excluding levy portions assumed by the state, and excluding amounts levied to make payments for bonds issued and for interest thereon, amounts necessary for repayment of debt service loans and capital loans, amounts necessary to pay the district's obligations under section 268.06, subdivision 25, and amounts levied pursuant to section 275.125, subdivisions 6a, 9a, 14a, and 20, shall be placed in the general fund of the district, and may be expended for any lawful purpose.

Sec. 3. Minnesota Statutes 1981 Supplement, Section 124.2121, Subdivision 5, is amended to read:

Subd. 5. [LEVY USE.] A levy "for use in a particular school year," "attributable to a particular school year," or "recognized as revenue in a particular school year," means the (LEVY CERTIFIED IN THE CALENDAR YEAR ENDING IN THE) *portion of the levy payable during that school year (PRECEDING THAT PARTICULAR SCHOOL YEAR, AND PAYABLE IN THE CALENDAR YEAR IN WHICH THAT SCHOOL YEAR BEGINS).*

Sec. 4. Minnesota Statutes 1980, Section 276.11, is amended to read:

276.11 [WHEN TREASURER SHALL PAY FUNDS.]

As soon as practical after each settlement in March, June, and November the county treasurer shall pay over to the state treasurer or the treasurer of any town, city, school district, or special district, on the warrant of the county auditor, all receipts arising from taxes levied by and belonging to the state, or to such municipal corporation, or other body, and deliver up all orders and other evidences of indebtedness of such municipal corporation or other body, taking triplicate receipts therefor. He shall file one of the receipts with the county auditor, and shall return one by mail on the day of its reception to the clerk of the town, city, school district, or special district to which payment was made. The clerk shall preserve the receipt in his office. Upon written request of the state, a municipal corporation or other public body, the county treasurer shall, to the extent practicable, make partial payments of amounts collected periodically in advance of the next settlement and distribution. Accompanying each payment shall be a statement prepared by the county treasurer designating the years for which taxes included in the payment were collected and, for each year, the amount of the taxes and any penalties thereon. The county treasurer shall *pay*, upon written request of the state, a municipal corporation or other public body (PAY) *except school districts*, at least 70 percent of the estimated collection within 30 days after the settlement date. *Within 15 days after the settlement date, the county treasurer shall pay to the treasurer of the school districts at least 70 percent of the estimated collections arising from taxes levied by and belonging to the school district.* He shall pay the balance of the amounts collected to the state or to a municipal corporation or other body within 60 days after the settlement date, provided, however, that after 45 days interest shall accrue at a rate of eight percent per annum to the credit of and shall be paid to the state, municipal corporation or other body. Interest shall be payable upon appropriation from the general revenue fund of the county and, if not paid, may be recovered by the state, municipal corporation, or other body, in a civil action.

Sec. 5. [CASH FLOW LOAN FUND.]

Subdivision 1. There shall be maintained in the state treasury a "cash flow loan fund" for administration of moneys to be received and disbursed as authorized in this section. The purpose of this fund is to alleviate the impact of altering the recognition of tax revenue pursuant to sections 1 to 6 on the cash flow needs of the school districts. Notwithstanding Minnesota Statutes, Section 11A.20, Subdivision 3, the investment income on funds credited to the cash flow loan fund shall be accrued and credited to the cash flow loan fund.

Subd. 2. [LOAN APPLICATIONS; REPAYMENTS.] The commissioner of education shall establish procedures for loan applications and criteria for determining increased cash flow needs of school districts caused by the altering of recognition of tax revenue. The commissioner shall approve or disapprove loan applications on the basis of need. Any loan made pursuant to this section shall constitute an advance to the district without interest. For loans made in the 1982-1983 and 1983-1984 school years, the school district shall repay the full amount of the loan by July 25 of the next fiscal year or within five days of receiving final payment of the May tax settlement attributable to that particular school year, whichever is earlier. For loans made in the 1984-1985 school year, the school district shall repay the full amount of the loan by June 25, 1985.

Subd. 3. [REPEALER; CANCELLATION.] This section is repealed on June 30, 1985 and any unexpended moneys in the cash flow loan fund as of June 29, 1985 shall be cancelled into the general fund.

Subd. 4. [APPROPRIATION.] There is appropriated from the general fund to the department of education for the cash flow loan fund the sum of \$40,000,000. This sum shall be transferred to the cash flow loan fund as needed but the balance of the untransferred funds shall be transferred no later than June 29, 1983. Any unexpended balances in the cash flow loan fund on June 30, 1983 shall not cancel and shall be available for loans to be made in fiscal years 1984 and 1985.

Sec. 6. [LEGISLATURE TO EVALUATE CASH FLOW.]

Before July 1, 1982, the legislature intends to evaluate the effect of sections 1 to 8 on the cash flow needs of school districts, and to reschedule the timing of payment of state aids and credits to school districts to the extent needed to ensure that the cash position of school districts is sufficiently favorable to ensure efficient operation.

Sec. 7. [EDUCATION AIDS; APPROPRIATION REDUCTION.]

The total general fund appropriation to the department of education for education aids for the fiscal year ending June 30, 1983 is reduced by \$88,700,000. The commissioner of education shall apportion this reduction among school districts, public library systems, multi-type library systems, educational cooperative service units, and regional management information systems.

Sec. 8. [REPEALER.]

Minnesota Statutes 1980, Section 121.904, Subdivision 4, is repealed, effective January 1, 1983.

Sec. 9. [EFFECTIVE DATE.]

Sections 1 to 7 are effective July 1, 1982."

Delete the title in its entirety and insert:

"A bill for an act relating to education; altering the recognition of school district tax revenue; reducing state aids for education in fiscal year 1983 by 93 percent of the amount of the June, 1983 school district tax settlements; requiring payment of 70 percent of the estimated school district tax receipts within 15 days after the settlement date; establishing a cash flow loan fund; reducing education aid appropriations for fiscal year 1983; amending Minnesota Statutes 1980, Sections 121.904 by adding a subdivision; and 276.11; Minnesota Statutes 1981 Supplement, Section 124.2121, Subdivision 5; proposing new law coded in Minnesota Statutes, Chapter 124; repealing Minnesota Statutes 1980, Section 121.904, Subdivision 4."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Taxes.

The report was adopted.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Ainley, Jennings, Nysether, Ludeman and Welker introduced:

H. F. No. 21, A bill for an act relating to the operation and financing of state and local government; limiting the property tax refund to homeowners; limiting certain appropriations for local government aid; adopting certain federal income tax amendments; limiting the income tax investment credit subtraction; removing a provision prohibiting the commissioner of finance from reducing allotments pursuant to appropriations for state aids, payments, reimbursements, or fund transfers to or on behalf of school districts; increasing the limitation on the principal amount of certificates of indebtedness of the state; authorizing the commissioner of education to apportion allotment reductions made by the commissioner of finance; authorizing the commissioner of finance to delay payments and credits due to cities, towns, counties, or school districts; reducing appropriations for the general legislative and executive agencies of state government; providing for transfer of appropriations from the second year of the biennium back into the first year of the biennium; reducing the amount of assistance granted in the program of aid to families with dependent children; changing the state and county shares of the cost of certain public assistance programs; providing for establishment of a drug formulary by the commissioner of public welfare; limiting certain rate increases for medical assistance to eight percent; providing for a statewide uniform rate methodology; altering eligibility requirements for medical assistance; requiring recipients to co-pay for part of the costs of medical care and drugs; limiting certification of beds for skilled nursing care; decreasing the per diem rate for medical assistance for certain intermediate care facilities; abolishing the general assistance medical care program; reducing payments for shelter and utilities in the general assistance program; providing for distribution of funds to counties for health care of indigent persons; providing for the use of certain appropriations to discharge workers' compensation and unemployment compensation obligations; transferring the powers and duties of the higher education coordinating board to the commissioner of administration; directing the sale of state lands; appropriating money; amending Minnesota Statutes 1980, Sections 136A.02, Subdivision 1; 136A.142; 256.74, Subdivision 1; 256.82; 256B.04, by adding a subdivision; 256B.-041, Subdivision 5; 256B.063; 256B.19, Subdivision 1; 256D.02, Subdivision 11; 256D.36, Subdivision 1; 261.21, Subdivision 1, and by adding subdivisions; 290A.03, Subdivision 6; 290A.04, Subdivisions 1, 2a, and 2b; 290A.05; 352.04, Subdivisions 2 and 3; 352.92, Subdivisions 1 and 2; Minnesota Statutes 1981 Supplement, Sections 16A.123; 16A.671, Subdivision 3; 256.966; 256.-967; 256.968; 256B.02, Subdivision 8; 256B.03, Subdivision 2; 256B.06, Subdivision 1; 256D.01, Subdivision 1; 256D.04; 256D.-07; 290.01, Subdivision 20; 290.09, Subdivisions 3, 7, and 29; 290.92, Subdivision 15; 290.93, Subdivision 1; 290.934, Subdivision 4; 290A.02; 290A.03, Subdivisions 3, 8, and 13; 290A.06; 290A.07, Subdivisions 2 and 3; 290A.09; 477A.03, Subdivision 2; Laws 1981, Chapters 60, Section 27; 356, Sections 45, 46, and 62, Subdivision 2; and 359, Section 3, Subdivision 3; pro-

posing new law coded in Minnesota Statutes, Chapters 16A; 124; and 136A; repealing Minnesota Statutes 1980, Sections 136A.02, Subdivisions 1a and 3; 256D.02, Subdivision 4a; 256D.03, Subdivision 3; 261.21, Subdivision 2; 261.22; 261.23; 261.231; 261.232; 290.65, Subdivisions 2, 3, 4, 5, 6, and 7; Minnesota Statutes 1981 Supplement, Section 256D.03, Subdivision 4; 290A.03, Subdivisions 11 and 12; 290A.07, Subdivision 2a; 290A.19.

The bill was read for the first time and referred to the Committee on Appropriations.

Wynia and Vellenga introduced:

H. F. No. 22, A bill for an act relating to federal money; extending the time period for allocating certain federal block grant money; amending Laws 1981, Chapter 356, Section 63.

The bill was read for the first time and referred to the Committee on Appropriations.

CONSENT CALENDAR

H. F. No. 2, A bill for an act relating to motor vehicles; defining vans and pickup trucks; providing for the registration and taxation of certain vans as passenger automobiles; correcting references to the taxation of farm trucks and commercial zone combinations; defining urban trucks; and certain collector's vehicles; including certain trucks among the motor vehicles entitled to collector license plates; amending Minnesota Statutes 1980, Sections 168.011, by adding subdivisions; 168.10, Subdivision 1c; and Minnesota Statutes 1981 Supplement, Sections 168.011, Subdivisions 7 and 10; and 168.013, Subdivisions 1c, 1e and 1i.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 121 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Aasness	Brandl	Dempsey	Forsythe	Heinitz
Ainley	Brinkman	Den Ouden	Frerichs	Himle
Anderson, B.	Byrne	Eken	Greenfield	Hoberg
Anderson, G.	Carlson, D.	Elioff	Gruenes	Hokanson
Anderson, I.	Carlson, L.	Ellingson	Gustafson	Hokr
Anderson, R.	Clark, J.	Erickson	Halberg	Jacobs
Battaglia	Clark, K.	Esau	Hanson	Jennings
Begich	Clawson	Evans	Hauge	Johnson, C.
Berkelman	Dahlvang	Ewald	Haukoos	Johnson, D.
Blatz	Dean	Fjoslien	Heap	Jude

Kahn	Mehrkens	Osthoff	Sarna	Swanson
Kaley	Metzen	Otis	Schafer	Valan
Kalis	Minne	Peterson, B.	Schoenfeld	Valento
Kelly	Munger	Peterson, D.	Schreiber	Vanasek
Knickerbocker	Murphy	Pogemiller	Searles	Vellenga
Kostohryz	Nelsen, B.	Redalen	Shea	Voss
Kvam	Nelson, K.	Reding	Sherman	Weaver
Lehto	Niehaus	Rees	Sherwood	Welch
Lemen	Novak	Reif	Sieben, M.	Welker
Levi	Nysether	Rice	Simoneau	Wenzel
Long	O'Connor	Rodriguez, C.	Skoglund	Wieser
Ludeman	Ogren	Rodriguez, F.	Stadum	Wynia
Luknic	Olsen	Rose	Stowell	Zubay
Mann	Onnen	Rothenberg	Sviggum	Spkr. Sieben, H.
McDonald				

The bill was passed and its title agreed to.

MOTIONS AND RESOLUTIONS

Schreiber moved that pursuant to rule 1.15, H. F. Nos. 1 and 7 be recalled from the Committee on Taxes, be given their second readings and be advanced to General Orders.

A roll call was requested and properly seconded.

Anderson, I., moved to amend the Schreiber motion as follows:

After "rule 1.15," add "H. F. No. 8,"

A roll call was requested and properly seconded.

The question was taken on the Anderson, I., amendment to the Schreiber motion and the roll was called. There were 119 yeas and 6 nays as follows:

Those who voted in the affirmative were:

Aasness	Dean	Haukoos	Lemen	Osthoff
Ainley	Dempsey	Heap	Levi	Otis
Anderson, B.	Den Ouden	Heinitz	Long	Peterson, B.
Anderson, G.	Eken	Himle	Luknic	Peterson, D.
Anderson, I.	Elioff	Hoberg	Mann	Piepho
Anderson, R.	Ellingson	Hokanson	Marsh	Pogemiller
Battaglia	Erickson	Hokr	McDonald	Redalen
Begich	Esau	Jacobs	Mehrkens	Rees
Berkeiman	Evans	Johnson, C.	Minne	Rice
Blatz	Ewald	Johnson, D.	Munger	Rodriguez, C.
Brandl	Fjoslien	Jude	Murphy	Rodriguez, F.
Brinkman	Forsythe	Kaley	Nelsen, B.	Rose
Byrne	Frerichs	Kalis	Nelson, K.	Rothenberg
Carlson, D.	Greenfield	Kelly	Novak	Sarna
Carlson, L.	Gruenes	Knickerbocker	Nysether	Schafer
Clark, J.	Gustafson	Kostohryz	O'Connor	Schoenfeld
Clark, K.	Halberg	Kvam	Ogren	Schreiber
Clawson	Hanson	Laidig	Olsen	Searles
Dahlvang	Hauge	Lehto	Onnen	Shea

Sherman	Stadum	Swanson	Voss	Wieser
Sherwood	Staten	Valan	Weaver	Wynia
Sieben, M.	Stowell	Valento	Welch	Zubay
Simoneau	Stumpf	Vanasek	Welker	Spkr. Sieben, H.
Skoglund	Svigum	Vellenga	Wenzel	

Those who voted in the negative were:

Jennings	Ludeman	Niehaus	Reding	Reif
Kahn				

The motion prevailed and the Anderson, I., amendment was adopted.

Schreiber requested a division of his motion, as amended.

Rice moved that the Schreiber motion, as amended, be laid on the table.

A roll call was requested and properly seconded.

The question was taken on the Rice motion to table the Schreiber motion, as amended, and the roll was called. There were 65 yeas and 61 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Dahlvang	Kalis	Ogren	Simoneau
Anderson, G.	Eken	Kelly	Osthoff	Skoglund
Anderson, I.	Elioff	Kostohryz	Otis	Staten
Battaglia	Ellingson	Lehto	Peterson, D.	Stumpf
Begich	Greenfield	Long	Pogemiller	Swanson
Berkelman	Gustafson	Mann	Reding	Tomlinson
Brandl	Hanson	Metzen	Rice	Vanasek
Brinkman	Hauge	Minne	Rodriguez, C.	Vellenga
Byrne	Hokanson	Munger	Rodriguez, F.	Voss
Carlson, L.	Jacobs	Murphy	Sarna	Welch
Clark, J.	Johnson, C.	Nelson, K.	Schoenfeld	Wenzel
Clark, K.	Jude	Novak	Shea	Wynia
Clawson	Kahn	O'Connor	Sieben, M.	Spkr. Sieben, H.

Those who voted in the negative were:

Aasness	Forsythe	Kaley	Nysether	Searles
Ainley	Frerichs	Knickerbocker	Olsen	Sherman
Anderson, R.	Gruenes	Laidig	Onnen	Sherwood
Blatz	Halberg	Lemen	Peterson, B.	Stadum
Carlson, D.	Haukoos	Levi	Piepho	Stowell
Dean	Heap	Ludeman	Redalen	Svigum
Dempsey	Heinitz	Luknic	Rees	Valan
Den Ouden	Himle	Marsh	Reif	Valento
Erickson	Hoberg	McDonald	Rose	Weaver
Esau	Hokr	Mehrkens	Rothenberg	Welker
Evans	Jennings	Nelsen, B.	Schafer	Wieser
Ewald	Johnson, D.	Niehaus	Schreiber	Zubay
Fjoslien				

The motion prevailed.

Rose moved that pursuant to rule 1.15, H. F. No. 3 be recalled from the Committee on Governmental Operations, be given its second reading and be advanced to General Orders.

Eken moved that the Rose motion be laid on the table. The motion prevailed.

ADJOURNMENT

Eken moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 2:00 p.m., Thursday, December 17, 1981.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

STATE OF MINNESOTA

THIRD SPECIAL SESSION - 1981

EIGHTH DAY

SAINT PAUL, MINNESOTA, THURSDAY, DECEMBER 17, 1981

The House of Representatives convened at 2:00 p.m. and was called to order by Harry A. Sieben, Jr., Speaker of the House.

Prayer was offered by Father Parry Paraschou, St. George Greek Orthodox Church, St. Paul, Minnesota.

The roll was called and the following members were present:

Aasness	Esau	Kalis	Nysether	Shea
Ainley	Evans	Kelly	O'Connor	Sherman
Anderson, B.	Ewald	Knickerbocker	Ogren	Sherwood
Anderson, G.	Fjoslien	Kostohryz	Olsen	Sieben, M.
Anderson, I.	Forsythe	Kvam	Onnen	Simoneau
Anderson, R.	Frerichs	Laidig	Osthoff	Skoglund
Battaglia	Greenfield	Lehto	Otis	Stadum
Begich	Gruenes	Lemen	Peterson, B.	Staten
Berkelman	Gustafson	Levi	Peterson, D.	Stowell
Blatz	Halberg	Long	Piepho	Stumpf
Brandl	Hanson	Ludeman	Pogemiller	Sviggum
Brinkman	Harens	Luknic	Redalen	Swanson
Byrne	Hauge	Mann	Reding	Tomlinson
Carlson, D.	Haukoos	Marsh	Rees	Valan
Carlson, L.	Heap	McCarron	Reif	Valento
Clark, J.	Heimitz	McDonald	Rice	Vanasek
Clark, K.	Himle	McEachern	Rodriguez, C.	Vellenga
Clawson	Hoberg	Mehrkens	Rodriguez, F.	Voss
Dahlvang	Hokanson	Metzen	Rose	Weaver
Dean	Hokr	Minne	Rothenberg	Welch
Dempsey	Jennings	Munger	Samuelson	Welker
Den Ouden	Johnson, C.	Murphy	Sarna	Wenzel
Eken	Johnson, D.	Nelsen, B.	Schafer	Wieser
Elioff	Jude	Nelson, K.	Schoenfeld	Wynia
Ellingson	Kahn	Niehaus	Schreiber	Zubay
Erickson	Kaley	Novak	Searles	Spkr. Sieben, H.

A quorum was present.

Drew, Norton and Wigley were excused. Jacobs was excused until 2:45 p.m.

The Chief Clerk proceeded to read the Journal of the preceding day. Vanasek moved that further reading of the Journal be

dispensed with and that the Journal be approved as corrected by the Chief Clerk. The motion prevailed.

REPORTS OF STANDING COMMITTEES

Sieben, M., from the Committee on Appropriations to which was referred:

H. F. No. 4, A bill for an act relating to public welfare; altering certain provisions of the program of aid to families with dependent children; redefining the term "dependent child"; expanding the definition of persons ineligible; eliminating eligibility of the unborn; requiring rules to define "special needs" for eligible pregnant women; requiring recoupment of over-payments; requiring registration of certain dependent recipients for employment services, training, and employment; restricting the earned income disregard to four months; restricting work expense disregards; specifying the amount of stepparent income to be considered available in determining need; providing for voluntary third party payments; eliminating eligibility for recipients participating in a strike; eliminating a prepaid funeral contract and reverse mortgage loan guarantees as disregarded resources; modifying the service fee for child support collection services; modifying the resource limits for recipients of aid to families with dependent children; extending medical assistance coverage to certain pregnant women; amending Minnesota Statutes 1980, Sections 256.12, Subdivision 14; 256.73, Subdivisions 3a, 5, 6, and by adding a subdivision; 256.736, Subdivisions 3 and 4; 256.74, Subdivision 1, and by adding a subdivision; 256.81; 256.935, Subdivision 2; 256.99; Minnesota Statutes 1981 Supplement, Sections 256.73, Subdivision 2; 256B.06, Subdivision 1; and 518.551, Subdivision 7; proposing new law coded in Minnesota Statutes, Chapter 256; repealing Minnesota Statutes 1981 Supplement, Section 257.021.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Anderson, I., from the Committee on Taxes to which was referred:

H. F. No. 14, A bill for an act relating to the financing and operation of state government; reducing the appropriations for local government aids; clarifying the application of the taxable net income adjustment factor to fiscal year taxpayers and its computation for 1981; limiting inflation adjustments of the income tax brackets, credits, and maximum standard deduction under certain circumstances; modifying the computation of the taxable net income adjustment factor; altering the method of taxing the income of certain oil companies by prohibiting their

use of certain deductions and requiring the use of combined worldwide income; eliminating the use of the arithmetic average allocation formula for major oil companies; amending Minnesota Statutes 1980, Sections 290.01, by adding a subdivision; 290.06, by adding a subdivision; 290.18, by adding a subdivision; 290.19, Subdivision 1; Minnesota Statutes 1981 Supplement, Section 290.09, Subdivisions 1 and 7; 290.091; 290.18, Subdivision 4; 290.21, Subdivision 4; 477A.03, Subdivision 2; Laws 1981, First Special Session, Chapter 1, Article I, Section 5.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“ARTICLE I

Section 1. [APPROPRIATION REDUCTIONS: SUMMARY.]

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

SUMMARY OF REDUCTIONS BY FUNCTION

	1982	1983	TOTAL
STATE			
DEPARTMENTS (\$20,282,700)		(\$22,422,900)	(\$42,705,600)
TRANSPORTATION AND OTHER AGENCIES	(5,533,200)	(5,351,100)	(10,884,300)
EDUCATION	(11,549,300)	(23,448,700)	(34,998,000)
WELFARE, CORRECTIONS, HEALTH	(3,546,000)	(10,930,600)	(14,476,600)
TOTAL	(\$40,911,200)	(\$62,153,300)	(\$103,064,500)

SUMMARY OF APPROPRIATIONS

Fiscal Year	1982	1983	TOTAL
STATE DEPARTMENTS	-0-	2,250,000	2,250,000
TRANSPORTATION AND OTHER AGENCIES	75,000	-0-	75,000
WELFARE, CORRECTIONS, HEALTH	26,500,000	49,553,000	76,053,000
TOTAL	26,575,000	51,803,000	78,378,000

Sec. 2. [APPROPRIATION REDUCTIONS.]

Subdivision 1. [STATE DEPARTMENTS.]

The general fund appropriations in Laws 1981, Chapters 306, 346 and 356 as amended by Laws 1981, Special Session 1, Chapter 4, Article 4, are reduced by the listed amounts:

	1982	1983
	\$	\$
(a) Legislature	(1,394,400)	(705,400)
(1) House		
1982	1983	
(1,014,000)	(-0-)	
(2) Legislative Coordinating Commission—General Support		
(25,000)	(900)	
(3) LCC—Workers Compensation Study		
(3,000)	(-0-)	
(4) LCC—Transit Study		
(20,000)	(-0-)	

	\$	1982	\$	1983
(5) Legislative Reference Library		(42,500)		(48,800)
(6) Revisor of Statutes		(59,300)		(401,900)
(7) Legislative Committee on Science and Technology		(12,500)		(14,700)
(8) Advisory Council on the Economic Status of Women		(6,800)		(15,700)
(9) Great Lakes Commission		(2,000)		(2,000)
(10) Legislative Commission on Pensions and Retirement		(9,500)		(20,500)
(11) Legislative Commission on Employee Relations		(13,600)		(10,000)
(12) Legislative Commission to Review Administrative Rules		(9,900)		(11,200)
(13) Legislative Audit Commission		(1,800)		(1,800)
(14) Legislative Auditor		(174,500)		(177,900)
(b) Supreme Court			(-0-)	(200,000)

This reduction equals the appropriation contained in Laws 1981, Chapter 356, Section 3 for judicial district computer hardware costs. The funds produced by this reduction are added to the

	1982	1983
	\$	\$
fiscal year 1983 appropriation made in Laws 1981, Chapter 356, Section 4 for district and county judge travel costs.		
(c) Board on Judicial Standards	(-0-)	(3,000)
(d) Governor	(175,200)	(218,700)
(e) Secretary of State	(23,800)	(39,300)
(f) State Auditor		

The commissioner of transportation and the state auditor are directed to review whether duplication of effort occurs between the fiscal studies unit of the department of transportation relating to local government financial reporting and the governmental information division within the office of the state auditor. On or before February 15, 1982, the commissioner and the auditor shall report to the chairmen of the house appropriations and senate finance committees what state and local cost savings would accrue with the merger of these activities within the office of the auditor.

(g) State Treasurer

The insurance division shall assist and cooperate with the state treasurer in examining for unclaimed property.

(h) Attorney General	(354,700)	(494,600)
(i) Administrative Hearings	(66,600)	(141,000)

The office of administrative hearings shall maintain an office in Duluth.

(j) Administration	(1,778,400)	(2,025,800)
(k) Finance	(567,700)	(588,800)

The positions of debt management director and research scientist within the economic analysis section shall not be held vacant to make this reduction.

	1982	1983
	\$	\$
(l) Employee Relations	(255,500)	(261,100)
(m) Revenue	(493,100)	(689,000)
Walk-in taxpayer assistance shall not be reduced.		
(n) Agriculture	(1,984,000)	(2,917,400)
None of this reduction shall be in the agricultural protection service program.		
No more than \$124,300 in 1982 and \$211,300 in 1983 shall be reduced from the family farm security program.		
\$150,000 in fiscal year 1982 and \$150,000 in fiscal year 1983 is reduced from grants to agricultural societies.		
(o) Animal Health, Board of	(158,800)	(163,000)
The state agricultural society shall reimburse the board for services it provides on the state fairgrounds.		
(p) Natural Resources	(4,426,100)	(4,567,100)
Money appropriated from the receipts for watercraft licenses shall not be reduced and shall be expended only as authorized by Minnesota Statutes, Section 361.03.		
(q) Zoological Board	(280,000)	(420,000)
(r) Water Resources Board	(-0-)	(25,900)
(s) Pollution Control Agency	(790,400)	(747,300)
(t) Waste Management Board	(147,000)	(195,000)
(u) Energy, Planning and Development	(896,700)	(771,000)
(v) Natural Resources Acceleration (LCMR)	(1,396,500)	(1,797,500)

	1982	1983
	\$	\$

This appropriation reduction is made in order to return money to the general fund, upon the recommendation of the legislative commission on Minnesota resources.

(w) Labor and Industry	(279,200)	(279,200)
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None of this reduction shall occur in the appropriations for the special compensation fund or for peace officer death benefits.

Expenditure of the monies appropriated in Laws 1981, Chapter 346, Section 144, Subdivision 7 shall not be governed by the low bid requirements of section 16.08.

(x) Mediation Services	(54,700)	(55,600)
(y) Military Affairs	(500,000)	(500,000)
(z) Veterans Affairs	(317,800)	(332,600)

This reduction shall not be made in direct patient care positions at the veterans homes.

Notwithstanding the provisions of section 198.055, the members of the veterans advisory committee may forego the compensation provided therein.

The nondedicated receipt limitation in Laws 1981, Chapter 356, Section 36 for fiscal year 1982 is reduced by \$930,000.

(aa) Indian Affairs Intertribal Board	(14,800)	(15,200)
(bb) Council on Black Minnesotans	(-0-)	(9,300)
(cc) Council for the Handicapped ..	(17,800)	(18,300)
(dd) Human Rights	(137,300)	(140,100)
(ee) Council On Affairs of Spanish-Speaking People	(2,600)	(2,700)

	1982	1983
	\$	\$
(ff) Retirements	(3,769,600)	(4,099,000)

These reductions are made in recognition of the reduced employer contributions required by Minnesota Statutes, Section 352.04, 352.92, 352D.04 and 352D.09, as amended by Article I, Sections 21 to 26 of this act.

Of these amounts \$802,074 in fiscal year 1982 and \$873,054 in fiscal year 1983 are reduced from the general operation and maintenance appropriation made to the University of Minnesota in Laws 1981, Chapter 359, Section 7.

Of these amounts \$220,437 in fiscal year 1982 and \$238,072 in fiscal year 1983 are reduced from the public transit appropriation made to the metropolitan transit commission in Laws 1981, Chapter 363, Section 55, Subdivision 1.

Of these amounts, \$2,747,089 in fiscal year 1982 and \$2,987,875 in fiscal year 1983 are reduced from other employer contributions for state employees to the Minnesota state retirement system.

Subd. 2. [TRANSPORTATION AND OTHER AGENCIES.]

The general fund appropriations in Laws 1981, Chapters 306, 346, 357, and 363, as amended by Laws 1981, Special Session 1, Chapter 4, Article 4, are reduced by the listed amounts:

(a) Housing Finance Agency	(2,500,000)	(-0-)
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The appropriation in Laws 1981, Chapter 306, Section 21, is reduced by the amount indicated.

(b) Transportation	(791,000)	(3,157,000)
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Appropriations for Rail Service Improvement Grants are reduced by \$124,000 in the first year.

Appropriations for MTC operating grants are reduced \$2,400,000 in the

1982

1983

\$

\$

second year. No reductions shall be made in metro mobility projects, metro mobility control center, and metropolitan transit commission project mobility.

Notwithstanding Laws 1981, Chapter 363, Section 55, Subdivision 1, the metropolitan transit commission shall raise fares during the peak hours by 15 cents effective April 1, 1982.

The metropolitan transit commission shall reduce its support staff by 50 positions below the actual level existing on December 1, 1981. 31 positions shall be reduced by April 1, 1982 and the remaining 19 positions shall be reduced by July 1, 1983. Support staff includes all staff other than drivers, mechanics and security personnel.

The metropolitan transit commission is directed to prepare a report to the legislature regarding both employee benefit packages, including pension programs, and peak hour staffing practices. The report shall include projections of both short and long term costs. The report shall be submitted to the chairman of house appropriations committee and the chairman of the senate finance committee by February 1, 1982.

The metropolitan transit commission shall not expend capital or operating funds for the purchase of articulated buses with wheelchair lifts. This restriction shall apply to any articulated buses which may be on order.

Appropriations for private transit operators in the metropolitan area are reduced \$57,500 in the first year and \$184,500 in the second year.

Appropriations for statewide transit operating assistance are reduced \$562,500 in the first year and \$562,500 in the second year.

	1982	1983
	\$	\$

Appropriations for public transit capital grants are reduced \$37,200 in the first year.

Appropriations for public transit study are reduced \$10,000 the first year and \$10,000 the second year.

Reimbursements from the general fund to the trunk highway fund are reduced \$116,000 in the first year and \$192,300 in the second year.

(c) Public Safety	(709,300)	(505,700)
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This reduction shall not apply to the liquor control program. The liquor control program shall concentrate its activities along the border areas of Minnesota.

The general fund complement of the department of public safety is reduced by 19.7 effective July 1, 1983.

Reimbursements from the general fund to the trunk highway fund are reduced \$37,600 in the first year and \$38,900 in the second year.

(d) Commerce	(244,200)	(305,400)
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The general fund complement of the department of commerce is reduced by 17 effective July 1, 1983. No more than seven positions shall be reduced from the insurance division. The department of commerce shall transfer funds by July 1, 1982 from other areas of the department in order to fill four additional positions within the insurance division. The complement reduction shall not apply to the supervision of state chartered financial institutions.

(e) Boxing, Board of	(4,000)	(4,200)
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(f) Peace Officer Standards and Training, Board of	(11,700)	(11,800)
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	1982	1983
	\$	\$
(g) Public Utilities Commission ..	(20,700)	(21,700)
(h) Public Service	(33,300)	(33,400)
(i) Ethical Practices Board	(17,000)	(15,400)
(j) Minnesota Municipal Board ...	(20,700)	(21,000)
(k) Minnesota-Wisconsin Boundary Area Commission	(3,400)	(3,700)
(l) Uniform Laws Commission	(12,600)	(12,900)
(m) Voyageurs National Park Citizens Committee	(-0-)	(12,800)
(n) Southern Minnesota Rivers Basin Board	(5,900)	(5,900)
(o) Minnesota Historical Society ..	(689,400)	(703,500)

This reduction shall not apply to the Minnesota military history museum at Fort Snelling and Camp Ripley, the Sibley House Association, government learning center, Minnesota humanities commission, Minnesota international center, and the historic grant-in-aid program to encourage local historic preservation projects.

(p) Arts, Board of the	(267,700)	(290,100)
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The amounts to be reduced from each program are as follows:

- | | | |
|-----------------------------|-------------|-------------|
| (1) Administrative Services | (\$112,100) | (\$154,500) |
| (2) Subsidies and Grants | (\$155,600) | (\$135,600) |

Of the remaining appropriations, \$815,000 in the first year and \$965,000 in the second year is for the general support one program; \$150,900 in the first year and \$171,600 in the second

	1982	1983
	\$	\$
year is for the general support two program; and \$682,700 in the first year and \$706,200 in the second year is for the regional program. Regional grants shall be distributed according to the formula included in the work papers adopted by the conference committee.		
(q) Minnesota Humane Society . . .	(6,200)	(-0-)
(r) County Attorneys Council	(15,100)	(-0-)
(s) Minnesota Horticultural Society	(8,900)	(9,600)
(t) Minnesota Academy of Science	(-0-)	(5,800)
(u) Science Museum of Minnesota .	(18,500)	(-0-)

This reduction shall be reinstated on the basis of one dollar for every two dollars received from the city of Saint Paul.

Subd. 3. [EDUCATION.]

The general fund appropriations in Laws 1981, Chapter 359, as amended by Laws 1981, Special Session 1, Chapter 2, are reduced by the listed amounts:

(a) Education, Department of	(1,671,400)	(3,393,300)
(b) Higher Education Coordinating Board	(141,900)	(288,100)

\$152,000 of the amount for 1983 is a reduction from the private college contract program. The private college contract program shall not provide funds for post baccalaureate students.

Notwithstanding any law to the contrary, if a portion of sums appropriated to the higher education coordinating board pursuant to Laws 1981, Chapter 359, Section 3, Subdivisions 3, 4, 5, 7, 8, 9 and 10 for state scholarships, nurses scholarships, state grants-in-aid, part time student subsidy, special assistance,

	1982	1983
	\$	\$

state work study, medical student loans, AVTI tuition subsidy and private college contracts for fiscal year 1983 are refunded and unused, that portion may be transferred to meet obligations under interstate tuition reciprocity agreements. However, the higher education coordinating board shall demonstrate to the commissioner of finance that the intended level of expenditure for the programs is not reduced. In addition, transfers made may be reversed if necessary to meet the needs and objectives of affected programs.

- | | | |
|---|-------------|--------------|
| (c) State University Board | (2,191,900) | (4,450,300) |
| (d) State Community College Board | (1,042,900) | (2,117,500) |
| (e) University of Minnesota | (6,248,000) | (12,685,400) |
| (f) Mayo Medical School | (253,200) | (514,100) |

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

The general fund appropriations in Laws 1981, Chapter 360, as amended by Laws 1981, Special Session 1, Chapter 2, are reduced by the listed amounts:

- | | | |
|---|-----------|-------------|
| (a) Public Welfare, Department of | (767,500) | (8,286,700) |
|---|-----------|-------------|

The commissioner of public welfare shall apply to the department of health and human services for a waiver to limit physician calendar visits to residents of long-term care facilities to no more than once every six months, unless otherwise determined to be necessary by the facility staff or treating physician.

The commissioner of public welfare shall study the fiscal and programmatic impact, the number of persons who would be affected, and any other effects, if the costs of providing developmental achievement services and semi-independent living services were paid through Title XIX of the Social Security Act and

	\$	1982	\$	1983
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Minnesota Statutes, Chapter 256B. The study shall be completed and submitted to the legislature not later than two months following final enactment of federal appropriation amounts.

(b) Economic Security, Department of	(2,000,000)	(1,018,700)
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None of this reduction shall be in the following programs: displaced homemakers; crisis fuel-emergency assistance; summer youth; office of economic opportunity administration.

(c) Corrections, Department of	(590,500)	(1,428,900)
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Notwithstanding the provisions of any other law to the contrary, the commissioner of corrections may for the purpose of maximizing the benefits of the subsidy paid to counties under Minnesota Statutes 1980, Sections 401.14 and 401.15, waive the requirements of 11 MCAR, Sections 2.006(c) and 2.007(b) that specify the percentages of the total subsidy received by each participating county which must be expended only for information systems, program evaluation, training, and education.

(d) Health, Department of	(188,000)	(196,300)
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Notwithstanding any law to the contrary, the commissioner of health shall increase the fee charged for medical laboratory services up to \$5.

Sec. 3. [APPROPRIATIONS.] The appropriations made in this section are from the general fund.

	FY 1982	FY 1983
Subdivision 1. Contingent Accounts	-0-	2,050,000

This appropriation is added to the appropriation made in Laws 1981, Chapter 356, Section 9, Subdivision 4. The entire appropriation shall be available to the department of natural resources

	1982	1983
	\$	\$
for unemployment and workers' compensation obligations for fiscal years 1981 and 1982.		
Subd. 2. Department of Public Welfare	26,500,000	49,553,000

For the purpose of paying additional income maintenance costs, these sums are in addition to appropriations in Laws 1981, Chapter 360, Section 2, Subdivision 4.

Subd. 3. [DEPARTMENT OF TRANSPORTATION.] (a) Any unexpended balance of the appropriation for AMTRAK rail subsidy Duluth-Twin Cities made by Laws 1980, Chapter 614, Section 27, (c) is hereby reinstated and reappropriated for the biennium ending June 30, 1983.

(b) The immediately available appropriation for AMTRAK operations made by Laws 1981, Chapter 357, Section 2, Subdivision 4 (e) is reappropriated for the biennium ending June 30, 1983, and may be expended without regard to the restrictions stated therein.

Sec. 4. [APPROPRIATION; TRANSFERS AUTHORIZED.]

An appropriation to agencies from the general fund for fiscal year 1982 and fiscal year 1983 is available for expenditure in either fiscal year with the advance approval of the commissioner of finance. Approvals shall be reported to the committee on finance of the senate and the committee on appropriations of the house of representatives.

Sec. 5. [PLANS FOR DECLINING ENROLLMENT.]

Subdivision 1. [UNIVERSITY OF MINNESOTA; STATE UNIVERSITIES; COMMUNITY COLLEGES; AREA VOCATIONAL-TECHNICAL INSTITUTES.] The board of regents of the University of Minnesota, the state university board, the community college board, and the state board for vocational education shall each develop a plan for providing post secondary education services under conditions of declining or reduced enrollments. Each plan shall specify the fiscal implications of declining enrollments and a proposed strategy for potential campus mergers, reorganizations, changes in system governance or other methods of adjusting the present level of facilities and services to the projected level of re-

duced demand even to the point of campus closures, if deemed necessary. The purpose of the plan is to reduce the cost of present facilities and services in proportion to the reduction in enrollment. Each plan shall be submitted to the legislature by January 1, 1983.

Subd. 2. [FACTORS.] In determining strategies for the adjustment of present facilities and services to reduced levels of demand, the boards shall consider such factors as the system's mission, the impact of such adjustments on students, short-term and long-term enrollment trends, accessibility for the handicapped, fiscal implications, geographic accessibility to comparable institutions, availability of alternative programs, legal implications and feasibility of employee transfers.

Subd. 3. [STUDENT TRANSFERS.] In planning for reorganization, merger, or closing of campuses the boards shall, insofar as possible, plan to provide students with the opportunity to complete programs in their major course of study and to complete graduation requirements by transferring to other institutions. The plans should provide for full transfer of earned credits and flexibility in meeting graduation requirements to the extent possible.

Subd. 4. [PROCESS.] The central administration of each post secondary system shall develop and submit a plan to its state board. In the process of developing the plan the central administration of each system shall consult with the central administrations of the other systems. Each board shall submit its plan to the higher education coordinating board for its review and recommendation pursuant to section 136A.04, subdivision 1, clause (d).

Subd. 5. [EMPLOYEE TRANSFER.] To the extent possible, the plans shall provide that employees whose positions will be eliminated by the mergers, reorganizations or closings will be allowed to transfer to positions in other post secondary institutions within each system and will be given preference in new hirings. The plans shall provide for the maintenance of seniority, salary, fringe benefits and other employment terms insofar as possible consistent with the pertinent bargaining agreements, if any.

Sec. 6. Minnesota Statutes 1981 Supplement, Section 15-052, Subdivision 5, is amended to read:

Subd. 5. [COURT REPORTERS; AUDIO RECORDINGS.] The office of administrative hearings may maintain a court reporter system and in addition to or in lieu thereof may contract with nongovernmental sources for court reporter services. The court reporters may additionally be utilized as the chief hearing examiner directs. Unless the chief hearing exami-

ner determines that the use of a court reporter is more appropriate, an audio magnetic recording device shall be used to keep a record at any hearing which takes place under this chapter or under chapter 176. (IN CASES ARISING UNDER CHAPTER 176, THE CHIEF HEARING EXAMINER, IN CONSULTATION WITH THE COMPENSATION JUDGE, SHALL DECIDE THE METHOD OF RECORDING.) *If the chief hearing examiner determines that the use of an audio magnetic recording device is more appropriate, any party to a hearing under this chapter or chapter 176 may secure the services of a court reporter from the office of administrative hearings or from the chief hearing examiner's list of non-governmental sources to keep the record at the hearing. The person requesting the services of a court reporter shall be responsible for securing such services, notifying the court reporter in the event of a cancellation of the hearing and for the cost of the appearance of the court reporter at the hearing. The cost of a court reporter from the list of non-governmental sources shall be paid directly to the court reporter.*

Court reporters serving in the court reporter system of the office of administrative hearings shall be in the classified service. Notwithstanding the provisions of section 15.17, subdivision 4, copies of transcriptions of hearings conducted pursuant to this section may be obtained only through the office of administrative hearings or the non-governmental source court reporter if used to record the hearing.

Sec. 7. Minnesota Statutes 1981 Supplement, Section 16A.128, is amended to read:

16A.128 [FEE ADJUSTMENTS.]

The fees fixed for the various accounts for which appropriations are made by law, shall be neither increased nor decreased except with the approval of the commissioner of finance. All these fees shall be reviewed at least once each six months, and except in special fee situations as determined by the commissioner, adjustments shall be made to the end that the total fees received shall approximate the amount appropriated for the several accounts, plus the portion of the general support costs and statewide indirect costs of the agency that is attributable to the function for which the fee is charged. Fee adjustments authorized under this section may be made without a public hearing when the total fees estimated to be received during the fiscal biennium will not exceed (110 PERCENT OF) the sum of all direct appropriations, *indirect costs*, transfers in, and salary supplements for that purpose for the biennium.

Sec. 8. Minnesota Statutes 1981 Supplement, Section 176.081, Subdivision 7a, is amended to read:

Subd. 7a. At any time prior to one day before a matter is to be heard, a party litigating a claim made pursuant to this chapter may serve upon the adverse party a reasonable offer of settlement of the claim, with provision for costs and disbursements then accrued. If before the hearing the adverse party serves written notice that the offer is accepted, either party may then file the offer and notice of acceptance, together with the proof of service thereof, and thereupon judgment shall be entered.

If an offer by an employer or insurer is not accepted by the employee, it shall be deemed withdrawn and evidence thereof is not admissible, except in a proceeding to determine attorney's fees. Notwithstanding the provisions of subdivision 7, if the judgment finally obtained by the employee is less favorable than the offer, the employer shall not be liable for any part of the attorney's fees awarded pursuant to this section.

If an offer by an employee is not accepted by the employer or insurer, it shall be deemed withdrawn and evidence thereof is not admissible, except in a proceeding to determine attorney's fees. Notwithstanding the provisions of subdivision 7, if the judgment finally obtained by the employee is at least as favorable as the offer, the employer shall pay an additional 25 percent, over the amount provided in subdivision 7, of that portion of the attorney's fee which has been awarded pursuant to this section that is in excess of \$250.

The fact that an offer is made but not accepted does not preclude a subsequent offer.

Cases settled under this section shall be conclusively presumed to be fair and reasonable and shall not be subject to approval by the commissioner or a compensation judge if all parties are represented by attorneys. Attorney's fees which are part of the settlement are subject to review by the commissioner who may reduce the fees included in the settlement. Failure of the commissioner to reduce the fees within 14 days after receiving the settlement shall be deemed approval. The commissioner may correct clerical or mathematical errors in these cases at any time.

Sec. 9. Minnesota Statutes 1981 Supplement, Section 176.371, is amended to read:

176.371 [AWARD OR DISALLOWANCE OF COMPENSATION.]

The compensation judge to whom a petition has been assigned for hearing, shall hear all *relevant and* competent evidence produced at the hearing (.). *Unless all parties agree otherwise, the compensation judge shall insure that all testimony, motions, objections, arguments and comments of the par-*

ties or the compensation judge are recorded and, as soon after the hearing as possible, within 60 days after a matter has been finally submitted to the compensation judge, he shall make findings of fact, conclusions of law, and (AWARD OR DISALLOWANCE OF) an order allowing or disallowing compensation or other order as the pleadings, evidence, this chapter and rule require.

The findings of fact shall contain the facts as found by the compensation judge delineating the relevant employment history of the petitioner; the nature and extent of the injury or disability; the medical history, treatment and expenses directly related to the injury or disability; the nature and extent of the disability and duration thereof; the petitioner's wage rate during the dates of the disability; facts necessary to determine attorney's fees and costs to be awarded; and such other matters as may be necessary to a full determination of the issues in controversy.

The conclusions shall refer to the legal requirements of this chapter.

The order shall state whether the petitioner is entitled to benefits and the time periods for which the benefits are to be paid. The order shall include an award of attorney's fees and costs, if appropriate. If benefits are ordered to be paid, the compensation judge shall not calculate the actual benefit amounts. The actual calculations of benefit amounts shall be the responsibility of the employer or insurer subject to the authority of the commissioner to correct any mathematical errors.

A compensation judge shall attach a memorandum to the order only if necessary to delineate the resources for the decision or to discuss the credibility of witnesses. A memorandum shall not contain a recitation of the evidence presented at the hearing but shall be limited to the compensation judge's basis for the decision.

Sec. 10. Minnesota Statutes 1980, Section 176.421, Subdivision 3, is amended to read:

Subd. 3. [NOTICE OF APPEAL.] The appellant or his attorney shall prepare and sign a written notice of appeal specifying:

(1) the order appealed from;

(2) that appellant appeals from the order to the workers' compensation court of appeals;

(3) the particular finding of fact or conclusion of law which he claims was unwarranted by the evidence or procured by fraud, coercion, or other improper conduct; (AND,)

(4) the testimony or other part of the record of the hearing necessary to be transcribed in order for the court of appeals to consider the appeal; and,

(5) any other ground upon which the appeal is taken.

Sec. 11. Minnesota Statutes 1981 Supplement, Section 176.421, Subdivision 4, is amended to read:

Subd. 4. [SERVICE AND FILING OF NOTICE; COST OF TRANSCRIPT.] Within the 30 day period for taking an appeal, the appellant shall:

(1) Serve a copy of the notice of appeal on each adverse party;

(2) File the original notice, with proof of service by admission or affidavit, with the chief hearing examiner and file a copy with the commissioner;

(3) In order to defray the cost of the (TRANSCRIPT) preparation of the record of the proceedings appealed from, pay to the (CHIEF HEARING EXAMINER) state treasurer, the sum of (\$10 OR SO MUCH OF THAT SUM AS IS NECESSARY TO PRESENT THE QUESTION RAISED ON THE APPEAL) \$25.

(THE APPELLANT IS LIABLE FOR THE COST OF THE TRANSCRIPT IN EXCESS OF \$10, BUT IS ENTITLED TO A REFUND OF ANY PART OF THAT SUM NOT USED TO PAY THE COST OF THE TRANSCRIPT.)

(4) Submit a request that the chief hearing examiner order the preparation of a transcription of that part of the hearing delineated in the notice of appeal if the record of the hearing was kept by an audio magnetic recording device or a court reporter who is an employee of the office of administrative hearings.

If the hearing was recorded by a court reporter who is not an employee of the office of administrative hearings, the appellant shall, on the same date the notice of appeal is filed, request the court reporter to prepare a transcription of that part of the hearing delineated in the notice of appeal.

If any party desires a transcription of more of the hearing than has been requested by the appellant, that party shall, within five working days of service of the notice of appeal,

make that request of the chief hearing examiner or the non-employee court reporter, whichever is appropriate.

The party requesting the preparation of the transcript or any part thereof is liable for the cost of preparation.

Upon a showing of cause, the chief hearing examiner may direct that a transcript be prepared without expense to the (APPELLANT) party requesting its preparation, in which case the cost of the transcript shall be paid by the office of administrative hearings.

Sec. 12. Minnesota Statutes 1981 Supplement, Section 176.421, Subdivision 5, is amended to read:

Subd. 5. [TRANSCRIPT; CERTIFICATION OF THE RECORD.] When the notice of appeal has been filed with the chief hearing examiner and the (TRANSCRIPTION) preparation of the record fee has been paid, the chief hearing examiner shall immediately (PREPARE) insure that a type-written transcript of the proceedings is prepared. The official reporter or other person designated by the chief hearing examiner who transcribes the proceedings shall certify to their correctness.

If the transcript is prepared by a person who is not an employee of the office of administrative hearings, upon completion of the transcript, the original shall be filed with the chief hearing examiner.

When the transcript has been completed and is on file with the chief hearing examiner, he shall certify the record to the workers' compensation court of appeals and notify the commissioner of the certification.

Sec. 13. Minnesota Statutes 1980, Section 176.521, as amended by Laws 1981, Chapter 346, Sections 134 and 135, is amended to read:

176.521 [SETTLEMENT OF CLAIMS.]

Subdivision 1. [VALIDITY.] An agreement between an employee or his dependent and the employer or insurer to settle any claim, which is not upon appeal before the workers' compensation court of appeals, for compensation under this chapter is valid where it has been executed in writing and signed by the parties (,) and intervenors in the matter, and, where one or more of the parties is not represented by an attorney, the division or a compensation judge has approved the settlement and made an award thereon. If the matter is upon appeal before the workers' compensation court of appeals or district court, the workers' compensation court of appeals or district court is the approving body.

Subd. 2. [APPROVAL.] Settlements shall be approved only where the terms conform with this chapter.

The division, a compensation judge, (AND) the workers' compensation court of appeals *and the district court* shall exercise discretion in approving or disapproving a proposed settlement.

The parties to the agreement of settlement have the burden of proving that the settlement is reasonable, fair, and in conformity with this chapter. A settlement agreement where both the employee or his dependent and the employer or insurer and intervenors in the matter are represented by an attorney shall be *conclusively* presumed to be reasonable, fair, and in conformity with this chapter.

Subd. 3. [COMMISSIONER.] When a settled case is not subject to approval, upon receipt of the stipulation for settlement, a compensation judge shall refer the matter to the chief hearing examiner who shall immediately refer the file to the commissioner. Attorney's fees which are part of the settlement are subject to review by the commissioner who may reduce the fees included in the settlement. Failure of the commissioner to reduce the fees within 14 days after receiving the settlement shall be deemed approval. The commissioner may correct mathematical or clerical errors at any time.

Subd. (3) 4. [SETTING ASIDE AWARD UPON SETTLEMENT.] Notwithstanding any provision in the agreement of settlement to the contrary, *upon the filing of a petition by any party to the settlement and after hearing agreement thereon*, the workers' compensation court of appeals may set aside an award made upon a settlement, pursuant to this chapter. *In such cases, the workers' compensation court of appeals shall refer the matter to the chief hearing examiner for assignment to a compensation judge for hearing on those issues it deems necessary to a final determination.*

Sec. 14. Minnesota Statutes 1980, Section 197.23, is amended to read:

197.23 [MAY PROVIDE MARKERS.]

The commissioner of veterans affairs (SHALL) *may*, upon the petition of any five reputable freeholders of any township or municipality, or of any patriotic or ex-servicemen's organization, procure for and furnish to the petitioners some suitable and appropriate metal socket and an appropriate marker for the grave of each and every soldier, sailor, marine, or nurse who served with honor in the forces of the United States and who is buried within the limits of the state, to be placed on the grave of such soldier, sailor, marine, or nurse for the purpose of permanently marking and designating the grave for memorial purposes.

Sec. 15. Minnesota Statutes 1980, Section 345.32, is amended to read:

345.32 [PROPERTY HELD BY BANKING OR FINANCIAL ORGANIZATIONS OR BY BUSINESS ASSOCIATIONS.]

The following property held or owing by a banking or financial organization or by a business association is presumed abandoned:

(a) Any demand, savings or matured time deposit made in this state with a banking organization, together with any interest or dividend thereon, excluding contracted service charges which may be deducted for a period not to exceed one year, unless the owner has, within (SEVEN) *five* years:

(1) increased or decreased the amount of the deposit, or presented the passbook or other similar evidence of the deposit for the crediting of interest; or

(2) corresponded in writing with the banking organization concerning the deposit; or

(3) otherwise indicated an interest in the deposit as evidenced by a memorandum on file with the banking organization; or

(4) received tax reports or regular statements of the deposit by mail from the banking or financial organization regarding the deposit. Receipt of the statement by the owner should be presumed if the statement is mailed first class by the banking or financial organization and not returned; or

(5) acted as provided in paragraphs (1), (2), (3) and (4) of this subsection in regard to another demand, savings or time deposit made with the banking or financial organization.

(b) Any funds or dividends deposited or paid in this state toward the purchase of shares or other interest in a business association where the stock certificates or other evidence of interest in the business have not been issued, or in a financial organization, and any interest or dividends thereon, excluding contracted service charges which may be deducted for a period not to exceed one year, unless the owner has within (SEVEN) *five* years:

(1) increased or decreased the amount of the funds or deposit, or presented an appropriate record for the crediting of interest or dividends; or

(2) corresponded in writing with the financial organization concerning the funds or deposit; or

(3) otherwise indicated an interest in the funds or deposit as evidenced by a memorandum on file with the financial organization; or

(4) received tax reports or regular statements of the deposit or accounting by mail from the financial organization or business association regarding the deposit. Receipt of the statement by the owner should be presumed if the statement is mailed first class by the financial organization or business association and not returned.

(c) Any sum, excluding contracted service charges which may be deducted for a period not to exceed one year, payable on checks certified in this state or on written instruments issued in this state on which a banking or financial organization or business association is directly liable, including, by way of illustration but not of limitation, drafts, money orders and traveler's checks, that has been outstanding for more than (SEVEN) *five* years from the date it was payable, or from the date of its issuance if payable on demand, or, in the case of traveler's checks, has been outstanding for more than 15 years from the date of its issuance, unless the owner has within (SEVEN) *five* years, or within 15 years in the case of traveler's checks, corresponded in writing with the banking or financial organization or business association concerning it, or otherwise indicated an interest as evidenced by a memorandum on file with the banking or financial organization or business association.

(d) Any funds or other personal property, tangible or intangible, removed from a safe deposit box or any other safe-keeping repository in this state on which the lease or rental period has expired due to nonpayment of rental charges or other reason, that have been unclaimed by the owner for more than (SEVEN) *five* years from the date on which the lease or rental period expired.

(1) If the amount due for the use or rental of a safe deposit box has remained unpaid for a period of six months, the bank, savings bank, trust company, savings and loan, or safe deposit company shall, within 60 days of the expiration of that period, send by certified mail, addressed to the renter or lessee of the safe deposit box, directed to the address standing on its books, a written notice that, if the amount due for the use or rental of the safe deposit box is not paid within 60 days after the date of the mailing of the notice, it will cause the safe deposit box to be opened and its contents placed in one of its general safe deposit boxes.

(2) Upon the expiration of 60 days from the date of mailing the notice, and in default of payment within the 60 days

of the amount due for the use or rental of the safe deposit box, the bank, savings bank, trust company, savings and loan, or safe deposit company, in the presence of its president, vice-president, secretary, treasurer, assistant secretary, assistant treasurer or superintendent, or such other person as specifically designated by its board of directors, and of a notary public not in its employ, shall cause the safe deposit box to be opened and the contents thereof, to be removed and sealed by the notary public in a package, upon which he shall mark the name of the renter or lessee and also the estimated value of the contents of the safe deposit box and, in the presence of one of the bank officers listed above, the notary public shall place the package in one of the bank's general safe deposit boxes and set out the proceedings in a certificate under his official seal, which shall be delivered to the bank, savings bank, trust company, savings and loan, or safe deposit company.

(3) The bank, savings bank, trust company, savings and loan, or safe deposit company shall hold the contents of abandoned safe deposit boxes until they are claimed by the owner or the bank turns them over to the state treasurer pursuant to chapter 345.

Sec. 16. Minnesota Statutes 1980, Section 345.33, is amended to read:

345.33 [UNCLAIMED FUNDS HELD BY LIFE INSURANCE CORPORATIONS.]

(a) Unclaimed funds, as defined in this section, held and owing by a life insurance corporation shall be presumed abandoned if the last known address, according to the records of the corporation, of the person entitled to the funds is within this state. If a person other than the insured or annuitant is entitled to the funds and no address of such person is known to the corporation or if it is not definite and certain from the records of the corporation what person is entitled to the funds, it is presumed that the last known address of the person entitled to the funds is the same as the last known address of the insured or annuitant according to the records of the corporation.

(b) "Unclaimed funds," as used in this section, means all moneys held and owing by any life insurance corporation unclaimed and unpaid for more than (SEVEN) *five* years after the moneys become due and payable as established from the records of the corporation under any life or endowment insurance policy or annuity contract which has matured. A life insurance policy not matured by actual proof of the death of the insured is deemed to be matured and the proceeds thereof are deemed to be due and payable if such policy was in force when the insured attained the limiting age under the mortality table on which the reserve is based, unless the person

appearing entitled thereto has within the preceding (SEVEN) *five* years, (1) assigned, readjusted or paid premiums on the policy, or subjected the policy to loan, or (2) corresponded in writing with the life insurance corporation concerning the policy. Moneys or drafts otherwise payable according to the records of the corporation are deemed due and payable although the policy or contract has not been surrendered as required.

Sec. 17. Minnesota Statutes 1980, Section 345.34, is amended to read:

345.34 [DEPOSITS HELD BY UTILITIES.]

Any deposit held or owing by any utility made by a subscriber after January 1, 1960 to secure payment for, or any sum paid in advance for, utility services to be furnished in this state, excluding any charges that may lawfully be withheld, that has remained unclaimed by the person appearing on the records of the utility entitled thereto for more than (SEVEN) *five* years after the termination of the services for which the deposit or advance payment was made is presumed abandoned.

Sec. 18. Minnesota Statutes 1980, Section 345.37, is amended to read:

345.37 [PROPERTY HELD BY FIDUCIARIES.]

All intangible personal property and any income or increment thereon, held in a fiduciary capacity for the benefit of another person is presumed abandoned unless the owner has, within (SEVEN) *five* years after it becomes payable or distributable, increased or decreased the principal, accepted payment of principal or income, corresponded in writing concerning the property, or otherwise indicated an interest as evidenced by a memorandum on file with the fiduciary if:

(a) the property is held by a banking organization or a financial organization or by a business association organized under the laws of or created in this state; or

(b) it is held by a business association, doing business in this state, but not organized under the laws of or created in this state, and the records of the business association indicate that the last known address of the person entitled thereto is in this state; or

(c) it is held in this state by any other person.

Sec. 19. Minnesota Statutes 1980, Section 345.38, is amended to read:

345.38 [PROPERTY HELD BY STATE COURTS AND PUBLIC OFFICERS AND AGENCIES.]

Subdivision 1. All intangible personal property held for the owner by any court, public corporation, public authority or public officer of this state, or a political subdivision thereof, that has remained unclaimed by the owner for more than (SEVEN) *five* years is presumed abandoned except as provided in section 524.3-914.

Subd. 2. This section shall not apply to property held for persons while residing in public correctional or other institutions. As to such persons, said property shall be presumed abandoned if it has remained unclaimed by the owner for more than (SEVEN) *five* years after such residence ceases.

Subd. 3. All intangible personal property held for the owner by any government or political subdivision or agency, that has remained unclaimed by the owner for more than (SEVEN) *five* years is presumed abandoned and is reportable pursuant to section 345.41, if:

(a) the last known address as shown on the records of the holder of the apparent owner is in this state; or

(b) no address of the apparent owner appears on the records of the holder; and

(1) the last known address of the apparent owner is in this state; or

(2) the holder is domiciled in this state and has not previously transferred the property to the state of the last known address of the apparent owner.

Sec. 20. Minnesota Statutes 1980, Section 345.39, is amended to read:

345.39 [MISCELLANEOUS PERSONAL PROPERTY HELD FOR ANOTHER PERSON.]

All intangible personal property, not otherwise covered by sections 345.31 to 345.60, including any income or increment thereon, but excluding any charges that may lawfully be withheld, that is held or owing in this state in the ordinary course of the holder's business and has remained unclaimed by the owner for more than (SEVEN) *five* years after it became payable or distributable is presumed abandoned. Property covered by this section includes, but is not limited to: (a) unclaimed wages or worker's compensation; (b) deposits or payments for repair or purchase of goods or services; (c) credit checks or memos, or customer overpayments; (d) un-

identified remittances, unrefunded overcharges; (e) unpaid claims, unpaid accounts payable or unpaid commissions; (f) unpaid mineral proceeds, royalties or vendor checks; and (g) credit balances, accounts receivable and miscellaneous outstanding checks.

Sec. 21. Minnesota Statutes 1980, Section 352.04, Subdivision 2, is amended to read:

Subd. 2. [EMPLOYEE CONTRIBUTIONS.] The employer contribution to the fund shall be an amount equal to (FOUR) *3-1/2* percent of salary, beginning with the first full pay period after June 30, (1973) *1981*. These contributions shall be made by deduction from salary in the manner provided in subdivision 4.

Sec. 22. Minnesota Statutes 1980, Section 352.04, Subdivision 3, is amended to read:

Subd. 3. [EMPLOYER CONTRIBUTIONS.] The employer contribution to the fund shall be an amount equal to the total amount deducted from the salaries of employees on each payroll abstract, plus an additional (TWO) *1.84* percent of salary beginning with the first full pay period after June 30, (1973) *1981*. The employer contribution shall be made in the manner provided in subdivisions 5 and 6.

Sec. 23. Minnesota Statutes 1980, Section 352.92, Subdivision 1, is amended to read:

Subdivision 1. [EMPLOYEE CONTRIBUTIONS.] Beginning with the first full pay period after June 30, (1973) *1981*, in lieu of employee contributions payable under section 352.04, subdivision 2, contributions by covered correctional employees shall be in an amount equal to (SIX) *4.3* percent of salary.

Sec. 24. Minnesota Statutes 1980, Section 352.92, Subdivision 2, is amended to read:

Subd. 2. [EMPLOYER CONTRIBUTIONS.] Beginning with the first full pay period after June 30, (1973) *1981*, in lieu of employer contributions payable under section 352.04, subdivision 3, the employer shall contribute for covered correctional employees (1) an amount equal to (1 *1/2* TIMES THE DEDUCTION FROM) *6.45 percent of the salaries of* covered correctional employees on each payroll abstract, plus (2) an additional amount of (FIVE) *2.85* percent of salaries of covered correctional employees on each payroll abstract.

Sec. 25. Minnesota Statutes 1981 Supplement, Section 352D.04, Subdivision 2, is amended to read:

Subd. 2. The moneys used to purchase shares under this section shall be the employee (, EMPLOYER) and employer (ADDITIONAL) contributions (AS) provided in (SECTION 352.04, SUBDIVISIONS 2 AND 3) *this subdivision.*

(a) *The employee contribution shall be an amount equal to four percent of salary.*

(b) *The employer contribution shall be an amount equal to six percent of salary.*

These contributions shall be made by deduction from salary in the manner provided in section 352.04, subdivisions 4, 5, and 6.

Sec. 26. Minnesota Statutes 1980, Section 352D.09, Subdivision 7, is amended to read:

Subd. 7. One-tenth of one percent of salary shall be deducted from the employee contributions (AUTHORIZED BY SECTION 352.04, SUBDIVISION 2,) and one-tenth of one percent of salary from the employer contributions authorized by section (352.04, SUBDIVISION 3, CLAUSE (1)) *352D.04, subdivision 2*, to pay the administrative expenses of the unclassified program.

Sec. 27. Minnesota Statutes 1981 Supplement, Section 473.446, Subdivision 1, is amended to read:

Subdivision 1. [TAXATION WITHIN TRANSIT TAXING DISTRICT.] For the purposes of sections 473.401 to 473.451 and the metropolitan transit system, except as otherwise provided in this subdivision the metropolitan transit commission 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 equal to (1.72) *two* mills times the assessed value of all such property, the proceeds of which shall be used for payment of the expenses of operating transit and paratransit service;

(b) An additional amount, if any, as the commission determines to be necessary to provide for the full and timely payment of its certificates of indebtedness and other obligations outstanding on July 1, 1977, 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, or other obligations issued pursuant to section 473.436 for purposes of acquisition and betterment of property and other improve-

ments of a capital nature and to which the commission has specifically pledged tax levies under this clause.

In any statutory or home rule charter city or town in the metropolitan transit taxing district which is receiving financial assistance under section 174.265, the commission shall levy a tax equal to ten percent of the sum of levies provided for in clauses (a) to (c), plus a levy sufficient to yield the amounts of available local transit funds transferred pursuant to section 174.265 from the state assistance available to the commission, less any amount paid to the commission by the city or town under a contract for service entered into pursuant to subdivision 2.

Sec. 28. Laws 1981, Chapter 356, Section 45, is amended to read:

Sec. 45. [WORKERS' COMPENSATION.]

The appropriations in this act for the operation of each state department or agency (, EXCEPT THE DEPARTMENT OF NATURAL RESOURCES,) in fiscal 1982 and 1983 include amounts needed to pay workers' compensation obligations to the state compensation revolving fund. It is the intent of the legislature not to appropriate additional money at any future time to pay workers' compensation obligations for fiscal 1982 and 1983, except (FOR THE DEPARTMENT OF NATURAL RESOURCES OR) as may be required by an increase in the statutory level of workers' compensation benefits.

Sec. 29. Laws 1981, Chapter 356, Section 46, is amended to read:

Sec. 46. [UNEMPLOYMENT COMPENSATION.]

The appropriations in this act for the operation of each state department or agency (, EXCEPT THE DEPARTMENT OF NATURAL RESOURCES,) in fiscal 1982 and 1983 include amounts needed to pay unemployment compensation obligations to the unemployment compensation fund. It is the intent of the legislature not to appropriate additional money at any future time to pay unemployment compensation obligations for fiscal 1982 and 1983, except (FOR THE DEPARTMENT OF NATURAL RESOURCES OR) as may be required by an increase in the statutory level of unemployment compensation benefits.

Sec. 30. Laws 1981, Chapter 356, Section 62, Subdivision 2, is amended to read:

Subd. 2. [TRANSFER.] The commissioner shall transfer the necessary amounts to the proper accounts and shall promptly notify the committee on finance of the senate and

the committee on appropriations of the house of representatives of the amount transferred to each appropriation account. *An amount not to exceed \$12,000,000 in the second year may be transferred to agencies where attrition has not provided the necessary savings to meet the required budget reductions. In addition, transfers from an agency's salary supplement allocation in the second year may be transferred into the first year to offset unrealized budget reductions due to delays in attrition savings.*

Sec. 31. Laws 1981, Chapter 359, Section 3, Subdivision 3, is amended to read:

Subd. 3. State Scholarship, Nurses Scholarship and State Grant-In-Aid

\$27,720,000 \$27,720,000

The general goal of this program is that the proportion of funds flowing to students attending private institutions not exceed a figure which is approximately 50 percent of the total amount of money available. It is expected that approximately \$3,000,000 of this appropriation will (REVERT TO THE GENERAL FUND AT THE END OF FISCAL YEAR 1983) *not be needed and any balance may be transferred to subdivision 6 of this section to the extent a deficiency occurs in the interstate tuition reciprocity appropriation.*

Sec. 32. [REPEALER.]

Minnesota Statutes 1981 Supplement, Sections 3.965, Subdivision 6; and 362.453, are repealed.

Sec. 33. [EFFECTIVE DATE.]

Sections 1 to 32 are effective the day following final enactment.

ARTICLE II

Section 1. Minnesota Statutes 1980, Section 121.904, is amended by adding a subdivision to read:

Subd. 4a. [LEVY RECOGNITION.] Beginning with taxes assessed in 1982, payable in 1983, and thereafter, all current levies of local taxes, including portions assumed by the

state, shall be recognized as receivable in the same fiscal year during which collection normally takes place. These receivables shall be for use in the current fiscal year. Settlements of current taxes received by a school district on or before June 30 shall be recorded as revenue in the fiscal year ending on that June 30.

Sec. 2. [124.115] [AID REDUCTIONS DUE TO TAX LEVY REVENUE RECOGNITION CHANGE.]

Subdivision 1. [AUTHORIZATION.] Notwithstanding any law to the contrary, state aid due school districts in fiscal year 1983 shall be reduced as provided in this section.

Subd. 2. [AMOUNT OF REDUCTION.] State aid due any school district in fiscal year 1983 under the provisions enumerated in subdivision 3 shall be reduced by 93 percent of the amount the district levied for taxes assessed in 1982, payable in 1983, which is to be recognized as revenue in fiscal year 1983 pursuant to section 1, exclusive of any levy portions that are assumed by the state. For purposes of computing this state aid reduction, the amount levied by the district shall not include the amounts levied to make payments for bonds issued and for interest thereon; the amounts necessary for repayment of debt service loans and capital loans; the amounts necessary to pay the district's obligations under section 268.06, subdivision 25; and amounts levied pursuant to section 275.125, subdivisions 6a, 9a, 14a, and 20.

Subd. 3. [SUBTRACTION FROM AIDS.] The amount specified in subdivision 2 shall be subtracted from the following state aid payments in the order listed in fiscal year 1983:

- (a) Foundation aid as defined in section 124.212, subdivision 1;*
- (b) Secondary vocational aid as defined 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) Gifted and talented aid authorized in section 124.247;*
- (f) Aid for pupils of limited English proficiency authorized in section 124.273;*
- (g) Aid for improved learning programs authorized in section 124.251;*

(h) Aid for chemical use programs authorized in section 124.246;

(i) Transportation aid authorized in section 124.225;

(j) School lunch aid authorized in section 124.646;

(k) Community education programs aid authorized in section 124.271;

(l) Adult education aid authorized in section 124.26;

(m) Capital expenditure equalization aid authorized in section 124.245;

(n) Homestead credit payments authorized in section 273.13, subdivisions 6, 7, and 14a;

(o) Taconite homestead credit payments authorized in section 273.135;

(p) Wetlands credit authorized in section 273.115;

(q) Native prairie credit authorized in section 273.116; and

(r) Attached machinery aid authorized in section 273.138, subdivision 3.

If necessary, state aid payments in fiscal year 1984 and subsequent years may be reduced until the entire amount specified in subdivision 2 has been subtracted.

Subd. 4. [ACCOUNTING.] Notwithstanding any law to the contrary, the amount of the levy subtracted from state aid payments shall be recognized and reported on the school district books of account in the same way that the state aid payments would have been recognized and reported. Seven percent of the amount the district levied for taxes in 1982, payable in 1983, which is to be recognized as revenue in fiscal year 1983, excluding levy portions assumed by the state, and excluding amounts levied to make payments for bonds issued and for interest thereon, amounts necessary for repayment of debt service loans and capital loans, amounts necessary to pay the district's obligations under section 268.06, subdivision 25, and amounts levied pursuant to section 275.125, subdivisions 6a, 9a, 14a, and 20, shall be placed in the general fund of the district, and may be expended for any lawful purpose.

Sec. 3. Minnesota Statutes 1981 Supplement, Section 124.-2121, Subdivision 5, is amended to read:

Subd. 5. [LEVY USE.] A levy "for use in a particular school year," "attributable to a particular school year," or "recognized as revenue in a particular school year," means the (LEVY CERTIFIED IN THE CALENDAR YEAR ENDING IN THE) *portion of the levy payable during that school year (PRECEDING THAT PARTICULAR SCHOOL YEAR, AND PAYABLE IN THE CALENDAR YEAR IN WHICH THAT SCHOOL YEAR BEGINS).*

Sec. 4. Minnesota Statutes 1980, Section 276.11, is amended to read:

276.11 [WHEN TREASURER SHALL PAY FUNDS.]

As soon as practical after each settlement in March, June, and November the county treasurer shall pay over to the state treasurer or the treasurer of any town, city, school district, or special district, on the warrant of the county auditor, all receipts arising from taxes levied by and belonging to the state, or to such municipal corporation, or other body, and deliver up all orders and other evidences of indebtedness of such municipal corporation or other body, taking triplicate receipts therefor. He shall file one of the receipts with the county auditor, and shall return one by mail on the day of its reception to the clerk of the town, city, school district, or special district to which payment was made. The clerk shall preserve the receipt in his office. Upon written request of the state, a municipal corporation or other public body, the county treasurer shall, to the extent practicable, make partial payments of amounts collected periodically in advance of the next settlement and distribution. Accompanying each payment shall be a statement prepared by the county treasurer designating the years for which taxes included in the payment were collected and, for each year, the amount of the taxes and any penalties thereon. The county treasurer shall *pay*, upon written request of the state, a municipal corporation or other public body (PAY) *except school districts*, at least 70 percent of the estimated collection within 30 days after the settlement date. *Within 15 days after the settlement date, the county treasurer shall pay to the treasurer of the school districts at least 70 percent of the estimated collections arising from taxes levied by and belonging to the school district.* He shall pay the balance of the amounts collected to the state or to a municipal corporation or other body within 60 days after the settlement date, provided, however, that after 45 days interest shall accrue at a rate of eight percent per annum to the credit of and shall be paid to the state, municipal corporation or other body. Interest shall be payable upon appropriation from the general revenue fund of the county and, if not paid, may be recovered by the state, municipal corporation, or other body, in a civil action.

Sec. 5. [CASH FLOW LOAN FUND.]

Subdivision 1. There shall be maintained in the state treasury a "cash flow loan fund" for administration of moneys to

be received and disbursed as authorized in this section. The purpose of this fund is to alleviate the impact of altering the recognition of tax revenue pursuant to sections 1 to 6 on the cash flow needs of the school districts. Notwithstanding Minnesota Statutes, Section 11A.20, Subdivision 3, the investment income on funds credited to the cash flow loan fund shall be accrued and credited to the cash flow loan fund.

Subd. 2. [LOAN APPLICATIONS; REPAYMENTS.] The commissioner of education shall establish procedures for loan applications and criteria for determining increased cash flow needs of school districts caused by the altering of recognition of tax revenue. The commissioner shall approve or disapprove loan applications on the basis of need. Any loan made pursuant to this section shall constitute an advance to the district without interest. For loans made in the 1982-1983 and 1983-1984 school years, the school district shall repay the full amount of the loan by July 25 of the next fiscal year or within five days of receiving final payment of the May tax settlement attributable to that particular school year, whichever is earlier. For loans made in the 1984-1985 school year, the school district shall repay the full amount of the loan by June 25, 1985.

Subd. 3. [REPEALER; CANCELLATION.] This section is repealed on June 30, 1985 and any unexpended moneys in the cash flow loan fund as of June 29, 1985 shall be cancelled into the general fund.

Subd. 4. [APPROPRIATION.] There is appropriated from the general fund to the department of education for the cash flow loan fund the sum of \$40,000,000. This sum shall be transferred to the cash flow loan fund as needed but the balance of the untransferred funds shall be transferred no later than June 29, 1983. Any unexpended balances in the cash flow loan fund on June 30, 1983 shall not cancel and shall be available for loans to be made in fiscal years 1984 and 1985.

Sec. 6. [LEGISLATURE TO EVALUATE CASH FLOW.]

Before July 1, 1982, the legislature intends to evaluate the effect of sections 1 to 8 on the cash flow needs of school districts, and to reschedule the timing of payment of state aids and credits to school districts to the extent needed to ensure that the cash position of school districts is sufficiently favorable to ensure efficient operation.

Sec. 7. [EDUCATION AIDS; APPROPRIATION REDUCTION.]

The total general fund appropriation to the department of education for education aids for the fiscal year ending June 30, 1983 is reduced by \$88,700,000. The commissioner of education shall apportion this reduction among school districts, public

library systems, multi-type library systems, educational cooperative service units, and regional management information systems.

Sec. 8. [REPEALER.]

Minnesota Statutes 1980, Section 121.904, Subdivision 4, is repealed, effective January 1, 1983.

Sec. 9. [EFFECTIVE DATE.]

Sections 1 to 7 are effective July 1, 1982.

ARTICLE III

Section 1. [DEFINITIONS.]

For purposes of sections 1 to 3 the following terms have the meanings given:

(a) *"Municipality" means a county, statutory or home rule charter city, town, or other taxing district within the meaning of section 273.13, subdivision 15a, other than a school district; and*

(b) *"Commissioner" means the commissioner of revenue.*

Sec. 2. [FULL PAYMENT OF AIDS TO MUNICIPALITIES.]

Subdivision 1. [PAYMENTS REQUIRED.] Notwithstanding the provisions of sections 16A.14 and 16A.15, by February 26, 1982, the commissioner of finance shall draw warrants for the amounts appropriated to the commissioner of revenue for the following state aids, payments, reimbursements, or fund transfers to or on behalf of municipalities, to the extent that they were deferred or withheld pursuant to sections 16A.14 or 16A.15:

(a) *Payments of local government aid to be made during November and December, 1981 pursuant to section 477A.015,*

(b) *Payments of attached machinery aids to be made during November and December, 1981 pursuant to section 273.138, subdivisions 2 and 5,*

(c) *Subject to the limits contained in Laws 1981, First Special Session, Chapter 1, Article 3, Section 3, payments to be made during November and December, 1981 pursuant to section 273.139, and section 273.13, subdivision 15a to replace revenue lost as a result of sections 273.115, 273.116, and 273.13, subdivisions 6, 7, or 14a, and*

(d) *Any state aids, payments, reimbursements or fund transfers to be made during November and December, 1981 pursuant to any law other than those specified in clauses (a) to (c).*

Subd. 2. [CERTIFICATION OF AMOUNT.] The commissioner shall, on or before December 15, 1981, certify to each municipality the amount of aids, payments, reimbursements or fund transfers deferred or withheld pursuant to section 16A.14 or 16A.15 and subject to subdivision 1. In connection with certifying the amount to the municipality the commissioner shall issue to and transmit to the municipality a certificate of aids to be paid by February 26, 1982.

Subd. 3. [PAYMENT OF INTEREST.] The state shall pay interest on the aids, payments, reimbursements or fund transfers deferred or withheld pursuant to section 16A.14 or 16A.15 and subject to subdivision 1. Interest shall be calculated as simple interest, at a rate equal to the average yield for the Bond Buyer's Index of 20 Municipals, published for the week in which the deferred payment was scheduled to be made to the municipality pursuant to the appropriate statutory provision.

Sec. 3. [AUTHORITY TO BORROW MONEY.]

Subdivision 1. [BORROWING IN ANTICIPATION OF AIDS.] The governing body of the municipality may borrow money in anticipation of the receipt of state aids, payments, reimbursements or fund transfers scheduled to be made on or before February 26, 1982, and may issue certificates of indebtedness upon passage of a resolution specifying the amount and purposes for which it deems the borrowing is necessary. The resolution shall fix the amount, date, maturity, denomination, and other terms of the certificates and shall fix the terms of the sale of the certificates.

Subd. 2. [REPAYMENT; SECURITY.] The governing body of the municipality may pledge the full faith and credit of the municipality, and the proceeds of any tax levies, future state aid receipts, or other municipal funds which may become available to repay certificates issued pursuant to this section. The governing body may provide in the resolution that it will assign a certificate received pursuant to section 2, subdivision 2, and the moneys due thereunder as collateral for repayment of the certificates of indebtedness. An assignment is effective only upon registration of the assignment with the commissioner. The commissioner shall pay any funds due under an assigned certificate to the assignee.

Subd. 3. [INTEREST RATE.] Certificates of indebtedness may be sold at a price equal to such percentage of the par value of the certificates, plus accrued interest, and bearing interest at a rate or rates agreed upon by the governing body of the municipality and the purchaser or underwriter of the

certificates or as determined at public sale, notwithstanding any limitation of interest rate or cost contained in any other law.

Sec. 4. [APPROPRIATION.]

An amount sufficient to pay the interest payable under section 2, subdivision 3 is appropriated from the general fund to the commissioner of revenue.

Sec. 5. [EFFECTIVE DATE.]

Sections 1 to 4 are effective the day following final enactment.

ARTICLE IV

Section 1. [DECEMBER, 1981 AND JANUARY, 1982 EDUCATION AID PAYMENTS SUSPENDED.]

Notwithstanding the provisions of Minnesota Statutes, Sections 16A.15 and 124.11, or any other law to the contrary, the commissioner of education may suspend payment of some or all state aids, payments, reimbursements and fund transfers from some or all school districts, public library systems, educational cooperative service units or regional management information systems in the months of December, 1981 and January, 1982. The commissioner may consider the cash flow requirements of each individual recipient when determining whether to suspend payments of any aid, payments, reimbursements or fund transfers.

Sec. 2. [CERTIFICATION.]

On or before December 31, 1981 and January 31, 1982, the commissioner shall certify to each recipient the amount of aids, payments, reimbursements, or fund transfers suspended pursuant to section 1. The commissioner shall issue a certificate of unpaid aids for the certified amount to be paid by February 26, 1982.

Sec. 3. [REPAYMENT BY FEBRUARY 26, 1982.]

Notwithstanding any law to the contrary, by February 26, 1982, the commissioner of finance shall draw warrants in favor of school districts, public library systems, educational cooperative service units or regional management information systems for any of the state aids, payments, reimbursements and fund transfers that were suspended by the commissioner of education pursuant to section 1, plus interest as provided in section 4.

Sec. 4. [PAYMENT OF INTEREST.]

The state shall pay interest on any state aids, payments, reimbursements or fund transfers deferred or withheld pursuant to section 1. Interest shall be calculated as simple interest at a rate equal to the average yield for the Bond Buyer's Index of 20 Municipals, published for the week in which the deferred payment was scheduled to be made to the school district, public library system, educational cooperative service unit, or regional management information system pursuant to the appropriate statutory provision.

Sec. 5. [EFFECTIVE DATE.]

Sections 1 to 4 are effective the day following final enactment.

ARTICLE V

Section 1. Minnesota Statutes 1981 Supplement, Section 290.06, Subdivision 2d, is amended to read:

Subd. 2d. [INFLATION ADJUSTMENT OF BRACKETS.] For taxable years beginning after December 31, (1980) 1982, the taxable net income brackets in subdivision 2c shall be adjusted for inflation. For the purpose of making the adjustment as provided in this subdivision all of the brackets provided in subdivision 2c shall be the adjusted brackets as (THEY EXISTED FOR TAXABLE YEARS BEGINNING AFTER DECEMBER 31, 1979 AND BEFORE JANUARY 1, 1981) *determined pursuant to section 5.* The commissioner shall determine: (a) the percentage increase in the revised consumer price index for all urban consumers for the Minneapolis-St. Paul metropolitan area prepared by the United States department of labor. He shall then determine the percent change from August, (1980) 1982, to, in (1981) 1983, August, (1981) 1983, and in each subsequent year, from August of the preceding year to August of the current year; and (b) the percentage increase in average Minnesota gross income from tax year (1980) 1982 to, in (1981) 1983, tax year (1981) 1983, and in each subsequent tax year between the previous tax year and the current tax year. The percent increases in Minnesota gross income shall be estimated using the best available data sources and reasonable forecasting procedures. The determination of the commissioner pursuant to this section shall not be considered a "rule" and shall not be subject to the administrative procedures act contained in chapter 15.

The dollar amount in each taxable net income bracket for the prior year in subdivision 2c shall be multiplied by a figure calculated as one plus 100 percent of the consumer price index increase or 100 percent of the Minnesota gross income increase,

whichever is smaller. The product of the calculation shall yield the inflation adjusted tax brackets for each succeeding year. If the product exceeds a whole dollar amount, it shall be rounded to the nearest whole dollar.

No later than October 1 of each year, the commissioner shall announce both percentage increases and the specific percentage that will be used to adjust the tax brackets, the maximum standard deduction amount, and the personal credit amounts.

Sec. 2. Minnesota Statutes 1980, Section 290.06, is amended by adding a subdivision to read:

Subd. 2e. [LIMITATION ON INFLATION ADJUSTMENTS.] By September 15 of each year the commissioner of finance shall certify to the commissioner the unobligated balance, according to generally accepted accounting principles, or his best estimate of the unobligated balance in the state general fund at the close of the preceding fiscal year. If the certified unobligated general fund balance at the close of the fiscal year is less than two percent of the total amount of general fund appropriations for the succeeding fiscal year, the following shall apply for the calendar year and taxable years beginning during the calendar year:

(a) No inflation adjustment of (i) the net income tax brackets pursuant to subdivision 2d, (ii) the credits pursuant to subdivision 3g, and (iii) the maximum amount of the standard deduction pursuant to section 290.09, subdivision 15, shall be made; and

(b) The taxable net income adjustment factor computed pursuant to section 290.18, subdivisions 4 and 5 shall be the factor applicable to taxable years beginning with or during the preceding calendar year.

If no adjustments are made to the brackets, credits, and maximum standard deduction pursuant to this subdivision, the inflation adjustments pursuant to subdivision 2d in the succeeding year shall be made to the dollar amounts of the brackets, credits, and maximum standard deduction in effect during the previous year. No adjustment shall be made in any subsequent year for the increase in the consumer price index or the increase in Minnesota gross income for a year in which no adjustment is made pursuant to this subdivision.

This subdivision is repealed effective for taxable years beginning after December 31, 1985.

Sec. 3. Minnesota Statutes 1981 Supplement, Section 290.09, Subdivision 7, is amended to read:

Subd. 7. [DEPRECIATION.] (A) [CUMULATIVE DEPRECIATION.] (a) There shall be allowed as a depreciation

deduction a reasonable allowance for the exhaustion, wear and tear (including a reasonable allowance for obsolescence):

- (1) of property used in the trade or business, or
- (2) of property held for the production of income.

(b) The term "reasonable allowance" as used in clause (a) shall include (but shall not be limited to) an allowance computed in accordance with regulations prescribed by the commissioner, under any of the following methods:

- (1) the straight line method.

(2) the declining balance method, using a rate not exceeding twice the rate which would have been used had the annual allowance been computed under the method described in paragraph (1).

- (3) the sum of the years-digits method, and

(4) any other consistent method productive of an annual allowance, which, when added to all allowances for the period commencing with the taxpayer's use of the property and including the taxable year, does not, during the first two-thirds of the useful life of the property, exceed the total of such allowances which would have been used had such allowances been computed under the method described in (2). Nothing in this clause (b) shall be construed to limit or reduce an allowance otherwise allowable under clause (a).

For purposes of this subdivision "reasonable allowance" shall not include the accelerated cost recovery system provisions of section 168 of the Internal Revenue Code of 1954, as amended through October 2, 1981, unless specifically authorized by legislation enacted after the final enactment of this section.

(c) Paragraphs (2), (3), and (4) of clause (b) shall apply only in the case of property (other than intangible property) described in clause (a) with a useful life of three years or more.

(1) the construction, reconstruction, or erection of which is completed after December 31, 1958, and then only to that portion of the basis which is properly attributable to such construction, reconstruction, or erection after December 31, 1958, or

(2) acquired after December 31, 1958, if the original use of such property commenced with the taxpayer and commences after such date.

(d) Where, under regulations prescribed by the commissioner, the taxpayer and the commissioner have, after June 30,

1959, entered into an agreement in writing specifically dealing with the useful life and rate of depreciation of any property, the rate so agreed upon shall be binding on both the taxpayer and the commissioner in the absence of facts or circumstances not taken into consideration in the adoption of such agreement. The responsibility of establishing the existence of such facts and circumstances shall rest with the party initiating the modification. Any change in the agreed rate and useful life specified in the agreement shall not be effective for taxable years before the taxable year in which notice in writing by certified mail is served by the party to the agreement initiating such change.

(e) In the absence of an agreement under clause (d) containing a provision to the contrary, a taxpayer may at any time elect in accordance with regulations prescribed by the commissioner to change from the method of depreciation prescribed in clause (b) (2) to the method described in clause (b) (1).

(f) The basis on which exhaustion, wear and tear, and obsolescence are to be allowed in respect of any property shall be the adjusted basis provided in sections 290.131 to 290.139, 290.14 and 290.15 for the purpose of determining the gain on the sale or other disposition of such property.

(g) In the case of property held by one person for life with remainder to another person, the deduction shall be computed as if the life tenant were the absolute owner of the property and shall be allowed to the life tenant. In the case of property held in trust the allowable deduction shall be apportioned between the income beneficiary and the trustee in accordance with the pertinent provisions of the instrument creating the trust, or, in the absence of such provisions, on the basis of the trust income allocable to each. In the case of an estate, the allowable deduction shall be apportioned between the estate and the heirs, legatees, and devisees on the basis of the income of the estate allocable to each.

(h) In the case of buildings or other structures or improvements constructed or made on leased premises by a lessee, and the fixtures and machinery therein installed, the lessee alone shall be entitled to the allowance of this deduction.

(B) [FIRST YEAR DEPRECIATION.] (a) In the case of section 1 property, the term "reasonable allowance" as used in subdivision 7, may, at the election of the taxpayer, include an allowance, for the first taxable year for which a deduction is allowable under subdivision 7, to the taxpayer with respect to such property, of 20 percent of the cost of such property.

(b) If in any one taxable year the cost of section 1 property with respect to which the taxpayer may elect an al-

lowance under (a) for such taxable year exceeds \$10,000, then (a) shall apply with respect to those items selected by the taxpayer, but only to the extent of an aggregate cost of \$10,000. In the case of a husband and wife who file a joint return under section 290.38 for the taxable year, the limitation under the preceding sentence shall be \$20,000 in lieu of \$10,000.

(c) (1) The election under this subdivision for any taxable year shall be made within the time prescribed by law (including extensions thereof) for filing the return for such taxable year. The election shall be made in such manner as the commissioner may by regulations prescribe.

(2) Any election made under this subdivision may not be revoked except with the consent of the commissioner.

(d) (1) For purposes of this subdivision, the term "Section 1 property" means tangible personal property (excluding buildings and structures)

(A) of a character subject to the allowance for depreciation under subdivision 7.

(B) acquired by purchase after December 31, 1958, for use in a trade or business or for holding for production of income, and

(C) with a useful life (determined at the time of such acquisition) of six years or more.

(2) For purposes of paragraph (1), the term "purchase" means any acquisition of property, but only if

(A) the property is not acquired from a person whose relationship to the person acquiring it would result in the disallowance of losses under section 290.10(6),

(B) the property is not acquired by one component member of a controlled group from another component member of the same controlled group, and

(C) the basis of the property in the hands of the person acquiring it is not determined

(i) in whole or in part by reference to the adjusted basis of such property in the hands of the person from whom acquired, or

(ii) under section 290.14(4) (relating to property acquired from a decedent).

(3) For purposes of this subdivision, the cost of property does not include so much of the basis of such property as is determined by reference to the basis of other property held at any time by the person acquiring such property.

(4) This subdivision shall not apply to trusts.

(5) In the case of an estate, any amount apportioned to an heir, legatee, or devisee shall not be taken into account in applying (B) of this subdivision to section 1 property of such heir, legatee, or devisee not held by such estate.

(6) For purposes of (B) of this subdivision

(A) all component members of a controlled group shall be treated as one taxpayer, and

(B) the commissioner shall apportion the dollar limitation contained in such (B) among the component members of such controlled group in such manner as he shall by regulations prescribe.

(7) For purposes of paragraphs (2) and (6), the term "controlled group" has the meaning assigned to it by section 1563(a) of the Internal Revenue Code of 1954, as amended through December 31, 1979, except that, for such purposes, the phrase "more than 50 percent" shall be substituted for the phrase "at least 80 percent" each place it appears in section 1563(a)(1) of the Internal Revenue Code of 1954, as amended through December 31, 1979.

Sec. 4. Minnesota Statutes 1981 Supplement, Section 290.18, Subdivision 4, is amended to read:

Subd. 4. [TAXABLE NET INCOME ADJUSTMENT FACTOR.] For the taxable year beginning after December 31, 1980 and (ENDING) before January 1, 1982, the commissioner of revenue shall adjust taxable net income by multiplying the taxable net income of each individual, estate and trust by a fraction, the numerator of which is one plus the predicted rate of growth in average Minnesota gross income between tax year 1980 and tax year 1981. The denominator of the adjustment fraction shall be one plus the product of (a) the predicted rate of growth in average Minnesota gross income as determined above, and (b) the difference between the ratio of Minnesota gross income to Minnesota adjusted gross income and the product of the ratio of federal taxes paid to Minnesota adjusted gross income and an estimate of average federal income tax elasticity relating percent changes in federal adjusted gross income to percent changes in net federal income tax liabilities.

For each taxable year beginning after December 31, 1981, the commissioner of revenue shall adjust taxable net income by

multiplying the taxable net income of each individual, estate, and trust by an adjustment factor determined by multiplying the previous year's adjustment factor by the current year adjustment factor as defined above using data appropriate to the current year.

The data used shall reflect the most current aggregate tax statistics collected and tabulated by the department of revenue. The estimate of the percentage increase in Minnesota gross income shall be based on the best available data sources and reasonable forecasting procedures. The estimate of federal income tax elasticity shall reflect the best available sources of information, including the judgment of the United States Internal Revenue Service and the United States Treasury, Office of Tax Analysis. The determination of the commissioner pursuant to this section shall not be considered a "rule" and shall not be subject to the administrative procedures act contained in chapter 15.

No later than October 1 of each tax year, the commissioner shall announce the adjustment factor to be applied to taxable net income, including its separate components, and the estimate of federal elasticity.

Sec. 5. Minnesota Statutes 1980, Section 290.18, is amended by adding a subdivision to read:

Subd. 5. [ADJUSTMENT OF TAXABLE NET INCOME BRACKETS AND ADJUSTMENT FACTOR.] (a) For taxable years beginning after December 31, 1981 and before January 1, 1983, the commissioner of revenue shall adjust the taxable net income brackets in Minnesota Statutes, Section 290.06, Subdivision 2c, as follows. For purposes of determining the brackets to be adjusted pursuant to Minnesota Statutes, Section 290.06, Subdivision 2d, the commissioner shall determine: (a) the percentage increase in the revised consumer price index for all urban consumers for the Minneapolis-St. Paul metropolitan area from August, 1978, to August, 1981; and (b) the percentage increase in average Minnesota gross income from tax year 1979 to tax year 1981. The percentage increase in Minnesota gross income shall be estimated using the best available data sources and reasonable forecasting procedures. The determination of the commissioner pursuant to this section shall not be considered a "rule" and shall not be subject to the administrative procedures act contained in chapter 15.

The dollar amount in each taxable net income bracket in Minnesota Statutes 1980, Section 290.06, Subdivision 2c shall be multiplied by a figure calculated as one plus 100 percent of the consumer price index increase or 100 percent of the Minnesota gross income increase, whichever is smaller. The product of the calculation shall yield the inflation adjusted tax brackets. If the product exceeds a whole dollar amount, it shall be rounded

to the nearest whole dollar. Provided in no event shall the brackets be narrower than those in effect for taxable years beginning in 1981.

(b) For taxable years beginning after December 31, 1981, the taxable net income adjustment factor pursuant to Minnesota Statutes, Section 290.18, Subdivision 4, shall be computed as if Laws of Minnesota 1981, First Special Session, Chapter 1, Article 1, Section 4 was in effect for taxable years beginning during calendar years 1979, 1980 and 1981, notwithstanding the provisions of Laws of Minnesota 1981, First Special Session, Chapter 1, Article 1, Section 5.

Sec. 6. Laws 1981, First Special Session, Chapter 1, Article I, Section 5, is amended to read:

Sec. 5. [TRANSITIONAL PROVISION.]

Notwithstanding the provisions of sections 1, 2, and 3, for taxable years beginning after December 31, 1980 and before January 1, 1982 the inflation adjustment of the income tax brackets, credits, and maximum standard deduction shall be the arithmetic average of (1) the percentage computed pursuant to Minnesota Statutes 1980, Sections 290.06, Subdivisions 2d and 3g, and 290.09, Subdivision 15, as applicable and (2) the percentage computed pursuant to section 1 of this article. The taxable net income adjustment factor for taxable years beginning after December 31, 1980 and before January 1, 1982 shall be (ONE-HALF OF THE AMOUNT COMPUTED PURSUANT TO SECTION 4) computed as follows: the taxable net income adjustment factor calculated pursuant to Laws of Minnesota 1981, First Special Session, Chapter 1, Article 1, Section 4 minus one shall be divided by two and the resulting quotient added to one.

Sec. 7. [EFFECTIVE DATE.]

Section 1 is effective for taxable years beginning after December 31, 1982. Sections 2 and 5 are effective for taxable years beginning after December 31, 1981. Section 3 is effective the day after final enactment. Sections 4 and 6 are effective for taxable years beginning after December 31, 1980.

ARTICLE VI

Section 1. [STATEMENT OF LEGISLATIVE INTENT.]

The legislature finds that certain provisions of the state income tax law generally applied to corporations produce an inequitable result when applied to major oil companies, allowing those companies to escape taxation on a great proportion of their profits. The legislature further finds that there are at least two causes of this inequity: First, during the last several

years, major oil companies have increased both the prices charged for their products and the profits realized from their enterprises by extraordinary amounts, greatly in excess of the price and profit increases of other businesses in this state, resulting in an enormous outflow of public and private capital from the state. Second, the complexity of structure of most major oil companies, together with certain tax shelter provisions currently used on a grand scale by the companies, allows major oil companies to be taxed on only a very small proportion of their profits. Because the primary objective of the income tax law is to raise essential government revenues by fairly distributing the tax burden among taxpayers, it is declared that certain changes in the income tax law, as they apply to major oil companies, must be effected in order that those companies will bear a fair and equitable share of the statewide tax burden.

Sec. 2. Minnesota Statutes 1980, Section 290.01, is amended by adding a subdivision to read:

Subd. 28. [MAJOR OIL COMPANY.] The term "major oil company" means a corporation which is engaged in all of the following activities: (1) the extraction or production of crude oil; (2) the refining of crude oil; and (3) the marketing or distribution for marketing in this state of gasoline, motor fuel, fuel oil, and similar products from the refining or manufacture of crude oil. A major oil company includes a parent corporation and the subsidiaries of a company engaging in a unitary business if the parent itself or through one or more of its subsidiaries markets or distributes petroleum or petroleum products in Minnesota. In the case of a major oil company that includes a subsidiary or parent as described in the preceding sentence in its unitary business operation, the company shall be required to file a combined or consolidated report showing the combined net income of those companies and other information deemed necessary. The tax on those corporations shall be assessed against either of the corporations whose net income is involved in the report upon the basis of the combined entire net income and other information received in order to accurately reflect the net income earned by the corporation or corporations from business done in this state. For purposes of this subdivision, a subsidiary is a corporation in which the parent owns not less than 25 percent of its voting stock, and whose business activities include the production, refining or marketing of crude petroleum or petroleum products; and a company engaging in a unitary business is a group of two or more corporations having some degree of common ownership, each of which is engaged in related business activities.

Sec. 3. Minnesota Statutes 1981 Supplement, Section 290.09, Subdivision 1, is amended to read:

Subdivision 1. [LIMITATIONS.] (a) Except as provided in clauses (b) and (c), the following deductions from

gross income shall be allowed in computing net income, provided that any item which was deducted in arriving at gross income under the provisions of section 290.01, subdivision 20, shall not be again deducted under this section.

(b) A major oil company shall not deduct amounts otherwise deductible for depletion or intangible drilling costs, including ordinary loss deductions taken for nonproductive wells, with respect to the production of petroleum, not including the production of natural gas.

(c) Property taxes may not be deducted under this section if

(1) The taxes are attributable to a trade or business carried on by an individual, or

(2) The taxes are expenses for the production of income which are paid or incurred by an individual; and which are not allowed as a deduction under section 164 of the Internal Revenue Code of 1954, as amended through December 31, 1980.

Sec. 4. Minnesota Statutes 1981 Supplement, Section 290.091, is amended to read:

290.091 [MINIMUM TAX ON PREFERENCE ITEMS.]

In addition to all other taxes imposed by this chapter there is hereby imposed, a tax which, in the case of a resident individual, shall be equal to 40 percent of the amount of the taxpayer's minimum tax liability for tax preference items pursuant to the provisions of sections 55 to 58 and 443(d) of the Internal Revenue Code of 1954 as amended through December 31, 1980 except that for purposes of the tax imposed by this section, capital gain as defined in section 57(a) of the Internal Revenue Code shall not include that portion of any gain occasioned by sale, transfer or the granting of a perpetual easement pursuant to any eminent domain proceeding or threat thereof as described in section 290.13, subdivision 5. This modification shall apply to the years in which the gain or reduction in loss is actually included in federal adjusted gross income even though amounts received pursuant to the eminent domain proceedings were received in prior years. In the case of a taxpayer other than a corporation, an amount equal to one-half of the net capital gain for the taxable year shall be used as the definition of capital gain in place of the deduction determined under section 1202 of the Internal Revenue Code. In the case of a resident individual, having preference items which could not be taken to reduce income from sources outside the state pursuant to section 290.17, subdivision 1, or any other taxpayer the tax shall equal 40 percent of that federal liability, multiplied by a fraction the numerator of which is the amount of the taxpayer's preference item income

allocated to this state pursuant to the provisions of sections 290.17 to 290.20, and the denominator of which is the taxpayer's total preference item income for federal purposes. *In the case of a major oil company, any amount deducted for depletion for federal tax purposes but not deductible for state tax purposes pursuant to section 290.09, subdivision 1, clause (b) shall not be considered a tax preference item.*

Sec. 5. Minnesota Statutes 1980, Section 290.19, Subdivision 1, is amended to read:

Subdivision 1. [COMPUTATION, BUSINESS CONDUCTED PARTLY WITHIN STATE; APPORTIONMENT.] The taxable net income from a trade or business carried on partly within and partly without this state shall be computed by deducting from the gross income of such business, wherever derived, deductions of the kind permitted by section 290.09, so far as connected with or allocable against the production or receipt of such income. The remaining net income shall be apportioned to Minnesota as follows:

(1) If the business consists of the mining, producing, smelting, refining, or any combination of these activities of copper and nickel ores, or of the manufacture of personal property and the sale of said property within and without the state, the remainder shall be apportioned to Minnesota on the basis of the percentage obtained by taking the arithmetical average of the following three percentages:

(a) The percentage which the sales made within this state is of the total sales wherever made;

(b) The percentage which the total tangible property, real, personal, and mixed, owned or rented, and used by the taxpayer in this state during the tax period in connection with such trade or business is of the total tangible property, real, personal, or mixed, wherever located, owned or rented and, used by the taxpayer in connection with such trade or business during the tax period; and,

(c) The percentage which the taxpayer's total payrolls paid or incurred in this state or paid in respect to labor performed in this state in connection with such trade or business is of the taxpayer's total payrolls paid or incurred in connection with such entire trade or business;

(d) The percentage of such remainder to be assigned to this state shall not be in excess of the sum of the following percentages: 70 percent of the percentage determined under clause (1) (a), 15 percent of the percentage determined under clause (1) (b), and 15 percent of the percentage determined under clause (1) (c);

(2) *If the business is a major oil company, the remainder shall be apportioned to Minnesota on the basis of the sum of the percentages set forth in clause (1)(d); the arithmetical average shall not be used by a major oil company;*

((2)) (3) (a) In all other cases the remainder shall be apportioned to Minnesota on the basis of the percentage obtained by taking the arithmetical average of the following three percentages:

(1) The percentage which the sales, gross earnings, or receipts from business operations, in whole or in part, within this state bear to the total sales, gross earnings, or receipts from business operations wherever conducted;

(2) The percentage which the total tangible property, real, personal, and mixed, owned or rented, and used by the taxpayer in this state during the tax period in connection with such trade or business is of the total tangible property, real, personal, or mixed, wherever located, owned, or rented, and used by the taxpayer in connection with such trade or business during the tax period; and

(3) The percentage which the taxpayer's total payrolls paid or incurred in this state or paid in respect to labor performed in this state in connection with such trade or business is of the taxpayer's total payrolls paid or incurred in connection with such entire trade or business;

(4) The percentage of such remainder to be assigned to this state shall not be in excess of the sum of the following percentages: 70 percent of the percentage determined under clause ((2)) (3) (a) (1), 15 percent of the percentage determined under clause ((2)) (3) (a) (2), and 15 percent of the percentage determined under clause ((2)) (3) (a) (3);

(b) *If the methods prescribed under clause ((2)) (3) (a) will not properly reflect taxable net income assignable to the state, there may be used, if practicable and if such use will properly and fairly reflect such income, the percentage which the sales, gross earnings, or receipts from business operations, in whole or in part, within this state bear to the total sales, gross earnings, or receipts from business operations wherever conducted; or the separate or segregated accounting method. If the commissioner determines that the methods prescribed in clause (2) will not properly reflect the taxable net income of a major oil company assignable to the state he shall use only the sales factor to determine the amount so assignable;*

((3)) (4) The sales, payrolls, earnings, and receipts referred to in this section shall be those for the taxable year

in respect of which the tax is being computed. The property referred to in this section shall be the average of the property owned or used by the taxpayer during the taxable year in respect of which the tax is being computed. *For purposes of major oil companies filing combined or consolidated reports pursuant to section 290.01, subdivision 28, the sales, payrolls, earnings, and receipts referred to in this section shall be those of the parent and subsidiary corporations engaged in a unitary business.*

Sec. 6. Minnesota Statutes 1981 Supplement, Section 290.21, Subdivision 4, is amended to read:

Subd. 4. (a) 85 percent of dividends received by a corporation during the taxable year from another corporation, when the corporate stock with respect to which dividends are paid does not constitute the stock in trade of the taxpayer or would not be included in the inventory of the taxpayer, or does not constitute property held by the taxpayer primarily for sale to customers in the ordinary course of his trade or business, or when the trade or business of the taxpayer does not consist principally of the holding of the stocks and the collection of the income and gains therefrom. The remaining 15 percent shall be allowed if the recipient owns 80 percent or more of all the voting stock of such other corporation, and the dividends were paid from income arising out of business done in this state by the corporation paying such dividends; but if the income out of which the dividends are declared was derived from business done within and without this state, then so much of the remainder shall be allowed as a deduction as the amount of the taxable net income of the corporation paying the dividends assignable or allocable to this state bears to the entire net income of the corporation, such rate being determined by the returns under this chapter of the corporation paying such dividends for the taxable year preceding the distribution thereof; the burden shall be on the taxpayer of showing that the amount of remainder claimed as a deduction has been received from income arising out of business done in this state,

(b) if the trade or business of the taxpayer consists principally of the holding of the stocks and the collection of the income and gains therefrom, dividends received by a corporation during the taxable year from another corporation, if the recipient owns 80 percent or more of all the voting stock of such other corporation, from income arising out of business done in this state by the corporation paying such dividends; but, if the income out of which the dividends are declared was derived from business done within and without this state, then so much of the dividends shall be allowed as deduction as the amount of the taxable net income of the corporation paying the dividends assignable or allocable to this state bears to the entire net income of the corporation,

such rate being determined by the returns under this chapter of the corporation paying such dividends for the taxable year preceding the distribution thereof. The burden shall be on the taxpayer of showing that the amount of dividends claimed as a deduction has been received from income arising out of business done in this state.

(c) The dividend deduction provided in this subdivision shall be allowed only with respect to dividends that are included in a corporation's Minnesota taxable net income for the taxable year.

(d) *In the case of a major oil company, no deduction shall be allowed for dividends received (i) unless the dividends are received from a subsidiary whose income is combined with that of the parent company receiving the dividend pursuant to section 290.01, subdivision 28, or (ii) unless the dividends are received from a corporation which is not engaged in a unitary business with the taxpayer corporation.*

Sec. 7. [EFFECTIVE DATE.]

Sections 1 to 6 are effective for taxable years beginning after December 31, 1981.

ARTICLE VII

Section 1. Minnesota Statutes 1981 Supplement, Section 477A.03, Subdivision 2, is amended to read:

Subd. 2. [LIMITATION ON APPROPRIATION; PROPORTIONATE REDUCTION.] The amount appropriated under subdivision 1 shall not exceed (\$270,725,464) \$247,925,464 for calendar year 1982 and shall not exceed \$293,561,978 for calendar year 1983. If the limitations contained in this subdivision result in a reduction in the amounts determined pursuant to sections 477A.012 and 477A.013, each governmental unit receiving local government aid shall have its distribution proportionally reduced, but no local government unit shall receive less aid than 91.6 percent of its previous year aid.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective the day following final enactment.

ARTICLE VIII

Section 1. Minnesota Statutes 1981 Supplement, Section 290.17, Subdivision 2, is amended to read:

Subd. 2. [OTHER TAXPAYERS.] In the case of taxpayers not subject to the provisions of subdivision 1, items of gross income shall be assigned to this state or other states or countries in accordance with the following principles:

(1) The entire income of all resident or domestic taxpayers from compensation for labor or personal services, or from a business consisting principally of the performance of personal or professional services, shall be assigned to this state, and the income of nonresident taxpayers from such sources shall be assigned to this state if, and to the extent that, the labor or services are performed within it; all other income from such sources shall be treated as income from sources without this state;

(2) Income from the operation of a farm shall be assigned to this state if the farm is located within this state and to other states only if the farm is not located in this state. Income and gains received from tangible property not employed in the business of the recipient of such income or gains, and from tangible property employed in the business of such recipient if such business consists principally of the holding of such property and the collection of the income and gains therefrom, shall be assigned to this state if such property has a situs within it, and to other states only if it has no situs in this state. Income or gains from intangible personal property not employed in the business of the recipient of such income or gains, and from intangible personal property employed in the business of such recipient if such business consists principally of the holding of such property and the collection of the income and gains therefrom, wherever held, whether in trust, or otherwise, shall be assigned to this state if the recipient thereof is domiciled within this state; income or gains from intangible personal property wherever held, whether in trust or otherwise shall be assigned to this state if the recipient of such income or gains is domiciled within this state, or if the grantor of any trust is domiciled within this state and such income or gains would be taxable to such grantor under section 290.25 or 290.29;

(3) Income derived from carrying on a trade or business, including in the case of a business owned by natural persons the income imputable to the owner for his services and the use of his property therein, shall be assigned to this state if the trade or business is conducted wholly within this state, and to other states if conducted wholly without this state. This provision shall not apply to business income subject to the provisions of clause (1);

(4) When a trade or business is carried on partly within and partly without this state, the entire income derived from such trade or business, including income from intangible property employed in such business and including, in the case of a business owned by natural persons, the income imputable

to the owner for his services and the use of his property therein, shall be governed, except as otherwise provided in sections 290.35 and 290.36, by the provisions of section 290.19, notwithstanding any provisions of this section to the contrary. This shall not apply to business income subject to the provisions of clause (1), *nor shall it apply to income from the operation of a farm which is subject to the provisions of clause (2)*. For the purposes of this clause, a trade or business located in Minnesota is carried on partly within and partly without this state if tangible personal property is sold by such trade or business and delivered or shipped to a purchaser located outside the state of Minnesota.

In determining whether or not intangible property is employed in a unitary business carried on partly within and partly without this state so that income derived therefrom is subject to apportionment under section 290.19 the following rules and guidelines shall apply.

(a) Intangible property is employed in a business if the business entity owning intangible property holds it as a means of furthering the business operation of which a part is located within the territorial confines of this state.

(b) Where a business operation conducted in Minnesota, is owned by a business entity which carries on business activity outside of the state different in kind from that conducted within this state, and such other business is conducted entirely outside the state, it will be presumed that the two business operations are unitary in nature, interrelated, connected and interdependent unless it can be shown to the contrary.

(5) In the case of a nonresident who is liable for payment of a penalty for having withdrawn funds from an individual housing account established pursuant to section 290.08, subdivision 25, the amount so withdrawn and for which a deduction was allowed shall be an item of income assignable to this state, and the penalty tax of ten percent shall remain an additional liability of that taxpayer.

(6) For purposes of this section, amounts received by a non-resident from the United States, its agencies or instrumentalities, the Federal Reserve Bank, the state of Minnesota or any of its political or governmental subdivisions, or a Minnesota volunteer fireman's relief association, by way of payment as a pension, public employee retirement benefit, or any combination thereof, or as a retirement or survivor's benefit made from a plan qualifying under section 401, 403, 404, 405, 408, 409 or 409A of the Internal Revenue Code of 1954, as amended through December 31, 1979, are not considered income derived from carrying on a trade or business or from performing personal or professional services in Minnesota, and are not taxable under this chapter.

(7) All other items of gross income shall be assigned to the taxpayer's domicile.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective for tax years beginning after December 31, 1981."

Delete the title and insert:

"A bill for an act relating to the financing and operation of state and local government; reducing appropriations for the general legislative and executive agencies of state government; providing for transfer of appropriations between fiscal years; requiring the board of regents of the university, the state university board, the community college board and the state board for vocational education to develop plans for declining enrollment; providing that parties to administrative hearings will bear the cost of court reporters under certain circumstances; adjusting fee limitations; providing certain workers' compensation settlements are conclusively presumed reasonable; specifying the contents of certain awards or disallowances of workers' compensation; modifying certain procedures for appeals of workers' compensation orders; modifying approval by the commissioner of labor and industry of the settlement of certain workers' compensation claims; eliminating the requirement that the commissioner of veterans affairs provide certain grave markers; reducing the period within which property is presumed abandoned; reducing certain pension contributions for state employees; increasing the property tax mill rate of the transit taxing district; providing for the use of certain appropriations to discharge workers' compensation and unemployment compensation obligations; authorizing the transfer of certain funds from the salary supplement; repealing review of administrative rules for business licenses; authorizing the transfer of certain funds appropriated to the higher education coordinating board for obligations under interstate tuition reciprocity agreements; appropriating money; altering the recognition of school district tax revenue; reducing state aids for education in fiscal year 1983 by 93 percent of the amount of the June, 1983 school district tax settlements; requiring payment of 70 percent of the estimated school district tax receipts within 15 days after the settlement date; establishing a cash flow loan fund; reducing education aid appropriations for fiscal year 1983; requiring the commissioner of finance to pay by February 26, 1982 any payments that were suspended; guaranteeing the payment of certain state aids and payments to local governments for calendar year 1981; granting local governments temporary borrowing authority; authorizing the commissioner of education to suspend certain education aids in December, 1981 and January, 1982; authorizing the commissioner of education to consider cash flow requirements of each recipient in determining whether to suspend education aids; requiring the commissioner to issue certificates of aid; limiting inflation

adjustments of the income tax brackets, credits, and maximum standard deduction under certain circumstances; prohibiting the commissioner of revenue from adopting certain depreciation schedules by rule; clarifying the application of the taxable net income adjustment factor to fiscal year taxpayers and its computation for 1981; modifying the inflation adjustment of the income tax brackets and the computation of the taxable net income adjustment factor; altering the method of taxing the income of certain oil companies by prohibiting their use of certain deductions and requiring the use of combined worldwide income; eliminating the use of the arithmetic average allocation formula for major oil companies; reducing the appropriations for local government aids; providing that farm income is wholly apportioned to Minnesota; amending Minnesota Statutes 1980, Sections 121.904, by adding a subdivision; 176.421, Subdivision 3; 176.521, as amended; 197.23; 276.11; 290.01, by adding a subdivision; 290.19, Subdivision 1; 345.32; 345.33; 345.34; 345.37; 345.38; 345.39; 352.04, Subdivisions 2 and 3; 352.92, Subdivisions 1 and 2; 352D.09, Subdivision 7; Minnesota Statutes 1981 Supplement, Sections 15.052, Subdivision 5; 16A.128; 124.2121, Subdivision 5; 176.081, Subdivision 7a; 176.371; 176.421, Subdivisions 4 and 5; 290.06, Subdivision 2d, and by adding a subdivision; 290.09, Subdivisions 1 and 7; 290.091; 290.17, Subdivision 2; 290.18, Subdivision 4, and by adding a subdivision; 290.21, Subdivision 4; 352D.04, Subdivision 2; 477A.03, Subdivision 2; Laws 1981, Chapters 356, Sections 45, 46, and 62; 359, Section 3, Subdivision 3; First Special Session, Chapter 1, Article I, Section 5; proposing new law coded in Chapter 124; repealing Minnesota Statutes 1980, Section 121.904, Subdivision 4; and Minnesota Statutes 1981 Supplement, Sections 3.965, Subdivision 6; and 362.453."

With the recommendation that when so amended the bill pass.

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. No. 4 was read for the second time.

SUSPENSION OF RULES

Pursuant to Article IV, Section 19, of the Constitution of the state of Minnesota, Heinitz moved that the rule therein be suspended and an urgency be declared so that H. F. No. 4 be given its third reading and be placed upon its final passage. The motion prevailed.

Heinitz moved that the rules of the House be so far suspended that H. F. No. 4 be given its third reading and be placed upon its final passage. The motion prevailed.

H. F. No. 4, A bill for an act relating to public welfare; altering certain provisions of the program of aid to families with dependent children; redefining the term "dependent child"; expanding the definition of persons ineligible; eliminating eligibility of the unborn; requiring rules to define "special needs" for eligible pregnant women; requiring recoument of overpayments; requiring registration of certain dependent recipients for employment services, training, and employment; restricting the earned income disregard to four months; restricting work expense disregards; specifying the amount of stepparent income to be considered available in determining need; providing for voluntary third party payments; eliminating eligibility for recipients participating in a strike; eliminating a prepaid funeral contract and reverse mortgage loan guarantees as disregarded resources; modifying the service fee for child support collection services; modifying the resource limits for recipients of aid to families with dependent children; extending medical assistance coverage to certain pregnant women; amending Minnesota Statutes 1980, Sections 256.12, Subdivision 14; 256.73, Subdivisions 3a, 5, 6, and by adding a subdivision; 256.736, Subdivisions 3 and 4; 256.74, Subdivision 1, and by adding a subdivision; 256.81; 256.935, Subdivision 2; 256.99; Minnesota Statutes 1981 Supplement, Sections 256.73, Subdivision 2; 256B.06, Subdivision 1; and 518.551, Subdivision 7; proposing new law coded in Minnesota Statutes, Chapter 256; repealing Minnesota Statutes 1981 Supplement, Section 257.021.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 110 yeas and 16 nays as follows:

Those who voted in the affirmative were:

Aasness	Fjoslien	Knickerbocker	Onnen	Sieben, M.
Ainley	Forsythe	Kostohryz	Osthoff	Simoneau
Anderson, B.	Frerichs	Kvam	Peterson, B.	Skoglund
Anderson, G.	Gruenes	Laidig	Peterson, D.	Stadum
Anderson, I.	Halberg	Lemen	Piepho	Stowell
Anderson, R.	Hanson	Levi	Redalen	Stumpf
Berkelman	Harens	Ludeman	Reding	Sviggum
Blatz	Hauge	Luknic	Rees	Swanson
Brandl	Haukoos	Mann	Reif	Tomlinson
Brinkman	Heap	Marsh	Rodriguez, C.	Valan
Carlson, D.	Heinitz	McDonald	Rodriguez, F.	Valento
Carlson, L.	Himle	McEachern	Rose	Vanasek
Dahlvang	Hoberg	Mehrkens	Rothenberg	Vellenga
Dempsey	Hokanson	Metzen	Samuelson	Voss
Den Ouden	Hokr	Murphy	Sarna	Weaver
Eken	Jennings	Nelsen, B.	Schafer	Welch
Elioff	Johnson, C.	Niehaus	Schoenfeld	Welker
Ellingson	Johnson, D.	Novak	Schreiber	Wenzel
Erickson	Jude	Nysether	Searles	Wieser
Esau	Kaley	O'Connor	Shea	Wynia
Evang	Kalis	Ogren	Sherman	Zubay
Ewald	Kelly	Olsen	Sherwood	Spkr. Sieben, H.

Those who voted in the negative were:

Battaglia	Clawson	Lehto	Munger	Pogemiller
Begich	Greenfield	McCarron	Nelson, K.	Rice
Clark, J.	Gustafson	Minne	Otis	Staten
Clark, K.				

The bill was passed and its title agreed to.

SECOND READING OF HOUSE BILLS, Continued

H. F. No. 14 was read for the second time.

SUSPENSION OF RULES

Pursuant to Article IV, Section 19, of the Constitution of the state of Minnesota, Anderson, I., moved that the rule therein be suspended and an urgency be declared so that H. F. No. 14 be given its third reading and be placed upon its final passage. The motion prevailed.

Anderson, I., moved that the rules of the House be so far suspended that H. F. No. 14 be given its third reading and be placed upon its final passage. The motion prevailed.

CALL OF THE HOUSE

On the motion of Eken and on the demand of 10 members, a call of the House was ordered. The following members answered to their names:

Aasness	Evans	Kelly	O'Connor	Sherman
Ainley	Ewald	Knickerbocker	Ogren	Sherwood
Anderson, B.	Fjoslien	Kostohryz	Olsen	Sieben, M.
Anderson, G.	Forsythe	Kvam	Onnen	Simoneau
Anderson, I.	Frerichs	Laidig	Osthoff	Skoglund
Anderson, R.	Greenfield	Lehto	Otis	Stadum
Battaglia	Gruenes	Lemen	Peterson, B.	Staten
Begich	Gustafson	Levi	Peterson, D.	Stowell
Berkelman	Halberg	Long	Piepho	Stumpf
Blatz	Hanson	Ludeman	Pogemiller	Sviggum
Brandl	Harens	Luknic	Redalen	Swanson
Brinkman	Hauge	Mann	Reding	Tomlinson
Carlson, D.	Haukoos	Marsh	Rees	Valan
Carlson, L.	Heap	McCarron	Reif	Valento
Clark, J.	Heinitz	McDonald	Rice	Vanasek
Clark, K.	Himle	McEachern	Rodriguez, C.	Vellenga
Clawson	Hoberg	Mehrkens	Rodriguez, F.	Voss
Dahlvang	Hokanson	Metzen	Rose	Weaver
Dean	Hokr	Minne	Rothenberg	Welch
Dempsey	Jennings	Munger	Samuelson	Welker
Den Ouden	Johnson, C.	Murphy	Sarna	Wenzel
Eken	Johnson, D.	Nelsen, B.	Schafer	Wieser
Elioff	Jude	Nelson, K.	Schoenfeld	Wynia
Ellingson	Kahn	Niehaus	Schreiber	Zubay
Erickson	Kaley	Novak	Searles	Spkr. Sieben, H.
Esau	Kalis	Nysether	Shea	

Eken moved that further proceedings of the roll call be dispensed with and that the Sergeant at Arms be instructed to bring in the absentees. The motion prevailed and it was so ordered.

Stowell moved to amend H. F. No. 14, the first engrossment, as follows:

Page 13, line 11, after "*comparable*" insert "*public*"

The motion prevailed and the amendment was adopted.

H. F. No. 14, A bill for an act relating to the financing and operation of state and local government; reducing appropriations for the general legislative and executive agencies of state government; providing for transfer of appropriations between fiscal years; requiring the board of regents of the university, the state university board, the community college board and the state board for vocational education to develop plans for declining enrollment; providing that parties to administrative hearings will bear the cost of court reporters under certain circumstances; adjusting fee limitations; providing certain workers' compensation settlements are conclusively presumed reasonable; specifying the contents of certain awards or disallowances of workers' compensation; modifying certain procedures for appeals of workers' compensation orders; modifying approval by the commissioner of labor and industry of the settlement of certain workers' compensation claims; eliminating the requirement that the commissioner of veterans affairs provide certain grave markers; reducing the period within which property is presumed abandoned; reducing certain pension contributions for state employees; increasing the property tax mill rate of the transit taxing district; providing for the use of certain appropriations to discharge workers' compensation and unemployment compensation obligations; authorizing the transfer of certain funds from the salary supplement; repealing review of administrative rules for business licenses; authorizing the transfer of certain funds appropriated to the higher education coordinating board for obligations under interstate tuition reciprocity agreements; appropriating money; altering the recognition of school district tax revenue; reducing state aids for education in fiscal year 1983 by 93 percent of the amount of the June, 1983 school district tax settlements; requiring payment of 70 percent of the estimated school district tax receipts within 15 days after the settlement date; establishing a cash flow loan fund; reducing education aid appropriations for fiscal year 1983; requiring the commissioner of finance to pay by February 26, 1982 any payments that were suspended; guaranteeing the payment of certain state aids and payments to local governments for calendar year 1981; granting local governments temporary borrowing authority; authorizing the commissioner of education to suspend certain education aids in December, 1981 and January, 1982; authorizing the commissioner of educa-

tion to consider cash flow requirements of each recipient in determining whether to suspend education aids; requiring the commissioner to issue certificates of aid; limiting inflation adjustments of the income tax brackets, credits, and maximum standard deduction under certain circumstances; prohibiting the commissioner of revenue from adopting certain depreciation schedules by rule; clarifying the application of the taxable net income adjustment factor to fiscal year taxpayers and its computation for 1981; modifying the inflation adjustment of the income tax brackets and the computation of the taxable net income adjustment factor; altering the method of taxing the income of certain oil companies by prohibiting their use of certain deductions and requiring the use of combined worldwide income; eliminating the use of the arithmetic average allocation formula for major oil companies; reducing the appropriations for local government aids; providing that farm income is wholly apportioned to Minnesota; amending Minnesota Statutes 1980, Sections 121.904, by adding a subdivision; 176.421, Subdivision 3; 176.521, as amended; 197.23; 276.11; 290.01, by adding a subdivision; 290.19, Subdivision 1; 345.32; 345.33; 345.34; 345.37; 345.38; 345.39; 352.04, Subdivisions 2 and 3; 352.92, Subdivisions 1 and 2; 352D.09, Subdivision 7; Minnesota Statutes 1981 Supplement, Sections 15.052, Subdivision 5; 16A.128; 124.2121, Subdivision 5; 176.081, Subdivision 7a; 176.371; 176.421, Subdivisions 4 and 5; 290.06, Subdivision 2d, and by adding a subdivision; 290.09, Subdivisions 1 and 7; 290.091; 290.17, Subdivision 2; 290.18, Subdivision 4, and by adding a subdivision; 290.21, Subdivision 4; 352D.04, Subdivision 2; 477A.03, Subdivision 2; Laws 1981, Chapters 356, Sections 45, 46, and 62; 359, Section 3, Subdivision 3; First Special Session, Chapter 1, Article I, Section 5; proposing new law coded in Chapter 124; repealing Minnesota Statutes 1980, Section 121.904, Subdivision 4; and Minnesota Statutes 1981 Supplement, Sections 3.965, Subdivision 6; and 362.453.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 68 yeas and 63 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Eken	Kelly	Ogren	Simoneau
Anderson, G.	Elioff	Kostohryz	Osthoff	Skoglund
Anderson, I.	Ellingson	Lehto	Otis	Staten
Battaglia	Greenfield	Long	Peterson, D.	Stumpf
Begich	Gustafson	Mann	Pogemiller	Swanson
Berkelman	Hanson	McCarron	Reding	Tomlinson
Brandl	Harens	McEachern	Rice	Vanasek
Brinkman	Hauge	Metzen	Rodriguez, C.	Vellenga
Byrne	Hokanson	Minne	Rodriguez, F.	Welch
Carlson, L.	Jacobs	Munger	Samuelson	Wenzel
Clark, J.	Johnson, C.	Murphy	Sarna	Wynia
Clark, K.	Jude	Nelson, K.	Schoenfeld	Spkr. Sieben, H.
Clawson	Kahn	Novak	Shea	
Dahlvang	Kalis	O'Connor	Sieben, M.	

Those who voted in the negative were:

Aasness	Forsythe	Knickerbocker	Olsen	Sherwood
Ainley	Frerichs	Kvam	Onnen	Stadum
Anderson, R.	Gruenes	Laidig	Peterson, B.	Stowell
Blatz	Halberg	Lemen	Piepho	Sviggum
Carlson, D.	Haukoos	Levi	Redalen	Valan
Dean	Heap	Ludeman	Rees	Valento
Dempsey	Heinitz	Luknic	Reif	Voss
Den Ouden	Himle	Marsh	Rose	Weaver
Erickson	Hoberg	McDonald	Rothenberg	Welker
Esau	Hokr	Mehrkens	Schafer	Wieser
Evans	Jennings	Nelsen, B.	Schreiber	Zubay
Ewald	Johnson, D.	Niehaus	Searles	
Fjoslien	Kaley	Nysether	Sherman	

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

MOTIONS AND RESOLUTIONS

Heinitz moved that the name of Hokanson be added as an author on H. F. No. 4. The motion prevailed.

Wynia moved that the name of Staten be added as an author on H. F. No. 22. The motion prevailed.

Jude; Sieben, H.; Sherwood; Ellingson and Dempsey introduced:

House Resolution No. 2, A house resolution commemorating the retirement of Robert J. Sheran as Chief Justice of the Minnesota Supreme Court and commending the exemplary nature of his public and professional career.

SUSPENSION OF RULES

Jude moved that the Rules be so far suspended that House Resolution No. 2 be now considered and be placed upon its adoption. The motion prevailed.

HOUSE RESOLUTION NO. 2

A house resolution commemorating the retirement of Robert J. Sheran as Chief Justice of the Minnesota Supreme Court and commending the exemplary nature of his public and professional career.

Whereas, Robert J. Sheran was born in Waseca, Minnesota, and educated at the College of St. Thomas and the University of Minnesota Law School; and,

Whereas, Robert J. Sheran served as a law clerk to the Minnesota Supreme Court; and,

Whereas, Robert J. Sheran engaged in the private practice of law for several years in Glencoe, Mankato and Minneapolis; and,

Whereas, Robert J. Sheran was elected to the House of Representatives of the State of Minnesota, where he served from 1947 to 1951; and,

Whereas, Robert J. Sheran was a member of the Tax Board of Appeals from 1961 to 1963; and,

Whereas, Robert J. Sheran served as an Associate Justice of the Minnesota Supreme Court from 1963 to 1970; and,

Whereas, Robert J. Sheran was a member of the Governor's Commission on Crime Prevention from 1970 to 1973; and,

Whereas, in 1973 Robert J. Sheran was recalled to the Minnesota Supreme Court for appointment as its Chief Justice; and,

Whereas, during his tenure as Chief Justice Robert J. Sheran presided over development of Uniform Rules of Criminal Procedure, influenced the 1977 county court reorganization legislation, and served as Vice Chair of the National Conference of Chief Justices; and,

Whereas, Robert J. Sheran will retire from the Minnesota Supreme Court on December 18, 1981; *Now, Therefore*,

Be It Resolved by the House of Representatives of the State of Minnesota that it hereby expresses to Robert J. Sheran its appreciation for his leadership and dedication to the administration of justice in this state.

Be It Further Resolved by the House of Representatives of the State of Minnesota that it commends to the people of the State of Minnesota the record of Robert J. Sheran as a career of public service and professional accomplishment worthy of emulation.

Be It Further Resolved that the Chief Clerk of the House of Representatives of the State of Minnesota is instructed to prepare an enrolled copy of this resolution, to be authenticated by his signature and that of the Speaker, and to transmit it to Robert J. Sheran.

Jude moved that House Resolution No. 2 be now adopted. The motion prevailed.

Eken moved that the House recess subject to the call of the Chair. The motion prevailed.

RECESS

RECONVENED

The House reconvened and was called to order by the Speaker.

Dean was excused for the remainder of today's session.

There being no objection the order of business reverted to Messages from the Senate.

MESSAGES FROM THE SENATE

The following message was received from the Senate:

Mr. Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned, as amended by the Senate, in which amendment the concurrence of the House is respectfully requested:

H. F. No. 14, A bill for an act relating to the financing and operation of state and local government; reducing appropriations for the general legislative and executive agencies of state government; providing for transfer of appropriations between fiscal years; requiring the board of regents of the university, the state university board, the community college board and the state board for vocational education to develop plans for declining enrollment; providing that parties to administrative hearings will bear the cost of court reporters under certain circumstances; adjusting fee limitations; providing certain workers' compensation settlements are conclusively presumed reasonable; specifying the contents of certain awards or disallowances of workers' compensation; modifying certain procedures for appeals of workers' compensation orders; modifying approval by the commissioner of labor and industry of the settlement of certain workers' compensation claims; eliminating the requirement that the commissioner of veterans affairs provide certain grave markers; reducing the period within which property is presumed abandoned; reducing certain pension contributions for state employees; increasing the property tax mill rate of the transit taxing district; providing for the use of certain appropriations to discharge workers' compensation and unemployment compensation obligations; authorizing the transfer of certain funds from the salary supplement; repealing review of administrative rules for business licenses; authorizing the transfer of certain funds appropriated to the higher education coordinating board for

obligations under interstate tuition reciprocity agreements; appropriating money; altering the recognition of school district tax revenue; reducing state aids for education in fiscal year 1983 by 93 percent of the amount of the June, 1983 school district tax settlements; requiring payment of 70 percent of the estimated school district tax receipts within 15 days after the settlement date; establishing a cash flow loan fund; reducing education aid appropriations for fiscal year 1983; requiring the commissioner of finance to pay by February 26, 1982 any payments that were suspended; guaranteeing the payment of certain state aids and payments to local governments for calendar year 1981; granting local governments temporary borrowing authority; authorizing the commissioner of education to suspend certain education aids in December, 1981 and January, 1982; authorizing the commissioner of education to consider cash flow requirements of each recipient in determining whether to suspend education aids; requiring the commissioner to issue certificates of aid; limiting inflation adjustments of the income tax brackets, credits, and maximum standard deduction under certain circumstances; prohibiting the commissioner of revenue from adopting certain depreciation schedules by rule; clarifying the application of the taxable net income adjustment factor to fiscal year taxpayers and its computation for 1981; modifying the inflation adjustment of the income tax brackets and the computation of the taxable net income adjustment factor; altering the method of taxing the income of certain oil companies by prohibiting their use of certain deductions and requiring the use of combined worldwide income; eliminating the use of the arithmetic average allocation formula for major oil companies; reducing the appropriations for local government aids; providing that farm income is wholly apportioned to Minnesota; amending Minnesota Statutes 1980, Sections 121.904, by adding a subdivision; 176.421, Subdivision 3; 176.521, as amended; 197.23; 276.11; 290.01, by adding a subdivision; 290.19, Subdivision 1; 345.32; 345.33; 345.34; 345.37; 345.38; 345.39; 352.04, Subdivisions 2 and 3; 352.92, Subdivisions 1 and 2; 352D.09, Subdivision 7; Minnesota Statutes 1981 Supplement, Sections 15.052, Subdivision 5; 16A.128; 124.2121, Subdivision 5; 176.081, Subdivision 7a; 176.371; 176.421, Subdivisions 4 and 5; 290.06, Subdivision 2d, and by adding a subdivision; 290.09, Subdivisions 1 and 7; 290.091; 290.17, Subdivision 2; 290.18, Subdivision 4, and by adding a subdivision; 290.21, Subdivision 4; 352D.04, Subdivision 2; 477A.03, Subdivision 2; Laws 1981, Chapters 356, Sections 45, 46, and 62; 359, Section 3, Subdivision 3; First Special Session, Chapter 1, Article I, Section 5; proposing new law coded in Chapter 124: repealing Minnesota Statutes 1980, Section 121.904, Subdivision 4; and Minnesota Statutes 1981 Supplement, Sections 3.965, Subdivision 6; and 362.453.

PATRICK E. FLAHAVEN, Secretary of the Senate

Anderson, I., moved that the House refuse to concur in the Senate amendments to H. F. No. 14, that the Speaker appoint

a Conference Committee of 5 members of the House, and that the House requests that a like committee be appointed by the Senate to confer on the disagreeing votes of the two Houses. The motion prevailed.

ANNOUNCEMENT BY THE SPEAKER

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 14:

Anderson, I.; Sieben, M.; Johnson, C.; Eken and Sieben, H.

ADJOURNMENT

Eken moved that when the House adjourns today it adjourn until 11:00 a.m., Saturday, December 19, 1981. The motion prevailed.

Eken moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 11:00 a.m., Saturday, December 19, 1981.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

STATE OF MINNESOTA

THIRD SPECIAL SESSION - 1981

NINTH DAY

SAINT PAUL, MINNESOTA, SATURDAY, DECEMBER 19, 1981

The House of Representatives convened at 11:00 a.m. and was called to order by Harry A. Sieben, Jr., Speaker of the House.

Prayer was offered by Reverend Willis A. Olson, Minnehaha Academy, Minneapolis, Minnesota.

The roll was called and the following members were present:

Aasness	Ewald	Kelly	O'Connor	Sherman
Ainley	Fjoslien	Knickerbocker	Ogren	Sherwood
Anderson, B.	Forsythe	Kostohryz	Olsen	Sieben, M.
Anderson, G.	Frerichs	Kvam	Onnen	Simoneau
Anderson, I.	Greenfield	Laidig	Osthoff	Skoglund
Anderson, R.	Gruenes	Lehto	Otis	Stadum
Battaglia	Gustafson	Lemen	Peterson, B.	Staten
Begich	Halberg	Levi	Peterson, D.	Stowell
Berkelman	Hanson	Long	Piepho	Stumpf
Blatz	Harens	Ludeman	Pogemiller	Sviggum
Brandl	Hauge	Luknic	Redalen	Swanson
Brinkman	Haukoos	Mann	Reding	Tomlinson
Byrne	Heap	Marsh	Rees	Valan
Carlson, D.	Heinitz	McCarron	Reif	Valento
Carlson, L.	Himle	McDonald	Rice	Vanasek
Clark, J.	Hoberg	McEachern	Rodriguez, C.	Vellenga
Clark, K.	Hokanson	Mehrrens	Rodriguez, F.	Voss
Clawson	Hokr	Metzen	Rose	Weaver
Dahlvang	Jacobs	Minne	Rothenberg	Welch
Dean	Jennings	Munger	Samuelson	Welker
Den Ouden	Johnson, C.	Murphy	Sarna	Wenzel
Eken	Johnson, D.	Nelsen, B.	Schafer	Wieser
Elioff	Jude	Nelson, K.	Schoenfeld	Wynia
Erickson	Kahn	Niehaus	Schreiber	Zubay
Esau	Kaley	Novak	Searles	Spkr. Sieben, H.
Evans	Kalis	Nysether	Shea	

A quorum was present.

Dempsey, Drew, Ellingson, Norton and Wigley were excused.

The Chief Clerk proceeded to read the Journal of the preceding day. Gustafson moved that further reading of the Journal be dispensed with and that the Journal be approved as corrected by the Chief Clerk. The motion prevailed.

REPORTS OF CHIEF CLERK

Pursuant to Rules of the House, printed copies of H. F. Nos. 4 and 14 have been placed in the members' files.

MESSAGES FROM THE SENATE

The following message was received from the Senate:

Mr. Speaker:

I hereby announce that the Senate accedes to the request of the House for the appointment of a Conference Committee on the amendments adopted by the Senate to the following House File:

H. F. No. 14, A bill for an act relating to the financing and operation of state and local government; reducing appropriations for the general legislative and executive agencies of state government; providing for transfer of appropriations between fiscal years; requiring the board of regents of the university, the state university board, the community college board and the state board for vocational education to develop plans for declining enrollment; providing that parties to administrative hearings will bear the cost of court reporters under certain circumstances; adjusting fee limitations; providing certain workers' compensation settlements are conclusively presumed reasonable; specifying the contents of certain awards or disallowances of workers' compensation; modifying certain procedures for appeals of workers' compensation orders; modifying approval by the commissioner of labor and industry of the settlement of certain workers' compensation claims; eliminating the requirement that the commissioner of veterans affairs provide certain grave markers; reducing the period within which property is presumed abandoned; reducing certain pension contributions for state employees; increasing the property tax mill rate of the transit taxing district; providing for the use of certain appropriations to discharge workers' compensation and unemployment compensation obligations; authorizing the transfer of certain funds from the salary supplement; repealing review of administrative rules for business licenses; authorizing the transfer of certain funds appropriated to the higher education coordinating board for obligations under interstate tuition reciprocity agreements; appropriating money; altering the recognition of school district tax revenue; reducing state aids for education in fiscal year 1983 by 93 percent of the amount of the June, 1983 school district tax settlements; requiring payment of 70 percent of the estimated school district tax receipts within 15 days after the settlement date; establishing a cash flow loan fund; reducing education aid appropriations for fiscal year 1983; requiring the commissioner of finance to pay by February 26, 1982 any payments that were suspended; guaranteeing the payment of certain state aids and payments to local

governments for calendar year 1981; granting local governments temporary borrowing authority; authorizing the commissioner of education to suspend certain education aids in December, 1981 and January, 1982; authorizing the commissioner of education to consider cash flow requirements of each recipient in determining whether to suspend education aids; requiring the commissioner to issue certificates of aid; limiting inflation adjustments of the income tax brackets, credits, and maximum standard deduction under certain circumstances; prohibiting the commissioner of revenue from adopting certain depreciation schedules by rule; clarifying the application of the taxable net income adjustment factor to fiscal year taxpayers and its computation for 1981; modifying the inflation adjustment of the income tax brackets and the computation of the taxable net income adjustment factor; altering the method of taxing the income of certain oil companies by prohibiting their use of certain deductions and requiring the use of combined worldwide income; eliminating the use of the arithmetic average allocation formula for major oil companies; reducing the appropriations for local government aids; providing that farm income is wholly apportioned to Minnesota; amending Minnesota Statutes 1980, Sections 121.904, by adding a subdivision; 176.421, Subdivision 3; 176.521, as amended; 197.23; 276.11; 290.01, by adding a subdivision; 290.19, Subdivision 1; 345.32; 345.33; 345.34; 345.37; 345.38; 345.39; 352.04, Subdivisions 2 and 3; 352.92, Subdivisions 1 and 2; 352D.09, Subdivision 7; Minnesota Statutes 1981 Supplement, Sections 15.052, Subdivision 5; 16A.128; 124.2121, Subdivision 5; 176.081, Subdivision 7a; 176.371; 176.421, Subdivisions 4 and 5; 290.06, Subdivision 2d, and by adding a subdivision; 290.09, Subdivisions 1 and 7; 290.091; 290.17, Subdivision 2; 290.18, Subdivision 4, and by adding a subdivision; 290.21, Subdivision 4; 352D.04, Subdivision 2; 477A.03, Subdivision 2; Laws 1981, Chapters 356, Sections 45, 46, and 62; 359, Section 3, Subdivision 3; First Special Session, Chapter 1, Article I, Section 5; proposing new law coded in Chapter 124; repealing Minnesota Statutes 1980, Section 121.904, Subdivision 4; and Minnesota Statutes 1981 Supplement, Sections 3.965, Subdivision 6; and 362.453.

The Senate has appointed as such committee Messrs. Moe, R. D.; Hanson; Johnson; Willet and Dieterich.

House File No. 14 is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

MOTIONS AND RESOLUTIONS

Wenzel, Sarna, Laidig, Gustafson and Jude introduced:

House Resolution No. 3, A house resolution commending Minnesota organizations participating in the Food for Poland drive.

SUSPENSION OF RULES

Wenzel moved that the Rules be so far suspended that House Resolution No. 3 be now considered and be placed upon its adoption. The motion prevailed.

HOUSE RESOLUTION NO. 3

A house resolution commending Minnesota organizations participating in the Food for Poland drive.

Whereas, because of the domestic political crisis in Poland, the people there are facing winter without sufficient food supplies; and,

Whereas, in response to the need in Poland, many Minnesota religious, civic, business, and labor organizations have sought contributions to buy and ship food to Poland; and,

Whereas, it is apparent that the Minnesota effort will provide a major contribution to the national drive to provide food for Poland; and,

Whereas, the organizations which are organizing and participating in this effort should be commended; *now, therefore*,

Be it resolved by the House of Representatives of the State of Minnesota that the Archdiocese of St. Paul and Minneapolis, the Greater Minneapolis Association of Evangelicals, Minnesota Polish-American organizations, the Teamsters Union, and the Longshoremen Union are commended for their efforts to avoid massive human suffering in Poland.

Be it further resolved that the Chief Clerk of the House of Representatives is directed to prepare an enrolled copy of this resolution, to be authenticated by his signature and that of the Speaker, and that it be presented to the above organizations.

Wenzel moved that House Resolution No. 3 be now adopted. The motion prevailed.

Eken moved that the House recess subject to the call of the Chair. The motion prevailed.

RECESS

RECONVENED

The House reconvened and was called to order by the Speaker.

ADJOURNMENT

Eken moved that when the House adjourns today it adjourn until 11:00 a.m., Monday, December 21, 1981. The motion prevailed.

Eken moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 11:00 a.m., Monday, December 21, 1981.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

STATE OF MINNESOTA

THIRD SPECIAL SESSION - 1981

TENTH DAY

SAINT PAUL, MINNESOTA, MONDAY, DECEMBER 21, 1981

The House of Representatives convened at 11:00 a.m. and was called to order by Harry A. Sieben, Jr., Speaker of the House.

Prayer was offered by Pastor Lyle T. Christianson, Conference Council Director of Minnesota Conference, United Methodist Church, Minneapolis, Minnesota.

The roll was called and the following members were present:

Aasness	Erickson	Kahn	Niehaus	Schreiber
Ainley	Esau	Kaley	Novak	Searles
Anderson, B.	Evans	Kalis	Nysether	Sherman
Anderson, G.	Ewald	Kelly	O'Connor	Sherwood
Anderson, I.	Fjoslien	Knickerbocker	Ogren	Sieben, M.
Anderson, R.	Forsythe	Kostohryz	Onnen	Simoneau
Battaglia	Frerichs	Laidig	Osthoff	Skoglund
Begich	Greenfield	Lehto	Otis	Stadum
Berkelman	Gruenes	Lemen	Peterson, B.	Staten
Blatz	Gustafson	Levi	Peterson, D.	Stowell
Brandl	Halberg	Long	Piepho	Sviggum
Brinkman	Hanson	Ludeman	Pogemiller	Swanson
Byrne	Harens	Luknic	Redalen	Tomlinson
Carlson, D.	Hauge	Mann	Reding	Valan
Carlson, L.	Haukoos	Marsh	Rees	Valento
Clark, J.	Heap	McCarron	Reif	Vanasek
Clark, K.	Heinitz	McDonald	Rice	Voss
Clawson	Himle	McEachern	Rodriguez, C.	Weaver
Dahlvang	Hoberg	Mehrkens	Rodriguez, F.	Welch
Dean	Hokanson	Metzen	Rose	Welker
Den Ouden	Hokr	Minne	Rothenberg	Wenzel
Drew	Jennings	Munger	Samuelson	Wieser
Eken	Johnson, C.	Murphy	Sarna	Wynia
Elioff	Johnson, D.	Nelsen, B.	Schafer	Zubay
Ellingson	Jude	Nelson, K.	Schoenfeld	Spkr. Sieben, H.

A quorum was present.

Dempsey, Norton and Wigley were excused.

Jacobs, Kvam, Olsen, Shea, Stumpf and Vellenga were excused until 1:00 p.m.

The Chief Clerk proceeded to read the Journal of the preceding day. Kelly moved that further reading of the Journal be dispensed with and that the Journal be approved as corrected by the Chief Clerk. The motion prevailed.

Eken moved that the House recess subject to the call of the Chair. The motion prevailed.

RECESS

RECONVENED

The House reconvened and was called to order by the Speaker.

The following conference committee report was received:

CONFERENCE COMMITTEE REPORT ON H. F. NO. 14

A bill for an act relating to the financing and operation of state and local government; reducing appropriations for the general legislative and executive agencies of state government; providing for transfer of appropriations between fiscal years; requiring the board of regents of the university, the state university board, the community college board and the state board for vocational education to develop plans for declining enrollment; providing that parties to administrative hearings will bear the cost of court reporters under certain circumstances; adjusting fee limitations; providing certain workers' compensation settlements are conclusively presumed reasonable; specifying the contents of certain awards or disallowances of workers' compensation; modifying certain procedures for appeals of workers' compensation orders; modifying approval by the commissioner of labor and industry of the settlement of certain workers' compensation claims; eliminating the requirement that the commissioner of veterans affairs provide certain grave markers; reducing the period within which property is presumed abandoned; reducing certain pension contributions for state employees; increasing the property tax mill rate of the transit taxing district; providing for the use of certain appropriations to discharge workers' compensation and unemployment compensation obligations; authorizing the transfer of certain funds from the salary supplement; repealing review of administrative rules for business licenses; authorizing the transfer of certain funds appropriated to the higher education coordinating board for obligations under interstate tuition reciprocity agreements; appropriating money; altering the recognition of school district tax revenue; reducing state aids for education in fiscal year 1983 by 93 percent of the amount of the June, 1983 school district tax settlements; requiring payment of 70 percent of the estimated school district tax receipts within 15 days after the settlement date; establishing a cash flow loan fund; reducing

education aid appropriations for fiscal year 1983; requiring the commissioner of finance to pay by February 26, 1982 any payments that were suspended; guaranteeing the payment of certain state aids and payments to local governments for calendar year 1981; granting local governments temporary borrowing authority; authorizing the commissioner of education to suspend certain education aids in December, 1981 and January, 1982; authorizing the commissioner of education to consider cash flow requirements of each recipient in determining whether to suspend education aids; requiring the commissioner to issue certificates of aid; limiting inflation adjustments of the income tax brackets, credits, and maximum standard deduction under certain circumstances; prohibiting the commissioner of revenue from adopting certain depreciation schedules by rule; clarifying the application of the taxable net income adjustment factor to fiscal year taxpayers and its computation for 1981; modifying the inflation adjustment of the income tax brackets and the computation of the taxable net income adjustment factor; altering the method of taxing the income of certain oil companies by prohibiting their use of certain deductions and requiring the use of combined worldwide income; eliminating the use of the arithmetic average allocation formula for major oil companies; reducing the appropriations for local government aids; providing that farm income is wholly apportioned to Minnesota; amending Minnesota Statutes 1980, Sections 121.904, by adding a subdivision; 176.421, Subdivision 3; 176.521, as amended; 197.23; 276.11; 290.01, by adding a subdivision; 290.19, Subdivision 1; 345.32; 345.33; 345.-34; 345.37; 345.38; 345.39; 352.04, Subdivisions 2 and 3; 352.92, Subdivisions 1 and 2; 352D.09, Subdivision 7; Minnesota Statutes 1981 Supplement, Sections 15.052, Subdivision 5; 16A.128; 124.2121, Subdivision 5; 176.081, Subdivision 7a; 176.371; 176.-421, Subdivisions 4 and 5; 290.06, Subdivision 2d, and by adding a subdivision; 290.09, Subdivisions 1 and 7; 290.091; 290.17, Subdivision 2; 290.18, Subdivision 4, and by adding a subdivision; 290.21, Subdivision 4; 352D.04, Subdivision 2; 477A.03, Subdivision 2; Laws 1981, Chapters 356, Sections 45, 46, and 62; 359, Section 3, Subdivision 3; First Special Session, Chapter 1, Article I, Section 5; proposing new law coded in Chapter 124; repealing Minnesota Statutes 1980, Section 121.904, Subdivision 4; and Minnesota Statutes 1981 Supplement, Sections 3.965, Subdivision 6; and 362.453.

December 21, 1981

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

The Honorable Jack Davies
President of the Senate

We, the undersigned conferees for H. F. No. 14, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment and H. F. No. 14 be amended as follows:

Delete everything after the enacting clause and insert:

ARTICLE I

STATE AGENCY APPROPRIATION REDUCTIONS

Section 1. [APPROPRIATION REDUCTIONS: SUMMARY.]

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

SUMMARY OF REDUCTIONS BY FUNCTION

	1982	1983	TOTAL
STATE DEPARTMENTS	(\$18,692,200)	(\$18,002,600)	(\$36,694,800)
TRANSPORTATION AND OTHER AGENCIES	(3,050,900)	(5,906,400)	(8,957,300)
EDUCATION	(11,670,000)	(23,430,000)	(35,100,000)
WELFARE, CORRECTIONS, HEALTH	(6,611,400)	(10,954,500)	(17,565,900)
TOTAL	(\$40,024,500)	(\$58,293,500)	(\$98,318,000)

APPROPRIATION REDUCTIONS

Sec. 2. [APPROPRIATION REDUCTIONS.]

Subdivision 1. [STATE DEPARTMENTS.]

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

	1982	1983
	\$	\$
(a) Legislature	(1,471,400)	(992,800)

The amounts that are reduced from each appropriation are as follows:

- | | | |
|---|-----------|--|
| (1) House of Representatives | | |
| 1982 | 1983 | |
| (1,014,000) | (-0-) | |
| (2) Legislative Coordinating Commission—General Support | | |
| (25,000) | (900) | |
| (3) LCC—Workers Compensation Study | | |
| (3,000) | (-0-) | |
| (4) LCC—Transit Study | | |
| (20,000) | (-0-) | |
| (5) Legislative Reference Library | | |
| (42,500) | (48,800) | |
| (6) Revisor of Statutes | | |
| (84,300) | (450,700) | |
| (7) Legislative Committee on Science and Technology | | |
| (24,700) | (125,300) | |
| <p>The Legislative Committee on Science and Technology is abolished, effective March 1, 1982. Committee staff should be given consideration for employment by other legislative agencies.</p> | | |
| (8) Advisory Council on the Economic Status of Women | | |
| (7,800) | (17,700) | |
| (9) Great Lakes Commission | | |
| (4,400) | (4,900) | |

	1982	1983
	\$	\$
(10) Legislative Commission on Pensions and Retirement		
	(9,500)	(20,500)
(11) Legislative Commission on Employee Relations		
	(50,000)	(50,000)
(12) Legislative Commission to Review Administrative Rules		
	(9,900)	(11,200)
(13) Legislative Audit Commission		
	(1,800)	(1,800)
(14) Legislative Auditor		
	(174,500)	(261,000)
(b) Supreme Court	(-0-)	(-0-)
<p>The appropriation contained in Laws 1981, Chapter 356, Section 3 for judicial district computer hardware costs is transferred to the fiscal year 1983 appropriation made in Laws 1981, Chapter 356, Section 4 for district and county judge travel costs.</p>		
(c) Board on Judicial Standards	(-0-)	(3,000)
(d) Tax Court of Appeals	(10,000)	(10,000)
(e) Contingent Accounts— Unemployment Compensation	(350,000)	(-0-)
(f) Governor	(175,200)	(218,700)
(g) Secretary of State	(12,300)	(20,000)
(h) State Auditor	(3,000)	(3,000)

The commissioner of administration in cooperation with the commissioner of finance, the commissioner of transportation, and the state auditor is directed to review whether duplication of effort

	1982	1983
\$		\$

occurs between the fiscal studies unit of the department of transportation relating to local government financial reporting and the governmental information division within the office of the state auditor. By February 15, 1982, the commissioner of administration shall report to the chairmen of the house appropriations and senate finance committees what state and local cost savings would accrue with the merger of these activities within the office of the auditor.

(i) State Treasurer	(25,000)	(25,000)
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The insurance division shall assist and cooperate with the state treasurer in examining for unclaimed property. The state treasurer may act with the authority of the insurance division in examining for unclaimed property.

(j) Attorney General	(385,700)	(425,600)
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The appropriation from the trunk highway fund in Laws 1981, Chapter 357, Section 3, for Administration and Related Services is increased by \$250,000 in the first year and \$250,000 in the second year for the purchase of legal services from the attorney general.

The sum of \$30,000 the first year and \$130,000 the second year is appropriated from the highway user tax distribution fund to the commissioner of public safety for the purchase of legal services from the attorney general relating to civil weight law enforcement.

The sum of \$315,000 the first year and \$345,000 the second year is appropriated from the general fund to the commissioner of public welfare to be used to purchase legal services from the attorney general for income maintenance programs. The commissioner of public welfare shall seek federal reimbursement for these legal costs, to be credited to the general fund.

	1982	1983
	\$	\$
(k) Administrative Hearings	(66,600)	(161,000)

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

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

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

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

(l) Administration	(1,778,400)	(1,990,200)
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The reduction for the state band shall not be more than 50 percent in the second year.

(m) Capitol Area Architectural and Planning Board	(5,000)	(5,000)
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(n) Finance	(602,700)	(623,800)
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The positions of debt management director and research scientist within the economic analysis section shall not be held vacant to make this reduction.

(o) Employee Relations	(325,800)	(332,900)
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(p) Revenue	(530,700)	(726,900)
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Walk-in taxpayer assistance shall not be reduced by more than 50 percent.

	1982	1983
	\$	\$
(q) Agriculture	(2,327,200)	(3,266,300)

No more than \$343,900 the first year and \$348,900 the second year shall be reduced in the agricultural protection service program.

No more than \$124,300 in 1982 and \$211,300 in 1983 shall be reduced from the family farm security program.

\$150,000 in fiscal year 1982 and \$150,000 in fiscal year 1983 is reduced from grants to county and district agricultural societies and associations.

(r) Animal Health, Board of	(158,800)	(163,000)
(s) Natural Resources	(3,076,900)	(3,617,100)

Of this reduction, \$71,600 the first year and \$50,000 the second year shall be reduced from the appropriation for soil and water conservation board administrative costs.

Money appropriated from the receipts for watercraft licenses shall not be reduced and shall be expended only as authorized by Minnesota Statutes, Section 361.03.

Of the moneys appropriated to the department of natural resources, \$75,000 shall be used for a timber study.

(t) Zoological Board	(432,600)	(566,200)
(u) Water Resources Board	(-0-)	(28,000)
(v) Pollution Control Agency	(790,400)	(747,300)
(w) Waste Management Board	(147,000)	(195,000)

General fund positions of the Waste Management Board may be converted to bond fund positions when their duties are limited to duties that are authorized to be paid for with bond proceeds.

	1982	1983
	\$	\$
(x) Energy, Planning and Development	(896,700)	(771,000)
(y) Natural Resources Acceleration (LCMR)	(1,396,500)	(1,797,500)

This appropriation reduction was made pursuant to the recommendation of the Legislative Commission on Minnesota Resources.

(z) Labor and Industry	(279,200)	(279,200)
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The appropriation reductions in this item are made after the appropriation transfers authorized by Laws 1981, Chapter 346, Section 144.

None of this reduction shall occur in the appropriations for the special compensation fund or for peace officer death benefits.

No reduction shall be made in the appropriation for the workers' compensation program, except as necessary to provide money for the OSHA program to minimize the loss of federal matching money or where the commissioner can demonstrate that the reduction can be made because of cost savings that will not harm the workers' compensation program.

Expenditure of the monies appropriated in Laws 1981, Chapter 346, Section 144, Subdivision 7 shall not be governed by the low bid requirements of section 16.08.

(aa) Workers' Compensation Court of Appeals	(13,000)	(13,000)
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The appropriation reductions in this item are made after the appropriation transfers authorized by Laws 1981, Chapter 346, Section 144.

(bb) Mediation Services	(48,300)	(121,000)
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	1982	1983
	\$	\$
(cc) Public Employment Relations Board	(2,500)	(3,000)
(dd) Military Affairs	(545,000)	(550,000)
(ee) Veterans Affairs	(158,900)	(166,300)

This reduction shall not be made in direct patient care positions at the veterans homes.

Notwithstanding the provisions of Minnesota Statutes, Section 198.055, the members of the veterans advisory committee may forego the compensation provided therein.

The nondedicated receipt limitation in Laws 1981, Chapter 356, Section 36 for fiscal year 1982 is reduced by \$627,800.

(ff) Indian Affairs Intertribal Board	(13,000)	(13,000)
(gg) Council on Black Minnesotans	(-0-)	(9,300)
(hh) Council for the Handicapped	(36,800)	(30,800)
(ii) Human Rights	(125,000)	(125,000)
(jj) Council On Affairs of Spanish-Speaking People	(2,600)	(2,700)
(kk) Housing Finance Agency	(2,500,000)	(-0-)

The appropriation in Laws 1981, Chapter 306, Section 21, is reduced by the amount indicated.

The spending limit on cost of general administration of agency programs is reduced by \$54,300 the first year and \$54,300 the second year.

Subd. 2. [TRANSPORTATION AND OTHER AGENCIES.]

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

	1982	1983
	\$	\$
(a) Transportation	(944,200)	(3,403,000)

Appropriations for Rail Service Improvement Grants are reduced by \$124,000 in the first year.

Appropriations for MTC operating grants are reduced \$2,400,000 in the second year.

Notwithstanding Laws 1981, Chapter 363, Section 55, Subdivision 1, the metropolitan transit commission may add up to a \$.15 surcharge on fares during the peak hours. The surcharge shall expire on June 30, 1983.

The metropolitan transit commission shall reduce its support staff by 50 positions below the actual level existing on December 1, 1981. Thirty-one positions shall be reduced by April 1, 1982 and the remaining 19 positions shall be reduced by July 1, 1983. Support staff includes all staff other than drivers, mechanics and security personnel.

The metropolitan transit commission is directed to prepare a report to the legislature regarding both employee benefit packages, including pension programs, and peak hour staffing practices. The report shall include projections of both short and long term costs. The report shall be submitted to the chairman of the house appropriations committee and the chairman of the senate finance committee by February 1, 1982.

The metropolitan transit commission shall not expend capital or operating funds for the purchase of articulated buses with wheelchair lifts. This restriction shall apply to any articulated buses which may be on order.

The department shall reallocate resources in order to review MTC budgets and to contract for the disbursement of

	\$	1982	\$	1983
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funds to the metropolitan transit commission pursuant to statutory requirements.

Appropriations for private transit operators in the metropolitan area are reduced \$73,000 in the first year and \$143,000 in the second year.

Appropriations for statewide transit operating assistance are reduced \$700,000 in the first year and \$850,000 in the second year.

No reductions shall be made for metro mobility projects, the metro mobility control center, and project mobility.

Appropriations for public transit capital grants are reduced \$37,200 in the first year.

Reimbursements from the general fund to the trunk highway fund are reduced \$116,000 in the first year and \$192,200 in the second year.

Any unexpended balance of the appropriation for AMTRAK rail subsidy Duluth-Twin Cities made by Laws 1980, Chapter 614, Section 27, Clause (c) and any reimbursements or refunds of expenditures made for the fiscal year ending June 30, 1981 are reappropriated for the subsidization of service during the biennium ending June 30, 1983.

The immediately available appropriation for AMTRAK operations made by Laws 1981, Chapter 357, Section 2, Subdivision 4, Clause (e) is reappropriated for the biennium ending June 30, 1983, and may be expended without regard to the restrictions stated therein.

(b) Public Safety	(726,300)	(558,700)
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Reimbursements from the general fund to the trunk highway fund are reduced \$37,600 in the first year and \$38,900 in the second year.

	1982	1983
\$		\$

The liquor control program shall concentrate its activities along the border areas of Minnesota.

(c) Commerce	(318,900)	(380,100)
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Appropriations for the banking division shall be reduced \$6,300 in the first year and \$7,300 in the second year.

Appropriations for the securities and real estate division shall be reduced \$38,400 in the first year and \$67,700 in the second year.

Appropriations for the insurance division shall be reduced \$131,000 in the first year and \$13,100 in the second year. No more than seven positions shall be reduced or remain unfilled in the insurance division.

Appropriations for the office of consumer services shall be reduced \$109,400 in the first year and \$153,700 in the second year.

Appropriations for administrative services shall be reduced \$33,800 in the first year and \$138,300 in the second year.

(d) Abstractors, Board of	(500)	(500)
(e) Accountancy, Board of	(-0-)	(3,800)
(f) Architecture, Engineering and Land Surveying, Board of	(18,800)	(38,700)
(g) Barber Examiners, Board of ..	(-0-)	(2,700)
(h) Boxing, Board of	(8,000)	(11,400)
(i) Peace Officer Standards and Training, Board of	(11,700)	(11,800)
(j) Examiners in Watchmaking, Board of	(700)	(800)

	1982	1983
	\$	\$
<p>The boards identified in items (d) through (h) and (j) shall hold no more than four board meetings per year, unless an emergency situation requires a special meeting.</p>		
(k) Public Utilities Commission . . .	(20,700)	(21,600)
(l) Public Service	(33,300)	(33,400)
(m) Ethical Practices Board	(17,000)	(15,400)
(n) Minnesota Municipal Board	(20,700)	(21,000)
(o) Minnesota-Wisconsin Boundary Area Commission	(3,400)	(3,700)
(p) Uniform Laws Commission	(-0-)	(3,200)
(q) Voyageurs National Park Citizens Committee	(-0-)	(5,500)
(r) Southern Minnesota River Basin Board	(5,800)	(6,000)
(s) Minnesota Historical Society	(635,900)	(969,500)

This reduction shall not apply to the Minnesota military history museum at Fort Snelling and Camp Ripley, the Sibley House Association, government learning center, Minnesota humanities commission, Minnesota international center, and the historic grant-in-aid program to encourage local historic preservation projects.

(t) Arts, Board of the	(254,800)	(400,200)
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The amounts to be reduced from each program are as follows:

(1) Administrative Services		
	1982	1983
	(112,100)	(154,500)
(2) Subsidies and Grants		
	(142,700)	(245,700)

	1982	1983
	\$	\$
<p>Of the remaining appropriations, \$758,600 in the first year and \$897,800 in the second year is for the general support one program; \$136,700 in the first year and \$157,400 in the second year is for the general support two program; \$80,600 in the first year is for the sponsor grants program; and \$685,700 in the first year and \$677,600 in the second year is for the regional program. Regional grants shall be distributed according to the formula included in the work papers adopted by the conference committee.</p>		
(u) Minnesota Humane Society	(6,200)	(-0-)
(v) County Attorneys Council	(15,100)	(-0-)
(w) Minnesota Horticultural Society	(8,900)	(9,600)
(x) Minnesota Academy of Science	(-0-)	(5,800)
(y) Science Museum of Minnesota	(-0-)	(-0-)

The appropriation for the second year shall be reduced by \$25,000. This reduction shall be reinstated on the basis of \$1 for every \$1 received from the city of Saint Paul.

Subd. 3. [EDUCATION.]

The general fund appropriations in Laws 1981, Chapter 359, as amended by Laws 1981, First Special Session, Chapter 2, are reduced by the listed amounts:

(a) Education, Department of	(1,500,000)	(3,000,000)
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None of this reduction shall be taken from the appropriations for the Minnesota School for the Deaf or the Minnesota Braille and Sight-saving School.

(b) Higher Education Coordinating Board	(150,000)	(280,000)
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	1982	1983
\$		\$

\$152,000 of the amount for 1983 is a reduction from the private college contract program. The private college contract program shall not provide funds for post baccalaureate students.

Notwithstanding any law to the contrary, if a portion of sums appropriated to the higher education coordinating board pursuant to Laws 1981, Chapter 359, Section 3, Subdivisions 3, 4, 5, 7, 8, 9 and 10 for state scholarships, nurses scholarships, state grants-in-aid, part time student subsidy, special assistance, state work study, medical student loans, AVTI tuition subsidy and private college contracts for fiscal year 1983 are refunded and unused, that portion may be transferred to meet obligations under interstate tuition reciprocity agreements. However, the higher education coordinating board shall demonstrate to the commissioner of finance that the intended level of expenditure for the programs is not reduced. In addition, transfers made may be reversed if necessary to meet the needs and objectives of affected programs.

- (c) State University Board (2,300,000) (4,600,000)
- (d) State Community College Board (1,100,000) (2,200,000)
- (e) University of Minnesota (6,500,000) (13,100,000)
- (f) Mayo Medical School (120,000) (250,000)

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

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

- (a) Public Welfare (1,004,600) (8,534,400)

The sum of \$26,500,000 for 1982 and \$49,853,000 for 1983 is appropriated to the commissioner of public welfare for the income maintenance program.

1982

1983

\$

\$

This appropriation is available in each fiscal year as indicated only if the amounts already appropriated in Laws 1981, Chapter 360, Article I, Section 2, Subdivision 4, are insufficient to meet the costs. This appropriation is available only upon recommendation of the legislative advisory commission under Minnesota Statutes, Section 3.30.

Aid to families with dependent children and general assistance grants shall be increased by the commissioner of public welfare by seven percent on August 1, 1982, rather than July 1, 1982, unless federal statute or regulation requires otherwise.

For the rate year that begins during the fiscal year ending June 30, 1982, for each existing facility with a capacity increase of more than 25 percent but less than 50 percent for which a certificate of need has been issued on or after January 1, 1980 and for which contracts for construction had been let, and both ground breaking and construction were begun before July 1, 1981, increases in the per diem for depreciation and interest expense applicable to the new construction shall not be limited by the prevailing statutory percentage limit established by Minnesota Statutes 1981 Supplement, Section 256B.03, Subdivision 2 or the regional maximum rate. The additional amounts allowed for depreciation and interest under this provision shall be excluded from subsequent computations of the regional maxima.

The commissioner of public welfare shall study the fiscal and programmatic impact, the number of persons who would be affected, problems and benefits to persons who would be affected, and any other effects, if the costs of providing developmental achievement services and semi-independent living services were paid through Title 19 of the Social Security Act and Minnesota Statutes,

	1982	1983
	\$	\$

Chapter 256B. The studies shall be completed and submitted to the legislature not later than two months following final enactment of federal appropriation amounts.

The provisions of Minnesota Statutes 1980, Section 256D.22 are suspended during the fiscal year ending June 30, 1983.

(b) Economic Security	(4,719,300)	(-0-)
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This amount includes a reduction of \$4,189,400 the first year for the training and community services program. However, there shall be no reduction in the displaced homemakers or summer youth programs. Reductions in the vocational rehabilitation program shall be \$529,900 for the biennium.

(c) Corrections	(699,500)	(1,627,500)
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Notwithstanding the provisions of any other law to the contrary, the commissioner of corrections may for the purpose of maximizing the benefits of the subsidy paid to counties under Minnesota Statutes 1980, Sections 401.14 and 401.15, waive the requirements of 11 MCAR, Sections 2.006(c) and 2.007 (b) that specify the percentages of the total subsidy received by each participating county that must be expended only for information systems, program evaluation, training, and education. This provision expires June 30, 1983.

(d) Sentencing Guidelines Commission	(-0-)	(1,500)
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(e) Corrections Ombudsman	(-0-)	(2,300)
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(f) Health	(188,000)	(788,800)
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Notwithstanding any law to the contrary, the commissioner of health shall increase the fee charged for medical laboratory services to \$5.00.

1982

1983

\$

\$

The commissioner of health may charge a fee for voluntary certification of medical laboratories and environmental laboratories. The fee may be established without complying with Minnesota Statutes, Sections 15.041 to 15.052. This provision expires June 30, 1983.

The commissioner of health may charge fees for environmental laboratory services in amounts approximately equal to the costs of providing the services. The fees may be established without complying with Minnesota Statutes, Sections 15.041 to 15.052. This provision expires June 30, 1983.

Notwithstanding Laws 1981, Chapter 360, Article I, Section 14, the commissioner of health shall establish fees for licensure of health care facilities in accordance with Minnesota Statutes 1980, Section 16A.128. The statutory percentage limitation for long term care may be exceeded by the amounts of the increased license fees authorized by this provision and charged by the commissioner of health, and the increased fee amount shall be an allowed cost to the extent that the increase when added to other allowed costs exceeds the statutory limitation.

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

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

Subd. 7. [PROGRESS REPORTS.] Each state agency whose appropriation is reduced by this section shall submit a revised spending plan to the commissioner of finance pursuant to Minnesota Statutes, Section 16A.14. The revised spending plan shall be formulated on a quarterly basis in order to permit the

commissioner of finance to monitor the agency's success at meeting its spending and position reduction goals. The commissioner of finance shall notify the committee on finance of the senate and the committee on appropriations of the house of representatives promptly after the end of each quarter of any agency that has failed to meet its spending and position reduction goals for that quarter.

Sec. 3. Laws 1981, Chapter 356, Section 45, is amended to read:

Sec. 45. [WORKERS' COMPENSATION.]

The appropriations in this act for the operation of each state department or agency, except the *game and fish fund appropriations* to the department of natural resources, in fiscal 1982 and 1983 include amounts needed to pay workers' compensation obligations to the state compensation revolving fund. It is the intent of the legislature not to appropriate additional money at any future time to pay workers' compensation obligations for fiscal 1982 and 1983, except for *game and fish fund appropriations* to the department of natural resources or as may be required by an increase in the statutory level of workers' compensation benefits.

Sec. 4. Laws 1981, Chapter 356, Section 46, is amended to read:

Sec. 46. [UNEMPLOYMENT COMPENSATION.]

The appropriations in this act for the operation of each state department or agency, except the *game and fish fund appropriations* to the department of natural resources, in fiscal 1982 and 1983 include amounts needed to pay unemployment compensation obligations to the unemployment compensation fund. It is the intent of the legislature not to appropriate additional money at any future time to pay unemployment compensation obligations for fiscal 1982 and 1983, except for *game and fish fund appropriations* to the department of natural resources or as may be required by an increase in the statutory level of unemployment compensation benefits.

Sec. 5. Laws 1981, Chapter 356, Section 62, Subdivision 2, is amended to read:

Subd. 2. [TRANSFER.] The commissioner shall transfer the necessary amounts to the proper accounts and shall promptly notify the committee on finance of the senate and the committee on appropriations of the house of representatives of the amount transferred to each appropriation account. *An amount not to exceed \$12,000,000 in the second year may be transferred to agencies where attrition has not provided the necessary savings to meet the required budget reductions. In ad-*

dition, transfers from an agency's salary supplement allocation in the second year may be transferred into the first year to offset unrealized budget reductions due to delays in attrition savings.

Sec. 6. Laws 1981, Chapter 359, Section 3, Subdivision 3, is amended to read:

Subd. 3. State Scholarship, Nurses Scholarship and State Grant-In-Aid

\$27,720,000 \$27,720,000

The general goal of this program is that the proportion of funds flowing to students attending private institutions not exceed a figure which is approximately 50 percent of the total amount of money available. It is expected that approximately \$3,000,000 of this appropriation will (REVERT TO THE GENERAL FUND AT THE END OF FISCAL YEAR 1983) *not be needed and any balance may be transferred to subdivision 6 of this section to the extent a deficiency occurs in the interstate tuition reciprocity appropriation.*

Sec. 7. [PLANS FOR DECLINING ENROLLMENT.]

Subdivision 1. [UNIVERSITY OF MINNESOTA; STATE UNIVERSITIES.] The board of regents of the University of Minnesota, and the state university board, shall each develop a plan for providing post-secondary education services under conditions of declining or reduced enrollments. Each plan shall specify the fiscal implications of declining enrollments. Each plan shall propose a strategy for adjusting the present level of facilities and services to the projected level of reduced demand. The strategies may include such methods as campus mergers, reorganizations, discontinuance of campuses or colleges, changes in system governance, and other such methods. The purpose of the plan is to reduce the cost of present facilities and services in proportion to the reduction in enrollment. Each plan shall be submitted to the legislature by January 1, 1983.

Subd. 2. [COMMUNITY COLLEGES; AREA VOCATIONAL-TECHNICAL INSTITUTES.] The community college board and the state board for vocational education shall continue the planning process which is currently ongoing and under discussion with legislative committees with regard to community colleges and area vocational technical institutes. One of the purposes of the the planning process is to develop strategies to adjust the present cost of facilities and services to the projected level of reduced demand.

Subd. 3. [REVIEW AND COMMENT.] The higher education coordinating board shall review and comment on the strategies developed pursuant to subdivisions 1 and 2.

Subd. 4. [FACTORS.] In developing strategies for the adjustment of present facilities and services to reduced levels of demand, the boards shall consider such factors as the system's mission, the impact of such adjustments on students, short-term and long-term enrollment trends, fiscal implications, geographic accessibility to comparable institutions, availability of alternative programs, legal implications and feasibility of employee transfers.

Subd. 5. [STUDENT TRANSFERS.] In developing strategies for the adjustment of facilities and services to reduced levels of demand the boards shall, insofar as possible, plan to provide students with the opportunity to complete programs in their major course of study and to complete graduation requirements by transferring to other institutions. The plans should provide for full transfer of earned credits and flexibility in meeting graduation requirements to the extent possible.

Subd. 6. [CONSULTATION.] In the process of developing strategies for the adjustment of facilities and services to reduced levels of demand each system shall consult with the other systems and with the higher education coordinating board.

Subd. 7. [EMPLOYEE TRANSFER.] To the extent possible, the strategies shall provide that employees whose positions will be eliminated by the adjustments will be allowed to transfer to positions in other post-secondary institutions within each system and will be given preference in new hirings. To the extent possible, the strategies shall provide for the maintenance of terms and conditions of employment provided for in any existing labor agreement and shall be implemented, to the extent possible, in a manner consistent with such labor agreements.

Sec. 8. Minnesota Statutes 1981 Supplement, Section 3.9222, Subdivision 2, is amended to read:

Subd. 2. The council shall consist of five members of the house of representatives appointed by the speaker, five members of the senate appointed by the committee on committees, and (TWELVE) eight citizens appointed by the governor. At least 50 percent of those appointed by the governor and by the speaker of the house shall be women. Members shall serve for two years or until the expiration of their legislative terms; except, in order to establish staggered membership terms for the citizen members, the governor shall appoint (SIX) four citizens for three-year terms and (SIX) four citizens for two-year terms starting July 1, 1981. The compensation of non-legislator members, their removal from office and the filling of vacancies shall be as provided in section 15.059. The persons appointed by the governor

shall be representative of a range of economic interests and vocations and shall include persons who are not regularly employed on a full-time or part-time basis outside their homes.

Sec. 9. [GOVERNOR TO DESIGNATE MEMBERS.]

The governor shall designate the four citizens whose membership on the advisory council for the economic status of women will terminate because of the reduction in size of the council required by section 8. The terminations are effective January 1, 1982.

Sec. 10. [5.12] [CERTIFICATE; CERTIFIED COPY OF DOCUMENT; FEE.]

The secretary of state shall charge a fee of \$5 for each certificate or certification of a copy of any document filed in the office of the secretary of state.

Sec. 11. Minnesota Statutes 1981 Supplement, Section 15.052, Subdivision 5, is amended to read:

Subd. 5. [COURT REPORTERS; AUDIO RECORDINGS.]
The office of administrative hearings may maintain a court reporter system and in addition to or in lieu thereof may contract with nongovernmental sources for court reporter services. The court reporters may additionally be utilized as the chief hearing examiner directs. Unless the chief hearing examiner determines that the use of a court reporter is more appropriate, an audio magnetic recording device shall be used to keep a record at any hearing which takes place under this chapter (OR UNDER CHAPTER 176). In cases arising under chapter 176, the chief hearing examiner (. IN CONSULTATION WITH THE COMPENSATION JUDGE,) shall (DECIDE THE METHOD OF RECORDING) use audio magnetic recording devices to keep the record of hearings except when there are more than two primary parties in a case and the chief hearing examiner determines that the use of a court reporter is more appropriate. If the chief hearing examiner determines that the use of a court reporter is more appropriate, the cost of the court reporter shall be paid by the state. If the chief hearing examiner determines that the use of an audio magnetic recording device is more appropriate in a hearing under chapter 176, any party to that hearing may provide a court reporter at the party's expense. Court reporters provided by a party shall be selected from the chief hearing examiner's list of non-governmental sources.

The fee charged by a court reporter to a party shall not exceed the fee which would be charged to the state pursuant to the court reporter's contract with the state.

Court reporters serving in the court reporter system of the office of administrative hearings shall be in the classified

service. Notwithstanding the provisions of section 15.17, subdivision 4, copies of transcriptions of hearings conducted pursuant to this section may be obtained only through the office of administrative hearings.

Sec. 12. Minnesota Statutes 1981 Supplement, Section 16A.128, is amended to read:

16A.128 [FEE ADJUSTMENTS.]

The fees fixed for the various accounts for which appropriations are made by law, shall be neither increased nor decreased except with the approval of the commissioner of finance. All these fees shall be reviewed at least once each six months, and, except in special fee situations as determined by the commissioner, adjustments shall be made to the end that the total fees received shall approximate the amount appropriated for the several accounts, plus the portion of the general support costs and statewide indirect costs of the agency that is attributable to the function for which the fee is charged. Fee adjustments authorized under this section may be made without a public hearing when the total fees estimated to be received during the fiscal biennium will not exceed (110 PERCENT OF) the sum of all direct appropriations, *indirect costs*, transfers in, and salary supplements for that purpose for the biennium.

Sec. 13. [35.84] [FEES FOR SERVICES TO STATE FAIR.]

The board of animal health shall charge fees to cover all direct and indirect costs of services rendered to the state agricultural society in connection with the state fair. Fee receipts shall be deposited in the state treasury and credited to the general fund.

Sec. 14. Minnesota Statutes 1981 Supplement, Section 169.871, Subdivision 3, is amended to read:

Subd. 3. [APPEARANCES.] Notwithstanding the provisions of section 8.01, county or city attorneys (SHALL) *may* appear for the (STATE) *commissioner of public safety* in civil actions commenced under this section *at the request of the attorney general.*

Sec. 15. Minnesota Statutes 1981 Supplement, Section 169.871, Subdivision 5, is amended to read:

Subd. 5. [FINES.] Any penalty imposed and fines collected pursuant to this section shall be disposed of as provided in section 299D.03, subdivision 5, with the following exceptions:

(a) If the violation occurs in the county, *and the county attorney appears in the action*, the remaining five-eighths shall be credited to the highway user tax distribution fund.

(b) If the violation occurs within the municipality, and the city attorney appears in the action, the remaining one-third shall be paid to the highway user tax distribution fund.

(c) *In all cases when the attorney general appears in the action, all penalties imposed and fines collected shall be credited to the highway user tax distribution fund.*

Sec. 16. Minnesota Statutes 1981 Supplement, Section 169.872, Subdivision 1, is amended to read:

Subdivision 1. [RECORD KEEPING.] A person who weighs goods before or after unloading or a person who loads or unloads goods on the basis of liquid volume measure shall keep a written record of the origin, weight and composition of each shipment, the date of loading or receipt, the name and address of the shipper, the total number of axles on the vehicle or combination of vehicles, and the registration number of the power unit or some other means of identification by which the shipment was transported. The record shall be retained for 30 days and shall be open to inspection and copying by a state law enforcement officer or motor transport representative (OR A PEACE OFFICER AS DEFINED IN SECTION 626.84, SUBDIVISION 1, CLAUSE (C)), except state conservation officers, upon demand. (FOR INFORMATIONAL PURPOSES ONLY IF INSPECTION INDICATES EXCESS WEIGHT OF 3,000 POUNDS OR MORE, THE INSPECTING OFFICER SHALL NOTIFY, WITHIN 30 DAYS OF INSPECTION OF THE RECORD, THE PERSON WHO CONSIGNED THE GOODS FOR SHIPMENT.) No search warrant is required to inspect or copy the record. This subdivision does not apply to a person weighing goods who is not involved in the shipping, receiving and transporting of those goods.

Sec. 17. Minnesota Statutes 1981 Supplement, Section 174.24, Subdivision 3a, is amended to read:

Subd. 3a. [TRANSIT COMMISSION.] The commissioner shall provide financial assistance by contract to the metropolitan transit commission from appropriations provided for that purpose. *In order to receive financial assistance, the commission shall provide to the commissioner all financial records and other information and shall permit any inspection reasonably necessary to identify the revenues, costs, and service plan upon which the appropriation is based.*

Sec. 18. Minnesota Statutes 1981 Supplement, Section 174.31, Subdivision 1, is amended to read:

Subdivision 1. [ESTABLISHMENT; OBJECTIVES.] A project for coordination of special transportation service in the metropolitan area as defined in section 473.121, subdivision 2,

shall be established and implemented by the commissioner with the following objectives:

(a) To provide greater access to transportation for the elderly, handicapped and others with special transportation needs in the metropolitan area (AND PARTICULARLY TO FILL ALL UNMET NEEDS FOR THAT TRANSPORTATION IN THE TRANSIT TAXING DISTRICT AS DEFINED IN SECTION 473.446, SUBDIVISION 2);

(b) To develop an integrated system of special transportation service providing transportation tailored to meet special individual needs in the most cost-efficient manner; and

(c) To use existing public and private providers of service wherever possible, to supplement rather than replace existing service, and to increase the productivity of all special transportation vehicles available in the area.

For the purpose of this section "project" means the project established under this subdivision.

Sec. 19. Minnesota Statutes 1981 Supplement, Section 174.31, Subdivision 3, is amended to read:

Subd. 3. [DUTIES OF COMMISSIONER.] In implementing the project the commissioner shall:

(a) Encourage participation in the project by public and private providers of special transportation service currently receiving capital or operating assistance from a public agency;

(b) Contract with public and private providers that have demonstrated their ability to effectively provide service at a reasonable cost;

(c) Encourage individuals using service provided through the project to use the type of service most appropriate to their particular needs;

(d) Insure that all persons providing service through the project receive equitable treatment in the allocation of the ridership;

(e) Encourage shared rides to the greatest extent practicable;

(f) (INSURE THAT A FULL RANGE OF SERVICE IS MADE AVAILABLE THROUGH THE PROJECT TO ALL PARTS OF THE METROPOLITAN TRANSIT TAXING DISTRICT;)

((G)) Encourage public agencies that provide transportation to eligible individuals as a component of human services and educational programs to coordinate with the project and to allow reimbursement for services provided through the project at rates that reflect the public cost of providing those services (.) ; and

((H)) (g) Adopt rules by January 15, 1982, establishing criteria to be used in determining individual eligibility for special transportation services.

Sec. 20. Minnesota Statutes 1981 Supplement, Section 176.131, Subdivision 10, is amended to read:

Subd. 10. The special compensation fund is created for the purposes provided in this chapter in the following manner:

(1) In every case of death of an employee resulting from personal injury arising out of and in the course of employment where there are no persons entitled to monetary benefits of dependency compensation, the employer shall pay to the commissioner the sum of \$5,000 for the benefit of the special compensation fund; in every case of death of an employee resulting from personal injury arising out of and in the course of employment where there are no persons entitled to at least \$5,000 in monetary benefits of dependency compensation, the employer shall pay to the commissioner for the benefit of the special compensation fund the difference between the amounts actually paid for the dependency benefits and \$5,000; but in no event shall the employer pay the commissioner less than \$1,000;

(2) When an employee suffers a personal injury which results in permanent partial disability, temporary total disability, temporary partial disability, permanent total disability or death and which entitles him or his dependents to compensation under sections 176.101 or 176.111, the employer shall, in addition to compensation provided therein, pay to the commissioner for the benefit of the special compensation fund a lump sum without interest deduction equal to a percent of the total compensation determined as provided in this subdivision as soon as the amount payable for the particular injury is determined, or arrived at by agreement of the parties, and the amount is approved by the commissioner.

The provisions of clauses (1) and (2) shall apply to all workers' compensation payments, exclusive of medical costs, paid under sections 176.101 and 176.111 for all injuries or death occurring on or after June 1, 1971.

Personal injuries that occurred prior to June 1, 1971 shall be assessed at the rate in effect on the date of occurrence.

In determining the percentage of the total compensation required to be paid by the employer to the commissioner for the

benefit of the special compensation fund as provided in clause (2) beginning September 30, 1981 and each September 30 thereafter, the commissioner shall use the following schedule:

Balance in the Fund	Permissible Range of Rate Adjustment
Less than \$2,000,000	+1 percent to +7 percent
At least \$2,000,000 but less than \$3,000,000	0 percent to +6 percent
At least \$3,000,000 but less than \$4,000,000	-2 percent to +4 percent
At least \$4,000,000 but less than \$5,000,000	-5 percent to +3 percent
At least \$5,000,000 but less than \$6,000,000	-6 percent to +2 percent
\$6,000,000 or more	-7 percent to +2 percent

In determining the actual adjustment, the commissioner shall take into account his estimate of the likely amount of expenditures to be made from the fund in the next calendar year.

Sums paid to the commissioner pursuant to the provisions hereof, shall be deposited with the state treasurer for the benefit of the special compensation fund and be used to pay the benefits provided by this chapter. All money heretofore arising from the provisions of this section or similar law shall be transferred to this special compensation fund. Any interest or profit accruing from investment of these sums shall be credited to the special compensation fund.

The state treasurer shall be the custodian of this special fund and the workers' compensation division, compensation judges, the workers' compensation court of appeals or district court in cases before them shall direct the distribution thereof, the same to be paid as other payments of compensation are paid. In case deposit is or has been made under the provisions of clause (1) and dependency later is shown, or if deposit is or has been made pursuant to either clause (1) or (2) by mistake or inadvertence, or under circumstances that justice requires a refund thereof, the state treasurer is authorized to refund the deposit under order of the workers' compensation division, a compensation judge, the workers' compensation court of appeals or a district court. There is appropriated to the persons entitled to the refunds from the fund an amount sufficient to make the refund and payment.

(COSTS WITHIN THE DEPARTMENT FOR) The accounting, investigation, and legal (PROCEDURES) *costs* necessary for the administration of the programs financed by the special compensation fund shall (COME AS APPROPRIATED) *be paid* from the fund during each biennium commencing July 1, 1981. Staffing and expenditures related to the administration of the special compensation fund shall be approved through the regular budget and appropriations process.

Sec. 21. Minnesota Statutes 1980, Section 176.421, Subdivision 3, is amended to read:

Subd. 3. [NOTICE OF APPEAL.] The appellant *or his attorney* shall prepare and sign a written notice of appeal specifying:

- (1) the order appealed from;
- (2) that appellant appeals from the order to the workers' compensation court of appeals;
- (3) the particular finding of fact *or conclusion of law* which he claims was unwarranted by the evidence or procured by fraud, coercion, or other improper conduct; (AND,)
- (4) *the testimony or other part of the record of the hearing necessary to be transcribed in order for the court of appeals to consider the appeal; and,*
- (5) any other ground upon which the appeal is taken.

Sec. 22. Minnesota Statutes 1981 Supplement, Section 176.421, Subdivision 4, is amended to read:

Subd. 4. [SERVICE AND FILING OF NOTICE; COST OF TRANSCRIPT.] Within the 30 day period for taking an appeal, the appellant shall:

- (1) Serve a copy of the notice of appeal on each adverse party;
- (2) File the original notice, with proof of service by admission or affidavit, with the chief hearing examiner *and file a copy with the commissioner;*
- (3) In order to defray the cost of the (TRANSCRIPT) *preparation of the record of the proceedings appealed from, pay to the (CHIEF HEARING EXAMINER) state treasurer, office of administrative hearings account the sum of (\$10 OR SO MUCH OF THAT SUM AS IS NECESSARY TO PRESENT THE QUESTION RAISED ON THE APPEAL.)*

(THE APPELLANT IS LIABLE FOR THE COST OF THE TRANSCRIPT IN EXCESS OF \$10, BUT IS ENTITLED TO A REFUND OF ANY PART OF THAT SUM NOT USED TO PAY THE COST OF THE TRANSCRIPT) \$25; and

(4) *Submit a request that the chief hearing examiner order the preparation of a transcript of that part of the hearing delineated in the notice of appeal.*

A party who desires a transcript of more of the hearing than has been requested by the appellant shall, within five working days of service of the notice of appeal, make a request of the chief hearing examiner that the additional testimony be transcribed.

The party requesting the preparation of the transcript or any part is liable for the cost of preparation. The cost of a transcript prepared by a non-governmental source shall be paid directly to that source and shall not exceed the cost that the source would be able to charge the state for the same service.

Upon a showing of cause, the chief hearing examiner may direct that a transcript be prepared without expense to the (APPELLANT) *party requesting its preparation*, in which case the cost of the transcript shall be paid by the office of administrative hearings.

All fees received by the office of administrative hearings for the preparation of the record for submission to the workers' compensation court of appeals or for the cost of transcripts prepared by the office shall be deposited in the office of administrative hearings account in the state treasury and shall be used solely for the purpose of keeping the record of hearings conducted under this chapter and the preparation of transcripts of those hearings.

Sec. 23. Minnesota Statutes 1981 Supplement, Section 176.421, Subdivision 5, is amended to read:

Subd. 5. [TRANSCRIPT; CERTIFICATION OF THE RECORD.] When the notice of appeal has been filed with the chief hearing examiner and the (TRANSCRIPTION) fee for the preparation of the record has been paid, the chief hearing examiner shall immediately (PREPARE) *order the preparation of a typewritten transcript of that part of the (PROCEEDINGS) hearing delineated in the notice.* The official reporter or other person designated by the chief hearing examiner who transcribes the proceedings shall certify to their correctness.

If the transcript is prepared by a person who is not an employee of the office of administrative hearings, upon completion of the transcript, the original shall be filed with the chief hearing examiner.

When the transcript has been completed and is on file with the chief hearing examiner, he shall certify the record to the workers' compensation court of appeals and notify the commissioner of the certification.

Sec. 24. Minnesota Statutes 1981 Supplement, Section 176.521, Subdivision 1, is amended to read:

Subdivision 1. [VALIDITY.] An agreement between an employee or his dependent and the employer or insurer to settle any claim, which is not upon appeal before the workers' compensation court of appeals, for compensation under this chapter is valid where it has been executed in writing and signed by the parties (,) and intervenors in the matter, and, *where one or more of the parties is not represented by an attorney*, the division or a compensation judge has approved the settlement and made an award thereon. If the matter is upon appeal before the workers' compensation court of appeals or district court, the workers' compensation court of appeals or district court is the approving body.

Sec. 25. Minnesota Statutes 1981 Supplement, Section 176.521, Subdivision 2, is amended to read:

Subd. 2. [APPROVAL.] Settlements shall be approved only where the terms conform with this chapter.

The division, a compensation judge, (AND) the workers' compensation court of appeals, *and the district court* shall exercise discretion in approving or disapproving a proposed settlement.

The parties to the agreement of settlement have the burden of proving that the settlement is reasonable, fair, and in conformity with this chapter. A settlement agreement where both the employee or his dependent and the employer or insurer and intervenors in the matter are represented by an attorney shall be *conclusively* presumed to be reasonable, fair, and in conformity with this chapter.

Sec. 26. Minnesota Statutes 1980, Section 176.521, is amended by adding a subdivision to read:

Subd. 2a. [SETTLEMENTS NOT SUBJECT TO APPROVAL.] *When a settled case is not subject to approval, upon receipt of the stipulation for settlement, a compensation judge or a settlement judge shall immediately sign the award and file it with the commissioner. Payment pursuant to the award shall be made within 14 days after it is filed with the commissioner. The commissioner may correct mathematical or clerical errors at any time.*

Sec. 27. Minnesota Statutes 1980, Section 184.30, Subdivision 2, is amended to read:

Subd. 2. The secretary of state shall be paid a filing fee of (\$5) \$10.

Sec. 28. Minnesota Statutes 1980, Section 197.23, is amended to read:

197.23 [MAY PROVIDE MARKERS.]

The commissioner of veterans affairs (SHALL) *may*, upon the petition of any five reputable freeholders of any township or municipality, or of any patriotic or ex-servicemen's organization, procure for and furnish to the petitioners some suitable and appropriate metal socket and an appropriate marker for the grave of each and every soldier, sailor, marine, or nurse who served with honor in the forces of the United States and who is buried within the limits of the state, to be placed on the grave of such soldier, sailor, marine, or nurse for the purpose of permanently marking and designating the grave for memorial purposes.

Sec. 29. Minnesota Statutes 1981 Supplement, Section 204B.11, Subdivision 1, is amended to read:

Subdivision 1. [AMOUNT.] Except as provided by subdivision 2, a filing fee shall be paid by each candidate who files an affidavit of candidacy. The fee shall be paid at the time the affidavit is filed. The amount of the filing fee shall vary with the office sought as follows:

(a) For the office of governor, lieutenant governor, attorney general, state auditor, state treasurer, secretary of state, representative in congress, judge of the supreme court, judge of the district court, or judge of the county municipal court of Hennepin County, (\$100) \$150;

(b) For the office of senator in congress, (\$150) \$200;

(c) For office of senator or representative in the legislature, (\$20) \$50; and

(d) For a county office, (\$20) \$50.

For the office of presidential elector, and for those offices for which no compensation is provided, no filing fee is required.

The filing fees received by the county auditor shall immediately be paid to the county treasurer. The filing fees received by the secretary of state shall immediately be paid to the state treasurer.

When an affidavit of candidacy has been filed with the appropriate filing officer and the requisite filing fee has been paid, the filing fee shall not be refunded.

Sec. 30. Minnesota Statutes 1980, Section 221.67, is amended to read:

221.67 [SERVICE OF PROCESS.]

The use of any of the public highways of this state for the transportation of persons or property for compensation by a motor carrier in interstate commerce shall be deemed an irrevocable appointment by (SUCH) *the* carrier of the secretary of state to be his true and lawful attorney upon whom may be served all legal process in any action or proceeding brought under section 221.66 against him or his executor, administrator, personal representative, heirs, successors or assigns. (SUCH) *This* use is a signification of agreement by (SAID) *the* interstate motor carrier that any (SUCH) process in any action against him or his executor, administrator, personal representative, heirs, successors, or assigns which is so served shall be of the same legal force and validity as if served upon him personally. (SUCH) Service shall be made by serving a copy thereof upon the secretary of state or by filing (SUCH) *a* copy in his office, together with payment of a fee of (\$10) *\$15*, and (SUCH) *the* service shall be sufficient service upon the absent motor carrier (; PROVIDED THAT) *if* notice of (SUCH) *the* service and a copy of the process are within ten days thereafter sent by mail by the plaintiff to the defendant at his last known address and (THAT) the plaintiff's affidavit of compliance with the provisions of sections 221.61 to 221.68 is attached to the summons.

Sec. 31. Minnesota Statutes 1980, Section 256.12, Subdivision 14, is amended to read:

Subd. 14. [DEPENDENT CHILD.] "Dependent child," as used in sections 256.72 to 256.87 and 256.872, means a child under the age of 18 years, or a child under the age of 19 years who is regularly attending as a full time student (AT), and is expected to complete before reaching age 19, a high school (, COLLEGE, OR UNIVERSITY, OR REGULARLY ATTENDING AS A FULL TIME STUDENT IN) or a secondary level course of vocational or technical training designed to fit him for gainful employment, who is found to be deprived of parental support or care by reason of the death, continued absence from the home, physical or mental incapacity of a parent, or who is a child of an unemployed (FATHER) *parent* as that term is defined by the commissioner of public welfare, such definition to be consistent with (,) and not to exceed minimum standards established by the congress of the United States and the secretary of health (, EDUCATION) and (WELFARE) *human services*, and whose relatives, liable under the law for his support are not able to pro-

vide adequate care and support of (SUCH) *the* child, and who is living with his father, mother, grandfather, grandmother, brother, sister, stepfather, stepmother, stepbrother, stepsister, uncle, aunt, first cousin, nephew, or niece in a place of residence maintained by one or more of (SUCH) *these* relatives as his or their home.

The term "dependent child" (SHALL) also (MEAN) *means* a child who has been removed from the home of a relative after a judicial determination that continuance in the home would be contrary to the welfare and best interests of the child and whose care and placement in a foster home or a private licensed child care institution is, in accordance with the rules (AND REGULATIONS) of the commissioner, the responsibility of the state or county agency under sections 256.72 to 256.87. *This child is eligible for benefits only through the foster care and adoption assistance program contained in Title IV-E of the Social Security Act, 42 U.S.C. 670 to 676, and is not entitled to benefits under sections 256.72 to 256.87.*

Sec. 32. Minnesota Statutes 1980, Section 256.12, is amended by adding a subdivision to read:

Subd. 20. [ASSISTANCE UNIT.] "Assistance unit" means the group of individuals whose needs or income, or both, are taken into account in determining eligibility for or the amount of a grant of assistance under sections 256.72 to 256.87.

Sec. 33. Minnesota Statutes 1980, Section 256.12, is amended by adding a subdivision to read:

Subd. 21. [CARETAKER RELATIVE.] "Caretaker relative" means a relative specified by rule to be an eligible relative and who exercises responsibility for the care and control of the dependent child.

Sec. 34. Minnesota Statutes 1980, Section 256.12, is amended by adding a subdivision to read:

Subd. 22. [PRINCIPAL EARNER.] "Principal earner" means, in a home where both parents of the dependent child live, the parent who earned the greater amount of income in the 24 month period immediately preceding the month of application.

Sec. 35. Minnesota Statutes 1981 Supplement, Section 256.73, Subdivision 2, is amended to read:

Subd. 2. [ALLOWANCE BARRED BY OWNERSHIP OF PROPERTY.] (EXCEPT AS PROVIDED IN CLAUSE (3), THE) Ownership by the father, mother, child, children, or any combination (THEREOF,) of property as follows (SHALL BE) is a bar to any allowance under sections 256.72 to 256.87:

(1) Real property other than the homestead (, EXCEPT AS DESCRIBED IN CLAUSE (3)). For the purposes of this section "homestead" means the house owned and occupied by the (APPLICANT) *child, relative or other member of the assistance unit* as his dwelling place, together with the land upon which it is situated and an area no greater than two contiguous lots in a platted or laid out city or town (OR THE SMALLEST PARCEL ALLOWED UNDER APPLICABLE ZONING REGULATIONS) or 80 contiguous acres in unplatted land; or

(2) Personal property of (A REASONABLE MARKET) *an equity value in excess of (\$400) \$1,000 for (A ONE CHILD RECIPIENT OR \$600 FOR MORE THAN ONE CHILD RECIPIENT) the entire assistance unit*, exclusive of personal property used as the home, one (AUTOMOBILE, INSURANCE CARRIED BY A PARENT WHICH DOES NOT EXCEED A CASH SURRENDER VALUE OF \$500) *motor vehicle of an equity value not exceeding \$1,500*, clothing and necessary household furniture and equipment *and other basic maintenance items essential for daily living*, (THE EARNINGS OF A DEPENDENT CHILD WHICH ARE PLACED IN A SAVINGS ACCOUNT TO BE USED FOR A FUTURE PURPOSE APPROVED BY THE COUNTY AGENCY) in accordance with (THE) rules (OF) *promulgated by and standards established by the commissioner of public welfare* (, AND SUCH PROPERTY THAT PRODUCES A NET INCOME APPLICABLE TO THE FAMILY'S NEEDS.)

((3) REAL ESTATE NOT USED AS A HOME WHICH PRODUCES NET INCOME APPLICABLE TO THE FAMILY'S NEEDS, WHICH THE FAMILY IS MAKING A CONTINUING EFFORT TO SELL AT A FAIR AND REASONABLE PRICE, OR THE SALE OF WHICH WOULD NET AN INSIGNIFICANT AMOUNT OF INCOME APPLICABLE TO THE FAMILY'S NEEDS OR WOULD CAUSE UNDUE HARDSHIP, AS DETERMINED BY THE COMMISSIONER, SHALL NOT BE A BAR TO AN ALLOWANCE UNDER SECTIONS 256.72 TO 256.87. NET INCOME SHALL BE THE RESIDUE AFTER PAYMENT FROM GROSS INCOME OF TAXES, INSURANCE, MAINTENANCE, AND INTEREST ON ENCUMBRANCES, IF ANY, ON THE PROPERTY, PROVIDED THAT IN COMPUTING NET INCOME THE GROSS INCOME SHALL NOT BE CHARGED WITH ANY EXPENSES TOWARD BETTERMENT OF THE PROPERTY AS IMPROVEMENTS OR BY PAYMENT ON THE PRINCIPAL OF A MORTGAGE; PROVIDED, THAT THE NET INCOME THUS DERIVED SHALL BE APPLIED ON THE FAMILY BUDGET).

Sec. 36. Minnesota Statutes 1980, Section 256.73, Subdivision 3a, is amended to read:

Subd. 3a. [PERSONS INELIGIBLE.] No assistance shall be given under sections 256.72 to 256.87:

(1) On behalf of any person who is receiving supplemental security income under title XVI of the social security act unless permitted by federal regulations;

(2) For any month in which the assistance unit's gross income, without application of deductions or disregards, exceeds 150 percent of the standard of need for a family of the same size and composition. If a stepparent's income is taken into account in determining need, the disregards specified in section 12 shall be applied to determine income available to the assistance unit before calculating the unit's gross income for purposes of this paragraph;

(3) To any assistance unit for any month in which any caretaker relative with whom the child is living is, on the last day of that month, participating in a strike;

(4) On behalf of any other individual in the assistance unit, nor shall the individual's needs be taken into account, for any month in which, on the last day of the month, the individual is participating in a strike;

(5) To an assistance unit if its eligibility is based on a parent's unemployment and the parent who is the principal earner, without good cause, fails or refuses to participate in the work incentive program under section 256.736, to accept employment, or to register with a public employment office, unless the principal earner is exempt from these work requirements.

Sec. 37. Minnesota Statutes 1980, Section 256.73, Subdivision 5, is amended to read:

Subd. 5. [ASSISTANCE FOR PREGNANT WOMEN.] For the purposes of sections 256.72 to 256.87, (DEPENDENT CHILDREN SHALL INCLUDE THE UNBORN) assistance shall be provided to a pregnant woman with no children during the final three months of pregnancy (AND, INSOFAR AS POSSIBLE, THE PROVISIONS APPLICABLE TO DEPENDENT CHILDREN SHALL ALSO BE APPLICABLE TO THE UNBORN DURING THE FINAL THREE MONTHS OF PREGNANCY) if the woman would be eligible for assistance if the child were born and living with her as a dependent child. Payment for special needs occasioned by or resulting from pregnancy shall be provided as needed to pregnant women eligible under the previous sentence or otherwise eligible under sections 256.72 to 256.87, according to rules promulgated by the commissioner. The commissioner of public welfare shall promulgate, pursuant to the administrative procedures act, (REGULATIONS) rules to implement this subdivision.

Sec. 38. Minnesota Statutes 1980, Section 256.73, Subdivision 6, is amended to read:

Subd. 6. [REPORTS BY RECIPIENT.] Each recipient shall complete reports as requested by the local or state agency. All (NET EARNED OR UNEARNED) income not specifically disregarded by the social security act, the code of federal regulations, or state law (,) and rules (AND REGULATIONS, SHALL BE) is income applicable to the budgetary needs of the family. If any amount of aid to families with dependent children assistance is paid to a recipient (THEREOF) in excess of the payment due (IT SHALL BE RECOVERABLE BY), the local agency shall recover the overpayment in accordance with Public Law No. 97-35, Section 2318, 42 U.S.C. 602, as amended. (IF THE AGENCY NOTIFIES THE RECIPIENT IN WRITING OF AN OVERPAYMENT DUE SOLELY TO LOCAL AGENCY ERROR WITHIN THREE MONTHS AFTER THE OVERPAYMENT,) The local agency (MAY COMMENCE RECOVERY OF THE OVERPAYMENT DURING THE YEAR AFTER THE NOTIFICATION IS RECEIVED BY THE RECIPIENT THE WRITTEN NOTICE SHALL INFORM THE RECIPIENT) shall give the recipient written notice of any overpayment and of (THE AGENCY'S) its intention to recover the overpayment. If the recipient does not pay the amount of the overpayment in part or fully to the local agency, the agency may recover the overpayment by reducing the amount of aid as follows:

(a) If the overpayment was caused by the recipient's wilful withholding of required information or wilful false statement, the aid amount may be reduced only to the extent that the reduced aid amount plus the assistance unit's liquid assets and gross income, before applying any disregards, equals not less than 90 percent of the amount payable to an assistance unit of the same composition with no income;

(b) If the overpayment was due solely to agency error, the aid amount may be reduced only to the extent that the reduced aid amount plus the assistance unit's liquid assets and income after deducting actual work expenses equals not less than 99 percent of the amount payable to an assistance unit of the same composition with no income;

(c) In all other cases, the aid amount may be reduced only to the extent that the reduced aid amount plus the assistance unit's liquid assets and income after deducting actual work expenses equals not less than 96 percent of the amount payable to an assistance unit of the same composition with no income.

Under clauses (a), (b), and (c) the amounts and standard of need shall be based on income, resources and circumstances in the month for which aid is being reduced. The recipient may appeal the agency's determination that an overpayment has occurred in accordance with section 256.045. If the amount of assistance paid to a recipient is less than the amount due, the agency shall pay the recipient a corrective payment and disregard that payment when determining the family's income and resources in

the month when the payment is made and the following month. In cases where both an overpayment and an underpayment have occurred, one shall be offset against the other to correct the payment.

Sec. 39. Minnesota Statutes 1980, Section 256.736, Subdivision 3, is amended to read:

Subd. 3. [OPERATION OF PROGRAM.] To determine who shall be designated as an appropriate individual for certification to the commissioner of economic security, the commissioner of public welfare shall provide standards for county welfare agencies and human services boards consistent with the standards promulgated by the secretary of health (, EDUCATION,) and (WELFARE) *human services*. County welfare agencies shall certify appropriate individuals to the commissioner of economic security and shall require that every individual, as a condition of receiving aid to families with dependent children, register for employment services, training, and employment, unless such individual is:

(1) a child who is under age 16 (OR), a child age 16 or 17 who is attending elementary or secondary school or a secondary level vocational or technical school full time, or a full-time student age 18 who is attending a secondary school or a secondary level vocational or technical program and who is expected to complete the school or program before reaching age 19;

(2) a person who is ill, incapacitated or of advanced age;

(3) a person so remote from a work incentive project that his effective participation is precluded;

(4) a person whose presence in the home is required because of illness or incapacity of another member of the household;

(5) a (MOTHER) parent or other caretaker relative of a child under the age of six who (IS CARING) personally provides full-time care for the child; (OR)

(6) (THE MOTHER OR OTHER FEMALE CARETAKER OF A CHILD IF THE FATHER OR ANOTHER ADULT MALE RELATIVE IS IN THE HOME AND NOT EXCLUDED BY CLAUSE (1), (2), (3), OR (4), UNLESS HE HAS FAILED TO REGISTER AS REQUIRED BY THIS SUBDIVISION OR HAS BEEN FOUND BY THE COMMISSIONER OF ECONOMIC SECURITY TO HAVE REFUSED WITHOUT GOOD CAUSE TO PARTICIPATE UNDER A WORK INCENTIVE PROGRAM OR ACCEPT EMPLOYMENT) a parent or other caretaker if another adult relative in the house is registered and has not, without good cause, failed or refused to participate or accept employment; or

(7) a parent who is not the principal earner if the parent who is the principal earner is not exempt under clauses (1) to (6).

Any individual referred to in clause (5) shall be advised of (HER) the option to register for employment services, training, and employment if (SHE) the individual so desires, and shall be informed of the child care services, if any, which will be available (TO HER IN THE EVENT SHE SHOULD DECIDE) if the individual decides to register.

If, after planning with a recipient, a decision is made that (HE) the recipient must register for employment services, training, and employment, the county welfare department shall give notice in writing to the (INDIVIDUAL) recipient stating that he or she must register with the commissioner of economic security for participation in a work incentive program and that (HE) the recipient has a right to a fair hearing under section 256.045 with respect to the appropriateness of (HIS) the registration.

Sec. 40. Minnesota Statutes 1980, Section 256.736, Subdivision 4, is amended to read:

Subd. 4. [CONDITIONS OF CERTIFICATION.] The commissioner of public welfare shall:

(1) Arrange for or provide any relative or child certified to the commissioner of economic security pursuant to this section with child-care services and other necessary family services;

(2) Pay ten percent of the cost of programs of training and employment established by the commissioner of economic security for persons certified hereunder;

(3) Provide that in determining a recipient's needs any monthly incentive training payment made to the recipient by the department of economic security is disregarded and the additional expenses attributable to his participation in a program are taken into account in grant determination; and

(4) Provide that when it has been certified by the commissioner of economic security, certification to be binding upon the commissioner of public welfare, that a relative or child certified under the work incentive program to the commissioner of economic security has been found by the commissioner, after a hearing conducted in the manner prescribed by section 268.10, subdivision 3, with the right of review in accordance with the provisions of section 268.10, subdivision 8, to have refused without good cause to participate under a work incentive program or to have refused without good cause to accept a bona fide offer of public or other employment, the county welfare departments shall provide that:

(a) If the relative makes the refusal, the relative's needs shall not be taken into account in making the grant determination, and aid for any dependent child in the family will be made in the form of vendor payments.

(b) Aid with respect to a dependent child will be denied if a child who makes the refusal is the only child receiving aid in the family.

(c) If there is more than one child receiving aid in the family, aid for the child who makes the refusal will be denied and his needs will not be taken into account in making the grant determination (; AND)

((D) NOTWITHSTANDING THE OTHER PROVISIONS OF THIS SUBDIVISION, THE COUNTY WELFARE DEPARTMENT SHALL, FOR A PERIOD OF 60 DAYS AFTER NOTIFICATION OF THE COMMISSIONER OF ECONOMIC SECURITY DETERMINATION OF REFUSAL WITHOUT CAUSE TO PARTICIPATE IN A PROGRAM OF TRAINING OR EMPLOYMENT, MAKE VENDOR PAYMENTS ON BEHALF OF THE RELATIVE SPECIFIED OR CONTINUE AID IN THE CASE OF A CHILD SPECIFIED, IF DURING THE 60 DAY PERIOD THE CHILD OR RELATIVE ACCEPTS COUNSELING OR OTHER SERVICES WHICH THE COUNTY WELFARE DEPARTMENT SHALL MAKE AVAILABLE FOR THE PURPOSE OF ASSISTING THE CHILD OR RELATIVE TO PARTICIPATE IN A PROGRAM IN ACCORDANCE WITH THE DETERMINATION OF THE COMMISSIONER OF ECONOMIC SECURITY). *If the assistance unit's eligibility is based on the principal earner's unemployment and the principal earner fails or refuses without good cause to participate or to accept employment, the entire assistance unit is ineligible for benefits under sections 256.72 to 256.87.*

Sec. 41. Minnesota Statutes 1980, Section 256.74, Subdivision 1, is amended to read:

Subdivision 1. [AMOUNT.] The amount of assistance which shall be granted to or on behalf of any dependent child and mother or other needy eligible relative caring for (SUCH) *the* dependent child shall be determined by the county agency (WITH DUE REGARD TO THE RESOURCES AND NECESSARY EXPENDITURES OF THE FAMILY AND THE CONDITIONS EXISTING IN EACH CASE AND) in accordance with (THE) rules (AND REGULATIONS MADE) *promulgated* by the (STATE AGENCY) *commissioner* and shall be sufficient, when added to all other income and support available to the child, to provide (SUCH) *the* child with a reasonable subsistence compatible with decency and health. *The amount shall be based on the method of budgeting required in Public Law No. 97-35, Section 2315, 42 U.S.C. 602, as amended and federal regulations*

at 45 CFR Section 233. In making its determination the county agency shall (EXCLUDE) *disregard* the following from family income:

(1) All of the earned income of each dependent child receiving aid to families with dependent children who is a full-time student or part-time student, and not a full-time employee, attending a school, college, or university, or a course of vocational or technical training designed to fit him for gainful employment;

(2) All educational grants and loans awarded pursuant to a federal law when public assistance was considered in making the award and the award was made on the basis of financial need; and that part of any other educational grant or loan which is used for educational purposes, such as tuition, fees, equipment, transportation and child care expenses necessary for school attendance; (AND)

(3) *The first \$75 of each individual's earned income. In the case of an individual not engaged in full-time employment or not employed throughout the month the commissioner shall prescribe by rule a lesser amount to be disregarded. For self-employed persons, the expenses directly related to producing goods and services and without which the goods and services could not be produced shall be disregarded pursuant to rules promulgated by the commissioner;*

(4) *An amount equal to the actual expenditures but not to exceed \$160 for the care of each dependent child or incapacitated individual living in the same home and receiving aid. In the case of a person not engaged in full-time employment or not employed throughout the month, the commissioner shall prescribe by rule a lesser amount to be disregarded; and*

(5) (THE FIRST \$30) *Thirty dollars plus one-third of the remainder of (THE COMBINED MONTHLY EARNINGS OF ANY DEPENDENT CHILD NOT INCLUDED UNDER CLAUSE (1), AND ANY ADULT WHO IS A RECIPIENT OF AID FOR FAMILIES WITH DEPENDENT CHILDREN) each individual's earned income not already disregarded for individuals found otherwise eligible to receive aid or who have received aid in one of the four months before the month of application. With respect to any month, the county welfare agency shall not disregard under this clause ((2)) any earned income of any person who has:*

(a) Reduced his earned income without good cause within 30 days preceding any month in which an assistance payment is made; or

(b) Refused without good cause to accept an offer of suitable employment; or

(c) *Left employment or reduced his earnings without good cause and applied for assistance so that he might later return to employment with the advantage of the income disregard; or*

(d) *Failed without good cause to make a timely report of earned income in accordance with rules promulgated by the commissioner of public welfare.*

Persons who are already employed and who apply for assistance shall have their needs computed with full account taken of their earned and other income. If earned and other income of the family is less than need, as determined on the basis of public assistance standards, the county agency shall determine the amount of the grant by applying the disregard of income provisions. The county agency shall not disregard earned income for persons in a family if the total monthly earned and other income exceeds their needs, unless for any one of the four preceding months their needs were met in whole or in part by a grant payment. (IF AN INDIVIDUAL WITHOUT GOOD CAUSE LEAVES EMPLOYMENT OR REDUCES HIS EARNINGS AND APPLIES FOR ASSISTANCE SO THAT HE MIGHT LATER RETURN TO EMPLOYMENT WITH ADVANTAGES OF INCOME DISREGARD, HE SHALL NOT HAVE THE BENEFIT OF THE DISREGARD OF INCOME PROVISIONS.)

The disregard of \$30 and one-third of the remainder of earned income described in clause (5) shall be applied to the individual's income for a period not to exceed four consecutive months. Any month in which the individual loses this disregard because of the provisions of clause (5)(a) to (5)(d) shall be considered as one of the four months. To again qualify for this earned income disregard, the individual must not be a recipient of aid for a period of 12 consecutive months. If an individual becomes ineligible for aid because this earned income disregard has been applied to income for four consecutive months and will no longer be applied to income, the local agency shall inform the individual of the medical assistance program, its standards of eligibility, and the circumstances under which the individual would be eligible for medical assistance.

(6) The commissioner shall increase the standard of need in effect on January 1, 1982 by 45 percent for each assistance unit. The maximum amount paid to an assistance unit shall be no more than 69 percent of the increased standard of need. Whenever the commissioner increases the maximum payment amount for all assistance units, the commissioner shall increase the maximum standard of need by an equal percentage.

To determine the amount of assistance to be paid to an assistance unit, net income shall be determined in a manner consistent with this chapter and applicable federal law. Net earned income shall be subtracted from the standard of need for an assistance unit of the appropriate size and composition to determine

the grant amount, except that the grant shall not exceed the maximum payment amount for an assistance unit of the same size and composition.

Medical assistance eligibility for medically needy persons shall be determined according to payment standards in effect for assistance under sections 256.72 to 256.87.

If implementation of this clause, subdivision 1 (6), is challenged and a court of competent jurisdiction rules on the merits that it conflicts with provisions of the Social Security Act or the United States Constitution, then subdivision 1 (6) ceases to have effect and shall no longer be implemented.

Sec. 42. Minnesota Statutes 1980, Section 256.74, is amended by adding a subdivision to read:

Subd. 1a. [STEPARENT'S INCOME.] In determining income available, the county agency shall take into account the remaining income of the dependent child's stepparent who lives in the same household after disregarding:

(1) The first \$75 of the stepparent's gross earned income. The commissioner shall prescribe by rule lesser amounts to be disregarded for stepparents who are not engaged in full-time employment or not employed throughout the month;

(2) An amount for support of the stepparent and any other individuals whom the stepparent claims as dependents for tax purposes and who live in the same household but whose needs are not considered in determining eligibility for assistance under sections 256.72 to 256.87. The amount equals the standard of need for a family of the same composition as the stepparent and these other individuals;

(3) Amounts the stepparent actually paid to individuals not living in the same household but whom the stepparent claims as dependents for tax purposes; and

(4) Alimony or child support, or both, paid by the stepparent for individuals not living in the same household.

Sec. 43. [256.851] [RULES.]

The commissioner of public welfare shall promulgate temporary and permanent rules necessary to implement sections 31 to 48, 84, and 88.

Sec. 44. Minnesota Statutes 1981 Supplement, Section 256.-872, Subdivision 1, is amended to read:

Subdivision 1. [WITHHOLDING ORDER.] Whenever an obligation for support of a dependent child or maintenance of

a spouse, or both, has been determined and ordered by a court of this state, the public agency responsible for child support enforcement may move and the district or county court shall grant an order providing for the withholding of the amount of child support or maintenance as determined by court order, from the income, regardless of source of the person obligated to pay the support or maintenance. *If the public agency responsible for child support enforcement determines that the obligor's arrearages have accumulated for more than one month, and if the agency is not pursuing another appropriate remedy, the agency shall move the district or county court for an order for withholding under this section or shall document a reason or reasons why withholding would not result in payment being made.* "Income" means any form of periodic payments to an individual, including, but not limited to, wages, salary, income as an independent contractor, workers' compensation, unemployment compensation, annuity, military and naval retirement, pension and disability payments.

Sec. 45. Minnesota Statutes 1981 Supplement, Section 256.872, is amended by adding a subdivision to read:

Subd. 4. [PENALTY FOR NONCOMPLIANCE.] If the public agency responsible for child support enforcement fails to make reasonable efforts to comply with this section and sections 518.54 to 518.66 or to show why it cannot comply within four months after receiving notice that the commissioner of public welfare has determined that the agency is not in substantial compliance with this section and sections 518.54 to 518.66, the commissioner may withhold ten percent of the state's share of the difference between the total estimated cost and the federal funds available for payment of aid under sections 256.72 to 256.87 to all persons for which the county is the county of financial responsibility and the county shall pay the ten percent in addition to its usual share of payments, until the public agency complies.

Sec. 46. Minnesota Statutes 1980, Section 256.99, is amended to read:

256.99 [REVERSE MORTGAGE PROCEEDS DISREGARDED.]

All reverse mortgage loan proceeds received pursuant to section 47.58, including interest or earnings thereon, shall be disregarded and shall not be considered available to the borrower for purposes of determining initial or continuing eligibility for, or amount of, medical assistance (OR ANY OTHER PUBLIC ASSISTANCE PROGRAM), *Minnesota supplemental assistance, general assistance, general assistance medical care, or a federal or state low interest loan or grant.* This section applies regardless of the time elapsed since the loan was made or the disposition of the proceeds.

Sec. 47. Minnesota Statutes 1981 Supplement, Section 256B.-06, Subdivision 1, is amended to read:

Subdivision 1. Medical assistance may be paid for any person:

(1) Who is eligible for or receiving public assistance, or a woman who is pregnant, as medically verified, and who would be eligible for public assistance if the child had been born and living with the woman, under the aid to families with dependent children program; or

(2) Who is eligible for or receiving supplemental security income for the aged, blind and disabled; or

(3) Who except for the amount of income or resources would qualify for supplemental security income for the aged, blind and disabled, or aid to families with dependent children and is in need of medical assistance; or

(4) Who is under 21 years of age and in need of medical care that neither he nor his relatives responsible under sections 256B.01 to 256B.26 are financially able to provide; or

(5) Who is residing in a hospital for treatment of mental disease or tuberculosis and is 65 years of age or older and without means sufficient to pay the per capita hospital charge; and

(6) Who resides in Minnesota, or, if absent from the state, is deemed to be a resident of Minnesota in accordance with the regulations of the state agency; and

(7) Who alone, or together with his spouse, does not own real property other than the homestead. For the purposes of this section, "homestead" means the house owned and occupied by the applicant as his dwelling place, together with the land upon which it is situated and an area no greater than two contiguous lots in a platted or laid out city or town or (THE SMALLEST PARCEL ALLOWED UNDER APPLICABLE ZONING REGULATIONS) 80 contiguous acres in unplatted land. Occupancy or exemption shall be determined as provided in chapter 510 and applicable law, including continuing exemption by filing notice under section 510.07. Real estate not used as a home may not be retained unless it produces net income applicable to the family's needs or the family is making a continuing effort to sell it at a fair and reasonable price or unless sale of the real estate would net an insignificant amount of income applicable to the family's needs, or unless the commissioner determines that sale of the real estate would cause undue hardship; and

(8) Who individually does not own more than \$2,000 in cash or liquid assets, or if a member of a household with two family members (husband and wife, or parent and child), does not own more than \$4,000 in cash or liquid assets, plus \$200 for each additional legal dependent. When only one spouse resides, or will reside after applying for medical assistance, in a nursing home, or is receiving or will receive alternative care under the alternative care grants program in a county with preadmission screening under section 256B.091, the cash or liquid asset amount for two family members is \$10,000. The value of the following shall not be included:

(a) the homestead, and (b) one motor vehicle licensed pursuant to chapter 168 and defined as: (1) passenger automobile, (2) station wagon, (3) motorcycle, (4) motorized bicycle or (5) truck of the weight found in categories A to E, of section 168.013, subdivision 1e; and

(9) Who has or anticipates receiving an annual income not in excess of \$2,600 for a single person, or \$3,250 for two family members (husband and wife, parent and child, or two siblings), plus \$625 for each additional legal dependent, or who has income in excess of these maxima and in the month of application, or during the three months prior to the month of application, incurs expenses for medical care that total more than one-half of the annual excess income in accordance with the regulations of the state agency. In computing income to determine eligibility of persons who are not residents of long term care facilities, the commissioner shall disregard increases in income of social security or supplementary security income recipients due solely to increases required by sections 215(i) and 1617 of the social security act, and shall disregard income of disabled persons that is also disregarded in determining eligibility for supplemental aid under section 256D.37, subdivision 1, unless prohibited by federal law or regulation. If prohibited, the commissioner shall first seek a waiver. In excess income cases, eligibility shall be limited to a period of six months beginning with the first of the month in which these medical obligations are first incurred; and

(10) Who has continuing monthly expenses for medical care that are more than the amount of his excess income, computed on a monthly basis, in which case eligibility may be established before the total income obligation referred to in the preceding paragraph is incurred, and medical assistance payments may be made to cover the monthly unmet medical need. In licensed nursing home and state hospital cases, income over and above that required for justified needs, determined pursuant to a schedule of contributions established by the commissioner of public welfare, is to be applied to the cost of institutional care. The commissioner of public welfare may establish a schedule of contributions to be made by the spouse of a nursing home resident to the cost of care and shall seek a waiver from federal

regulations which establish the amount required to be contributed by either spouse when one spouse is a nursing home resident; and

(11) Who has applied or agrees to apply all proceeds received or receivable by him or his spouse from automobile accident coverage and private health care coverage to the costs of medical care for himself, his spouse, and children. The state agency may require from any applicant or recipient of medical assistance the assignment of any rights accruing under private health care coverage. Any rights or amounts so assigned shall be applied against the cost of medical care paid for under this chapter. Any assignment shall not be effective as to benefits paid or provided under automobile accident coverage and private health care coverage prior to receipt of the assignment by the person or organization providing the benefits.

Sec. 48. Minnesota Statutes 1980, Section 256B.07, is amended to read:

256B.07 [EXCEPTIONS IN DETERMINING RESOURCES.]

A local agency may, within the scope of regulations set by the commissioner of public welfare, waive the requirement of liquidation of excess assets when the liquidation would cause undue hardship. Household goods and furniture in use in the home, wearing apparel, insurance policies with cash surrender value not in excess of \$1,500 per insured person, personal property used as a regular abode by the applicant or recipient, *a prepaid funeral contract not in excess of \$750 per person plus accrued interest of not more than \$200*, and a lot in a burial plot shall not be considered as resources available to meet medical needs.

Sec. 49. Minnesota Statutes 1980, Section 268.16, Subdivision 3, is amended to read:

Subd. 3. [COLLECTION.] (1) If, after due notice, any employer defaults in any payment of contributions or interest due thereon or penalties for failure to file returns and other reports as and when required by the provisions of sections 268.03 to 268.24 or by any rule (OR REGULATION) of the commissioner, the amount due shall be collected by civil action in the name of the state of Minnesota, and any money recovered (ON ACCOUNT THEREOF) shall be credited to the funds provided for under the provisions of these sections. This remedy shall be in addition to (SUCH) other remedies (AS MAY BE HEREIN PROVIDED OR OTHERWISE) provided by law, and the employer adjudged in default shall pay the costs of (SUCH) the action. Civil actions brought under this section to collect contributions, interest due thereon, or penalties from an employer shall be heard by the court at the earliest possible date.

No action for the collection of contributions or interest thereon shall be commenced more than four years after the contributions have been reported by the employer or determined by the commissioner to be due and payable. In any action herein provided for, judgment shall be entered against any defendant in default for want of answer or demurrer, for the relief demanded in the complaint without proof, together with costs and disbursements, upon the filing of an affidavit of default.

No action shall be commenced for the collection of contributions with respect to wages paid for services performed prior to the effective date of a subsequent provision of law enacted prior to July 1, 1941, excluding (SUCH) *the* service from coverage under sections 268.03 to 268.24.

(2) Any employing unit which is not a resident of this state and which exercises the privilege of having one or more individuals perform service for it within this state, and any resident employing unit which exercises that privilege and thereafter removes from this state, shall be deemed thereby to appoint the secretary of state as its agent and attorney for the acceptance of process in any civil action under this subdivision. In instituting (SUCH) an action against (ANY SUCH) *the* employing unit the commissioner shall cause (SUCH) *any* process or notice to be filed with the secretary of state, *together with payment of a fee of \$15, and (SUCH) the* service shall be sufficient service upon (SUCH) *the* employing unit, and shall be of the same force and validity as if served upon it personally within this state: Provided, that the commissioner shall forthwith send notice of the service of (SUCH) *the* process or notice, together with a copy thereof, by certified mail, return receipt requested, to (SUCH) *the* employing unit at its last known address and (SUCH) *the* return receipt, the commissioner's affidavit of compliance with the provisions of this section, and a copy of the notice of service, shall be appended to the original of the process filed in the court in which (SUCH) *the* civil action is pending.

Sec. 50. Minnesota Statutes 1980, Section 278.03, is amended to read:

278.03 [PAYMENT OF (PORTION OF) TAX.]

If the proceedings instituted by the filing of the petition have not been completed before the first day of June 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 November 1, 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 un-*

paid 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 first day of June or the first 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 (50 PERCENT OF SUCH) *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. 51. Minnesota Statutes 1981 Supplement, Section 290.01, Subdivision 20, is amended to read:

Subd. 20. [GROSS INCOME.] Except as otherwise provided in this chapter, the term "gross income," as applied to corporations includes every kind of compensation for labor or personal services of every kind from any private or public employment, office, position or services; income derived from the ownership or use of property; gains or profits derived from every kind of disposition of, or every kind of dealing in, property; income derived from the transaction of any trade or business; and income derived from any source; except that gross income shall not include "exempt function income" of a "home-owners association" as those terms are defined in Section 528 of the Internal Revenue Code of 1954, as amended through December 31, 1980.

The term "gross income" in its application to individuals, estates, and trusts shall mean the adjusted gross income as defined in the Internal Revenue Code of 1954, as amended through

the date specified herein for the applicable taxable year, with the modifications specified in this subdivision. For estates and trusts the adjusted gross income shall be their federal taxable income as defined in the Internal Revenue Code of 1954, as amended through the date specified herein for the applicable taxable year, with the modifications specified in this subdivision and with the modification that the federal deduction for personal exemptions for trusts and estates shall not be allowed.

(i) The Internal Revenue Code of 1954, as amended through December 31, 1974, shall be in effect for the taxable years beginning after December 31, 1974.

(ii) The Internal Revenue Code of 1954, as amended through December 31, 1976, including the amendments made to section 280A (relating to licensed day care centers) in H.R. 3477 as it passed the Congress on May 16, 1977, shall be in effect for the taxable years beginning after December 31, 1976. The provisions of the Tax Reform Act of 1976, P.L. 94-455, which affect adjusted gross income shall become effective for purposes of this chapter at the same time they become effective for federal income tax purposes. Section 207 (relating to extension of period for nonrecognition of gain on sale or exchange of residence) and section 402 (relating to time for making contributions to pension plans of self employed people) of P.L. 94-12 shall be effective for taxable years beginning after December 31, 1974.

The provisions of section 4 of P.L. 95-458, sections 131, 133, 134, 141, 152, 156, 157, 405, and 543 of P.L. 95-600, and section 2 of P.L. 96-608 (relating to pensions, individual retirement accounts, deferred compensation plans, the sale of a residence and to conservation payments to farmers) including the amendments made to these sections in P.L. 96-222 shall be effective at the same time that these provisions became effective for federal income tax purposes.

(iii) The Internal Revenue Code of 1954, as amended through December 31, 1979, shall be in effect for taxable years beginning after December 31, 1979.

(iv) The Internal Revenue Code of 1954, as amended through December 31, 1980, shall be in effect for taxable years beginning after December 31, 1980 including the provisions of section 404 (relating to partial exclusions of dividends and interest received by individuals) of the Crude Oil Windfall Profit Tax Act of 1980, P.L. 96-223. The provisions of P.L. 96-471 (relating to installment sales) shall be effective at the same time that they become effective for federal income tax purposes.

References to the Internal Revenue Code of 1954 in clauses (a), (b) and (c) following shall mean the code in effect for the purpose of defining gross income for the applicable taxable year.

(a) Modifications increasing federal adjusted gross income. There shall be added to federal adjusted gross income:

(1) Interest income on obligations of any state other than Minnesota or a political subdivision of any other state exempt from federal income taxes under the Internal Revenue Code of 1954;

(2) A business casualty loss if the taxpayer elected to deduct the loss on the current year's federal income tax return but had deducted the loss on the previous year's Minnesota income tax return;

(3) Income taxes imposed by this state or any other taxing jurisdiction, to the extent deductible in determining federal adjusted gross income and not credited against federal income tax;

(4) Interest on indebtedness incurred or continued to purchase or carry securities the income from which is exempt from tax under this chapter, to the extent deductible in determining federal adjusted gross income;

(5) Amounts received as reimbursement for an expense of sickness or injury which was deducted in a prior taxable year to the extent that the deduction for the reimbursed expenditure resulted in a tax benefit;

(6) The amount of any federal income tax overpayment for any previous taxable year, received as refund or credited to another taxable year's income tax liability, proportionate to the percentage of federal income tax that was claimed as a deduction in determining Minnesota income tax for the previous taxable year. The amount of the federal income tax overpayment shall be reported only to the extent that the amount resulted in a reduction of the tax imposed by this chapter.

The overpayment refund or credit, determined with respect to a husband and wife on a joint federal income tax return for a previous taxable year, shall be reported on joint, combined, or separate Minnesota income tax returns. In the case of combined or separate Minnesota returns, the overpayment shall be reported by each spouse proportionately according to the relative amounts of federal income tax claimed as a deduction on his or her combined or separate Minnesota income tax return for such previous taxable year;

(7) In the case of a change of residence from Minnesota to another state or nation, the amount of moving expenses which exceed total reimbursements and which were therefore deducted in arriving at federal adjusted gross income;

(8) The amount of any increase in the taxpayer's federal tax liability under section 47 of the Internal Revenue Code of 1954

to the extent of the credit under section 38 of the Internal Revenue Code of 1954 that was previously allowed as a deduction either under section 290.01, subdivision 20 (b) (7);

(9) Expenses and losses arising from a farm which are not allowable under section 290.09, subdivision 29;

(10) Expenses and depreciation attributable to substandard buildings disallowed by section 290.101;

(11) The amount by which the gain determined pursuant to section 41.59, subdivision 2 exceeds the amount of such gain included in federal adjusted gross income;

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

(13) Interest income from qualified scholarship funding bonds as defined in section 103(e) of the Internal Revenue Code of 1954, if the nonprofit corporation is domiciled outside of Minnesota;

(14) Exempt-interest dividends, as defined in section 852(b) (5) (A) of the Internal Revenue Code of 1954, not included in federal adjusted gross income pursuant to section 852(b) (5) (B) of the Internal Revenue Code of 1954, except for that portion of exempt-interest dividends derived from interest income on obligations of the state of Minnesota, any of its political or governmental subdivisions, any of its municipalities, or any of its governmental agencies or instrumentalities;

(15) The amount of any excluded gain recognized by a trust on the sale or exchange of property as defined in section 641(c) (1) of the Internal Revenue Code of 1954;

(16) An amount equal to one-sixth of any gain from the sale or other disposition of property deducted under sections 1202(a) and 1202(c) (1) of the Internal Revenue Code of 1954;

(17) To the extent not included in the taxpayer's federal adjusted gross income, the amount of any gain, from the sale or other disposition of property having a lower adjusted basis for Minnesota income tax purposes than for federal income tax purposes. This modification shall not exceed the difference in basis. If the gain is considered a long term capital gain for federal income tax purposes, the modification shall be limited to 50 percent of the portion of the gain. This modification is limited to property that qualified for the energy credit contained in section 290.-

06, subdivision 14, and to property acquired in exchange for the release of the taxpayer's marital rights contained in section 290.14, clause (9);

(18) The amount of any loss from a source outside of Minnesota which is not allowed under section 290.17 including any capital loss or net operating loss carryforwards or carrybacks resulting from the loss;

((19) THE AMOUNT OF A DISTRIBUTION FROM AN INDIVIDUAL HOUSING ACCOUNT WHICH IS TO BE INCLUDED IN GROSS INCOME AS REQUIRED UNDER SECTION 290.08, SUBDIVISION 25;)

((20)) (19) To the extent deducted in computing the taxpayer's federal adjusted gross income, interest, taxes and other expenses which are not allowed under section 290.10, clause (9) or (10); and

((21)) (20) To the extent excluded from federal adjusted gross income, in the case of a city manager or city administrator who elects to be excluded from the public employees retirement association and who makes contributions to a deferred compensation program pursuant to section 353.028, the amount of contributions made by the city manager or administrator which is equal to the amount which would have been the city manager's or administrator's employee contribution pursuant to section 353.27, subdivision 2, if he were a member of the public employees retirement association.

(b) Modifications reducing federal adjusted gross income. There shall be subtracted from federal adjusted gross income:

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

(2) The portion of any gain, from the sale or other disposition of property having a higher adjusted basis for Minnesota income tax purposes than for federal income tax purposes, that does not exceed such difference in basis; but if such gain is considered a long-term capital gain for federal income tax purposes, the modification shall be limited to 50 per centum of the portion of the gain. This modification shall not be applicable if the difference in basis is due to disallowance of depreciation pursuant to section 290.101.

(3) Interest or dividend income on securities to the extent exempt from income tax under the laws of this state authorizing the issuance of the securities but includible in gross income for federal income tax purposes;

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

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

(6) To the extent included in federal adjusted gross income, or the amount reflected as the ordinary income portion of a lump sum distribution under section 402(e) of the Internal Revenue Code of 1954, notwithstanding any other law to the contrary, the amount received by any person (i) from the United States, its agencies or instrumentalities, the Federal Reserve Bank or from the state of Minnesota or any of its political or governmental subdivisions or from any other state or its political or governmental subdivisions, or a Minnesota volunteer firefighter's relief association, by way of payment as a pension, public employee retirement benefit, or any combination thereof, or (ii) as a retirement or survivor's benefit made from a plan qualifying under section 401, 403, 404, 405, 408, 409 or 409A of the Internal Revenue Code of 1954. The maximum amount of this subtraction shall be \$11,000 less the amount by which the individual's federal adjusted gross income, plus the ordinary income portion of a lump sum distribution as defined in section 402(e) of the Internal Revenue Code of 1954, exceeds \$17,000. In the case of a volunteer firefighter who receives an involuntary lump sum distribution of his pension or retirement benefits, the maximum amount of this subtraction shall be \$11,000; this subtraction shall not be reduced by the amount of the individual's federal adjusted gross income in excess of \$17,000;

(7) The amount of any credit to the taxpayer's federal tax liability under section 38 of the Internal Revenue Code of 1954 but only to the extent that the credit is connected with or allocable against the production or receipt of income included in the measure of the tax imposed by this chapter;

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

(9) The amount of any distribution from a qualified pension or profit sharing plan included in federal adjusted gross income

in the year of receipt to the extent of any contribution not previously allowed as a deduction by reason of a change in federal law which was not adopted by Minnesota law for a taxable year beginning in 1974 or later;

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

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

(12) The amount of any income earned for personal services rendered outside of Minnesota prior to the date when the taxpayer became a resident of Minnesota. This modification does not apply to compensation defined in clause (b)(6);

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

(14) In the case of work incentive program expenses paid or incurred on or after January 1, 1979, the amount of any credit for expenses of work incentive programs under sections 40, 50A and 50B of the Internal Revenue Code of 1954 which is claimed as a credit against the taxpayer's federal tax liability, but only to the extent that the credit is connected with or allocable against the production or receipt of income included in the measure of the tax imposed by this chapter;

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

(16) To the extent included in federal adjusted gross income, severance pay that may be treated as a lump sum distribution under the provisions of section 290.032, subdivision 5;

(17) The amount of any income or gain which is not assignable to Minnesota under the provisions of section 290.17;

(18) Minnesota exempt-interest dividends as provided by subdivision 27;

(19) A business casualty loss which the taxpayer elected to deduct on the current year's Minnesota income tax return but did not deduct on the current year's federal income tax return; (AND)

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

(21) To the extent included in federal adjusted gross income, in the case of a city manager or city administrator who elects to be excluded from the public employees retirement association and who makes contributions to a deferred compensation program pursuant to section 353.028, the amount of payments from the deferred compensation program equivalent to the amount of contributions taxed under clause (a)(20) (; AND)

((22) CONTRIBUTIONS TO AND INTEREST EARNED ON AN INDIVIDUAL HOUSING ACCOUNT AS PROVIDED BY SECTION 290.08, SUBDIVISION 25).

(c) A modification affecting shareholders of electing small business corporations under section 1372 of the Internal Revenue Code of 1954 shall be made.

In cases where the election under section 1372 of the Internal Revenue Code of 1954 antedates the election under this chapter and at the close of the taxable year immediately preceding the effective election under this chapter the corporation has a reserve of undistributed taxable income previously taxed to shareholders under the provisions of the Internal Revenue Code of 1954, in the event and to the extent that the reserve is distributed to shareholders the distribution shall be taxed as a dividend for purposes of this chapter.

(d) Amounts transferred from a reserve or other account, if in effect transfers to surplus, shall, to the extent that the amounts were accumulated through deductions from gross income or entered into the computation of taxable net income during any taxable year, be treated as gross income for the year in which the transfer occurs, but only to the extent that the amounts resulted in a reduction of the tax imposed by this chapter and amounts received as refunds on account of taxes deducted from gross income during any taxable year shall be treated as gross income for the year in which actually received, but only to the extent that such amounts resulted in a reduction of the tax imposed by this chapter.

(e) Modification in computing taxable income of the estate of a decedent. Amounts allowable under section 291.07, subdi-

vision 1, clause (2) in computing Minnesota inheritance or estate tax liability shall not be allowed as a deduction (or as an offset against the sales price of property in determining gain or loss) in computing the taxable income of the estate or any person unless there is filed within the time and in the manner and form prescribed by the commissioner a statement that the amounts have not been allowed as a deduction under section 291.07 and a waiver of the right to have the amounts allowed at any time as deductions under section 291.07. The provisions of this paragraph shall not apply with respect to deductions allowed under section 290.077 (relating to income in respect of decedents). In the event that the election made for federal tax purposes under section 642(g) of the Internal Revenue Code of 1954 differs from the election made under this paragraph appropriate modification of the estate's federal taxable income shall be made to implement the election made under this paragraph in accordance with regulations prescribed by the commissioner.

Sec. 52. Minnesota Statutes 1981 Supplement, Section 290.-17, Subdivision 2, is amended to read:

Subd. 2. [OTHER TAXPAYERS.] In the case of taxpayers not subject to the provisions of subdivision 1, items of gross income shall be assigned to this state or other states or countries in accordance with the following principles:

(1) The entire income of all resident or domestic taxpayers from compensation for labor or personal services, or from a business consisting principally of the performance of personal or professional services, shall be assigned to this state, and the income of nonresident taxpayers from such sources shall be assigned to this state if, and to the extent that, the labor or services are performed within it; all other income from such sources shall be treated as income from sources without this state;

(2) Income from the operation of a farm shall be assigned to this state if the farm is located within this state and to other states only if the farm is not located in this state. Income and gains received from tangible property not employed in the business of the recipient of such income or gains, and from tangible property employed in the business of such recipient if such business consists principally of the holding of such property and the collection of the income and gains therefrom, shall be assigned to this state if such property has a situs within it, and to other states only if it has no situs in this state. Income or gains from intangible personal property not employed in the business of the recipient of such income or gains, and from intangible personal property employed in the business of such recipient if such business consists principally of the holding of such property and the collection of the income and gains therefrom, wherever held, whether in trust, or otherwise, shall be assigned to this state if the recipient thereof is

domiciled within this state; income or gains from intangible personal property wherever held, whether in trust or otherwise shall be assigned to this state if the recipient of such income or gains is domiciled within this state, or if the grantor of any trust is domiciled within this state and such income or gains would be taxable to such grantor under section 290.25 or 290.29 ;

(3) Income derived from carrying on a trade or business, including in the case of a business owned by natural persons the income imputable to the owner for his services and the use of his property therein, shall be assigned to this state if the trade or business is conducted wholly within this state, and to other states if conducted wholly without this state. This provision shall not apply to business income subject to the provisions of clause (1) ;

(4) When a trade or business is carried on partly within and partly without this state, the entire income derived from such trade or business, including income from intangible property employed in such business and including, in the case of a business owned by natural persons, the income imputable to the owner for his services and the use of his property therein, shall be governed, except as otherwise provided in sections 290.35 and 290.36, by the provisions of section 290.19, notwithstanding any provisions of this section to the contrary. This shall not apply to business income subject to the provisions of clause (1). For the purposes of this clause, a trade or business located in Minnesota is carried on partly within and partly without this state if tangible personal property is sold by such trade or business and delivered or shipped to a purchaser located outside the state of Minnesota.

In determining whether or not intangible property is employed in a unitary business carried on partly within and partly without this state so that income derived therefrom is subject to apportionment under section 290.19 the following rules and guidelines shall apply.

(a) Intangible property is employed in a business if the business entity owning intangible property holds it as a means of furthering the business operation of which a part is located within the territorial confines of this state.

(b) Where a business operation conducted in Minnesota, is owned by a business entity which carries on business activity outside of the state different in kind from that conducted within this state, and such other business is conducted entirely outside the state, it will be presumed that the two business operations are unitary in nature, interrelated, connected and interdependent unless it can be shown to the contrary.

(5) (IN THE CASE OF A NONRESIDENT WHO IS LIABLE FOR PAYMENT OF A PENALTY FOR HAVING WITHDRAWN FUNDS FROM AN INDIVIDUAL HOUSING ACCOUNT ESTABLISHED PURSUANT TO SECTION 290.08,

SUBDIVISION 25, THE AMOUNT SO WITHDRAWN AND FOR WHICH A DEDUCTION WAS ALLOWED SHALL BE AN ITEM OF INCOME ASSIGNABLE TO THIS STATE, AND THE PENALTY TAX OF TEN PERCENT SHALL REMAIN AN ADDITIONAL LIABILITY OF THAT TAXPAYER.)

(6) For purposes of this section, amounts received by a non-resident from the United States, its agencies or instrumentalities, the Federal Reserve Bank, the state of Minnesota or any of its political or governmental subdivisions, or a Minnesota volunteer fireman's relief association, by way of payment as a pension, public employee retirement benefit, or any combination thereof, or as a retirement or survivor's benefit made from a plan qualifying under section 401, 403, 404, 405, 408, 409 or 409A of the Internal Revenue Code of 1954, as amended through December 31, 1979, are not considered income derived from carrying on a trade or business or from performing personal or professional services in Minnesota, and are not taxable under this chapter.

((7)) (6) All other items of gross income shall be assigned to the taxpayer's domicile.

Sec. 53. Minnesota Statutes 1981 Supplement, Section 302A.901, Subdivision 2, is amended to read:

Subd. 2. [SERVICE ON SECRETARY OF STATE; WHEN PERMITTED.] If a corporation has appointed and maintained a registered agent in this state but neither its registered agent nor an officer of the corporation can be found at the registered office, or if a corporation fails to appoint or maintain a registered agent in this state and an officer of the corporation cannot be found at the registered office, then the secretary of state is the agent of the corporation upon whom the process, notice, or demand may be served. The return of the sheriff, or the affidavit of a person not a party, that no registered agent or officer can be found at the registered office in a county is conclusive evidence that the corporation has no registered agent or officer at its registered office. Service on the secretary of state of any process, notice, or demand is deemed personal service upon the corporation and shall be made by filing with the secretary of state duplicate copies of the process, notice, or demand. The secretary of state shall immediately forward, by (REGISTERED) certified mail, addressed to the corporation at its registered office, a copy of the process, notice, or demand. Service on the secretary of state is returnable in not less than 30 days notwithstanding a shorter period specified in the process, notice, or demand.

Sec. 54. Minnesota Statutes 1980, Section 303.07, is amended to read:

303.07. [(INITIAL) LICENSE (FEE) FEES.]

Subdivision 1. [INITIAL FEE.] At the time of making application for a certificate of authority the foreign corporation making (SUCH) the application shall pay to the state treasurer the sum of (\$125) \$150 as an initial license fee.

Subd. 2. [ANNUAL FEE.] The secretary of state shall collect an annual license fee from each foreign corporation holding a certificate of authority to transact business in this state. A foreign corporation shall pay \$15 per \$100,000 or fraction thereof of its Minnesota taxable net income for the last taxable year ending prior to the payment of the fee. If the taxable year ended less than 75 days before the date the fee is received by the secretary of state, the taxable net income from the preceding taxable year shall determine the fee. In no event shall the annual license fee be less than \$30. The corporation shall pay this fee by April 1 of each year.

Sec. 55. Minnesota Statutes 1980, Section 303.13, Subdivision 1, is amended to read:

Subdivision 1. [FOREIGN CORPORATION.] A foreign corporation shall be subject to service of process, as follows:

- (1) By service thereof on its registered agent;
- (2) When any foreign corporation authorized to transact business in this state fails to appoint or maintain in this state a registered agent upon whom service of process may be had, or whenever any registered agent cannot be found at its registered office in this state, as shown by the return of the sheriff of the county in which the registered office is situated, or whenever any corporation withdraws from the state, or whenever the certificate of authority of any foreign corporation is revoked or canceled, service may be made by delivering to and leaving with the secretary of state, or with any deputy or clerk in the corporation department of his office, three copies thereof and a fee of (\$10) \$15; provided, that after a foreign corporation withdraws from the state, pursuant to section 303.16, service upon the corporation may be made pursuant to the provisions of this section only when based upon a liability or obligation of the corporation incurred within this state or arising out of any business done in this state by the corporation prior to the issuance of a certificate of withdrawal.
- (3) If a foreign corporation makes a contract with a resident of Minnesota to be performed in whole or in part by either party in Minnesota, or if a foreign corporation commits a tort in whole or in part in Minnesota against a resident of Minnesota, such acts shall be deemed to be doing business in Minnesota by the foreign corporation and shall be deemed equivalent to the appointment by the foreign corporation of the secretary of the state of Minnesota and his successors to be its true and lawful attorney upon whom may be served all lawful process in any ac-

tions or proceedings against the foreign corporation arising from or growing out of the contract or tort. Process shall be served in duplicate upon the secretary of state, together with a fee of (\$10) \$15 and the secretary of state shall mail one copy thereof to the corporation at its last known address, and the corporation shall have 20 days within which to answer from the date of the mailing, notwithstanding any other provision of the law. The making of the contract or the committing of the tort shall be deemed to be the agreement of the foreign corporation that any process against it which is so served upon the secretary of state shall be of the same legal force and effect as if served personally on it within the state of Minnesota.

Sec. 56. Minnesota Statutes 1980, Section 303.14, Subdivision 1, is amended to read:

Subdivision 1. [FILED WITH SECRETARY OF STATE; CONTENTS.] Between January first and April first, in each year, every foreign corporation which holds a certificate of authority shall make and file with the secretary of state a report for the (NEXT PRECEDING) *previous* calendar year, setting forth:

(1) the name of the corporation and the state or country under the laws of which it is organized;

(2) if the name of the corporation does not end with the word "Corporation" or the word "Incorporated," or the abbreviation "Inc.," or does not contain the word "Company" or the abbreviation "Co." not immediately preceded by the word "and" or the character "&," then the name of the corporation with the word or abbreviation which it has agreed to add thereto for use in this state;

(3) the date of its incorporation and the period of its duration;

(4) the address of its principal office in the state or country under the laws of which it is organized;

(5) the address of its registered office in this state and the name of its registered agent at such address;

(6) the names and respective addresses of its directors and officers;

(7) (A STATEMENT OF THE AGGREGATE NUMBER OF SHARES HAVING PAR VALUE AND OF SHARES WITHOUT PAR VALUE WHICH IT HAS AUTHORITY TO ISSUE, ITEMIZED BY CLASSES AND SERIES);

((8) A STATEMENT OF THE AGGREGATE NUMBER OF ITS ISSUED OR ALLOTTED SHARES HAVING PAR VALUE AND OF SHARES WITHOUT PAR VALUE, ITEMIZED BY CLASSES AND SERIES;)

((9) A STATEMENT EXPRESSING IN DOLLARS THE VALUE OF ALL THE PROPERTY OWNED BY THE CORPORATION; WHEREVER LOCATED, AND THE VALUE OF ALL ITS PROPERTY LOCATED WITHIN THIS STATE;)

((10) A STATEMENT EXPRESSING IN DOLLARS THE GROSS RECEIPTS OF THE CORPORATION IN SUCH CALENDAR YEAR DERIVED FROM ITS BUSINESS OPERATIONS WHEREVER TRANSACTED, AND THE GROSS RECEIPTS OF THE CORPORATION IN SUCH CALENDAR YEAR DERIVED FROM ITS BUSINESS OPERATIONS TRANSACTED, IN WHOLE OR IN PART, WITHIN THIS STATE; AND)

((11) SUCH) additional information (AS MAY BE) necessary or appropriate to enable the secretary of state to determine the additional license fee, if any, payable by (SUCH) the corporation (.)

(THE INFORMATION REQUIRED BY CLAUSES (7) TO (9) SHALL BE GIVEN AS OF THE CLOSE OF THE NEXT PRECEDING CALENDAR YEAR.);

(8) a statement of the corporate taxable net income as stated in its Minnesota corporate income tax return that was due in the previous year; and

(9) the fee required by section 303.07, subdivision 2. This fee shall be submitted with the annual report.

Sec. 57. Minnesota Statutes 1980, Section 303.14, Subdivision 3, is amended to read:

Subd. 3. [FORMS.] (SUCH) *The* annual report shall be made on forms prescribed by the secretary of state, in two separable parts, one part setting forth the facts required by subdivision 1, clauses (1) to ((8)) (6), and the other part the facts required by subdivision 1, clauses ((9)) (7), ((10)) (8), and ((11)) (9); (SUCH) *the* report shall be executed, acknowledged and verified by the president or vice-president and by the treasurer, an assistant treasurer, secretary or an assistant secretary of the corporation; or, if the corporation is in the hands of a receiver or trustee, (SUCH) *the* report shall be executed on behalf of the corporation and verified by (SUCH) *the* receiver or trustee.

Sec. 58. Minnesota Statutes 1980, Section 303.14, Subdivision 5, is amended to read:

Subd. 5. [DIVULGENCE OF CONTENTS FORBIDDEN.] It shall be unlawful for the secretary of state or any other public official or employee to divulge or otherwise make known in any manner any of the particulars with reference to the (VALUE OF THE PROPERTY OWNED BY SUCH CORPORATION OR THE AMOUNT OF THE GROSS RECEIPTS OF SUCH CORPORATION) *taxable net income* set forth or disclosed as a part of any annual report. Nothing herein shall be construed to prohibit the inspection of the full reports by officials and employees of this state in the performance of their duties with respect to license fees due from the corporation making (SUCH) *the* report. Any person violating any of the prohibitions of this subdivision shall be guilty of a gross misdemeanor.

Sec. 59. Minnesota Statutes 1980, Section 303.16, Subdivision 2, is amended to read:

Subd. 2. [CONTENTS OF APPLICATION.] The application for withdrawal shall set forth:

(1) the name of the corporation and the state or country under the laws of which it is organized;

(2) that it has no property located in this state and has ceased to transact business therein;

(3) that its board of directors has duly determined to surrender its authority to transact business in this state;

(4) that it revokes the authority of its registered agent in this state to accept service of process;

(5) the address to which the secretary of state shall mail a copy of any process against the corporation that may be served upon him;

(6) that it will pay to the state treasurer the amount of any additional license fees properly found by the secretary of state to be then due from such corporation; and

(7) (SUCH) additional information (AS MAY BE) required or demanded by the secretary of state to enable him to determine the additional license fees, if any, payable by (SUCH) *the* corporation, the determination thereof to be made in the manner provided by section (303.15, EXCEPT THAT IN COMPUTING SUCH ADDITIONAL LICENSE FEE THE AMOUNT TO BE USED AS THE VALUE OF THE PROPERTY OF THE CORPORATION LOCATED WITHIN THIS STATE SHALL BE THE HIGHEST AMOUNT OR VALUE OF SUCH PROPERTY AT ANY TIME IN THE CALENDAR YEAR IN WHICH THE APPLICATION FOR WITHDRAWAL IS FILED) 303.07, subdivision 2.

Sec. 60. Minnesota Statutes 1980, Section 303.16, Subdivision 4, is amended to read:

Subd. 4. [APPROVAL; FILING.] (SUCH) *The* application for withdrawal shall be delivered to the secretary of state. Upon receipt thereof he shall examine the same, and if he finds that it conforms to the provisions of this chapter, he shall, when all license fees, filing fees, and other charges have been paid as required by law, file the same in his office and shall issue and record a certificate of withdrawal (, AND SHALL THEREUPON TRANSMIT SUCH CERTIFICATE, TOGETHER WITH A FEE OF \$1, TO THE COUNTY RECORDER OF THE COUNTY IN WHICH THE REGISTERED OFFICE OF THE CORPORATION IN THIS STATE IS SITUATED, AND THE COUNTY RECORDER SHALL RECORD SUCH CERTIFICATE FOR SUCH FEE). Upon the issuance of (SUCH) *the* certificate, the authority of the corporation to transact business in this state shall cease.

Sec. 61. Minnesota Statutes 1980, Section 303.17, Subdivision 4, is amended to read:

Subd. 4. [CERTIFICATE OF REVOCATION.] Upon revoking (SUCH) *the* certificate of authority, the secretary of state shall:

(1) Issue a certificate of revocation, in duplicate; *and*

(2) (TRANSMIT ONE OF SUCH CERTIFICATES TO THE COUNTY RECORDER OF THE COUNTY IN WHICH THE REGISTERED OFFICE OF THE CORPORATION IN THIS STATE IS SITUATED, AND THE COUNTY RECORDER SHALL RECORD THE SAME WITHOUT ANY FEE THEREFOR; AND)

((3)) Mail to (SUCH) *the* corporation, at its principal office in the state or country under the laws of which it is organized, a notice of (SUCH) *the* revocation, accompanied by (ONE SUCH) *a* certificate of *revocation*, and mail to (SUCH) *the* corporation, at its registered office in this state, a notice of (SUCH) *the* revocation.

Sec. 62. Minnesota Statutes 1980, Section 303.18, Subdivision 3, is amended to read:

Subd. 3. [JUDGMENT OF CANCELLATION.] The attorney general shall cause two certified copies of the judgment canceling a certificate of authority to be delivered to the secretary of state. The secretary of state shall file one copy in his office, and shall transmit the other copy to the (COUNTY RECORDER OF THE COUNTY IN WHICH THE) registered

office of the corporation in this state (IS SITUATED. THE COUNTY RECORDER SHALL RECORD THE SAME WITHOUT ANY FEE THEREFOR).

Sec. 63. Minnesota Statutes 1980, Section 303.19, Subdivision 2, is amended to read:

Subd. 2. [FEE.] If the certificate of authority was revoked by the secretary of state pursuant to section 303.17, the corporation shall pay to the state treasurer (\$200) \$250 before it may be reinstated.

If the certificate of authority was canceled by a judgment pursuant to section 303.18, the corporation shall pay to the state treasurer \$500 before it may be reinstated.

Sec. 64. Minnesota Statutes 1980, Section 303.19, Subdivision 3, is amended to read:

Subd. 3. [CERTIFICATE OF REINSTATEMENT.] Upon the filing of (SUCH) *the* application and upon payment of all penalties, fees and charges required by law, not including (, HOWEVER,) an initial license fee or additional license fees to the extent that (THE SAME) *they* have (THERETOFORE) *previously* been paid by (SUCH) *the* corporation, the secretary of state shall reinstate the license of (SUCH) *the* corporation (, AND SHALL ISSUE AND RECORD A CERTIFICATE OF REINSTATEMENT AND SHALL TRANSMIT SUCH CERTIFICATE, TOGETHER WITH A FEE OF \$1, TO THE COUNTY RECORDER OF THE COUNTY IN WHICH THE REGISTERED OFFICE OF THE CORPORATION IN THIS STATE IS SITUATED. THE COUNTY RECORDER SHALL RECORD SUCH CERTIFICATE FOR SUCH FEE).

Sec. 65. Minnesota Statutes 1980, Section 303.21, is amended by adding a subdivision to read:

Subd. 3. [OTHER INSTRUMENTS.] A fee of \$20 shall be paid to the secretary of state for filing any instrument required or permitted to be filed under the provisions of this chapter. The fee shall be paid at the time of the filing of the instrument.

Sec. 66. Minnesota Statutes 1980, Section 303.22, is amended to read:

303.22 [APPLICABLE TO PRESENT CORPORATIONS.]

Except as in this section otherwise provided, this chapter shall be applicable to all foreign corporations heretofore or hereafter transacting business in this state.

Any foreign corporation licensed to transact business in this state when this chapter became effective, which thereafter ob-

tains a certificate of authority, pursuant to the provisions of this section, may continue to transact business in this state pursuant to (SUCH) *the* certificate of authority, using the name under which it was, on the effective date of this chapter, licensed to transact business in this state, whether or not the use of (SUCH) *the* name is in violation of the provisions of section 303.05.

Nothing herein contained shall be construed to exempt (SUCH) *the* foreign corporation from the obligation of making annual reports and paying (ADDITIONAL) license fees in accordance with the provisions of this chapter.

(IN COMPUTING ANY ADDITIONAL LICENSE FEES FOR SUCH CORPORATION THERE SHALL BE CREDITED ALL LICENSE FEES PAID BY SUCH CORPORATION TO THIS STATE UNDER THIS CHAPTER AND UNDER ANY PRIOR LAWS RELATING TO THE ADMISSION OF FOREIGN CORPORATIONS TO DO BUSINESS IN THIS STATE.)

Sec. 67. Minnesota Statutes 1980, Section 303.23, Subdivision 1, is amended to read:

Subdivision 1. [PRIMA FACIE EVIDENCE; RECORDING.] Any certificate issued by the secretary of state pursuant to the provisions of this chapter, and copies of (SUCH) *the* certificates certified by him, shall be prima facie evidence of the matters stated therein (AND, EXCEPT CERTIFICATES ISSUED PURSUANT TO SUBDIVISION 2, MAY BE RECORDED IN THE OFFICE OF THE COUNTY RECORDER OF ANY COUNTY IN THIS STATE).

Sec. 68. Minnesota Statutes 1980, Section 308.06, Subdivision 4, is amended to read:

Subd. 4. The original articles of incorporation, or a certified copy of them, verified by the affidavits of two of the incorporators, shall be filed with the secretary of state and a copy, certified and verified as above required, shall be recorded in the office of the county recorder of the county in which the principal place of business of the association is located. For filing the articles of incorporation, or amendments to them, with the secretary of state a fee of (\$10) \$15 shall be paid to the secretary of state.

Sec. 69. Minnesota Statutes 1980, Section 308.85, is amended to read:

308.85 [FEES.]

For filing articles of incorporation, or amendments thereto, any association organized under sections (308.53) 308.29 to 308.84 shall pay (\$10) \$15.

Sec. 70. Minnesota Statutes 1980, Section 317.04, Subdivision 2, is amended to read:

Subd. 2. [ELECTION TO REJECT.] (1) When there are members with voting rights, election by a corporation to reject the provisions of sections 317.01 to 317.25 shall be by a resolution (a) approved by the board of directors at a meeting duly called for the purpose of considering it; and (b) adopted at a subsequent annual, regular, or special meeting, of which a notice stating the purpose has been duly given, by a majority vote of all members of record entitled to vote.

(2) When there are no members with voting rights, election by a corporation to reject the provisions of sections 317.01 to 317.25 shall be by a resolution adopted by a majority vote of all the directors entitled to vote at a special meeting of the board of directors, notice having been duly given.

(3) Within 15 months after April 21, 1951, the corporation shall file a copy of the adopted resolution to reject, certified by the president or vice president and the secretary or assistant secretary, accompanied by a filing fee of (\$5) \$15, in the office of the secretary of state (, AND SHALL FILE A COPY THEREOF, DULY CERTIFIED BY THE SECRETARY OF STATE, FOR RECORD, ACCOMPANIED BY THE REQUIRED RECORDING FEE, IN THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY IN WHICH THE PRINCIPAL PLACE OF BUSINESS OF THE CORPORATION IS LOCATED).

((4) THE ELECTION TO REJECT SECTIONS 317.01 TO 317.25 BECOMES EFFECTIVE UPON THE FILING FOR RECORD OF A COPY OF THE ADOPTED RESOLUTION, DULY CERTIFIED BY THE SECRETARY OF STATE, IN THE OFFICE OF THE COUNTY RECORDER ONLY IF THE RESOLUTION IS FILED FOR RECORD WITHIN THE 15 MONTH PERIOD PRESCRIBED IN CLAUSE (3).)

Sec. 71. Minnesota Statutes 1980, Section 317.04, Subdivision 3, is amended to read:

Subd. 3. [ELECTION TO ACCEPT.] (1) Whether or not a domestic corporation has elected to reject under subdivision 2, it may at any time accept and come under the provisions of sections 317.01 to 317.25 by adopting a resolution of acceptance by a majority vote of all the directors entitled to vote at a special meeting of the board of directors, notice having been duly given, and by certifying and filing the resolution in the manner prescribed by subdivision 2, clause (3), for effecting a rejection. For filing a resolution of acceptance the secretary of state shall collect a fee of (\$10) \$15.

(2) The election to accept sections 317.01 to 317.25 becomes effective upon the filing for record ((A)) of a copy of the adopted resolution to accept, together with articles of incorporation and amendments thereto with the secretary of state (, AND (B) OF THE RESOLUTION TO ACCEPT, DULY CERTIFIED BY THE SECRETARY OF STATE, WITH THE COUNTY RECORDER OF THE COUNTY IN WHICH THE PRINCIPAL PLACE OF BUSINESS OF THE CORPORATION IS LOCATED).

Sec. 72. Minnesota Statutes 1980, Section 317.36, is amended to read:

317.36 [AGREEMENT, FILING, RECORDING; CERTIFICATE ISSUED.]

(1) Upon execution of the agreement of merger or consolidation, the agreement and required copies shall be delivered to the secretary of state at his office, accompanied by the fees prescribed by section 317.67.

(2) If the secretary of state finds that the agreement conforms to law, and the prescribed fees have been paid, he shall endorse his approval upon the agreement and each copy, file and record the original of the agreement in his office, and issue a certificate of merger or a certificate of consolidation and incorporation, as (THE CASE MAY BE) *appropriate*. The secretary of state shall file and record a copy of the certificate in his office. (HE SHALL RETAIN A SUFFICIENT NUMBER OF THE REMAINING COPIES OF THE AGREEMENT TO ENABLE HIM TO COMPLY WITH CLAUSE (3).) He shall return the remaining copies bearing the endorsement of his approval, together with the certificate of merger or the certificate of consolidation and incorporation, to the single corporation.

((3) THE SECRETARY OF STATE SHALL FILE FOR RECORD A COPY OF THE AGREEMENT, CERTIFIED AS REQUIRED BY SECTION 317.35, CLAUSE (2), IN THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY IN WHICH EACH CONSTITUENT CORPORATION HAD ITS REGISTERED OFFICE AND IN THE COUNTY IN WHICH THE SINGLE CORPORATION HAS ITS REGISTERED OFFICE.)

Sec. 73. Minnesota Statutes 1980, Section 317.42, Subdivision 3, is amended to read:

Subd. 3. [FILING, RECORDING.] When a domestic corporation merges or consolidates with a foreign corporation pursuant to the law of a state or place other than this state, the single corporation shall file for record a copy of the agreement of merger or consolidation, certified by the proper official of

(SUCH) *the* state or place, accompanied by the fees prescribed by section 317.67, in the office of the secretary of state of this state. (THE SECRETARY OF STATE SHALL FILE FOR RECORD A CERTIFIED COPY OF THE AGREEMENT OF MERGER OR CONSOLIDATION IN THE OFFICE OF THE COUNTY RECORDER OF EACH COUNTY IN THIS STATE IN WHICH THE REGISTERED OFFICE OF A CONSTITUENT DOMESTIC CORPORATION WAS LOCATED.)

Sec. 74. Minnesota Statutes 1980, Section 317.67, Subdivision 2, is amended to read:

Subd. 2. (IN ADDITION TO THE FEES PRESCRIBED BY SUBDIVISION 1,) The secretary of state shall collect a fee of (\$10) \$15 for filing any instrument that is required to be filed under this chapter.

Sec. 75. Minnesota Statutes 1980, Section 330.01, Subdivision 1, is amended to read:

Subdivision 1. (a) The county auditor may license any person having the qualifications specified in clause (b) of this subdivision as an auctioneer. (SUCH) *The* license shall be issued by the auditor and shall authorize the licensee to conduct the business of an auctioneer in the state of Minnesota for the period of one year. It shall be recorded by the auditor in a book kept for that purpose. Before (SUCH) *the* license is issued the applicant shall pay into the county treasury a fee of (\$15) \$20. The auditor shall, not later than the 15th day of the following month, transmit a copy of the license to the secretary of state together with (\$5) \$10 of the fee, which shall be deposited in the general fund.

(b) A natural person is qualified to be licensed as an auctioneer if 18 years of age or over and a resident of the county of application for at least six months immediately preceding the date of application. No copartnership, association or corporation may be licensed as an auctioneer. However, nothing in this subdivision shall be construed as preventing auctioneers who are duly licensed in accordance with the provisions of this chapter, from combining in associations, copartnerships, or corporations, provided that each and every member of (SUCH) *these* associations or copartnerships and each and every person or agent conducting auction sales on behalf of (SUCH) *these* corporations is a duly licensed auctioneer as provided in this chapter. Nothing herein shall be construed to apply to a person selling at an auction property owned by him for at least six months.

Sec. 76. Minnesota Statutes 1980, Section 345.32, is amended to read:

345.32. [PROPERTY HELD BY BANKING OR FINANCIAL ORGANIZATIONS OR BY BUSINESS ASSOCIATIONS.]

The following property held or owing by a banking or financial organization or by a business association is presumed abandoned:

(a) Any demand, savings or matured time deposit made in this state with a banking organization, together with any interest or dividend thereon, excluding contracted service charges which may be deducted for a period not to exceed one year, unless the owner has, within (SEVEN) *five* years:

(1) increased or decreased the amount of the deposit, or presented the passbook or other similar evidence of the deposit for the crediting of interest; or

(2) corresponded in writing with the banking organization concerning the deposit; or

(3) otherwise indicated an interest in the deposit as evidenced by a memorandum on file with the banking organization; or

(4) received tax reports or regular statements of the deposit by mail from the banking or financial organization regarding the deposit. Receipt of the statement by the owner should be presumed if the statement is mailed first class by the banking or financial organization and not returned; or

(5) acted as provided in paragraphs (1), (2), (3) and (4) of this subsection in regard to another demand, savings or time deposit made with the banking or financial organization.

(b) Any funds or dividends deposited or paid in this state toward the purchase of shares or other interest in a business association where the stock certificates or other evidence of interest in the business have not been issued, or in a financial organization, and any interest or dividends thereon, excluding contracted service charges which may be deducted for a period not to exceed one year, unless the owner has within (SEVEN) *five* years:

(1) increased or decreased the amount of the funds or deposit, or presented an appropriate record for the crediting of interest or dividends; or

(2) corresponded in writing with the financial organization concerning the funds or deposit; or

(3) otherwise indicated an interest in the funds or deposit as evidenced by a memorandum on file with the financial organization; or

(4) received tax reports or regular statements of the deposit or accounting by mail from the financial organization or

business association regarding the deposit. Receipt of the statement by the owner should be presumed if the statement is mailed first class by the financial organization or business association and not returned.

(c) Any sum, excluding contracted service charges which may be deducted for a period not to exceed one year, payable on checks certified in this state or on written instruments issued in this state on which a banking or financial organization or business association is directly liable, including, by way of illustration but not of limitation, drafts, money orders and traveler's checks, that has been outstanding for more than (SEVEN) *five* years from the date it was payable, or from the date of its issuance if payable on demand, or, in the case of traveler's checks, has been outstanding for more than 15 years from the date of its issuance, unless the owner has within (SEVEN) *five* years, or within 15 years in the case of traveler's checks, corresponded in writing with the banking or financial organization or business association concerning it, or otherwise indicated an interest as evidenced by a memorandum on file with the banking or financial organization or business association.

(d) Any funds or other personal property, tangible or intangible, removed from a safe deposit box or any other safe-keeping repository in this state on which the lease or rental period has expired due to nonpayment of rental charges or other reason, that have been unclaimed by the owner for more than (SEVEN) *five* years from the date on which the lease or rental period expired.

(1) If the amount due for the use or rental of a safe deposit box has remained unpaid for a period of six months, the bank, savings bank, trust company, savings and loan, or safe deposit company shall, within 60 days of the expiration of that period, send by certified mail, addressed to the renter or lessee of the safe deposit box, directed to the address standing on its books, a written notice that, if the amount due for the use or rental of the safe deposit box is not paid within 60 days after the date of the mailing of the notice, it will cause the safe deposit box to be opened and its contents placed in one of its general safe deposit boxes.

(2) Upon the expiration of 60 days from the date of mailing the notice, and in default of payment within the 60 days of the amount due for the use or rental of the safe deposit box, the bank, savings bank, trust company, savings and loan, or safe deposit company, in the presence of its president, vice-president, secretary, treasurer, assistant secretary, assistant treasurer or superintendent, or such other person as specifically designated by its board of directors, and of a notary public not in its employ, shall cause the safe deposit box to be opened and the contents thereof, to be removed and sealed by the notary public in a package, upon which he shall mark the name of the renter

or lessee and also the estimated value of the contents of the safe deposit box and, in the presence of one of the bank officers listed above, the notary public shall place the package in one of the bank's general safe deposit boxes and set out the proceedings in a certificate under his official seal, which shall be delivered to the bank, savings bank, trust company, savings and loan, or safe deposit company.

(3) The bank, savings bank, trust company, savings and loan, or safe deposit company shall hold the contents of abandoned safe deposit boxes until they are claimed by the owner or the bank turns them over to the state treasurer pursuant to chapter 345.

Sec. 77. Minnesota Statutes 1980, Section 345.33, is amended to read:

345.33 [UNCLAIMED FUNDS HELD BY LIFE INSURANCE CORPORATIONS.]

(a) Unclaimed funds, as defined in this section, held and owing by a life insurance corporation shall be presumed abandoned if the last known address, according to the records of the corporation, of the person entitled to the funds is within this state. If a person other than the insured or annuitant is entitled to the funds and no address of such person is known to the corporation or if it is not definite and certain from the records of the corporation what person is entitled to the funds, it is presumed that the last known address of the person entitled to the funds is the same as the last known address of the insured or annuitant according to the records of the corporation.

(b) "Unclaimed funds," as used in this section, means all moneys held and owing by any life insurance corporation unclaimed and unpaid for more than (SEVEN) *five* years after the moneys became due and payable as established from the records of the corporation under any life or endowment insurance policy or annuity contract which has matured. A life insurance policy not matured by actual proof of the death of the insured is deemed to be matured and the proceeds thereof are deemed to be due and payable if such policy was in force when the insured attained the limiting age under the mortality table on which the reserve is based, unless the person appearing entitled thereto has within the preceding (SEVEN) *five* years, (1) assigned, readjusted or paid premiums on the policy, or subjected the policy to loan, or (2) corresponded in writing with the life insurance corporation concerning the policy. Moneys or drafts otherwise payable according to the records of the corporation are deemed due and payable although the policy or contract has not been surrendered as required.

Sec. 78. Minnesota Statutes 1980, Section 345.34, is amended to read:

345.34 [DEPOSITS HELD BY UTILITIES.]

Any deposit held or owing by any utility made by a subscriber after January 1, 1960, to secure payment for, or any sum paid in advance for, utility services to be furnished in this state, excluding any charges that may lawfully be withheld, that has remained unclaimed by the person appearing on the records of the utility entitled thereto for more than (SEVEN YEARS) *one year* after the termination of the services for which the deposit or advance payment was made is presumed abandoned.

Sec. 79. Minnesota Statutes 1980, Section 345.37, is amended to read:

345.37 [PROPERTY HELD BY FIDUCIARIES.]

All intangible personal property and any income or increment thereon, held in a fiduciary capacity for the benefit of another person is presumed abandoned unless the owner has, within (SEVEN) *five* years after it becomes payable or distributable, increased or decreased the principal, accepted payment of principal or income, corresponded in writing concerning the property, or otherwise indicated an interest as evidenced by a memorandum on file with the fiduciary if:

(a) the property is held by a banking organization or a financial organization or by a business association organized under the laws of or created in this state; or

(b) it is held by a business association, doing business in this state, but not organized under the laws of or created in this state, and the records of the business association indicate that the last known address of the person entitled thereto is in this state; or

(c) it is held in this state by any other person.

Sec. 80. Minnesota Statutes 1980, Section 345.38, is amended to read:

345.38 [PROPERTY HELD BY STATE COURTS AND PUBLIC OFFICERS AND AGENCIES.]

Subdivision 1. All intangible personal property held for the owner by any court, public corporation, public authority or public officer of this state, or a political subdivision thereof, that has remained unclaimed by the owner for more than (SEVEN) *five* years is presumed abandoned except as provided in section 524.3-914.

Subd. 2. This section shall not apply to property held for persons while residing in public correctional or other institu-

tions. As to such persons, said property shall be presumed abandoned if it has remained unclaimed by the owner for more than (SEVEN) *five* years after such residence ceases.

Subd. 3. All intangible personal property held for the owner by any government or political subdivision or agency, that has remained unclaimed by the owner for more than (SEVEN) *five* years is presumed abandoned and is reportable pursuant to section 345.41, if:

(a) the last known address as shown on the records of the holder of the apparent owner is in this state; or

(b) no address of the apparent owner appears on the records of the holder; and

(1) the last known address of the apparent owner is in this state; or

(2) the holder is domiciled in this state and has not previously transferred the property to the state of the last known address of the apparent owner.

Sec. 81. Minnesota Statutes 1980, Section 345.39, is amended to read:

345.39 [MISCELLANEOUS PERSONAL PROPERTY HELD FOR ANOTHER PERSON.]

All intangible personal property, not otherwise covered by sections 345.31 to 345.60, including any income or increment thereon, but excluding any charges that may lawfully be withheld, that is held or owing in this state in the ordinary course of the holder's business and has remained unclaimed by the owner for more than (SEVEN) *three* years after it became payable or distributable is presumed abandoned. Property covered by this section includes, but is not limited to: (a) unclaimed wages or worker's compensation; (b) deposits or payments for repair or purchase of goods or services; (c) credit checks or memos, or customer overpayments; (d) unidentified remittances, unrefunded overcharges; (e) unpaid claims, unpaid accounts payable or unpaid commissions; (f) unpaid mineral proceeds, royalties or vendor checks; and (g) credit balances, accounts receivable and miscellaneous outstanding checks.

Sec. 82. Minnesota Statutes 1980, Section 473.408, Subdivision 3, is amended to read:

Subd. 3. [SPECIAL FARES.] In off-peak hours the commission and other operators shall charge the following reduced fares for transit service:

(a) not more than 20 cents plus any zone charges for all persons under the age of 18 holding an identification card issued by the commission;

(b) not more than ten cents for all persons 65 years of age and over holding a medicare card or other identification card authorized or approved by the commission; and

(c) not more than one-half of the full fare for all handicapped persons, as defined by the commission.

(ANY PERSON QUALIFYING FOR A REDUCED FARE PURSUANT TO CLAUSE (B) WHOSE INCOME IS BELOW 150 PERCENT OF POVERTY GUIDELINES ESTABLISHED BY THE FEDERAL COMMUNITY SERVICES ADMINISTRATION MAY QUALIFY FOR EXEMPTION FROM THE FARE OTHERWISE REQUIRED TO BE PAID UNDER CLAUSE (B). THE PERSON MAY QUALIFY FOR EXEMPTION BY CERTIFYING INCOME LEVEL ON A FORM PROVIDED BY THE COMMISSION. THE COMMISSION SHALL ISSUE AN ANNUAL PASS TO PERSONS WHO QUALIFY FOR EXEMPTION AND SHALL REQUIRE THE PERSONS TO REQUALIFY ANNUALLY. THE COMMISSION SHALL MAKE APPROPRIATE CERTIFICATION FORMS AVAILABLE BY MAIL AND AT THE OFFICES AND INFORMATION CENTERS MAINTAINED BY THE COMMISSION.)

Sec. 83. Minnesota Statutes 1981 Supplement, Section 473.446, Subdivision 1, is amended to read:

Subdivision 1. [TAXATION WITHIN TRANSIT TAXING DISTRICT.] For the purposes of sections 473.401 to 473.451 and the metropolitan transit system, except as otherwise provided in this subdivision the metropolitan transit commission 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 equal to (1.72) two mills times the assessed value of all such property, the proceeds of which shall be used for payment of the expenses of operating transit and paratransit service;

(b) An additional amount, if any, as the commission determines to be necessary to provide for the full and timely payment of its certificates of indebtedness and other obligations outstanding on July 1, 1977, 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, or other obligations issued pursuant to section 473.436 for purposes of acquisi-

tion and betterment of property and other improvements of a capital nature and to which the commission has specifically pledged tax levies under this clause.

In any statutory or home rule charter city or town in the metropolitan transit taxing district which is receiving financial assistance under section 174.265, the commission shall levy a tax equal to ten percent of the sum of levies provided for in clauses (a) to (c), plus a levy sufficient to yield the amounts of available local transit funds transferred pursuant to section 174.265 from the state assistance available to the commission, less any amount paid to the commission by the city or town under a contract for service entered into pursuant to subdivision 2.

Sec. 84. Minnesota Statutes 1981 Supplement, Section 518.551, Subdivision 7, is amended to read:

Subd. 7. [SERVICE FEE.] When the public agency responsible for child support enforcement provides child support collection services either to a public assistance recipient or to a party who does not receive public assistance, the public agency may upon written notice to the obligor charge a monthly collection fee equivalent to the full monthly cost to the county of providing collection services, in addition to the amount of the child support which was ordered by the court. The fee shall be deposited in the county general fund. The service fee assessed is limited to ten percent of the monthly court ordered child support and shall not be assessed to obligors who are current in payment of the monthly court ordered child support. No fee shall be imposed on the party who requests child support collection services.

However, the limitations of this subdivision on the assessment of fees shall not apply to the extent inconsistent with the requirements of federal law for receiving funds for the programs under Title IV-A and Title IV-D of the Social Security Act, 42 U.S.C. 601 to 618 and 42 U.S.C. 651 to 662.

Sec. 85. Minnesota Statutes 1980, Section 540.152, is amended to read:

540.152. [SERVICE OF PROCESS ON UNIONS, GROUPS OR ASSOCIATIONS.]

The transaction of any acts, business or activities within the state of Minnesota by any officer, agent, representative, employee or member of any union or other groups or associations having officers, agents, members or property without the state on behalf of the union or other groups or associations or any of its members or affiliated local unions shall be deemed an appointment by the union or other groups or associations of the secretary of state of the state of Minnesota to be the true and lawful attorney of the union or other groups or associations, upon whom may be served all legal processes or notices in any action or proceeding against or involving the union or other groups or associa-

tions growing out of any acts, business or activities within the state of Minnesota resulting in damage or loss to person or property or giving rise to any cause of action under the laws of the state of Minnesota or to any matters or proceedings arising under the Minnesota Labor Relations Act. Such acts, business or activities shall be a signification of the agreement of the union or other groups or associations and its members that any process or notice in any action, matter or proceeding against or involving it, which is so served, shall be of the same legal force and validity as if served upon the union or other groups or associations and its members personally. Service of process or notice shall be made by filing a copy thereof in the office of the secretary of state, together with payment of a fee of (\$10) \$15 and together with an affidavit that no officer or managing agent of the union or other group or association has been found in this state (AND THEREUPON). The service shall be sufficient service upon the union or other groups or associations and its members (; AND). Notice of service and a copy of the process or notice shall, within ten days thereafter, be sent by mail by the person who caused it to be served on the union or other groups or associations at its last known address and an affidavit of compliance with the provisions of this chapter shall be filed with the court or other state agency or department before which the action, matter, or proceeding is pending.

Sec. 86. Minnesota Statutes 1980, Section 543.08, is amended to read:

543.08 [SUMMONS, SERVICE UPON CERTAIN CORPORATIONS.]

If a private domestic corporation has no officer within the state upon whom service can be made, of which fact the return of the sheriff that none can be found in his county shall be conclusive evidence, service of the summons upon it may be made by depositing two copies, together with a fee of (\$10) \$15 with the secretary of state, which shall be deemed personal service upon the corporation. One of the copies shall be filed by the secretary, and the other forthwith mailed by him to the corporation *by certified mail*, if the place of its main office is known to him or is disclosed by the files of his office.

If the defendant is a foreign insurance corporation, the summons may be served by two copies delivered to the insurance commissioner, who shall file one in his office and forthwith mail the other postage prepaid to the defendant at its home office.

Sec. 87. [REPEALER.]

Minnesota Statutes 1980, Sections 303.08, Subdivision 3; 303.12; 303.14, Subdivision 2; 303.15; 303.21, Subdivisions 1 and 2; 317.11; 317.19, Subdivision 3; 317.43; and 317.67, Subdivision

1; and Minnesota Statutes 1981 Supplement, Sections 3.965, Subdivision 6; and 362.453, are repealed.

Sec. 88. [REPEALER.]

Minnesota Statutes 1980, Section 256.935, Subdivision 2 and Minnesota Statutes 1981 Supplement, Section 257.021, are repealed.

Sec. 89. [REPEALER.]

Minnesota Statutes 1981 Supplement, Sections 48.159, Subdivision 2; 50.157, Subdivision 2; 51A.21, Subdivision 16a; 52.136; and 290.08, Subdivision 25, are repealed.

Sec. 90. [EFFECTIVE DATE.]

Except as otherwise specifically provided in this article, this article is effective January 1, 1982. Sections 1 to 7 are effective the day following final enactment. Section 50 is effective December 31, 1981. Sections 14 to 16 are effective April 1, 1982. Sections 31 to 48, 84, and 88 are effective on the first day of the first month immediately following adjournment of the third special session of the legislature commenced in 1981, except that the amendment to Minnesota Statutes 1980, Section 256.74, Subdivision 1, adding clause (6) is effective on the first day of the fifth month immediately following adjournment of the third special session commenced in 1981. Sections 51, 52, and 89 are effective the day following final enactment, except that, with respect to amounts deposited in an individual housing account prior to the effective date of sections 51, 52, and 89 pursuant to the provisions of Minnesota Statutes 1980, Section 290.09, Subdivision 30, or Laws 1981, First Special Session, Chapter 1, Article IX, the provisions of those laws shall remain in effect until the proceeds of the account have been distributed.

ARTICLE II

EDUCATION AID REDUCTIONS AND SUSPENSIONS

Section 1. Minnesota Statutes 1981 Supplement, Section 16A.15, Subdivision 1, is amended to read:

Subdivision 1. [REDUCTION.] In case the commissioner of finance shall discover at any time that the probable receipts from taxes or other sources for any appropriation, fund, or item will be less than was anticipated, and that consequently the amount available for the remainder of the biennium will be less than the amount estimated or allotted therefor, he shall, with the approval of the governor, and after notice to the agency concerned, either:

(a) after consultation with the legislative advisory commission created by section 3.30, transfer from the budget reserve account established in section 16A.153, to the general fund the amount necessary to balance revenue and expenditures;

(b) reduce the amount allotted or to be allotted so as to prevent a deficit; or

(c) make any combination of transfers and reductions as provided by clauses (a) and (b).

(PROVIDED, HOWEVER, NO ALLOTMENT PURSUANT TO AN APPROPRIATION FOR STATE AIDS, PAYMENTS, REIMBURSEMENTS OR FUND TRANSFERS TO OR ON BEHALF OF SCHOOL DISTRICTS SHALL BE REDUCED PURSUANT TO THIS SUBDIVISION.) In like manner he shall request reduction of the amount allotted or to be allotted to any agency by the amount of any saving which can be effected upon previous spending plans through a reduction in prices or other cause.

Sec. 2. Minnesota Statutes 1981 Supplement, Section 124.2122, Subdivision 1, is amended to read:

Subdivision 1. [FORMULA ALLOWANCE.] "Foundation aid formula allowance" or "formula allowance" means the amount of revenue per pupil unit used in the computation of foundation aid for a particular school year and in the computation of permissible levies for use in that school year. The formula allowance shall be \$1,333 for foundation aid for the 1981-1982 school year. The formula allowance shall be (\$1,416) \$1,346 for 1981 payable 1982 levies and for foundation aid for the 1982-1983 school year.

Sec. 3. Minnesota Statutes 1981 Supplement, Section 124.2122, Subdivision 2, is amended to read:

Subd. 2. [BASIC MAINTENANCE MILL RATE.] "Basic maintenance mill rate" means the mill rate applicable to the adjusted assessed valuation of a district, used in the computation of basic foundation aid for a particular school year and of the basic maintenance levy for use in that school year. The basic maintenance mill rate shall be .021 for the 1980 payable 1981 levy and for foundation aid for the 1981-1982 school year. The basic maintenance mill rate shall be (.023) .025 for 1981 payable 1982 levies and for foundation aid for the 1982-1983 school year.

Sec. 4. Minnesota Statutes 1981 Supplement, Section 124.2121, Subdivision 4, is amended to read:

Subd. 4. [EQUALIZING FACTOR.] "Equalizing factor" means a number equal to the minimum EARC valuation per

actual and AFDC pupil unit which disqualifies a district from earning any basic foundation aid. The equalizing factor for each school year and for levies for use in that school year equals the ratio, rounded to the nearest dollar, of the foundation aid formula allowance for that school year to the basic maintenance mill rate for that school year. *However, the equalizing factor for discretionary and replacement aids for the 1982-1983 school year shall be \$61,565.*

Sec. 5. Laws 1981, Chapter 358, Article 7, Section 29, is amended to read:

Sec. 29. [EXEMPTION FROM PUBLIC SALE.] Notwithstanding Minnesota Statutes, Section 124.76, from (THE EFFECTIVE DATE OF THIS SECTION OF THIS ARTICLE) *June 1, 1981* until (JANUARY 1, 1982) *June 30, 1983*, the requirements as to public sale of tax and aid anticipation certificates of indebtedness shall not apply to certificates which mature no later than six months after their date of issue. The interest rate on these certificates may be determined by direct negotiation.

Sec. 6. [RECERTIFICATION OF LEVY.]

Notwithstanding the provisions of Minnesota Statutes, Chapter 275 or any other law to the contrary, by December 31, 1981 each school district shall recertify the basic maintenance levy authorized in Minnesota Statutes, Section 275.125, Subdivision 2a, for taxes assessed in 1981, payable in 1982, as provided in this section. The school district shall add an amount to the basic maintenance levy equal to the lesser of:

(a) *the difference between*

(1) *the product of*

(A) *the estimated number of actual pupil units, as defined in Minnesota Statutes, Section 124.2121, Subdivision 3, Clause (a), in the district in the 1982-1983 school year, times*

(B) *\$1,346, and*

(2) *the amount already certified in 1981 by the district for basic maintenance purposes; or*

(b) *two mills times the 1980 adjusted assessed valuation of the district.*

This section shall not apply to districts in which the basic maintenance levy was computed under the provisions of Minnesota Statutes, Section 275.125, Subdivision 2e.

Sec. 7. [DECEMBER, 1981 AND JANUARY, 1982 EDUCATION AID PAYMENTS SUSPENDED.]

Notwithstanding the provisions of Minnesota Statutes, Sections 16A.15 and 124.11, or any other law to the contrary, the commissioner of education may suspend payment of some or all state aids, payments, reimbursements and fund transfers from some or all school districts, public library systems, multi-type library systems, educational cooperative service units or regional management information systems in the months of December, 1981 and January, 1982. The commissioner may consider the cash flow requirements of each individual recipient when determining whether to suspend payments of any aid, payments, reimbursements or fund transfers.

Sec. 8. [CERTIFICATION.]

On or before December 31, 1981 and January 31, 1982, the commissioner shall certify to each recipient the amount of aids, payments, reimbursements, or fund transfers suspended pursuant to section 7. The commissioner shall issue a certificate of unpaid aids for the certified amount to be paid by February 26, 1982.

Sec. 9. [REPAYMENT BY FEBRUARY 26, 1982.]

Notwithstanding any law to the contrary, by February 26, 1982, the commissioner of finance shall draw warrants in favor of school districts, public library systems, multi-type library systems, educational cooperative service units or regional management information systems for any of the state aids, payments, reimbursements and fund transfers that were suspended by the commissioner of education pursuant to section 7, plus interest as provided in section 10.

Sec. 10. [PAYMENT OF INTEREST.]

The state shall pay interest on any state aids, payments, reimbursements or fund transfers suspended pursuant to section 7. Interest shall be calculated as simple interest at a rate equal to the average yield for the Bond Buyer's Index of 20 Municipals, published for the week in which the suspended payment was scheduled to be made to the school district, public library system, multi-type library systems, educational cooperative service unit, or regional management information system.

Sec. 11. Laws 1981, Chapter 358, Article I, Section 50, Subdivision 3, is amended to read:

Subd. 3. [SUMMER SCHOOL.] For state aid for summer school there is appropriated:

\$11,470,400 1982 (,)

(\$11,930,400 1983).

The appropriation for 1982 is for 1981 summer school programs.

(THE APPROPRIATION FOR 1983 IS FOR 1982 SUMMER SCHOOL PROGRAMS.)

If the appropriation (AMOUNTS) amount for this purpose (ARE) is insufficient, the aid shall be prorated among all qualifying districts and the state shall not be obligated for any amount in excess of the (APPROPRIATIONS) appropriation in this subdivision for this purpose.

Sec. 12. [APPROPRIATION REDUCTIONS.]

Subdivision 1. The sum of appropriations for foundation aid for fiscal year 1983 in Laws 1981, Chapter 358, Section 50, Subdivision 2, and Laws 1981, First Special Session, Chapter 2, Section 2, Subdivision 1, is reduced by \$90,701,500.

Subd. 2. Appropriations made for fiscal year 1983 pursuant to Laws 1981, Chapter 358, Article I, Section 50, Subdivision 3; Article II, Section 15, Subdivision 2; Article III, Section 21, Subdivisions 2, 3, 4, 5, 6, and 7; Article IV, Section 12, Subdivisions 2 and 3; Article VI, Section 46, Subdivisions 2, 3, 4, 5, 6, 7, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, and 20; Article VIII, Section 20, Subdivisions 2, 3, and 4; and Laws 1981, First Special Session, Chapter 2, Section 2, Subdivision 3 and Section 9, Subdivision 2, are reduced by seven and one-half percent.

Subd. 3. Appropriations made for fiscal year 1983 pursuant to Laws 1981, Chapter 358, Article V, Section 48, Subdivisions 2, 3, 4, 5, 6, 9, 10, 11, 12, and 13, are reduced by eight percent.

Sec. 13. [APPROPRIATION.]

An amount sufficient to pay the interest payable under section 10 is appropriated from the general fund to the commissioner of education.

Sec. 14. [REPEALER.]

Minnesota Statutes 1981 Supplement, Sections 124.20, Subdivision 3; 124.781; and 275.125, Subdivision 2f, are repealed. Laws 1981, First Special Session, Chapter 2, Section 2, Subdivision 2, is repealed.

Sec. 15. [EFFECTIVE DATE.]

Sections 1 to 14 are effective the day following final enactment.

ARTICLE III**TAXATION**

Section 1. Minnesota Statutes 1980, Section 121.904, is amended by adding a subdivision to read:

Subd. 4a. [LEVY RECOGNITION.] Beginning with taxes assessed in 1982 payable in 1983, and thereafter, all current levies of local taxes, including portions assumed by the state, shall be recognized as receivable in the same fiscal year during which collection normally takes place. These receivables shall be for use in the current fiscal year. All school district tax receipts from the March and June settlements shall be recorded as revenue in the fiscal year ending on that June 30.

Sec. 2. [124.115] [AID REDUCTIONS DUE TO TAX LEVY REVENUE RECOGNITION CHANGE.]

Subdivision 1. [AUTHORIZATION.] Notwithstanding any law to the contrary, state aid due school districts in fiscal year 1983 for the 1982-1983 school year shall be reduced as provided in this section.

Subd. 2. [AMOUNT OF REDUCTION.] State aid due any school district in fiscal year 1983 for the 1982-1983 school year under the provisions enumerated in subdivision 3 shall be reduced by 93 percent of the amount the district levied for taxes assessed in 1982, payable in 1983, which is to be recognized as revenue in fiscal year 1983 pursuant to section 1. The district levy against which the reduction is applied shall not include any levy portions that are assumed by the state. For purposes of computing this state aid reduction, the amount levied by the district shall not include the amounts levied to make payments for bonds issued and for interest thereon; the amounts levied for repayment of debt service loans and capital loans; the amounts levied to pay the district's obligations under section 268.06, subdivision 25; and amounts levied pursuant to section 275.125, subdivisions 2d, 6a, 9a, 14a, and 20.

Subd. 3. [SUBTRACTION FROM AIDS.] The amount specified in subdivision 2 shall be subtracted from the following state aid payments in the order listed in fiscal year 1983:

(a) *Foundation aid as authorized in section 124.212, subdivision 1;*

(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) *Gifted and talented aid authorized in section 124.247;*
- (f) *Aid for pupils of limited English proficiency authorized in section 124.273;*
- (g) *Aid for improved learning programs authorized in section 124.251;*
- (h) *Aid for chemical use programs authorized in section 124.246;*
- (i) *Transportation aid authorized in section 124.225;*
- (j) *School lunch aid authorized in section 124.646;*
- (k) *Community education programs aid authorized in section 124.271;*
- (l) *Adult education aid authorized in section 124.26;*
- (m) *Capital expenditure equalization aid authorized in section 124.245;*
- (n) *Homestead credit payments authorized in section 273.13, subdivisions 6, 7, and 14a;*
- (o) *Taconite homestead credit payments authorized in section 273.135;*
- (p) *Wetlands credit authorized in section 273.115;*
- (q) *Native prairie credit authorized in section 273.116; and*
- (r) *Attached machinery aid authorized in section 273.138, subdivision 3.*

If necessary, state aid payments in fiscal year 1984 and subsequent years may be reduced until the entire amount specified in subdivision 2 has been subtracted.

Subd. 4. [ACCOUNTING.] Notwithstanding any law to the contrary, the amount of the levy subtracted from state aid payments shall be recognized and reported on the school district books of account in the same way that the state aid payments would have been recognized and reported. Seven percent of the amount the district levied for taxes in 1982, payable in 1983,

which is to be recognized as revenue in fiscal year 1983, excluding levy portions assumed by the state, and excluding amounts levied to make payments for bonds issued and for interest thereon, amounts necessary for repayment of debt service loans and capital loans, amounts necessary to pay the district's obligations under section 268.06, Subdivision 25, and amounts levied pursuant to section 275.125, Subdivisions 2d, 6a, 9a, 14a, and 20, shall be placed in the general fund of the district, and may be expended for any lawful purpose.

Sec. 3. Minnesota Statutes 1981 Supplement, Section 124.2121, Subdivision 5, is amended to read:

Subd. 5. [LEVY USE.] A levy "for use in a particular school year," "attributable to a particular school year," or "recognized as revenue in a particular school year," means the (LEVY CERTIFIED IN THE CALENDAR YEAR ENDING IN THE) portion of the levy payable during that school year (PRECEDING THAT PARTICULAR SCHOOL YEAR, AND PAYABLE IN THE CALENDAR YEAR IN WHICH THAT SCHOOL YEAR BEGINS).

Sec. 4. [124.116] [CASH FLOW LOAN FUND.]

Subdivision 1. *There shall be maintained in the state treasury a cash flow loan fund for administration of moneys to be received and disbursed as authorized in this section. The purpose of this fund is to alleviate the impact of altering the recognition of tax revenue pursuant to sections 1 and 2 on the cash flow needs of the school districts. Notwithstanding the provisions of section 11A.20, subdivision 3, the investment income on funds credited to the cash flow loan fund shall accrue and be credited to the cash flow loan fund.*

Subd. 2. [LOAN APPLICATIONS; REPAYMENTS.] *The commissioner of education shall establish procedures for loan applications and criteria for determining increased cash flow needs of school districts caused by the altering of recognition of tax revenue. The commissioner shall approve or disapprove loan applications on the basis of need. Any loan made pursuant to this section shall constitute an advance to the district without interest. For loans made in the 1982-1983 and 1983-1984 school years, the school district shall repay 70 percent of the loan amount by June 25 of that particular school year and the remaining 30 percent of the loan by July 25 of the next fiscal year or within five days of receiving final payment of the May tax settlement attributable to that particular school year, whichever is earlier. For loans made in the 1984-1985 school year, the school district shall repay the full amount of the loan by June 25, 1985.*

Subd. 3. [REPEALER; CANCELLATION.] *This section is repealed on June 30, 1985 and any moneys in the cash flow loan fund on June 29, 1985 shall cancel into the general fund.*

Subd. 4. [APPROPRIATION.] There is appropriated from the general fund to the department of education for the cash flow loan fund the sum of \$133,000,000. This sum shall be transferred to the cash flow loan fund as needed but the balance of the untransferred funds shall be transferred no later than June 29, 1983. On June 30, 1983, \$53,000,000 of the balance in the cash flow loan fund shall cancel into the general fund. Any balance in excess of that amount shall not cancel and shall be available for loans to be made in fiscal years 1984 and 1985. Loan payments made after June 30, 1983 are also appropriated for loans to be made in fiscal years 1984 and 1985.

Sec. 5. [LEGISLATURE TO EVALUATE CASH FLOW.]

Before July 1, 1982, the legislature intends to evaluate the effect of this article on the cash flow needs of school districts, and to reschedule the timing of payment of state aids and credits to school districts to the extent needed to ensure that the cash position of school districts is sufficiently favorable to ensure efficient operation.

Sec. 6. Minnesota Statutes 1981 Supplement, Section 273.13, Subdivision 15b, is amended to read:

Subd. 15b. [PROPERTY TAX CREDITS LIMITATION.] The property tax subject to the 58 percent homestead credit provided by subdivisions 6, 7 and 14a, to the homestead property tax relief provided by section 273.135 and to the supplementary homestead property tax relief provided by section 273.1391, shall be based on the total mill rate of all taxing districts levying a tax on the homestead property unless the payable 1982 total levy excluding any amount levied pursuant to section 275.50, subdivision 5, clause (k), of a taxing district other than a school district or the metropolitan transit commission is more than 108 percent of its payable 1981 total levy. If the payable 1982 total levy excluding any amount levied pursuant to section 275.50, subdivision 5, clause (k), of such taxing district is more than 108 percent of its payable 1981 total levy, then that total mill rate shall be based on 108 percent of the taxing district's payable 1981 total levy, plus any amount levied pursuant to section 275.50, subdivision 5, clause (k), for taxes payable in 1982. The commissioner of revenue shall determine and certify to all county auditors the product of each taxing district's payable 1981 total levy multiplied by 108 percent, plus any amount levied pursuant to section 275.50, subdivision 5, clause (k), for taxes payable in 1982. In the event that the sum of the county auditors' certifications exceeds the amounts appropriated, the commissioner of revenue shall proportionally reduce the certification amounts so that their sum equals the appropriation.

Sec. 7. [RECERTIFICATION.]

The county auditor of any county in which an amount was levied for taxes payable in 1982 pursuant to section 275.50, subdi-

vision 5, clause (k), shall notify the commissioner of revenue. The commissioner of revenue shall recertify to the county auditor the property tax credits limitation amounts for taxes payable in 1982.

Sec. 8. Minnesota Statutes 1980, Section 276.11, is amended to read:

276.11 [WHEN TREASURER SHALL PAY FUNDS.]

As soon as practical after each settlement in March, June, and November the county treasurer shall pay over to the state treasurer or the treasurer of any town, city, school district, or special district, on the warrant of the county auditor, all receipts arising from taxes levied by and belonging to the state, or to such municipal corporation, or other body, and deliver up all orders and other evidences of indebtedness of such municipal corporation or other body, taking triplicate receipts therefor. (HE) *The treasurer shall file one of the receipts with the county auditor, and shall return one by mail on the day of its reception to the clerk of the town, city, school district, or special district to which payment was made. The clerk shall preserve the receipt in (HIS) the clerk's office. Upon written request of the state, a municipal corporation or other public body, the county treasurer shall, to the extent practicable, make partial payments of amounts collected periodically in advance of the next settlement and distribution. Accompanying each payment shall be a statement prepared by the county treasurer designating the years for which taxes included in the payment were collected and, for each year, the amount of the taxes and any penalties thereon. The county treasurer shall pay, upon written request of the state, a municipal corporation or other public body (PAY) except school districts, at least 70 percent of the estimated collection within 30 days after the settlement date. Within 15 days after the settlement date, the county treasurer shall pay to the treasurer of the school districts at least 70 percent of the estimated collections arising from taxes levied by and belonging to the school district. (HE) The treasurer shall pay the balance of the amounts collected to the state or to a municipal corporation or other body within 60 days after the settlement date, provided, however, that after 45 days interest shall accrue at a rate of eight percent per annum to the credit of and shall be paid to the state, municipal corporation or other body. Interest shall be payable upon appropriation from the general revenue fund of the county and, if not paid, may be recovered by the state, municipal corporation, or other body, in a civil action.*

Sec. 9. Minnesota Statutes 1981 Supplement, Section 290.01, Subdivision 20, is amended to read:

Subd. 20. [GROSS INCOME.] Except as otherwise provided in this chapter, the term "gross income," as applied to corporations includes every kind of compensation for labor or per-

sonal services of every kind from any private or public employment, office, position or services; income derived from the ownership or use of property; gains or profits derived from every kind of disposition of, or every kind of dealing in, property; income derived from the transaction of any trade or business; and income derived from any source; except that gross income shall not include "exempt function income" of a "home-owners association" as those terms are defined in Section 528 of the Internal Revenue Code of 1954, as amended through December 31, 1980.

The term "gross income" in its application to individuals, estates, and trusts shall mean the adjusted gross income as defined in the Internal Revenue Code of 1954, as amended through the date specified herein for the applicable taxable year, with the modifications specified in this subdivision. For estates and trusts the adjusted gross income shall be their federal taxable income as defined in the Internal Revenue Code of 1954, as amended through the date specified herein for the applicable taxable year, with the modifications specified in this subdivision and with the modification that the federal deduction for personal exemptions for trusts and estates shall not be allowed.

(i) The Internal Revenue Code of 1954, as amended through December 31, 1974, shall be in effect for the taxable years beginning after December 31, 1974.

(ii) The Internal Revenue Code of 1954, as amended through December 31, 1976, including the amendments made to section 280A (relating to licensed day care centers) in H. R. 3477 as it passed the Congress on May 16, 1977, shall be in effect for the taxable years beginning after December 31, 1976. The provisions of the Tax Reform Act of 1976, P.L. 94-455, which affect adjusted gross income shall become effective for purposes of this chapter at the same time they become effective for federal income tax purposes. Section 207 (relating to extension of period for nonrecognition of gain on sale or exchange of residence) and section 402 (relating to time for making contributions to pension plans of self employed people) of P.L. 94-12 shall be effective for taxable years beginning after December 31, 1974.

The provisions of section 4 of P.L. 95-458, sections 131, 133, 134, 141, 152, 156, 157, 405, and 543 of P.L. 95-600, and section 2 of P.L. 96-608 (relating to pensions, individual retirement accounts, deferred compensation plans, the sale of a residence and to conservation payments to farmers) including the amendments made to these sections in P.L. 96-222 shall be effective at the same time that these provisions became effective for federal income tax purposes.

(iii) The Internal Revenue Code of 1954, as amended through December 31, 1979, shall be in effect for taxable years beginning after December 31, 1979.

(iv) The Internal Revenue Code of 1954, as amended through December 31, 1980, and as amended by sections 501 to 509 of Public Law Number 97-34, shall be in effect for taxable years beginning after December 31, 1980 including the provisions of section 404 (relating to partial exclusions of dividends and interest received by individuals) of the Crude Oil Windfall Profit Tax Act of 1980, P.L. 96-223. The provisions of P.L. 96-471 (relating to installment sales) and sections 501 to 507, of the Economic Recovery Tax Act of 1981, Public Law Number 97-34 shall be effective at the same time that they become effective for federal income tax purposes.

References to the Internal Revenue Code of 1954 in clauses (a), (b) and (c) following shall mean the code in effect for the purpose of defining gross income for the applicable taxable year.

(a) Modifications increasing federal adjusted gross income. There shall be added to federal adjusted gross income:

(1) Interest income on obligations of any state other than Minnesota or a political subdivision of any other state exempt from federal income taxes under the Internal Revenue Code of 1954;

(2) A business casualty loss if the taxpayer elected to deduct the loss on the current year's federal income tax return but had deducted the loss on the previous year's Minnesota income tax return;

(3) Income taxes imposed by this state or any other taxing jurisdiction, to the extent deductible in determining federal adjusted gross income and not credited against federal income tax;

(4) Interest on indebtedness incurred or continued to purchase or carry securities the income from which is exempt from tax under this chapter, to the extent deductible in determining federal adjusted gross income;

(5) Amounts received as reimbursement for an expense of sickness or injury which was deducted in a prior taxable year to the extent that the deduction for the reimbursed expenditure resulted in a tax benefit;

(6) The amount of any federal income tax overpayment for any previous taxable year, received as refund or credited to another taxable year's income tax liability, proportionate to the percentage of federal income tax that was claimed as a deduction in determining Minnesota income tax for the previous taxable year. The amount of the federal income tax overpayment shall be reported only to the extent that the amount resulted in a reduction of the tax imposed by this chapter.

The overpayment refund or credit, determined with respect to a husband and wife on a joint federal income tax return for a previous taxable year, shall be reported on joint, combined, or separate Minnesota income tax returns. In the case of combined or separate Minnesota returns, the overpayment shall be reported by each spouse proportionately according to the relative amounts of federal income tax claimed as a deduction on his or her combined or separate Minnesota income tax return for such previous taxable year;

(7) In the case of a change of residence from Minnesota to another state or nation, the amount of moving expenses which exceed total reimbursements and which were therefore deducted in arriving at federal adjusted gross income;

(8) The amount of any increase in the taxpayer's federal tax liability under section 47 of the Internal Revenue Code of 1954 to the extent of the credit under section 38 of the Internal Revenue Code of 1954 that was previously allowed as a deduction either under section 290.01, subdivision 20 (b) (7);

(9) Expenses and losses arising from a farm which are not allowable under section 290.09, subdivision 29;

(10) Expenses and depreciation attributable to substandard buildings disallowed by section 290.101;

(11) The amount by which the gain determined pursuant to section 41.59, subdivision 2 exceeds the amount of such gain included in federal adjusted gross income;

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

(13) Interest income from qualified scholarship funding bonds as defined in section 103(e) of the Internal Revenue Code of 1954, if the nonprofit corporation is domiciled outside of Minnesota;

(14) Exempt-interest dividends, as defined in section 852(b) (5)(A) of the Internal Revenue Code of 1954, not included in federal adjusted gross income pursuant to section 852(b) (5)(B) of the Internal Revenue Code of 1954, except for that portion of exempt-interest dividends derived from interest income on obligations of the state of Minnesota, any of its political or governmental subdivisions, any of its municipalities, or any of its governmental agencies or instrumentalities;

(15) The amount of any excluded gain recognized by a trust on the sale or exchange of property as defined in section 641(c) (1) of the Internal Revenue Code of 1954;

(16) An amount equal to one-sixth of any gain from the sale or other disposition of property deducted under sections 1202 (a) and 1202(c)(1) of the Internal Revenue Code of 1954;

(17) To the extent not included in the taxpayer's federal adjusted gross income, the amount of any gain, from the sale or other disposition of property having a lower adjusted basis for Minnesota income tax purposes than for federal income tax purposes. This modification shall not exceed the difference in basis. If the gain is considered a long term capital gain for federal income tax purposes, the modification shall be limited to 50 percent of the portion of the gain. This modification is limited to property that qualified for the energy credit contained in section 290.-06, subdivision 14, and to property acquired in exchange for the release of the taxpayer's marital rights contained in section 290.-14, clause (9);

(18) The amount of any loss from a source outside of Minnesota which is not allowed under section 290.17 including any capital loss or net operating loss carryforwards or carrybacks resulting from the loss;

(19) The amount of a distribution from an individual housing account which is to be included in gross income as required under section 290.08, subdivision 25;

(20) To the extent deducted in computing the taxpayer's federal adjusted gross income, interest, taxes and other expenses which are not allowed under section 290.10, clause (9) or (10); and

(21) To the extent excluded from federal adjusted gross income, in the case of a city manager or city administrator who elects to be excluded from the public employees retirement association and who makes contributions to a deferred compensation program pursuant to section 353.028, the amount of contributions made by the city manager or administrator which is equal to the amount which would have been the city manager's or administrator's employee contribution pursuant to section 353.27, subdivision 2, if he were a member of the public employees retirement association.

(b) Modifications reducing federal adjusted gross income. There shall be subtracted from federal adjusted gross income:

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

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

does not exceed such difference in basis; but if such gain is considered a long-term capital gain for federal income tax purposes, the modification shall be limited to 50 per centum of the portion of the gain. This modification shall not be applicable if the difference in basis is due to disallowance of depreciation pursuant to section 290.101.

(3) Interest or dividend income on securities to the extent exempt from income tax under the laws of this state authorizing the issuance of the securities but includible in gross income for federal income tax purposes;

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

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

(6) To the extent included in federal adjusted gross income, or the amount reflected as the ordinary income portion of a lump sum distribution under section 402(e) of the Internal Revenue Code of 1954, notwithstanding any other law to the contrary, the amount received by any person (i) from the United States, its agencies or instrumentalities, the Federal Reserve Bank or from the state of Minnesota or any of its political or governmental subdivisions or from any other state or its political or governmental subdivisions, or a Minnesota volunteer firefighter's relief association, by way of payment as a pension, public employee retirement benefit, or any combination thereof, or (ii) as a retirement or survivor's benefit made from a plan qualifying under section 401, 403, 404, 405, 408, 409 or 409A of the Internal Revenue Code of 1954. The maximum amount of this subtraction shall be \$11,000 less the amount by which the individual's federal adjusted gross income, plus the ordinary income portion of a lump sum distribution as defined in section 402(e) of the Internal Revenue Code of 1954, exceeds \$17,000. In the case of a volunteer firefighter who receives an involuntary lump sum distribution of his pension or retirement benefits, the maximum amount of this subtraction shall be \$11,000; this subtraction shall not be reduced by the amount of the individual's federal adjusted gross income in excess of \$17,000;

(7) The amount of any credit to the taxpayer's federal tax liability under section 38 of the Internal Revenue Code of 1954

but only to the extent that the credit is connected with or allocable against the production or receipt of income included in the measure of the tax imposed by this chapter;

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

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

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

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

(12) The amount of any income earned for personal services rendered outside of Minnesota prior to the date when the taxpayer became a resident of Minnesota. This modification does not apply to compensation defined in clause (b) (6);

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

(14) In the case of work incentive program expenses paid or incurred on or after January 1, 1979, the amount of any credit for expenses of work incentive programs under sections 40, 50A and 50B of the Internal Revenue Code of 1954 which is claimed as a credit against the taxpayer's federal tax liability, but only to the extent that the credit is connected with or allocable against the production or receipt of income included in the measure of the tax imposed by this chapter;

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

(16) To the extent included in federal adjusted gross income, severance pay that may be treated as a lump sum distribution under the provisions of section 290.032, subdivision 5;

(17) The amount of any income or gain which is not assignable to Minnesota under the provisions of section 290.17;

(18) Minnesota exempt-interest dividends as provided by subdivision 27;

(19) A business casualty loss which the taxpayer elected to deduct on the current year's Minnesota income tax return but did not deduct on the current year's federal income tax return; and

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

(21) To the extent included in federal adjusted gross income, in the case of a city manager or city administrator who elects to be excluded from the public employees retirement association and who makes contributions to a deferred compensation program pursuant to section 353.028, the amount of payments from the deferred compensation program equivalent to the amount of contributions taxed under clause (a)(21); and

(22) Contributions to and interest earned on an individual housing account as provided by section 290.08, subdivision 25.

(c) A modification affecting shareholders of electing small business corporations under section 1372 of the Internal Revenue Code of 1954 shall be made.

In cases where the election under section 1372 of the Internal Revenue Code of 1954 antedates the election under this chapter and at the close of the taxable year immediately preceding the effective election under this chapter the corporation has a reserve of undistributed taxable income previously taxed to shareholders under the provisions of the Internal Revenue Code of 1954, in the event and to the extent that the reserve is distributed to shareholders the distribution shall be taxed as a dividend for purposes of this chapter.

(d) Amounts transferred from a reserve or other account, in effect transfers to surplus, shall, to the extent that the amounts were accumulated through deductions from gross income or entered into the computation of taxable net income

during any taxable year, be treated as gross income for the year in which the transfer occurs, but only to the extent that the amounts resulted in a reduction of the tax imposed by this chapter and amounts received as refunds on account of taxes deducted from gross income during any taxable year shall be treated as gross income for the year in which actually received, but only to the extent that such amounts resulted in a reduction of the tax imposed by this chapter.

(e) Modification in computing taxable income of the estate of a decedent. Amounts allowable under section 291.07, subdivision 1, clause (2) in computing Minnesota inheritance or estate tax liability shall not be allowed as a deduction (or as an offset against the sales price of property in determining gain or loss) in computing the taxable income of the estate or any person unless there is filed within the time and in the manner and form prescribed by the commissioner a statement that the amounts have not been allowed as a deduction under section 291.07 and a waiver of the right to have the amounts allowed at any time as deductions under section 291.07. The provisions of this paragraph shall not apply with respect to deductions allowed under section 290.077 (relating to income in respect of decedents). In the event that the election made for federal tax purposes under section 642(g) of the Internal Revenue Code of 1954 differs from the election made under this paragraph appropriate modification of the estate's federal taxable income shall be made to implement the election made under this paragraph in accordance with regulations prescribed by the commissioner.

Sec. 10. Minnesota Statutes 1981 Supplement, Section 290.09, Subdivision 3, is amended to read:

Subd. 3. [INTEREST.] (a) All interest paid or accrued within the taxable year on indebtedness, except as hereinafter provided.

(b) Interest paid or accrued within the taxable year on indebtedness incurred or continued to purchase or carry obligations or securities the income from which is excludable from gross income under sections 290.01, subdivision 20 or 290.08, or shares of a regulated investment company which during the taxable year of the holder thereof distributes Minnesota exempt-interest dividends as defined in section 290.01, subdivision 27, or on indebtedness described in section 264(a)(2) and (3), (b) and (c) (relating to life insurance) of the Internal Revenue Code of 1954, as amended through December 31, 1980 shall not be allowed as a deduction.

(c) If personal property or educational services are purchased under a contract the provisions of section 163(b) of the Internal Revenue Code of 1954, as amended through December 31, 1980 shall apply.

(d) A cash basis taxpayer may elect to deduct interest as it accrues on a reverse mortgage loan as defined in section 47.58, subdivision 1, rather than when it is actually paid. This election must be made, if at all, in the first taxable year in which it is available to the cash basis taxpayer and, if made, shall be binding on the taxpayer for each subsequent taxable year until maturity of the loan.

(e) In the case of a taxpayer other than a corporation, the amount of interest on investment indebtedness allowable as a deduction shall be allowed and limited as set forth in section 163(d) of the Internal Revenue Code of 1954, as amended through December 31, 1980. The limitation prescribed in section 163(d)(1)(A) for married individuals who file separate returns shall also apply to married individuals who file separately on one return.

(f) A taxpayer may not deduct interest on indebtedness incurred or continued to purchase or carry obligations or shares, or to make deposits or other investments, the interest on which is described in section 116(c) of the Internal Revenue Code of 1954, as amended through December 31, 1980 to the extent such interest is excludable from gross income under section 116 of the Internal Revenue Code of 1954 as amended through December 31, 1980. *Interest and carrying costs in the case of straddles shall be treated as provided in section 263(g) of the Internal Revenue Code of 1954, as amended through October 2, 1981.*

Sec. 11. Minnesota Statutes 1981 Supplement, Section 290.06, Subdivision 2d, is amended to read:

Subd. 2d. [INFLATION ADJUSTMENT OF BRACKETS.]

(a) *Subject to the provisions of clause (b), for taxable years beginning after December 31, 1980, the taxable net income brackets in subdivision 2c shall be adjusted for inflation. For the purpose of making the adjustment as provided in this subdivision all of the brackets provided in subdivision 2c shall be the adjusted brackets as they existed for taxable years beginning after December 31, 1979 and before January 1, 1981. The commissioner shall determine: (a) the percentage increase in the revised consumer price index for all urban consumers for the Minneapolis-St. Paul metropolitan area prepared by the United States department of labor. He shall then determine the percent change from August, 1980, to, in 1981, August, 1981, and in each subsequent year, from August of the preceding year to August of the current year; and (b) the percentage increase in average Minnesota gross income from tax year 1980 to, in 1981, tax year 1981, and in each subsequent tax year between the previous tax year and the current tax year. The percent increases in Minnesota gross income shall be estimated using the best available data sources and reasonable forecasting procedures. The determination of the commissioner pursuant to this section shall*

not be considered a "rule" and shall not be subject to the administrative procedures act contained in chapter 15.

The dollar amount in each taxable net income bracket for the prior year in subdivision 2c shall be multiplied by a figure calculated as one plus 100 percent of the consumer price index increase or 100 percent of the Minnesota gross income increase, whichever is smaller. The product of the calculation shall yield the inflation adjusted tax brackets for each succeeding year. If the product exceeds a whole dollar amount, it shall be rounded to the nearest whole dollar.

No later than October 1 of each year, the commissioner shall announce both percentage increases and the specific percentage that will be used to adjust the tax brackets, the maximum standard deduction amount, and the personal credit amounts.

(b) For the first taxable year of each taxpayer beginning after December 31, 1981, the taxable net income brackets adjusted according to the percentages determined by October 1, 1982 shall be further adjusted by reducing the dollar amount in each bracket by 12.3 percent. The bracket amounts resulting from this adjustment shall be those subject to subsequent adjustments pursuant to clause (a) for taxable years beginning after December 31, 1982. The 12.3 percent adjustment provided in this clause does not apply to the adjustment of the personal credit amounts or the maximum standard deduction amount pursuant to clause (a).

Sec. 12. Minnesota Statutes 1981 Supplement, Section 290.09, Subdivision 7, is amended to read:

Subd. 7. [DEPRECIATION.] (A) [CUMULATIVE DEPRECIATION.] (a) There shall be allowed as a depreciation deduction a reasonable allowance for the exhaustion, wear and tear (including a reasonable allowance for obsolescence):

- (1) of property used in the trade or business, or
- (2) of property held for the production of income.

(b) The term "reasonable allowance" as used in clause (a) shall include (but shall not be limited to) an allowance computed in accordance with regulations prescribed by the commissioner, under any of the following methods:

- (1) the straight line method.
- (2) the declining balance method, using a rate not exceeding twice the rate which would have been used had the annual allowance been computed under the method described in paragraph (1).

(3) the sum of the years-digits method, and

(4) any other consistent method productive of an annual allowance, which, when added to all allowances for the period commencing with the taxpayer's use of the property and including the taxable year, does not, during the first two-thirds of the useful life of the property, exceed the total of such allowances which would have been used had such allowances been computed under the method described in (2). Nothing in this clause (b) shall be construed to limit or reduce an allowance otherwise allowable under clause (a).

For purposes of this subdivision "reasonable allowance" shall not include the accelerated cost recovery system provisions of section 168 of the Internal Revenue Code of 1954, as amended through October 2, 1981, unless specifically authorized by legislation enacted after the final enactment of this section.

(c) Paragraphs (2), (3), and (4) of clause (b) shall apply only in the case of property (other than intangible property) described in clause (a) with a useful life of three years or more.

(1) the construction, reconstruction, or erection of which is completed after December 31, 1958, and then only to that portion of the basis which is properly attributable to such construction, reconstruction, or erection after December 31, 1958, or

(2) acquired after December 31, 1958, if the original use of such property commenced with the taxpayer and commences after such date.

(d) Where, under regulations prescribed by the commissioner, the taxpayer and the commissioner have, after June 30, 1959, entered into an agreement in writing specifically dealing with the useful life and rate of depreciation of any property, the rate so agreed upon shall be binding on both the taxpayer and the commissioner in the absence of facts or circumstances not taken into consideration in the adoption of such agreement. The responsibility of establishing the existence of such facts and circumstances shall rest with the party initiating the modification. Any change in the agreed rate and useful life specified in the agreement shall not be effective for taxable years before the taxable year in which notice in writing by certified mail is served by the party to the agreement initiating such change.

(e) In the absence of an agreement under clause (d) containing a provision to the contrary, a taxpayer may at any time elect in accordance with regulations prescribed by the commissioner to change from the method of depreciation prescribed in clause (b) (2) to the method described in clause (b) (1).

(f) The basis on which exhaustion, wear and tear, and obsolescence are to be allowed in respect of any property shall

be the adjusted basis provided in sections 290.131 to 290.139, 290.14 and 290.15 for the purpose of determining the gain on the sale or other disposition of such property.

(g) In the case of property held by one person for life with remainder to another person, the deduction shall be computed as if the life tenant were the absolute owner of the property and shall be allowed to the life tenant. In the case of property held in trust the allowable deduction shall be apportioned between the income beneficiary and the trustee in accordance with the pertinent provisions of the instrument creating the trust, or, in the absence of such provisions, on the basis of the trust income allocable to each. In the case of an estate, the allowable deduction shall be apportioned between the estate and the heirs, legatees, and devisees on the basis of the income of the state allocable to each.

(h) In the case of buildings or other structures or improvements constructed or made on leased premises by a lessee, and the fixtures and machinery therein installed, the lessee alone shall be entitled to the allowance of this deduction.

(B) [FIRST YEAR DEPRECIATION.] (a) In the case of section 1 property, the term "reasonable allowance" as used in subdivision 7, may, at the election of the taxpayer, include an allowance, for the first taxable year for which a deduction is allowable under subdivision 7, to the taxpayer with respect to such property, of 20 percent of the cost of such property.

(b) If in any one taxable year the cost of section 1 property with respect to which the taxpayer may elect an allowance under (a) for such taxable year exceeds \$10,000, then (a) shall apply with respect to those items selected by the taxpayer, but only to the extent of an aggregate cost of \$10,000. In the case of a husband and wife who file a joint return under section 290.38 for the taxable year, the limitation under the preceding sentence shall be \$20,000 in lieu of \$10,000.

(c) (1) The election under this subdivision for any taxable year shall be made within the time prescribed by law (including extensions thereof) for filing the return for such taxable year. The election shall be made in such manner as the commissioner may by regulations prescribe.

(2) Any election made under this subdivision may not be revoked except with the consent of the commissioner.

(d) (1) For purposes of this subdivision, the term "Section 1 property" means tangible personal property (excluding buildings and structures)

(A) of a character subject to the allowance for depreciation under subdivision 7.

(B) acquired by purchase after December 31, 1958, for use in a trade or business or for holding for production of income, and

(C) with a useful life (determined at the time of such acquisition) of six years or more.

(2) For purposes of paragraph (1), the term "purchase" means any acquisition of property, but only if

(A) the property is not acquired from a person whose relationship to the person acquiring it would result in the disallowance of losses under section 290.10(6),

(B) the property is not acquired by one component member of a controlled group from another component member of the same controlled group, and

(C) the basis of the property in the hands of the person acquiring it is not determined

(i) in whole or in part by reference to the adjusted basis of such property in the hands of the person from whom acquired, or

(ii) under section 290.14(4) (relating to property acquired from a decedent).

(3) For purposes of this subdivision, the cost of property does not include so much of the basis of such property as is determined by reference to the basis of other property held at any time by the person acquiring such property.

(4) This subdivision shall not apply to trusts.

(5) In the case of an estate, any amount apportioned to an heir, legatee, or devisee shall not be taken into account in applying (B) of this subdivision to section 1 property of such heir, legatee, or devisee not held by such estate.

(6) For purposes of (B) of this subdivision

(A) all component members of a controlled group shall be treated as one taxpayer, and

(B) the commissioner shall apportion the dollar limitation contained in such (B) among the component members of such controlled group in such manner as he shall by regulations prescribe.

(7) For purposes of paragraphs (2) and (6), the term "controlled group" has the meaning assigned to it by section 1563(a)

of the Internal Revenue Code of 1954, as amended through December 31, 1979, except that, for such purposes, the phrase "more than 50 percent" shall be substituted for the phrase "at least 80 percent" each place it appears in section 1563(a)(1) of the Internal Revenue Code of 1954, as amended through December 31, 1979.

Sec. 13. Minnesota Statutes 1981 Supplement, Section 290.18, Subdivision 4, is amended to read:

Subd. 4. [TAXABLE NET INCOME ADJUSTMENT FACTOR.] For the taxable year beginning after December 31, 1980 and (ENDING) before January 1, 1982, the commissioner of revenue shall adjust taxable net income by multiplying the taxable net income of each individual, estate and trust by a fraction, the numerator of which is one plus the predicted rate of growth in average Minnesota gross income between tax year 1980 and tax year 1981. The denominator of the adjustment fraction shall be one plus the product of (a) the predicted rate of growth in average Minnesota gross income as determined above, and (b) the difference between the ratio of Minnesota gross income to Minnesota adjusted gross income and the product of the ratio of federal taxes paid to Minnesota adjusted gross income and an estimate of average federal income tax elasticity relating percent changes in federal adjusted gross income to percent changes in net federal income tax liabilities.

For each taxable year beginning after December 31, 1981, the commissioner of revenue shall adjust taxable net income by multiplying the taxable net income of each individual, estate, and trust by an adjustment factor determined by multiplying the previous year's adjustment factor by the current year adjustment factor as defined above using data appropriate to the current year.

The data used shall reflect the most current aggregate tax statistics collected and tabulated by the department of revenue. The estimate of the percentage increase in Minnesota gross income shall be based on the best available data sources and reasonable forecasting procedures. The estimate of federal income tax elasticity shall reflect the best available sources of information, including the judgment of the United States Internal Revenue Service and the United States Treasury, Office of Tax Analysis. The determination of the commissioner pursuant to this section shall not be considered a "rule" and shall not be subject to the administrative procedures act contained in chapter 15.

No later than October 1 of each tax year, the commissioner shall announce the adjustment factor to be applied to taxable net income, including its separate components, and the estimate of federal elasticity.

Sec. 14. Minnesota Statutes 1981 Supplement, Section 290.53, Subdivision 1, is amended to read:

Subdivision 1. [FAILURE TO PAY TAX.] If any tax imposed by this chapter is not paid within the time herein specified for the payment thereof, or within 30 days after final determination of an appeal to the tax court relating thereto *if the taxpayer is not required to pay the amount in dispute pending appeal under section 15*, there shall be added thereto a specific penalty equal to ten percent of the amount so remaining unpaid. Such penalty shall be collected as part of said tax, and the amount of said tax not timely paid, together with said penalty shall bear interest at the rate specified in section 270.75 from the time such tax should have been paid until paid. Interest accruing upon the tax due as disclosed by the return or upon the amount determined as a deficiency from the date prescribed for the payment of the tax (if the tax is payable in installments, from the date the installment or installments become due and payable under the provisions of section 290.45, subdivision 1) shall be added to the tax and be collected as a part thereof. Where an extension of time for payment has been granted under section 290.45, subdivision 2, interest shall be paid at the rate specified in section 270.75 from the date when such payment should have been made if no extension had been granted; until such tax is paid. If payment is not made at the expiration of the extended period the penalties provided in this section shall apply.

Sec. 15. [290.531] [PAYMENT OF TAX PENDING APPEAL.]

When a taxpayer appeals his tax liability under chapter 290 to the tax court, and the amount in dispute is more than \$4,000, the entire amount of the tax shall be paid at the time it is due unless permission to continue prosecution of the petition without payment is obtained as provided herein. The petitioner, upon ten days notice to the commissioner, 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 taxpayer may be held exempt from the tax or that the tax may be determined to be less than 50 percent of the amount due; and*
- (3) *That it would work a substantial hardship upon petitioner to pay the tax,*

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.

Sec. 16. Minnesota Statutes 1980, Section 297.02, is amended by adding a subdivision to read:

Subd. 1a. [ADDITIONAL TAX.] In addition to the tax imposed pursuant to subdivision 1, there is imposed a tax upon the sale of cigarettes in this state or having cigarettes in possession in this state with intent to sell and upon any person engaged in business as a distributor thereof, at the following rates, subject to the discount provided in section 297.03:

(1) On cigarettes weighing not more than three pounds per thousand, 2.5 mills on each cigarette;

(2) On cigarettes weighing more than three pounds per thousand, 2.5 mills on each cigarette.

Sec. 17. Minnesota Statutes 1980, Section 297.13, Subdivision 1, is amended to read:

297.13 [REVENUE, DISPOSAL.]

Subdivision 1. [CIGARETTE TAX APPORTIONMENT ACCOUNT.] Notwithstanding any other provisions of law, five and one-half percent of the revenues received from taxes, penalties and interest under sections 297.01 to 297.13 *except for that which is paid under section 297.02, subdivision 1a*, shall be deposited by the commissioner of revenue in the general fund and credited to a special account to be known as the "natural resources account," which is hereby created. Expenditures shall be made from said account only as may be authorized by law to carry out the provisions of this act and in conformance with the provisions of chapter 16. Five and one-half percent *except for that which is paid under section 297.02, subdivision 1a*, shall be deposited in the general fund and credited to the "natural resources acceleration" account for the purposes provided in Laws 1969, Chapter 879, Section 4. The balance of the revenues derived from taxes, penalties, and interest under sections 297.01 to 297.13 and from license fees and miscellaneous sources of revenue shall be deposited by the commissioner in the general fund and credited to the general fund.

Sec. 18. Minnesota Statutes 1980, Section 297.22, is amended by adding a subdivision to read:

Subd. 1a. [ADDITIONAL TAX.] In addition to the tax imposed pursuant to subdivision 1, there is imposed a tax upon

the use or storage by consumers of cigarettes in this state, and upon such consumers, at the following rates:

(1) On cigarettes weighing not more than three pounds per thousand, 2.5 mills on each cigarette;

(2) On cigarettes weighing more than three pounds per thousand, 2.5 mills on each cigarette.

Sec. 19. Minnesota Statutes 1980, Section 297.26, is amended to read:

297.26 [REVENUE DISTRIBUTION.]

All revenues derived from taxes, penalties and interest under sections 297.21 to 297.26 shall be deposited by the commissioner in the general fund and disposed of in the same manner as provided by section 297.13 for revenues received under sections 297.01 to 297.13 *except that no amount of the revenue from the additional tax imposed pursuant to section 297.22, subdivision 1a, shall be credited to the natural resources account or to the natural resources acceleration account.*

Sec. 20. Minnesota Statutes 1980, Section 297A.39, Subdivision 1, is amended to read:

Subdivision 1. If any tax imposed by sections 297A.01 to 297A.44, or any portion thereof, is not paid within the time herein specified for the payment, or an extension thereof, or within 30 days after final determination of an appeal to the tax court relating thereto *if the taxpayer is not required to pay the amount in dispute pending appeal under section 21*, there shall be added thereto a specific penalty equal to ten percent of the amount remaining unpaid.

Sec. 21. [297A.391] [PAYMENT OF TAX PENDING APPEAL.]

When a taxpayer appeals his tax liability under chapter 297A to the tax court, and the amount in dispute is more than \$4,000, the entire amount of the tax shall be paid at the time it is due unless permission to continue prosecution of the petition without payment is obtained as provided herein. The petitioner, upon ten days notice to the commissioner, 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 taxpayer may be held exempt from payment of the tax or that the tax may be determined to be less than 50 percent of the amount due; and

(3) *That it would work a substantial hardship upon petitioner to pay the tax,*

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.

Sec. 22. Minnesota Statutes 1981 Supplement, Section 477A.03, Subdivision 2, is amended to read:

Subd. 2. [LIMITATION ON APPROPRIATION; PROPORTIONATE REDUCTION.] The amount appropriated under subdivision 1 shall not exceed (\$270,725,464) \$250,725,464 for calendar year 1982 and shall not exceed \$293,561,978 for calendar year 1983. If the limitations contained in this subdivision result in a reduction in the amounts determined pursuant to sections 477A.012 and 477A.013, each governmental unit receiving local government aid shall have its distribution proportionally reduced, but no local government unit shall receive less aid than its previous year aid.

Sec. 23. [PRORATION OF 1982 AID PAYMENTS.]

Notwithstanding the provisions of Minnesota Statutes, Chapter 477A or any other law to the contrary, the reduction in state aids payable to local governments required under section 22 shall be effected by providing a pro rata reduction of the aids that would have been paid to each county and municipality under the provisions of Minnesota Statutes 1981 Supplement, Sections 477A.011 to 477A.014 if there had been no such reduction.

Sec. 24. Laws 1981, First Special Session, Chapter 1, Article I, Section 5, is amended to read:

Sec. 5. [TRANSITIONAL PROVISION.]

Notwithstanding the provisions of sections 1, 2, and 3, for taxable years beginning after December 31, 1980 and before January 1, 1982 the inflation adjustment of the income tax brackets, credits, and maximum standard deduction shall be the arithmetic average of (1) the percentage computed pursuant to Minnesota Statutes 1980, Sections 290.06, Subdivisions 2d and 3g, and 290.09, Subdivision 15, as applicable and (2) the percentage computed pursuant to section 1 of this article. The

taxable net income adjustment factor for taxable years beginning after December 31, 1980 and before January 1, 1982 shall be (ONE-HALF OF THE AMOUNT COMPUTED PURSUANT TO SECTION 4) computed as follows: the taxable net income adjustment factor calculated pursuant to Laws 1981, First Special Session, Chapter 1, Article I, Section 4 minus one shall be divided by two and the resulting quotient added to one.

Sec. 25. [REPEALER.]

Minnesota Statutes 1980, Section 121.904, Subdivision 4, is repealed.

Sec. 26. [EFFECTIVE DATE.]

Sections 1 to 5 and 8 are effective July 1, 1982. Section 6 is effective for taxes levied in 1981 and thereafter, payable in 1982 and thereafter. Section 12 is effective the day following final enactment. Sections 13 and 24 are effective for taxable years beginning after December 31, 1980. Sections 14, 15, 20, and 21 are effective for petitions filed after January 1, 1982. Sections 16, 17, 18, and 19 are effective January 1, 1982. Section 25 is effective January 1, 1983.

ARTICLE IV

BUSINESS TAX

Section 1. [STATEMENT OF LEGISLATIVE INTENT.]

The legislature finds that certain provisions of the state income tax law generally applied to corporations produce an inequitable result when applied to major oil companies, allowing those companies to escape taxation on a great proportion of their profits. The legislature further finds that there are at least two causes of this inequity: First, during the last several years, major oil companies have increased both the prices charged for their products and the profits realized from their enterprises by extraordinary amounts, greatly in excess of the price and profit increases of other businesses in this state, resulting in an enormous outflow of public and private capital from the state. Second, the complexity of structure of most major oil companies, together with certain tax shelter provisions currently used on a grand scale by the companies, allows major oil companies to be taxed on only a very small proportion of their profits. Because the primary objective of the income tax law is to raise essential government revenues by fairly distributing the tax burden among taxpayers, it is declared that certain changes in the income tax law, as they apply to major oil companies, must be effected in order that those companies will bear a fair and equitable share of the statewide tax burden.

Sec. 2. Minnesota Statutes 1980, Section 290.01, is amended by adding a subdivision to read:

Subd. 28. [MAJOR OIL COMPANY.] The term "major oil company" means a corporation which is engaged in all of the following activities: (1) the extraction or production of crude oil in excess of an average of 100,000 barrels of crude oil per day; (2) the refining of crude oil in excess of an average of 100,000 barrels of crude oil per day; and (3) the marketing or distribution for marketing in this state of gasoline, motor fuel, fuel oil, and similar products from the refining or manufacture of crude oil. A major oil company includes a parent corporation and the subsidiaries of a company engaging in a unitary business if the parent itself or through one or more of its subsidiaries individually or collectively comes within the definition of a major oil company and markets or distributes petroleum or petroleum products in Minnesota.

Sec. 3. Minnesota Statutes 1981 Supplement, Section 290.09, Subdivision 1, is amended to read:

Subdivision 1. [LIMITATIONS.] (a) *Except as provided in clause (b), the following deductions from gross income shall be allowed in computing net income, provided that any item which was deducted in arriving at gross income under the provisions of section 290.01, subdivision 20, shall not be again deducted under this section.*

Property taxes may not be deducted under this section if

(1) The taxes are attributable to a trade or business carried on by an individual, or

(2) The taxes are expenses for the production of income which are paid or incurred by an individual; and which are not allowed as a deduction under section 164 of the Internal Revenue Code of 1954, as amended through December 31, 1980.

(b) *A major oil company shall not deduct amounts otherwise deductible for depletion or intangible drilling costs, including ordinary loss deductions taken for nonproductive wells, with respect to the production of petroleum, not including the production of natural gas.*

Sec. 4. Minnesota Statutes 1981 Supplement, Section 290.091, is amended to read:

290.091 [MINIMUM TAX ON PREFERENCE ITEMS.]

In addition to all other taxes imposed by this chapter there is hereby imposed, a tax which, in the case of a resident individual, shall be equal to 40 percent of the amount of the tax-

payer's minimum tax liability for tax preference items pursuant to the provisions of sections 55 to 58 and 443(d) of the Internal Revenue Code of 1954 as amended through December 31, 1980 except that for purposes of the tax imposed by this section, capital gain as defined in section 57(a) of the Internal Revenue Code shall not include that portion of any gain occasioned by sale, transfer or the granting of a perpetual easement pursuant to any eminent domain proceeding or threat thereof as described in section 290.13, subdivision 5. This modification shall apply to the years in which the gain or reduction in loss is actually included in federal adjusted gross income even though amounts received pursuant to the eminent domain proceedings were received in prior years. In the case of a taxpayer other than a corporation, an amount equal to one-half of the net capital gain for the taxable year shall be used as the definition of capital gain in place of the deduction determined under section 1202 of the Internal Revenue Code. In the case of a resident individual, having preference items which could not be taken to reduce income from sources outside the state pursuant to section 290.17, subdivision 1, or any other taxpayer the tax shall equal 40 percent of that federal liability, multiplied by a fraction the numerator of which is the amount of the taxpayer's preference item income allocated to this state pursuant to the provisions of sections 290.17 to 290.20, and the denominator of which is the taxpayer's total preference item income for federal purposes. *In the case of a major oil company, any amount deducted for depletion for federal tax purposes but not deductible for state tax purposes pursuant to section 290.09, subdivision 1, clause (b) shall not be considered a tax preference item.*

Sec. 5. Minnesota Statutes 1981 Supplement, Section 290.17, Subdivision 2, is amended to read:

Subd. 2. [OTHER TAXPAYERS.] In the case of taxpayers not subject to the provisions of subdivision 1, items of gross income shall be assigned to this state or other states or countries in accordance with the following principles:

(1) The entire income of all resident or domestic taxpayers from compensation for labor or personal services, or from a business consisting principally of the performance of personal or professional services, shall be assigned to this state, and the income of nonresident taxpayers from such sources shall be assigned to this state if, and to the extent that, the labor or services are performed within it; all other income from such sources shall be treated as income from sources without this state;

(2) Income from the operation of a farm shall be assigned to this state if the farm is located within this state and to other states only if the farm is not located in this state. Income and gains received from tangible property not employed in the business of the recipient of such income or gains, and from tangible property employed in the business of such recipient if such busi-

ness consists principally of the holding of such property and the collection of the income and gains therefrom, shall be assigned to this state if such property has a situs within it, and to other states only if it has no situs in this state. Income or gains from intangible personal property not employed in the business of the recipient of such income or gains, and from intangible personal property employed in the business of such recipient if such business consists principally of the holding of such property and the collection of the income and gains therefrom, wherever held, whether in trust, or otherwise, shall be assigned to this state if the recipient thereof is domiciled within this state; income or gains from intangible personal property wherever held, whether in trust or otherwise shall be assigned to this state if the recipient of such income or gains is domiciled within this state, or if the grantor of any trust is domiciled within this state and such income or gains would be taxable to such grantor under section 290.25 or 290.29;

(3) Income derived from carrying on a trade or business, including in the case of a business owned by natural persons the income imputable to the owner for his services and the use of his property therein, shall be assigned to this state if the trade or business is conducted wholly within this state, and to other states if conducted wholly without this state. This provision shall not apply to business income subject to the provisions of clause (1);

(4) When a trade or business is carried on partly within and partly without this state, the entire income derived from such trade or business, including income from intangible property employed in such business and including, in the case of a business owned by natural persons, the income imputable to the owner for his services and the use of his property therein, shall be governed, except as otherwise provided in sections 290.35 and 290.36, by the provisions of section 290.19, notwithstanding any provisions of this section to the contrary. This shall not apply to business income subject to the provisions of clause (1), nor shall it apply to income from the operation of a farm which is subject to the provisions of clause (2). For the purposes of this clause, a trade or business located in Minnesota is carried on partly within and partly without this state if tangible personal property is sold by such trade or business and delivered or shipped to a purchaser located outside the state of Minnesota.

If the trade or business carried on wholly or partly in Minnesota is part of a unitary business, the entire income of that unitary business shall be subject to apportionment under section 290.19. The term "unitary business" means a number of business activities or operations which are of mutual benefit, dependent upon, or contributory to one another, individually or as a group. Unity is presumed whenever there is unity of ownership, operation, and use, evidenced by centralized management or executive force, centralized purchasing, advertising, accounting, or other controlled interaction. Unity is also presumed whenever

the activities or operations of one unit are similar or related to the group's principal activities and not an unrelated discrete business enterprise.

The entire income of a unitary business, including all income from each activity, operation, or division, shall be subject to apportionment as provided in section 290.19. None of the income of a unitary business shall be considered as derived from any particular source, and none shall be allocated to any particular place except as provided by the applicable apportionment formula.

In determining whether or not intangible property is employed in a unitary business carried on partly within and partly without this state so that income derived therefrom is subject to apportionment under section 290.19 the following rules and guidelines shall apply.

(a) Intangible property is employed in a business if the business entity owning intangible property holds it as a means of furthering the business operation of which a part is located within the territorial confines of this state.

(b) Where a business operation conducted in Minnesota, is owned by a business entity which carries on business activity outside of the state different in kind from that conducted within this state, and such other business is conducted entirely outside the state, it will be presumed that the two business operations are unitary in nature, interrelated, connected and interdependent unless it can be shown to the contrary.

(5) In the case of a nonresident who is liable for payment of a penalty for having withdrawn funds from an individual housing account established pursuant to section 290.08, subdivision 25, the amount so withdrawn and for which a deduction was allowed shall be an item of income assignable to this state, and the penalty tax of ten percent shall remain an additional liability of that taxpayer.

(6) For purposes of this section, amounts received by a nonresident from the United States, its agencies or instrumentalities, the Federal Reserve Bank, the state of Minnesota or any of its political or governmental subdivisions, or a Minnesota volunteer fireman's relief association, by way of payment as a pension, public employee retirement benefit, or any combination thereof, or as a retirement or survivor's benefit made from a plan qualifying under section 401, 403, 404, 405, 408, 409 or 409A of the Internal Revenue Code of 1954, as amended through December 31, 1979, are not considered income derived from carrying on a trade or business or from performing personal or professional services in Minnesota, and are not taxable under this chapter.

(7) All other items of gross income shall be assigned to the taxpayer's domicile.

Sec. 6. Minnesota Statutes 1980, Section 290.19, Subdivision 1, is amended to read:

Subdivision 1. [COMPUTATION, BUSINESS CONDUCTED PARTLY WITHIN STATE; APPORTIONMENT.] The taxable net income from a trade or business carried on partly within and partly without this state shall be computed by deducting from the gross income of such business, wherever derived, deductions of the kind permitted by section 290.09, so far as connected with or allocable against the production or receipt of such income. The remaining net income shall be apportioned to Minnesota as follows:

(1) If the business consists of the mining, producing, smelting, refining, or any combination of these activities of copper and nickel ores, or of the manufacture of personal property and the sale of said property within and without the state, the remainder shall be apportioned to Minnesota on the basis of the percentage obtained by taking the arithmetical average of the following three percentages:

(a) The percentage which the sales made within this state is of the total sales wherever made;

(b) The percentage which the total tangible property, real, personal, and mixed, owned or rented, and used by the taxpayer in this state during the tax period in connection with such trade or business is of the total tangible property, real, personal, or mixed, wherever located, owned or rented and, used by the taxpayer in connection with such trade or business during the tax period; and,

(c) The percentage which the taxpayer's total payrolls paid or incurred in this state or paid in respect to labor performed in this state in connection with such trade or business is of the taxpayer's total payrolls paid or incurred in connection with such entire trade or business;

(d) The percentage of such remainder to be assigned to this state shall not be in excess of the sum of the following percentages: 70 percent of the percentage determined under clause (1) (a), 15 percent of the percentage determined under clause (1) (b), and 15 percent of the percentage determined under clause (1) (c);

(2) *If the business is a major oil company, the remainder shall be apportioned to Minnesota on the basis of the sum of the percentages set forth in clause (1)(d); the arithmetical average shall not be used by a major oil company;*

((2)) (3) (a) In all other cases the remainder shall be apportioned to Minnesota on the basis of the percentage obtained by taking the arithmetical average of the following three percentages:

(1) The percentage which the sales, gross earnings, or receipts from business operations, in whole or in part, within this state bear to the total sales, gross earnings, or receipts from business operations wherever conducted;

(2) The percentage which the total tangible property, real, personal, and mixed, owned or rented, and used by the taxpayer in this state during the tax period in connection with such trade or business is of the total tangible property, real, personal, or mixed, wherever located, owned, or rented, and used by the taxpayer in connection with such trade or business during the tax period; and

(3) The percentage which the taxpayer's total payrolls paid or incurred in this state or paid in respect to labor performed in this state in connection with such trade or business is of the taxpayer's total payrolls paid or incurred in connection with such entire trade or business;

(4) The percentage of such remainder to be assigned to this state shall not be in excess of the sum of the following percentages: 70 percent of the percentage determined under clause **((2)) (3) (a) (1)**, 15 percent of the percentage determined under clause **((2)) (3) (a) (2)**, and 15 percent of the percentage determined under clause **((2)) (3) (a) (3)**;

(b) If the methods prescribed under clause **((2)) (3) (a)** will not properly reflect taxable net income assignable to the state, there may be used, if practicable and if such use will properly and fairly reflect such income, the percentage which the sales, gross earnings, or receipts from business operations, in whole or in part, within this state bear to the total sales, gross earnings, or receipts from business operations wherever conducted; or the separate or segregated accounting method. *If the commissioner determines that the methods prescribed in clause (3) will not properly reflect the taxable net income of a major oil company assignable to the state he shall use only the sales factor to determine the amount so assignable;*

((3)) (4) The sales, payrolls, earnings, and receipts referred to in this section shall be those for the taxable year in respect of which the tax is being computed. The property referred to in this section shall be the average of the property owned or used by the taxpayer during the taxable year in respect of which the tax is being computed.

Sec. 7. Minnesota Statutes 1981 Supplement, Section 290.21, Subdivision 4, is amended to read:

Subd. 4. (a) 85 percent of dividends received by a corporation during the taxable year from another corporation, when the corporate stock with respect to which dividends are paid does not constitute the stock in trade of the taxpayer or would not be included in the inventory of the taxpayer, or does not constitute property held by the taxpayer primarily for sale to customers in the ordinary course of his trade or business, or when the trade or business of the taxpayer does not consist principally of the holding of the stocks and the collection of the income and gains therefrom. The remaining 15 percent shall be allowed if the recipient owns 80 percent or more of all the voting stock of such other corporation, and the dividends were paid from income arising out of business done in this state by the corporation paying such dividends; but if the income out of which the dividends are declared was derived from business done within and without this state, then so much of the remainder shall be allowed as a deduction as the amount of the taxable net income of the corporation paying the dividends assignable or allocable to this state bears to the entire net income of the corporation, such rate being determined by the returns under this chapter of the corporation paying such dividends for the taxable year preceding the distribution thereof; the burden shall be on the taxpayer of showing that the amount of remainder claimed as a deduction has been received from income arising out of business done in this state,

(b) if the trade or business of the taxpayer consists principally of the holding of the stocks and the collection of the income and gains therefrom, dividends received by a corporation during the taxable year from another corporation, if the recipient owns 80 percent or more of all the voting stock of such other corporation, from income arising out of business done in this state by the corporation paying such dividends; but, if the income out of which the dividends are declared was derived from business done within and without this state, then so much of the dividends shall be allowed as deduction as the amount of the taxable net income of the corporation paying the dividends assignable or allocable to this state bears to the entire net income of the corporation, such rate being determined by the returns under this chapter of the corporation paying such dividends for the taxable year preceding the distribution thereof. The burden shall be on the taxpayer of showing that the amount of dividends claimed as a deduction has been received from income arising out of business done in this state.

(c) The dividend deduction provided in this subdivision shall be allowed only with respect to dividends that are included in a corporation's Minnesota taxable net income for the taxable year.

(d) *In the case of a major oil company, no credit shall be allowed for dividends received from a foreign corporation, unless the dividends are received from a subsidiary whose income is*

combined with that of the parent company receiving the dividend pursuant to section 290.01, subdivision 28.

(e) In the case of a corporation which is permitted or required to file a combined report under section 290.34, subdivision 2, dividends shall be excluded from the income of the recipient to the extent the dividends are already included as income on the combined report.

Sec. 8. Minnesota Statutes 1980, Section 290.34, Subdivision 2, is amended to read:

Subd. 2. [AFFILIATED OR RELATED CORPORATIONS, CONSOLIDATED STATEMENTS.] When a corporation which is required to file an income tax return is affiliated with or related to any other corporation through stock ownership by the same interests or as parent or subsidiary corporations, or has its income regulated through contract or other arrangement, the commissioner of revenue may permit or require (SUCH CONSOLIDATED STATEMENTS AS) a combined report if, in his opinion, (ARE) it is necessary in order to determine the taxable net income received by any one of the affiliated or related corporations. For purposes of computing the apportionment formula under section 290.19, subdivision 1, for each corporation involved, the numerator of the fraction shall be that corporation's sales, property, or payroll in Minnesota and the denominator shall be the total sales, payroll, and property of all of the corporations shown on the combined report. The combined report shall reflect the income of the entire unitary business as provided in section 290.17, subdivision 2, clause (4). The combined report shall reflect income from corporations wherever created or organized. It is the intent of the legislature to adopt the combined reporting method provided in *Butler Brothers v. McColgan*, 111 P.2d 334, and 315 U.S. 501, and *Edison California Stores v. McColgan*, 183 P.2d 16, and to treat all income as business income to the maximum extent allowable under *Mobile Oil Corporation v. Commissioner of Taxes of Vermont*, 445 U.S. 425.

Sec. 9. [EFFECTIVE DATE.]

Sections 1 to 4, 5, as amended in clause (4) the first paragraph, 6, and 7, clause (d) are effective for taxable years beginning after December 31, 1981. The remainder of section 5, section 7, clause (e), and section 8 are effective for taxable years beginning after June 30, 1981.

ARTICLE V

MUNICIPAL AIDS REPAYMENT

Section 1. [DEFINITIONS.]

For purposes of sections 1 to 3 the following terms have the meanings given:

(a) "Municipality" means a county, statutory or home rule charter city, town, or other taxing district within the meaning of section 273.13, subdivision 15a, other than a school district; and

(b) "Commissioner" means the commissioner of revenue.

Sec. 2. [FULL PAYMENT OF AIDS TO MUNICIPALITIES.]

Subdivision 1. [PAYMENTS REQUIRED.] Notwithstanding the provisions of sections 16A.14 and 16A.15, by February 26, 1982, the commissioner of finance shall draw warrants for the amounts appropriated to the commissioner of revenue for the following state aids, payments, reimbursements, or fund transfers to or on behalf of municipalities, to the extent that they were deferred or withheld pursuant to sections 16A.14 or 16A.15:

(a) *Payments of local government aid to be made during November and December, 1981 pursuant to section 477A.015,*

(b) *Payments of attached machinery aids to be made during November and December, 1981 pursuant to section 273.138, subdivisions 2 and 5,*

(c) *Subject to the limits contained in Laws 1981, First Special Session, Chapter 1, Article 3, Section 3, payments to be made during November and December, 1981 pursuant to section 273.139, and section 273.13, subdivision 15a to replace revenue lost as a result of sections 273.115, 273.116, and 273.13, subdivisions 6, 7, or 14a, and*

(d) *Any state aids, payments, reimbursements or fund transfers to be made during November and December, 1981 pursuant to any law other than those specified in clauses (a) to (c).*

Subd. 2. [CERTIFICATION OF AMOUNT.] The commissioner shall, on or before December 28, 1981, certify to each municipality the amount of aids, payments, reimbursements or fund transfers deferred or withheld pursuant to section 16A.14 or 16A.15 and subject to subdivision 1. In connection with certifying the amount to the municipality the commissioner shall issue to and transmit to the municipality a certificate of aids to be paid by February 26, 1982.

Subd. 3. [PAYMENT OF INTEREST.] The state shall pay interest on the aids, payments, reimbursements or fund transfers deferred or withheld pursuant to section 16A.14 or 16A.15 and subject to subdivision 1. Interest shall be calculated

as simple interest, at a rate equal to the average yield for the Bond Buyer's Index of 20 Municipals, published for the week in which the deferred payment was scheduled to be made to the municipality pursuant to the appropriate statutory provision.

Sec. 3. [AUTHORITY TO BORROW MONEY.]

Subdivision 1. [BORROWING IN ANTICIPATION OF AIDS.] The governing body of the municipality may borrow money in anticipation of the receipt of state aids, payments, reimbursements or fund transfers scheduled to be made on or before February 26, 1982, and may issue certificates of indebtedness upon passage of a resolution specifying the amount and purposes for which it deems the borrowing is necessary. The resolution shall fix the amount, date, maturity, denomination, and other terms of the certificates and shall fix the terms of the sale of the certificates.

Subd. 2. [REPAYMENT; SECURITY.] The governing body of the municipality may pledge the full faith and credit of the municipality, and the proceeds of any tax levies, future state aid receipts, or other municipal funds which may become available to repay certificates issued pursuant to this section. The governing body may provide in the resolution that it will assign a certificate received pursuant to section 2, subdivision 2, and the moneys due thereunder as collateral for repayment of the certificates of indebtedness. An assignment is effective only upon registration of the assignment with the commissioner. The commissioner shall pay any funds due under an assigned certificate to the assignee.

Subd. 3. [INTEREST RATE.] Certificates of indebtedness may be sold at a price equal to such percentage of the par value of the certificates, plus accrued interest, and bearing interest at a rate or rates agreed upon by the governing body of the municipality and the purchaser or underwriter of the certificates or as determined at public sale, notwithstanding any limitation of interest rate or cost contained in chapter 475 or any other law or city charter to the contrary.

Sec. 4. [APPROPRIATION.]

An amount sufficient to pay the interest payable under section 2, subdivision 3 is appropriated from the general fund to the commissioner of revenue.

Sec. 5. [EFFECTIVE DATE.]

Sections 1 to 4 are effective the day following final enactment.

ARTICLE VI

SHORT-TERM BORROWING

Section 1. Minnesota Statutes 1981 Supplement, Section 16A.671, Subdivision 3, is amended to read:

Subd. 3. [LIMITATIONS OF AMOUNT.] The principal amount of certificates of indebtedness to be sold and issued at any time shall not exceed the smallest of the following:

(a) An amount which, with interest thereon to maturity, added to the then outstanding amount of certificates, less the amount thereof, if any, which will be paid from the proceeds, and interest thereon to maturity, will equal the then unexpended balance of all money which will be credited to the general fund during the current biennium under existing laws, as estimated by the commissioner of finance; or

(b) (AN AMOUNT WHICH, WITH THE PRINCIPAL AMOUNT OF ANY OUTSTANDING CERTIFICATES EQUALS \$360,000,000; OR)

((C)) The maximum current cash flow requirement.

Sec. 2. Minnesota Statutes 1981 Supplement, Section 16A.671, Subdivision 5, is amended to read:

Subd. 5. [SALE.] Certificates of indebtedness shall be sold by the commissioner of finance upon public advertisement for competitive bids, except that:

(a) They may be sold to the state board of investment without advertisement for bids, upon terms on which, in the judgment of the board, investments of comparable maturities and security can at the time be purchased from funds under its control, *including the state bond fund and other special or dedicated funds described in clause (c) of subdivision 2 provided that interest shall be paid on these certificates at market rates notwithstanding any other provision of law to the contrary;*

(b) The commissioner may negotiate with a suitable bank or banks within or outside the state for a line of credit whereby certificates of indebtedness may be issued from time to time within an agreed period, at a fixed or variable interest rate and subject to redemption at par plus accrued interest at any time at the option of the commissioner; or

(c) The commissioner may negotiate with a firm or firms of underwriters to act as an agent in the placement of certificates of indebtedness maturing on a date four months or less

from the date of issue, which may be sold to investors at a specified discount representing the interest included in the face amount payable at maturity, or at a stated interest rate on a stated principal amount, payable at maturity.

Sec. 3. [EFFECTIVE DATE.]

This article is effective the day following final enactment.

Delete the title and insert:

A bill for an act relating to the financing of government in this state; reducing appropriations for the biennium ending June 30, 1983 with certain conditions; providing for a deficiency in income maintenance appropriations; providing for state scholarships and grants-in-aid; imposing and increasing fees; imposing various cost saving measures; requiring the board of regents of the university, the state university board, the community college board and the state board for vocational education to develop plans for declining enrollment; providing that parties to administrative hearings will bear the cost of court reporters under certain circumstances; authorizing attorney general to appear in civil weight enforcement actions; modifying certain procedures for appeals of workers' compensation orders; providing certain workers' compensation settlements are conclusively presumed reasonable; modifying approval by the commissioner of labor and industry of the settlement of certain workers' compensation claims; eliminating the requirement that the commissioner of veterans affairs provide certain grave markers; changing certain provisions governing aid to families with dependent children as authorized or required by federal law; changing or adding provisions governing definitions, eligibility standards, payment levels and amounts, income disregards, budgeting methods, child support or maintenance orders; eliminating a general stepparents' support duty and coverage of the unborn; specifying medical assistance for certain pregnant women; changing calculation of certain fees paid by foreign corporations; shortening time for abandonment of unclaimed property; changing requirements for reduced transit fares for certain persons; increasing the property tax mill rate of the transit taxing district; authorizing the transfer of certain funds from the salary supplement; repealing review of administrative rules for business licenses; authorizing the transfer of certain funds appropriated to the higher education coordinating board for obligations under interstate tuition reciprocity agreements; providing for the reduction of education aids; changing formula allowance; raising the basic maintenance mill rate; establishing an equalizing factor; extending dates of exemption from public sale of certificates of indebtedness; authorizing recertification of levy; altering the recognition of school district tax revenue; requiring payment of 70 percent of the estimated school district tax receipts within 15 days after the settlement date; establishing

a cash flow loan fund; delaying education aid payments; providing that homestead credit applies to certain special levies; eliminating the individual housing account provisions; providing an additional adjustment of individual income tax brackets; modifying the income taxation of commodity tax straddles; clarifying the application and computation of the taxable net income adjustment factor; prohibiting the commissioner of revenue from adopting certain depreciation schedules by rule; requiring payment of certain income and sales taxes pending appeal; increasing the excise taxes on cigarettes; reducing the maximum local aid appropriation; requiring payments of local aids and authorizing local borrowing in anticipation of the aids; altering the method of taxing the income of certain oil companies by prohibiting their use of certain deductions, and of the arithmetic average; requiring the use of combined worldwide income by corporations; providing that farm income is wholly apportioned to Minnesota; removing the dollar limitation on state short-term borrowing; appropriating money; amending Minnesota Statutes 1980, Sections 121.904, by adding a subdivision; 176.421, Subdivision 3; 176.521, by adding a subdivision; 184.30, Subdivision 2; 197.23; 221.67; 256.12, Subdivision 14, and by adding subdivisions; 256.73, Subdivisions 3a, 5, and 6; 256.736, Subdivisions 3 and 4; 256.74, Subdivision 1, and by adding a subdivision; 256.99; 256B.07; 268.16, Subdivision 3; 276.11; 278.03; 290.01, by adding a subdivision; 290.19, Subdivision 1; 290.34, Subdivision 2; 297.02, by adding a subdivision; 297.13, Subdivision 1; 297.22, by adding a subdivision; 297.26; 297A.39, Subdivision 1; 303.07; 303.13, Subdivision 1; 303.14, Subdivisions 1, 3, and 5; 303.16, Subdivisions 2 and 4; 303.17, Subdivision 4; 303.18, Subdivision 3; 303.19, Subdivisions 2 and 3; 303.21, by adding a subdivision; 303.22; 303.23, Subdivision 1; 308.06, Subdivision 4; 308.85; 317.04, Subdivisions 2 and 3; 317.36; 317.42, Subdivision 3; 317.67, Subdivision 2; 330.01, Subdivision 1; 345.32; 345.33; 345.34; 345.37; 345.38; 345.39; 473.408, Subdivision 3; 540.152; and 543.08; Minnesota Statutes 1981 Supplement, Sections 3.9222, Subdivision 2; 15.052, Subdivision 5; 16A.128; 16A.15, Subdivision 1; 16A.671, Subdivisions 3 and 5; 124.2121, Subdivisions 4 and 5; 124.2122, Subdivisions 1 and 2; 169.871, Subdivisions 3 and 5; 169.872, Subdivision 1; 174.24, Subdivision 3a; 174.31, Subdivisions 1 and 3; 176.131, Subdivision 10; 176.421, Subdivisions 4 and 5; 176.521, Subdivisions 1 and 2; 204B.11, Subdivision 1; 256.73, Subdivision 2; 256.872, Subdivision 1, and by adding a subdivision; 256B.06, Subdivision 1; 273.13, Subdivision 15b; 290.01, Subdivision 20; 290.06, Subdivision 2d; 290.09, Subdivisions 1, 3 and 7; 290.091; 290.17, Subdivision 2; 290.18, Subdivision 4; 290.21, Subdivision 4; 290.53, Subdivision 1; 302A.901, Subdivision 2; 473.446, Subdivision 1; 477A.03, Subdivision 2; and 518.551, Subdivision 7; and Laws 1981, Chapters 356, Sections 45, 46, and 62, Subdivision 2; 358, Articles 1, Section 50, Subdivision 3; and 7, Section 29; 359, Section 3, Subdivision 3; First Special Session, Chapter 1, Article I, Section 5; proposing new law coded in Minnesota Statutes, Chapters 5, 35, 124, 256, 290, and 297A; repealing Minnesota Statutes 1980, Sections

121.904, Subdivision 4; 256.935, Subdivision 2; 303.08, Subdivision 3; 303.12; 303.14, Subdivision 2; 303.15; 303.21, Subdivisions 1 and 2; 317.11; 317.19, Subdivision 3; 317.43; and 317.67, Subdivision 1; Minnesota Statutes 1981 Supplement, Sections 3.965, Subdivision 6; 48.159, Subdivision 2; 50.157, Subdivision 2; 51A.21, Subdivision 16a; 52.136; 124.20, Subdivision 3; 124.781; 257.021; 275.125, Subdivision 2f; 290.08, Subdivision 25; and 362.453; Laws 1981, First Special Session, Chapter 2, Sections 2, Subdivision 2; and 9.

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

House Conferees: IRVIN N. ANDERSON, MICHAEL R. SIEBEN, CARL M. JOHNSON, WILLIS R. EKEN and HARRY A. SIEBEN, JR.

Senate Conferees: ROGER D. MOE, MARV HANSON, DOUGLAS J. JOHNSON, GERALD L. WILLET and NEIL DIETERICH.

Schreiber moved that the House refuse to adopt the Conference Committee Report and that H. F. No. 14 be returned to the Conference Committee with the following instructions:

Delete Articles I, III, IV and VI.

Delete Article II, Sections 1 through 6, and 11 through 14.

A roll call was requested and properly seconded.

CALL OF THE HOUSE

On the motion of Eken and on the demand of 10 members, a call of the House was ordered. The following members answered to their names:

Aasness	Ellingson	Jennings	Munger	Rodriguez, F.
Ainley	Erickson	Johnson, C.	Murphy	Rose
Anderson, B.	Esau	Johnson, D.	Nelsen, B.	Rothenberg
Anderson, G.	Evans	Kahn	Nelson, K.	Samuelson
Anderson, I.	Ewald	Kaley	Niehaus	Sarna
Anderson, R.	Fjoslien	Kalis	Novak	Schafer
Battaglia	Forsythe	Kelly	Nysether	Schoenfeld
Begich	Frerichs	Knickerbocker	O'Connor	Schreiber
Blatz	Greenfield	Kostohryz	Ogren	Searles
Brandl	Gruenes	Kvam	Olsen	Shea
Brinkman	Gustafson	Laidig	Ommen	Sherman
Byrne	Halberg	Lehto	Osthoff	Sherwood
Carlson, D.	Hanson	Lemen	Otis	Sieben, M.
Carlson, L.	Harens	Levi	Peterson, B.	Simoneau
Clark, J.	Hauge	Long	Peterson, D.	Skoglund
Clark, K.	Haukoos	Ludeman	Piepho	Stadum
Clawson	Heap	Luknic	Pogemiller	Staten
Dahlvang	Heinitz	Mann	Redalen	Stowell
Dean	Himle	Marsh	Reding	Stumpf
Den Ouden	Hoberg	McDonald	Rees	Sviggum
Drew	Hokanson	Mehrkens	Reif	Swanson
Eken	Hokr	Metzen	Rice	Tomlinson
Elioff	Jacobs	Minne	Rodriguez, C.	Valan

Valento	Voss	Welker	Wynia	Spkr. Sieben, H.
Vanasek	Weaver	Wenzel	Zubay	
Vellenga	Welch	Wieser		

Eken moved that further proceedings of the roll call be dispensed with and that the Sergeant at Arms be instructed to bring in the absentees. The motion prevailed and it was so ordered.

The question recurred on the Schreiber motion and the roll was called. There were 63 yeas and 68 nays as follows:

Those who voted in the affirmative were:

Aasness	Forsythe	Kaley	Nysether	Sherman
Ainley	Frerichs	Knickerbocker	Olsen	Sherwood
Anderson, R.	Gruenes	Kvam	Onnen	Stadum
Blatz	Halberg	Laidig	Peterson, B.	Stowell
Carlson, D.	Haukoos	Lemen	Piepho	Svigum
Dean	Heap	Levi	Redalen	Valan
Den Ouden	Heinitz	Ludeman	Rees	Valento
Drew	Himle	Luknic	Reif	Weaver
Erickson	Hoberg	Marsh	Rose	Welker
Esau	Hokr	McDonald	Rothenberg	Wieser
Evans	Jennings	Mehrkens	Schafer	Zubay
Ewald	Johnson, D.	Nelsen, B.	Schreiber	
Fjoslien	Jude	Niehaus	Searles	

Those who voted in the negative were:

Anderson, B.	Eken	Kostohryz	Osthoff	Skoglund
Anderson, G.	Elioff	Lehto	Otis	Staten
Anderson, I.	Ellingson	Long	Peterson, D.	Stumpf
Battaglia	Greenfield	Mann	Pogemiller	Swanson
Begich	Gustafson	McCarron	Reding	Tomlinson
Berkelman	Hanson	McEachern	Rice	Vanasek
Brandl	Harens	Metzen	Rodriguez, C.	Vellenga
Brinkman	Hauge	Minne	Rodriguez, F.	Voss
Byrne	Hokanson	Munger	Samuelson	Welch
Carlson, L.	Jacobs	Murphy	Sarna	Wenzel
Clark, J.	Johnson, C.	Nelson, K.	Schoenfeld	Wynia
Clark, K.	Kahn	Novak	Shea	Spkr. Sieben, H.
Clawson	Kalis	O'Connor	Sieben, M.	
Dahlvang	Kelly	Ogren	Simoneau	

The motion did not prevail.

Himle was excused between the hours of 2:15 p.m. and 6:00 p.m.

Anderson, I., moved that the report of the Conference Committee on H. F. No. 14 be adopted and that the bill be repassed as amended by the Conference Committee.

A roll call was requested and properly seconded.

The question was taken on the motion and the roll was called.

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

There were 69 yeas and 61 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Eken	Kelly	Ogren	Simoneau
Anderson, G.	Elioff	Kostohryz	Osthoff	Skoglund
Anderson, I.	Ellingson	Lehto	Otis	Staten
Battaglia	Greenfield	Long	Peterson, D.	Stumpf
Begich	Gustafson	Mann	Pogemiller	Swanson
Berkelman	Hanson	McCarron	Reding	Tomlinson
Brandl	Harens	McEachern	Rice	Vanasek
Brinkman	Hauge	Metzen	Rodriguez, C.	Vellonga
Byrne	Hokanson	Minne	Rodriguez, F.	Voss
Carlson, L.	Jacobs	Munger	Samuelson	Welch
Clark, J.	Johnson, C.	Murphy	Sarna	Wenzel
Clark, K.	Jude	Nelson, K.	Schoenfeld	Wynia
Clawson	Kahn	Novak	Shea	Spkr. Sieben, H.
Dahlvang	Kalis	O'Connor	Sieben, M.	

Those who voted in the negative were:

Aasness	Forsythe	Kvam	Onnen	Stadum
Ainley	Frerichs	Laidig	Peterson, B.	Stowell
Anderson, R.	Gruenes	Lemen	Piepho	Stiggum
Blatz	Halberg	Levi	Redalen	Valan
Carlson, D.	Haukoos	Ludeman	Rees	Valento
Dean	Heap	Luknic	Reif	Weaver
Den Ouden	Heinitz	Marsh	Rose	Welker
Drew	Hoberg	McDonald	Rothenberg	Wieser
Erickson	Hokr	Mehrkens	Schafer	Zubay
Esau	Jennings	Nelsen, B.	Schreiber	
Evans	Johnson, D.	Niehaus	Searles	
Ewald	Kaley	Nysether	Sherman	
Fjoslien	Knickerbocker	Olsen	Sherwood	

The motion prevailed.

H. F. No. 14, A bill for an act relating to the financing and operation of state and local government; reducing appropriations for the general legislative and executive agencies of state government; providing for transfer of appropriations between fiscal years; requiring the board of regents of the university, the state university board, the community college board and the state board for vocational education to develop plans for declining enrollment; providing that parties to administrative hearings will bear the cost of court reporters under certain circumstances; adjusting fee limitations; providing certain workers' compensation settlements are conclusively presumed reasonable; specifying the contents of certain awards or disallowances of workers' compensation; modifying certain procedures for appeals of workers' compensation orders; modifying approval by the commissioner of labor and industry of the settlement of certain workers' compensation claims; eliminating the requirement that the commissioner of veterans affairs provide certain grave markers; reducing the period within which property is presumed

abandoned; reducing certain pension contributions for state employees; increasing the property tax mill rate of the transit taxing district; providing for the use of certain appropriations to discharge workers' compensation and unemployment compensation obligations; authorizing the transfer of certain funds from the salary supplement; repealing review of administrative rules for business licenses; authorizing the transfer of certain funds appropriated to the higher education coordinating board for obligations under interstate tuition reciprocity agreements; appropriating money; altering the recognition of school district tax revenue; reducing state aids for education in fiscal year 1983 by 93 percent of the amount of the June, 1983 school district tax settlements; requiring payment of 70 percent of the estimated school district tax receipts within 15 days after the settlement date; establishing a cash flow loan fund; reducing education aid appropriations for fiscal year 1983; requiring the commissioner of finance to pay by February 26, 1982 any payments that were suspended; guaranteeing the payment of certain state aids and payments to local governments for calendar year 1981; granting local governments temporary borrowing authority; authorizing the commissioner of education to suspend certain education aids in December, 1981 and January, 1982; authorizing the commissioner of education to consider cash flow requirements of each recipient in determining whether to suspend education aids; requiring the commissioner to issue certificates of aid; limiting inflation adjustments of the income tax brackets, credits, and maximum standard deduction under certain circumstances; prohibiting the commissioner of revenue from adopting certain depreciation schedules by rule; clarifying the application of the taxable net income adjustment factor to fiscal year taxpayers and its computation for 1981; modifying the inflation adjustment of the income tax brackets and the computation of the taxable net income adjustment factor; altering the method of taxing the income of certain oil companies by prohibiting their use of certain deductions and requiring the use of combined worldwide income; eliminating the use of the arithmetic average allocation formula for major oil companies; reducing the appropriations for local government aids; providing that farm income is wholly apportioned to Minnesota; amending Minnesota Statutes 1980, Sections 121.904, by adding a subdivision; 176.421, Subdivision 3; 176.521, as amended; 197.23; 276.11; 290.01, by adding a subdivision; 290.19, Subdivision 1; 345.32; 345.33; 345.34; 345.37; 345.38; 345.39; 352.04, Subdivisions 2 and 3; 352.92, Subdivisions 1 and 2; 352D.09, Subdivision 7; Minnesota Statutes 1981 Supplement, Sections 15.052, Subdivision 5; 16A.128; 124.2121, Subdivision 5; 176.081, Subdivision 7a; 176.371; 176.421, Subdivisions 4 and 5; 290.06, Subdivision 2d, and by adding a subdivision; 290.09, Subdivisions 1 and 7; 290.091; 290.17, Subdivision 2; 290.18, Subdivision 4, and by adding a subdivision; 290.21, Subdivision 4; 352D.04, Subdivision 2; 477A.03, Subdivision 2; Laws 1981, Chapters 356, Sections 45, 46, and 62; 359, Section 3, Subdivision 3; First Special Session, Chapter 1, Article I, Section 5; proposing new law coded in Chapter 124; repealing Minnesota Statutes 1980, Section 121.904, Subdivision 4; and Minne-

sota Statutes 1981 Supplement, Sections 3.965, Subdivision 6; and 362.453.

The bill was read for the third time, as amended by Conference, and placed upon its repassage.

The question was taken on the repassage of the bill and the roll was called. There were 69 yeas and 61 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Eken	Kelly	Ogren	Simoneau
Anderson, G.	Elioff	Kostohryz	Osthoff	Skoglund
Anderson, I.	Ellingson	Lehto	Otis	Staten
Battaglia	Greenfield	Long	Peterson, D.	Stumpf
Begich	Gustafson	Mann	Pogemiller	Swanson
Berkelman	Hanson	McCarron	Reding	Tomlinson
Brandl	Harens	McEachern	Rice	Vanasek
Brinkman	Hauge	Metzen	Rodriguez, C.	Vellenga
Byrne	Hokanson	Minne	Rodriguez, F.	Voss
Carlson, L.	Jacobs	Munger	Samuelson	Welch
Clark, J.	Johnson, C.	Murphy	Sarna	Wenzel
Clark, K.	Jude	Nelson, K.	Schoenfeld	Wynia
Clawson	Kahn	Novak	Shea	Spkr. Sieben, H.
Dahlvang	Kalis	O'Connor	Sieben, M.	

Those who voted in the negative were:

Aasness	Forsythe	Kvam	Onnen	Stadum
Ainley	Frerichs	Laidig	Peterson, B.	Stowell
Anderson, R.	Gruenes	Lemen	Piepho	Sviggum
Blatz	Halberg	Levi	Redalen	Valan
Carlson, D.	Haukoos	Ludeman	Rees	Valento
Dean	Heap	Luknic	Reif	Weaver
Den Ouden	Heinitz	Marsh	Rose	Welker
Drew	Hoberg	McDonald	Rothenberg	Wieser
Erickson	Hokr	Mehrkens	Schafer	Zubay
Esau	Jennings	Nelsen, B.	Schreiber	
Evans	Johnson, D.	Niehaus	Searles	
Ewald	Kaley	Nysether	Sherman	
Fjoslien	Knickerbocker	Olsen	Sherwood	

The bill was repassed, as amended by Conference, and its title agreed to.

Eken moved that the House recess subject to the call of the Chair. The motion prevailed.

RECESS

RECONVENED

The House reconvened and was called to order by the Speaker.

MESSAGES FROM THE SENATE

The following message was received from the Senate:

Mr. Speaker:

I hereby announce that the Senate has concurred in and adopted the report of the Conference Committee on:

H. F. No. 14, A bill for an act relating to the financing of government in this state; reducing appropriations for the biennium ending June 30, 1983 with certain conditions; providing for a deficiency in income maintenance appropriations; providing for state scholarships and grants-in-aid; imposing and increasing fees; imposing various cost saving measures; requiring the board of regents of the university, the state university board, the community college board and the state board for vocational education to develop plans for declining enrollment; providing that parties to administrative hearings will bear the cost of court reporters under certain circumstances; authorizing attorney general to appear in civil weight enforcement actions; modifying certain procedures for appeals of workers' compensation orders; providing certain workers' compensation settlements are conclusively presumed reasonable; modifying approval by the commissioner of labor and industry of the settlement of certain workers' compensation claims; eliminating the requirement that the commissioner of veterans affairs provide certain grave markers; changing certain provisions governing aid to families with dependent children as authorized or required by federal law; changing or adding provisions governing definitions, eligibility standards, payment levels and amounts, income disregards, budgeting methods, child support or maintenance orders; eliminating a general stepparents' support duty and coverage of the unborn; specifying medical assistance for certain pregnant women; changing calculation of certain fees paid by foreign corporations; shortening time for abandonment of unclaimed property; changing requirements for reduced transit fares for certain persons; increasing the property tax mill rate of the transit taxing district; authorizing the transfer of certain funds from the salary supplement; repealing review of administrative rules for business licenses; authorizing the transfer of certain funds appropriated to the higher education coordinating board for obligations under interstate tuition reciprocity agreements; providing for the reduction of education aids; changing formula allowance; raising the basic maintenance mill rate; establishing an equalizing factor; extending dates of exemption from public sale of certificates of indebtedness; authorizing recertification of levy; altering the recognition of school district tax revenue; requiring payment of 70 percent of the estimated school district tax receipts within 15 days after the settlement date; establishing a cash flow loan fund; delaying education aid payments; providing that homestead credit applies to certain special levies; eliminating the individual housing account provisions; providing an additional adjustment of individual income tax brackets; modifying the income taxation of commodity tax straddles; clarifying the application and computation of the taxable net income adjustment factor; prohibiting the commissioner of revenue from

adopting certain depreciation schedules by rule; requiring payment of certain income and sales taxes pending appeal; increasing the excise taxes on cigarettes; reducing the maximum local aid appropriation; requiring payments of local aids and authorizing local borrowing in anticipation of the aids; altering the method of taxing the income of certain oil companies by prohibiting their use of certain deductions, and of the arithmetic average; requiring the use of combined worldwide income by corporations; providing that farm income is wholly apportioned to Minnesota; removing the dollar limitation on state short-term borrowing; appropriating money; amending Minnesota Statutes 1980, Sections 121.904, by adding a subdivision; 176.421, Subdivision 3; 176.521, by adding a subdivision; 184.30, Subdivision 2; 197.23; 221.67; 256.12, Subdivision 14, and by adding subdivisions; 256.73, Subdivisions 3a, 5, and 6; 256.736, Subdivisions 3 and 4; 256.74, Subdivision 1, and by adding a subdivision; 256.99; 256B.07; 268.16, Subdivision 3; 276.11; 278.03; 290.01, by adding a subdivision; 290.19, Subdivision 1; 290.34, Subdivision 2; 297.02, by adding a subdivision; 297.13, Subdivision 1; 297.22, by adding a subdivision; 297.26; 297A.39, Subdivision 1; 303.07; 303.13, Subdivision 1; 303.14, Subdivisions 1, 3, and 5; 303.16, Subdivisions 2 and 4; 303.17, Subdivision 4; 303.18, Subdivision 3; 303.19, Subdivisions 2 and 3; 303.21, by adding a subdivision; 303.22; 303.23, Subdivision 1; 308.06, Subdivision 4; 308.85; 317.04, Subdivisions 2 and 3; 317.36; 317.42, Subdivision 3; 317.67, Subdivision 2; 330.01, Subdivision 1; 345.32; 345.33; 345.34; 345.37; 345.38; 345.39; 473.408, Subdivision 3; 540.152; and 543.08; Minnesota Statutes 1981 Supplement, Sections 3.9222, Subdivision 2; 15.052, Subdivision 5; 16A.128; 16A.15, Subdivision 1; 16A.671, Subdivisions 3 and 5; 124.2121, Subdivisions 4 and 5; 124.2122, Subdivisions 1 and 2; 169.871, Subdivisions 3 and 5; 169.872, Subdivision 1; 174.24, Subdivision 3a; 174.31, Subdivisions 1 and 3; 176.131, Subdivision 10; 176.421, Subdivisions 4 and 5; 176.521, Subdivisions 1 and 2; 204B.11, Subdivision 1; 256.73, Subdivision 2; 256.872, Subdivision 1, and by adding a subdivision; 256B.06, Subdivision 1; 273.13, Subdivision 15b; 290.01, Subdivision 20; 290.06, Subdivision 2d; 290.09, Subdivisions 1, 3 and 7; 290.091; 290.17, Subdivision 2; 290.18, Subdivision 4; 290.21, Subdivision 4; 290.53, Subdivision 1; 302A.901, Subdivision 2; 473.446, Subdivision 1; 477A.03, Subdivision 2; and 518.551, Subdivision 7; and Laws 1981, Chapters 356, Sections 45, 46, and 62, Subdivision 2; 358, Articles 1, Section 50, Subdivision 3; and 7, Section 29; 359, Section 3, Subdivision 3; First Special Session, Chapter 1, Article I, Section 5; proposing new law coded in Minnesota Statutes, Chapters 5, 35, 124, 256, 290, and 297A; repealing Minnesota Statutes 1980, Sections 121.904, Subdivision 4; 256.935, Subdivision 2; 303.08, Subdivision 3; 303.12; 303.14, Subdivision 2; 303.15; 303.21, Subdivisions 1 and 2; 317.11; 317.19, Subdivision 3; 317.43; and 317.67, Subdivision 1; Minnesota Statutes 1981 Supplement, Sections 3.965, Subdivision 6; 48.159, Subdivision 2; 50.157, Subdivision 2; 51A.21, Subdivision 16a; 52.136; 124.20, Subdivision 3; 124.781; 257.021; 275.125, Subdivision 2f; 290.08, Subdivision 25; and

362.453; Laws 1981, First Special Session, Chapter 2, Sections 2, Subdivision 2; and 9.

The Senate has repassed said bill in accordance with the recommendation and report of the Conference Committee. Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

ADJOURNMENT

Eken moved that when the House adjourns today it adjourn until 11:00 a.m., Tuesday, December 22, 1981. The motion prevailed.

Eken moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 11:00 a.m., Tuesday, December 22, 1981.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

STATE OF MINNESOTA

THIRD SPECIAL SESSION - 1981

ELEVENTH DAY

SAINT PAUL, MINNESOTA, TUESDAY, DECEMBER 22, 1981

The House of Representatives convened at 11:00 a.m., and was called to order by Harry A. Sieben, Jr., Speaker of the House.

Prayer was offered by Sister Elizabeth Delmore, C.S.J., Library Director, College of St. Catherine.

The roll was called and the following members were present:

Aasness	Evans	Kalis	Nysether	Shea
Ainley	Ewald	Kelly	O'Connor	Sherman
Anderson, B.	Fjoslien	Knickerbocker	Ogren	Sherwood
Anderson, G.	Forsythe	Kostohryz	Olsen	Sieben, M.
Anderson, I.	Frerichs	Kvam	Onnen	Simoneau
Anderson, R.	Greenfield	Laidig	Osthoff	Skoglund
Battaglia	Gruenes	Lehto	Otis	Stadum
Begich	Gustafson	Lemen	Peterson, B.	Staten
Berkelman	Halberg	Levi	Peterson, D.	Stowell
Brandl	Hanson	Long	Piepho	Stumpf
Brinkman	Harens	Ludeman	Pogemiller	Sviggum
Byrne	Hauge	Luknic	Redalen	Tomlinson
Carlson, D.	Haukoos	Mann	Reding	Valan
Carlson, L.	Heap	McCarron	Rees	Valento
Clark, J.	Heinitz	McDonald	Reif	Vanasek
Clark, K.	Himle	McEachern	Rice	Vellenga
Dahlvang	Hoberg	Mehrrens	Rodriguez, C.	Voss
Dean	Hokanson	Metzen	Rodriguez, F.	Weaver
Den Ouden	Hokr	Minne	Rothenberg	Welch
Drew	Jacobs	Munger	Samuelson	Welker
Eken	Jennings	Murphy	Sarna	Wenzel
Elioff	Johnson, C.	Nelsen, B.	Schafer	Wieser
Ellingson	Johnson, D.	Nelson, K.	Schoenfeld	Wymia
Erickson	Jude	Niehaus	Schreiber	Zubay
Esau	Kaley	Novak	Searles	Spkr. Sieben, H.

A quorum was present.

Blatz, Clawson, Dempsey, Kahn, Marsh, Norton, Rose, and Wigley were excused.

Swanson was excused until 12:20 p.m.

The Chief Clerk proceeded to read the Journal of the preceding day. Erickson moved that further reading of the Journal be dispensed with and that the Journal be approved as corrected by the Chief Clerk. The motion prevailed.

PETITIONS AND COMMUNICATIONS

The following communication was received:

The Speaker announced to the House that a veto message had been received from Governor Albert H. Quie on H. F. No. 14.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House File was introduced:

Fjoslien, Carlson, D., and Aasness introduced:

H. F. No. 23, A bill for an act relating to state government; providing for the salary reduction of certain legislative and executive branch employees; amending Minnesota Statutes, 1980, Sections 3.099, Subdivision 2; and 15A.081, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Governmental Operations.

MOTIONS AND RESOLUTIONS

Eken introduced:

House Concurrent Resolution No. 1, A house concurrent resolution relating to adjournment of the Senate and House of Representatives.

Eken moved that the House recess subject to the call of the Chair. The motion prevailed.

RECESS

RECONVENED

The House reconvened and was called to order by the Speaker.

MOTIONS AND RESOLUTIONS, Continued

Eken moved that the Rules be so far suspended that House Concurrent Resolution No. 1 be now considered and be placed upon its adoption.

A roll call was requested and properly seconded.

The question was taken on the Eken motion and the roll was called. There were 68 yeas and 56 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Elioff	Laidig	Osthoff	Skoglund
Anderson, G.	Ellingson	Lehto	Otis	Staten
Anderson, I.	Greenfield	Long	Peterson, D.	Stumpf
Battaglia	Gustafson	Mann	Pogemiller	Swanson
Begich	Hanson	McCarron	Reding	Tomlinson
Berkelman	Harens	McEachern	Rice	Vanasek
Brandl	Hauge	Metzen	Rodriguez, C.	Vellenga
Brinkman	Hokanson	Minne	Rodriguez, F.	Voss
Byrne	Johnson, C.	Munger	Samuelson	Welch
Carlson, L.	Johnson, D.	Murphy	Sarna	Wenzel
Clark, J.	Jude	Nelson, K.	Schoenfeld	Wynia
Clark, K.	Kalis	Novak	Shea	Spkr. Sieben, H.
Dahlvang	Kelly	O'Connor	Sieben, M.	
Eken	Kostohryz	Ogren	Simoneau	

Those who voted in the negative were:

Aasness	Forsythe	Kvam	Peterson, B.	Stowell
Ainley	Frerichs	Lemen	Piepho	Sviggum
Anderson, R.	Gruenes	Levi	Redalen	Valan
Carlson, D.	Halberg	Ludeman	Rees	Valento
Dean	Haukoos	Luknic	Reif	Weaver
Den Ouden	Heap	McDonald	Rothenberg	Welker
Drew	Heinitz	Mehrkens	Schafer	Wieser
Erickson	Himle	Nelsen, B.	Schreiber	Zubay
Esau	Hoberg	Niehaus	Searles	
Evans	Jennings	Nysether	Sherman	
Ewald	Kaley	Olsen	Sherwood	
Fjoslien	Knickerbocker	Onnen	Stadum	

The motion did not prevail.

The Speaker referred House Concurrent Resolution No. 1 to the Committee on Rules and Legislative Administration.

Eken moved that the House recess subject to the call of the Chair. The motion prevailed.

RECESS

RECONVENED

The House reconvened and was called to order by the Speaker.

REPORT FROM THE COMMITTEE ON RULES AND LEGISLATIVE ADMINISTRATION

Eken from the Committee on Rules and Legislative Administration to which was referred:

House Concurrent Resolution No. 1, A house concurrent resolution relating to adjournment of the Senate and House of Representatives.

Reported the same back with the recommendation that the resolution be adopted.

The report was adopted.

HOUSE CONCURRENT RESOLUTION NO. 1

A house concurrent resolution relating to adjournment of the Senate and House of Representatives.

Be it resolved by the House of Representatives, the Senate concurring:

(1) Upon their adjournments on December 22, 1981, the House of Representatives may set its next day of meeting for Wednesday, December 30, 1981, at 1:00 p.m. and the Senate may set its next day of meeting for Wednesday, December 30, 1981, at 1:00 p.m.

(2) By adoption of this resolution, each house consents to adjournment of the other body for more than three days.

Eken moved that House Concurrent Resolution No. 1 be now adopted.

A roll call was requested and properly seconded.

POINT OF ORDER

Peterson, B., raised a point of order pursuant to rule 3.14. The Speaker ruled the point of order not well taken.

The question recurred on the Eken motion and the roll was called. There were 63 yeas and 58 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Elioff	Mann	Peterson, D.	Staten
Anderson, G.	Ellingson	McCarron	Pogemiller	Stumpf
Anderson, I.	Greenfield	McEachern	Reding	Swanson
Battaglia	Gustafson	Metzen	Rice	Tomlinson
Begich	Hanson	Minne	Rodriguez, C.	Vanasek
Berkelman	Hauge	Munger	Rodriguez, F.	Vellenga
Brandl	Hokanson	Murphy	Samuelson	Voss
Brinkman	Johnson, C.	Nelson, K.	Sarna	Welch
Byrne	Jude	Novak	Schoenfeld	Wenzel
Carlson, L.	Kelly	O'Connor	Shea	Wynia
Clark, J.	Kostohryz	Ogren	Sieben, M.	Spkr. Sieben, H.
Dahlvang	Lehto	Osthoff	Simoneau	
Eken	Long	Otis	Skoglund	

Those who voted in the negative were:

Aasness	Forsythe	Kaley	Olsen	Sherwood
Ainley	Frerichs	Knickerbocker	Onnen	Stadum
Anderson, R.	Gruenes	Kvam	Peterson, B.	Stowell
Carlson, D.	Halberg	Laidig	Piepho	Sviggum
Dean	Haukoos	Levi	Redalen	Valan
Den Ouden	Heap	Ludeman	Rees	Valento
Drew	Heinitz	Luknic	Reif	Weaver
Erickson	Himle	McDonald	Rothenberg	Welker
Esau	Hoberg	Mehrkens	Schafer	Wieser
Evans	Hokr	Nelsen, B.	Schreiber	Zubay
Ewald	Jennings	Niehaus	Searles	
Fjoslien	Johnson, D.	Nysether	Sherman	

The motion prevailed and House Concurrent Resolution No. 1 was adopted.

There being no objection the order of business reverted to Messages from the Senate.

MESSAGES FROM THE SENATE

The following message was received from the Senate.

Mr. Speaker:

I hereby announce the adoption by the Senate of the following House Concurrent Resolution, herewith returned:

House Concurrent Resolution No. 1

A Concurrent Resolution relating to adjournment of the Senate and House of Representatives.

PATRICK E. FLAHAVEN, Secretary of the Senate

ADJOURNMENT

Eken moved that when the House adjourns today it adjourn until 1:00 p.m., Wednesday, December 30, 1981. The motion prevailed.

Eken moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 1:00 p.m., Wednesday, December 30, 1981.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

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STATE OF MINNESOTA

THIRD SPECIAL SESSION - 1981

TWELFTH DAY

SAINT PAUL, MINNESOTA, WEDNESDAY, DECEMBER 30, 1981

The House of Representatives convened at 1:00 p.m. and was called to order by Harry A. Sieben, Jr., Speaker of the House.

Prayer was offered by Reverend Rex H. Knowles, Senior Pastor of Macalester-Plymouth United Church, St. Paul, Minnesota.

The roll was called and the following members were present:

Ainley	Evans	Kelly	O'Connor	Shea
Anderson, B.	Ewald	Knickerbocker	Ogren	Sherman
Anderson, G.	Fjoslien	Kostohryz	Olsen	Sherwood
Anderson, I.	Forsythe	Kvam	Onnen	Sieben, M.
Anderson, R.	Frerichs	Laidig	Osthoff	Skoglund
Battaglia	Greenfield	Lehto	Otis	Stadum
Begich	Gruenes	Lemen	Peterson, B.	Staten
Berkelman	Gustafson	Levi	Peterson, D.	Stowell
Blatz	Halberg	Long	Piepho	Sviggum
Brandl	Hanson	Ludeman	Pogemiller	Swanson
Brinkman	Havens	Luknic	Redalen	Tomlinson
Byrne	Hauge	Mann	Reding	Valan
Carlson, D.	Haukoos	Marsh	Rees	Valento
Carlson, L.	Heinitz	McCarron	Reif	Vanasek
Clark, J.	Himle	McDonald	Rice	Vellenga
Clawson	Hoberg	McEachern	Rodriguez, C.	Voss
Dahlvang	Hokanson	Mehrkens	Rodriguez, F.	Weaver
Dean	Hokr	Minne	Rose	Welch
Den Ouden	Jacobs	Munger	Rothenberg	Welker
Drew	Jennings	Murphy	Samuelson	Wenzel
Eken	Johnson, C.	Nelsen, B.	Sarna	Wieser
Elioff	Johnson, D.	Nelson, K.	Schafer	Wynia
Ellingson	Jude	Niehaus	Schoenfeld	Zubay
Erickson	Kaley	Novak	Schreiber	Spkr. Sieben, H.
Esau	Kalis	Nysether	Searles	

A quorum was present.

Aasness, Dempsey, Heap, Kahn, Metzen, Norton, Simoneau and Wigley were excused.

Clark, K., and Stumpf were excused until 7:00 p.m.

The Chief Clerk proceeded to read the Journal of the preceding day. Kelly moved that further reading of the Journal be dispensed with and that the Journal be approved as corrected by the Chief Clerk. The motion prevailed.

Eken moved that the House recess subject to the call of the Chair. The motion prevailed.

RECESS

RECONVENED

The House reconvened and was called to order by the Speaker.

Ewald and Brinkman were excused for the remainder of today's session.

ADJOURNMENT

Eken moved that when the House adjourns today it adjourn until 10:00 a.m., Thursday, December 31, 1981. The motion prevailed.

Eken moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 10:00 a.m., Thursday, December 31, 1981.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

STATE OF MINNESOTA

THIRD SPECIAL SESSION - 1981

THIRTEENTH DAY

SAINT PAUL, MINNESOTA, THURSDAY, DECEMBER 31, 1981

The House of Representatives convened at 10:00 a.m. and was called to order by Harry A. Sieben, Jr., Speaker of the House.

Prayer was offered by Very Reverend John V. Khoury, St. George Antiochian Orthodox, West St. Paul, Minnesota.

The roll was called and the following members were present:

Ainley	Evans	Knickerbocker	O'Connor	Shea
Anderson, B.	Ejostien	Kostohryz	Ogren	Sherman
Anderson, G.	Forsythe	Kvam	Olson	Sherwood
Anderson, J.	Frerichs	Laidig	Onnen	Sieben, M.
Anderson, R.	Greenfield	Lehto	Osthoff	Skoglund
Battaglia	Gruenes	Lemen	Otis	Stadum
Begich	Gustafson	Levi	Peterson, B.	Staten
Berkelman	Halberg	Long	Peterson, D.	Stowell
Blatz	Hanson	Ludeman	Piepho	Stumpf
Brandl	Harens	Luknic	Pogemiller	Sviggum
Byrne	Hauge	Mann	Redalen	Swanson
Carlson, D.	Haukoos	Marsh	Reding	Tomlinson
Carlson, L.	Heinitz	McCarron	Rees	Valan
Clark, J.	Himle	McDonald	Reif	Valento
Clark, K.	Hokanson	McEachern	Rice	Vanasek
Clawson	Hokr	Mehrkens	Rodriguez, C.	Vellenga
Dahlvang	Jacobs	Minne	Rodriguez, F.	Voss
Dean	Jennings	Munger	Rose	Weaver
Den Ouden	Johnson, C.	Murphy	Rothenberg	Welch
Drew	Johnson, D.	Nelsen, B.	Samuelson	Welker
Eken	Jude	Nelson, K.	Sarna	Wenzel
Elihoff	Kahn	Niehaus	Schafer	Wieser
Ellingson	Kaley	Norton	Schoenfeld	Wynia
Erickson	Kalis	Novak	Schreiber	Zubay
Esau	Kelly	Nysether	Searles	Spkr. Sieben, H.

A quorum was present.

Aasness, Brinkman, Dempsey, Ewald, Heap, Hoberg, Metzen, Simoneau and Wigley were excused.

The Chief Clerk proceeded to read the Journal of the preceding day. Vanasek moved that further reading of the Journal be dispensed with and that the Journal be approved as corrected by the Chief Clerk. The motion prevailed.

Eken moved that the House recess subject to the call of the Chair. The motion prevailed.

RECESS

RECONVENED

The House reconvened and was called to order by the Speaker.

Eken moved that the House recess subject to the call of the Chair. The motion prevailed.

RECESS

RECONVENED

The House reconvened and was called to order by the Speaker.

Byrne, Halberg, Mehrkens and Ogren were excused for the remainder of today's session.

MOTIONS AND RESOLUTIONS

Eken introduced:

House Concurrent Resolution No. 2, A house concurrent resolution relating to adjournment of the Senate and House of Representatives.

SUSPENSION OF RULES

Eken moved that the Rules be so far suspended that House Concurrent Resolution No. 2 be now considered and be placed upon its adoption. The motion prevailed.

HOUSE CONCURRENT RESOLUTION NO. 2

A house concurrent resolution relating to adjournment of the Senate and House of Representatives.

Be it resolved by the House of Representatives, the Senate concurring:

(1) Upon their adjournments on Thursday, December 31, 1981 the House of Representatives may set its next day of meeting for Monday, January 11, 1982, at 2:00 p.m. and the Senate may set its next day of meeting for Monday, January 11, 1982 at 2:00 p.m.

(2) By adoption of this resolution, each house consents to adjournment of the other body for more than three days.

Eken moved that House Concurrent Resolution No. 2 be now adopted. The motion prevailed.

SUSPENSION OF RULES

Pursuant to House Rule 1.12, Voss moved that the rules be so far suspended that H. F. No. 1 be recalled from the Committee on Taxes, be given its second and third readings and be placed upon its final passage. The motion prevailed.

Pursuant to Article IV, Section 19, of the Constitution of the state of Minnesota, Voss moved that the rule therein be suspended and an urgency be declared so that H. F. No. 1 be given its second and third readings and be placed upon its final passage. The motion prevailed.

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

Schreiber moved to amend H. F. No. 1, as follows:

Strike everything after the enacting clause and insert the following:

"Section 1. [STATEMENT OF PURPOSE.]

Stagnant national and local economic conditions have resulted in reduced state budgetary resources and consequently have caused similar reductions in the budgets of local governments with the prospect of additional reductions in 1982 due to the interrelation of the state's tax and aid systems. In order to support and stabilize local budget conditions, maintain public confidence in the state's system of intergovernmental finance, and minimize precipitous increases in property tax rates, the state finds it necessary to assure local governments that state obligations to them will be met, and to grant additional powers to local governments so that they can most efficiently and effectively deal with local problems resulting from temporary state measures designed to alleviate the budget crisis.

Sec. 2. [DEFINITIONS.]

For purposes of sections 2 to 4 the following terms have the meanings given:

(a) *"Municipality" means a county, statutory or home rule charter city, town, or other taxing district within the meaning of section 273.13, subdivision 15a, other than a school district; and*

(b) *"Commissioner" means the commissioner of revenue.*

Sec. 3. [FULL PAYMENT OF AIDS TO MUNICIPALITIES.]

Subdivision 1. [PAYMENTS REQUIRED.] Notwithstanding the provisions of sections 16A.14 and 16A.15, by February 28, 1982, the commissioner of finance shall draw warrants for the amounts appropriated to the commissioner of revenue for the following state aids, payments, reimbursements, or fund transfers to or on behalf of municipalities, to the extent that they were deferred or withheld pursuant to sections 16A.14 or 16A.15:

(a) Payments of local government aid to be made during November and December, 1981 pursuant to section 477A.015,

(b) Payments of attached machinery aids to be made during November and December, 1981 pursuant to section 273.138, subdivisions 2 and 5,

(c) Subject to the limits contained in Laws 1981, First Special Session, Chapter 1, Article 3, Section 3, payments to be made during November and December, 1981 pursuant to section 273.139, and section 273.13, subdivision 15a to replace revenue lost as a result of sections 273.115, 273.116, and 273.13, subdivisions 6, 7, or 14a, and

(d) Any state aids, payments, reimbursements or fund transfers to be made during November and December, 1981 pursuant to any law other than those specified in clauses (a) to (c).

Subd. 2. [CERTIFICATION OF AMOUNT.] The commissioner shall, on or before January 15, 1982, certify to each municipality the amount of aids, payments, reimbursements or fund transfers deferred or withheld pursuant to section 16A.14 or 16A.15 and subject to subdivision 1. In connection with certifying the amount to the municipality the commissioner shall issue to and transmit to the municipality a certificate of aids to be paid by March 1, 1982.

Sec. 4. [AUTHORITY TO BORROW MONEY.]

Subdivision 1. [BORROWING IN ANTICIPATION OF AIDS.] The governing body of the municipality may borrow money in anticipation of the receipt of state aids, payments, reimbursements or fund transfers scheduled to be made on or before February 28, 1982, and may issue certificates of indebtedness upon passage of a resolution specifying the amount and purposes for which it deems the borrowing is necessary. The resolution shall fix the amount, date, maturity, denomination, and other terms of the certificates and shall fix the terms of the sale of the certificates.

Subd. 2. [REPAYMENT; SECURITY.] The governing body of the municipality may pledge the full faith and credit of the municipality, and the proceeds of any tax levies, future state aid receipts, or other municipal funds which may become available to repay certificates issued pursuant to this section. The governing body may provide in the resolution that it will assign a certificate received pursuant to section 3, subdivision 2, and the moneys due thereunder as collateral for repayment of the certificates of indebtedness. An assignment is effective only upon registration of the assignment with the commissioner. The commissioner shall pay any funds due under an assigned certificate to the assignee.

Subd. 3. [INTEREST RATE.] Certificates of indebtedness may be sold at a price equal to such percentage of the par value of the certificates, plus accrued interest, and bearing interest at a rate or rates agreed upon by the governing body of the municipality and the purchaser or underwriter of the certificates or as determined at public sale, notwithstanding any limitation of interest rate or cost contained in any other law.

Sec. 5. [DECEMBER, 1981 AND JANUARY, 1982 EDUCATION AID PAYMENTS SUSPENDED.]

Notwithstanding the provisions of Minnesota Statutes, Sections 16A.15 and 124.11, or any other law to the contrary, the commissioner of education may suspend payment of some or all state aids, payments, reimbursements and fund transfers from some or all school districts, public library systems, educational cooperative service units or regional management information systems in the months of December, 1981 and January, 1982. The commissioner may consider the cash flow requirements of each individual recipient when determining whether to suspend payments of any aid, payments, reimbursements or fund transfers.

Sec. 6. [CERTIFICATION.]

On or before January 15, 1982 and January 31, 1982, the commissioner shall certify to each recipient the amount of aids, payments, reimbursements, or fund transfers suspended pursuant to section 5. The commissioner shall issue a certificate of unpaid aids for the certified amount to be paid by February 26, 1982.

Sec. 7. [REPAYMENT BY FEBRUARY 26, 1982.]

Notwithstanding any law to the contrary, by February 26, 1982, the commissioner of finance shall draw warrants in favor of school districts, public library systems, educational cooperative service units or regional management information systems for any of the state aids, payments, reimbursements and

fund transfers that were suspended by the commissioner of education pursuant to section 1.

Sec. 8. [EFFECTIVE DATE.]

Sections 1 to 7 are effective the day following final enactment."

A roll call was requested and properly seconded.

The question was taken on the amendment and the roll was called. There were 56 yeas and 63 nays as follows:

Those who voted in the affirmative were:

Ainley	Gruenes	Levi	Redalen	Stowell
Blatz	Haukoos	Ludeman	Rees	Sviggum
Carlson, D.	Heinitz	Luknic	Reif	Valan
Dean	Himle	Marsh	Rose	Valento
Den Ouden	Hokr	McDonald	Rothenberg	Weaver
Drew	Jennings	Nelsen, B.	Schafer	Welker
Erickson	Johnson, D.	Niehaus	Schreiber	Wieser
Esau	Kaley	Nysether	Searles	Zubay
Evans	Knickerbocker	Olsen	Shea	
Fjoslien	Kvam	Onnen	Sherman	
Forsythe	Laidig	Peterson, B.	Sherwood	
Frerichs	Lemen	Piepho	Stadum	

Those who voted in the negative were:

Anderson, B.	Eken	Kalis	O'Connor	Skoglund
Anderson, G.	Elioff	Kelly	Osthoff	Staten
Anderson, I.	Ellingson	Kostohryz	Otis	Stumpf
Anderson, R.	Greenfield	Lehto	Peterson, D.	Swanson
Battaglia	Gustafson	Long	Pogemiller	Tomlinson
Begich	Hanson	Mann	Reding	Vellenga
Berkelman	Harens	McCarron	Rice	Voss
Brandl	Hauge	McEachern	Rodriguez, C.	Welch
Carlson, L.	Hokanson	Minne	Rodriguez, F.	Wenzel
Clark, J.	Jacobs	Munger	Samuelson	Wynia
Clark, K.	Johnson, C.	Murphy	Sarna	Spkr. Sieben, H.
Clawson	Jude	Nelson, K.	Schoenfeld	
Dahlvang	Kahn	Novak	Sieben, M.	

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

Voss moved to amend H. F. No. 1, as follows:

Delete everything after the enacting clause and insert:

"ARTICLE I

Section 1. Minnesota Statutes 1980, Section 16A.15, is amended by adding a subdivision to read:

Subd. 4. [NOTIFICATION OF LEGISLATIVE COMMITTEES.] If the commissioner of finance determines to reduce

an allotment pursuant to subdivision 1 or if he determines it is necessary to withhold any payment after the statutorily prescribed date for payment in compliance with subdivision 3, the commissioner shall notify the committees on finance and taxes and tax laws of the senate, the committees on appropriations and taxes of the house of representatives. The notice shall be made in writing not later than 15 days after the reduction in the allotment is made or the date prescribed for payment for any payment withheld. The notice shall specify the amount of the reduction in the allotment and the agency and programs affected, the amount of any payments withheld, and any additional information the commissioner determines is appropriate.

Sec. 2. Minnesota Statutes 1981 Supplement, Section 273.13, Subdivision 15b, is amended to read:

Subd. 15b. [PROPERTY TAX CREDITS LIMITATION.] The property tax subject to the 58 percent homestead credit provided by subdivisions 6, 7 and 14a, to the homestead property tax relief provided by section 273.135 and to the supplementary homestead property tax relief provided by section 273.1391, shall be based on the total mill rate of all taxing districts levying a tax on the homestead property unless the payable 1982 total levy *excluding any amount levied pursuant to section 275.50, subdivision 5, clause (k)*, of a taxing district other than a school district or the metropolitan transit commission is more than 108 percent of its payable 1981 total levy. If the payable 1982 total levy *excluding any amount levied pursuant to section 275.50, subdivision 5, clause (k)*, of such taxing district is more than 108 percent of its payable 1981 total levy, then that total mill rate shall be based on 108 percent of the taxing district's payable 1981 total levy, *plus any amount levied pursuant to section 275.50, subdivision 5, clause (k), for taxes payable in 1982.* The commissioner of revenue shall determine and certify to all county auditors the product of each taxing district's payable 1981 total levy multiplied by 108 percent, *plus any amount levied pursuant to section 275.50, subdivision 5, clause (k), for taxes payable in 1982.* In the event that the sum of the county auditors' certifications exceeds the amounts appropriated, the commissioner of revenue shall proportionally reduce the certification amounts so that their sum equals the appropriation.

Sec. 3. [RECERTIFICATION.]

The county auditor of any county in which an amount was levied for taxes payable in 1982 pursuant to section 275.50, subdivision 5, clause (k), shall notify the commissioner of revenue. The commissioner of revenue shall recertify to the county auditor the property tax credits limitation amounts for taxes payable in 1982.

Sec. 4. Minnesota Statutes 1981 Supplement, Section 290.18, Subdivision 4, is amended to read:

Subd. 4. [TAXABLE NET INCOME ADJUSTMENT FACTOR.] For the taxable year beginning after December 31, 1980 and (ENDING) before January 1, 1982, the commissioner of revenue shall adjust taxable net income by multiplying the taxable net income of each individual, estate and trust by a fraction, the numerator of which is one plus the predicted rate of growth in average Minnesota gross income between tax year 1980 and tax year 1981. The denominator of the adjustment fraction shall be one plus the product of (a) the predicted rate of growth in average Minnesota gross income as determined above, and (b) the difference between the ratio of Minnesota gross income to Minnesota adjusted gross income and the product of the ratio of federal taxes paid to Minnesota adjusted gross income and an estimate of average federal income tax elasticity relating percent changes in federal adjusted gross income to percent changes in net federal income tax liabilities.

For each taxable year beginning after December 31, 1981, the commissioner of revenue shall adjust taxable net income by multiplying the taxable net income of each individual, estate, and trust by an adjustment factor determined by multiplying the previous year's adjustment factor by the current year adjustment factor as defined above using data appropriate to the current year.

The data used shall reflect the most current aggregate tax statistics collected and tabulated by the department of revenue. The estimate of the percentage increase in Minnesota gross income shall be based on the best available data sources and reasonable forecasting procedures. The estimate of federal income tax elasticity shall reflect the best available sources of information, including the judgment of the United States Internal Revenue Service and the United States Treasury, Office of Tax Analysis. The determination of the commissioner pursuant to this section shall not be considered a "rule" and shall not be subject to the administrative procedures act contained in chapter 15.

No later than October 1 of each tax year, the commissioner shall announce the adjustment factor to be applied to taxable net income, including its separate components, and the estimate of federal elasticity.

Sec. 5. Laws 1981, First Special Session, Chapter 1, Article I, Section 5, is amended to read:

Sec. 5. [TRANSITIONAL PROVISION.]

Notwithstanding the provisions of sections 1, 2, and 3, for taxable years beginning after December 31, 1980 and before January 1, 1982 the inflation adjustment of the income tax brackets, credits, and maximum standard deduction shall be the arithmetic average of (1) the percentage computed pursuant

to Minnesota Statutes 1980, Sections 290.06, Subdivisions 2d and 3g, and 290.09, Subdivision 15, as applicable and (2) the percentage computed pursuant to section 1 of this article. The taxable net income adjustment factor for taxable years beginning after December 31, 1980 and before January 1, 1982 shall be (ONE-HALF OF THE AMOUNT COMPUTED PURSUANT TO SECTION 4) computed as follows: *the taxable net income adjustment factor calculated pursuant to Laws 1981, First Special Session, Chapter 1, Article I, Section 4 minus one shall be divided by two and the resulting quotient added to one.*

Sec. 6. [DEFINITIONS.]

For purposes of sections 6 to 8 the following terms have the meanings given:

(a) *"Municipality" means a county, statutory or home rule charter city, town, or other taxing district within the meaning of section 273.13, subdivision 15a, other than a school district; and*

(b) *"Commissioner" means the commissioner of revenue.*

Sec. 7. [FULL PAYMENT OF AIDS TO MUNICIPALITIES.]

Subdivision 1. [PAYMENTS REQUIRED.] By February 26, 1982, the commissioner of finance shall draw warrants for the amounts appropriated to the commissioner of revenue for the following state aids, payments, reimbursements, or fund transfers to or on behalf of municipalities, to the extent that they were deferred or withheld pursuant to sections 16A.14 or 16A.15:

(a) *Payments of local government aid to be made during November and December, 1981 pursuant to section 477A.015,*

(b) *Payments of attached machinery aids to be made during November and December, 1981 pursuant to section 273.138, subdivisions 2 and 5,*

(c) *Subject to the limits contained in Laws 1981, First Special Session, Chapter 1, Article 3, Section 3, payments to be made during November and December, 1981 pursuant to section 273.139, and section 273.13, subdivision 15a to replace revenue lost as a result of sections 273.115, 273.116, and 273.13, subdivisions 6, 7, or 14a, and*

(d) *Any state aids, payments, reimbursements or fund transfers to be made during November and December, 1981 pursuant to any law other than those specified in clauses (a) to (c); less*

(e) Any amount of the state aids, payments, reimbursements or fund transfers which the commissioner of finance permanently unallots pursuant to Minnesota Statutes, Section 16A.15, Subdivision 1, prior to January 8, 1982 or to issuance of a certificate for the aid, payment, reimbursement or fund transfer pursuant to subdivision 2, whichever occurs first.

Subd. 2. [CERTIFICATION OF AMOUNT.] The commissioner shall, on or before January 8, 1982, certify to each municipality the amount of aids, payments, reimbursements or fund transfers deferred or withheld pursuant to section 16A.14 or 16A.15 and subject to subdivision 1. In connection with certifying the amount to the municipality the commissioner shall issue to and transmit to the municipality a certificate of aids to be paid by February 26, 1982. The provisions of Minnesota Statutes, Section 16A.15 shall not apply to aids, payments, reimbursement or fund transfers certified pursuant to this section.

Sec. 8. [AUTHORITY TO BORROW MONEY.]

Subdivision 1. [BORROWING IN ANTICIPATION OF AIDS.] The governing body of the municipality may borrow money in anticipation of the receipt of state aids, payments, reimbursements or fund transfers scheduled to be made on or before February 26, 1982, and may issue certificates of indebtedness upon passage of a resolution specifying the amount and purposes for which it deems the borrowing is necessary. The resolution shall fix the amount, date, maturity, denomination, and other terms of the certificates and shall fix the terms of the sale of the certificates.

Subd. 2. [REPAYMENT; SECURITY.] The governing body of the municipality may pledge the full faith and credit of the municipality, and the proceeds of any tax levies, future state aid receipts, or other municipal funds which may become available to repay certificates issued pursuant to this section. The governing body may provide in the resolution that it will assign a certificate received pursuant to section 7, subdivision 2, and the moneys due thereunder as collateral for repayment of the certificates of indebtedness. An assignment is effective only upon registration of the assignment with the commissioner. The commissioner shall pay any funds due under an assigned certificate to the assignee.

Subd. 3. [INTEREST RATE.] Certificates of indebtedness may be sold at a price equal to a percentage of the par value of the certificates, plus accrued interest, and bearing interest at a rate or rates negotiated by the governing body of the municipality and the purchaser or underwriter of the certificates or as determined at public sale, notwithstanding any limitation of price or interest rate contained in chapter 475 or any other law or city charter to the contrary.

Sec. 9. [REPEALER.]

Minnesota Statutes 1981 Supplement, Section 124.781, is repealed.

Sec. 10. Laws 1981, Chapter 358, Article 7, Section 29, is amended to read:

Sec. 29. [EXEMPTION FROM PUBLIC SALE.] Notwithstanding Minnesota Statutes, Section 124.76, from (THE EFFECTIVE DATE OF THIS SECTION OF THIS ARTICLE) *June 1, 1981* until (JANUARY 1, 1982) *June 30, 1983*, the requirements as to public sale of tax and aid anticipation certificates of indebtedness shall not apply to certificates which mature no later than six months after their date of issue. The interest rate on these certificates may be determined by direct negotiation.

Sec. 11. [EFFECTIVE DATE.]

Sections 1 and 6 to 10 are effective the day following final enactment. Sections 2 and 3 are effective for taxes payable in 1982. Sections 4 and 5 are effective for taxable years beginning after December 31, 1980.

ARTICLE II

Section 1. Minnesota Statutes 1981 Supplement, Section 168.011, Subdivision 7, is amended to read:

Subd. 7. [PASSENGER AUTOMOBILE.] "Passenger automobile" means any motor vehicle designed and used for the carrying of not more than ten persons *including station wagons* but excluding motorcycles and motor scooters. *For purposes of taxation only*, "passenger automobile" includes pickup trucks (AND STATION WAGONS) *and vans*.

Sec. 2. Minnesota Statutes 1981 Supplement, Section 168.011, Subdivision 10, is amended to read:

Subd. 10. [TRUCK.] "Truck" means any motor vehicle designed and used for carrying things other than passengers, except pickup trucks *and vans* included within the definition of passenger automobile in subdivision 7.

Sec. 3. Minnesota Statutes 1980, Section 168.011, is amended by adding a subdivision to read:

Subd. 28. [VAN.] "Van" means any vehicle of box-like design with no barrier or separation between the operator's area and the remainder of the passenger-carrying or cargo-

carrying area, and with a manufacturers rated capacity of 2,000 pounds or less.

Sec. 4. Minnesota Statutes 1980, Section 168.011, is amended by adding a subdivision to read:

Subd. 29. [PICKUP TRUCKS.] "Pickup truck" means any truck with a manufacturer's rated capacity of 2,000 pounds or less.

Sec. 5. Minnesota Statutes 1981 Supplement, Section 168.013, Subdivision 1c, is amended to read:

Subd. 1c. [FARM TRUCKS.] (1) On farm trucks having a gross weight of not more than 57,000 pounds, the tax shall be based on total gross weight and shall be 45 percent of the Minnesota base rate prescribed by subdivision 1e during each of the first eight years of vehicle life, but in no event less than \$35, and during the ninth and succeeding years of vehicle life the tax shall be 27 percent of the Minnesota base rate prescribed by subdivision 1e, but in no event less than \$21, except as otherwise provided in this subdivision. On farm trucks having a gross weight of not more than 57,000 pounds during each of the first eight years of vehicle life, the tax shall be:

(a) for the registration year 1982, 34 percent of the tax imposed in the Minnesota base rate schedule;

(b) for the registration year 1983, 38 percent of the tax imposed in the Minnesota base rate schedule;

(c) for the registration year 1984, 42 percent of the tax imposed in the Minnesota base rate schedule;

(d) for the registration year 1985, and each succeeding year, 45 percent of the tax imposed in the Minnesota base rate schedule.

On farm trucks having a gross weight of not more than 57,000 pounds during the ninth and succeeding years of vehicle life, the tax shall be:

(a) for the 1982 registration year, 20 percent of the tax imposed in the Minnesota base rate schedule;

(b) for the 1983 registration year, 22 percent of the tax imposed in the Minnesota base rate schedule;

(c) for the 1984 registration year, 24 percent of the tax imposed in the Minnesota base rate schedule;

(d) for the 1985 registration year, and each succeeding year, 27 percent of the Minnesota base rate schedule.

(2) On farm trucks having a gross weight of more than 57,000 pounds, the tax shall be 60 percent of the Minnesota base rate during the first eight years of vehicle life and 36 percent of the Minnesota base rate during the (TENTH) *ninth* and succeeding years, except as otherwise provided in this subdivision. On farm trucks having a gross weight of more than 57,000 pounds during the first eight years of vehicle life, the tax shall be:

(a) for the registration year 1982, 38 percent of the tax imposed in the Minnesota base rate schedule;

(b) for the registration year 1983, 45 percent of the tax imposed in the Minnesota base rate schedule;

(c) for the registration year 1984, 53 percent of the tax imposed in the Minnesota base rate schedule;

(d) for the registration year 1985, and each succeeding year, 60 percent of the tax imposed in the Minnesota base rate schedule.

On farm trucks having a gross weight of more than 57,000 pounds, during the ninth and succeeding years of vehicle life, the tax shall be:

(a) for the 1982 registration year, 23 percent of the tax imposed in the Minnesota base rate schedule;

(b) for the 1983 registration year, 27 percent of the tax imposed in the Minnesota base rate schedule;

(c) for the 1984 registration year, 31 percent of the tax imposed in the Minnesota base rate schedule;

(d) for the 1985 registration year, and each succeeding year, 36 percent of the tax imposed in the Minnesota base rate schedule.

In addition to the gross weight tax imposed on a truck-tractor or truck used as a truck-tractor, each semitrailer shall be taxed a fee of \$10 for a one year period or \$50 for a five year period whichever the applicant elects.

Sec. 6. Minnesota Statutes 1981 Supplement, Section 168.-013, Subdivision 1e, is amended to read:

Subd. 1e. [TRUCKS; TRACTORS; COMBINATIONS; EXCEPTIONS.] On all trucks and tractors except those in this

chapter defined as farm trucks, and urban trucks, and on all truck-tractor and semi-trailer combinations except those defined as farm combinations and urban combinations and on commercial zone vehicles, the tax based on total gross weight shall be graduated according to the Minnesota base rate schedule prescribed in this subdivision, but in no event less than \$120.

MINNESOTA BASE RATE SCHEDULE

Scheduled taxes include five percent
surtax provided for in subdivision 14

TOTAL GROSS WEIGHT IN POUNDS

	Tax
A 0 - 1,500	\$ 15
B 1,501 - 3,000	20
C 3,001 - 4,500	25
D 4,501 - 6,000	35
E 6,001 - 9,000	45
F 9,001 - 12,000	70
G 12,001 - 15,000	105
H 15,001 - 18,000	145
I 18,001 - 21,000	190
J 21,001 - 27,000	270
K 27,001 - 33,000	360
L 33,001 - 39,000	470
M 39,001 - 45,000	590
N 45,001 - 51,000	710
O 51,001 - 57,000	860
P 57,001 - 63,000	1010
Q 63,001 - 69,000	1180
R 69,001 - 73,280	1320
S 73,281 - 78,000	1520
T 78,001 - 81,000	1620

For each vehicle with a gross weight in excess of 81,000 pounds an additional tax of \$50 is imposed for each ton or fraction thereof in excess of 81,000 pounds, subject to provisions of subdivision 12.

All truck-tractors except those herein defined as farm and urban truck-tractors and commercial zone vehicles shall be taxed in accord with the foregoing gross weight tax schedule on the basis of the combined gross weight of such truck-tractor and any semi-trailer or semitrailers which the applicant proposes to combine with the truck-tractor. In addition, to the gross weight tax imposed on the truck-tractor, each semi-trailer shall be taxed a fee of \$10 for a one year period or \$50 for a five year period whichever the applicant elects.

Commercial zone trucks include only all trucks and all truck-tractors and (SEMI-TRAILERS) *semi-trailer combinations* which are:

(1) used by an authorized local cartage carrier operating under a permit issued pursuant to section 221.296 and whose gross transportation revenue consists of at least 60 percent obtained solely from local cartage carriage, and are operated solely within the area defined in section 221.296, subdivision 1; or,

(2) operated by an interstate carrier registered pursuant to section 221.61 or 221.62, or by an authorized local cartage carrier or other carrier receiving operating authority pursuant to chapter 221, and operated solely within a zone exempt from regulation by the Interstate Commerce Commission pursuant to 49 U.S.C. 10526(b).

The license plates issued for commercial zone vehicles shall be plainly marked. Any person operating a commercial zone vehicle outside the zone or area in which its operation is authorized is guilty of a misdemeanor and, in addition to the penalty therefor, shall have the registration of the vehicle as a commercial zone vehicle revoked by the registrar and shall be required to re-register the vehicle at 100 percent of the full annual tax prescribed in the Minnesota base rate schedule, and no part of this tax shall be refunded during the balance of the registration year.

On commercial zone trucks the tax shall be based on the total gross weight of the vehicle and during the first eight years of vehicle life shall be 75 percent of the Minnesota base rate schedule. During the ninth and succeeding years of vehicle life the tax shall be 50 percent of the Minnesota base rate schedule, except as otherwise provided in this subdivision. On commercial zone trucks, during the ninth and succeeding years of vehicle life, the tax shall be:

- (a) for the 1982 registration year, 35 percent of the tax imposed in the Minnesota base rate schedule;
- (b) for the 1983 registration year, 40 percent of the tax imposed in the Minnesota base rate schedule;
- (c) for the 1984 registration year, 45 percent of the tax imposed in the Minnesota base rate schedule;
- (d) for the 1985 registration year, and each succeeding year, 50 percent of the tax imposed in the Minnesota base rate schedule.

On all trucks, truck-tractors and semi-trailer combinations, except those defined as farm trucks and farm combinations, and except for those urban trucks and combinations and commercial zone vehicles specifically provided for in this subdivision, the tax for the first eight years of vehicle life shall be 100 percent of the tax imposed in the Minnesota base rate schedule, and during the ninth and succeeding years of vehicle life, the tax shall be 75 percent of the Minnesota base rate prescribed by this subdivision, except as otherwise provided in this subdivision.

On all trucks, truck-tractors and semi-trailer combinations, except those defined as farm trucks and farm combinations, and except for those urban trucks and combinations and commercial zone vehicles specifically provided for in this subdivision, during each of the first eight years of vehicle life the tax shall be:

- (a) for the registration year 1982, 83 percent of the tax imposed in the Minnesota base rate schedule;
- (b) for the registration year 1983, 89 percent of the tax imposed in the Minnesota base rate schedule;
- (c) for the registration year 1984, 95 percent of the tax imposed in the Minnesota base rate schedule;
- (d) for the registration year 1985, and each succeeding year, 100 percent of the tax imposed in the Minnesota base rate schedule.

Sec. 7. Minnesota Statutes 1981 Supplement, Section 168.013, Subdivision 1i, is amended to read:

Subd. 1i. [URBAN TRUCKS.] On all vehicles registered as urban trucks for the registration year 1981, or any part thereof, and which are not registered as commercial zone trucks for the registration year 1982 and succeeding years, the tax shall be:

(a) for the registration year 1982, 50 percent of the tax imposed in the Minnesota base rate schedule;

(b) for the registration year 1983, 67 percent of the tax imposed in the Minnesota base rate schedule;

(c) for the registration year 1984, 84 percent of the tax imposed in the Minnesota base rate schedule;

(d) for the registration year 1985, and each succeeding year, 100 percent of the tax imposed in the Minnesota base rate schedule.

Beginning with the registration year 1985, the registrar shall not issue urban license plates.

For purposes of this subdivision, "urban trucks" include only all trucks and all truck-tractors and semi-trailer combinations used exclusively in transporting property within the metropolitan area consisting of Hennepin, Ramsey, Scott, Dakota, Anoka, Washington and Carver counties or within the corporate limits of any city or contiguous cities or within one mile of cities of the first and second class. For the purposes of this clause a land area ceded to the United States of America under general laws 1889, chapter 57, is a statutory city. The vehicle shall not be operated outside the metropolitan area or corporate limits of any such city or contiguous cities, or beyond one mile of cities of the first and second class; except that the commissioner of public safety may by special permit authorize the permanent removal of the vehicle from any registration area to another.

Sec. 8. Minnesota Statutes 1980, Section 168.10, Subdivision 1c, is amended to read:

Subd. 1c. [COLLECTOR'S VEHICLE, COLLECTOR LICENSE.] Any motor vehicle, *including any truck*, that is at least 20 model years old and manufactured after 1935, or *any motor vehicle* of a defunct make (,) defined as any car or truck originally licensed as a separate identifiable make as designated by the division of motor vehicles, and owned and operated solely as a collector's vehicle, shall be listed for taxation and registration as follows: An affidavit shall be executed stating the name and address of the person from whom purchased and of the new owner, the make of the motor vehicle, year and number of the model, the manufacturer's identification number and that the vehicle is owned and operated solely as a collector's item and not for general transportation purposes. The owner must also prove that he or she also has one or more vehicles with regular license plates. If the registrar is satisfied that the affidavit is true and correct and the owner pays a \$20 tax, the registrar shall list (SUCH) *the* vehicle for taxation and registration and shall issue number plates.

The number plates (SO) issued shall bear the inscription "Collector," "Minnesota" and the registration number, but no date. The number plates are valid without renewal as long as the vehicle is in existence and shall be issued for the applicant's use only for (SUCH) *the* vehicle. The registrar has the power to revoke (SUCH) *the* plates for failure to comply with this subdivision.

In the event of the defacement, loss or destruction of (SUCH) *the* number plates, the registrar, upon receiving and filing a sworn statement of the vehicle owner, setting forth the circumstances, together with any defaced plates and the payment of a \$2 fee, shall issue duplicate plates specially designed for that purpose. The registrar shall then note on his records the issue of (SUCH) *the* new number plates and shall proceed in (SUCH A) *the* manner as he may deem advisable to cancel and call in the original plates.

Sec. 9. [EFFECTIVE DATE.]

Sections 1 to 7 are effective the day following enactment and apply to registration year 1982 and subsequent years. Section 8 is effective the day following final enactment.

Further delete the title and insert:

"A bill for an act relating to the financing of government in this state; requiring notification of legislative committees of allotments and payment deferrals; permitting homestead credit reimbursement of certain special levies in excess of 108 percent and permitting recertification of the levies; clarifying the application of the taxable net income adjustment factor to fiscal year taxpayers and its computation for 1981; directing the commissioner of finance to pay by February 26, 1982, certain state aids and payments to local government for calendar year 1981; granting local governments temporary borrowing authority; permitting private sales of school district tax and aid anticipation certificates through June 30, 1983; repealing limitations on the amount of school district tax and aid anticipation certificates; defining vans and pickup trucks; providing for the registration and taxation of certain vans and passenger automobiles; correcting references to the taxation of farm trucks and commercial zone combinations; defining urban trucks; and certain collector's vehicles entitled to collector license plates; amending Minnesota Statutes 1980, Sections 16A.15, by adding a subdivision; 168.011, by adding subdivisions; 168.10, Subdivision 1c; and Minnesota Statutes 1981 Supplement, Sections 168.011, Subdivisions 7 and 10; 168.013, Subdivisions 1c, 1e, and 1i; 273.13, Subdivision 15b; 290.18, Subdivision 4; and Laws 1981, Chapter 358, Article 7, Section 29; and First Special Session Laws 1981, Chapter 1, Article 1, Section 5; repealing Minnesota Statutes 1981 Supplement, Section 124.781."

The motion prevailed and the amendment was adopted.

H. F. No. 1, A bill for an act relating to the financing of government in this state; requiring notification of legislative committees of unallotments and payment deferrals; permitting homestead credit reimbursement of certain special levies in excess of 108 percent and permitting recertification of the levies; clarifying the application of the taxable net income adjustment factor to fiscal year taxpayers and its computation for 1981; directing the commissioner of finance to pay by February 26, 1982, certain state aids and payments to local government for calendar year 1981; granting local governments temporary borrowing authority; permitting private sales of school district tax and aid anticipation certificates through June 30, 1983; repealing limitations on the amount of school district tax and aid anticipation certificates; defining vans and pickup trucks; providing for the registration and taxation of certain vans and passenger automobiles; correcting references to the taxation of farm trucks and commercial zone combinations; defining urban trucks; and certain collector's vehicles entitled to collector license plates; amending Minnesota Statutes 1980, Sections 16A.15, by adding a subdivision; 168.011, by adding subdivisions; 168.10, Subdivision 1c; and Minnesota Statutes 1981 Supplement, Sections 168.011, Subdivisions 7 and 10; 168.013, Subdivisions 1c, 1e, and 1i; 273.13, Subdivision 15b; 290.18, Subdivision 4; and Laws 1981, Chapter 358, Article 7, Section 29; and First Special Session Laws 1981, Chapter 1, Article 1, Section 5; repealing Minnesota Statutes 1981 Supplement, Section 124.781.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 106 yeas and 12 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Esau	Kelly	Norton	Sarna
Anderson, R.	Evans	Knickerbocker	Novak	Schafer
Battaglia	Fjoslien	Kostohryz	Nysether	Schreiber
Begich	Forsythe	Kvam	O'Connor	Searles
Berkelman	Frerichs	Laidig	Olsen	Sherman
Blatz	Greenfield	Lehto	Onnen	Sherwood
Brandl	Gruenes	Lemen	Osthoff	Skoglund
Carlson, D.	Gustafson	Levi	Otis	Stadum
Carlson, L.	Hanson	Long	Peterson, B.	Staten
Clark, J.	Harens	Ludeman	Peterson, D.	Stowell
Clark, K.	Hauge	Luknic	Piepho	Stumpf
Clawson	Heinitz	Mann	Pogemiller	Sviggum
Dahlvang	Himle	Marsh	Redalen	Swanson
Dean	Hokr	McCarron	Rees	Tomlinson
Den Ouden	Jacobs	McDonald	Reif	Valan
Drew	Johnson, C.	McEachern	Rice	Valento
Eken	Johnson, D.	Munger	Rodriguez, C.	Vellenga
Elioff	Jude	Nelsen, B.	Rodriguez, F.	Voss
Ellingson	Kaley	Nelson, K.	Rose	Weaver
Erickson	Kalis	Niehaus	Rothenberg	Welch

Welker
Wenzel

Wieser

Wynia

Zubay

Spkr. Sieben, H.

Those who voted in the negative were :

Anderson, G.
Anderson, I.
Haukoos

Hokanson
Jennings
Kahn

Minne
Murphy

Samuelson
Schoenfeld

Shea
Sieben, M.

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

Eken moved that when the House adjourns today it adjourn until 2:00 p.m., Monday, January 11, 1982. The motion prevailed.

Eken moved that the House recess subject to the call of the Chair. The motion prevailed.

RECESS

RECONVENED

The House reconvened and was called to order by the Speaker.

There being no objection the order of business reverted to Messages from the Senate.

MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Mr. Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned, as amended by the Senate, in which amendment the concurrence of the House is respectfully requested:

H. F. No. 2, A bill for an act relating to motor vehicles; defining vans and pickup trucks; providing for the registration and taxation of certain vans as passenger automobiles; correcting references to the taxation of farm trucks and commercial zone combinations; defining urban trucks; and certain collector's vehicles; including certain trucks among the motor vehicles entitled to collector license plates; amending Minnesota Statutes 1980, Sections 168.011, by adding subdivisions; 168.10, Subdivision 1c; and Minnesota Statutes 1981 Supplement, Sections 168.011, Subdivisions 7 and 10; and 168.013, Subdivisions 1c, 1e and 1i.

PATRICK E. FLAHAVEN, Secretary of the Senate

Sarna moved that the House refuse to concur in the Senate amendments to H. F. No. 2, that the Speaker appoint a Conference Committee of 5 members of the House, and that the House requests that a like committee be appointed by the Senate to confer on the disagreeing votes of the two Houses. The motion prevailed.

ANNOUNCEMENT BY THE SPEAKER

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 2:

Sieben, M.; Anderson, I.; McEachern; Carlson, D., and Laidig.

MESSAGES FROM THE SENATE, Continued

Mr. Speaker:

I hereby announce the adoption by the Senate of the following House Concurrent Resolution, herewith returned:

House Concurrent Resolution No. 2

A House Concurrent Resolution relating to adjournment of the Senate and House of Representatives.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned:

H. F. No. 1, A bill for an act relating to the financing of government in this state; requiring notification of legislative committees of unallotments and payment deferrals; permitting homestead credit reimbursement of certain special levies in excess of 108 percent and permitting recertification of the levies; clarifying the application of the taxable net income adjustment factor to fiscal year taxpayers and its computation for 1981; directing the commissioner of finance to pay by February 26, 1982, certain state aids and payments to local government for calendar year 1981; granting local governments temporary borrowing authority; permitting private sales of school district tax and aid anticipation certificates through June 30, 1983; repealing limitations on the amount of school district tax and aid anticipation certificates; defining vans and pickup trucks; providing for the registration and taxation of certain vans and passenger automobiles; correcting references to the taxation of farm trucks and commercial zone combinations; defining urban trucks; and

certain collector's vehicles entitled to collector license plates; amending Minnesota Statutes 1980, Sections 16A.15, by adding a subdivision; 168.011, by adding subdivisions; 168.10, Subdivision 1c; and Minnesota Statutes 1981 Supplement, Sections 168.011, Subdivisions 7 and 10; 168.013, Subdivisions 1c, 1e, and 1i; 273.13, Subdivision 15b; 290.18, Subdivision 4; and Laws 1981, Chapter 358, Article 7, Section 29; and First Special Session Laws, Chapter 1, Article 1, Section 5; repealing Minnesota Statutes 1981 Supplement, Section 124.781.

PATRICK E. FLAHAVERN, Secretary of the Senate

ADJOURNMENT

Eken moved that when the House adjourns today it adjourn until 2:00 p.m., Monday, January 11, 1982. The motion prevailed.

Eken moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 2:00 p.m., Monday, January 11, 1982.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

STATE OF MINNESOTA

THIRD SPECIAL SESSION - 1981

FOURTEENTH DAY

ST. PAUL, MINNESOTA, MONDAY, JANUARY 11, 1982

The House of Representatives convened at 2:00 p.m. and was called to order by Harry A. Sieben, Jr., Speaker of the House.

Prayer was offered by Pastor Paul R. Idstrom, House of Hope Lutheran, New Hope, Minnesota.

The roll was called and the following members were present:

Aasness	Esau	Kelly	Olsen	Sieben, M.
Ainley	Evans	Knickerbocker	Onnen	Simoneau
Anderson, B.	Fjoslien	Kostohryz	Osthoff	Skoglund
Anderson, G.	Forsythe	Kvam	Otis	Stadum
Anderson, I.	Frerichs	Laidig	Peterson, B.	Staten
Anderson, R.	Greenfield	Lehto	Peterson, D.	Stowell
Battaglia	Gruenes	Lemen	Piepho	Stumpf
Begich	Gustafson	Levi	Pogemiller	Sviggum
Berkelman	Halberg	Long	Redalen	Swanson
Blatz	Hanson	Ludeman	Reding	Tomlinson
Brandl	Harens	Luknic	Rees	Valan
Brinkman	Hauge	Mann	Reif	Valento
Byrne	Haukoos	Marsh	Rice	Vanasek
Carlson, D.	Heap	McCarron	Rodriguez, C.	Vellenga
Carlson, L.	Heinitz	McEachern	Rodriguez, F.	Voss
Clark, J.	Himle	Mehrrens	Rose	Weaver
Clark, K.	Hoberg	Metzen	Rothenberg	Welch
Clawson	Hokanson	Minne	Samuelson	Welker
Dahlvang	Hokor	Munger	Sarna	Wenzel
Dean	Jacobs	Murphy	Schafer	Wieser
Dempsey	Jennings	Nelsen, B.	Schoenfeld	Wigley
Den Ouden	Johnson, D.	Norton	Schreiber	Wynia
Drew	Jude	Novak	Searles	Zubay
Eken	Kahn	Nysether	Shea	Spkr. Sieben, H.
Elioff	Kaley	O'Connor	Sherman	
Ellingson	Kalis	Ogren	Sherwood	

A quorum was present.

Erickson; Ewald; Johnson, C., and Niehaus were excused.

Nelson, K., was excused until 5:30 p.m.

The Chief Clerk proceeded to read the Journal of the preceding day. Gustafson moved that further reading of the Journal

be dispensed with and that the Journal be approved as corrected by the Chief Clerk. The motion prevailed.

PETITIONS AND COMMUNICATIONS

The following communications were received:

STATE OF MINNESOTA
OFFICE OF THE GOVERNOR
SAINT PAUL 55155

January 4, 1982

The Honorable Harry A. Sieben, Jr.
Speaker of the House
State of Minnesota

Dear Speaker Sieben:

I have the honor to inform you that I received, approved, signed and deposited in the Office of the Secretary of State the following 1981 Third Special Session House File:

H. F. No. 1 Third Special Session, relating to the financing of government in this state; requiring notification of legislative committees of unallotments and payment deferrals; permitting homestead credit reimbursement of certain special levies in excess of 108 percent and permitting recertification of the levies; clarifying the application of the taxable net income adjustment factor to fiscal year taxpayers and its computation for 1981, directing the commissioner of finance to pay by February 26, 1982, certain state aids and payments to local government for calendar year 1981; granting local governments temporary borrowing authority; permitting private sales of school district tax and aid anticipation certificates through June 30, 1983; repealing limitations on the amount of school district tax and aid anticipation certificates; defining vans and pickup trucks; providing for the registration and taxation of certain vans and passenger automobiles; correcting references to the taxation of farm trucks and commercial zone combinations; defining urban trucks; and certain collector's vehicles entitled to collector license plates;

Sincerely,

ALBERT H. QUIE
Governor

STATE OF MINNESOTA
OFFICE OF THE SECRETARY OF STATE
ST. PAUL 55155

January 4, 1982

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

The Honorable Jack Davies
President of the Senate

I have the honor to inform you that the following enrolled Act of the 1981 Third Special Session of the State Legislature has been received from the Office of the Governor and is deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

<i>S.F.</i> <i>No.</i>	<i>H.F.</i> <i>No.</i>	<i>Third Special Session Laws Chapter No.</i>	<i>Date Approved 1981</i>	<i>Date Filed 1982</i>
	1	1	December 31	January 4

Sincerely,

JOAN ANDERSON GROWE
Secretary of State

INTRODUCTION AND FIRST READING
OF HOUSE BILLS

The following House File was introduced:

Schreiber, Schafer, Hokr, Frerichs and Carlson, D., introduced:

H. F. No. 24, A bill for an act relating to the financing and operation of state and local government; guaranteeing payment of certain local aids; providing fund transfers regarding the Minnesota state building fund; modifying requirements relating to the issuance of certificates of indebtedness; authorizing the temporary delay of school aid payments; appropriating money; amending Minnesota Statutes 1980, Section 16A.63; Minnesota Statutes 1981 Supplement, Section 16A.671, Subdivisions 3 and 5.

The bill was read for the first time and referred to the Committee on Taxes.

MESSAGES FROM THE SENATE

The following message was received from the Senate:

Mr. Speaker:

I hereby announce that the Senate accedes to the request of the House for the appointment of a Conference Committee on the amendments adopted by the Senate to the following House File:

H. F. No. 2, A bill for an act relating to motor vehicles; defining vans and pickup trucks; providing for the registration and taxation of certain vans as passenger automobiles; correcting references to the taxation of farm trucks and commercial zone combinations; defining urban trucks; and certain collector's vehicles; including certain trucks among the motor vehicles entitled to collector license plates; amending Minnesota Statutes 1980, Sections 168.011, by adding subdivisions; 168.10, Subdivision 1c; and Minnesota Statutes 1981 Supplement, Sections 168.011, Subdivisions 7 and 10; and 168.013, Subdivisions 1c, 1e and 1i.

The Senate has appointed as such committee Messrs. Johnson; Moe, R. D.; Willet; Dieterich and Sieloff.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVER, Secretary of the Senate

Eken moved that the House recess subject to the call of the Chair. The motion prevailed.

RECESS

RECONVENED

The House reconvened and was called to order by the Speaker.

The following conference committee report was received:

CONFERENCE COMMITTEE REPORT ON H. F. NO. 2

A bill for an act relating to motor vehicles; defining vans and pickup trucks; providing for the registration and taxation of certain vans as passenger automobiles; correcting references to the taxation of farm trucks and commercial zone combinations; defining urban trucks; and certain collector's vehicles; including certain trucks among the motor vehicles entitled to collector license plates; amending Minnesota Statutes 1980, Sections 168.011, by adding subdivisions; 168.10, Subdivision 1c; and Minne-

sota Statutes 1981 Supplement, Sections 168.011, Subdivisions 7 and 10; and 168.013, Subdivisions 1c, 1e and 1i.

January 11, 1982

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

The Honorable Jack Davies
President of the Senate

We, the undersigned conferees for H. F. No. 2, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment and H. F. No. 2 be amended as follows:

Delete everything after the enacting clause and insert:

"ARTICLE I

STATE AGENCY APPROPRIATION REDUCTIONS

Section 1. [APPROPRIATION REDUCTIONS: SUMMARY.]

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

SUMMARY OF REDUCTIONS BY FUNCTION

(Including transfers to other funds)

	1982	1983	TOTAL
STATE			
DEPARTMENTS	(\$21,175,100)	(\$41,638,800)	(\$62,813,900)
TRANSPORTATION AND OTHER AGENCIES	(3,565,500)	(6,598,500)	(10,164,000)
EDUCATION	(13,576,900)	(25,430,000)	(39,006,900)

WELFARE,
CORRECTIONS,
HEALTH

	(10,011,400)	(17,204,500)	(27,215,900)
TOTAL	(\$48,328,900)	(\$90,871,800)	(\$139,200,700)

APPROPRIATION REDUCTIONS

1982 1983

Sec. 2. [APPROPRIATION REDUCTIONS.]

Subdivision 1. [STATE DEPARTMENTS.]

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

(a) Legislature (1,435,500) (1,453,200)

The amounts that are reduced from each appropriation are as follows:

(1) House of Representatives

1982	1983
(1,014,000)	(300,000)

The reduction for 1983 shall apply only to the unencumbered balance on June 30, 1983.

(2) Senate

(-0-) (200,000)

The reduction for 1983 shall apply only to the unencumbered balance on June 30, 1983.

(3) Legislative Coordinating
Commission—General Support

(25,000) (900)

(4) LCC—Workers Compensation
Study

(3,000) (-0-)

	1982	1983
	\$	\$
(5) LCC—Transit Study		
	(20,000)	(-0-)
(6) Legislative Reference Library		
	(42,500)	(48,800)
(7) Revisor of Statutes		
	(84,300)	(450,700)
(8) Legislative Committee on Science and Technology		
	(24,700)	(125,300)
<p>The Legislative Committee on Science and Technology is abolished, effective March 1, 1982. Committee staff should be given consideration for employment by other legislative agencies.</p>		
(9) Advisory Council on the Economic Status of Women		
	(7,800)	(17,700)
(10) Great Lakes Commission		
	(4,400)	(4,900)
(11) Legislative Commission on Pensions and Retirement		
	(9,500)	(20,500)
(12) Legislative Commission on Employee Relations		
	(14,100)	(10,400)
(13) Legislative Commission to Review Administrative Rules		
	(9,900)	(11,200)

	\$	1982	\$	1983
(14) Legislative Audit Commission				
	(1,800)	(1,800)		
(15) Legislative Auditor				
	(174,500)	(261,000)		
(b) Supreme Court		(-0-)		(-0-)
<p>The appropriation contained in Laws 1981, Chapter 356, Section 3 for judicial district computer hardware costs is transferred to the fiscal year 1983 appropriation made in Laws 1981, Chapter 356, Section 4 for district and county judge travel costs.</p>				
(c) Board on Judicial Standards		(-0-)		(3,000)
(d) Tax Court of Appeals		(10,000)		(10,000)
(e) Contingent Accounts— Unemployment Compensation		(350,000)		(-0-)
(f) Governor		(175,200)		(218,700)
(g) Secretary of State		(12,300)		(20,000)
(h) State Auditor		(3,000)		(3,000)

The commissioner of administration in cooperation with the commissioner of finance, the commissioner of transportation, and the state auditor is directed to review whether duplication of effort occurs between the fiscal studies unit of the department of transportation relating to local government financial reporting and the governmental information division within the office of the state auditor. By February 15, 1982, the commissioner of administration shall report to the chairmen of the house appropriations and senate finance committees what state and local cost savings would accrue with the merger of these activities within the office of the auditor.

	1982	1983
	\$	\$
(i) State Treasurer	(25,000)	(25,000)

The insurance division shall assist and cooperate with the state treasurer in examining for unclaimed property. The state treasurer may act with the authority of the insurance division in examining for unclaimed property.

(j) Attorney General	(385,700)	(925,600)
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The appropriation from the trunk highway fund in Laws 1981, Chapter 357, Section 3, for Administration and Related Services is increased by \$250,000 in the first year and \$250,000 in the second year for the purchase of legal services from the attorney general.

The sum of \$30,000 the first year and \$130,000 the second year is appropriated from the highway user tax distribution fund to the commissioner of public safety for the purchase of legal services from the attorney general relating to civil weight law enforcement.

The sum of \$315,000 the first year and \$345,000 the second year is appropriated from the general fund to the commissioner of public welfare to be used to purchase legal services from the attorney general for income maintenance programs. The commissioner of public welfare shall seek federal reimbursement for these legal costs, to be credited to the general fund.

(k) Administrative Hearings	(66,600)	(161,000)
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The appropriation reductions in this item are made after the appropriation transfers authorized by Laws 1981, Chapter 346, Section 144.

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

	1982	1983
	\$	\$

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

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

(l) Administration (1,778,400) (1,990,200)

The reduction for the state band shall not be more than 50 percent in the second year.

(m) Capitol Area Architectural and Planning Board (5,000) (5,000)

(n) Finance (602,700) (623,800)

The positions of debt management director and research scientist within the economic analysis section shall not be held vacant to make this reduction.

(o) Employee Relations (325,800) (332,900)

(p) Revenue (530,700) (726,900)

Walk-in taxpayer assistance shall not be reduced by more than 50 percent.

(q) Agriculture (2,327,200) (3,266,300)

No more than \$124,300 in 1982 and \$211,300 in 1983 shall be reduced from the family farm security program.

(r) Animal Health, Board of (158,800) (163,000)

(s) Natural Resources (3,076,900) (3,617,100)

The commissioner of natural resources shall continue to operate the

	1982	1983
\$		\$

state nurseries during the biennium ending June 30, 1983 so that seedlings are produced and utilized for reforestation.

Money appropriated from the receipts for watercraft licenses shall not be reduced and shall be expended only as authorized by Minnesota Statutes, Section 361.03.

Of the moneys appropriated to the department of natural resources, \$75,000 shall be used for a timber weight study.

(t) Zoological Board	(432,600)	(566,200)
(u) Water Resources Board	(-0-)	(28,000)
(v) Pollution Control Agency	(790,400)	(747,300)
(w) Waste Management Board ...	(147,000)	(195,000)

General fund positions of the Waste Management Board may be converted to bond fund positions when their duties are limited to duties that are authorized to be paid for with bond proceeds.

(x) Energy, Planning and Development	(896,700)	(771,000)
(y) Natural Resources Acceleration (LCMR)	(1,996,500)	(2,397,500)

This appropriation reduction was made after consideration of the recommendations of the Legislative Commission on Minnesota Resources. The Legislative Commission on Minnesota Resources shall apportion this appropriation reduction among the several programs and activities in Laws 1981, Chapter 356, Section 31.

(z) Labor and Industry	(279,200)	(279,200)
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The appropriation reductions in this item are made after the appropriation

	1982	1983
	\$	\$
transfers authorized by Laws 1981, Chapter 346, Section 144.		

None of this reduction shall occur in the appropriations for the special compensation fund or for peace officer death benefits.

No reduction shall be made in the appropriation for the workers' compensation program, except as necessary to provide money for the OSHA program to minimize the loss of federal matching money or where the commissioner can demonstrate that the reduction can be made because of cost savings that will not harm the workers' compensation program.

Expenditure of the monies appropriated in Laws 1981, Chapter 346, Section 144, Subdivision 7 shall not be governed by the low bid requirements of section 16.08.

(aa) Workers' Compensation Court of Appeals	(13,000)	(13,000)
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The appropriation reductions in this item are made after the appropriation transfers authorized by Laws 1981, Chapter 346, Section 144.

(bb) Mediation Services	(48,300)	(121,000)
(cc) Public Employment Relations Board	(2,500)	(3,000)
(dd) Military Affairs	(545,000)	(550,000)
(ee) Veterans Affairs	(158,900)	(166,300)

This reduction shall not be made in direct patient care positions at the veterans homes.

Notwithstanding the provisions of Minnesota Statutes, Section 198.055, the members of the veterans advisory com-

	1982	1983
	\$	\$
mittee may forego the compensation provided therein.		
The nondedicated receipt limitation in Laws 1981, Chapter 356, Section 36 for fiscal year 1982 is reduced by \$627,800.		
(ff) Indian Affairs Intertribal Board	(13,000)	(13,000)
(gg) Council on Black Minnesotans	(-0-)	(9,300)
(hh) Council for the Handicapped	(27,700)	(21,500)
(ii) Human Rights	(125,000)	(125,000)
(jj) Council On Affairs of Spanish-Speaking People	(2,600)	(2,700)
(kk) Housing Finance Agency	(2,500,000)	(-0-)

The appropriation in Laws 1981, Chapter 306, Section 21, is reduced by the amount indicated.

The spending limit on cost of general administration of agency programs is reduced by \$54,300 the first year and \$54,300 the second year.

(ll) Salary Supplement	(-0-)	(20,000,000)
(mm) Retirements	(1,927,900)	(2,085,100)

These reductions are made in recognition of the reduced employer contributions required by Minnesota Statutes, Sections 352.04 and 352.92, as amended by this article.

Of these amounts \$306,800 in fiscal year 1982 and \$330,000 in fiscal year 1983 are reduced from the general operation and maintenance appropriation made to the University of Minnesota in Laws 1981, Chapter 359, Section 7.

Of these amounts \$191,400 in fiscal year 1982 and \$191,400 in fiscal year

1982

1983

\$

\$

1983 are reduced from the public transit appropriation made to the metropolitan transit commission in Laws 1981, Chapter 363, Section 55, Subdivision 1.

It is estimated that the rate changes in Minnesota Statutes, Sections 352.04, Subdivision 3 and 352.92, Subdivision 2, as amended by this article, will produce reductions from employer contributions for state employees to the Minnesota state retirement system of \$1,429,700 in fiscal year 1982 and \$1,563,700 in fiscal year 1983.

Subd. 2. [TRANSPORTATION AND OTHER AGENCIES.]

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

(a) Transportation (1,305,200) (3,864,000)

Appropriations for Rail Service Improvement Grants are reduced by \$124,000 in the first year.

Appropriations for MTC operating subsidies are reduced \$2,400,000 in the second year. Appropriations for MTC social fare reimbursements are reduced \$227,000 in the first year and \$461,000 in the second year.

Notwithstanding Laws 1981, Chapter 363, Section 55, Subdivision 1, the metropolitan transit commission may add up to a \$.15 surcharge on fares during the peak hours. The surcharge shall expire on June 30, 1983.

The metropolitan transit commission shall reduce its support staff by 50 positions below the actual level existing on December 1, 1981. Thirty-one positions shall be reduced by April 1, 1982 and the remaining 19 positions shall be reduced by July 1, 1983. Support staff includes

1982

1983

\$

\$

all staff other than drivers, mechanics and security personnel.

The metropolitan transit commission is directed to prepare a report to the legislature regarding both employee benefit packages, including pension programs, and peak hour staffing practices. The report shall include projections of both short and long term costs. The report shall be submitted to the chairman of the house appropriations committee and the chairman of the senate finance committee by February 1, 1982.

The metropolitan transit commission shall not expend capital or operating funds for the purchase of articulated buses with wheelchair lifts. This restriction shall apply to any articulated buses which may be on order.

The department shall reallocate resources in order to review MTC budgets and to contract for the disbursement of funds to the metropolitan transit commission pursuant to statutory requirements.

Appropriations for private transit operators in the metropolitan area are reduced \$73,000 in the first year and \$143,000 in the second year.

Appropriations for statewide transit operating assistance are reduced \$700,000 in the first year and \$850,000 in the second year.

No reductions shall be made for metro mobility projects, the metro mobility control center, and project mobility.

Appropriations for public transit capital grants are reduced \$37,200 in the first year.

Appropriations for a public transit study are reduced \$10,000 in the first year and \$10,000 in the second year.

	1982	1983
\$	\$	

Reimbursements from the general fund to the trunk highway fund are reduced \$116,000 in the first year and \$192,200 in the second year.

Any unexpended balance of the appropriation for AMTRAK rail subsidy Duluth-Twin Cities made by Laws 1980, Chapter 614, Section 27, Clause (c) and any reimbursements or refunds of expenditures made for the fiscal year ending June 30, 1981 are reappropriated for the subsidization of service during the biennium ending June 30, 1983.

The immediately available appropriation for AMTRAK operations made by Laws 1981, Chapter 357, Section 2, Subdivision 4, Clause (e) is reappropriated for the biennium ending June 30, 1983, and may be expended without regard to the restrictions stated therein.

The appropriation in Laws 1979, Special Session Chapter 1, Section 13 is reduced by \$134,000.

(b) Public Safety	(726,300)	(558,700)
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Reimbursements from the general fund to the trunk highway fund are reduced \$37,600 in the first year and \$38,900 in the second year.

The liquor control program shall concentrate its activities along the border areas of Minnesota.

(c) Commerce	(318,900)	(380,100)
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Appropriations for the banking division shall be reduced \$6,300 in the first year and \$7,300 in the second year.

Appropriations for the securities and real estate division shall be reduced \$38,400 in the first year and \$67,700 in the second year.

	1982	1983
	\$	\$
<p>Appropriations for the insurance division shall be reduced \$131,000 in the first year and \$13,100 in the second year. No more than seven positions shall be reduced or remain unfilled in the insurance division.</p>		
<p>Appropriations for the office of consumer services shall be reduced \$109,400 in the first year and \$153,700 in the second year.</p>		
<p>Appropriations for administrative services shall be reduced \$33,800 in the first year and \$138,300 in the second year.</p>		
(d) Abstractors, Board of	(500)	(500)
<p>The board may not hold more than four meetings a year unless an emergency requires a special meeting. This restriction is not effective after June 30, 1983.</p>		
(e) Accountancy, Board of	(-0-)	(3,800)
(f) Architecture, Engineering and Land Surveying, Board of	(18,800)	(38,700)
(g) Barber Examiners, Board of	(-0-)	(2,700)
(h) Boxing, Board of	(8,000)	(11,400)
<p>The board may not hold more than four meetings a year unless an emergency requires a special meeting. This restriction is not effective after June 30, 1983.</p>		
(i) Peace Officer Standards and Training, Board of	(11,700)	(11,800)
(j) Examiners in Watchmaking, Board of	(700)	(800)

The board may not hold more than four meetings a year unless an emergency requires a special meeting. This

	1982	1983
	\$	\$
restriction is not effective after June 30, 1983.		
(k) Public Utilities Commission	(20,700)	(21,600)
(l) Public Service	(33,300)	(33,400)
(m) Ethical Practices Board	(17,000)	(15,400)
(n) Minnesota Municipal Board	(20,700)	(21,000)
(o) Minnesota-Wisconsin Boundary Area Commission	(3,400)	(3,700)
(p) Uniform Laws Commission	(-0-)	(3,200)
(q) Voyageurs National Park Citizens Committee	(-0-)	(5,500)
(r) Southern Minnesota River Basin Board	(5,800)	(6,000)
(s) Minnesota Historical Society	(635,900)	(969,500)

This reduction shall not apply to the Minnesota military history museum at Fort Snelling and Camp Ripley, the Sibley House Association, government learning center, Minnesota humanities commission, Minnesota international center, and the historic grant-in-aid program to encourage local historic preservation projects.

(t) Arts, Board of the	(254,800)	(400,200)
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The amounts to be reduced from each program are as follows:

(1) Administrative Services

1982	1983
(112,100)	(154,500)

(2) Subsidies and Grants

(142,700)	(245,700)
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	1982	1983
	\$	\$
<p>Of the remaining appropriations, \$758,600 in the first year and \$897,800 in the second year is for the general support one program; \$136,700 in the first year and \$157,400 in the second year is for the general support two program; \$80,600 in the first year is for the sponsor grants program; and \$685,700 in the first year and \$677,600 in the second year is for the regional program. Regional grants shall be distributed according to the formula included in the work papers adopted by the conference committee.</p>		
(u) Minnesota Humane Society	(6,200)	(-0-)
(v) County Attorneys Council	(15,100)	(-0-)
(w) Minnesota Horticultural Society	(8,900)	(9,600)
(x) Minnesota Academy of Science	(-0-)	(5,800)
(y) Science Museum of Minnesota	(-0-)	(-0-)

The appropriation for the second year shall be reduced by \$25,000. This reduction shall be reinstated on the basis of \$1 for every \$1 received from the city of Saint Paul.

Subd. 3. [EDUCATION.]

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

(a) Education, Department of (1,500,000) (3,000,000)

None of this reduction shall be taken from the appropriations for the Minnesota School for the Deaf or the Minnesota Braille and Sight-saving School.

The department of education shall maintain the existing Minnesota Indian education scholarship office at Bemidji during the biennium ending June 30,

	1982	1983
	\$	\$
1983, with no reduction in general fund appropriations.		
(b) Higher Education Coordinating Board	(2,056,900)	(2,280,000)

\$302,000 of the amount for 1983 is a reduction from the private college contract program. The private college contract program shall not provide funds for post baccalaureate students.

\$1,900,000 of the reduction for 1983 is a reduction in the appropriation for state scholarships, nurses scholarships, and grants-in-aid.

\$1,856,900 of the reduction for 1982 represents the cancellation of the appropriation and accrued interest on the appropriation in Laws 1973, Chapter 768, Section 14, Subdivision 8.

Notwithstanding any law to the contrary, if a portion of sums appropriated to the higher education coordinating board pursuant to Laws 1981, Chapter 359, Section 3, Subdivisions 3, 4, 5, 7, 9 and 10 for state scholarships, nurses scholarships, state grants-in-aid, part time student subsidy, special assistance, state work study, AVTI tuition subsidy and private college contracts for fiscal year 1983 are refunded and unused, that portion may be transferred to meet obligations under interstate tuition reciprocity agreements. However, the higher education coordinating board shall demonstrate to the commissioner of finance that the intended level of expenditure for the programs is not reduced. In addition, transfers made may be reversed if necessary to meet the needs and objectives of affected programs.

(c) State University Board	(2,300,000)	(4,600,000)
(d) State Community College Board	(1,100,000)	(2,200,000)

	1982	1983
	\$	\$
(e) University of Minnesota	(6,500,000)	(13,100,000)
(f) Mayo Medical School	(120,000)	(250,000)

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

The general fund appropriations in Laws 1981, Chapter 354, and Chapter 360, as amended by Laws 1981, First Special Session, Chapter 2, are reduced by the listed amounts:

(a) Public Welfare	(3,004,600)	(14,784,400)
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The sum of \$26,500,000 for 1982 is appropriated to the commissioner of public welfare for the income maintenance program.

This appropriation is available as indicated only if the amount already appropriated in Laws 1981, Chapter 360, Article I, Section 2, Subdivision 4, is insufficient to meet the costs. This appropriation is available only upon recommendation of the legislative advisory commission under Minnesota Statutes, Section 3.30.

Aid to families with dependent children and general assistance grants shall be increased by the commissioner of public welfare by seven percent on October 1, 1982, rather than July 1, 1982, unless federal statute or regulation requires otherwise.

For the rate year that begins during the fiscal year ending June 30, 1982, for each existing facility with a capacity increase of more than 25 percent but less than 50 percent for which a certificate of need has been issued on or after January 1, 1980 and for which contracts for construction had been let, and both ground breaking and construction were begun before July 1, 1981, increases in the per diem for depreciation and interest expense applicable to the new construction shall not be limited by the prevailing statutory percentage limit

1982

1983

\$

\$

established by Minnesota Statutes 1981 Supplement, Section 256B.03, Subdivision 2 or the regional maximum rate. The additional amounts allowed for depreciation and interest under this provision shall be excluded from subsequent computations of the regional maxima.

The commissioner of public welfare shall study the fiscal and programmatic impact, the number of persons who would be affected, problems and benefits to persons who would be affected, and any other effects, if the costs of providing developmental achievement services and semi-independent living services were paid through Title 19 of the Social Security Act and Minnesota Statutes, Chapter 256B. The studies shall be completed and submitted to the legislature not later than two months following final enactment of federal appropriation amounts.

The provisions of Minnesota Statutes 1980, Section 256D.22 are suspended during the fiscal year ending June 30, 1983.

(b) Economic Security (4,719,300) (-0-)

This amount includes a reduction of \$4,189,400 the first year for the training and community services program. However, there shall be no reduction in the displaced homemakers or summer youth programs. Reductions in the vocational rehabilitation program shall be \$529,900 for the biennium.

(c) Corrections (699,500) (1,627,500)

Notwithstanding the provisions of any other law to the contrary, the commissioner of corrections may for the purpose of maximizing the benefits of the subsidy paid to counties under Minnesota Statutes 1980, Sections 401.14 and 401.15, waive the requirements

	1982	1983
	\$	\$
of 11 MCAR, Sections 2.006(c) and 2.007(b) that specify the percentages of the total subsidy received by each participating county that must be expended only for information systems, program evaluation, training, and education. This provision expires June 30, 1983.		
(d) Sentencing Guidelines Commission	(-0-)	(1,500)
(e) Corrections Ombudsman	(-0-)	(2,300)
(f) Health	(1,588,000)	(788,800)

Notwithstanding any law to the contrary, the commissioner of health shall increase the fee charged for medical laboratory services to \$5.00.

The commissioner of health may charge a fee for voluntary certification of medical laboratories and environmental laboratories. The fee may be established without complying with Minnesota Statutes, Sections 15.041 to 15.052. This provision expires June 30, 1983.

The commissioner of health may charge fees for environmental laboratory services in amounts approximately equal to the costs of providing the services. The fees may be established without complying with Minnesota Statutes, Sections 15.041 to 15.052. This provision expires June 30, 1983.

Notwithstanding Laws 1981, Chapter 360, Article I, Section 14, the commissioner of health shall establish fees for licensure of health care facilities in accordance with Minnesota Statutes 1980, Section 16A.128. These fees may include increases for any licenses already issued or to be issued for the 1982 calendar year. The statutory percentage limita-

tion for long term care may be exceeded by the amounts of the increased license fees authorized by this provision and charged by the commissioner of health, and the increased fee amount shall be an allowed cost to the extent that the increase when added to other allowed costs exceeds the statutory limitation.

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

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

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

Sec. 3. Laws 1981, Chapter 356, Section 45, is amended to read:

Sec. 45. [WORKERS' COMPENSATION.]

The appropriations in this act for the operation of each state department or agency, except the *game and fish fund appropriations to the department of natural resources*, in fiscal 1982 and 1983 include amounts needed to pay workers' compensation obligations to the state compensation revolving fund. It is the intent of the legislature not to appropriate additional money at any future time to pay workers' compensation obligations for fiscal 1982 and 1983, except for *game and fish fund appropriations to the department of natural resources* or as may be required by an increase in the statutory level of workers' compensation benefits.

Sec. 4. Laws 1981, Chapter 356, Section 46, is amended to read:

Sec. 46. [UNEMPLOYMENT COMPENSATION.]

The appropriations in this act for the operation of each state department or agency, except the *game and fish fund appropriations to the department of natural resources*, in fiscal 1982 and 1983 include amounts needed to pay unemployment compensation obligations to the unemployment compensation fund. It is the intent of the legislature not to appropriate additional money at any future time to pay unemployment compensation obligations for fiscal 1982 and 1983, except for *game and fish fund appropriations to the department of natural resources* or as may be required by an increase in the statutory level of unemployment compensation benefits.

Sec. 5. Laws 1981, Chapter 359, Section 3, Subdivision 3, is amended to read:

Subd. 3. State Scholarship, Nurses Scholarship and State Grant-In-Aid

\$27,720,000 \$27,720,000

The general goal of this program is that the proportion of funds flowing to students attending private institutions not exceed a figure which is approximately 50 percent of the total amount of money available. It is expected that approximately \$3,000,000 of this appropriation will (REVERT TO THE GENERAL FUND AT THE END OF FISCAL YEAR 1983) *not be needed and any balance may be transferred to subdivision 6 of this section to the extent a deficiency occurs in the interstate tuition reciprocity appropriation.*

Sec. 6. [PLANS FOR DECLINING ENROLLMENT.]

Subdivision 1. [UNIVERSITY OF MINNESOTA; STATE UNIVERSITIES.] *The board of regents of the University of Minnesota, and the state university board, shall each develop a plan for providing post-secondary education services under conditions of declining or reduced enrollments. Each plan shall specify the fiscal implications of declining enrollments. Each plan shall propose a strategy for adjusting the present level of*

facilities and services to the projected level of reduced demand. The strategies may include such methods as campus mergers, reorganizations, discontinuance of campuses or colleges, changes in system governance, and other such methods. The purpose of the plan is to reduce the cost of present facilities and services in proportion to the reduction in enrollment. Each plan shall be submitted to the legislature by January 1, 1983.

Subd. 2. [COMMUNITY COLLEGES; AREA VOCATIONAL-TECHNICAL INSTITUTES.] The community college board and the state board for vocational education shall continue the planning process which is currently ongoing and under discussion with legislative committees with regard to community colleges and area vocational technical institutes. One of the purposes of the planning process is to develop strategies to adjust the present cost of facilities and services to the projected level of reduced demand.

Subd. 3. [REVIEW AND COMMENT.] The higher education coordinating board shall review and comment on the strategies developed pursuant to subdivisions 1 and 2.

Subd. 4. [FACTORS.] In developing strategies for the adjustment of present facilities and services to reduced levels of demand, the boards shall consider such factors as the system's mission, the impact of such adjustments on students, short-term and long-term enrollment trends, fiscal implications, geographic accessibility to comparable public institutions, accessibility for the handicapped, availability of alternative programs, legal implications and feasibility of employee transfers.

Subd. 5. [STUDENT TRANSFERS.] In developing strategies for the adjustment of facilities and services to reduced levels of demand the boards shall, insofar as possible, plan to provide students with the opportunity to complete programs in their major course of study and to complete graduation requirements by transferring to other institutions. The plans should provide for full transfer of earned credits and flexibility in meeting graduation requirements to the extent possible.

Subd. 6. [CONSULTATION.] In the process of developing strategies for the adjustment of facilities and services to reduced levels of demand each system shall consult with the other systems and with the higher education coordinating board.

Subd. 7. [EMPLOYEE TRANSFER.] To the extent possible, the strategies shall provide that employees whose positions will be eliminated by the adjustments will be allowed to transfer to positions in other post-secondary institutions within each system and will be given preference in new hirings. To the extent possible, the strategies shall provide for the maintenance of terms and conditions of employment provided for in any existing

labor agreement and shall be implemented, to the extent possible, in a manner consistent with such labor agreements.

Sec. 7. Minnesota Statutes 1981 Supplement, Section 3.9222, Subdivision 2, is amended to read:

Subd. 2. The council shall consist of five members of the house of representatives appointed by the speaker, five members of the senate appointed by the committee on committees, and (TWELVE) *eight* citizens appointed by the governor. At least 50 percent of those appointed by the governor and by the speaker of the house shall be women. Members shall serve for two years or until the expiration of their legislative terms; except, in order to establish staggered membership terms for the citizen members, the governor shall appoint (SIX) *four* citizens for three-year terms and (SIX) *four* citizens for two-year terms starting July 1, 1981. The compensation of non-legislator members, their removal from office and the filling of vacancies shall be as provided in section 15.059. The persons appointed by the governor shall be representative of a range of economic interests and vocations and shall include persons who are not regularly employed on a full-time or part-time basis outside their homes.

Sec. 8. [GOVERNOR TO DESIGNATE MEMBERS.]

The governor shall designate the four citizens whose membership on the advisory council for the economic status of women will terminate because of the reduction in size of the council required by section 7. The terminations are effective the day following final enactment.

Sec. 9. [5.12] [CERTIFICATE; CERTIFIED COPY OF DOCUMENT; FEE.]

The secretary of state shall charge a fee of \$5 for each certificate or certification of a copy of any document filed in the office of the secretary of state.

Sec. 10. Minnesota Statutes 1981 Supplement, Section 15.052, Subdivision 5, is amended to read:

Subd. 5. [COURT REPORTERS; AUDIO RECORDINGS.] The office of administrative hearings may maintain a court reporter system and in addition to or in lieu thereof may contract with nongovernmental sources for court reporter services. The court reporters may additionally be utilized as the chief hearing examiner directs. Unless the chief hearing examiner determines that the use of a court reporter is more appropriate, an audio magnetic recording device shall be used to keep a record at any hearing which takes place under this chapter (OR UNDER CHAPTER 176). In cases arising under chapter 176, the chief hearing examiner (, IN CONSULTATION WITH THE COM-

PENSATION JUDGE,) shall (DECIDE THE METHOD OF RECORDING) use audio magnetic recording devices to keep the record of hearings except when there are more than two primary parties in a case and the chief hearing examiner determines that the use of a court reporter is more appropriate. If the chief hearing examiner determines that the use of a court reporter is more appropriate, the cost of the court reporter shall be paid by the state. If the chief hearing examiner determines that the use of an audio magnetic recording device is more appropriate in a hearing under chapter 176, any party to that hearing may provide a court reporter at the party's expense. Court reporters provided by a party shall be selected from the chief hearing examiner's list of non-governmental sources.

The fee charged by a court reporter to a party shall not exceed the fee which would be charged to the state pursuant to the court reporter's contract with the state.

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

Sec. 11. Minnesota Statutes 1981 Supplement, Section 16A.128, is amended to read:

16A.128 [FEE ADJUSTMENTS.]

The fees fixed for the various accounts for which appropriations are made by law, shall be neither increased nor decreased except with the approval of the commissioner of finance. All these fees shall be reviewed at least once each six months, and, except in special fee situations as determined by the commissioner, adjustments shall be made to the end that the total fees received shall approximate the amount appropriated for the several accounts, plus the portion of the general support costs and statewide indirect costs of the agency that is attributable to the function for which the fee is charged. Fee adjustments authorized under this section may be made without a public hearing when the total fees estimated to be received during the fiscal biennium will not exceed (110 PERCENT OF) the sum of all direct appropriations, *indirect costs*, transfers in, and salary supplements for that purpose for the biennium.

Sec. 12. [35.84] [FEES FOR SERVICES TO STATE FAIR.]

The board of animal health shall charge fees to cover all direct and indirect costs of services rendered to the state agricultural society in connection with the state fair. Fee receipts shall be deposited in the state treasury and credited to the general fund.

Sec. 13. Minnesota Statutes 1980, Section 40.03, Subdivision 2, is amended to read:

Subd. 2. [EMPLOYEES.] The department of natural resources shall provide administrative functions of this section. The commissioner of natural resources shall make available by separate budget to the state soil and water conservation board the staff services, funds for operation, and office space necessary for the administration and coordination of its functions. The state board shall be responsible to the commissioner for reporting purposes in regard to staff functions and operations which relate to department activities.

The commissioner of natural resources shall, (SUBJECT TO APPROVAL) *with the advice* of the state board, provide an administrative officer and other necessary permanent and temporary technical experts, agents and employees. The state board shall (DETERMINE) *recommend* the personnel's qualifications and duties to the commissioner of natural resources, and recommend compensation to the commissioner of employee relations. The state board may call upon the attorney general for necessary legal services. It shall have authority to delegate to its chairman or to one or more of its other officers or members or administrative officer any of its own powers and duties it may deem proper. The administrative officer is (RESPONSIBLE TO THE STATE BOARD AND MAY BE DISMISSED BY THE COMMISSIONER OF NATURAL RESOURCES ONLY UPON THE ADVICE AND RECOMMENDATION OF THE STATE BOARD) *in the unclassified service*. All permanent personnel of the state board are employees of the department of natural resources and are in the classified service of the state, except for *the administrative officer or as otherwise required by statute. (ALL RIGHTS, DUTIES AND RESPONSIBILITIES OF THE EXISTING STAFF OF THE STATE BOARD ON NOVEMBER 12, 1971 SHALL REMAIN UNCHANGED EXCEPT AS MAY BE AGREED UPON BY THE STATE BOARD AND THE COMMISSIONER.)* In order to perform its duties, the state board may request information from the supervising officer of any state agency or state institution of higher education, including the state universities, the community colleges, and the post-secondary vocational technical schools. The supervising officer shall comply with the state board's request to the extent possible considering available appropriations and may assign agency or institution employees to compile existing information and to complete special reports, surveys, or studies concerning the problems specified in section 40.02.

Sec. 14. Minnesota Statutes 1981 Supplement, Section 169.871, Subdivision 3, is amended to read:

Subd. 3. [APPEARANCES.] Notwithstanding the provisions of section 8.01, county or city attorneys (SHALL) *may* appear for the (STATE) *commissioner of public safety* in civil ac-

tions commenced under this section *at the request of the attorney general.*

Sec. 15. Minnesota Statutes 1981 Supplement, Section 169.871, Subdivision 5, is amended to read:

Subd. 5. [FINES.] Any penalty imposed and fines collected pursuant to this section shall be disposed of as provided in section 299D.03, subdivision 5, with the following exceptions:

(a) If the violation occurs in the county, *and the county attorney appears in the action*, the remaining five-eighths shall be credited to the highway user tax distribution fund.

(b) If the violation occurs within the municipality, and the city attorney appears in the action, the remaining one-third shall be paid to the highway user tax distribution fund.

(c) *In all cases when the attorney general appears in the action, all penalties imposed and fines collected shall be credited to the highway user tax distribution fund.*

Sec. 16. Minnesota Statutes 1981 Supplement, Section 169.872, Subdivision 1, is amended to read:

Subdivision 1. [RECORD KEEPING.] A person who weighs goods before or after unloading or a person who loads or unloads goods on the basis of liquid volume measure shall keep a written record of the origin, weight and composition of each shipment, the date of loading or receipt, the name and address of the shipper, the total number of axles on the vehicle or combination of vehicles, and the registration number of the power unit or some other means of identification by which the shipment was transported. The record shall be retained for 30 days and shall be open to inspection and copying by a state law enforcement officer or motor transport representative (OR A PEACE OFFICER AS DEFINED IN SECTION 626.84, SUBDIVISION 1, CLAUSE (C)), except state conservation officers, upon demand. (FOR INFORMATIONAL PURPOSES ONLY IF INSPECTION INDICATES EXCESS WEIGHT OF 3,000 POUNDS OR MORE, THE INSPECTING OFFICER SHALL NOTIFY, WITHIN 30 DAYS OF INSPECTION OF THE RECORD, THE PERSON WHO CONSIGNED THE GOODS FOR SHIPMENT.) No search warrant is required to inspect or copy the record. This subdivision does not apply to a person weighing goods who is not involved in the shipping, receiving and transporting of those goods.

Sec. 17. Minnesota Statutes 1981 Supplement, Section 174.24, Subdivision 3a, is amended to read:

Subd. 3a. [TRANSIT COMMISSION.] The commissioner shall provide financial assistance by contract to the metropolitan transit commission from appropriations provided for that purpose. *In order to receive financial assistance, the commission shall provide to the commissioner all financial records and other information and shall permit any inspection reasonably necessary to identify the revenues, costs, and service plan upon which the appropriation is based.*

Sec. 18. Minnesota Statutes 1981 Supplement, Section 174.31, Subdivision 1, is amended to read:

Subdivision 1. [ESTABLISHMENT; OBJECTIVES.] A project for coordination of special transportation service in the metropolitan area as defined in section 473.121, subdivision 2, shall be established and implemented by the commissioner with the following objectives:

(a) To provide greater access to transportation for the elderly, handicapped and others with special transportation needs in the metropolitan area (AND PARTICULARLY TO FILL ALL UNMET NEEDS FOR THAT TRANSPORTATION IN THE TRANSIT TAXING DISTRICT AS DEFINED IN SECTION 473.446, SUBDIVISION 2);

(b) To develop an integrated system of special transportation service providing transportation tailored to meet special individual needs in the most cost-efficient manner; and

(c) To use existing public and private providers of service wherever possible, to supplement rather than replace existing service, and to increase the productivity of all special transportation vehicles available in the area.

For the purpose of this section "project" means the project established under this subdivision.

Sec. 19. Minnesota Statutes 1981 Supplement, Section 174.31, Subdivision 3, is amended to read:

Subd. 3. [DUTIES OF COMMISSIONER.] In implementing the project the commissioner shall:

(a) Encourage participation in the project by public and private providers of special transportation service currently receiving capital or operating assistance from a public agency;

(b) Contract with public and private providers that have demonstrated their ability to effectively provide service at a reasonable cost;

(c) Encourage individuals using service provided through the project to use the type of service most appropriate to their particular needs;

(d) Insure that all persons providing service through the project receive equitable treatment in the allocation of the ridership;

(e) Encourage shared rides to the greatest extent practicable;

(f) (INSURE THAT A FULL RANGE OF SERVICE IS MADE AVAILABLE THROUGH THE PROJECT TO ALL PARTS OF THE METROPOLITAN TRANSIT TAXING DISTRICT;)

((G)) Encourage public agencies that provide transportation to eligible individuals as a component of human services and educational programs to coordinate with the project and to allow reimbursement for services provided through the project at rates that reflect the public cost of providing those services (.) ; and

((H)) (g) Adopt rules by January 15, 1982, establishing criteria to be used in determining individual eligibility for special transportation services.

Sec. 20. Minnesota Statutes 1981 Supplement, Section 176.131, Subdivision 10, is amended to read:

Subd. 10. The special compensation fund is created for the purposes provided in this chapter in the following manner:

(1) In every case of death of an employee resulting from personal injury arising out of and in the course of employment where there are no persons entitled to monetary benefits of dependency compensation, the employer shall pay to the commissioner the sum of \$5,000 for the benefit of the special compensation fund; in every case of death of an employee resulting from personal injury arising out of and in the course of employment where there are no persons entitled to at least \$5,000 in monetary benefits of dependency compensation, the employer shall pay to the commissioner for the benefit of the special compensation fund the difference between the amounts actually paid for the dependency benefits and \$5,000; but in no event shall the employer pay the commissioner less than \$1,000;

(2) When an employee suffers a personal injury which results in permanent partial disability, temporary total disability, temporary partial disability, permanent total disability or death and which entitles him or his dependents to compensation under sections 176.101 or 176.111, the employer shall, in addition to compensation provided therein, pay to the commissioner for the

benefit of the special compensation fund a lump sum without interest deduction equal to a percent of the total compensation determined as provided in this subdivision as soon as the amount payable for the particular injury is determined, or arrived at by agreement of the parties, and the amount is approved by the commissioner.

The provisions of clauses (1) and (2) shall apply to all workers' compensation payments, exclusive of medical costs, paid under sections 176.101 and 176.111 for all injuries or death occurring on or after June 1, 1971.

Personal injuries that occurred prior to June 1, 1971 shall be assessed at the rate in effect on the date of occurrence.

In determining the percentage of the total compensation required to be paid by the employer to the commissioner for the benefit of the special compensation fund as provided in clause (2) beginning September 30, 1981 and each September 30 thereafter, the commissioner shall use the following schedule:

Balance in the Fund	Permissible Range of Rate Adjustment
Less than \$2,000,000	+1 percent to +7 percent
At least \$2,000,000 but less than \$3,000,000	0 percent to +6 percent
At least \$3,000,000 but less than \$4,000,000	-2 percent to +4 percent
At least \$4,000,000 but less than \$5,000,000	-5 percent to +3 percent
At least \$5,000,000 but less than \$6,000,000	-6 percent to +2 percent
\$6,000,000 or more	-7 percent to +2 percent

In determining the actual adjustment, the commissioner shall take into account his estimate of the likely amount of expenditures to be made from the fund in the next calendar year.

Sums paid to the commissioner pursuant to the provisions hereof, shall be deposited with the state treasurer for the benefit of the special compensation fund and be used to pay the benefits provided by this chapter. All money heretofore arising from the provisions of this section or similar law shall be transferred to this special compensation fund. Any interest or profit accruing from investment of these sums shall be credited to the special compensation fund.

The state treasurer shall be the custodian of this special fund and the workers' compensation division, compensation judges, the workers' compensation court of appeals or district court in cases before them shall direct the distribution thereof, the same to be paid as other payments of compensation are paid. In case deposit is or has been made under the provisions of clause (1) and dependency later is shown, or if deposit is or has been made pursuant to either clause (1) or (2) by mistake or inadvertence, or under circumstances that justice requires a refund thereof, the state treasurer is authorized to refund the deposit under order of the workers' compensation division, a compensation judge, the workers' compensation court of appeals or a district court. There is appropriated to the persons entitled to the refunds from the fund an amount sufficient to make the refund and payment.

(COSTS WITHIN THE DEPARTMENT FOR) The accounting, investigation, and legal (PROCEDURES) *costs* necessary for the administration of the programs financed by the special compensation fund shall (COME AS APPROPRIATED) *be paid* from the fund during each biennium commencing July 1, 1981. Staffing and expenditures related to the administration of the special compensation fund shall be approved through the regular budget and appropriations process.

Sec. 21. Minnesota Statutes 1980, Section 176.421, Subdivision 3, is amended to read:

Subd. 3. [NOTICE OF APPEAL.] The appellant *or his attorney* shall prepare and sign a written notice of appeal specifying:

- (1) the order appealed from;
- (2) that appellant appeals from the order to the workers' compensation court of appeals;
- (3) the particular finding of fact *or conclusion of law* which he claims was unwarranted by the evidence or procured by fraud, coercion, or other improper conduct; (AND,)
- (4) *the testimony or other part of the record of the hearing necessary to be transcribed in order for the court of appeals to consider the appeal; and,*
- (5) any other ground upon which the appeal is taken.

Sec. 22. Minnesota Statutes 1981 Supplement, Section 176.421, Subdivision 4, is amended to read:

Subd. 4. [SERVICE AND FILING OF NOTICE; COST OF TRANSCRIPT.] Within the 30 day period for taking an appeal, the appellant shall:

(1) Serve a copy of the notice of appeal on each adverse party;

(2) File the original notice, with proof of service by admission or affidavit, with the chief hearing examiner *and file a copy with the commissioner*;

(3) In order to defray the cost of the (TRANSCRIPT) *preparation of the record of the proceedings appealed from, pay to the (CHIEF HEARING EXAMINER) state treasurer, office of administrative hearings account the sum of (\$10 OR SO MUCH OF THAT SUM AS IS NECESSARY TO PRESENT THE QUESTION RAISED ON THE APPEAL.)*

(THE APPELLANT IS LIABLE FOR THE COST OF THE TRANSCRIPT IN EXCESS OF \$10, BUT IS ENTITLED TO A REFUND OF ANY PART OF THAT SUM NOT USED TO PAY THE COST OF THE TRANSCRIPT) \$25; and

(4) *Submit a request that the chief hearing examiner order the preparation of a transcript of that part of the hearing delineated in the notice of appeal.*

A party who desires a transcript of more of the hearing than has been requested by the appellant shall, within five working days of service of the notice of appeal, make a request of the chief hearing examiner that the additional testimony be transcribed.

The party requesting the preparation of the transcript or any part is liable for the cost of preparation. The cost of a transcript prepared by a non-governmental source shall be paid directly to that source and shall not exceed the cost that the source would be able to charge the state for the same service.

Upon a showing of cause, the chief hearing examiner may direct that a transcript be prepared without expense to the (APPELLANT) *party requesting its preparation, in which case the cost of the transcript shall be paid by the office of administrative hearings.*

All fees received by the office of administrative hearings for the preparation of the record for submission to the workers' compensation court of appeals or for the cost of transcripts prepared by the office shall be deposited in the office of administrative hearings account in the state treasury and shall be used solely for the purpose of keeping the record of hearings conducted under this chapter and the preparation of transcripts of those hearings.

Sec. 23. Minnesota Statutes 1981 Supplement, Section 176.-421, Subdivision 5, is amended to read:

Subd. 5. [TRANSCRIPT; CERTIFICATION OF THE RECORD.] When the notice of appeal has been filed with the chief hearing examiner and the (TRANSCRIPTION) fee for the preparation of the record has been paid, the chief hearing examiner shall immediately (PREPARE) order the preparation of a typewritten transcript of that part of the (PROCEEDINGS) hearing delineated in the notice. The official reporter or other person designated by the chief hearing examiner who transcribes the proceedings shall certify to their correctness.

If the transcript is prepared by a person who is not an employee of the office of administrative hearings, upon completion of the transcript, the original shall be filed with the chief hearing examiner.

When the transcript has been completed and is on file with the chief hearing examiner, he shall certify the record to the workers' compensation court of appeals and notify the commissioner of the certification.

Sec. 24. Minnesota Statutes 1981 Supplement, Section 176.521, Subdivision 1, is amended to read:

Subdivision 1. [VALIDITY.] An agreement between an employee or his dependent and the employer or insurer to settle any claim, which is not upon appeal before the workers' compensation court of appeals, for compensation under this chapter is valid where it has been executed in writing and signed by the parties (,) and intervenors in the matter, and, *where one or more of the parties is not represented by an attorney*, the division or a compensation judge has approved the settlement and made an award thereon. If the matter is upon appeal before the workers' compensation court of appeals or district court, the workers' compensation court of appeals or district court is the approving body.

Sec. 25. Minnesota Statutes 1981 Supplement, Section 176.521, Subdivision 2, is amended to read:

Subd. 2. [APPROVAL.] Settlements shall be approved only where the terms conform with this chapter.

The division, a compensation judge, (AND) the workers' compensation court of appeals, *and the district court* shall exercise discretion in approving or disapproving a proposed settlement.

The parties to the agreement of settlement have the burden of proving that the settlement is reasonable, fair, and in conformity with this chapter. A settlement agreement where both the employee or his dependent and the employer or insurer and intervenors in the matter are represented by an attorney shall

be *conclusively* presumed to be reasonable, fair, and in conformity with this chapter.

Sec. 26. Minnesota Statutes 1980, Section 176.521, is amended by adding a subdivision to read:

Subd. 2a. [SETTLEMENTS NOT SUBJECT TO APPROVAL.] When a settled case is not subject to approval, upon receipt of the stipulation for settlement, a compensation judge or a settlement judge shall immediately sign the award and file it with the commissioner. Payment pursuant to the award shall be made within 14 days after it is filed with the commissioner. The commissioner may correct mathematical or clerical errors at any time.

Sec. 27. Minnesota Statutes 1980, Section 184.30, Subdivision 2, is amended to read:

Subd. 2. The secretary of state shall be paid a filing fee of (\$5) \$10.

Sec. 28. Minnesota Statutes 1980, Section 197.23, is amended to read:

197.23 [MAY PROVIDE MARKERS.]

The commissioner of veterans affairs (SHALL) *may*, upon the petition of any five reputable freeholders of any township or municipality, or of any patriotic or ex-servicemen's organization, procure for and furnish to the petitioners some suitable and appropriate metal socket and an appropriate marker for the grave of each and every soldier, sailor, marine, or nurse who served with honor in the forces of the United States and who is buried within the limits of the state, to be placed on the grave of such soldier, sailor, marine, or nurse for the purpose of permanently marking and designating the grave for memorial purposes.

Sec. 29. Minnesota Statutes 1981 Supplement, Section 204B.11, Subdivision 1, is amended to read:

Subdivision 1. [AMOUNT.] Except as provided by subdivision 2, a filing fee shall be paid by each candidate who files an affidavit of candidacy. The fee shall be paid at the time the affidavit is filed. The amount of the filing fee shall vary with the office sought as follows:

(a) For the office of governor, lieutenant governor, attorney general, state auditor, state treasurer, secretary of state, representative in congress, judge of the supreme court, judge of the district court, or judge of the county municipal court of Hennepin County, (\$100) \$150;

- (b) For the office of senator in congress, (\$150) \$200;
- (c) For office of senator or representative in the legislature, (\$20) \$50; and
- (d) For a county office, (\$20) \$50.

For the office of presidential elector, and for those offices for which no compensation is provided, no filing fee is required.

The filing fees received by the county auditor shall immediately be paid to the county treasurer. The filing fees received by the secretary of state shall immediately be paid to the state treasurer.

When an affidavit of candidacy has been filed with the appropriate filing officer and the requisite filing fee has been paid, the filing fee shall not be refunded.

Sec. 30. Minnesota Statutes 1980, Section 221.67, is amended to read:

221.67 [SERVICE OF PROCESS.]

The use of any of the public highways of this state for the transportation of persons or property for compensation by a motor carrier in interstate commerce shall be deemed an irrevocable appointment by (SUCH) *the* carrier of the secretary of state to be his true and lawful attorney upon whom may be served all legal process in any action or proceeding brought under section 221.66 against him or his executor, administrator, personal representative, heirs, successors or assigns. (SUCH) *This* use is a signification of agreement by (SAID) *the* interstate motor carrier that any (SUCH) process in any action against him or his executor, administrator, personal representative, heirs, successors, or assigns which is so served shall be of the same legal force and validity as if served upon him personally. (SUCH) Service shall be made by serving a copy thereof upon the secretary of state or by filing (SUCH) a copy in his office, together with payment of a fee of (\$10) \$15, and (SUCH) *the* service shall be sufficient service upon the absent motor carrier (; PROVIDED THAT) *if* notice of (SUCH) *the* service and a copy of the process are within ten days thereafter sent by mail by the plaintiff to the defendant at his last known address and (THAT) the plaintiff's affidavit of compliance with the provisions of sections 221.61 to 221.68 is attached to the summons.

Sec. 31. Minnesota Statutes 1981 Supplement, Section 256B.-02, Subdivision 8, is amended to read:

Subd. 8. "Medical assistance" or "medical care" means payment of part or all of the cost of the following care and services

for eligible individuals whose income and resources are insufficient to meet all of such cost:

- (1) Inpatient hospital services.
- (2) Skilled nursing home services and services of intermediate care facilities.
- (3) Physicians' services.
- (4) Outpatient hospital or clinic services.
- (5) Home health care services.
- (6) Private duty nursing services.
- (7) Physical therapy and related services.
- (8) Dental services, excluding cast metal restorations.
- (9) Laboratory and x-ray services.

(10) The following if prescribed by a licensed practitioner: drugs, eyeglasses, dentures, and prosthetic devices. The commissioner shall designate a formulary committee which shall advise the commissioner on the names of drugs for which payment shall (NOT) be made, recommend a system for reimbursing providers on a set fee or charge basis rather than the present system, and develop methods encouraging use of generic drugs when they are less expensive and equally effective as trademark drugs. The commissioner shall appoint the formulary committee members no later than 30 days following July 1, 1981. The formulary committee shall consist of nine members, four of whom shall be physicians who are not employed by the department of public welfare, and a majority of whose practice is for persons paying privately or through health insurance, three of whom shall be pharmacists who are not employed by the department of public welfare, and a majority of whose practice is for persons paying privately or through health insurance, a consumer representative, and a nursing home representative. Committee members shall serve two year terms and shall serve without compensation. (PROMULGATION OF THE FORMULARY SHALL BE CONSISTENT WITH THE REQUIREMENTS OF SECTION 15.0412, SUBDIVISION 5.) *The commissioner may establish a drug formulary. Its establishment and publication shall not be subject to the requirements of the administrative procedure act. The formulary shall not include: drugs for which there is no federal funding; over the counter drugs, except for antacids, acetaminophen, family planning products, aspirin, insulin, prenatal vitamins, and vitamins for children under the age of seven; nutritional products; anorectics; and drugs for which medical value has not been established. Payment to drug vendors shall not be*

modified before the formulary is (PROMULGATED) established. The commissioner may promulgate conditions for prohibiting payment for specific drugs after considering the formulary committee's recommendations.

The basis for determining the amount of payment shall be the actual acquisition cost of the drug plus a fixed dispensing fee established by the commissioner. Actual acquisition cost includes quantity and other special discounts except time and cash discounts. Establishment of this fee shall not be subject to the requirements of the administrative procedure act. Whenever a generically equivalent product is available, payment shall be on the basis of the actual acquisition cost of the generic drug, unless the prescriber specifically indicates "dispense as written" on the prescription as required by section 151.21, subdivision 2.

(11) Diagnostic, screening, and preventive services.

(12) Health care pre-payment plan premiums and insurance premiums if paid directly to a vendor and supplementary medical insurance benefits under Title XVIII of the Social Security Act.

(13) Abortion services, but only if one of the following conditions is met:

(a) The abortion is a medical necessity. "Medical necessity" means (1) the signed written statement of two physicians indicating the abortion is medically necessary to prevent the death of the mother, and (2) the patient has given her consent to the abortion in writing unless the patient is physically or legally incapable of providing informed consent to the procedure, in which case consent will be given as otherwise provided by law;

(b) The pregnancy is the result of criminal sexual conduct as defined in section 609.342, clauses (c), (d), (e)(i), and (f), and the incident is reported within 48 hours after the incident occurs to a valid law enforcement agency for investigation, unless the victim is physically unable to report the criminal sexual conduct, in which case the report shall be made within 48 hours after the victim becomes physically able to report the criminal sexual conduct; or

(c) The pregnancy is the result of incest, but only if the incident and relative are reported to a valid law enforcement agency for investigation prior to the abortion.

(14) Transportation costs incurred solely for obtaining emergency medical care or transportation costs incurred by non-ambulatory persons in obtaining emergency or non-emergency medical care when paid directly to an ambulance company, common carrier, or other recognized providers of transportation services. For the purpose of this clause, a person who is incapable

of transport by taxicab or bus shall be considered to be non-ambulatory.

(15) To the extent authorized by rule of the state agency, costs of bus or taxicab transportation incurred by any ambulatory eligible person for obtaining non-emergency medical care.

(16) Any other medical or remedial care licensed and recognized under state law unless otherwise prohibited by law.

Sec. 32. Minnesota Statutes 1981 Supplement, Section 256B.06, Subdivision 1, is amended to read:

Subdivision 1. Medical assistance may be paid for any person:

(1) Who is eligible for or receiving public assistance under the aid to families with dependent children program; or

(2) Who is eligible for or receiving supplemental security income for the aged, blind and disabled; or

(3) Who except for the amount of income or resources would qualify for supplemental security income for the aged, blind and disabled, or aid to families with dependent children and is in need of medical assistance; or

(4) Who is under 21 years of age and in need of medical care that neither he nor his relatives responsible under sections 256B.01 to 256B.26 are financially able to provide; or

(5) Who is residing in a hospital for treatment of mental disease or tuberculosis and is 65 years of age or older and without means sufficient to pay the per capita hospital charge; and

(6) Who resides in Minnesota, or, if absent from the state, is deemed to be a resident of Minnesota in accordance with the regulations of the state agency; and

(7) Who alone, or together with his spouse, does not own real property other than the homestead. For the purposes of this section, "homestead" means the house owned and occupied by the applicant as his dwelling place, together with the land upon which it is situated and an area no greater than two contiguous lots in a platted or laid out city or town or the smallest parcel allowed under applicable zoning regulations in unplatted land. Real estate not used as a home may not be retained unless it produces net income applicable to the family's needs or the family is making a continuing effort to sell it at a fair and reasonable price or unless sale of the real estate would net an insignificant amount of income applicable to the family's needs, or unless the

commissioner determines that sale of the real estate would cause undue hardship; and

(8) Who individually does not own more than \$2,000 in cash or liquid assets, or if a member of a household with two family members (husband and wife, or parent and child), does not own more than \$4,000 in cash or liquid assets, plus \$200 for each additional legal dependent. (WHEN ONLY ONE SPOUSE RESIDES, OR WILL RESIDE AFTER APPLYING FOR MEDICAL ASSISTANCE, IN A NURSING HOME, OR IS RECEIVING OR WILL RECEIVE ALTERNATIVE CARE UNDER THE ALTERNATIVE CARE GRANTS PROGRAM IN A COUNTY WITH PREADMISSION SCREENING UNDER SECTION 256B.091, THE CASH OR LIQUID ASSET AMOUNT FOR TWO FAMILY MEMBERS IS \$10,000). The value of the following shall not be included:

(a) the homestead, and (b) one motor vehicle licensed pursuant to chapter 168 and defined as: (1) passenger automobile, (2) station wagon, (3) motorcycle, (4) motorized bicycle or (5) truck of the weight found in categories A to E, of section 168.013, subdivision 1e; and

(9) Who has or anticipates receiving an annual income not in excess of \$2,600 for a single person, or \$3,250 for two family members (husband and wife, parent and child, or two siblings), plus \$625 for each additional legal dependent, or who has income in excess of these maxima and in the month of application, or during the three months prior to the month of application, incurs expenses for medical care that total more than one-half of the annual excess income in accordance with the regulations of the state agency. In computing income to determine eligibility of persons who are not residents of long term care facilities, the commissioner shall disregard increases in income of social security or supplementary security income recipients due solely to increases required by sections 215(i) and 1617 of the social security act, and shall disregard income of disabled persons that is also disregarded in determining eligibility for supplemental aid under section 256D.37, subdivision 1, unless prohibited by federal law or regulation. If prohibited, the commissioner shall first seek a waiver. In excess income cases, eligibility shall be limited to a period of six months beginning with the first of the month in which these medical obligations are first incurred; and

(10) Who has continuing monthly expenses for medical care that are more than the amount of his excess income, computed on a monthly basis, in which case eligibility may be established before the total income obligation referred to in the preceding paragraph is incurred, and medical assistance payments may be made to cover the monthly unmet medical need. In licensed nursing home and state hospital cases, income over and above that required for justified needs, determined pursuant to a schedule of contributions established by the commissioner of public

welfare, is to be applied to the cost of institutional care. The commissioner of public welfare may establish a schedule of contributions to be made by the spouse of a nursing home resident to the cost of care and shall seek a waiver from federal regulations which establish the amount required to be contributed by either spouse when one spouse is a nursing home resident; and

(11) Who has applied or agrees to apply all proceeds received or receivable by him or his spouse from automobile accident coverage and private health care coverage to the costs of medical care for himself, his spouse, and children. The state agency may require from any applicant or recipient of medical assistance the assignment of any rights accruing under private health care coverage. Any rights or amounts so assigned shall be applied against the cost of medical care paid for under this chapter. Any assignment shall not be effective as to benefits paid or provided under automobile accident coverage and private health care coverage prior to receipt of the assignment by the person or organization providing the benefits.

Sec. 33. Minnesota Statutes 1980, Section 268.16, Subdivision 3, is amended to read:

Subd. 3. [COLLECTION.] (1) If, after due notice, any employer defaults in any payment of contributions or interest due thereon or penalties for failure to file returns and other reports as and when required by the provisions of sections 268.03 to 268.24 or by any rule (OR REGULATION) of the commissioner, the amount due shall be collected by civil action in the name of the state of Minnesota, and any money recovered (ON ACCOUNT THEREOF) shall be credited to the funds provided for under the provisions of these sections. This remedy shall be in addition to (SUCH) other remedies (AS MAY BE HEREIN PROVIDED OR OTHERWISE) provided by law, and the employer adjudged in default shall pay the costs of (SUCH) *the* action. Civil actions brought under this section to collect contributions, interest due thereon, or penalties from an employer shall be heard by the court at the earliest possible date. No action for the collection of contributions or interest thereon shall be commenced more than four years after the contributions have been reported by the employer or determined by the commissioner to be due and payable. In any action herein provided for, judgment shall be entered against any defendant in default for want of answer or demurrer, for the relief demanded in the complaint without proof, together with costs and disbursements, upon the filing of an affidavit of default.

No action shall be commenced for the collection of contributions with respect to wages paid for services performed prior to the effective date of a subsequent provision of law enacted prior to July 1, 1941, excluding (SUCH) *the* service from coverage under sections 268.03 to 268.24.

(2) Any employing unit which is not a resident of this state and which exercises the privilege of having one or more individuals perform service for it within this state, and any resident employing unit which exercises that privilege and thereafter removes from this state, shall be deemed thereby to appoint the secretary of state as its agent and attorney for the acceptance of process in any civil action under this subdivision. In instituting (SUCH) an action against (ANY SUCH) *the* employing unit the commissioner shall cause (SUCH) *any* process or notice to be filed with the secretary of state, *together with payment of a fee of \$15*, and (SUCH) *the* service shall be sufficient service upon (SUCH) *the* employing unit, and shall be of the same force and validity as if served upon it personally within this state: Provided, that the commissioner shall forthwith send notice of the service of (SUCH) *the* process or notice, together with a copy thereof, by certified mail, return receipt requested, to (SUCH) *the* employing unit at its last known address and (SUCH) *the* return receipt, the commissioner's affidavit of compliance with the provisions of this section, and a copy of the notice of service, shall be appended to the original of the process filed in the court in which (SUCH) *the* civil action is pending.

Sec. 34. Minnesota Statutes 1980, Section 278.03, is amended to read:

278.03 [PAYMENT OF (PORTION OF) TAX.]

If the proceedings instituted by the filing of the petition have not been completed before the first day of June 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 November 1, 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 first day of June or the first 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 (50 PERCENT OF SUCH) *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. 35. Minnesota Statutes 1981 Supplement, Section 302A.901, Subdivision 2, is amended to read:

Subd. 2. [SERVICE ON SECRETARY OF STATE; WHEN PERMITTED.] If a corporation has appointed and maintained a registered agent in this state but neither its registered agent nor an officer of the corporation can be found at the registered office, or if a corporation fails to appoint or maintain a registered agent in this state and an officer of the corporation cannot be found at the registered office, then the secretary of state is the agent of the corporation upon whom the process, notice, or demand may be served. The return of the sheriff, or the affidavit of a person not a party, that no registered agent or officer can be found at the registered office in a county is conclusive evidence that the corporation has no registered agent or officer at its registered office. Service on the secretary of state of any process, notice, or demand is deemed personal service upon the corporation and shall be made by filing with the secretary of state duplicate copies of the process, notice, or demand. The secretary of state shall immediately forward, by (REGISTERED) *certified* mail, addressed to the corporation at its registered office, a copy of the process, notice, or demand. Service on the secretary of state is returnable in not less than 30 days notwithstanding a shorter period specified in the process, notice, or demand.

Sec. 36. Minnesota Statutes 1980, Section 303.07, is amended to read:

303.07 [(INITIAL) LICENSE (FEE) FEES.]

Subdivision 1. [INITIAL FEE.] At the time of making application for a certificate of authority the foreign corporation making (SUCH) *the* application shall pay to the state treasurer the sum of (\$125) \$150 as an initial license fee.

Subd. 2. [ANNUAL FEE.] The secretary of state shall collect an annual license fee from each foreign corporation holding a certificate of authority to transact business in this state. A foreign corporation shall pay \$15 per \$100,000 or fraction thereof of its Minnesota taxable net income for the last taxable year ending prior to the payment of the fee. If the taxable year ended less than 75 days before the date the fee is received by the secretary of state, the taxable net income from the preceding taxable year shall determine the fee. In no event shall the annual license fee be less than \$30. The corporation shall pay this fee by April 1 of each year.

Sec. 37. Minnesota Statutes 1980, Section 303.13, Subdivision 1, is amended to read:

Subdivision 1. [FOREIGN CORPORATION.] A foreign corporation shall be subject to service of process, as follows:

- (1) By service thereof on its registered agent;
- (2) When any foreign corporation authorized to transact business in this state fails to appoint or maintain in this state a registered agent upon whom service of process may be had, or whenever any registered agent cannot be found at its registered office in this state, as shown by the return of the sheriff of the county in which the registered office is situated, or whenever any corporation withdraws from the state, or whenever the certificate of authority of any foreign corporation is revoked or canceled, service may be made by delivering to and leaving with the secretary of state, or with any deputy or clerk in the corporation department of his office, three copies thereof and a fee of (\$10) \$15; provided, that after a foreign corporation withdraws from the state, pursuant to section 303.16, service upon the corporation may be made pursuant to the provisions of this section only when based upon a liability or obligation of the corporation incurred within this state or arising out of any business done in this state by the corporation prior to the issuance of a certificate of withdrawal.
- (3) If a foreign corporation makes a contract with a resident of Minnesota to be performed in whole or in part by either party in Minnesota, or if a foreign corporation commits a tort in whole or in part in Minnesota against a resident of Minnesota, such acts shall be deemed to be doing business in Minnesota by the foreign corporation and shall be deemed equivalent to the appointment by the foreign corporation of the secretary of the state of Minnesota and his successors to be its true and lawful attorney upon whom may be served all lawful process in any actions or proceedings against the foreign corporation arising from or growing out of the contract or tort. Process shall be served in duplicate upon the secretary of state, together with a fee of (\$10) \$15 and the secretary of state shall mail one copy thereof to the corporation at its last known address, and the corporation shall

have 20 days within which to answer from the date of the mailing, notwithstanding any other provision of the law. The making of the contract or the committing of the tort shall be deemed to be the agreement of the foreign corporation that any process against it which is so served upon the secretary of state shall be of the same legal force and effect as if served personally on it within the state of Minnesota.

Sec. 38. Minnesota Statutes 1980, Section 303.14, Subdivision 1, is amended to read:

Subdivision 1. [FILED WITH SECRETARY OF STATE; CONTENTS.] Between January first and April first, in each year, every foreign corporation which holds a certificate of authority shall make and file with the secretary of state a report for the (NEXT PRECEDING) *previous* calendar year, setting forth:

(1) the name of the corporation and the state or country under the laws of which it is organized;

(2) if the name of the corporation does not end with the word "Corporation" or the word "Incorporated," or the abbreviation "Inc.," or does not contain the word "Company" or the abbreviation "Co." not immediately preceded by the word "and" or the character "&," then the name of the corporation with the word or abbreviation which it has agreed to add thereto for use in this state;

(3) the date of its incorporation and the period of its duration;

(4) the address of its principal office in the state or country under the laws of which it is organized;

(5) the address of its registered office in this state and the name of its registered agent at such address;

(6) the names and respective addresses of its directors and officers;

(7) (A STATEMENT OF THE AGGREGATE NUMBER OF SHARES HAVING PAR VALUE AND OF SHARES WITHOUT PAR VALUE WHICH IT HAS AUTHORITY TO ISSUE, ITEMIZED BY CLASSES AND SERIES;)

((8) A STATEMENT OF THE AGGREGATE NUMBER OF ITS ISSUED OR ALLOTTED SHARES HAVING PAR VALUE AND OF SHARES WITHOUT PAR VALUE, ITEMIZED BY CLASSES AND SERIES;)

((9) A STATEMENT EXPRESSING IN DOLLARS THE VALUE OF ALL THE PROPERTY OWNED BY THE CORPORATION, WHEREVER LOCATED, AND THE VALUE OF ALL ITS PROPERTY LOCATED WITHIN THIS STATE;)

((10) A STATEMENT EXPRESSING IN DOLLARS THE GROSS RECEIPTS OF THE CORPORATION IN SUCH CALENDAR YEAR DERIVED FROM ITS BUSINESS OPERATIONS WHEREVER TRANSACTED, AND THE GROSS RECEIPTS OF THE CORPORATION IN SUCH CALENDAR YEAR DERIVED FROM ITS BUSINESS OPERATIONS TRANSACTED, IN WHOLE OR IN PART, WITHIN THIS STATE; AND)

((11) SUCH) additional information (AS MAY BE) necessary or appropriate to enable the secretary of state to determine the additional license fee, if any, payable by (SUCH) the corporation (.)

(THE INFORMATION REQUIRED BY CLAUSES (7) TO (9) SHALL BE GIVEN AS OF THE CLOSE OF THE NEXT PRECEDING CALENDAR YEAR.);

(8) *a statement of the corporate taxable net income as stated in its Minnesota corporate income tax return that was due in the previous year; and*

(9) *the fee required by section 303.07, subdivision 2. This fee shall be submitted with the annual report.*

Sec. 39. Minnesota Statutes 1980, Section 303.14, Subdivision 3, is amended to read:

Subd. 3. [FORMS.] (SUCH) *The annual report shall be made on forms prescribed by the secretary of state, in two separable parts, one part setting forth the facts required by subdivision 1, clauses (1) to ((8)) (6), and the other part the facts required by subdivision 1, clauses ((9)) (7), ((10)) (8), and ((11)) (9); (SUCH) the report shall be executed, acknowledged and verified by the president or vice-president and by the treasurer, an assistant treasurer, secretary or an assistant secretary of the corporation; or, if the corporation is in the hands of a receiver or trustee, (SUCH) the report shall be executed on behalf of the corporation and verified by (SUCH) the receiver or trustee.*

Sec. 40. Minnesota Statutes 1980, Section 303.14, Subdivision 5, is amended to read:

Subd. 5. [DIVULGENCE OF CONTENTS FORBIDDEN.] *It shall be unlawful for the secretary of state or any other public official or employee to divulge or otherwise make known*

in any manner any of the particulars with reference to the (VALUE OF THE PROPERTY OWNED BY SUCH CORPORATION OR THE AMOUNT OF THE GROSS RECEIPTS OF SUCH CORPORATION) *taxable net income* set forth or disclosed as a part of any annual report. Nothing herein shall be construed to prohibit the inspection of the full reports by officials and employees of this state in the performance of their duties with respect to license fees due from the corporation making (SUCH) *the* report. Any person violating any of the prohibitions of this subdivision shall be guilty of a gross misdemeanor.

Sec. 41. Minnesota Statutes 1980, Section 303.16, Subdivision 2, is amended to read:

Subd. 2. [CONTENTS OF APPLICATION.] The application for withdrawal shall set forth:

(1) the name of the corporation and the state or country under the laws of which it is organized;

(2) that it has no property located in this state and has ceased to transact business therein;

(3) that its board of directors has duly determined to surrender its authority to transact business in this state;

(4) that it revokes the authority of its registered agent in this state to accept service of process;

(5) the address to which the secretary of state shall mail a copy of any process against the corporation that may be served upon him;

(6) that it will pay to the state treasurer the amount of any additional license fees properly found by the secretary of state to be then due from such corporation; and

(7) (SUCH) additional information (AS MAY BE) required or demanded by the secretary of state to enable him to determine the additional license fees, if any, payable by (SUCH) *the* corporation, the determination thereof to be made in the manner provided by section (303.15, EXCEPT THAT IN COMPUTING SUCH ADDITIONAL LICENSE FEE THE AMOUNT TO BE USED AS THE VALUE OF THE PROPERTY OF THE CORPORATION LOCATED WITHIN THIS STATE SHALL BE THE HIGHEST AMOUNT OR VALUE OF SUCH PROPERTY AT ANY TIME IN THE CALENDAR YEAR IN WHICH THE APPLICATION FOR WITHDRAWAL IS FILED) 303.07, *subdivision 2.*

Sec. 42. Minnesota Statutes 1980, Section 303.16, Subdivision 4, is amended to read:

Subd. 4. [APPROVAL; FILING.] (SUCH) *The* application for withdrawal shall be delivered to the secretary of state. Upon receipt thereof he shall examine the same, and if he finds that it conforms to the provisions of this chapter, he shall, when all license fees, filing fees, and other charges have been paid as required by law, file the same in his office and shall issue and record a certificate of withdrawal (, AND SHALL THEREUPON TRANSMIT SUCH CERTIFICATE, TOGETHER WITH A FEE OF \$1, TO THE COUNTY RECORDER OF THE COUNTY IN WHICH THE REGISTERED OFFICE OF THE CORPORATION IN THIS STATE IS SITUATED, AND THE COUNTY RECORDER SHALL RECORD SUCH CERTIFICATE FOR SUCH FEE). Upon the issuance of (SUCH) *the* certificate, the authority of the corporation to transact business in this state shall cease.

Sec. 43. Minnesota Statutes 1980, Section 303.17, Subdivision 4, is amended to read:

Subd. 4. [CERTIFICATE OF REVOCATION.] Upon revoking (SUCH) *the* certificate of authority, the secretary of state shall:

(1) Issue a certificate of revocation, in duplicate; *and*

(2) (TRANSMIT ONE OF SUCH CERTIFICATES TO THE COUNTY RECORDER OF THE COUNTY IN WHICH THE REGISTERED OFFICE OF THE CORPORATION IN THIS STATE IS SITUATED, AND THE COUNTY RECORDER SHALL RECORD THE SAME WITHOUT ANY FEE THEREFOR; AND)

((3)) Mail to (SUCH) *the* corporation, at its principal office in the state or country under the laws of which it is organized, a notice of (SUCH) *the* revocation, accompanied by (ONE SUCH) *a* certificate of revocation, and mail to (SUCH) *the* corporation, at its registered office in this state, a notice of (SUCH) *the* revocation.

Sec. 44. Minnesota Statutes 1980, Section 303.18, Subdivision 3, is amended to read:

Subd. 3. [JUDGMENT OF CANCELLATION.] The attorney general shall cause two certified copies of the judgment canceling a certificate of authority to be delivered to the secretary of state. The secretary of state shall file one copy in his office, and shall transmit the other copy to the (COUNTY RECORDER OF THE COUNTY IN WHICH THE) registered office of the corporation in this state (IS SITUATED. THE COUNTY

RECORDER SHALL RECORD THE SAME WITHOUT ANY FEE THEREFOR).

Sec. 45. Minnesota Statutes 1980, Section 303.19, Subdivision 2, is amended to read:

Subd. 2. [FEE]. If the certificate of authority was revoked by the secretary of state pursuant to section 303.17, the corporation shall pay to the state treasurer (\$200) \$250 before it may be reinstated.

If the certificate of authority was canceled by a judgment pursuant to section 303.18, the corporation shall pay to the state treasurer \$500 before it may be reinstated.

Sec. 46. Minnesota Statutes 1980, Section 303.19, Subdivision 3, is amended to read:

Subd. 3. [CERTIFICATE OF REINSTATEMENT.] Upon the filing of (SUCH) *the* application and upon payment of all penalties, fees and charges required by law, not including (, HOWEVER,) an initial license fee or additional license fees to the extent that (THE SAME) *they* have (THERETOFORE) *previously* been paid by (SUCH) *the* corporation, the secretary of state shall reinstate the license of (SUCH) *the* corporation (, AND SHALL ISSUE AND RECORD A CERTIFICATE OF REINSTATEMENT AND SHALL TRANSMIT SUCH CERTIFICATE, TOGETHER WITH A FEE OF \$1, TO THE COUNTY RECORDER OF THE COUNTY IN WHICH THE REGISTERED OFFICE OF THE CORPORATION IN THIS STATE IS SITUATED. THE COUNTY RECORDER SHALL RECORD SUCH CERTIFICATE FOR SUCH FEE).

Sec. 47. Minnesota Statutes 1980, Section 303.21, is amended by adding a subdivision to read:

Subd. 3. [OTHER INSTRUMENTS.] A fee of \$20 shall be paid to the secretary of state for filing any instrument required or permitted to be filed under the provisions of this chapter. The fee shall be paid at the time of the filing of the instrument.

Sec. 48. Minnesota Statutes 1980, Section 303.22, is amended to read:

303.22 [APPLICABLE TO PRESENT CORPORATIONS.]

Except as in this section otherwise provided, this chapter shall be applicable to all foreign corporations heretofore or hereafter transacting business in this state.

Any foreign corporation licensed to transact business in this state when this chapter became effective, which thereafter obtains a certificate of authority, pursuant to the provisions of this section, may continue to transact business in this state pursuant to (SUCH) *the* certificate of authority, using the name under which it was, on the effective date of this chapter, licensed to transact business in this state, whether or not the use of (SUCH) *the* name is in violation of the provisions of section 303.05.

Nothing herein contained shall be construed to exempt (SUCH) *the* foreign corporation from the obligation of making annual reports and paying (ADDITIONAL) license fees in accordance with the provisions of this chapter.

(IN COMPUTING ANY ADDITIONAL LICENSE FEES FOR SUCH CORPORATION THERE SHALL BE CREDITED ALL LICENSE FEES PAID BY SUCH CORPORATION TO THIS STATE UNDER THIS CHAPTER AND UNDER ANY PRIOR LAWS RELATING TO THE ADMISSION OF FOREIGN CORPORATIONS TO DO BUSINESS IN THIS STATE.)

Sec. 49. Minnesota Statutes 1980, Section 303.23, Subdivision 1, is amended to read:

Subdivision 1. [PRIMA FACIE EVIDENCE; RECORDING.] Any certificate issued by the secretary of state pursuant to the provisions of this chapter, and copies of (SUCH) *the* certificates certified by him, shall be prima facie evidence of the matters stated therein (AND, EXCEPT CERTIFICATES ISSUED PURSUANT TO SUBDIVISION 2, MAY BE RECORDED IN THE OFFICE OF THE COUNTY RECORDER OF ANY COUNTY IN THIS STATE).

Sec. 50. Minnesota Statutes 1980, Section 308.06, Subdivision 4, is amended to read:

Subd. 4. The original articles of incorporation, or a certified copy of them, verified by the affidavits of two of the incorporators, shall be filed with the secretary of state and a copy, certified and verified as above required, shall be recorded in the office of the county recorder of the county in which the principal place of business of the association is located. For filing the articles of incorporation, or amendments to them, with the secretary of state a fee of (\$10) \$15 shall be paid to the secretary of state.

Sec. 51. Minnesota Statutes 1980, Section 308.85, is amended to read:

308.85 [FEES.]

For filing articles of incorporation, or amendments thereto, any association organized under sections (308.53) 308.29 to 308.84 shall pay (\$10) \$15.

Sec. 52. Minnesota Statutes 1980, Section 317.04, Subdivision 2, is amended to read:

Subd. 2. [ELECTION TO REJECT.] (1) When there are members with voting rights, election by a corporation to reject the provisions of sections 317.01 to 317.25 shall be by a resolution (a) approved by the board of directors at a meeting duly called for the purpose of considering it; and (b) adopted at a subsequent annual, regular, or special meeting, of which a notice stating the purpose has been duly given, by a majority vote of all members of record entitled to vote.

(2) When there are no members with voting rights, election by a corporation to reject the provisions of sections 317.01 to 317.25 shall be by a resolution adopted by a majority vote of all the directors entitled to vote at a special meeting of the board of directors, notice having been duly given.

(3) Within 15 months after April 21, 1951, the corporation shall file a copy of the adopted resolution to reject, certified by the president or vice president and the secretary or assistant secretary, accompanied by a filing fee of (\$5) \$15, in the office of the secretary of state (, AND SHALL FILE A COPY THEREOF, DULY CERTIFIED BY THE SECRETARY OF STATE, FOR RECORD, ACCOMPANIED BY THE REQUIRED RECORDING FEE, IN THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY IN WHICH THE PRINCIPAL PLACE OF BUSINESS OF THE CORPORATION IS LOCATED).

(4) THE ELECTION TO REJECT SECTIONS 317.01 TO 317.25 BECOMES EFFECTIVE UPON THE FILING FOR RECORD OF A COPY OF THE ADOPTED RESOLUTION, DULY CERTIFIED BY THE SECRETARY OF STATE, IN THE OFFICE OF THE COUNTY RECORDER ONLY IF THE RESOLUTION IS FILED FOR RECORD WITHIN THE 15 MONTH PERIOD PRESCRIBED IN CLAUSE (3.)

Sec. 53. Minnesota Statutes 1980, Section 317.04, Subdivision 3, is amended to read:

Subd. 3. [ELECTION TO ACCEPT.] (1) Whether or not a domestic corporation has elected to reject under subdivision 2, it may at any time accept and come under the provisions of sections 317.01 to 317.25 by adopting a resolution of acceptance by a majority vote of all the directors entitled to vote at a special meeting of the board of directors, notice having been duly given, and by certifying and filing the resolution in the manner pre-

scribed by subdivision 2, clause (3), for effecting a rejection. For filing a resolution of acceptance the secretary of state shall collect a fee of (\$10) \$15.

(2) The election to accept sections 317.01 to 317.25 becomes effective upon the filing for record ((A)) of a copy of the adopted resolution to accept, together with articles of incorporation and amendments thereto with the secretary of state (, AND (B) OF THE RESOLUTION TO ACCEPT, DULY CERTIFIED BY THE SECRETARY OF STATE, WITH THE COUNTY RECORDER OF THE COUNTY IN WHICH THE PRINCIPAL PLACE OF BUSINESS OF THE CORPORATION IS LOCATED).

Sec. 54. Minnesota Statutes 1980, Section 317.36, is amended to read:

317.36 [AGREEMENT, FILING, RECORDING; CERTIFICATE ISSUED.]

(1) Upon execution of the agreement of merger or consolidation, the agreement and required copies shall be delivered to the secretary of state at his office, accompanied by the fees prescribed by section 317.67.

(2) If the secretary of state finds that the agreement conforms to law, and the prescribed fees have been paid, he shall endorse his approval upon the agreement and each copy, file and record the original of the agreement in his office, and issue a certificate of merger or a certificate of consolidation and incorporation, as (THE CASE MAY BE) *appropriate*. The secretary of state shall file and record a copy of the certificate in his office. (HE SHALL RETAIN A SUFFICIENT NUMBER OF THE REMAINING COPIES OF THE AGREEMENT TO ENABLE HIM TO COMPLY WITH CLAUSE (3).) He shall return the remaining copies bearing the endorsement of his approval, together with the certificate of merger or the certificate of consolidation and incorporation, to the single corporation.

((3) THE SECRETARY OF STATE SHALL FILE FOR RECORD A COPY OF THE AGREEMENT, CERTIFIED AS REQUIRED BY SECTION 317.35, CLAUSE (2), IN THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY IN WHICH EACH CONSTITUENT CORPORATION HAD ITS REGISTERED OFFICE AND IN THE COUNTY IN WHICH THE SINGLE CORPORATION HAS ITS REGISTERED OFFICE.)

Sec. 55. Minnesota Statutes 1980, Section 317.42, Subdivision 3, is amended to read:

Subd. 3. [FILING, RECORDING.] When a domestic corporation merges or consolidates with a foreign corporation pursuant to the law of a state or place other than this state, the single corporation shall file for record a copy of the agreement of merger or consolidation, certified by the proper official of (SUCH) *the* state or place, accompanied by the fees prescribed by section 317.67, in the office of the secretary of state of this state. (THE SECRETARY OF STATE SHALL FILE FOR RECORD A CERTIFIED COPY OF THE AGREEMENT OF MERGER OR CONSOLIDATION IN THE OFFICE OF THE COUNTY RECORDER OF EACH COUNTY IN THIS STATE IN WHICH THE REGISTERED OFFICE OF A CONSTITUENT DOMESTIC CORPORATION WAS LOCATED.)

Sec. 56. Minnesota Statutes 1980, Section 317.67, Subdivision 2, is amended to read:

Subd. 2. (IN ADDITION TO THE FEES PRESCRIBED BY SUBDIVISION 1,) The secretary of state shall collect a fee of (\$10) \$15 for filing any instrument that is required to be filed under this chapter.

Sec. 57. Minnesota Statutes 1980, Section 330.01, Subdivision 1, is amended to read:

Subdivision 1. (a) The county auditor may license any person having the qualifications specified in clause (b) of this subdivision as an auctioneer. (SUCH) *The* license shall be issued by the auditor and shall authorize the licensee to conduct the business of an auctioneer in the state of Minnesota for the period of one year. It shall be recorded by the auditor in a book kept for that purpose. Before (SUCH) *the* license is issued the applicant shall pay into the county treasury a fee of (\$15) \$20. The auditor shall, not later than the 15th day of the following month, transmit a copy of the license to the secretary of state together with (\$5) \$10 of the fee, which shall be deposited in the general fund.

(b) A natural person is qualified to be licensed as an auctioneer if 18 years of age or over and a resident of the county of application for at least six months immediately preceding the date of application. No copartnership, association or corporation may be licensed as an auctioneer. However, nothing in this subdivision shall be construed as preventing auctioneers who are duly licensed in accordance with the provisions of this chapter, from combining in associations, copartnerships, or corporations, provided that each and every member of (SUCH) *these* associations or copartnerships and each and every person or agent conducting auction sales on behalf of (SUCH) *these* corporations is a duly licensed auctioneer as provided in this chapter. Nothing herein shall be construed to apply to a person selling at an auction property owned by him for at least six months.

Sec. 58. Minnesota Statutes 1980, Section 345.32, is amended to read:

345.32 [PROPERTY HELD BY BANKING OR FINANCIAL ORGANIZATIONS OR BY BUSINESS ASSOCIATIONS.]

The following property held or owing by a banking or financial organization or by a business association is presumed abandoned:

(a) Any demand, savings or matured time deposit made in this state with a banking organization, together with any interest or dividend thereon, excluding contracted service charges which may be deducted for a period not to exceed one year, unless the owner has, within (SEVEN) *five* years:

(1) increased or decreased the amount of the deposit, or presented the passbook or other similar evidence of the deposit for the crediting of interest; or

(2) corresponded in writing with the banking organization concerning the deposit; or

(3) otherwise indicated an interest in the deposit as evidenced by a memorandum on file with the banking organization; or

(4) received tax reports or regular statements of the deposit by mail from the banking or financial organization regarding the deposit. Receipt of the statement by the owner should be presumed if the statement is mailed first class by the banking or financial organization and not returned; or

(5) acted as provided in paragraphs (1), (2), (3) and (4) of this subsection in regard to another demand, savings or time deposit made with the banking or financial organization.

(b) Any funds or dividends deposited or paid in this state toward the purchase of shares or other interest in a business association where the stock certificates or other evidence of interest in the business have not been issued, or in a financial organization, and any interest or dividends thereon, excluding contracted service charges which may be deducted for a period not to exceed one year, unless the owner has within (SEVEN) *five* years:

(1) increased or decreased the amount of the funds or deposit, or presented an appropriate record for the crediting of interest or dividends; or

(2) corresponded in writing with the financial organization concerning the funds or deposit; or

(3) otherwise indicated an interest in the funds or deposit as evidenced by a memorandum on file with the financial organization; or

(4) received tax reports or regular statements of the deposit or accounting by mail from the financial organization or business association regarding the deposit. Receipt of the statement by the owner should be presumed if the statement is mailed first class by the financial organization or business association and not returned.

(c) Any sum, excluding contracted service charges which may be deducted for a period not to exceed one year, payable on checks certified in this state or on written instruments issued in this state on which a banking or financial organization or business association is directly liable, including, by way of illustration but not of limitation, drafts, money orders and traveler's checks, that has been outstanding for more than (SEVEN) *five* years from the date it was payable, or from the date of its issuance if payable on demand, or, in the case of traveler's checks, has been outstanding for more than 15 years from the date of its issuance, unless the owner has within (SEVEN) *five* years, or within 15 years in the case of traveler's checks, corresponded in writing with the banking or financial organization or business association concerning it, or otherwise indicated an interest as evidenced by a memorandum on file with the banking or financial organization or business association.

(d) Any funds or other personal property, tangible or intangible, removed from a safe deposit box or any other safekeeping repository in this state on which the lease or rental period has expired due to nonpayment of rental charges or other reason, that have been unclaimed by the owner for more than (SEVEN) *five* years from the date on which the lease or rental period expired.

(1) If the amount due for the use or rental of a safe deposit box has remained unpaid for a period of six months, the bank, savings bank, trust company, savings and loan, or safe deposit company shall, within 60 days of the expiration of that period, send by certified mail, addressed to the renter or lessee of the safe deposit box, directed to the address standing on its books, a written notice that, if the amount due for the use or rental of the safe deposit box is not paid within 60 days after the date of the mailing of the notice, it will cause the safe deposit box to be opened and its contents placed in one of its general safe deposit boxes.

(2) Upon the expiration of 60 days from the date of mailing the notice, and in default of payment within the 60 days of the amount due for the use or rental of the safe deposit box, the bank, savings bank, trust company, savings and loan, or safe deposit company, in the presence of its president, vice-president, secre-

tary, treasurer, assistant secretary, assistant treasurer or superintendent, or such other person as specifically designated by its board of directors, and of a notary public not in its employ, shall cause the safe deposit box to be opened and the contents thereof, to be removed and sealed by the notary public in a package, upon which he shall mark the name of the renter or lessee and also the estimated value of the contents of the safe deposit box and, in the presence of one of the bank officers listed above, the notary public shall place the package in one of the bank's general safe deposit boxes and set out the proceedings in a certificate under his official seal, which shall be delivered to the bank, savings bank, trust company, savings and loan, or safe deposit company.

(3) The bank, savings bank, trust company, savings and loan, or safe deposit company shall hold the contents of abandoned safe deposit boxes until they are claimed by the owner or the bank turns them over to the state treasurer pursuant to chapter 345.

Sec. 59. Minnesota Statutes 1980, Section 345.33, is amended to read:

345.33 [UNCLAIMED FUNDS HELD BY LIFE INSURANCE CORPORATIONS.]

(a) Unclaimed funds, as defined in this section, held and owing by a life insurance corporation shall be presumed abandoned if the last known address, according to the records of the corporation, of the person entitled to the funds is within this state. If a person other than the insured or annuitant is entitled to the funds and no address of such person is known to the corporation or if it is not definite and certain from the records of the corporation what person is entitled to the funds, it is presumed that the last known address of the person entitled to the funds is the same as the last known address of the insured or annuitant according to the records of the corporation.

(b) "Unclaimed funds," as used in this section, means all moneys held and owing by any life insurance corporation unclaimed and unpaid for more than (SEVEN) *five* years after the moneys became due and payable as established from the records of the corporation under any life or endowment insurance policy or annuity contract which has matured. A life insurance policy not matured by actual proof of the death of the insured is deemed to be matured and the proceeds thereof are deemed to be due and payable if such policy was in force when the insured attained the limiting age under the mortality table on which the reserve is based, unless the person appearing entitled thereto has within the preceding (SEVEN) *five* years, (1) assigned, readjusted or paid premiums on the policy, or subjected the policy to loan, or (2) corresponded in writing with the life insurance corporation concerning the policy. Moneys or drafts

otherwise payable according to the records of the corporation are deemed due and payable although the policy or contract has not been surrendered as required.

Sec. 60. Minnesota Statutes 1980, Section 345.34, is amended to read:

345.34 [DEPOSITS HELD BY UTILITIES.]

Any deposit held or owing by any utility made by a subscriber after January 1, 1960, to secure payment for, or any sum paid in advance for, utility services to be furnished in this state, excluding any charges that may lawfully be withheld, that has remained unclaimed by the person appearing on the records of the utility entitled thereto for more than (SEVEN YEARS) *one year* after the termination of the services for which the deposit or advance payment was made is presumed abandoned.

Sec. 61. Minnesota Statutes 1980, Section 345.37, is amended to read:

345.37 [PROPERTY HELD BY FIDUCIARIES.]

All intangible personal property and any income or increment thereon, held in a fiduciary capacity for the benefit of another person is presumed abandoned unless the owner has, within (SEVEN) *five* years after it becomes payable or distributable, increased or decreased the principal, accepted payment of principal or income, corresponded in writing concerning the property, or otherwise indicated an interest as evidenced by a memorandum on file with the fiduciary if:

(a) the property is held by a banking organization or a financial organization or by a business association organized under the laws of or created in this state; or

(b) it is held by a business association, doing business in this state, but not organized under the laws of or created in this state, and the records of the business association indicate that the last known address of the person entitled thereto is in this state; or

(c) it is held in this state by any other person.

Sec. 62. Minnesota Statutes 1980, Section 345.38, is amended to read:

345.38 [PROPERTY HELD BY STATE COURTS AND PUBLIC OFFICERS AND AGENCIES.]

Subdivision 1. All intangible personal property held for the owner by any court, public corporation, public authority or public officer of this state, or a political subdivision thereof, that has remained unclaimed by the owner for more than (SEVEN) *five* years is presumed abandoned except as provided in section 524.3-914.

Subd. 2. This section shall not apply to property held for persons while residing in public correctional or other institutions. As to such persons, said property shall be presumed abandoned if it has remained unclaimed by the owner for more than (SEVEN) *five* years after such residence ceases.

Subd. 3. All intangible personal property held for the owner by any government or political subdivision or agency, that has remained unclaimed by the owner for more than (SEVEN) *five* years is presumed abandoned and is reportable pursuant to section 345.41, if:

(a) the last known address as shown on the records of the holder of the apparent owner is in this state; or

(b) no address of the apparent owner appears on the records of the holder; and

(1) the last known address of the apparent owner is in this state; or

(2) the holder is domiciled in this state and has not previously transferred the property to the state of the last known address of the apparent owner.

Sec. 3. Minnesota Statutes 1980, Section 345.39, is amended to read:

345.39 [MISCELLANEOUS PERSONAL PROPERTY HELD FOR ANOTHER PERSON.]

All intangible personal property, not otherwise covered by sections 345.31 to 345.60, including any income or increment thereon, but excluding any charges that may lawfully be withheld, that is held or owing in this state in the ordinary course of the holder's business and has remained unclaimed by the owner for more than (SEVEN) *five* years after it became payable or distributable is presumed abandoned. Property covered by this section includes, but is not limited to: (a) unclaimed wages or workers' compensation; (b) deposits or payments for repair or purchase of goods or services; (c) credit checks or memos, or customer overpayments; (d) unidentified remittances, unrefunded overcharges; (e) unpaid claims, unpaid accounts payable or unpaid commissions; (f) unpaid mineral proceeds,

royalties or vendor checks; and (g) credit balances, accounts receivable and miscellaneous outstanding checks.

Sec. 64. Minnesota Statutes 1980, Section 352.04, Subdivision 2, is amended to read:

Subd. 2. [EMPLOYEE CONTRIBUTIONS.] The employee contribution to the fund shall be an amount equal to (FOUR) 3.73 percent of salary, beginning with the first full pay period after (JUNE 30, 1973) *December 31, 1981; provided, however, that for the period beginning with the first full pay period after December 31, 1981, and ending with the last full pay period before July 1, 1982, the contribution shall be an amount equal to 3.46 percent of salary.* These contributions shall be made by deduction from salary in the manner provided in subdivision 4.

Sec. 65. Minnesota Statutes 1980, Section 352.04, Subdivision 3, is amended to read:

Subd. 3. [EMPLOYER CONTRIBUTIONS.] The employer contribution to the fund shall be an amount equal to the total amount deducted from the salaries of employees on each payroll abstract, plus an additional (TWO) 1.87 percent of salary beginning with the first full pay period after (JUNE 30, 1973) *December 31, 1981; provided, however, that for the period beginning with the first full pay period after December 31, 1981, and ending with the last full pay period before July 1, 1982, the contribution shall be an amount equal to 3.46 percent of salary plus an additional 1.74 percent of salary.* The employer contribution shall be made in the manner provided in subdivisions 5 and 6.

Sec. 66. Minnesota Statutes 1980, Section 352.92, Subdivision 1, is amended to read:

Subdivision 1. [EMPLOYEE CONTRIBUTIONS.] Beginning with the first full pay period after (JUNE 30, 1973) *December 31, 1981, in lieu of employee contributions payable under section 352.04, subdivision 2, contributions by covered correctional employees shall be in an amount equal to (SIX) 4.89 percent of salary; provided, however, that for the period beginning with the first full pay period after December 31, 1981, and ending with the last full pay period before July 1, 1982, the contribution shall be in an amount equal to 3.78 percent of salary.*

Sec. 67. Minnesota Statutes 1980, Section 352.92, Subdivision 2, is amended to read:

Subd. 2. [EMPLOYER CONTRIBUTIONS.] Beginning with the first full pay period after (JUNE 30, 1973) *December 31, 1981, in lieu of employer contributions payable under section 352.04; subdivision 3, the employer shall contribute for covered correctional employees (1) an amount equal to 1 1/2 times the deduction from salaries of covered correctional employees*

on each payroll abstract, plus (2) an additional amount of (FIVE) 4.08 percent of salaries of covered correctional employees on each payroll abstract; *provided, however, that for the period beginning with the first full pay period after December 31, 1981, and ending with the last full pay period before July 1, 1982, the contribution shall be an amount equal to 5.66 percent of salaries of covered correctional employees on each payroll abstract plus an additional amount equal to 3.16 percent of salaries of covered correctional employees on each payroll abstract.*

Sec. 68. Minnesota Statutes 1981 Supplement, Section 352D.04, Subdivision 2, is amended to read:

Subd. 2. The moneys used to purchase shares under this section shall be the employee (, EMPLOYER) and employer (ADDITIONAL) contributions (AS) provided in (SECTION 352.04, SUBDIVISIONS 2 AND 3) *this subdivision.*

(a) *The employee contribution shall be an amount equal to four percent of salary.*

(b) *The employer contribution shall be an amount equal to six percent of salary.*

These contributions shall be made by deduction from salary in the manner provided in section 352.04, subdivisions 4, 5, and 6.

Sec. 69. Minnesota Statutes 1980, Section 352D.09, Subdivision 7, is amended to read:

Subd. 7. One-tenth of one percent of salary shall be deducted from the employee contributions (AUTHORIZED BY SECTION 352.04, SUBDIVISION 2,) and one-tenth of one percent of salary from the employer contributions authorized by section (352.04, SUBDIVISION 3, CLAUSE (1)) *352D.04, subdivision 2, to pay the administrative expenses of the unclassified program.*

Sec. 70. Minnesota Statutes 1980, Section 473.408, Subdivision 3, is amended to read:

Subd. 3. [SPECIAL FARES.] In off-peak hours the commission and other operators shall charge the following reduced fares for transit service:

(a) not more than 20 cents plus any zone charges for all persons under the age of 18 holding an identification card issued by the commission;

(b) not more than ten cents for all persons 65 years of age and over holding a medicare card or other identification card authorized or approved by the commission; and

(c) not more than one-half of the full fare for all handicapped persons, as defined by the commission.

(ANY PERSON QUALIFYING FOR A REDUCED FARE PURSUANT TO CLAUSE (B) WHOSE INCOME IS BELOW 150 PERCENT OF POVERTY GUIDELINES ESTABLISHED BY THE FEDERAL COMMUNITY SERVICES ADMINISTRATION MAY QUALIFY FOR EXEMPTION FROM THE FARE OTHERWISE REQUIRED TO BE PAID UNDER CLAUSE (B). THE PERSON MAY QUALIFY FOR EXEMPTION BY CERTIFYING INCOME LEVEL ON A FORM PROVIDED BY THE COMMISSION. THE COMMISSION SHALL ISSUE AN ANNUAL PASS TO PERSONS WHO QUALIFY FOR EXEMPTION AND SHALL REQUIRE THE PERSONS TO REQUALIFY ANNUALLY. THE COMMISSION SHALL MAKE APPROPRIATE CERTIFICATION FORMS AVAILABLE BY MAIL AND AT THE OFFICES AND INFORMATION CENTERS MAINTAINED BY THE COMMISSION.)

Sec. 71. Minnesota Statutes 1981 Supplement, Section 473.446, Subdivision 1, is amended to read:

Subdivision 1. [TAXATION WITHIN TRANSIT TAXING DISTRICT.] For the purposes of sections 473.401 to 473.451 and the metropolitan transit system, except as otherwise provided in this subdivision the metropolitan transit commission 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 equal to (1.72) *two* mills times the assessed value of all such property, the proceeds of which shall be used for payment of the expenses of operating transit and paratransit service;

(b) An additional amount, if any, as the commission determines to be necessary to provide for the full and timely payment of its certificates of indebtedness and other obligations outstanding on July 1, 1977, 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, or other obligations issued pursuant to section 473.436 for purposes of acquisition and betterment of property and other improvements of a capital nature and to which the commission has specifically pledged tax levies under this clause.

In any statutory or home rule charter city or town in the metropolitan transit taxing district which is receiving financial assistance under section 174.265, the commission shall levy a tax equal to ten percent of the sum of levies provided for in clauses (a) to (c), plus a levy sufficient to yield the amounts of available local transit funds transferred pursuant to section 174.265 from the state assistance available to the commission, less any amount paid to the commission by the city or town under a contract for service entered into pursuant to subdivision 2.

Sec. 72. Minnesota Statutes 1980, Section 540.152, is amended to read:

540.152 [SERVICE OF PROCESS ON UNIONS, GROUPS OR ASSOCIATIONS.]

The transaction of any acts, business or activities within the state of Minnesota by any officer, agent, representative, employee or member of any union or other groups or associations having officers, agents, members or property without the state on behalf of the union or other groups or associations or any of its members or affiliated local unions shall be deemed an appointment by the union or other groups or associations of the secretary of state of the state of Minnesota to be the true and lawful attorney of the union or other groups or associations, upon whom may be served all legal processes or notices in any action or proceeding against or involving the union or other groups or associations growing out of any acts, business or activities within the state of Minnesota resulting in damage or loss to person or property or giving rise to any cause of action under the laws of the state of Minnesota or to any matters or proceedings arising under the Minnesota Labor Relations Act. Such acts, business or activities shall be a signification of the agreement of the union or other groups or associations and its members that any process or notice in any action, matter or proceeding against or involving it, which is so served, shall be of the same legal force and validity as if served upon the union or other groups or associations and its members personally. Service of process or notice shall be made by filing a copy thereof in the office of the secretary of state, together with payment of a fee of (\$10) \$15 and together with an affidavit that no officer or managing agent of the union or other group or association has been found in this state (AND THEREUPON). The service shall be sufficient service upon the union or other groups or associations and its members (, AND). Notice of service and a copy of the process or notice shall, within ten days thereafter, be sent by mail by the person who caused it to be served on the union or other groups or associations at its last known address and an affidavit of compliance with the provisions of this chapter shall be filed with the court or other state agency or department before which the action, matter, or proceeding is pending.

Sec. 73. Minnesota Statutes 1980, Section 543.08, is amended to read:

543.08 [SUMMONS, SERVICE UPON CERTAIN CORPORATIONS.]

If a private domestic corporation has no officer within the state upon whom service can be made, of which fact the return of the sheriff that none can be found in his county shall be conclusive evidence, service of the summons upon it may be made by depositing two copies, together with a fee of (\$10) \$15 with the secretary of state, which shall be deemed personal service upon the corporation. One of the copies shall be filed by the secretary, and the other forthwith mailed by him to the corporation *by certified mail*, if the place of its main office is known to him or is disclosed by the files of his office.

If the defendant is a foreign insurance corporation, the summons may be served by two copies delivered to the insurance commissioner, who shall file one in his office and forthwith mail the other postage prepaid to the defendant at its home office.

Sec. 74. [REVIEW OF MANDATES.]

During the 1982 legislative session, the health and welfare committees of the legislature shall review policies which have been established by the legislature and the state departments of health and public welfare which have the effect of mandating expenditure of county funds. The purpose of the study is to enable the legislature to revise state statutes and the departments to revise state rules to the extent necessary to provide more flexibility to counties, now under increasing fiscal constraints because of reductions in revenue. The legislative review shall include but not be limited to review of restrictions on county authority to reduce expenditures, including expenditures resulting from court-ordered social services and review of requirements which result from state standards for services established by licensing laws or rules.

Sec. 75. [REPEALER.]

Minnesota Statutes 1980, Sections 303.08, Subdivision 3; 303.12; 303.14, Subdivision 2; 303.15; 303.21, Subdivisions 1 and 2; 317.11; 317.19, Subdivision 3; 317.43; and 317.67, Subdivision 1; and Minnesota Statutes 1981 Supplement, Sections 3.965, Subdivision 6; and 362.453, are repealed.

Sec. 76. [REPEALER.]

Laws 1981, Chapter 354, Section 3, is repealed. So much of the appropriation made available by that law as is unexpended, is canceled.

Sec. 77. [EFFECTIVE DATE.]

Except as otherwise specifically provided in this article, this article is effective the day following final enactment. On the day following final enactment, sections 64 to 69 are effective retroactively to January 1, 1982. Sections 36, subdivision 2, 38 to 41, and 48 are effective February 1, 1982. Sections 14 to 16 are effective April 1, 1982. Section 71 is effective for taxes levied in 1982, payable in 1983 and thereafter.

ARTICLE II

EDUCATION AIDS AND LEVIES

Section 1. [EDUCATION AID REDUCTIONS: SUMMARY.]

The sums set forth in the columns designated "APPROPRIATION REDUCTIONS" are reduced from the general fund appropriations to the department of education. The figures "1982" and "1983" when used in section 2 of this article mean that the appropriation reductions listed are from the appropriations for the fiscal years ending June 30, 1982 or June 30, 1983, respectively.

SUMMARY OF REDUCTIONS

	1982	1983
EDUCATION AIDS	(-0-)	(\$160,900,000)

APPROPRIATION REDUCTIONS

	1982	1983
Sec. 2. [APPROPRIATION REDUCTIONS.]		

The general fund appropriations in Laws 1981, Chapter 358, as amended by Laws 1981, First Special Session, Chapter 2, are reduced by the listed amounts. The appropriation reductions in this section are from the portion of the appropriation provided for the current year and not from the portion of the appropriation provided for the prior year.

	1982	1983
	\$	\$
(a) Foundation Aid	(- 0 -)	(\$68,481,500)

	1982	1983
	\$	\$

The appropriation reduction in paragraph (a) represents four and nine-tenths percent of the formula allowance for foundation aid for fiscal year 1983 payable in fiscal year 1983, plus a reduction due to the one mill levy increase authorized by this article.

(b) Summer School	(-0-)	(12,066,400)
(c) Transportation Aid	(-0-)	(34,655,400)

The appropriation reduction in paragraph (c) represents: (1) the appropriation provided for fiscal year 1983 payable in fiscal year 1983 in Laws 1981, Chapter 358, Article II, Section 15, Subdivision 2, as amended by Laws 1981, First Special Session, Chapter 2, Section 9, Subdivision 2; plus (2) the proceeds of the two-mill levy authorized by this article; times (3) seven and one-half percent.

(d) Special Education Aid	(-0-)	(7,076,000)
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The appropriation reductions in paragraphs (d) to (k) represent seven and one-half percent of the appropriations provided for fiscal year 1983 payable in fiscal year 1983 in Laws 1981, Chapter 358, as amended by Laws 1981, First Special Session, Chapter 2.

(e) Summer School Special Education Aid	(-0-)	(366,500)
(f) Handicapped Pupils Placed in Residential Facilities	(-0-)	(47,300)
(g) Limited English Proficiency Pupils Program Aid	(-0-)	(251,600)
(h) American Indian Language and Culture Program	(-0-)	(33,500)
(i) Hearing Impaired Support Services Aid	(-0-)	(3,000)
(j) Adult Education Aid	(-0-)	(84,600)

	1982	1983
	\$	\$
(k) Community Education Aid	(-0-)	(240,000)
(l) Post-Secondary Vocational Instructional Aids	(-0-)	(3,949,900)
<p>The appropriation reductions in paragraphs (l) to (p) represent eight percent of the appropriations provided for fiscal year 1983 payable in fiscal year 1983 in Laws 1981, Chapter 358.</p>		
(m) Post-Secondary Vocational Supply Aid	(-0-)	(1,186,300)
(n) Post-Secondary Vocational Support Services Aid	(-0-)	(1,215,300)
(o) Post-Secondary Vocational Equipment Aid	(-0-)	(729,600)
(p) Post-Secondary Vocational Repair and Betterment Aid	(-0-)	(95,200)
(q) Adult Vocational Education Aid	(-0-)	(481,400)
<p>The appropriation reductions in paragraphs (q) to (ll) represent a reduction of seven and one-half percent of the appropriations provided for fiscal year 1983 payable in fiscal year 1983 in Laws 1981, Chapter 358.</p>		
(r) Adult Vocational Programs in Energy Management for Building Operators	(-0-)	(3,300)
(s) Veteran Farmers Cooperative Training Programs	(-0-)	(44,200)
(t) Secondary Vocational Education Aid	(-0-)	(1,348,300)
(u) Secondary Vocational Programs for Handicapped Children	(-0-)	(159,700)
(v) Health and Developmental Screening Programs	(-0-)	(80,600)

	1982	1983
	\$	\$
(w) Abatement Aid	(-0-)	(224,100)
(x) Capital Expenditure Equalization Aid	(-0-)	(28,200)
(y) Special Purpose Capital Expenditure Equalization Aid	(-0-)	(4,400)
(z) Educational Cooperative Service Units	(-0-)	(57,700)
(aa) Gifted and Talented Students	(-0-)	(40,800)
(bb) Alternative Grants	(-0-)	(11,300)
(cc) Council on Quality Education Venture Fund Grants	(-0-)	(38,300)
(dd) Early Childhood and Family Education Programs	(-0-)	(95,600)
(ee) Basic Support Grants for Library Services	(-0-)	(273,000)
(ff) Multi-County Library Systems	(-0-)	(11,600)
(gg) Nonpublic Educational Aids	(-0-)	(288,600)
(hh) Indian Education Programs	(-0-)	(11,300)
(ii) Chemical Use Programs	(-0-)	(62,000)
(jj) Extended Leaves of Absence	(-0-)	(118,100)
(kk) Part-time Teaching	(-0-)	(5,700)
(ll) Early Retirement Incentives	(-0-)	(135,400)
(mm) General Reduction	(-0-)	(26,894,300)

The commissioner of education shall apportion the reduction in paragraph (mm) among school districts, public library systems, multi-type library systems, educational cooperative service units, and regional management information systems in the same manner in which he appor-

tioned the education aid reductions made in fiscal year 1981 pursuant to Minnesota Statutes 1980, Sections 16A.15, Subdivision 1, and 124.77, because funds in the state treasury were insufficient.

Sec. 3. Minnesota Statutes 1981 Supplement, Section 16A.15, Subdivision 1, is amended to read:

Subdivision 1. [REDUCTION.] In case the commissioner of finance shall discover at any time that the probable receipts from taxes or other sources for any appropriation, fund, or item will be less than was anticipated, and that consequently the amount available for the remainder of the biennium will be less than the amount estimated or allotted therefor, he shall, with the approval of the governor, and after notice to the agency concerned, either:

(a) after consultation with the legislative advisory commission created by section 3.30, transfer from the budget reserve account established in section 16A.153, to the general fund the amount necessary to balance revenue and expenditures;

(b) reduce the amount allotted or to be allotted so as to prevent a deficit; or

(c) make any combination of transfers and reductions as provided by clauses (a) and (b).

(PROVIDED, HOWEVER, NO ALLOTMENT PURSUANT TO AN APPROPRIATION FOR STATE AIDS, PAYMENTS, REIMBURSEMENTS OR FUND TRANSFERS TO OR ON BEHALF OF SCHOOL DISTRICTS SHALL BE REDUCED PURSUANT TO THIS SUBDIVISION.) In like manner he shall request reduction of the amount allotted or to be allotted to any agency by the amount of any saving which can be effected upon previous spending plans through a reduction in prices or other cause.

Sec. 4. Minnesota Statutes 1981 Supplement, Section 124.2121, Subdivision 4, is amended to read:

Subd. 4. [EQUALIZING FACTOR.] "Equalizing factor" means a number equal to the minimum EARC valuation per actual and AFDC pupil unit which disqualifies a district from earning any basic foundation aid. The equalizing factor for each school year and for levies for use in that school year equals the ratio, rounded to the nearest dollar, of the foundation aid formula allowance for that school year to the basic maintenance mill rate for that school year. *However, the equalizing factor for discretionary and replacement aids for the 1982-1983 school year shall be \$61,565.*

Sec. 5. Minnesota Statutes 1981 Supplement, Section 124.-2122, Subdivision 1, is amended to read:

Subdivision 1. [FORMULA ALLOWANCE.] "Foundation aid formula allowance" or "formula allowance" means the amount of revenue per pupil unit used in the computation of foundation aid for a particular school year and in the computation of permissible levies for use in that school year. The formula allowance shall be \$1,333 for foundation aid for the 1981-1982 school year. The formula allowance shall be (\$1,416) \$1,346 for 1981 payable 1982 levies and for foundation aid for the 1982-1983 school year.

Sec. 6. Minnesota Statutes 1981 Supplement, Section 124.-2122, Subdivision 2, is amended to read:

Subd. 2. [BASIC MAINTENANCE MILL RATE.] "Basic maintenance mill rate" means the mill rate applicable to the adjusted assessed valuation of a district, used in the computation of basic foundation aid for a particular school year and of the basic maintenance levy for use in that school year. The basic maintenance mill rate shall be .021 for the 1980 payable 1981 levy and for foundation aid for the 1981-1982 school year. The basic maintenance mill rate shall be (.023) .024 for 1981 payable 1982 levies and for foundation aid for the 1982-1983 school year.

Sec. 7. Minnesota Statutes 1981 Supplement, Section 124.-2124, Subdivision 1, is amended to read:

Subdivision 1. [REPLACEMENT COMPONENTS.] (a) A district's "fluctuating enrollment replacement component" shall equal the amount of additional foundation aid or basic maintenance levy revenue the district would have received for the 1980-1981 school year if declining or growing enrollment pupil units had been used in the computation of basic foundation aid for 1980-1981 pursuant to Minnesota Statutes 1980, Section 124.212, Subdivision 7c, Clause (1) or of the 1979 basic maintenance levy limitation pursuant to Minnesota Statutes, 1979 Supplement, Section 275.125, Subdivision 2b or 2c.

(b) A district's "sparsity replacement component" shall equal the amount of additional aid the district would have received for the 1980-1981 school year if Minnesota Statutes, 1979 Supplement, Section 124.224 had been effective for 1980-1981.

(c) A district's "basic replacement entitlement" shall equal the sum of its fluctuating enrollment replacement component and its sparsity replacement component, divided by its total pupil units in 1980-1981.

(d) "Replacement inflator" for any school year means the ratio of the foundation aid formula allowance for that school

year to \$1,265. *However*, for the 1981-1982 school year (, HOWEVER,) the replacement inflator shall equal 107 percent, and for the 1982-1983 school year the replacement inflator shall equal 112 percent.

(e) A district's "replacement allowance" for each school year shall equal its basic replacement entitlement times the replacement inflator for that school year.

(f) A district's "replacement levy limitation" means its levy limitation computed pursuant to section 275.125, subdivision 6c.

Sec. 8. Minnesota Statutes 1981 Supplement, Section 124.2125, Subdivision 1, is amended to read:

Subdivision 1. [DISCRETIONARY ALLOWANCE; DEFINITION.] "Discretionary allowance" means the amount of revenue per pupil unit used to compute discretionary aid for a particular school year and the discretionary levy for use in that school year. The discretionary allowance shall equal the formula allowance for the school year times the ratio of the discretionary mill rate to the basic maintenance mill rate for levies for use in that school year, rounded to the nearest cent. *However*, the discretionary allowance for *the* 1981-1982 (, HOWEVER,) school year shall equal \$64.48, and the discretionary allowance for the 1982-83 school year shall equal \$138.52.

Sec. 9. Minnesota Statutes 1981 Supplement, Section 124.225, Subdivision 8a, is amended to read:

Subd. 8a. [AID COMPUTATION.] *Beginning with the 1982-1983 school year* a district's aid pursuant to this section for each school year shall equal the district's aid entitlement per weighted FTE determined according to subdivision 7a times the total number of authorized weighted FTE's transported in the district in that school year, minus the amount raised by (ONE MILL) *two mills* times the adjusted assessed valuation which is used to compute the transportation levy limitation for the levy attributable to that school year.

Sec. 10. Minnesota Statutes 1980, Section 275.125, Subdivision 5, is amended to read:

Subd. 5. For school transportation services, a school district may levy an amount not to exceed the amount raised by a levy of (ONE MILL) *two mills* times the adjusted assessed valuation of the taxable property of the district for the preceding year. A district may levy under this subdivision for the amount necessary to eliminate any projected deficit in the appropriated fund balance account for bus purchases in its transportation fund as of June 30 in the school year when the levy is recognized as revenue. A district may also levy for transportation costs or

other related services which are approved by the commissioner as necessary because of extraordinary traffic hazards for the current fiscal year.

Sec. 11. [1981-1982 TRANSPORTATION AID.]

For the 1981-1982 school year, a district's aid pursuant to Minnesota Statutes 1981 Supplement, Section 124.225, shall equal the district's aid entitlement per weighted FTE determined according to the provisions of Minnesota Statutes 1981 Supplement, Section 124.225, Subdivision 7a, times the total number of authorized weighted FTE's transported in the district in the school year, minus the amount raised by one mill times the adjusted assessed valuation which is used to compute the transportation levy limitation for the levy attributable to the 1981-1982 school year.

Sec. 12. [RECERTIFICATION OF BASIC MAINTENANCE AND TRANSPORTATION LEVIES.]

Subdivision 1. [RECERTIFICATION PERMITTED.] Notwithstanding the provisions of Minnesota Statutes, Chapters 124 and 275 or any other law to the contrary, by January 22, 1982, a school district may recertify the basic maintenance levy authorized in Minnesota Statutes, Section 275.125, Subdivision 2a, and the transportation levy authorized in Minnesota Statutes, Section 275.125, Subdivision 5, for taxes assessed in 1981, payable in 1982, as provided in this section.

Subd. 2. [ADDITIONAL AMOUNT OF BASIC MAINTENANCE LEVY.] The school district may add an amount to the basic maintenance levy up to the lesser of:

(a) *the difference between*

(1) *the product of*

(A) *the estimated number of actual pupil units, as defined in Minnesota Statutes, Section 124.2121, Subdivision 3, Clause (a), in the district in the 1982-1983 school year, times*

(B) *\$1,346, and*

(2) *the amount already certified in 1981 by the district for basic maintenance purposes; or*

(b) *one mill times the 1980 adjusted assessed valuation of the district.*

A district in which the basic maintenance levy was computed under the provisions of Minnesota Statutes, Section 275.125, Subdivision 2e, shall not recertify its basic maintenance levy.

Subd. 3. [ADDITIONAL AMOUNT OF TRANSPORTATION LEVY.] The school district may add an amount to the transportation levy up to one mill times the 1980 adjusted assessed valuation of the district.

Sec. 13. [DECEMBER, 1981 AND JANUARY, 1982 EDUCATION AID PAYMENTS SUSPENDED.]

Notwithstanding the provisions of Minnesota Statutes, Sections 16A.15 and 124.11, or any other law to the contrary, the commissioner of education may suspend payment of some or all state aids, payments, reimbursements and fund transfers from some or all school districts, public library systems, multi-type library systems, educational cooperative service units or regional management information systems in the months of December, 1981 and January, 1982. The commissioner may consider the cash flow requirements of each individual recipient when determining whether to suspend payments of any aid, payments, reimbursements or fund transfers.

Sec. 14. [CERTIFICATION.]

Within ten days of final enactment of this act, with respect to December, 1981 payments, and within ten days of the suspension of January, 1982 payments, the commissioner of education shall certify to each recipient the amount of aids, payments, reimbursements, or fund transfers suspended pursuant to section 13, and shall announce the date by which payment of the suspended amount shall be made. The commissioner shall issue a certificate of unpaid aids for the certified amount to be paid no later than June 30, 1982.

Sec. 15. [REPAYMENT BY END OF FISCAL YEAR.]

Notwithstanding any law to the contrary, by June 30, 1982, the commissioner of finance shall draw warrants in favor of school districts, public library systems, multi-type library systems, educational cooperative service units or regional management information systems for any of the state aids, payments, reimbursements and fund transfers that were suspended by the commissioner of education pursuant to section 13.

Sec. 16. [FOUNDATION AID APPROPRIATION FOR FISCAL YEARS 1984 AND 1985.]

The total amount appropriated for foundation aid for the biennium ending June 30, 1985 shall not exceed the total amount appropriated for foundation aid for the biennium ending June 30, 1983.

Sec. 17. [MINIMUM AID LIMITATION.]

Notwithstanding any law to the contrary, for the purpose of computing the minimum aid guarantee pursuant to Minnesota Statutes 1981 Supplement, Section 124.2126, Subdivision 2, for the 1982-1983 school year, a qualifying district's basic foundation aid shall be computed using a foundation aid formula allowance of \$1346 and a basic maintenance mill rate of .023.

Sec. 18. [REVIEW OF MANDATES.]

During the 1982 regular session, the education committees of the legislature shall review mandates to school districts established by the legislature and the state board of education. It is the intention of the legislature to revise these statutes and rules to provide more flexibility to school districts because of increasing fiscal constraints resulting from reductions in revenue. The mandates which the legislature shall review shall include at least the following: eligibility requirements for receiving certain categorical aids; restrictions on the school district's use of particular funds, including transfers from the capital outlay fund; restrictions on the school district's authority to raise revenue; and restrictions on the school district's authority to reduce expenditures in certain areas.

Sec. 19. [REPEALER.]

Minnesota Statutes 1981 Supplement, Sections 124.20, Subdivision 3; and 275.125, Subdivision 2f, are repealed.

Sec. 20. [EFFECTIVE DATE.]

Sections 1 to 9 and 11 to 19 are effective the day following final enactment. Section 10 is effective for levies certified in 1982 payable 1983.

ARTICLE III

INCOME TAX

Section 1. Minnesota Statutes 1981 Supplement, Section 270.-75, is amended to read:

270.75 [INTEREST PAYABLE TO COMMISSIONER.]

Subdivision 1. If any tax payable to the commissioner of revenue or to the department of revenue is not paid within the time specified by law for payment, the unpaid tax shall bear interest *beginning February 1, 1982* at the rate of (12) 20 percent per annum from the date such tax should have been paid

until the date that the tax was paid, unless otherwise provided by law.

Subd. 2. When an extension of time has been granted by the commissioner, interest shall be paid *beginning February 1, 1982* at the rate of (12) 20 percent per annum from the date such payment should have been made, if no extension had been granted, until the date of payment of such tax.

Subd. 3. If any penalty payable to the commissioner of revenue shall by law bear interest, such penalty shall bear interest *beginning February 1, 1982* at the rate of (12) 20 percent per annum from the date the penalty was assessable until the date that such penalty was paid, unless a different rate of interest is otherwise provided by law.

Subd. 4. There shall be added to the amount of any underpayment of estimated income tax, computed pursuant to chapter 290, an amount in lieu of interest determined at the rate of (12) 20 percent per annum *beginning February 1, 1982*.

Subd. 5. The rates of interest or amount in lieu of interest contained in subdivisions 1 to 4 shall be adjusted by the commissioner of revenue not later than October 15 of 1982 and any year thereafter if the adjusted prime rate charged by banks during September of that year, rounded to the nearest full percent, is at least a full percentage point more or less than the interest rate which is then in effect. The adjusted rate of interest or amount in lieu of interest shall be equal to the adjusted prime rate charged by banks, rounded to the nearest full percent, and shall become effective on January 1 of the immediately succeeding year. For purposes of this subdivision, the term "adjusted prime rate charged by banks" means the average predominant prime rate quoted by commercial banks to large businesses, as determined by the Board of Governors of the Federal Reserve System.

Sec. 2. Minnesota Statutes 1981 Supplement, Section 290.01, Subdivision 20, is amended to read:

Subd. 20. [GROSS INCOME.] Except as otherwise provided in this chapter, the term "gross income," as applied to corporations includes every kind of compensation for labor or personal services of every kind from any private or public employment, office, position or services; income derived from the ownership or use of property; gains or profits derived from every kind of disposition of, or every kind of dealing in, property; income derived from the transaction of any trade or business; and income derived from any source; except that gross income shall not include "exempt function income" of a "home-owners association" as those terms are defined in Section 528 of the Internal Revenue Code of 1954, as amended through December 31, 1980.

The term "gross income" in its application to individuals, estates, and trusts shall mean the adjusted gross income as defined in the Internal Revenue Code of 1954, as amended through the date specified herein for the applicable taxable year, with the modifications specified in this subdivision. For estates and trusts the adjusted gross income shall be their federal taxable income as defined in the Internal Revenue Code of 1954, as amended through the date specified herein for the applicable taxable year, with the modifications specified in this subdivision and with the modification that the federal deduction for personal exemptions for trusts and estates shall not be allowed.

(i) The Internal Revenue Code of 1954, as amended through December 31, 1974, shall be in effect for the taxable years beginning after December 31, 1974.

(ii) The Internal Revenue Code of 1954, as amended through December 31, 1976, including the amendments made to section 280A (relating to licensed day care centers) in H. R. 3477 as it passed the Congress on May 16, 1977, shall be in effect for the taxable years beginning after December 31, 1976. The provisions of the Tax Reform Act of 1976, P.L. 94-455, which affect adjusted gross income shall become effective for purposes of this chapter at the same time they become effective for federal income tax purposes. Section 207 (relating to extension of period for nonrecognition of gain on sale or exchange of residence) and section 402 (relating to time for making contributions to pension plans of self employed people) of P.L. 94-12 shall be effective for taxable years beginning after December 31, 1974.

The provisions of section 4 of P.L. 95-458, sections 131, 133, 134, 141, 152, 156, 157, 405, and 543 of P.L. 95-600, and section 2 of P.L. 96-608 (relating to pensions, individual retirement accounts, deferred compensation plans, the sale of a residence and to conservation payments to farmers) including the amendments made to these sections in P.L. 96-222 shall be effective at the same time that these provisions became effective for federal income tax purposes.

(iii) The Internal Revenue Code of 1954, as amended through December 31, 1979, shall be in effect for taxable years beginning after December 31, 1979.

(iv) The Internal Revenue Code of 1954, as amended through December 31, 1980, and as amended by sections 302(b) and 501 to 509 of Public Law Number 97-84, shall be in effect for taxable years beginning after December 31, 1980 including the provisions of section 404 (relating to partial exclusions of dividends and interest received by individuals) of the Crude Oil Windfall Profit Tax Act of 1980, P.L. 96-223. The provisions of P.L. 96-471 (relating to installment sales) and sections 501 to 507, of the Economic Recovery Tax Act of 1981, Public Law

Number 97-34 shall be effective at the same time that they become effective for federal income tax purposes.

References to the Internal Revenue Code of 1954 in clauses (a), (b) and (c) following shall mean the code in effect for the purpose of defining gross income for the applicable taxable year.

(a) Modifications increasing federal adjusted gross income. There shall be added to federal adjusted gross income:

(1) Interest income on obligations of any state other than Minnesota or a political subdivision of any other state exempt from federal income taxes under the Internal Revenue Code of 1954;

(2) A business casualty loss if the taxpayer elected to deduct the loss on the current year's federal income tax return but had deducted the loss on the previous year's Minnesota income tax return;

(3) Income taxes imposed by this state or any other taxing jurisdiction, to the extent deductible in determining federal adjusted gross income and not credited against federal income tax;

(4) Interest on indebtedness incurred or continued to purchase or carry securities the income from which is exempt from tax under this chapter, to the extent deductible in determining federal adjusted gross income;

(5) Amounts received as reimbursement for an expense of sickness or injury which was deducted in a prior taxable year to the extent that the deduction for the reimbursed expenditure resulted in a tax benefit;

(6) The amount of any federal income tax overpayment for any previous taxable year, received as refund or credited to another taxable year's income tax liability, proportionate to the percentage of federal income tax that was claimed as a deduction in determining Minnesota income tax for the previous taxable year. The amount of the federal income tax overpayment shall be reported only to the extent that the amount resulted in a reduction of the tax imposed by this chapter.

The overpayment refund or credit, determined with respect to a husband and wife on a joint federal income tax return for a previous taxable year, shall be reported on joint, combined, or separate Minnesota income tax returns. In the case of combined or separate Minnesota returns, the overpayment shall be reported by each spouse proportionately according to the relative amounts of federal income tax claimed as a deduction on his or

her combined or separate Minnesota income tax return for such previous taxable year;

(7) In the case of a change of residence from Minnesota to another state or nation, the amount of moving expenses which exceed total reimbursements and which were therefore deducted in arriving at federal adjusted gross income;

(8) The amount of any increase in the taxpayer's federal tax liability under section 47 of the Internal Revenue Code of 1954 to the extent of the credit under section 38 of the Internal Revenue Code of 1954 that was previously allowed as a deduction either under section 290.01, subdivision 20 (b) (7);

(9) Expenses and losses arising from a farm which are not allowable under section 290.09, subdivision 29;

(10) Expenses and depreciation attributable to substandard buildings disallowed by section 290.101;

(11) The amount by which the gain determined pursuant to section 41.59, subdivision 2 exceeds the amount of such gain included in federal adjusted gross income;

(12) To the extent deducted in computing the taxpayer's federal adjusted gross income for the taxable year, losses recognized upon a transfer of property to the spouse or former spouse of the taxpayer in exchange for the release of the spouse's marital rights:

(13) Interest income from qualified scholarship funding bonds as defined in section 103(e) of the Internal Revenue Code of 1954, if the nonprofit corporation is domiciled outside of Minnesota;

(14) Exempt-interest dividends, as defined in section 852(b)(5)(A) of the Internal Revenue Code of 1954, not included in federal adjusted gross income pursuant to section 852(b)(5)(B) of the Internal Revenue Code of 1954, except for that portion of exempt-interest dividends derived from interest income on obligations of the state of Minnesota, any of its political or governmental subdivisions, any of its municipalities, or any of its governmental agencies or instrumentalities;

(15) The amount of any excluded gain recognized by a trust on the sale or exchange of property as defined in section 641(c)(1) of the Internal Revenue Code of 1954;

(16) (AN AMOUNT EQUAL TO ONE-SIXTH OF ANY GAIN FROM THE SALE OR OTHER DISPOSITION OF PROPERTY DEDUCTED UNDER SECTIONS 1202(A) AND 1202(C)(1) OF THE INTERNAL REVENUE CODE OF 1954)

For taxable years beginning after December 31, 1980 but before taxable years beginning after December 31, 1980 but before January 1, 1983, in the case of recovery property within the meaning of section 168 of the Internal Revenue Code of 1954 as amended through December 31, 1981, the amount allowed under section 167 of the Internal Revenue Code;

(17) To the extent not included in the taxpayer's federal adjusted gross income, the amount of any gain, from the sale or other disposition of property having a lower adjusted basis for Minnesota income tax purposes than for federal income tax purposes. This modification shall not exceed the difference in basis. If the gain is considered a long term capital gain for federal income tax purposes, the modification shall be limited to (50) 40 percent of the portion of the gain. This modification is limited to property that qualified for the energy credit contained in section 290.-06, subdivision 14, and to property acquired in exchange for the release of the taxpayer's marital rights contained in section 290.-14, clause (9);

(18) The amount of any loss from a source outside of Minnesota which is not allowed under section 290.17 including any capital loss or net operating loss carryforwards or carrybacks resulting from the loss;

(19) The amount of a distribution from an individual housing account which is to be included in gross income as required under section 290.08, subdivision 25;

(20) To the extent deducted in computing the taxpayer's federal adjusted gross income, interest, taxes and other expenses which are not allowed under section 290.10, clause (9) or (10); (AND)

(21) To the extent excluded from federal adjusted gross income, in the case of a city manager or city administrator who elects to be excluded from the public employees retirement association and who makes contributions to a deferred compensation program pursuant to section 353.028, the amount of contributions made by the city manager or administrator which is equal to the amount which would have been the city manager's or administrator's employee contribution pursuant to section 353.27, subdivision 2, if he were a member of the public employees retirement association; and

(22) *For taxable years beginning after December 31, 1980 but before January 1, 1983, in the case of section 179 property within the meaning of the Internal Revenue Code of 1954, the amount allowed as a deduction under section 179 of the Internal Revenue Code.*

(b) Modifications reducing federal adjusted gross income. There shall be subtracted from federal adjusted gross income:

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

(2) The portion of any gain, from the sale or other disposition of property having a higher adjusted basis for Minnesota income tax purposes than for federal income tax purposes, that does not exceed such difference in basis; but if such gain is considered a long-term capital gain for federal income tax purposes, the modification shall be limited to (50) 60 per centum of the portion of the gain. This modification shall not be applicable if the difference in basis is due to disallowance of depreciation pursuant to section 290.101.

(3) Interest or dividend income on securities to the extent exempt from income tax under the laws of this state authorizing the issuance of the securities but includible in gross income for federal income tax purposes;

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

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

(6) To the extent included in federal adjusted gross income, or the amount reflected as the ordinary income portion of a lump sum distribution under section 402(e) of the Internal Revenue Code of 1954, notwithstanding any other law to the contrary, the amount received by any person (i) from the United States, its agencies or instrumentalities, the Federal Reserve Bank or from the state of Minnesota or any of its political or governmental subdivisions or from any other state or its political or governmental subdivisions, or a Minnesota volunteer firefighter's relief association, by way of payment as a pension, public employee retirement benefit, or any combination thereof, or (ii) as a retirement or survivor's benefit made from a plan qualifying under section 401, 403, 404, 405, 408, 409 or 409A of the

Internal Revenue Code of 1954. The maximum amount of this subtraction shall be \$11,000 less the amount by which the individual's federal adjusted gross income, plus the ordinary income portion of a lump sum distribution as defined in section 402(e) of the Internal Revenue Code of 1954, exceeds \$17,000. In the case of a volunteer firefighter who receives an involuntary lump sum distribution of his pension or retirement benefits, the maximum amount of this subtraction shall be \$11,000; this subtraction shall not be reduced by the amount of the individual's federal adjusted gross income in excess of \$17,000;

(7) The amount of any credit to the taxpayer's federal tax liability under section 38 of the Internal Revenue Code of 1954 but only to the extent that the credit is connected with or allocable against the production or receipt of income included in the measure of the tax imposed by this chapter;

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

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

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

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

(12) The amount of any income earned for personal services rendered outside of Minnesota prior to the date when the taxpayer became a resident of Minnesota. This modification does not apply to compensation defined in clause (b)(6);

(13) In the case of wages or salaries paid or incurred on or after January 1, 1977, the amount of any credit for employment of certain new employees under sections 44B and 51 to 53 of the Internal Revenue Code of 1954 which is claimed as a credit against the taxpayer's federal tax liability, but only to

the extent that the credit is connected with or allocable against the production or receipt of income included in the measure of the tax imposed by this chapter;

(14) In the case of work incentive program expenses paid or incurred on or after January 1, 1979, the amount of any credit for expenses of work incentive programs under sections 40, 50A and 50B of the Internal Revenue Code of 1954 which is claimed as a credit against the taxpayer's federal tax liability, but only to the extent that the credit is connected with or allocable against the production or receipt of income included in the measure of the tax imposed by this chapter;

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

(16) To the extent included in federal adjusted gross income, severance pay that may be treated as a lump sum distribution under the provisions of section 290.032, subdivision 5;

(17) The amount of any income or gain which is not assignable to Minnesota under the provisions of section 290.17;

(18) Minnesota exempt-interest dividends as provided by subdivision 27;

(19) A business casualty loss which the taxpayer elected to deduct on the current year's Minnesota income tax return but did not deduct on the current year's federal income tax return; and

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

(21) To the extent included in federal adjusted gross income, in the case of a city manager or city administrator who elects to be excluded from the public employees retirement association and who makes contributions to a deferred compensation program pursuant to section 353.028, the amount of payments from the deferred compensation program equivalent to the amount of contributions taxed under clause (a)(21); (AND)

(22) Contributions to and interest earned on an individual housing account as provided by section 290.08, subdivision 25;

(23) *Interest earned on a contract for deed entered into for the purchase of property for agricultural use if the rate of interest set in the contract is no more than eight percent per year for the duration of the term of the contract. This exclusion shall be available only if (1) the purchaser is an individual*

who, together with his spouse and dependents, has a total net worth valued at less than \$150,000 and (2) the property purchased under the contract is farm land as defined in section 41.52, subdivision 6 of no more than 1,000 acres that the purchaser intends to use for agricultural purposes. Compliance with these requirements shall be stated in an affidavit to be filed with the first income tax return on which the taxpayer claims the exclusion provided in this clause. Upon request accompanied by the information necessary to make the determination, the commissioner shall determine whether interest to be paid on a proposed transaction will qualify for this exclusion; the determination shall be provided within 30 days of receipt of the request, unless the commissioner finds it necessary to obtain additional information, or verification of the information provided, in which case the determination shall be provided within 30 days of receipt of the final item of information or verification. The exclusion provided in this clause shall apply to interest earned on contracts for deed entered into after December 31, 1981 and before July 1, 1983;

(24) For the taxable year beginning after December 31, 1980, but before January 1, 1982, an amount equal to 85 percent of the deduction allowed under section 168 of the Internal Revenue Code of 1954 as amended through December 31, 1981. For the taxable year beginning after December 31, 1981 but before January 1, 1983, 83 percent of the deduction allowed under section 168 of the Internal Revenue Code of 1954 as amended through December 31, 1981. The depreciation adjustments made to basis in the case of recovery property within the meaning of section 168 of the Internal Revenue Code of 1954 as amended through December 31, 1981 shall be the depreciation adjustments made for federal income tax purposes under the Internal Revenue Code of 1954, as amended through December 31, 1981. Adoption of this provision shall not be construed as indicating the intent of the legislature to enact provisions authorizing amortization of the amount of depreciation not excludable under this clause; and

(25) For taxable years beginning after December 31, 1980 but before January 1, 1983, an amount equal to the deduction allowed under section 179 of the Internal Revenue Code of 1954 as amended through December 31, 1981.

(c) A modification affecting shareholders of electing small business corporations under section 1372 of the Internal Revenue Code of 1954 shall be made.

In cases where the election under section 1372 of the Internal Revenue Code of 1954 antedates the election under this chapter and at the close of the taxable year immediately preceding the effective election under this chapter the corporation has a reserve of undistributed taxable income previously taxed to shareholders under the provisions of the Internal Revenue Code of

1954, in the event and to the extent that the reserve is distributed to shareholders the distribution shall be taxed as a dividend for purposes of this chapter.

(d) Amounts transferred from a reserve or other account, if in effect transfers to surplus, shall, to the extent that the amounts were accumulated through deductions from gross income or entered into the computation of taxable net income during any taxable year, be treated as gross income for the year in which the transfer occurs, but only to the extent that the amounts resulted in a reduction of the tax imposed by this chapter and amounts received as refunds on account of taxes deducted from gross income during any taxable year shall be treated as gross income for the year in which actually received, but only to the extent that such amounts resulted in a reduction of the tax imposed by this chapter.

(e) Modification in computing taxable income of the estate of a decedent. Amounts allowable under section 291.07, subdivision 1, clause (2) in computing Minnesota inheritance or estate tax liability shall not be allowed as a deduction (or as an offset against the sales price of property in determining gain or loss) in computing the taxable income of the estate or any person unless there is filed within the time and in the manner and form prescribed by the commissioner a statement that the amounts have not been allowed as a deduction under section 291.07 and a waiver of the right to have the amounts allowed at any time as deductions under section 291.07. The provisions of this paragraph shall not apply with respect to deductions allowed under section 290.077 (relating to income in respect of decedents). In the event that the election made for federal tax purposes under section 642(g) of the Internal Revenue Code of 1954 differs from the election made under this paragraph appropriate modification of the estate's federal taxable income shall be made to implement the election made under this paragraph in accordance with regulations prescribed by the commissioner.

Sec. 3. Minnesota Statutes 1981 Supplement, Section 290.06, Subdivision 1, is amended to read:

Subdivision 1. [COMPUTATION, CORPORATIONS.] The privilege and income taxes imposed by this chapter upon corporations shall be computed by applying to their taxable net income in excess of the applicable deductions allowed under section 290.21 the (RATE OF) *following rates:*

(1) *On the first \$25,000, for the first taxable year beginning after December 31, 1981 and before January 1, 1983 nine percent and, for taxable years beginning after December 31, 1982, six percent; provided that, in the case of a corporation having taxable net income allocated to this state pursuant to the provisions of section 290.19 or 290.20, the amount of income subject to this*

rate shall be that proportion of \$25,000 which its income allocable to this state bears to its total taxable net income; and

(2) On the remainder, 12 percent.

Sec. 4. Minnesota Statutes 1980, Section 290.06, is amended by adding a subdivision to read:

Subd. 2e. [ADDITIONAL INCOME TAX.] In addition to the tax computed pursuant to subdivisions 2c and 2d or subdivision 3d, there is hereby imposed an additional income tax on individuals, estates, and trusts, other than those taxable as corporations. The additional tax shall be computed by applying the following rates to the tax computed pursuant to subdivision 3d or, in the case of an individual who does not qualify for the low income alternative tax and estates and trusts, the tax computed pursuant to subdivisions 2c and 2d and sections 290.032 and 290.091 less the credits allowed by sections 290.06, subdivisions 3e, 3f, 9, 9a, 11 and 14; and 290.081.

(1) For taxable years beginning after December 31, 1981, but before January 1, 1983, seven percent;

(2) For taxable years beginning after December 31, 1982, but before January 1, 1984, 3.5 percent:

On October 1, 1983 the commissioner of finance shall determine the amount of the state's unrestricted general fund balance at the close of the 1982-1983 biennium. If this amount is more than \$150,000,000, the commissioner shall reduce the rate of the surtax in effect for taxable years beginning after December 31, 1982 and before January 1, 1984, so that the amount of revenue raised by the surtax results in a fund balance of no more than \$150,000,000, provided that the rate so determined shall be rounded upward to the next one-tenth of one percent and no adjustment shall be required if the change in the rate of the surtax would be less than one-tenth of one percent.

Sec. 5. [ADJUSTMENT TO WITHHOLDING AND DECLARATIONS.]

For taxable years beginning after December 31, 1982, but before January 1, 1984, the commissioner of revenue shall adjust the withholding tables, notwithstanding section 290.92, subdivision 2a, so that the entire amount of the additional tax imposed by section 4 for the year, is withheld and remitted by employers during the first six months of the taxable year.

For the same period, the commissioner shall require that declarations filed during the first six months of the taxable year by individuals, estates, and trusts shall include the additional tax imposed by section 4.

Sec. 6. [290.068] [CREDIT FOR RESEARCH AND EXPERIMENTAL EXPENDITURES.]

Subdivision 1. [CREDIT ALLOWED.] In addition to the deduction provided in section 290.09, a credit shall be allowed equal to ten percent of research and experimental expenditures paid or incurred in Minnesota during the taxable year.

Subd. 2. [DEFINITION.] For purposes of this section "research and experimental expenditures" means expenditures incurred in Minnesota which qualify for the deduction provided in section 290.09, subdivision 18, to the extent the expenditures exceed the average of the three preceding taxable years' qualifying expenditures under section 290.09, subdivision 18, incurred in Minnesota. If the taxpayer has not conducted trade or business in Minnesota for the three preceding taxable years, the average expenditures incurred shall be determined by dividing the expenditures by the lesser number of complete prior taxable years. If there has been less than one prior taxable year of trade or business conducted in Minnesota the average expenditures for the three preceding taxable years shall be zero.

Subd. 3. [LIMITATION.] The credit for the taxable year shall not exceed \$300,000 or ten percent of the liability for tax, whichever is less. "Liability for tax" for purposes of this section means the tax imposed under this chapter for the taxable year reduced by the sum of the credits allowed under section 290.06, except the credit allowed under section 290.06, subdivision 13.

If the credit determined under subdivision 2 exceeds this limitation, the excess shall be a credit carryback to each of the three preceding taxable years and a credit carryover to each of the seven succeeding taxable years, provided the aggregate of the credit for the taxable year and any carryover and carryback credits shall not exceed \$300,000 or ten percent of the liability for tax, whichever is less. The entire amount of the excess unused credit for the taxable year shall be carried first to the earliest of the taxable years to which the credit may be carried and then to each successive year to which the credit may be carried.

Sec. 7. Minnesota Statutes 1981 Supplement, Section 290.09, Subdivision 3, is amended to read:

Subd. 3. [INTEREST.] (a) All interest paid or accrued within the taxable year on indebtedness, except as hereinafter provided.

(b) Interest paid or accrued within the taxable year on indebtedness incurred or continued to purchase or carry obligations or securities the income from which is excludable from gross income under sections 290.01, subdivision 20 or 290.08, or shares of a regulated investment company which during the taxable year of the holder thereof distributes Minnesota exempt-

interest dividends as defined in section 290.01, subdivision 27, or on indebtedness described in section 264(a)(2) and (3), (b) and (c) (relating to life insurance) of the Internal Revenue Code of 1954, as amended through December 31, 1980 shall not be allowed as a deduction.

(c) If personal property or educational services are purchased under a contract the provisions of section 163(b) of the Internal Revenue Code of 1954, as amended through December 31, 1980 shall apply.

(d) A cash basis taxpayer may elect to deduct interest as it accrues on a reverse mortgage loan as defined in section 47.58, subdivision 1, rather than when it is actually paid. This election must be made, if at all, in the first taxable year in which it is available to the cash basis taxpayer and, if made, shall be binding on the taxpayer for each subsequent taxable year until maturity of the loan.

(e) In the case of a taxpayer other than a corporation, the amount of interest on investment indebtedness allowable as a deduction shall be allowed and limited as set forth in section 163(d) of the Internal Revenue Code of 1954, as amended through December 31, 1980. The limitation prescribed in section 163(d)(1)(A) for married individuals who file separate returns shall also apply to married individuals who file separately on one return.

(f) A taxpayer may not deduct interest on indebtedness incurred or continued to purchase or carry obligations or shares, or to make deposits or other investments, the interest on which is described in section 116(c) of the Internal Revenue Code of 1954, as amended through December 31, 1980 to the extent such interest is excludable from gross income under section 116 of the Internal Revenue Code of 1954 as amended through December 31, 1980. *Interest and carrying costs in the case of straddles shall be treated as provided in section 263(g) of the Internal Revenue Code of 1954, as amended through December 31, 1981.*

Sec. 8. Minnesota Statutes 1981 Supplement, Section 290.09, Subdivision 7, is amended to read:

Subd. 7. [DEPRECIATION.] (A) [CUMULATIVE DEPRECIATION.] (a) There shall be allowed as a depreciation deduction a reasonable allowance for the exhaustion, wear and tear (including a reasonable allowance for obsolescence):

- (1) of property used in the trade or business, or
- (2) of property held for the production of income.

(b) The term "reasonable allowance" as used in clause (a) shall include (but shall not be limited to) an allowance computed in accordance with regulations prescribed by the commissioner, under any of the following methods:

(1) the straight line method.

(2) the declining balance method, using a rate not exceeding twice the rate which would have been used had the annual allowance been computed under the method described in paragraph (1).

(3) the sum of the years-digits method, and

(4) any other consistent method productive of an annual allowance, which, when added to all allowances for the period commencing with the taxpayer's use of the property and including the taxable year, does not, during the first two-thirds of the useful life of the property, exceed the total of such allowances which would have been used had such allowances been computed under the method described in (2). Nothing in this clause (b) shall be construed to limit or reduce an allowance otherwise allowable under clause (a).

(c) *For purposes of this subdivision "reasonable allowance" shall not include the accelerated cost recovery system provisions of section 168 of the Internal Revenue Code of 1954, as amended through December 31, 1981, except as provided in this subdivision unless specifically authorized by legislation enacted after the final enactment of this section. In the case of recovery property within the meaning of section 168 of the Internal Revenue Code of 1954, as amended through December 31, 1981, the term "reasonable allowance" as used in clause (a) shall mean 85 percent of the deduction allowed pursuant to section 168 of the Internal Revenue Code of 1954 for taxable years beginning after December 31, 1980 and before January 1, 1982; and 83 percent of the deduction allowed pursuant to section 168 of the Internal Revenue Code of 1954 for taxable years beginning after December 31, 1981 and before January 1, 1983.*

(d) Paragraphs (2), (3), and (4) of clause (b) shall apply only in the case of property (other than intangible property) described in clause (a) with a useful life of three years or more.

(1) the construction, reconstruction, or erection of which is completed after December 31, 1958, and then only to that portion of the basis which is properly attributable to such construction, reconstruction, or erection after December 31, 1958, or

(2) acquired after December 31, 1958, if the original use of such property commenced with the taxpayer and commences after such date.

((D)) (e) Where, under regulations prescribed by the commissioner, the taxpayer and the commissioner have, after June 30, 1959, entered into an agreement in writing specifically dealing with the useful life and rate of depreciation of any property, the rate so agreed upon shall be binding on both the taxpayer and the commissioner in the absence of facts or circumstances not taken into consideration in the adoption of such agreement. The responsibility of establishing the existence of such facts and circumstances shall rest with the party initiating the modification. Any change in the agreed rate and useful life specified in the agreement shall not be effective for taxable years before the taxable year in which notice in writing by certified mail is served by the party to the agreement initiating such change.

((E)) (f) In the absence of an agreement under clause (d) containing a provision to the contrary, a taxpayer may at any time elect in accordance with regulations prescribed by the commissioner to change from the method of depreciation prescribed in clause (b) (2) to the method described in clause (b) (1).

((F)) (g) The basis on which exhaustion, wear and tear, and obsolescence are to be allowed in respect of any property shall be the adjusted basis provided in sections 290.131 to 290.139, 290.14 and 290.15 for the purpose of determining the gain on the sale or other disposition of such property *except that in the case of recovery property within the meaning of section 168 of the Internal Revenue Code as amended through December 31, 1981, for taxable years beginning after December 31, 1980 but before January 1, 1983, the depreciation adjustment to basis shall be the same as the depreciation adjustments under the Internal Revenue Code of 1954 as amended through December 31, 1981.*

((G)) (h) In the case of property held by one person for life with remainder to another person, the deduction shall be computed as if the life tenant were the absolute owner of the property and shall be allowed to the life tenant. In the case of property held in trust the allowable deduction shall be apportioned between the income beneficiary and the trustee in accordance with the pertinent provisions of the instrument creating the trust, or, in the absence of such provisions, on the basis of the trust income allocable to each. In the case of an estate, the allowable deduction shall be apportioned between the estate and the heirs, legatees, and devisees on the basis of the income of the estate allocable to each.

((H)) (i) In the case of buildings or other structures or improvements constructed or made on leased premises by a lessee, and the fixtures and machinery therein installed, the lessee alone shall be entitled to the allowance of this deduction.

(B) [FIRST YEAR DEPRECIATION.] (a) In the case of section 1 property, the term "reasonable allowance" as used

in subdivision 7, may, at the election of the taxpayer, include an allowance, for the first taxable year for which a deduction is allowable under subdivision 7, to the taxpayer with respect to such property, of 20 percent of the cost of such property. *For taxable years beginning after December 31, 1980 and before January 1, 1983, in the case of recovery property within the meaning of section 168 of the Internal Revenue Code of 1954, as amended through December 31, 1981, the first year depreciation allowance shall be the allowance for federal income tax purposes under section 179 of the Internal Revenue Code of 1954, as amended through December 31, 1981.*

(b) If in any one taxable year the cost of section 1 property with respect to which the taxpayer may elect an allowance under (a) for such taxable year exceeds \$10,000, then (a) shall apply with respect to those items selected by the taxpayer, but only to the extent of an aggregate cost of \$10,000. In the case of a husband and wife who file a joint return under section 290.38 for the taxable year, the limitation under the preceding sentence shall be \$20,000 in lieu of \$10,000.

(c) (1) The election under this subdivision for any taxable year shall be made within the time prescribed by law (including extensions thereof) for filing the return for such taxable year. The election shall be made in such manner as the commissioner may by regulations prescribe.

(2) Any election made under this subdivision may not be revoked except with the consent of the commissioner.

(d) (1) For purposes of this subdivision, the term "Section 1 property" means tangible personal property (excluding buildings and structures)

(A) of a character subject to the allowance for depreciation under subdivision 7.

(B) acquired by purchase after December 31, 1958, for use in a trade or business or for holding for production of income, and

(C) with a useful life (determined at the time of such acquisition) of six years or more.

(2) For purposes of paragraph (1), the term "purchase" means any acquisition of property, but only if

(A) the property is not acquired from a person whose relationship to the person acquiring it would result in the disallowance of losses under section 290.10(6),

(B) the property is not acquired by one component member of a controlled group from another component member of the same controlled group, and

(C) the basis of the property in the hands of the person acquiring it is not determined

(i) in whole or in part by reference to the adjusted basis of such property in the hands of the person from whom acquired, or

(ii) under section 290.14(4) (relating to property acquired from a decedent).

(3) For purposes of this subdivision, the cost of property does not include so much of the basis of such property as is determined by reference to the basis of other property held at any time by the person acquiring such property.

(4) This subdivision shall not apply to trusts.

(5) In the case of an estate, any amount apportioned to an heir, legatee, or devisee shall not be taken into account in applying (B) of this subdivision to section 1 property of such heir, legatee, or devisee not held by such estate.

(6) For purposes of (B) of this subdivision

(A) all component members of a controlled group shall be treated as one taxpayer, and

(B) the commissioner shall apportion the dollar limitation contained in such (B) among the component members of such controlled group in such manner as he shall by regulations prescribe.

(7) For purposes of paragraphs (2) and (6), the term "controlled group" has the meaning assigned to it by section 1563(a) of the Internal Revenue Code of 1954, as amended through December 31, 1979, except that, for such purposes, the phrase "more than 50 percent" shall be substituted for the phrase "at least 80 percent" each place it appears in section 1563(a)(1) of the Internal Revenue Code of 1954, as amended through December 31, 1979.

Sec. 9. Minnesota Statutes 1981 Supplement, Section 290.091, is amended to read:

290.091 [MINIMUM TAX ON PREFERENCE ITEMS.]

In addition to all other taxes imposed by this chapter there is hereby imposed, a tax which, in the case of a resident in-

dividual, shall be equal to 40 percent of the amount of the taxpayer's minimum tax liability for tax preference items pursuant to the provisions of sections 55 to 58 and 443(d) of the Internal Revenue Code of 1954 as amended through December 31, 1980 except that for purposes of the tax imposed by this section, capital gain as defined in section 57(a) of the Internal Revenue Code shall not include that portion of any gain occasioned by sale, transfer or the granting of a perpetual easement pursuant to any eminent domain proceeding or threat thereof as described in section 290.13, subdivision 5. This modification shall apply to the years in which the gain or reduction in loss is actually included in federal adjusted gross income even though amounts received pursuant to the eminent domain proceedings were received in prior years. (IN THE CASE OF A TAXPAYER OTHER THAN A CORPORATION, AN AMOUNT EQUAL TO ONE-HALF OF THE NET CAPITAL GAIN FOR THE TAXABLE YEAR SHALL BE USED AS THE DEFINITION OF CAPITAL GAIN IN PLACE OF THE DEDUCTION DETERMINED UNDER SECTION 1202 OF THE INTERNAL REVENUE CODE.) In the case of a resident individual, having preference items which could not be taken to reduce income from sources outside the state pursuant to section 290.17, subdivision 1, or any other taxpayer the tax shall equal 40 percent of that federal liability, multiplied by a fraction the numerator of which is the amount of the taxpayer's preference item income allocated to this state pursuant to the provisions of sections 290.17 to 290.20, and the denominator of which is the taxpayer's total preference item income for federal purposes.

Sec. 10. Minnesota Statutes 1980, Section 290.16, Subdivision 4, is amended to read:

Subd. 4. [DEDUCTIONS FOR CAPITAL GAINS.] If for any taxable year the net long-term capital gain exceeds the net short-term capital loss, (50) 60 percent of the amount of such excess shall be a deduction from gross income.

Sec. 11. Minnesota Statutes 1980, Section 290.16, Subdivision 15, is amended to read:

Subd. 15. [GAIN FROM DISPOSITIONS OF CERTAIN DEPRECIABLE PROPERTY.] For purposes of this subdivision "depreciable property" shall mean "Section 1245 property" as that phrase is defined in Section 1245(a) (3) of the Internal Revenue Code of 1954, as amended through December 31, 1979.

In determining net income of any corporate taxpayer, the gain realized from the disposition of "depreciable property" shall be treated in the same manner as is provided by Section 1245 of the Internal Revenue Code of 1954, as amended through December 31, 1979 and regulations adopted pursuant thereto *except that the determination shall be made using the basis computed under this chapter.*

Sec. 12. Minnesota Statutes 1980, Section 290.16, Subdivision 16, is amended to read:

Subd. 16. [GAIN FROM DISPOSITION OF CERTAIN DEPRECIABLE REALTY.] For purposes of this subdivision "depreciable realty" shall mean "Section 1250 realty" as that phrase is defined in Section 1250(c) of the Internal Revenue Code of 1954, as amended through December 31, 1979.

In determining net income of any corporate taxpayer, the gain realized from the disposition of "depreciable realty" shall be treated in the same manner as is provided by Section 1250 of the Internal Revenue Code of 1954, as amended through December 31, 1979, and regulations adopted pursuant thereto *except that the determination shall be made using the basis computed under this chapter.*

Sec. 13. Minnesota Statutes 1981 Supplement, Section 290.17, Subdivision 2, is amended to read:

Subd. 2. [OTHER TAXPAYERS.] In the case of taxpayers not subject to the provisions of subdivision 1, items of gross income shall be assigned to this state or other states or countries in accordance with the following principles:

(1) The entire income of all resident or domestic taxpayers from compensation for labor or personal services, or from a business consisting principally of the performance of personal or professional services, shall be assigned to this state, and the income of nonresident taxpayers from such sources shall be assigned to this state if, and to the extent that, the labor or services are performed within it; all other income from such sources shall be treated as income from sources without this state;

(2) Income from the operation of a farm shall be assigned to this state if the farm is located within this state and to other states only if the farm is not located in this state. Income and gains received from tangible property not employed in the business of the recipient of such income or gains, and from tangible property employed in the business of such recipient if such business consists principally of the holding of such property and the collection of the income and gains therefrom, shall be assigned to this state if such property has a situs within it, and to other states only if it has no situs in this state. Income or gains from intangible personal property not employed in the business of the recipient of such income or gains, and from intangible personal property employed in the business of such recipient if such business consists principally of the holding of such property and the collection of the income and gains therefrom, wherever held, whether in trust, or otherwise, shall be assigned to this state if the recipient thereof is domiciled within this state; income or gains from intangible personal

property wherever held, whether in trust or otherwise shall be assigned to this state if the recipient of such income or gains is domiciled within this state, or if the grantor of any trust is domiciled within this state and such income or gains would be taxable to such grantor under section 290.25 or 290.29 ;

(3) Income derived from carrying on a trade or business, including in the case of a business owned by natural persons the income imputable to the owner for his services and the use of his property therein, shall be assigned to this state if the trade or business is conducted wholly within this state, and to other states if conducted wholly without this state. This provision shall not apply to business income subject to the provisions of clause (1) ;

(4) When a trade or business is carried on partly within and partly without this state, the entire income derived from such trade or business, including income from intangible property employed in such business and including, in the case of a business owned by natural persons, the income imputable to the owner for his services and the use of his property therein, shall be governed, except as otherwise provided in sections 290.35 and 290.36, by the provisions of section 290.19, notwithstanding any provisions of this section to the contrary. This shall not apply to business income subject to the provisions of clause (1), *nor shall it apply to income from the operation of a farm which is subject to the provisions of clause (2)*. For the purposes of this clause, a trade or business located in Minnesota is carried on partly within and partly without this state if tangible personal property is sold by such trade or business and delivered or shipped to a purchaser located outside the state of Minnesota.

If the trade or business carried on wholly or partly in Minnesota is part of a unitary business, the entire income of that unitary business shall be subject to apportionment under section 290.19. The term "unitary business" shall mean a number of business activities or operations which are of mutual benefit, dependent upon, or contributory to one another, individually or as a group. Unity shall be presumed whenever there is unity of ownership, operation, and use, evidenced by centralized management or executive force, centralized purchasing, advertising, accounting, or other controlled interaction. Unity of ownership will not be deemed to exist unless the corporation owns more than 50 percent of the voting stock of the other corporation.

The entire income of a unitary business, including all income from each activity, operation or division, shall be subject to apportionment as provided in section 290.19. None of the income of a unitary business shall be considered as derived from any particular source and none shall be allocated to any particular place except as provided by the applicable apportionment formula.

In determining whether or not intangible property is employed in a unitary business carried on partly within and partly without this state so that income derived therefrom is subject to apportionment under section 290.19 the following rules and guidelines shall apply.

(a) Intangible property is employed in a business if the business entity owning intangible property holds it as a means of furthering the business operation of which a part is located within the territorial confines of this state.

(b) Where a business operation conducted in Minnesota, is owned by a business entity which carries on business activity outside of the state different in kind from that conducted within this state, and such other business is conducted entirely outside the state, it will be presumed that the two business operations are unitary in nature, interrelated, connected and interdependent unless it can be shown to the contrary.

(5) In the case of a nonresident who is liable for payment of a penalty for having withdrawn funds from an individual housing account established pursuant to section 290.08, subdivision 25, the amount so withdrawn and for which a deduction was allowed shall be an item of income assignable to this state, and the penalty tax of ten percent shall remain an additional liability of that taxpayer.

(6) For purposes of this section, amounts received by a non-resident from the United States, its agencies or instrumentalities, the Federal Reserve Bank, the state of Minnesota or any of its political or governmental subdivisions, or a Minnesota volunteer fireman's relief association, by way of payment as a pension, public employee retirement benefit, or any combination thereof, or as a retirement or survivor's benefit made from a plan qualifying under section 401, 403, 404, 405, 408, 409 or 409A of the Internal Revenue Code of 1954, as amended through December 31, 1979, are not considered income derived from carrying on a trade or business or from performing personal or professional services in Minnesota, and are not taxable under this chapter.

(7) All other items of gross income shall be assigned to the taxpayer's domicile.

Sec. 14. Minnesota Statutes 1981 Supplement, Section 290.21, Subdivision 4, is amended to read:

Subd. 4. (a) 85 percent of dividends received by a corporation during the taxable year from another corporation, when the corporate stock with respect to which dividends are paid does not constitute the stock in trade of the taxpayer or would not be included in the inventory of the taxpayer, or does not constitute

property held by the taxpayer primarily for sale to customers in the ordinary course of his trade or business, or when the trade or business of the taxpayer does not consist principally of the holding of the stocks and the collection of the income and gains therefrom. The remaining 15 percent shall be allowed if the recipient owns 80 percent or more of all the voting stock of such other corporation, and the dividends were paid from income arising out of business done in this state by the corporation paying such dividends; but if the income out of which the dividends are declared was derived from business done within and without this state, then so much of the remainder shall be allowed as a deduction as the amount of the taxable net income of the corporation paying the dividends assignable or allocable to this state bears to the entire net income of the corporation, such rate being determined by the returns under this chapter of the corporation paying such dividends for the taxable year preceding the distribution thereof; the burden shall be on the taxpayer of showing that the amount of remainder claimed as a deduction has been received from income arising out of business done in this state,

(b) if the trade or business of the taxpayer consists principally of the holding of the stocks and the collection of the income and gains therefrom, dividends received by a corporation during the taxable year from another corporation, if the recipient owns 80 percent or more of all the voting stock of such other corporation, from income arising out of business done in this state by the corporation paying such dividends; but, if the income out of which the dividends are declared was derived from business done within and without this state, then so much of the dividends shall be allowed as deduction as the amount of the taxable net income of the corporation paying the dividends assignable or allocable to this state bears to the entire net income of the corporation, such rate being determined by the returns under this chapter of the corporation paying such dividends for the taxable year preceding the distribution thereof. The burden shall be on the taxpayer of showing that the amount of dividends claimed as a deduction has been received from income arising out of business done in this state.

(c) The dividend deduction provided in this subdivision shall be allowed only with respect to dividends that are included in a corporation's Minnesota taxable net income for the taxable year.

(d) *In the case of a corporation, which is permitted or required to file a combined report under section 290.34, subdivision 2, dividends shall be excluded from the income of the recipient to the extent the dividends are already included as income on the combined report.*

Sec. 15. Minnesota Statutes 1980, Section 290.34, Subdivision 2, is amended to read:

Subd. 2. [AFFILIATED OR RELATED CORPORATIONS, CONSOLIDATED STATEMENTS.] When a corporation which is required to file an income tax return is affiliated with or related to any other corporation through stock ownership by the same interests or as parent or subsidiary corporations, or has its income regulated through contract or other arrangement, the commissioner of revenue may permit or require such (CONSOLIDATED STATEMENTS) *combined report* as, in his opinion, are necessary in order to determine the taxable net income received by any one of the affiliated or related corporations. *For purposes of computing either the arithmetic average or weighted apportionment formulas under section 290.19, subdivision 1 for each corporation involved, the numerator of the fraction shall be that corporation's sales, property, or payroll in Minnesota and the denominator shall be the total sales, payroll, and property of all the corporations shown on the combined report. The combined report shall reflect the income of the entire unitary business as provided in section 290.17, subdivision 2, clause (4). The combined report shall reflect income only from corporations created or organized in the United States or under the laws of the United States or of any state. Specifically, it is the intent of the legislature to adopt the combined reporting method provided in Butler Brothers v. McColgan, 111 P. 2d 334, and 315 U.S. 501, and Edison California Stores v. McColgan, 183 P. 2d 16 and to treat all income as business income to the maximum extent allowable under Mobil Oil Corporation v. Commissioner of Taxes of Vermont, 445 U.S. 425. This subdivision shall not apply to insurance companies whose income is determined under section 290.35.*

Sec. 16. Minnesota Statutes 1980, Section 290.361, Subdivision 2, is amended to read:

Subd. 2. [COMPUTATION OF TAXABLE NET INCOME.] The taxable net income shall be computed in the manner provided by this chapter except that in the case of national and state banks: (a) the (RATE) rates shall be (12 PERCENT) as established in section 290.06, subdivision 1; (b) the basic date for the purpose of computing gain or loss and depreciation shall be January 1, 1940, instead of January 1, 1933; (c) property consisting of investments in bonds, stocks, notes, debentures, mortgages, certificates, or any evidence of indebtedness, and any property acquired in liquidation thereof when such property is held for investment or for sale, shall not be deemed to be capital assets; and (d) in computing net income there shall be allowable as a deduction from gross income, in addition to deductions otherwise provided for in this chapter, any dividend (not including any distribution in liquidation) paid, within the taxable year, to the United States or to any instrumentality thereof exempt from federal income taxes, on the preferred stock of the bank owned by the United States or such instrumentality.

Sec. 17. Minnesota Statutes 1981 Supplement, Section 290.53, Subdivision 1, is amended to read:

Subdivision 1. [FAILURE TO PAY TAX.] If any tax imposed by this chapter is not paid within the time herein specified for the payment thereof, or within 30 days after final determination of an appeal to the tax court relating thereto *if the taxpayer is not required to pay the amount in dispute pending appeal under section 18*, there shall be added thereto a specific penalty equal to ten percent of the amount so remaining unpaid. Such penalty shall be collected as part of said tax, and the amount of said tax not timely paid, together with said penalty shall bear interest at the rate specified in section 270.75 from the time such tax should have been paid until paid. Interest accruing upon the tax due as disclosed by the return or upon the amount determined as a deficiency from the date prescribed for the payment of the tax (if the tax is payable in installments, from the date the installment or installments become due and payable under the provisions of section 290.45, subdivision 1) shall be added to the tax and be collected as a part thereof. Where an extension of time for payment has been granted under section 290.45, subdivision 2, interest shall be paid at the rate specified in section 270.75 from the date when such payment should have been made if no extension had been granted, until such tax is paid. If payment is not made at the expiration of the extended period the penalties provided in this section shall apply.

Sec. 18. [290.531] [PAYMENT OF TAX PENDING APPEAL.]

When a taxpayer appeals his tax liability under chapter 290 to the tax court, and the amount in dispute is more than \$4,000, the entire amount of the tax shall be paid at the time it is due unless permission to continue prosecution of the petition without payment is obtained as provided herein. The petitioner, upon ten days notice to the commissioner, 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 the taxpayer may be held exempt from the tax or that the tax may be determined to be less than 50 percent of the amount due; and*
- (3) *That it would work a substantial hardship upon petitioner to pay the tax,*

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.

Sec. 19. Minnesota Statutes 1980, Section 299.08, is amended to read:

299.08 [LIEN; PAYMENT OF TAX.]

The situs of royalty, for all purposes of this chapter, shall be in this state; and the tax herein provided for shall be a specific lien from the time the royalty accrues upon all and singular the right, title, and interest of the person to whom such royalty is payable, in and to the land, for permission to explore, mine, take out, and remove ore on which the royalty is paid, and shall be a specific lien upon such royalties as they accrue. Every person paying royalty to another which is subject to tax hereunder, upon which the royalty tax has not been paid, shall withhold the amount of the tax upon such royalty and remit the same to the commissioner of revenue at the time the royalty is paid. Such payment shall operate to discharge to that extent the liability of the person paying such royalty to the royalty recipient. In addition thereto, he shall withhold any additional amounts certified pursuant to section 299.012, subdivision 3. At the time of such payment he shall file with the commissioner of revenue a report thereof on forms to be prescribed by the commissioner of revenue. If any person paying royalty to another shall fail to withhold the tax thereon or the penalty imposed by section 299.06, after notice thereof as therein provided, and pay the same to the commissioner of revenue, he shall be liable for the amount of such tax and penalty, with interest at the rate of (12) 20 percent per annum, *adjusted as provided in section 1*, from the time the same should have been paid, to be recovered in an action by the attorney general for and on behalf of the state. The commissioner of revenue, may, upon petition of any royalty payor or recipient, upon such conditions as he may impose, permit the paying of the tax in one annual payment instead of as such royalty accrues, in which case such annual payment shall be made at such times as the commissioner of revenue directs, not later than June 30 of the year following the accrual of the royalty. No such extension of time shall be granted unless, as one of the conditions thereof, the royalty payor shall guarantee the payment of the tax.

In the event the royalty is paid in ore instead of in cash the tax provided for herein shall be a specific lien upon the ore apportioned to the royalty recipient; or, if such ore be not apportioned, upon the royalty recipient's interest in the ore mined, and such ore shall not be shipped from this state unless:

- (1) The royalty tax be paid; or

(2) A bond be given to secure such payment, upon a form and with sureties approved by the commissioner of revenue, in an amount 25 percent in excess of his estimate of the tax; or

(3) The estimated amount of the tax, such estimate to be made by the commissioner of revenue, be deposited with the state treasurer as security for such payment; or

(4) The payment of the tax be guaranteed or secured in some other manner satisfactory to the commissioner of revenue.

Sec. 20. Minnesota Statutes 1980, Section 299.10, is amended to read:

299.10 [PENALTY FOR NON-PAYMENT; COLLECTION OF DELINQUENT TAX.]

If the tax herein provided for is not paid by July 15 of the year when due and payable a penalty of ten percent thereof shall immediately accrue and thereafter (ONE PERCENT PER MONTH) *20 percent per annum, adjusted as provided in section 1*, shall be added to such tax while it remains unpaid. On July 16, of each year, the commissioner of revenue shall deliver a certification of unpaid liability to the attorney general, whose duty it shall be to bring an action in the district court of Ramsey county for the amount of such tax, together with penalties, interest, and costs of the proceedings; and the judgment of the court, when so obtained and properly docketed, shall be a lien upon all right, title, and interest of the taxpayer to the land upon which such tax is a lien from the time the same is docketed; and the lien shall continue without limitation, with interest at the rate of one percent per month, and the property may be sold in satisfaction of the judgment in the same manner as provided by law for the sale of property upon execution.

Sec. 21. Minnesota Statutes 1980, Section 340.492, is amended to read:

340.492 [MANNER AND TIME OF PAYMENT; PENALTIES; DEPOSIT OF TAX PROCEEDS.]

The commissioner of revenue shall issue rules adopting the reporting method for paying and collecting the excise tax on fermented malt beverages. The rules shall require reports to be filed with and the excise tax to be paid to the commissioner on or before the fifteenth day of the month following the month in which the importation into or the first sale is made in this state, whichever first occurs. If the excise tax is not paid when due, there shall be added to the amount of the tax as penalty a sum equivalent to ten percent thereof, and in addition thereto interest on the tax and penalty at the rate of (ONE PERCENT A MONTH OR MAJOR PORTION THEREOF) *20 percent*

per annum, adjusted as provided in section 1, from the date the tax became due until paid. The commissioner shall deposit all moneys received in the funds as provided by section 340.47, subdivision 2.

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

ARTICLE IV

PROPERTY TAX

Section 1. Minnesota Statutes 1980, Section 121.904, is amended by adding a subdivision to read:

Subd. 4a. [LEVY RECOGNITION; PAYABLE 1983.]
(1) For taxes assessed in 1982, payable in 1983, all current levies of local taxes, including portions assumed by the state, shall be recognized as provided in this subdivision.

(2) One-third of the March and May property tax settlements shall be recognized as receivable and recorded as revenue in the same fiscal year during which collection normally takes place. These receivables shall be for use in the current fiscal year.

(3) Two-thirds of the March and May property tax settlements shall be recognized as receivable and shall be reserved for use in the fiscal year immediately following the fiscal year during which collection normally takes place.

(4) All of the October property tax settlements shall be recognized as receivable and recorded as revenue in the same fiscal year during which collection normally takes place. These receivables shall be for use in the current fiscal year.

Sec. 2. Minnesota Statutes 1980, Section 121.904, is amended by adding a subdivision to read:

Subd. 4b. [LEVY RECOGNITION; PAYABLE 1984 AND THEREAFTER.] (1) Beginning with taxes assessed in 1983 payable in 1984, all current levies of local taxes, including portions assumed by the state, shall be recognized as provided in this subdivision.

(2) For the March and May property tax settlements, an amount equal to one-sixth of the levy certified for the current fiscal year shall be recognized as receivable and recorded as revenue for that fiscal year. These receivables shall be for use in the current fiscal year.

(3) The remainder of the March and May property tax settlements shall be recognized as receivable and shall be reserved for use in the fiscal year immediately following the fiscal year during which collection normally takes place.

(4) All of the October property tax settlements shall be recognized as receivable and recorded as revenue in the same fiscal year during which collection normally takes place. These receivables shall be for use in the current fiscal year.

Sec. 3. [AID REDUCTIONS DUE TO TAX LEVY REVENUE RECOGNITION CHANGE.]

Subdivision 1. [AUTHORIZATION.] Notwithstanding any law to the contrary, state aid due school districts in fiscal year 1983 for the 1982-1983 school year shall be reduced as provided in this section.

Subd. 2. [AMOUNT OF REDUCTION.] State aid due any school district in fiscal year 1983 for the 1982-1983 school year under the provisions enumerated in subdivision 3 shall be reduced by the amount the district levied for taxes assessed in 1982, payable in 1983, which is to be recognized as revenue in fiscal year 1983 pursuant to section 1. The district levy against which the reduction is applied shall not include any levy portions that are assumed by the state. For purposes of computing this state aid reduction, the amount levied by the district shall not include the amounts levied to make payments for bonds issued and for interest thereon; the amounts levied for repayment of debt service loans and capital loans; the amounts levied to pay the district's obligations under section 268.06, subdivision 25; and amounts levied pursuant to section 275.125, subdivisions 2d, 6a, 9a, 14a, and 20.

Subd. 3. [SUBTRACTION FROM AIDS.] The amount specified in subdivision 2 shall be subtracted from the following state aid payments in the order listed in fiscal year 1983:

- (a) *Foundation aid as authorized in section 124.212, subdivision 1;*
- (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) *Gifted and talented aid authorized in section 124.247;*
- (f) *Aid for pupils of limited English proficiency authorized in section 124.273;*
- (g) *Aid for improved learning programs authorized in section 124.251;*
- (h) *Aid for chemical use programs authorized in section 124.246;*
- (i) *Transportation aid authorized in section 124.225;*
- (j) *School lunch aid authorized in section 124.646;*
- (k) *Community education programs aid authorized in section 124.271;*
- (l) *Adult education aid authorized in section 124.26;*
- (m) *Capital expenditure equalization aid authorized in section 124.245;*
- (n) *Homestead credit payments authorized in section 273.13, subdivisions 6, 7, and 14a;*
- (o) *Taconite homestead credit payments authorized in section 273.135;*
- (p) *Wetlands credit authorized in section 273.115;*
- (q) *Native prairie credit authorized in section 273.116; and*
- (r) *Attached machinery aid authorized in section 273.138, subdivision 3.*

The commissioner of education shall schedule the timing of the reductions from state aid payments specified in subdivision 2 in such a manner that will minimize the impact of this article on the cash flow needs of the school districts.

Subd. 4. [ACCOUNTING.] Notwithstanding any law to the contrary, the amount of the levy subtracted from state aid payments shall be recognized and reported on the school district books of account in the same way that the state aid payments would have been recognized and reported.

Sec. 4. Minnesota Statutes 1981 Supplement, Section 124-2121, Subdivision 5, is amended to read:

Subd. 5. [LEVY USE.] A levy "for use in a particular school year," "attributable to a particular school year," or "recognized as revenue in a particular school year," means (THE) levy (CERTIFIED IN THE CALENDAR YEAR ENDING IN THE) as recognized pursuant to section 121.904 (SCHOOL YEAR PRECEDING THAT PARTICULAR SCHOOL YEAR, AND PAYABLE IN THE CALENDAR YEAR IN WHICH THAT SCHOOL YEAR BEGINS).

Sec. 5. [CASH FLOW LOAN FUND.]

Subdivision 1. There shall be maintained in the state treasury a cash flow loan fund for administration of moneys to be received and disbursed as authorized in this section. The purpose of this fund is to alleviate the impact of altering the recognition of tax revenue pursuant to sections 1 and 3 on the cash flow needs of the school districts.

Subd. 2. [LOAN APPLICATIONS; REPAYMENTS.] The commissioner of education shall establish procedures for loan applications and criteria for determining increased cash flow needs of school districts caused by the altering of recognition of tax revenue. The commissioner shall approve or disapprove loan applications on the basis of need. Any loan made pursuant to this section shall constitute an advance to the district without interest. The school district shall repay the full amount of the loan by June 25, 1983.

Subd. 3. [APPROPRIATION.] There is appropriated from the general fund to the department of education for the cash flow loan fund the sum of \$15,000,000. This sum shall be transferred to the cash flow loan fund as needed.

Sec. 6. [LEGISLATURE TO EVALUATE CASH FLOW.]

Before July 1, 1982, the legislature intends to evaluate the effect of this article on the cash flow needs of school districts, and to reschedule the timing of payment of state aids and credits to school districts to the extent needed to ensure that the cash position of school districts is sufficiently favorable to ensure efficient operation.

Sec. 7. Minnesota Statutes 1980, Section 275.125, is amended by adding a subdivision to read:

Subdivision 1a. [CERTIFIED LEVY.] Beginning with taxes assessed in 1983, payable in 1984, the certified levy for each calendar year shall equal one-sixth of the local revenue to be collected for the current fiscal year plus five-sixths of the local revenue to be collected for the following fiscal year. The total certified levy shall be computed as provided in this section.

Sec. 8. Minnesota Statutes 1980, Section 276.11, is amended to read:

276.11 [WHEN TREASURER SHALL PAY FUNDS.]

As soon as practical after each settlement in March, June, and November the county treasurer shall pay over to the state treasurer or the treasurer of any town, city, school district, or special district, on the warrant of the county auditor, all receipts arising from taxes levied by and belonging to the state, or to such municipal corporation, or other body, and deliver up all orders and other evidences of indebtedness of such municipal corporation or other body, taking triplicate receipts therefor. (HE) *The treasurer shall file one of the receipts with the county auditor, and shall return one by mail on the day of its reception to the clerk of the town, city, school district, or special district to which payment was made. The clerk shall preserve the receipt in (HIS) the clerk's office. Upon written request of the state, a municipal corporation or other public body, the county treasurer shall, to the extent practicable, make partial payments of amounts collected periodically in advance of the next settlement and distribution. Accompanying each payment shall be a statement prepared by the county treasurer designating the years for which taxes included in the payment were collected and, for each year, the amount of the taxes and any penalties thereon. The county treasurer shall pay, upon written request of the state, a municipal corporation or other public body (PAY) except school districts, at least 70 percent of the estimated collection within 30 days after the settlement date. Within 15 days after the settlement date, the county treasurer shall pay to the treasurer of the school districts at least 70 percent of the estimated collections arising from taxes levied by and belonging to the school district. (HE) The treasurer shall pay the balance of the amounts collected to the state or to a municipal corporation or other body within 60 days after the settlement date, provided, however, that after 45 days interest shall accrue at a rate of eight percent per annum to the credit of and shall be paid to the state, municipal corporation or other body. Interest shall be payable upon appropriation from the general revenue fund of the county and, if not paid, may be recovered by the state, municipal corporation, or other body, in a civil action.*

Sec. 9. Minnesota Statutes 1981 Supplement, Section 275.50, Subdivision 5, is amended to read:

Subd. 5. Notwithstanding any other law to the contrary for taxes levied in (1981) *1982* payable in (1982) *1983 and subsequent years*, "special levies" means those portions of ad valorem taxes levied by governmental subdivisions to:

(a) satisfy judgments rendered against the governmental subdivision by a court of competent jurisdiction in any tort action, or to pay the costs of settlements out of court against the governmental subdivision in a tort action when substantiated by a stipulation for the dismissal of the action filed with the court of competent jurisdiction and signed by both the plaintiff and the legal representative of the governmental subdivision, but only to the extent of the increase in levy for such judgments and out of court settlements over levy year 1970, taxes payable in 1971;

(b) pay the costs of complying with any written lawful order initially issued prior to January 1, 1977 by the state of Minnesota, or the United States, or any agency or subdivision thereof, which is authorized by law, statute, special act or ordinance and is enforceable in a court of competent jurisdiction, or any stipulation agreement or permit for treatment works or disposal system for pollution abatement in lieu of a lawful order signed by the governmental subdivision and the state of Minnesota, or the United States, or any agency or subdivision thereof which is enforceable in a court of competent jurisdiction. The commissioner of revenue shall in consultation with other state departments and agencies, develop a suggested form for use by the state of Minnesota, its agencies and subdivisions in issuing orders pursuant to this subdivision;

(c) pay the costs to a governmental subdivision for their minimum required share of any program otherwise authorized by law for which matching funds have been appropriated by the state of Minnesota or the United States, excluding the administrative costs of public assistance programs, to the extent of the increase in levy for the taxes payable year (1982) *1983 and subsequent years* over the amount levied for the local share of the program for the taxes payable year 1971. This clause shall apply only to those programs or projects for which matching funds have been designated by the state of Minnesota or the United States on or before September 1, (1981) *of the previous year* and only when the receipt of these matching funds is contingent upon the initiation or implementation of the project or program during (1982) *the year in which the taxes are payable* or those programs or projects approved by the commissioner;

(d) pay the costs not reimbursed by the state or federal government, of payments made to or on behalf of recipients of aid under any public assistance program authorized by law, and the costs of purchase or delivery of social services. Except for the costs of general assistance medical care under section 256D.03 and the costs of hospital care pursuant to section 261.21, the ag-

gregate amounts levied pursuant to this clause are subject to a maximum increase of 18 percent over the amount levied for these purposes (FOR THE TAXES PAYABLE YEAR 1981) *in the previous year*;

(e) pay the costs of principal and interest on bonded indebtedness, or, effective for taxes levied in 1973 and years thereafter, to reimburse for the amount of liquor store revenues used to pay the principal and interest due in the year preceding the year for which the levy limit is calculated on municipal liquor store bonds;

(f) pay the costs of principal and interest on certificates of indebtedness, except tax anticipation or aid anticipation certificates of indebtedness, issued for any corporate purpose except current expenses or funding an insufficiency in receipts from taxes or other sources or funding extraordinary expenditures resulting from a public emergency;

(g) fund the payments made to the Minnesota state armory building commission pursuant to section 193.145, subdivision 2, to retire the principal and interest on armory construction bonds;

(h) provide for the bonded indebtedness portion of payments made to another political subdivision of the state of Minnesota;

(i) pay the amounts required to compensate for a decrease in mobile homes property tax receipts to the extent that the governmental subdivision's portion of the total levy in the current levy year, pursuant to section 273.13, subdivision 3, as amended, is less than the distribution of the mobile homes tax to the governmental subdivision pursuant to section 273.13, subdivision 3, in calendar year 1971;

(j) pay the amounts required, in accordance with section 275.075, to correct for a county auditor's error of omission in levy year 1971 or a subsequent levy year, but only to the extent that when added to the preceding year's levy it is not in excess of an applicable statutory, special law or charter limitation, or the limitation imposed on the governmental subdivision by sections 275.50 to 275.56 in the preceding levy year;

(k) pay amounts required to correct for an error of omission in the levy certified to the appropriate county auditor or auditors by the governing body of a city or town with statutory city powers in a levy year, but only to the extent that when added to the preceding year's levy it is not in excess of an applicable statutory, special law or charter limitation, or the limitation imposed on the governmental subdivision by sections 275.50 to 275.56 in the preceding levy year;

(l) pay the increased cost of municipal services as the result of an annexation or consolidation ordered by the Minnesota municipal board in levy year 1971 or a subsequent levy year, but only to the extent and for the levy years as provided by the board in its order pursuant to section 414.01, subdivision 15. Special levies authorized by the board shall not exceed 50 percent of the levy limit base of the governmental subdivision and may not be in effect for more than three years after the board's order;

(m) pay the increased costs of municipal services provided to new private industrial and nonresidential commercial development, to the extent that the extension of such services are not paid for through bonded indebtedness or special assessments, and not to exceed the amount determined as follows. The governmental subdivision may calculate the aggregate of:

(1) The increased expenditures necessary in preparation for the delivering of municipal services to new private industrial and nonresidential commercial development, but limited to one year's expenditures one time for each such development;

(2) The amount determined by dividing the overall levy limitation established pursuant to sections 275.50 to 275.56, and exclusive of special levies and special assessments, by the total taxable value of the governmental subdivision, and then multiplying this quotient times the total increase in assessed value of private industrial and nonresidential commercial development within the governmental subdivision. For the purpose of this clause, the increase in the assessed value of private industrial and nonresidential commercial development is calculated as the increase in assessed value over the assessed value of the real estate parcels subject to such private development as most recently determined before the building permit was issued. In the fourth levy year subsequent to the levy year in which the building permit was issued, the increase in assessed value of the real estate parcels subject to such private development shall no longer be included in determining the special levy.

The aggregate of the foregoing amounts, less any costs of extending municipal services to new private industrial and nonresidential commercial development which are paid by bonded indebtedness or special assessments, equals the maximum amount that may be levied as a "special levy" for the increased costs of municipal services provided to new private industrial and nonresidential commercial development. In the levy year following the levy year in which the special levy made pursuant to this clause is discontinued, one-half of the amount of that special levy made in the preceding year shall be added to the permanent levy base of the governmental subdivision;

(n) recover a loss or refunds in tax receipts incurred in non-special levy funds resulting from abatements or court action in the previous year pursuant to section 275.48;

(o) pay amounts required by law to be paid to pay the interest on and to reduce the unfunded accrued liability of public pension funds in accordance with the actuarial standards and guidelines specified in sections 356.215 and 326.216 reduced for levy year 1977 and subsequent years by 106 percent of the amount levied for that purpose in 1976, payable in 1977. For the purpose of this special levy, the estimated receipts expected from the state of Minnesota pursuant to sections 69.011 to 69.031 or any other state aid expressly intended for the support of public pension funds shall be considered as a deduction in determining the required levy for the normal costs of the public pension funds. No amount of these aids shall be considered as a deduction in determining the governmental subdivision's required levy for the reduction of the unfunded accrued liability of public pension funds;

(p) the amounts allowed under section 174.27 to establish and administer a commuter van program;

(q) pay the costs of financial assistance to local governmental units and certain administrative, engineering, and legal expenses pursuant to Laws 1979, Chapter 253, Section 3;

(r) compensate for revenue lost as a result of abatements or court action pursuant to sections 270.07, 270.17 or 278.01 due to a reassessment ordered by the commissioner of revenue pursuant to section 270.16.

Sec. 10. Minnesota Statutes 1981 Supplement, Section 275.51, Subdivision 1, is amended to read:

Subdivision 1. Notwithstanding any provisions of law or municipal charter to the contrary which authorize ad valorem levies in excess of the limitations established by sections 275.50 to 275.56, but subject to section 275.56, the provisions of this section shall apply to the levies by governmental subdivisions for the taxes payable year (1982) *1983 and subsequent years* for all purposes other than those for which special levies and special assessments are made. (ANY LAW OR SPECIAL ACT ENACTED IN 1981 WHICH AUTHORIZES A PROPERTY TAX LEVY IN EXCESS OF THE LIMITATION IMPOSED BY THIS SECTION IS EXEMPT FROM THE PROVISIONS OF THIS SECTION.)

Sec. 11. Minnesota Statutes 1981 Supplement, Section 275.51, Subdivision 3e, is amended to read:

Subd. 3e. The property tax levy limitation for any governmental subdivision for the taxes payable year (1982) *1983 and subsequent years* shall be calculated as follows:

(a) (IF THE GOVERNMENTAL SUBDIVISION WAS SUBJECT TO THE PROVISIONS OF MINNESOTA STAT-

UTES 1980, SECTIONS 275.50 TO 275.56, THE AMOUNTS LEVIED BY THE GOVERNMENTAL SUBDIVISION FOR THE TAXES PAYABLE YEAR 1981 PURSUANT TO MINNESOTA STATUTES 1980, SECTION 275.50, SUBDIVISION 5, CLAUSE (I) AND SUBDIVISION 6 ARE ADDED TO) The amount (ACTUALLY) levied by the governmental subdivision for the taxes payable *in the previous year* (1981) pursuant to the levy limitation calculated under Minnesota Statutes (1980), Section 275.51 *is determined*.

For taxes payable in 1983 and subsequent years, (i) any amount levied pursuant to any law or special act enacted in 1981 which authorized a property tax levy in excess of the limitation imposed by this section shall be added to the amount levied, and (ii) any amount levied for indebtedness which the governmental subdivision elected to levy for taxes payable in 1982 within its levy limitation in lieu of the special levy provisions pursuant to Minnesota Statutes 1981, Section 275.51, Subdivision 3e, Clause (g) shall be subtracted from the amount levied.

((B) IF THE GOVERNMENTAL SUBDIVISION WAS NOT SUBJECT TO THE PROVISIONS OF MINNESOTA STATUTES 1980, SECTIONS 275.50 TO 275.56, THE TOTAL AMOUNT ACTUALLY LEVIED BY THE GOVERNMENTAL SUBDIVISION FOR THE TAXES PAYABLE YEAR 1981 IS REDUCED BY THE AMOUNTS LEVIED FOR THESE PURPOSES DESCRIBED IN MINNESOTA STATUTES 1980, SECTION 275.50, SUBDIVISION 5, CLAUSES (E), (F), (G), AND (H).)

((C) THE TOTAL PROPERTY TAX LEVY OF A GOVERNMENTAL SUBDIVISION FOR THE TAXES PAYABLE YEAR 1981 DESCRIBED IN CLAUSE (B) SHALL BE THE AMOUNT CERTIFIED ON THE ABSTRACTS OF TAX LISTS SUBMITTED PURSUANT TO SECTION 275.29. FOR A GOVERNMENTAL SUBDIVISION WITHIN THE METROPOLITAN AREA DEFINED BY SECTION 473F.02, SUBDIVISION 2, THE PROPERTY TAX LEVY FOR PAYABLE 1981 INCLUDES THE TAX ON DISTRIBUTION VALUE FOR THE TAXES PAYABLE YEAR 1981 PURSUANT TO SECTION 473F.12.)

((D) (b) The amount determined in clause (a) (OR (B)) is divided by the total number of homesteads within the governmental subdivision reported on the (1980) abstracts of tax lists *for the year prior to the year in which the taxes were levied* and multiplied by the total number of homesteads within the governmental subdivision reported on the (1981) abstracts of tax lists *for the year in which the taxes are levied*, both of which are submitted pursuant to section 275.29. If the resulting figure is less than the amount determined in clause (a) (OR (B)), the resulting figure is increased to the amount calculated in clause (a) (OR (B)) and shall be used to make the calcu-

lation required by clause ((E)) (c). If the resulting figure is equal to or greater than the amount determined in clause (a) (OR (B)), the resulting figure shall be used to make the calculation required by clause ((E)) (c).

((E)) (c) The result of the calculation in clause ((D)) (b) is multiplied by 108 percent. The resulting figure is the maximum amount that the governmental subdivision may levy for the taxes payable year (1982) *1983 and subsequent years* for all purposes except special levies and special assessments.

((F) TO THE EXTENT THE LEVY OF THE METROPOLITAN COUNCIL OR A REGIONAL DEVELOPMENT COMMISSION FOR TAXES PAYABLE IN 1981 WAS LESS THAN ITS LEVY LIMITATION FOR THAT YEAR, IT MAY APPLY TO THE COMMISSIONER TO HAVE ITS LEVY LIMITATION INCREASED BY THE AMOUNT BY WHICH THE 1981 LEVY LIMITATION EXCEEDED THE 1981 LEVY. THE ADJUSTMENT SHALL BE ADDED TO THE AMOUNT CALCULATED IN CLAUSE (A).)

((G) IF THE SUM OF A GOVERNMENTAL SUBDIVISION'S LEVIES FOR THE PRINCIPAL AND INTEREST ON BONDED INDEBTEDNESS OR CERTIFICATES OF INDEBTEDNESS PURSUANT TO SECTION 275.50, SUBDIVISION 5, CLAUSES (E), (F), (G) AND (H) FOR THE TAXES PAYABLE YEAR 1982 IS LESS THAN 108 PERCENT OF THE TOTAL AMOUNT THAT IT LEVIED FOR THOSE PURPOSES FOR THE TAXES PAYABLE YEAR 1981, THE GOVERNMENTAL SUBDIVISION MAY CHOOSE TO LEVY FOR THESE PURPOSES WITHIN ITS LEVY LIMITATION IN LIEU OF THE SPECIAL LEVY PROVISIONS OF SECTION 275.50, SUBDIVISION 5, CLAUSES (E), (F), (G) AND (H). IF THE GOVERNMENTAL SUBDIVISION CHOOSES TO LEVY FOR THESE PURPOSES WITHIN ITS LEVY LIMITATION, IT SHALL NOTIFY THE COMMISSIONER OF REVENUE OF ITS INTENT BY OCTOBER 1, 1981. THE AMOUNT LEVIED BY THE GOVERNMENTAL SUBDIVISION FOR THE TAXES PAYABLE YEAR 1981 FOR THE PURPOSES DESCRIBED IN SECTION 275.50, SUBDIVISION 5, CLAUSES (E), (F), (G) AND (H) WILL THEN BE ADDED TO THE AMOUNT CALCULATED IN CLAUSE (A) OR (B).)

Sec. 12. Minnesota Statutes 1981 Supplement, Section 477A.-03, Subdivision 2, is amended to read:

Subd. 2. [LIMITATION ON APPROPRIATION; PROPORTIONATE REDUCTION.] The amount appropriated under subdivision 1 shall not exceed (\$270,725,464) *\$240,725,464* for calendar year 1982 and shall not exceed (\$293,561,978) *\$270,561,978* for calendar year 1983. If the limitations contained in this subdivision result in a reduction in the amounts de-

terminated pursuant to sections 477A.012 and 477A.013, each governmental unit receiving local government aid shall have its distribution proportionally reduced, but no local government unit shall receive less aid than its previous year aid.

Sec. 13. [PRORATION OF 1982 AID PAYMENTS.]

Notwithstanding the provisions of Minnesota Statutes, Chapter 477A or any other law to the contrary, the reduction in state aids payable to local governments required under section 12 shall be effected by providing a pro rata reduction of the aids that would have been paid to each county and municipality under the provisions of Minnesota Statutes 1981 Supplement, Sections 477A.011 to 477A.014 if there had been no such reduction.

Sec. 14. [PROPERTY TAX REFUND REDUCTION.]

For claims filed in 1982 based upon rent paid in 1981, the commissioner of revenue shall pay 92 percent of the credits allowable under section 290A.04, subdivisions 1, 2, and 2a. For purposes of this section, the commissioner shall not reduce the property tax refund of a claimant who is disabled or who had attained the age of 65 by June 1 of the year in which the property taxes were payable. The commissioner shall include with each refund a statement that the reduction is made pursuant to this section.

Sec. 15. Laws 1981, First Special Session, Chapter 1, Article III, Section 3, Subdivision 6, is amended to read:

Subd. 6. [HOMESTEAD CREDIT.] The appropriation from the general fund to the commissioner of revenue for the purpose of making the payments provided in Minnesota Statutes, Section 273.13, Subdivisions 6, 7, and 14a shall be limited as follows: in fiscal year 1982, the appropriation shall not exceed \$436,800,000; and in fiscal year 1983, the appropriation shall not exceed (\$469,600,000) \$481,600,000. In the event that the sum of the county auditors' certifications exceeds (THE APPROPRIATION) \$483,600,000, the certification amounts shall be proportionally reduced so that their sum equals (THE APPROPRIATION) \$483,600,000. In any event, the sum of \$2,000,000 shall be subtracted from the amounts otherwise due to be paid from the appropriation for fiscal year 1983 to Hennepin, Ramsey, and St. Louis counties, allocated as follows: Hennepin county \$1,160,900, Ramsey county \$565,200, St. Louis county \$273,900. The reductions shall be applied one-sixth to each monthly payment July to December, 1982. The named counties shall apply at least one-half of this aid reduction to reduce county administrative costs rather than to reduce services provided directly to the public.

Sec. 16. [REPEALER.]

Minnesota Statutes 1981 Supplement, Section 275.515, is repealed.

Sec. 17. [EFFECTIVE DATE.]

Sections 9 to 11 are effective for property taxes levied in 1982 and thereafter, payable in 1983 and thereafter. Section 14 is effective the day following final enactment.

ARTICLE V

SALES TAX

Section 1. Minnesota Statutes 1981 Supplement, Section 297A.02, is amended to read:

297A.02 [IMPOSITION OF TAX.]

Except as otherwise provided in this chapter, there is hereby imposed an excise tax of four percent of the gross receipts from sales at retail, as hereinbefore defined, made by any person in this state, except that for sales at retail made after June 30, 1981 and prior to July 1, 1983, except sales of farm machinery, the rate shall be five percent.

(NOTWITHSTANDING THE FOREGOING, THE TAX IMPOSED HEREBY UPON SALES AT RETAIL THROUGH COIN-OPERATED VENDING MACHINES SHALL BE THREE PERCENT OF THE GROSS RECEIPTS OF SUCH SALES.)

Sec. 2. Minnesota Statutes 1981 Supplement, Section 297A.25, Subdivision 1, is amended to read:

Subdivision 1. The following are specifically exempted from the taxes imposed by sections 297A.01 to 297A.44:

(a) The gross receipts from the sale of food products including but not limited to cereal and cereal products, butter, cheese, milk and milk products, oleomargarine, meat and meat products, fish and fish products, eggs and egg products, vegetables and vegetable products, fruit and fruit products, spices and salt, sugar and sugar products, coffee and coffee substitutes, tea, cocoa and cocoa products, but not including foods which are prepared or specially sliced, wrapped, arranged or displayed, and sold cold or hot for immediate consumption on or off the premises on which the sale is made, whether sold in individual servings or in larger quantities, except food products which are not taxable pursuant to section 297A.01, subdivision 3, clause (c) and which are sold by a retailer, organized as a nonprofit corporation or association, within a place located on property owned by the state

or an agency or instrumentality of the state, the entrance to which is subject to an admission charge;

(b) The gross receipts from the sale of prescribed drugs and medicine intended for use, internal or external, in the cure, mitigation, treatment or prevention of illness or disease in human beings and products consumed by humans for the preservation of health, including prescription glasses, therapeutic and prosthetic devices, but not including cosmetics or toilet articles notwithstanding the presence of medicinal ingredients therein;

(c) The gross receipts from the sale of and the storage, use or other consumption in Minnesota of tangible personal property, tickets, or admissions, electricity, gas, or local exchange telephone service, which under the Constitution or laws of the United States or under the Constitution of Minnesota, the state of Minnesota is prohibited from taxing;

(d) The gross receipts from the sale of tangible personal property (i) which, without intermediate use, is shipped or transported outside Minnesota and thereafter used in a trade or business or is stored, processed, fabricated or manufactured into, attached to or incorporated into other tangible personal property transported or shipped outside Minnesota and thereafter used in a trade or business outside Minnesota, and which is not thereafter returned to a point within Minnesota, except in the course of interstate commerce (storage shall not constitute intermediate use); or (ii) which the seller delivers to a common carrier for delivery outside Minnesota, places in the United States mail or parcel post directed to the purchaser outside Minnesota, or delivers to the purchaser outside Minnesota by means of the seller's own delivery vehicles, and which is not thereafter returned to a point within Minnesota, except in the course of interstate commerce;

(e) The gross receipts from the sale of packing materials used to pack and ship household goods, the ultimate destination of which is outside the state of Minnesota and which are not thereafter returned to a point within Minnesota, except in the course of interstate commerce;

(f) the gross receipts from the sale of and storage, use or consumption of petroleum products upon which a tax has been imposed under the provisions of chapter 296, whether or not any part of said tax may be subsequently refunded;

(g) The gross receipts from the sale of clothing and wearing apparel except the following:

(i) all articles commonly or commercially known as jewelry, whether real or imitation; pearls, precious and semi-precious stones, and imitations thereof; articles made of, or ornamented,

mounted or fitted with precious metals or imitations thereof; watches; clocks; cases and movements for watches and clocks; gold, gold-plated, silver, or sterling flatware or hollow ware and silver-plated hollow ware; opera glasses; lorgnettes; marine glasses; field glasses and binoculars.

(ii) articles made of fur on the hide or pelt, and articles of which such fur is the component material or chief value, but only if such value is more than three times the value of the next most valuable component material.

(iii) perfume, essences, extracts, toilet waters, cosmetics, petroleum jellies, hair oils, pomades, hair dressings, hair restoratives, hair dyes, aromatic cachous and toilet powders. The tax imposed by this act shall not apply to lotion, oil, powder, or other article intended to be used or applied only in the case of babies.

(iv) trunks, valises, traveling bags, suitcases, satchels, overnight bags, hat boxes for use by travelers, beach bags, bathing suit bags, brief cases made of leather or imitation leather, salesmen's sample and display cases, purses, handbags, pocketbooks, wallets, billfolds, card, pass, and key cases and toilet cases.

(h) The gross receipts from the sale of and the storage, use, or consumption of all materials, including chemicals, fuels, petroleum products, lubricants, packaging materials, including returnable containers used in packaging food and beverage products, feeds, seeds, fertilizers, electricity, gas and steam, used or consumed in agricultural or industrial production of personal property intended to be sold ultimately at retail, whether or not the item so used becomes an ingredient or constituent part of the property produced. Such production shall include, but is not limited to, research, development, design or production of any tangible personal property, manufacturing, processing (other than by restaurants and consumers) of agricultural products whether vegetable or animal, commercial fishing, refining, smelting, reducing, brewing, distilling, printing, mining, quarrying, lumbering, generating electricity and the production of road building materials. Such production shall not include painting, cleaning, repairing or similar processing of property except as part of the original manufacturing process. Machinery, equipment, implements, tools, accessories, appliances, contrivances, furniture and fixtures, used in such production and fuel, electricity, gas or steam used for space heating or lighting, are not included within this exemption; however, accessory tools, equipment and other short lived items, which are separate detachable units used in producing a direct effect upon the product, where such items have an ordinary useful life of less than 12 months, are included within the exemption provided herein;

(i) The gross receipts from the sale of and storage, use or other consumption in Minnesota of tangible personal property (except as provided in section 297A.14) which is used or con-

sumed in producing any publication regularly issued at average intervals not exceeding three months, and any such publication. For purposes of this subsection, "publication" as used herein shall include, without limiting the foregoing, a legal newspaper as defined by Minnesota Statutes 1965, Section 331.02, and any supplements or enclosures with or part of said newspaper; and the gross receipts of any advertising contained therein or therewith shall be exempt. For this purpose, advertising in any such publication shall be deemed to be a service and not tangible personal property, and persons or their agents who publish or sell such newspapers shall be deemed to be engaging in a service with respect to gross receipts realized from such news-gathering or publishing activities by them, including the sale of advertising. Machinery, equipment, implements, tools, accessories, appliances, contrivances, furniture and fixtures used in such publication and fuel, electricity, gas or steam used for space heating or lighting, are not exempt;

(j) The gross receipts from all sales of tangible personal property to, and all storage, use or consumption of such property by, the United States and its agencies and instrumentalities or a state and its agencies, instrumentalities and political subdivisions;

(k) The gross receipts from the isolated or occasional sale of tangible personal property in Minnesota not made in the normal course of business of selling that kind of property, and the storage, use, or consumption of property acquired as a result of such a sale;

(l) The gross receipts from sales of rolling stock and the storage, use or other consumption of such property by railroads, freight line companies, sleeping car companies and express companies taxed on the gross earnings basis in lieu of ad valorem taxes. For purposes of this clause "rolling stock" is defined as the portable or moving apparatus and machinery of any such company which moves on the road, and includes, but is not limited to, engines, cars, tenders, coaches, sleeping cars and parts necessary for the repair and maintenance of such rolling stock.

(m) The gross receipts from sales of airflight equipment and the storage, use or other consumption of such property by airline companies taxed under the provisions of sections 270.071 to 270.079. For purposes of this clause, "airflight equipment" includes airplanes and parts necessary for the repair and maintenance of such airflight equipment, and flight simulators.

(n) The gross receipts from the sale of telephone central office telephone equipment used in furnishing intrastate and interstate telephone service to the public.

(o) The gross receipts from the sale of and the storage, use or other consumption by persons taxed under the in lieu pro-

visions of chapter 298, of mill liners, grinding rods and grinding balls which are substantially consumed in the production of taconite, the material of which primarily is added to and becomes a part of the material being processed.

(p) The gross receipts from the sale of tangible personal property to, and the storage, use or other consumption of such property by, any corporation, society, association, foundation, or institution organized and operated exclusively for charitable, religious or educational purposes if the property purchased is to be used in the performance of charitable, religious or educational functions, or any senior citizen group or association of groups that in general limits membership to persons age 55 or older and is organized and operated exclusively for pleasure, recreation and other nonprofit purposes, no part of the net earnings of which inures to the benefit of any private shareholders;

(q) The gross receipts from the sale of caskets and burial vaults;

(r) (THE GROSS RECEIPTS FROM THE SALE OF CIGARETTES.)

((S)) The gross receipts from the sale of an automobile or other conveyance if the purchaser is assisted by a grant from the United States in accordance with 38 United States Code, Section 1901, as amended.

((T)) (s) The gross receipts from the sale to the licensed aircraft dealer of an aircraft for which a commercial use permit has been issued pursuant to section 360.654, if the aircraft is resold while the permit is in effect.

((U)) (t) The gross receipts from the sale of building materials to be used in the construction or remodeling of a residence when the construction or remodeling is financed in whole or in part by the United States in accordance with 38 United States Code, Sections 801 to 805, as amended. This exemption shall not be effective at time of sale of the materials to contractors, subcontractors, builders or owners, but shall be applicable only upon a claim for refund to the commissioner of revenue filed by recipients of the benefits provided in Title 38 United States Code, Chapter 21, as amended. The commissioner shall provide by regulation for the refund of taxes paid on sales exempt in accordance with this paragraph.

((V)) (u) The gross receipts from the sale of textbooks which are prescribed for use in conjunction with a course of study in a public or private school, college, university and business or trade school to students who are regularly enrolled at such institutions. For purposes of this clause a "public school" is defined as one that furnishes course of study, enrollment and

staff that meets standards of the state board of education and a private school is one which under the standards of the state board of education, provides an education substantially equivalent to that furnished at a public school. Business and trade schools shall mean such schools licensed pursuant to section 141.25.

((W)) (v) The gross receipts from the sale of and the storage of material designed to advertise and promote the sale of merchandise or services, which material is purchased and stored for the purpose of subsequently shipping or otherwise transferring outside the state by the purchaser for use thereafter solely outside the state of Minnesota.

((X)) (w) The gross receipt from the sale of residential heating fuels in the following manner:

(i) all fuel oil, coal, wood, steam, propane gas, and L.P. gas sold to residential customers for residential use;

(ii) natural gas sold for residential use to customers who are metered and billed as residential users and who use natural gas for their primary source of residential heat, for the billing months of November, December, January, February, March and April;

(iii) electricity sold for residential use to customers who are metered and billed as residential users and who use electricity for their primary source of residential heat, for the billing months of November, December, January, February, March and April.

((Y)) (x) The gross receipts from the sale or use of tickets or admissions to the premises of or events sponsored by an association, corporation or other group of persons which provides an opportunity for citizens of the state to participate in the creation, performance or appreciation of the arts and which qualifies as a tax-exempt organization within the meaning of section 290.05, subdivision 1, clause (i).

((Z)) (y) The gross receipts from either the sales to or the storage, use or consumption of tangible personal property by an organization of military service veterans or an auxiliary unit of an organization of military service veterans, provided that:

(i) the organization or auxiliary unit is organized within the state of Minnesota and is exempt from federal taxation pursuant to section 501(c), clause (19), of the Internal Revenue Code as amended through December 31, 1978; and

(ii) the tangible personal property which is sold to or stored, used or consumed by the organization or auxiliary unit is for

charitable, civic, educational, or nonprofit uses and not for social, recreational, pleasure or profit uses.

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

Sec. 3. [297A.275] [ACCELERATED PAYMENT OF JUNE LIABILITY.]

Every vendor having a liability of \$1,500 or more in May 1982 or in May of each subsequent year, shall remit the June liability in the manner required by this section.

On or before June 25, 1982, or June 25 of each subsequent year, the vendor shall remit the actual May liability and one-half of the estimated June liability to the commissioner and file the return on a form prescribed by the commissioner.

On or before August 25, 1982, or August 25 of each subsequent year, the vendor shall submit a return showing the actual June liability and paying any additional amount of tax not remitted in June. A penalty is hereby imposed equal to ten percent of the actual June liability less the amount remitted in June. However, the penalty shall not be imposed if the amount remitted in June equals the lesser of (a) 45 percent of the actual June liability, or (b) 50 percent of the preceding May's liability.

Sec. 4. Minnesota Statutes 1980, Section 297A.39, Subdivision 1, is amended to read:

Subdivision 1. If any tax imposed by sections 297A.01 to 297A.44, or any portion thereof, is not paid within the time herein specified for the payment, or an extension thereof, or within 30 days after final determination of an appeal to the tax court relating thereto if the taxpayer is not required to pay the amount in dispute pending appeal under section 5, there shall be added thereto a specific penalty equal to ten percent of the amount remaining unpaid.

Sec. 5. [297A.391] [PAYMENT OF TAX PENDING APPEAL.]

When a taxpayer appeals his tax liability under chapter 297A to the tax court, and the amount in dispute is more than \$4,000, the entire amount of the tax shall be paid at the time it is due unless permission to continue prosecution of the petition without payment is obtained as provided herein. The petitioner, upon ten days notice to the commissioner, 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 taxpayer may be held exempt from payment of the tax or that the tax may be determined to be less than 50 percent of the amount due; and*

(3) *That it would work a substantial hardship upon petitioner to pay the tax,*

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.

Sec. 6. [EFFECTIVE DATE.]

Sections 1 and 2 are effective for sales made after January 31, 1982. Sections 4 and 5 are effective for petitions filed after January 31, 1982.

ARTICLE VI

ESTATE TAX

Section 1. Minnesota Statutes 1981 Supplement, Section 291.-005, Subdivision 1, is amended to read:

Subdivision 1. Unless the context otherwise clearly requires, the following terms used in this chapter shall have the following meanings:

(1) "Federal gross estate" means the gross estate of a decedent as valued and otherwise determined for federal estate tax purposes by federal taxing authorities pursuant to the provisions of the Internal Revenue Code.

(2) "Minnesota gross estate" means the federal gross estate of a decedent after (a) excluding therefrom any property included therein which has its situs outside Minnesota and (b) including therein any property omitted from the federal gross estate which is includable therein, has its situs in Minnesota, and was not disclosed to federal taxing authorities. The Minnesota gross estate shall be valued pursuant to the provisions of section 291.-215, subdivision 1.

(3) "Personal representative" means the executor, administrator or other person appointed by the court to administer and dispose of the property of the decedent. If there is no executor, administrator or other person appointed, qualified, and acting within this state, then any person in actual or constructive possession of any property having a situs in this state which is included in the federal gross estate of the decedent shall be deemed to be a personal representative to the extent of the property and the Minnesota estate tax due with respect to the property.

(4) "Resident decedent" means an individual whose domicile at the time of his death was in Minnesota.

(5) "Nonresident decedent" means an individual whose domicile at the time of his death was not in Minnesota.

(6) "Situs of property" means, with respect to real property, the state or country in which it is located; with respect to tangible personal property, the state or country in which it was normally kept or located at the time of the decedent's death; and with respect to intangible personal property, the state or country in which the decedent was domiciled at death.

(7) "Commissioner" means the commissioner of revenue or any person to whom the commissioner has delegated functions under this chapter.

(8) "Internal Revenue Code" means the United States Internal Revenue Code of 1954 as amended through (DECEMBER 31, 1980) *December 31, 1981*.

Sec. 2. Minnesota Statutes 1980, Section 291.015, is amended to read:

291.015 [DETERMINATION OF MINNESOTA TAXABLE ESTATE.]

The Minnesota taxable estate of a decedent shall be the Minnesota gross estate less the sum of:

(1) The exemptions and deductions allowed pursuant to sections 291.05, 291.051, 291.065, 291.07, and 291.08; and

(2) The sum of (\$200,000, PROVIDED THAT, IN THE CASE OF A NONRESIDENT DECEDENT, THIS SUM SHALL BE AN AMOUNT DETERMINED BY MULTIPLYING \$200,000)

\$225,000 for decedents dying after June 30, 1982;

\$275,000 for decedents dying in 1983;

\$325,000 for decedents dying in 1984;

\$400,000 for decedents dying in 1985;

\$500,000 for decedents dying in 1986;

\$600,000 for decedents dying in 1987 and thereafter,

multiplied by a fraction, not greater than one, the numerator of which shall be the value of the Minnesota gross estate and the denominator of which shall be the value of the federal gross estate.

Sec. 3. Minnesota Statutes 1981 Supplement, Section 291.03, is amended to read:

291.03 [RATES.]

Subdivision 1. [GENERALLY.] The tax imposed shall be an amount equal to the greater of:

(1) A tax computed by applying to the Minnesota taxable estate the following prescribed rates:

(7 PERCENT ON THE FIRST \$100,000,)

(8 PERCENT ON THE NEXT \$100,000 OR PART THEREOF,)

(9 PERCENT ON THE NEXT \$100,000 OR PART THEREOF,)

10 percent on the (NEXT \$200,000 OR PART THEREOF) first \$100,000,

11 percent on the next \$500,000 or part thereof,

12 percent on the excess (OVER \$1,000,000), or

(2) A tax equal to the amount by which the maximum credit allowable under section 2011 of the Internal Revenue Code for state death taxes exceeds the aggregate amount of all estate, inheritance, legacy and succession taxes actually paid to other states of the United States in respect of any property subject to federal estate tax; provided that where the decedent is a nonresident the tax shall be in the same proportion of the maximum credit for state death taxes described herein as the Minnesota gross estate bears to the value of the federal gross estate.

Subd. 2. [INTENT.] It is hereby declared to be the intent and purpose of this section to obtain for Minnesota the benefit of not less than the maximum credit allowed for state death taxes under the federal estate tax law by imposing the tax provided in this section and the same shall be liberally construed to effect this purpose.

Subd. 3. [1982.] *In the case of a decedent dying after June 30, 1982, subdivision 1, clause (1), shall be applied by substituting for the rates prescribed therein the following rates:*

- 7 percent on the first \$75,000,*
- 8 percent on the next \$100,000 or part thereof,*
- 9 percent on the next \$100,000 or part thereof,*
- 10 percent on the next \$200,000 or part thereof,*
- 11 percent on the next \$500,000 or part thereof,*
- 12 percent on the excess.*

Subd. 4. [1983.] *In the case of a decedent dying in 1983, subdivision 1, clause (1), shall be applied by substituting for the rates prescribed therein the following rates:*

- 7 percent on the first \$25,000,*
- 8 percent on the next \$100,000 or part thereof,*
- 9 percent on the next \$100,000 or part thereof,*
- 10 percent on the next \$200,000 or part thereof,*
- 11 percent on the next \$500,000 or part thereof,*
- 12 percent on the excess.*

Subd. 5. [1984.] *In the case of a decedent dying in 1984, subdivision 1, clause (1), shall be applied by substituting for the rates prescribed therein the following rates:*

- 8 percent on the first \$75,000,*
- 9 percent on the next \$100,000 or part thereof,*
- 10 percent on the next \$200,000 or part thereof,*
- 11 percent on the next \$500,000 or part thereof,*

12 percent on the excess.

Subd. 6. [1985.] In the case of a decedent dying in 1985, subdivision 1, clause (1), shall be applied by substituting for the rates prescribed therein the following rates:

9 percent on the first \$100,000,

10 percent on the next \$200,000 or part thereof,

11 percent on the next \$500,000 or part thereof,

12 percent on the excess.

Subd. 7. [1986.] In the case of a decedent dying in 1986, subdivision 1, clause (1), shall be applied by substituting for the rates prescribed therein the following rates:

10 percent on the first \$200,000,

11 percent on the next \$500,000 or part thereof,

12 percent on the excess.

Sec. 4. Minnesota Statutes 1980, Section 291.051, Subdivision 1, is amended to read:

Subdivision 1. For the purpose of section 291.015, clause (1), (AND SUBJECT TO SUBDIVISION 2 OF THIS SECTION,) the Minnesota taxable estate shall be determined by deducting from the Minnesota gross estate the value of any interest in property other than a terminable interest (AS DEFINED IN) for which no deduction is allowed under section 2056(b) of the Internal Revenue Code, which passes or has passed from the decedent to his surviving spouse, but only to the extent that the interest is included in determining the value of the Minnesota gross estate and is not exempt from estate tax under sections 291.05 or 291.065. An interest in property shall be considered as passing from the decedent to his surviving spouse if it is considered as so passing under Section 2056((D)) (c) of the Internal Revenue Code.

Sec. 5. Minnesota Statutes 1980, Section 291.09, Subdivision 1a, is amended to read:

Subd. 1a. In all instances in which a decedent dies after December 31, 1979 and before January 1, 1981 leaving a federal gross estate in excess of \$161,000 and in all instances in which a decedent dies after December 31, 1980 and before July 1, 1982 leaving a federal gross estate in excess of \$175,000, and the decedent has an interest in property with a situs in Minnesota,

the personal representative shall submit to the commissioner, on a form prescribed by the commissioner, a Minnesota estate tax return.

In the case of a decedent dying after June 30, 1982 who has an interest in property with a situs in Minnesota, the personal representative shall submit to the commissioner, on a form prescribed by the commissioner, a Minnesota estate tax return in the following instances:

<i>In the case of a decedent dying in</i>	<i>A Minnesota estate tax return shall be filed if the federal gross estate equals or exceeds</i>
1982	\$225,000
1983	275,000
1984	325,000
1985	400,000
1986	500,000
1987 and thereafter	600,000.

The return shall be accompanied by a federal estate tax return and shall contain a computation of the Minnesota estate tax due. The return shall be signed by the personal representative.

Sec. 6. Minnesota Statutes 1980, Section 291.132, Subdivision 4, is amended to read:

Subd. 4. (1) If the personal representative fails to pay a tax or interest installment on time, unless it is shown that such failure is due to reasonable cause, the election is revoked and the entire amount of unpaid tax plus accrued interest is due and payable 90 days after the date on which the installment was payable. The commissioner is not required to notify the personal representative when an installment is due.

(2) In the event of a disposition or cessation of the special use property, as defined under section 2032A (c) (1) and ((7)) (6) of the Internal Revenue Code, the personal representative shall immediately notify the commissioner of such cessation, and the entire balance of the tax, plus accrued interest, attributable to that property is due and payable 90 days after the disposition or cessation.

(3) The personal representative may pay any part of the balance due prior to the installment dates elected, but, after nine months after death, may not elect new installment dates.

Sec. 7. [REPEALER.]

Minnesota Statutes 1980, Section 291.051, Subdivisions 2 and 3, are repealed.

Sec. 8. [EFFECTIVE DATE.]

Sections 1 to 7 are effective for estates of decedents dying after June 30, 1982.

ARTICLE VII

SHORT-TERM BORROWING

Section 1. Minnesota Statutes 1980, Section 16A.63, is amended to read:

16A.63 [MINNESOTA STATE BUILDING FUND.]

Subdivision 1. [CREATION; USE.] For the purpose of providing money to state agencies for the acquisition and betterment of public lands and other public improvements of a capital nature, the Minnesota state building fund is created as a separate bookkeeping account in the general books of account of the state. Proceeds of state bonds credited to this fund are appropriated for construction and other permanent improvement and shall be available until the purposes for which the appropriation was made have been accomplished or abandoned. None of such moneys shall be canceled. When the purpose of any such appropriation has been accomplished or abandoned, the authority to whom the appropriation was made shall so certify to the commissioner of finance. Thereupon the unexpended balance of such appropriation, unless transferred under authority of the appropriation act to another purpose therein designated, shall be transferred and credited to the state bond fund. Amounts so transferred and credited are appropriated for the purpose of reducing the amount of tax otherwise required to be levied for the state bond fund by Article XI, Section 7 of the Constitution.

Subd. 2. [TEMPORARY FINANCING.] In anticipation of the receipt of proceeds of state bonds to be credited to the Minnesota state building fund, the commissioner of finance may transfer amounts not in excess of the anticipated proceeds from the general fund to the Minnesota state building fund. Upon receipt of the state bond proceeds in anticipation of which a general fund transfer has been made, the commissioner of finance shall transfer from the Minnesota state building fund

to the general fund an amount equal to the sum originally transferred from the general fund. There is annually appropriated to the commissioner of finance from the general fund and the Minnesota state building fund sums sufficient to effect the transfers authorized by this subdivision.

Section 2. Minnesota Statutes 1981 Supplement, Section 16A.671, Subdivision 1, is amended to read:

Subdivision 1. [AUTHORIZATION.] For the purpose of assuring that cash or cash equivalent assets will be available at all times during each biennium to pay all warrants drawn on the general fund pursuant to appropriations and allotments for expenditure for any purpose during that biennium, the governor may authorize the commissioner of finance to issue certificates of indebtedness in anticipation of the collection of taxes levied for and other revenues appropriated to the general fund, and to issue additional certificates to refund outstanding certificates or interest thereon, under the provisions of the constitution, article XI, section 6. Before certificates of indebtedness are sold and issued pursuant to any authorization, except for the purpose of refunding, the governor shall secure the recommendation of the legislative advisory commission as to the necessity thereof, the terms and conditions of the sale and issuance, and the maximum amount to be issued and outstanding under the authorization. When certificates of indebtedness are to be sold and issued pursuant to subdivision 5, clause (b) or (c), the governor shall secure a recommendation before the line of credit is established *or the underwriting or placement agreement is entered into*, but need not secure an additional recommendation for each issuance of certificates of indebtedness pursuant to that line of credit *or agreement*. The recommendation of the commission shall be advisory only. The failure of the commission to make a recommendation promptly is a negative recommendation. If there is no legislative advisory commission, the governor shall request an advisory recommendation from the executive council.

Sec. 3. Minnesota Statutes 1981 Supplement, Section 16A.671, Subdivision 3, is amended to read:

Subd. 3. [LIMITATIONS OF AMOUNT.] The principal amount of certificates of indebtedness to be (SOLD AND) issued at any time shall not exceed the smallest of the following:

(a) An amount which, with interest thereon to maturity, added to the then outstanding amount of certificates, less the amount thereof, if any, which will be paid from the proceeds, and interest thereon to maturity, will equal the then unexpended balance of all money which will be credited to the general fund during the current biennium under existing laws, as estimated by the commissioner of finance; *or*

(b) (AN AMOUNT WHICH, WITH THE PRINCIPAL AMOUNT OF ANY OUTSTANDING CERTIFICATES EQUALS \$360,000,000, OR)

((C)) The maximum current cash flow requirement.

Sec. 4. Minnesota Statutes 1981 Supplement, Section 16A.671, Subdivision 5, is amended to read:

Subd. 5. [SALE.] Certificates of indebtedness (SHALL) *may* be sold by the commissioner of finance upon public advertisement for competitive bids, (EXCEPT THAT) *or*:

(a) They may be sold to the state board of investment without advertisement for bids, upon terms *at least as favorable as those on which, in the judgment of the board, (INVESTMENTS) direct obligations of the United States government of comparable maturities (AND SECURITY) can at the time be purchased from funds under its control, including the special or dedicated funds described in clause (c) of subdivision 2, other than pension funds;*

(b) The commissioner may negotiate with a suitable bank or banks within or outside the state for a line of credit whereby, *for an agreed compensation*, certificates of indebtedness may be issued from time to time within an agreed period, at a fixed or variable interest rate and subject to redemption at par plus accrued interest at any time at the option of the commissioner; *or*

(c) The commissioner may negotiate with a firm or firms of underwriters *for the purchase of certificates of indebtedness* or to act as an agent in the placement of certificates of indebtedness (MATURING ON A DATE FOUR MONTHS OR LESS FROM THE DATE OF ISSUE), which may be sold to investors at a specified discount representing the interest included in the face amount payable at maturity, or at a stated interest rate on a stated principal amount, payable at maturity. *For the further security of the certificates of indebtedness the commissioner may negotiate a credit agreement pursuant to paragraph (b), providing for the payment thereof with interest at maturity, if necessary, by the issuance of new certificates of indebtedness to the bank or banks extending the credit.*

Sec. 5. Minnesota Statutes 1981 Supplement, Section 16A.671, is amended by adding a subdivision to read:

Subd. 6a. [FISCAL AGENT BANK.] *The commissioner may enter into an agreement with a suitable bank or banks located within or outside the state to authenticate, issue, pay principal and interest on, cancel or otherwise deal with certificates of indebtedness issued pursuant to this section, for an agreed compensation.*

Sec. 6. Minnesota Statutes 1980, Section 298.294, is amended to read:

298.294 [INVESTMENT OF FUND.]

The fund established by section 298.292 shall be invested pursuant to law and the net interest and dividends arising from the investment shall be included and become part of the fund (, PROVIDED THAT THE GOVERNOR MAY AUTHORIZE THE STATE TREASURER TO BORROW AN AMOUNT NOT EXCEEDING 50 PERCENT OF THE AMOUNT IN THE FUND FOR A PERIOD TERMINATING NO LATER THAN DECEMBER 31, 2001. THE STATE TREASURER, PURSUANT TO THE AUTHORIZATION, SHALL ISSUE NOTES PLEDGING THE FULL FAITH AND CREDIT OF THE STATE FOR THE PURPOSE OF REPAYMENT, AND THE THE NOTES SHALL BEAR INTEREST AT FIVE PERCENT PER ANNUM UNTIL PAID).

Sec. 7. [REPEALER.]

Minnesota Statutes 1980, Section 7.08, is repealed.

Sec. 8. [EFFECTIVE DATE.]

This article is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to the financing of government in this state; reducing appropriations for the biennium ending June 30, 1988 with certain conditions; providing for a deficiency in income maintenance appropriations; imposing and increasing fees; imposing various cost saving measures; requiring the board of regents of the university, the state university board, the community college board and the state board of vocational education to develop plans for declining enrollment; providing that parties to administrative hearings will bear the cost of court reporters under certain circumstances; authorizing attorney general to appear in civil weight enforcement actions; modifying certain procedures for appeals of workers' compensation orders; providing certain workers' compensation settlements are conclusively presumed reasonable; modifying approval by the commissioner of labor and industry of the settlement of certain workers' compensation claims; eliminating the requirement that the commissioner of veterans affairs provide certain grave markers; providing for a medical assistance drug formulary and fixed dispensing fee; changing eligibility standards for medical assistance; changing calculation of certain fees paid by foreign corporations; shortening time for abandonment of unclaimed property; reducing rate of retirement contributions relating to state employees; changing requirements

for reduced transit fares for certain persons; increasing the property tax mill rate of the transit taxing district; repealing review of administrative rules for business licenses; authorizing the transfer of certain funds appropriated to the higher education coordinating board for obligations under interstate tuition reciprocity agreements; altering the recognition of school district tax revenue; reducing state aids for education in fiscal year 1983 by one-third of the June, 1983 school district tax settlements; requiring payment of 70 percent of the estimated school district tax receipts within 15 days after the settlement date; establishing a cash flow loan fund; reducing education aid appropriations for fiscal year 1983; requiring the commissioner of finance to pay by June 30, 1982 any payments that were suspended; authorizing the commissioner of education to suspend certain education aids in December, 1981 and January, 1982; authorizing the commissioner of education to consider cash flow requirements of each recipient in determining whether to suspend education aids; requiring the commissioner to issue certificates of aid; providing for legislative review of educational mandates; removing the prohibition against unallotment of education aids; changing the formula allowance; authorizing recertification to increase the basic maintenance and transportation levies; limiting the foundation aid appropriations for fiscal years 1984 and 1985; increasing the rate of interest on unpaid taxes; conforming with federal treatment of commodity tax straddles, capital gains deduction, and interest deduction; allowing limited use of ACRS; reducing the corporate income tax rate; imposing an income tax surtax; providing a research and development credit; providing for taxation of unitary business income; modifying estate tax to conform with federal estate tax changes; prohibiting the commissioner of revenue from adopting certain depreciation schedules by rule; requiring payment of certain income and sales taxes pending appeal; reducing the maximum local aid appropriation; extending local government property tax levy limitations; making certain modifications to the levy limitations base; adjusting homestead credit appropriations; reducing aid payments to certain counties; repealing exemption of certain town levies; increasing the sales tax on coin-operated vending machines; extending the sales tax on cigarettes; accelerating the June sales tax liability for certain vendors; providing that farm income is wholly apportioned to Minnesota; authorizing general fund loans to the state building fund; removing the dollar limitation on state short-term borrowing; appropriating money; amending Minnesota Statutes 1980, Sections 16A.63; 40.03, Subdivision 2; 121.904, by adding subdivisions; 176.421, Subdivision 3; 176.521, by adding a subdivision; 184.30, Subdivision 2; 197.23; 221.67; 268.16, Subdivision 3; 275.125, Subdivision 5, and by adding a subdivision; 276.11; 278.03; 290.06, by adding a subdivision; 290.16, Subdivisions 4, 15, and 16; 290.34, Subdivision 2; 290.361, Subdivision 2; 291.015; 291.051, Subdivision 1; 291.09, Subdivision 1a; 291.132, Subdivision 4; 297A.39, Subdivision 1; 298.294; 299.08; 299.10; 303.07; 303.13, Subdivision 1; 303.14, Subdivisions 1, 3, and 5; 303.16, Subdivisions 2 and 4; 303.17,

Subdivision 4; 303.18, Subdivision 3; 303.19, Subdivisions 2 and 3; 303.21, by adding a subdivision; 303.22; 303.23, Subdivision 1; 308.06, Subdivision 4; 308.85; 317.04, Subdivisions 2 and 3; 317.36; 317.42, Subdivision 3; 317.67, Subdivision 2; 330.01, Subdivision 1; 340.492; 345.32; 345.33; 345.34; 345.37; 345.38; 345.39; 352.04, Subdivisions 2 and 3; 352.92, Subdivisions 1 and 2; 352D.09, Subdivision 7; 473.408, Subdivision 3; 540.152; 543.08; Minnesota Statutes 1981 Supplement, Sections 3.9222, Subdivision 2; 15.052, Subdivision 5; 16A.15, Subdivision 1; 16A.128; 16A.671, Subdivisions 1, 3, 5, and by adding a subdivision; 124.2121, Subdivisions 4 and 5; 124.2122, Subdivisions 1 and 2; 124.2124, Subdivision 1; 124.2125, Subdivision 1; 124.225, Subdivision 8a; 169.871, Subdivisions 3 and 5; 169.872, Subdivision 1; 174.24, Subdivision 3a; 174.31, Subdivisions 1 and 3; 176.131, Subdivision 10; 176.421, Subdivisions 4 and 5; 176.521, Subdivisions 1 and 2; 204B.11, Subdivision 1; 256B.02, Subdivision 8; 256B.06, Subdivision 1; 270.75; 275.50, Subdivision 5; 275.51, Subdivisions 1 and 3e; 290.01, Subdivision 20; 290.06, Subdivision 1; 290.09, Subdivisions 3 and 7; 290.091; 290.17, Subdivision 2; 290.21, Subdivision 4; 290.53, Subdivision 1; 291.005, Subdivision 1; 291.03; 297A.02; 297A.25, Subdivision 1; 302A.901, Subdivision 2; 352D.04, Subdivision 2; 473.446, Subdivision 1; 477A.03, Subdivision 2; Laws 1981, Chapters 356, Sections 45 and 46; 359, Section 3, Subdivision 3; Laws 1981, First Special Session, Chapter 1, Article III, Section 3, Subdivision 6; proposing new law coded in Chapters 5, 35, 290, and 297A; repealing Minnesota Statutes 1980, Sections 7.08; 291.051, Subdivisions 2 and 3; 303.08, Subdivision 3; 303.12; 303.14, Subdivision 2; 303.15; 303.21, Subdivisions 1 and 2; 317.11; 317.19, Subdivision 3; 317.43; 317.67, Subdivision 1; Minnesota Statutes 1981 Supplement, Sections 3.965, Subdivision 6; 124.20, Subdivision 3; 275.125, Subdivision 2f; 275.515; 362.453; and Laws 1981, Chapter 354, Section 3."

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

House Conferees: MICHAEL R. SIEBEN, IRVIN N. ANDERSON, BOB MCEACHERN, DOUGLAS W. CARLSON and GARY W. LAIDIG.

Senate Conferees: DOUGLAS J. JOHNSON, ROGER D. MOE, GERALD L. WILLET, NEIL DIETERICH and RON SIELOFF.

Sieben, M., moved that the report of the Conference Committee on H. F. No. 2 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

CALL OF THE HOUSE

On the motion of Eken and on the demand of 10 members, a call of the House was ordered. The following members answered to their names:

Aasness	Fjoslien	Kostohryz	Osthoff	Skoglund
Ainley	Forsythe	Kvam	Otis	Stadum
Anderson, B.	Frerichs	Laidig	Peterson, B.	Staten
Anderson, G.	Greenfield	Lehto	Peterson, D.	Stowell
Anderson, I.	Gruenes	Lemen	Piepho	Stumpf
Anderson, R.	Gustafson	Levi	Pogemiller	Sviggum
Battaglia	Halberg	Long	Redalen	Swanson
Begich	Hanson	Ludeman	Reding	Tomlinson
Blatz	Harens	Luknic	Rees	Valan
Brandl	Hauge	Mann	Reif	Valento
Brinkman	Haukoos	Marsh	Rice	Vanasek
Byrne	Heap	McCarron	Rodriguez, C.	Vellenga
Carlson, D.	Heinitz	McEachern	Rodriguez, F.	Voss
Carlson, L.	Himle	Mehrkens	Rose	Weaver
Clark, J.	Hoberg	Metzen	Rothenberg	Welch
Clark, K.	Hokanson	Minne	Samuelson	Welker
Dahlvang	Hokr	Munger	Sarna	Wenzel
Dean	Jacobs	Murphy	Schafer	Wieser
Dempsey	Jennings	Nelsen, B.	Schoenfeld	Wigley
Den Ouden	Johnson, D.	Norton	Schreiber	Wynia
Drew	Jude	Novak	Searles	Zubay
Eken	Kahn	Nysether	Shea	Spkr. Sieben, H.
Elioff	Kaley	O'Connor	Sherman	
Ellingson	Kalis	Ogren	Sherwood	
Esau	Kelly	Olsen	Sieben, M.	
Evans	Knickerbocker	Onnen	Simoneau	

Eken moved that further proceedings of the roll call be dispensed with and that the Sergeant at Arms be instructed to bring in the absentees. The motion prevailed and it was so ordered.

H. F. No. 2, A bill for an act relating to motor vehicles; defining vans and pickup trucks; providing for the registration and taxation of certain vans as passenger automobiles; correcting references to the taxation of farm trucks and commercial zone combinations; defining urban trucks; and certain collector's vehicles; including certain trucks among the motor vehicles entitled to collector license plates; amending Minnesota Statutes 1980, Sections 168.011, by adding subdivisions; 168.10, Subdivision 1c; and Minnesota Statutes 1981 Supplement, Sections 168.011, Subdivisions 7 and 10; and 168.013, Subdivisions 1c, 1e and 1i.

The bill was read for the third time, as amended by Conference, and placed upon its repassage.

The question was taken on the repassage of the bill and the roll was called. There were 69 yeas and 59 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Byrne	Dean	Halberg	Kahn
Anderson, I.	Carlson, D.	Eken	Harens	Kalis
Battaglia	Carlson, L.	Elioff	Hauge	Kelly
Begich	Clark, J.	Ellingson	Hokanson	Kostohryz
Berkelman	Clark, K.	Evans	Jacobs	Laidig
Brandl	Clawson	Greenfield	Johnson, D.	Lehto
Brinkman	Dahlvang	Gustafson	Jude	Long

Mann	Norton	Rice	Sieben, M.	Vanasek
McEachern	Novak	Rodriguez, C.	Simoneau	Vellenga
Metzen	O'Connor	Rodriguez, F.	Skoglund	Welch
Minne	Otis	Rose	Staten	Wenzel
Munger	Peterson, D.	Samuelson	Stumpf	Wynia
Murphy	Pogemiller	Schoenfeld	Swanson	Spkr. Sieben, H.
Nelson, K.	Reding	Shea	Tomlinson	

Those who voted in the negative were:

Aasness	Gruenes	Lemen	Osthoff	Stadum
Ainley	Hanson	Levi	Peterson, B.	Stowell
Anderson, B.	Haukoos	Ludeman	Piepho	Sviggum
Anderson, R.	Heap	Luknic	Rees	Valan
Blatz	Heinitz	Marsh	Reif	Valento
Dempsey	Himle	McCarron	Rothenberg	Voss
Den Ouden	Hoberg	Mehrkens	Sarna	Weaver
Drew	Hokr	Nelsen, B.	Schafer	Welker
Esau	Jennings	Nysether	Schreiber	Wieser
Fjoslien	Kaley	Ogren	Searles	Wigley
Forsythe	Knickerbocker	Olsen	Sherman	Zubay
Frerichs	Kvam	Onnen	Sherwood	

The bill was repassed, as amended by Conference, and its title agreed to.

MESSAGES FROM THE SENATE, Continued

Mr. Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned, as amended by the Senate, in which amendment the concurrence of the House is respectfully requested:

H. F. No. 4, A bill for an act relating to public welfare; altering certain provisions of the program of aid to families with dependent children; redefining the term "dependent child"; expanding the definition of persons ineligible; eliminating eligibility of the unborn; requiring rules to define "special needs" for eligible pregnant women; requiring recoupment of overpayments; requiring registration of certain dependent recipients for employment services, training, and employment; restricting the earned income disregard to four months; restricting work expense disregards; specifying the amount of stepparent income to be considered available in determining need; providing for voluntary third party payments; eliminating eligibility for recipients participating in a strike; eliminating a prepaid funeral contract and reverse mortgage loan guarantees as disregarded resources; modifying the service fee for child support collection services; modifying the resource limits for recipients of aid to families with dependent children; extending medical assistance coverage to certain pregnant women; amending Minnesota Statutes 1980, Sections 256.12, Subdivision 14; 256.73, Subdivisions 3a, 5, 6, and by adding a subdivision; 256.736, Subdivisions 3 and 4; 256.74, Subdivision 1, and by adding a subdi-

vision; 256.81; 256.935, Subdivision 2; 256.99; Minnesota Statutes 1981 Supplement, Sections 256.73, Subdivision 2; 256B.06, Subdivision 1; and 518.551, Subdivision 7; proposing new law coded in Minnesota Statutes, Chapter 256; repealing Minnesota Statutes 1981 Supplement, Section 257.021.

PATRICK E. FLAHAVEN, Secretary of the Senate

Heinitz moved that the House refuse to concur in the Senate amendments to H. F. No. 4, that the Speaker appoint a Conference Committee of 3 members of the House, and that the House requests that a like committee be appointed by the Senate to confer on the disagreeing votes of the two Houses. The motion prevailed.

ANNOUNCEMENT BY THE SPEAKER

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 4:

Heinitz, Samuelson and Hokanson.

ADJOURNMENT

Eken moved that when the House adjourns today it adjourn until 10:00 a.m., Tuesday, January 12, 1982. The motion prevailed.

Eken moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 10:00 a.m., Tuesday, January 12, 1982.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

STATE OF MINNESOTA

THIRD SPECIAL SESSION - 1981

FIFTEENTH DAY

SAINT PAUL, MINNESOTA, TUESDAY, JANUARY 12, 1982

The House of Representatives convened at 10:00 a.m. and was called to order by Harry A. Sieben, Jr., Speaker of the House.

Prayer was offered by Reverend Thomas Salmon, Warrendale Presbyterian Church, St. Paul, Minnesota.

The roll was called and the following members were present:

Aasness	Evans	Kelly	O'Connor	Sherman
Ainley	Fjoslien	Knickerbocker	Ogren	Sherwood
Anderson, B.	Forsythe	Kostohryz	Olsen	Simoneau
Anderson, G.	Frerichs	Kvam	Onnen	Skoglund
Anderson, I.	Greenfield	Laidig	Osthoff	Stadum
Anderson, R.	Gruenes	Lehto	Otis	Staten
Battaglia	Gustafson	Lemen	Peterson, B.	Stumpf
Begich	Halberg	Levi	Peterson, D.	Sviggum
Berkelman	Hanson	Long	Piepho	Swanson
Blatz	Harens	Ludeman	Pogemiller	Tomlinson
Brandl	Hauge	Luknic	Redalen	Valan
Brinkman	Haukoos	Mann	Reding	Valento
Byrne	Heap	Marsh	Rces	Vanasek
Carlson, D.	Heinitz	McCarron	Reif	Vellenga
Carlson, L.	Himle	McEachern	Rice	Voss
Clark, J.	Hoberg	Mehrkens	Rodriguez, C.	Weaver
Clark, K.	Hokanson	Metzen	Rodriguez, F.	Welch
Clawson	Hokr	Minne	Rose	Welker
Dean	Jacobs	Munger	Rothenberg	Wenzel
Dempsey	Jennings	Murphy	Samuelson	Wieser
Den Ouden	Johnson, C.	Nelsen, B.	Sarna	Wigley
Drew	Johnson, D.	Nelson, K.	Schafer	Wynia
Eken	Jude	Niehaus	Schoenfeld	Zubay
Elioff	Kahn	Norton	Schreiber	Spkr. Sieben, H.
Ellingson	Kaley	Novak	Searles	
Esau	Kalis	Nysether	Shea	

A quorum was present.

Dahlvang, Erickson, Ewald, McDonald, Sieben, M., and Stowell were excused.

The Chief Clerk proceeded to read the Journal of the preceding day. Laidig moved that further reading of the Journal be

dispensed with and that the Journal be approved as corrected by the Chief Clerk. The motion prevailed.

MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Mr. Speaker:

I hereby announce that the Senate has concurred in and adopted the report of the Conference Committee on:

H. F. No. 2, A bill for an act relating to the financing of government in this state; reducing appropriations for the biennium ending June 30, 1983 with certain conditions; providing for a deficiency in income maintenance appropriations; imposing and increasing fees; imposing various cost saving measures; requiring the board of regents of the university, the state university board, the community college board and the state board for vocational education to develop plans for declining enrollment; providing that parties to administrative hearings will bear the cost of court reporters under certain circumstances; authorizing attorney general to appear in civil weight enforcement actions; modifying certain procedures for appeals of workers' compensation orders; providing certain workers' compensation settlements are conclusively presumed reasonable; modifying approval by the commissioner of labor and industry of the settlement of certain workers' compensation claims; eliminating the requirement that the commissioner of veterans affairs provide certain grave markers; providing for a medical assistance drug formulary and fixed dispensing fee; changing eligibility standards for medical assistance; changing calculation of certain fees paid by foreign corporations; shortening time for abandonment of unclaimed property; reducing rate of retirement contributions relating to state employees; changing requirements for reduced transit fares for certain persons; increasing the property tax mill rate of the transit taxing district; repealing review of administrative rules for business licenses; authorizing the transfer of certain funds appropriated to the higher education coordinating board for obligations under interstate tuition reciprocity agreements; altering the recognition of school district tax revenue; reducing state aids for education in fiscal year 1983 by one-third of the June, 1983 school district tax settlements; requiring payment of 70 percent of the estimated school district tax receipts within 15 days after the settlement date; establishing a cash flow loan fund; reducing education aid appropriations for fiscal year 1983; requiring the commissioner of finance to pay by June 30, 1982 any payments that were suspended; authorizing the commissioner of education to suspend certain education aids in December, 1981 and January, 1982; authorizing the commissioner of education to consider cash flow requirements of each recipient in determining whether to suspend education aids; requiring the commissioner to issue

certificates of aid; providing for legislative review of educational mandates; removing the prohibition against unallotment of education aids; changing the formula allowance; authorizing recertification to increase the basic maintenance and transportation levies; limiting the foundation aid appropriations for fiscal years 1984 and 1985; increasing the rate of interest on unpaid taxes; conforming with federal treatment of commodity tax straddles, capital gains deduction, and interest deduction; allowing limited use of ACRS; reducing the corporate income tax rate; imposing an income tax surtax; providing a research and development credit; providing for taxation of unitary business income; modifying estate tax to conform with federal estate tax changes; prohibiting the commissioner of revenue from adopting certain depreciation schedules by rule; requiring payment of certain income and sales taxes pending appeal; reducing the maximum local aid appropriation; extending local government property tax levy limitations; making certain modifications to the levy limitations base; adjusting homestead credit appropriations; reducing aid payments to certain counties; repealing exemption of certain town levies; increasing the sales tax on coin-operated vending machines; extending the sales tax on cigarettes; accelerating the June sales tax liability for certain vendors; providing that farm income is wholly apportioned to Minnesota; authorizing general fund loans to the state building fund; removing the dollar limitation on state short-term borrowing; appropriating money; amending Minnesota Statutes 1980, Sections 16A.63; 40.03, Subdivision 2; 121.904, by adding subdivisions; 176.421, Subdivision 3; 176.521, by adding a subdivision; 184.30, Subdivision 2; 197.23; 221.67; 268.16, Subdivision 3; 275.125, Subdivision 5, and by adding a subdivision; 276.11; 278.03; 290.06, by adding a subdivision; 290.16, Subdivisions 4, 15, and 16; 290.34, Subdivision 2; 290.361, Subdivision 2; 291.015; 291.051, Subdivision 1; 291.09, Subdivision 1a; 291.132, Subdivision 4; 297A.39, Subdivision 1; 298.294; 299.08; 299.10; 303.07; 303.13, Subdivision 1; 303.14, Subdivisions 1, 3, and 5; 303.16, Subdivisions 2 and 4; 303.17, Subdivision 4; 303.18, Subdivision 3; 303.19, Subdivisions 2 and 3; 303.21, by adding a subdivision; 303.22; 303.23, Subdivision 1; 308.06, Subdivision 4; 308.85; 317.04, Subdivisions 2 and 3; 317.36; 317.42, Subdivision 3; 317.67, Subdivision 2; 330.01, Subdivision 1; 340.492; 345.32; 345.33; 345.34; 345.37; 345.38; 345.39; 352.04, Subdivisions 2 and 3; 352.92, Subdivisions 1 and 2; 352D.09, Subdivision 7; 473.408, Subdivision 3; 540.152; 543.08; Minnesota Statutes 1981 Supplement, Sections 3.9222, Subdivision 2; 15.052, Subdivision 5; 16A.15, Subdivision 1; 16A.128; 16A.671, Subdivisions 1, 3, 5, and by adding a subdivision; 124.2121, Subdivisions 4 and 5; 124.2122, Subdivisions 1 and 2; 124.2124, Subdivision 1; 124.2125, Subdivision 1; 124.225, Subdivision 8a; 169.871, Subdivisions 3 and 5; 169.872, Subdivision 1; 174.24, Subdivision 3a; 174.31, Subdivisions 1 and 3; 176.131, Subdivision 10; 176.421, Subdivisions 4 and 5; 176.521, Subdivisions 1 and 2; 204B.11, Subdivision 1; 256B.02, Subdivision 8; 256B.06, Subdivision 1; 270.75; 275.50, Subdivision 5; 275.51, Subdivisions 1 and 3e; 290.01, Subdivision 20; 290.06, Subdivi-

sion 1; 290.09, Subdivisions 3 and 7; 290.091; 290.17, Subdivision 2; 290.21, Subdivision 4; 290.53, Subdivision 1; 291.005, Subdivision 1; 291.03; 297A.02; 297A.25, Subdivision 1; 302A.-901, Subdivision 2; 352D.04, Subdivision 2; 473.446, Subdivision 1; 477A.03, Subdivision 2; Laws 1981, Chapters 356, Sections 45 and 46; 359, Section 3, Subdivision 3; Laws 1981, First Special Session, Chapter 1, Article III, Section 3, Subdivision 6; proposing new law coded in Chapters 5, 35, 290, and 297A; repealing Minnesota Statutes 1980, Sections 7.08; 291.051, Subdivisions 2 and 3; 303.08, Subdivision 3; 303.12; 303.14, Subdivision 2; 303.15; 303.21, Subdivisions 1 and 2; 317.11; 317.19, Subdivision 3; 317.43; 317.67, Subdivision 1; Minnesota Statutes 1981 Supplement, Sections 3.965, Subdivision 6; 124.20, Subdivision 3; 275.125, Subdivision 2f; 275.515; 362.453; and Laws 1981, Chapter 354, Section 3.

The Senate has repassed said bill in accordance with the recommendation and report of the Conference Committee. Said House File is herewith returned to the House.

PATRICK E. FLAHAVER, Secretary of the Senate

Mr. Speaker:

I hereby announce that the Senate accedes to the request of the House for the appointment of a Conference Committee on the amendments adopted by the Senate to the following House File:

H. F. No. 4, A bill for an act relating to public welfare; altering certain provisions of the program of aid to families with dependent children; redefining the term "dependent child"; expanding the definition of persons ineligible; eliminating eligibility of the unborn; requiring rules to define "special needs" for eligible pregnant women; requiring recoupment of overpayments; requiring registration of certain dependent recipients for employment services, training, and employment; restricting the earned income disregard to four months; restricting work expense disregards; specifying the amount of stepparent income to be considered available in determining need; providing for voluntary third party payments; eliminating eligibility for recipients participating in a strike; eliminating a prepaid funeral contract and reverse mortgage loan guarantees as disregarded resources; modifying the service fee for child support collection services; modifying the resource limits for recipients of aid to families with dependent children; extending medical assistance coverage to certain pregnant women; amending Minnesota Statutes 1980, Sections 256.12, Subdivision 14; 256.73, Subdivisions 3a, 5, 6, and by adding a subdivision; 256.736, Subdivisions 3 and 4; 256.74, Subdivision 1, and by adding a subdivision; 256.81; 256.935, Subdivision 2; 256.99; Minnesota Statutes 1981 Supplement, Sections 256.73, Subdivision 2; 256B.06, Subdivision 1; and 518.551, Subdivision 7; proposing new law coded in

Minnesota Statutes, Chapter 256; repealing Minnesota Statutes 1981 Supplement, Section 257.021.

The Senate has appointed as such committee Messrs. Benson, Sikorski and Ms. Berglin.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

ADJOURNMENT

Eken moved that when the House adjourns today it adjourn until 11:00 a.m., Thursday, January 14, 1982.

POINT OF ORDER

Rice raised a point of order pursuant to Section 121 of "Mason's Manual of Legislative Procedure." The Speaker ruled the point of order well taken.

The question recurred on the Eken motion. The motion prevailed.

Eken moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 11:00 a.m., Thursday, January 14, 1982.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

The first part of the session was devoted to the presentation of papers. The first paper was presented by Mr. [Name], who discussed the results of his research on the [Topic]. The second paper was presented by Mrs. [Name], who discussed the results of her research on the [Topic]. The third paper was presented by Mr. [Name], who discussed the results of his research on the [Topic]. The fourth paper was presented by Mrs. [Name], who discussed the results of her research on the [Topic]. The fifth paper was presented by Mr. [Name], who discussed the results of his research on the [Topic]. The sixth paper was presented by Mrs. [Name], who discussed the results of her research on the [Topic]. The seventh paper was presented by Mr. [Name], who discussed the results of his research on the [Topic]. The eighth paper was presented by Mrs. [Name], who discussed the results of her research on the [Topic]. The ninth paper was presented by Mr. [Name], who discussed the results of his research on the [Topic]. The tenth paper was presented by Mrs. [Name], who discussed the results of her research on the [Topic]. The eleventh paper was presented by Mr. [Name], who discussed the results of his research on the [Topic]. The twelfth paper was presented by Mrs. [Name], who discussed the results of her research on the [Topic]. The thirteenth paper was presented by Mr. [Name], who discussed the results of his research on the [Topic]. The fourteenth paper was presented by Mrs. [Name], who discussed the results of her research on the [Topic]. The fifteenth paper was presented by Mr. [Name], who discussed the results of his research on the [Topic]. The sixteenth paper was presented by Mrs. [Name], who discussed the results of her research on the [Topic]. The seventeenth paper was presented by Mr. [Name], who discussed the results of his research on the [Topic]. The eighteenth paper was presented by Mrs. [Name], who discussed the results of her research on the [Topic]. The nineteenth paper was presented by Mr. [Name], who discussed the results of his research on the [Topic]. The twentieth paper was presented by Mrs. [Name], who discussed the results of her research on the [Topic].

STATE OF MINNESOTA

THIRD SPECIAL SESSION - 1981

SIXTEENTH DAY

SAINT PAUL, MINNESOTA, THURSDAY, JANUARY 14, 1982

The House of Representatives convened at 11:00 a.m. and was called to order by Harry A. Sieben, Jr., Speaker of the House.

Prayer was offered by Reverend Marvin Sandness, Christ Lutheran on Capitol Hill, St. Paul, Minnesota.

The roll was called and the following members were present:

Aasness	Fjoslien	Knickerbocker	O'Connor	Sherwood
Ainley	Forsythe	Kostohryz	Ogren	Sieben, M.
Anderson, B.	Frerichs	Kvam	Olsen	Simoneau
Anderson, G.	Greenfield	Laidig	Onnen	Skoglund
Anderson, I.	Gruenes	Lehto	Osthoff	Stadum
Anderson, R.	Gustafson	Lemen	Otis	Staten
Battaglia	Halberg	Levi	Peterson, B.	Stowell
Begich	Hanson	Long	Peterson, D.	Stumpf
Berkelman	Harens	Ludeman	Piepho	Sviggum
Blatz	Hauge	Luknic	Pogemiller	Swanson
Brandl	Haukoos	Mann	Redalen	Tomlinson
Brinkman	Heap	Marsh	Reding	Valan
Byrne	Heinitz	McCarron	Rees	Valento
Carlson, D.	Himle	McDonald	Reif	Vanasek
Carlson, L.	Hoberg	McEachern	Rice	Vellenga
Clark, J.	Hokanson	Mehrkens	Rodriguez, F.	Voss
Clark, K.	Hokr	Metzen	Rose	Weaver
Clawson	Jacobs	Minne	Rothenberg	Welch
Dahlvang	Jennings	Munger	Samuelson	Welker
Dempsey	Johnson, C.	Murphy	Sarna	Wenzel
Den Ouden	Johnson, D.	Nelsen, B.	Schafer	Wieser
Drew	Jude	Nelson, K.	Schoenfeld	Wigley
Eken	Kahn	Niehaus	Schreiber	Wynia
Elioff	Kaley	Norton	Searles	Zubay
Erickson	Kalis	Novak	Shea	Spkr. Sieben, H.
Esau	Kelly	Nysether	Sherman	

A quorum was present.

Dean, Ellingson, Evans, Ewald and Rodriguez, C., were excused.

The Chief Clerk proceeded to read the Journal of the preceding day. Kelly moved that further reading of the Journal be dispensed with and that the Journal be approved as corrected by the Chief Clerk. The motion prevailed.

POINT OF ORDER

Peterson, B., raised a point of order regarding termination of the Third Special Session pursuant to House Rule 9.6 and Section 781, Paragraph 8, of "Mason's Manual of Legislative Procedure." The Speaker ruled the point of order not well taken.

Peterson, B., appealed the decision of the Speaker.

A roll call was requested and properly seconded.

Halberg was excused for the remainder of today's session.

CALL OF THE HOUSE

On the motion of Sherwood and on the demand of 10 members, a call of the House was ordered. The following members answered to their names:

Aasness	Fjoslien	Knickerbocker	O'Connor	Sherwood
Ainley	Forsythe	Kostohryz	Ogren	Sieben, M.
Anderson, B.	Frerichs	Kvam	Olsen	Simoneau
Anderson, G.	Greenfield	Laidig	Onnen	Skoglund
Anderson, I.	Gruenes	Lehto	Osthoff	Stadum
Anderson, R.	Gustafson	Lemen	Otis	Staten
Battaglia	Hanson	Levi	Peterson, B.	Stowell
Begich	Harens	Long	Peterson, D.	Stumpf
Berkelman	Hauge	Ludeman	Piepho	Sviggum
Blatz	Haukoos	Luknic	Pogemiller	Swanson
Brandl	Heap	Mann	Redalen	Tomlinson
Brinkman	Heinitz	Marsh	Reding	Valan
Byrne	Himle	McCarron	Rees	Valento
Carlson, L.	Hoberg	McDonald	Rice	Vanasek
Clark, J.	Hokanson	McEachern	Rodriguez, F.	Vellenga
Clark, K.	Hokr	Mehrkens	Rose	Voss
Clawson	Jacobs	Metzen	Rothenberg	Weaver
Dahlvang	Jennings	Minne	Samuelson	Welch
Dempsey	Johnson, C.	Munger	Sarna	Welker
Den Ouden	Johnson, D.	Murphy	Schafer	Wenzel
Drew	Jude	Nelsen, B.	Schoenfeld	Wieser
Eken	Kahn	Nelson, K.	Schreiber	Wigley
Elioff	Kaley	Niehaus	Searles	Wynia
Erickson	Kalis	Norton	Shea	Zubay
Esau	Kelly	Nysether	Sherman	Spkr. Sieben, H.

Eken moved that further proceedings of the roll call be dispensed with and that the Sergeant at Arms be instructed to bring in the absentees. The motion prevailed and it was so ordered.

The vote was taken on the question "Shall the decision of the Speaker stand as the judgment of the House?" and the roll was called.

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

There were 72 yeas and 53 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Eken	Kostohryz	Ogren	Staten
Anderson, G.	Elioff	Lehto	Osthoff	Stowell
Anderson, I.	Greenfield	Levi	Otis	Stumpf
Anderson, R.	Gustafson	Long	Peterson, D.	Swanson
Battaglia	Hanson	Luknic	Pogemiller	Tomlinson
Begich	Harens	Mann	Reding	Vanasek
Berkeiman	Hauge	McCarron	Rice	Vellenga
Brandt	Heinitz	McEachern	Rodriguez, F.	Voss
Brinkman	Hokanson	Metzen	Samuelson	Welch
Byrne	Jacobs	Minne	Sarna	Wenzel
Carlson, L.	Johnson, C.	Munger	Schoenfeld	Wynia
Clark, J.	Jude	Murphy	Shea	Spkr. Sieben, H.
Clark, K.	Kahn	Nelson, K.	Sieben, M.	
Clawson	Kalis	Norton	Simoneau	
Dahlvang	Kelly	O'Connor	Skoglund	

Those who voted in the negative were:

Aasness	Gruenes	Lemen	Piepho	Stadum
Ainley	Haukoos	Ludeman	Redalen	Swiggum
Blatz	Heap	Marsh	Rees	Valan
Dempsey	Himle	McDonald	Reif	Valento
Den Ouden	Hoberg	Mehrkens	Rose	Weaver
Drew	Hokr	Nelsen, B.	Rothenberg	Welker
Erickson	Jennings	Niehaus	Schafer	Wieser
Esau	Johnson, D.	Nysether	Schreiber	Wigley
Fjoslien	Kaley	Olsen	Searles	Zubay
Forsythe	Kvam	Onnen	Sherman	
Frerichs	Laidig	Peterson, B.	Sherwood	

So it was the judgment of the House that the decision of the Speaker should stand.

The following conference committee report was received:

CONFERENCE COMMITTEE REPORT ON H. F. NO. 4

A bill for an act relating to public welfare; altering certain provisions of the program of aid to families with dependent children; redefining the term "dependent child"; expanding the definition of persons ineligible; eliminating eligibility of the unborn; requiring rules to define "special needs" for eligible pregnant women; requiring recoupment of overpayments; requiring registration of certain dependent recipients for employment services, training, and employment; restricting the earned income disregard to four months; restricting work expense disregards; specifying the amount of stepparent income to be considered available in determining need; providing for voluntary third party payments; eliminating eligibility for recipients participating in a strike; eliminating a prepaid funeral contract and reverse mortgage loan guarantees as disregarded resources; modifying the service fee for child support collection services; modifying the resource limits for recipients of aid to families with dependent children; extending medical assistance coverage to certain pregnant women; amending Minnesota Statutes 1980,

Sections 256.12, Subdivision 14; 256.73, Subdivisions 3a, 5, 6, and by adding a subdivision; 256.736, Subdivisions 3 and 4; 256.74, Subdivision 1, and by adding a subdivision; 256.81; 256.935, Subdivision 2; 256.99; Minnesota Statutes 1981 Supplement, Sections 256.73, Subdivision 2; 256B.06, Subdivision 1; and 518.551, Subdivision 7; proposing new law coded in Minnesota Statutes, Chapter 256; repealing Minnesota Statutes 1981 Supplement, Section 257.021.

January 13, 1982

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

The Honorable Jack Davies
President of the Senate

We, the undersigned conferees for H. F. No. 4, report that we have agreed upon the items in dispute and recommend as follows:

The Senate recede from its amendment and that H. F. No. 4 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1980, Section 256.12, Subdivision 14, is amended to read:

Subd. 14. [DEPENDENT CHILD.] "Dependent child," as used in sections 256.72 to 256.87 and 256.872, means a child under the age of 18 years, or a child under the age of 19 years who is regularly attending as a full time student (AT), and is expected to complete before reaching age 19, a high school (, COLLEGE, OR UNIVERSITY, OR REGULARLY ATTENDING AS A FULL TIME STUDENT IN) or a secondary level course of vocational or technical training designed to fit him for gainful employment, who is found to be deprived of parental support or care by reason of the death, continued absence from the home, physical or mental incapacity of a parent, or who is a child of an unemployed (FATHER) parent as that term is defined by the commissioner of public welfare, such definition to be consistent with (,) and not to exceed minimum standards established by the congress of the United States and the secretary of health (, EDUCATION) and (WELFARE) human services, and whose relatives, liable under the law for his support are not able to provide adequate care and support of (SUCH) the child, and who is living with his father, mother, grandfather, grandmother, brother, sister, stepfather, stepmother, stepbrother, stepsister, uncle, aunt, first cousin, nephew, or niece in a place of residence maintained by one or more of (SUCH) these relatives as his or their home.

The term "dependent child" (SHALL) also (MEAN) means a child who has been removed from the home of a relative after a judicial determination that continuance in the home would be contrary to the welfare and best interests of the child and whose care and placement in a foster home or a private licensed child care institution is, in accordance with the rules (AND REGULATIONS) of the commissioner, the responsibility of the state or county agency under sections 256.72 to 256.87. *This child is eligible for benefits only through the foster care and adoption assistance program contained in Title IV-E of the Social Security Act, 42 U.S.C. 670 to 676, and is not entitled to benefits under sections 256.72 to 256.87.*

Sec. 2. Minnesota Statutes 1980, Section 256.12, is amended by adding a subdivision to read:

Subd. 20. [ASSISTANCE UNIT.] "Assistance unit" means the group of individuals whose needs or income, or both, are taken into account in determining eligibility for or the amount of a grant of assistance under sections 256.72 to 256.87.

Sec. 3. Minnesota Statutes 1980, Section 256.12, is amended by adding a subdivision to read:

Subd. 21. [CARETAKER RELATIVE.] "Caretaker relative" means a relative specified by rule to be an eligible relative and who exercises responsibility for the care and control of the dependent child.

Sec. 4. Minnesota Statutes 1980, Section 256.12, is amended by adding a subdivision to read:

Subd. 22. [PRINCIPAL EARNER.] "Principal earner" means, in a home where both parents of the dependent child live, the parent who earned the greater amount of income in the 24-month period immediately preceding the month of application.

Sec. 5. Minnesota Statutes 1981 Supplement, Section 256.73, Subdivision 2, is amended to read:

Subd. 2. [ALLOWANCE BARRED BY OWNERSHIP OF PROPERTY.] (EXCEPT AS PROVIDED IN CLAUSE (3), THE) Ownership by the father, mother, child, children, or any combination (THEREOF), of property as follows (SHALL BE) is a bar to any allowance under sections 256.72 to 256.87:

(1) Real property other than the homestead (, EXCEPT AS DESCRIBED IN CLAUSE (3)). For the purposes of this section "homestead" means the house owned and occupied by the (APPLICANT) child, relative or other member of the assistance unit as his dwelling place, together with the land upon which it is situated and an area no greater than two contiguous lots in a

platted or laid out city or town (OR THE SMALLEST PARCEL ALLOWED UNDER APPLICABLE ZONING REGULATIONS) or 80 contiguous acres in unplatted land; or

(2) Personal property of (A REASONABLE MARKET) *an equity value in excess of (\$400) \$1,000* for (A ONE CHILD RECIPIENT) *the entire assistance unit, exclusive of personal property used as the home, one (AUTOMOBILE, INSURANCE CARRIED BY A PARENT WHICH DOES NOT EXCEED A CASH SURRENDER VALUE OF \$500) motor vehicle of an equity value not exceeding \$1,500, clothing and necessary household furniture and equipment and other basic maintenance items essential for daily living, (THE EARNINGS OF A DEPENDENT CHILD WHICH ARE PLACED IN A SAVINGS ACCOUNT TO BE USED FOR A FUTURE PURPOSE APPROVED BY THE COUNTY AGENCY) in accordance with (THE) rules (OF) promulgated by and standards established by the commissioner of public welfare (, AND SUCH PROPERTY THAT PRODUCES A NET INCOME APPLICABLE TO THE FAMILY'S NEEDS.)*

((3) REAL ESTATE NOT USED AS A HOME WHICH PRODUCES NET INCOME APPLICABLE TO THE FAMILY'S NEEDS, WHICH THE FAMILY IS MAKING A CONTINUING EFFORT TO SELL AT A FAIR AND REASONABLE PRICE, OR THE SALE OF WHICH WOULD NET AN INSIGNIFICANT AMOUNT OF INCOME APPLICABLE TO THE FAMILY'S NEEDS OR WOULD CAUSE UNDUE HARDSHIP. AS DETERMINED BY THE COMMISSIONER, SHALL NOT BE A BAR TO AN ALLOWANCE UNDER SECTIONS 256.72 TO 256.87. NET INCOME SHALL BE THE RESIDUE AFTER PAYMENT FROM GROSS INCOME OF TAXES, INSURANCE, MAINTENANCE, AND INTEREST ON ENCUMBRANCES, IF ANY, ON THE PROPERTY, PROVIDED THAT IN COMPUTING NET INCOME THE GROSS INCOME SHALL NOT BE CHARGED WITH ANY EXPENSES TOWARD BETTERMENT OF THE PROPERTY AS IMPROVEMENTS OR BY PAYMENT ON THE PRINCIPAL OF A MORTGAGE; PROVIDED, THAT THE NET INCOME THUS DERIVED SHALL BE APPLIED ON THE FAMILY BUDGET).

Sec. 6. Minnesota Statutes 1980, Section 256.73, Subdivision 3a, is amended to read:

Subd. 3a. [PERSONS INELIGIBLE.] No assistance shall be given under sections 256.72 to 256.87:

(1) On behalf of any person who is receiving supplemental security income under title XVI of the social security act unless permitted by federal regulations;

(2) For any month in which the assistance unit's gross income, without application of deductions or disregards, exceeds 150 percent of the standard of need for a family of the same size and composition. If a stepparent's income is taken into account in determining need, the disregards specified in section 12 shall be applied to determine income available to the assistance unit before calculating the unit's gross income for purposes of this paragraph;

(3) To any assistance unit for any month in which any caretaker relative with whom the child is living is, on the last day of that month, participating in a strike;

(4) On behalf of any other individual in the assistance unit, nor shall the individual's needs be taken into account, for any month in which, on the last day of the month, the individual is participating in a strike;

(5) To an assistance unit if its eligibility is based on a parent's unemployment and the parent who is the principal earner, without good cause, fails or refuses to participate in the work incentive program under section 256.736, to accept employment, or to register with a public employment office, unless the principal earner is exempt from these work requirements.

Sec. 7. Minnesota Statutes 1980, Section 256.73, Subdivision 5, is amended to read:

Subd. 5. [PREGNANT WOMEN WITH NO CHILDREN.]
(a) For the purposes of sections 256.72 to 256.87, (DEPENDENT CHILDREN SHALL INCLUDE THE UNBORN) assistance payments shall be made during the final three months of pregnancy (AND, INSOFAR AS POSSIBLE, THE PROVISIONS APPLICABLE TO DEPENDENT CHILDREN SHALL ALSO BE APPLICABLE TO THE UNBORN DURING THE FINAL THREE MONTHS OF PREGNANCY) to a woman who has no other children but who otherwise qualifies for assistance. No payments shall be made for the needs of the unborn or for any special needs occasioned by the pregnancy except as provided in clause (b). The commissioner of public welfare shall promulgate, pursuant to the administrative procedures act, (REGULATIONS) rules to implement this subdivision.

(b) The commissioner may, according to rules, make payments for the purpose of meeting special needs occasioned by or resulting from pregnancy both for a pregnant woman with no other children as well as for a pregnant woman receiving assistance as provided in sections 256.72 to 256.87. The special needs payments shall be dependent upon the needs of the pregnant woman and the resources allocated to the county by the commissioner and shall be limited to payments for medically recognized special or supplemental diet needs and the purchase

of a crib and necessary clothing for the future needs of the unborn child at birth.

Sec. 8. Minnesota Statutes 1980, Section 256.73, Subdivision 6, is amended to read:

Subd. 6. [REPORTS BY RECIPIENT.] Each recipient shall complete reports as requested by the local or state agency. All (NET EARNED OR UNEARNED) income not specifically disregarded by the social security act, the code of federal regulations, or state law, rules and regulations, shall be income applicable to the budgetary needs of the family. If any amount of aid to families with dependent children assistance is paid to a recipient thereof in excess of the payment due it shall be recoverable by the local agency. (IF THE AGENCY NOTIFIES THE RECIPIENT IN WRITING OF AN OVERPAYMENT DUE SOLELY TO LOCAL AGENCY ERROR WITHIN THREE MONTHS AFTER THE OVERPAYMENT, THE AGENCY MAY COMMENCE RECOVERY OF THE OVERPAYMENT DURING THE YEAR AFTER THE NOTIFICATION IS RECEIVED BY THE RECIPIENT.) *The agency shall give written notice (SHALL INFORM) to the recipient of (THE AGENCY'S) its intention to recover the overpayment. Overpayments to a current assistance unit shall be recovered either through repayment by the individual in part or in full or by reducing the amount of aid payable to the assistance unit of which the individual is a member. For any month in which an overpayment must be recovered, recoupment may be made by reducing the grant but only if the reduced assistance payment, together with the assistance unit's liquid assets and total income after deducting actual work expenses equals at least 95 percent of the standard of need for the assistance unit, except that if the overpayment is due solely to agency error, this total after deducting actual work expenses shall equal at least 99 percent of the standard of need. In cases when there is both an overpayment and underpayment the local agency shall offset one against the other in correcting the payment. The recipient may appeal the agency's determination that an overpayment has occurred in accordance with section 256.045. The county agency shall promptly repay the recipient for any underpayment and shall disregard that payment when determining the assistance unit's income and resources in the month when the payment is made and the following month.*

Sec. 9. Minnesota Statutes 1980, Section 256.736, Subdivision 3, is amended to read:

Subd. 3. [OPERATION OF PROGRAM.] To determine who shall be designated as an appropriate individual for certification to the commissioner of economic security, the commissioner of public welfare shall provide standards for county welfare agencies and human services boards consistent with the standards promulgated by the secretary of health (, EDUCA-

TION,) and (WELFARE) *human services*. County welfare agencies shall certify appropriate individuals to the commissioner of economic security and shall require that every individual, as a condition of receiving aid to families with dependent children, register for employment services, training, and employment, unless such individual is:

(1) a child who is under age 16 (OR), *a child age 16 or 17 who is attending elementary or secondary school or a secondary level vocational or technical school full time, or a full-time student age 18 who is attending a secondary school or a secondary level vocational or technical program and who is expected to complete the school or program before reaching age 19;*

(2) a person who is ill, incapacitated or of advanced age;

(3) a person so remote from a work incentive project that his effective participation is precluded;

(4) a person whose presence in the home is required because of illness or incapacity of another member of the household;

(5) a (MOTHER) *parent or other caretaker relative of a child under the age of six who (IS CARING) personally provides full-time care for the child;* (OR)

(6) (THE MOTHER OR OTHER FEMALE CARETAKER OF A CHILD IF THE FATHER OR ANOTHER ADULT MALE RELATIVE IS IN THE HOME AND NOT EXCLUDED BY CLAUSE (1), (2), (3), OR (4), UNLESS HE HAS FAILED TO REGISTER AS REQUIRED BY THIS SUBDIVISION OR HAS BEEN FOUND BY THE COMMISSIONER OF ECONOMIC SECURITY TO HAVE REFUSED WITHOUT GOOD CAUSE TO PARTICIPATE UNDER A WORK INCENTIVE PROGRAM OR ACCEPT EMPLOYMENT) *a parent or other caretaker if another adult relative in the house is registered and has not, without good cause, failed or refused to participate or accept employment; or*

(7) *a parent who is not the principal earner if the parent who is the principal earner is not exempt under clauses (1) to (6).*

Any individual referred to in clause (5) shall be advised of (HER) *the option to register for employment services, training, and employment if (SHE) the individual so desires, and shall be informed of the child care services, if any, which will be available (TO HER IN THE EVENT SHE SHOULD DECIDE) if the individual decides to register.*

If, after planning with a recipient, a decision is made that (HE) *the recipient must register for employment services,*

training, and employment, the county welfare department shall give notice in writing to the (INDIVIDUAL) *recipient* stating that he *or she* must register with the commissioner of economic security for participation in a work incentive program and that (HE) *the recipient* has a right to a fair hearing under section 256.045 with respect to the appropriateness of (HIS) *the registration*.

Sec. 10. Minnesota Statutes 1980, Section 256.736, Subdivision 4, is amended to read:

Subd. 4. [CONDITIONS OF CERTIFICATION.] The commissioner of public welfare shall:

(1) Arrange for or provide any relative or child certified to the commissioner of economic security pursuant to this section with child-care services and other necessary family services;

(2) Pay ten percent of the cost of programs of training and employment established by the commissioner of economic security for persons certified hereunder;

(3) Provide that in determining a recipient's needs any monthly incentive training payment made to the recipient by the department of economic security is disregarded and the additional expenses attributable to his participation in a program are taken into account in grant determination; *and*

(4) Provide that when it has been certified by the commissioner of economic security, certification to be binding upon the commissioner of public welfare, that a relative or child certified under the work incentive program to the commissioner of economic security has been found by the commissioner, after a hearing conducted in the manner prescribed by section 268.10, subdivision 3, with the right of review in accordance with the provisions of section 268.10, subdivision 8, to have refused without good cause to participate under a work incentive program or to have refused without good cause to accept a bona fide offer of public or other employment, the county welfare departments shall provide that:

(a) If the relative makes the refusal, the relative's needs shall not be taken into account in making the grant determination, and aid for any dependent child in the family will be made in the form of vendor payments.

(b) Aid with respect to a dependent child will be denied if a child who makes the refusal is the only child receiving aid in the family.

(c) If there is more than one child receiving aid in the family, aid for the child who makes the refusal will be denied

and his needs will not be taken into account in making the grant determination (; AND)

((D) NOTWITHSTANDING THE OTHER PROVISIONS OF THIS SUBDIVISION, THE COUNTY WELFARE DEPARTMENT SHALL, FOR A PERIOD OF 60 DAYS AFTER NOTIFICATION OF THE COMMISSIONER OF ECONOMIC SECURITY DETERMINATION OF REFUSAL WITHOUT CAUSE TO PARTICIPATE IN A PROGRAM OF TRAINING OR EMPLOYMENT, MAKE VENDOR PAYMENTS ON BEHALF OF THE RELATIVE SPECIFIED OR CONTINUE AID IN THE CASE OF A CHILD SPECIFIED, IF DURING THE 60 DAY PERIOD THE CHILD OR RELATIVE ACCEPTS COUNSELING OR OTHER SERVICES WHICH THE COUNTY WELFARE DEPARTMENT SHALL MAKE AVAILABLE FOR THE PURPOSE OF ASSISTING THE CHILD OR RELATIVE TO PARTICIPATE IN A PROGRAM IN ACCORDANCE WITH THE DETERMINATION OF THE COMMISSIONER OF ECONOMIC SECURITY). *If the assistance unit's eligibility is based on the principal earner's unemployment and the principal earner fails or refuses without good cause to participate or to accept employment, the entire assistance unit is ineligible for benefits under sections 256.72 to 256.87.*

Sec. 11. Minnesota Statutes 1980, Section 256.74, Subdivision 1, is amended to read:

Subdivision 1. [AMOUNT.] The amount of assistance which shall be granted to or on behalf of any dependent child and mother or other needy eligible relative caring for (SUCH) the dependent child shall be determined by the county agency (WITH DUE REGARD TO THE RESOURCES AND NECESSARY EXPENDITURES OF THE FAMILY AND THE CONDITIONS EXISTING IN EACH CASE AND) in accordance with (THE) rules (AND REGULATIONS MADE) promulgated by the (STATE AGENCY) commissioner and shall be sufficient, when added to all other income and support available to the child, to provide (SUCH) the child with a reasonable subsistence compatible with decency and health. *The amount shall be based on the method of budgeting required in Public Law No. 97-35, Section 2315, 42 U.S.C. 602, as amended and federal regulations at 45 C.F.R. Section 233.* In making its determination the county agency shall (EXCLUDE) *disregard* the following from family income:

(1) All of the earned income of each dependent child receiving aid to families with dependent children who is a full-time student or part-time student, and not a full-time employee, attending a school, college, or university, or a course of vocational or technical training designed to fit him for gainful employment;

(2) All educational grants and loans awarded pursuant to a federal law when public assistance was considered in making the award and the award was made on the basis of financial

need; and that part of any other educational grant or loan which is used for educational purposes, such as tuition, fees, equipment, transportation and child care expenses necessary for school attendance; (AND)

(3) *The first \$75 of each individual's earned income. In the case of an individual not engaged in full-time employment or not employed throughout the month the commissioner shall prescribe by rule a lesser amount to be disregarded. For self-employed persons, the expenses directly related to producing goods and services and without which the goods and services could not be produced shall be disregarded pursuant to rules promulgated by the commissioner;*

(4) *An amount equal to the actual expenditures but not to exceed \$160 for the care of each dependent child or incapacitated individual living in the same home and receiving aid. In the case of a person not engaged in full-time employment or not employed throughout the month, the commissioner shall prescribe by rule a lesser amount to be disregarded; and*

(5) (THE FIRST \$30) *Thirty dollars plus one-third of the remainder of (THE COMBINED MONTHLY EARNINGS OF ANY DEPENDENT CHILD NOT INCLUDED UNDER CLAUSE (1), AND ANY ADULT WHO IS A RECIPIENT OF AID FOR FAMILIES WITH DEPENDENT CHILDREN) each individual's earned income not already disregarded for individuals found otherwise eligible to receive aid or who have received aid in one of the four months before the month of application. With respect to any month, the county welfare agency shall not disregard under this clause ((2)) any earned income of any person who has:*

(a) *Reduced his earned income without good cause within 30 days preceding any month in which an assistance payment is made; or*

(b) *Refused without good cause to accept an offer of suitable employment; or*

(c) *Left employment or reduced his earnings without good cause and applied for assistance so that he might later return to employment with the advantage of the income disregarded; or*

(d) *Failed without good cause to make a timely report of earned income in accordance with rules promulgated by the commissioner of public welfare.*

Persons who are already employed and who apply for assistance shall have their needs computed with full account taken of their earned and other income. If earned and other income of the family is less than need, as determined on the basis of public

assistance standards, the county agency shall determine the amount of the grant by applying the disregard of income provisions. The county agency shall not disregard earned income for persons in a family if the total monthly earned and other income exceeds their needs, unless for any one of the four preceding months their needs were met in whole or in part by a grant payment. (IF AN INDIVIDUAL WITHOUT GOOD CAUSE LEAVES EMPLOYMENT OR REDUCES HIS EARNINGS AND APPLIES FOR ASSISTANCE SO THAT HE MIGHT LATER RETURN TO EMPLOYMENT WITH ADVANTAGES OF INCOME DISREGARD, HE SHALL NOT HAVE THE BENEFIT OF THE DISREGARD OF INCOME PROVISIONS.)

The disregard of \$30 and one-third of the remainder of earned income described in clause (5) shall be applied to the individual's income for a period not to exceed four consecutive months. Any month in which the individual loses this disregard because of the provisions of clause (5)(a) to (5)(d) shall be considered as one of the four months. To again qualify for this earned income disregard, the individual must not be a recipient of aid for a period of 12 consecutive months. If an individual becomes ineligible for aid because this earned income disregard has been applied to income for four consecutive months and will no longer be applied to income, the local agency shall inform the individual of the medical assistance program, its standards of eligibility, and the circumstances under which the individual would be eligible for medical assistance.

Sec. 12. Minnesota Statutes 1980, Section 256.74, is amended by adding a subdivision to read:

Subd. 1a. [STEPARENT'S INCOME.] In determining income available, the county agency shall take into account the remaining income of the dependent child's stepparent who lives in the same household after disregarding:

(1) The first \$75 of the stepparent's gross earned income. The commissioner shall prescribe by rule lesser amounts to be disregarded for stepparents who are not engaged in full-time employment or not employed throughout the month;

(2) An amount for support of the stepparent and any other individuals whom the stepparent claims as dependents for tax purposes and who live in the same household but whose needs are not considered in determining eligibility for assistance under sections 256.72 to 256.87. The amount equals the standard of need for a family of the same composition as the stepparent and these other individuals;

(3) Amounts the stepparent actually paid to individuals not living in the same household but whom the stepparent claims as dependents for tax purposes; and

(4) *Alimony or child support, or both, paid by the step-parent for individuals not living in the same household.*

Sec. 13. [256.851] [RULES.]

The commissioner of public welfare shall promulgate temporary and permanent rules necessary to implement sections 1 to 19.

Sec. 14. Minnesota Statutes 1981 Supplement, Section 256.872, Subdivision 1, is amended to read:

Subdivision 1. [WITHHOLDING ORDER.] Whenever an obligation for support of a dependent child or maintenance of a spouse, or both, has been determined and ordered by a court of this state, the public agency responsible for child support enforcement may move and the district or county court shall grant an order providing for the withholding of the amount of child support or maintenance as determined by court order, from the income, regardless of source of the person obligated to pay the support or maintenance. *If the public agency responsible for child support enforcement determines that the obligor's arrearages have accumulated for more than one month, and if the agency is not pursuing another appropriate remedy, the agency shall move the district or county court for an order for withholding under this section or shall document a reason or reasons why withholding would not result in payment being made.* "Income" means any form of periodic payments to an individual, including, but not limited to, wages, salary, income as an independent contractor, workers' compensation, unemployment compensation, annuity, military and naval retirement, pension and disability payments.

Sec. 15. Minnesota Statutes 1981 Supplement, Section 256.872, is amended by adding a subdivision to read:

Subd. 4. [REPORT.] The commissioner shall report to the appropriate legislative committees by January 15, 1983, on the extent to which the local public agencies responsible for child support enforcement comply with this section and with sections 518.54 to 518.66.

Sec. 16. Minnesota Statutes 1980, Section 256.99, is amended to read:

256.99 [REVERSE MORTGAGE PROCEEDS DISREGARDED.]

All reverse mortgage loan proceeds received pursuant to section 47.58, including interest or earnings thereon, shall be disregarded and shall not be considered available to the borrower for purposes of determining initial or continuing eligi-

bility for, or amount of, medical assistance (OR ANY OTHER PUBLIC ASSISTANCE PROGRAM), *Minnesota supplemental assistance, general assistance, general assistance medical care, or a federal or state low interest loan or grant.* This section applies regardless of the time elapsed since the loan was made or the disposition of the proceeds.

Sec. 17. Minnesota Statutes 1981 Supplement, Section 256B.06, Subdivision 1, is amended to read:

Subdivision 1. Medical assistance may be paid for any person:

(1) Who is eligible for or receiving public assistance, *or a woman who is pregnant, as medically verified, and who would be eligible for assistance under the aid to families with dependent children program if the child had been born and living with the woman;* or

(2) Who is eligible for or receiving supplemental security income for the aged, blind and disabled; or

(3) Who except for the amount of income or resources would qualify for supplemental security income for the aged, blind and disabled, or aid to families with dependent children and is in need of medical assistance; or

(4) Who is under 21 years of age and in need of medical care that neither he nor his relatives responsible under sections 256B.01 to 256B.26 are financially able to provide; or

(5) Who is residing in a hospital for treatment of mental disease or tuberculosis and is 65 years of age or older and without means sufficient to pay the per capita hospital charge; and

(6) Who resides in Minnesota, or, if absent from the state, is deemed to be a resident of Minnesota in accordance with the regulations of the state agency; and

(7) Who alone, or together with his spouse, does not own real property other than the homestead. For the purposes of this section, "homestead" means the house owned and occupied by the applicant as his dwelling place, together with the land upon which it is situated and an area no greater than two contiguous lots in a platted or laid out city or town or (THE SMALLEST PARCEL ALLOWED UNDER APPLICABLE ZONING REGULATIONS) *80 contiguous acres* in unplatted land. *Occupancy or exemption shall be determined as provided in chapter 510 and applicable law, including continuing exemption by filing notice under section 510.07.* Real estate not used as a home may not be retained unless it produces net income applicable to the family's needs or the family is making a continuing effort to sell

it at a fair and reasonable price or unless sale of the real estate would net an insignificant amount of income applicable to the family's needs, or unless the commissioner determines that sale of the real estate would cause undue hardship; and

(8) Who individually does not own more than \$2,000 in cash or liquid assets, or if a member of a household with two family members (husband and wife, or parent and child), does not own more than \$4,000 in cash or liquid assets, plus \$200 for each additional legal dependent. When only one spouse resides, or will reside after applying for medical assistance, in a nursing home, or is receiving or will receive alternative care under the alternative care grants program in a county with preadmission screening under section 256B.091, the cash or liquid asset amount for two family members is \$10,000. The value of the following shall not be included:

(a) the homestead, and (b) one motor vehicle licensed pursuant to chapter 168 and defined as: (1) passenger automobile, (2) station wagon, (3) motorcycle, (4) motorized bicycle or (5) truck of the weight found in categories A to E, of section 168.013, subdivision 1e; and

(9) Who has or anticipates receiving an annual income not in excess of \$2,600 for a single person, or \$3,250 for two family members (husband and wife, parent and child, or two siblings), plus \$625 for each additional legal dependent, or who has income in excess of these maxima and in the month of application, or during the three months prior to the month of application, incurs expenses for medical care that total more than one-half of the annual excess income in accordance with the regulations of the state agency. In computing income to determine eligibility of persons who are not residents of long term care facilities, the commissioner shall disregard increases in income of social security or supplementary security income recipients due solely to increases required by sections 215(i) and 1617 of the social security act, and shall disregard income of disabled persons that is also disregarded in determining eligibility for supplemental aid under section 256D.37, subdivision 1, unless prohibited by federal law or regulation. If prohibited, the commissioner shall first seek a waiver. In excess income cases, eligibility shall be limited to a period of six months beginning with the first of the month in which these medical obligations are first incurred; and

(10) Who has continuing monthly expenses for medical care that are more than the amount of his excess income, computed on a monthly basis, in which case eligibility may be established before the total income obligation referred to in the preceding paragraph is incurred, and medical assistance payments may be made to cover the monthly unmet medical need. In licensed nursing home and state hospital cases, income over and above that required for justified needs, determined pursuant to a sched-

ule of contributions established by the commissioner of public welfare, is to be applied to the cost of institutional care. The commissioner of public welfare may establish a schedule of contributions to be made by the spouse of a nursing home resident to the cost of care and shall seek a waiver from federal regulations which establish the amount required to be contributed by either spouse when one spouse is a nursing home resident; and

(11) Who has applied or agrees to apply all proceeds received or receivable by him or his spouse from automobile accident coverage and private health care coverage to the costs of medical care for himself, his spouse, and children. The state agency may require from any applicant or recipient of medical assistance the assignment of any rights accruing under private health care coverage. Any rights or amounts so assigned shall be applied against the cost of medical care paid for under this chapter. Any assignment shall not be effective as to benefits paid or provided under automobile accident coverage and private health care coverage prior to receipt of the assignment by the person or organization providing the benefits.

Sec. 18. Minnesota Statutes 1980, Section 256B.07, is amended to read:

256B.07 [EXCEPTIONS IN DETERMINING RESOURCES.]

A local agency may, within the scope of regulations set by the commissioner of public welfare, waive the requirement of liquidation of excess assets when the liquidation would cause undue hardship. Household goods and furniture in use in the home, wearing apparel, insurance policies with cash surrender value not in excess of \$1,500 per insured person, personal property used as a regular abode by the applicant or recipient, *a prepaid funeral contract not in excess of \$750 per person plus accrued interest of not more than \$200*, and a lot in a burial plot shall not be considered as resources available to meet medical needs.

Sec. 19. Minnesota Statutes 1981 Supplement, Section 518.-551, Subdivision 7, is amended to read:

Subd. 7. [SERVICE FEE.] When the public agency responsible for child support enforcement provides child support collection services either to a public assistance recipient or to a party who does not receive public assistance, the public agency may upon written notice to the obligor charge a monthly collection fee equivalent to the full monthly cost to the county of providing collection services, in addition to the amount of the child support which was ordered by the court. The fee shall be deposited in the county general fund. The service fee assessed is limited to ten percent of the monthly court ordered child

support and shall not be assessed to obligors who are current in payment of the monthly court ordered child support. No fee shall be imposed on the party who requests child support collection services.

However, the limitations of this subdivision on the assessment of fees shall not apply to the extent inconsistent with the requirements of federal law for receiving funds for the programs under Title IV-A and Title IV-D of the Social Security Act, 42 U.S.C. 601 to 613 and 42 U.S.C. 651 to 662.

Sec. 20. [REPEALER.]

Minnesota Statutes 1980, Section 256.935, Subdivision 2; and Minnesota Statutes 1981 Supplement, Section 257.021, are repealed.

Sec. 21. [EFFECTIVE DATE.]

Sections 1 to 20 are effective February 1, 1982."

Amend the title as follows :

Delete lines 2 to 32 and insert "relating to public welfare; changing certain provisions governing aid to families with dependent children as authorized or required by federal law; changing or adding provisions governing definitions, eligibility standards, payment levels and amounts, income disregards, budgeting methods, child support or maintenance orders; eliminating a stepparents' general support duty and specifying the amount of stepparent income to be considered available in determining need; eliminating coverage of the unborn; extending medical assistance coverage to certain pregnant women; amending Minnesota Statutes 1980, Sections 256.12, Subdivision 14, and by adding subdivisions; 256.73, Subdivisions 3a, 5, and 6; 256.736, Subdivisions 3 and 4; 256.74, Subdivision 1, and by adding a subdivision; 256.99; and 256B.07; Minnesota Statutes 1981 Supplement, Sections 256.73, Subdivision 2; 256.872, Subdivision 1, and by adding a subdivision; 256B.06, Subdivision 1; and 518.551, Subdivision 7; proposing new law coded in Minnesota Statutes, Chapter 256; repealing Minnesota Statutes 1980, Section 256.935, Subdivision 2; and Minnesota Statutes 1981 Supplement, Section 257.021."

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

House Conferees: O. J. HEINITZ, DON SAMUELSON and SHIRLEY A. HOKANSON.

Senate Conferees: DUANE D. BENSON, GERRY SIKORSKI and LINDA BERGLIN.

Heinitz moved that the report of the Conference Committee on H. F. No. 4 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

CALL OF THE HOUSE LIFTED

Nelsen, B., moved that the call of the House be dispensed with. The motion prevailed and it was so ordered.

H. F. No. 4, A bill for an act relating to public welfare; altering certain provisions of the program of aid to families with dependent children; redefining the term "dependent child"; expanding the definition of persons ineligible; eliminating eligibility of the unborn; requiring rules to define "special needs" for eligible pregnant women; requiring recoupment of overpayments; requiring registration of certain dependent recipients for employment services, training, and employment; restricting the earned income disregard to four months; restricting work expense disregards; specifying the amount of stepparent income to be considered available in determining need; providing for voluntary third party payments; eliminating eligibility for recipients participating in a strike; eliminating a prepaid funeral contract and reverse mortgage loan guarantees as disregarded resources; modifying the service fee for child support collection services; modifying the resource limits for recipients of aid to families with dependent children; extending medical assistance coverage to certain pregnant women; amending Minnesota Statutes 1980, Sections 256.12, Subdivision 14; 256.73, Subdivisions 3a, 5, 6, and by adding a subdivision; 256.736, Subdivisions 3 and 4; 256.74, Subdivision 1, and by adding a subdivision; 256.81; 256.935, Subdivision 2; 256.99; Minnesota Statutes 1981 Supplement, Sections 256.73, Subdivision 2; 256B.06, Subdivision 1; and 518.551, Subdivision 7; proposing new law coded in Minnesota Statutes, Chapter 256; repealing Minnesota Statutes 1981 Supplement, Section 257.021.

The bill was read for the third time, as amended by Conference, and placed upon its repassage.

The question was taken on the repassage of the bill and the roll was called. There were 105 yeas and 20 nays as follows:

Those who voted in the affirmative were:

Aasness	Carlson, D.	Esau	Hokanson	Kostohryz
Anderson, B.	Carlson, L.	Fjoslien	Hokr	Kvam
Anderson, G.	Clark, J.	Forsythe	Jacobs	Laidig
Anderson, I.	Clawson	Frerichs	Jennings	Lemen
Anderson, R.	Dahlvang	Gruenes	Johnson, C.	Levi
Battaglia	Dempsey	Hauge	Johnson, D.	Luknic
Begich	Den Ouden	Haukoos	Jude	Mann
Berkelman	Drew	Heap	Kaley	Marsh
Blatz	Eken	Heinitz	Kalis	McDonald
Brandl	EHoff	Himle	Kelly	McEachern
Brinkman	Erickson	Hoberg	Knickerbocker	Mehrkens

Metzen	Peterson, B.	Samuelson	Skoglund	Voss
Minne	Peterson, D.	Sarna	Stadum	Weaver
Murphy	Piepho	Schafer	Stowell	Welch
Nelsen, B.	Redalen	Schoenfeld	Stumpf	Welker
Niehaus	Reding	Schreiber	Sviggum	Wenzel
Nysether	Rees	Searles	Swanson	Wieser
Ogren	Reif	Shea	Tomlinson	Wigley
Olsen	Rodriguez, F.	Sherman	Valan	Wynia
Onnen	Rose	Sherwood	Valento	Zubay
Osthoff	Rothenberg	Sieben, M.	Vanasek	Spkr. Sieben, H.

Those who voted in the negative were:

Byrne	Hanson	Long	Norton	Rice
Clark, K.	Harens	McCarron	O'Connor	Simoneau
Greenfield	Kahn	Munger	Otis	Staten
Gustafson	Lehto	Nelson, K.	Pogemiller	Vellenga

The bill was repassed, as amended by Conference, and its title agreed to.

ADJOURNMENT

Eken moved that when the House adjourns today it adjourn until 10:00 a.m., Monday, January 18, 1982. The motion prevailed.

Eken moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 10:00 a.m., Monday, January 18, 1982.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

STATE OF MINNESOTA

THIRD SPECIAL SESSION - 1981

SEVENTEENTH DAY

SAINT PAUL, MINNESOTA, MONDAY, JANUARY 18, 1982

The House of Representatives convened at 10:00 a.m. and was called to order by Harry A. Sieben, Jr., Speaker of the House.

Prayer was offered by Dr. Marcy Ditmanson, Medical Missionary to Taiwan, of St. Paul, Minnesota.

The roll was called and the following members were present:

Ainley	Fjoslien	Kalis	Norton	Sieben, M.
Anderson, G.	Forsythe	Kelly	Novak	Simoneau
Battaglia	Frerichs	Knickerbocker	Ogren	Skoglund
Begich	Greenfield	Kostohryz	Olsen	Stadum
Berkelman	Gruenes	Kvam	Otis	Staten
Blatz	Gustafson	Laidig	Peterson, B.	Stumpf
Brandl	Halberg	Lehto	Peterson, D.	Sviggum
Byrne	Hanson	Lemen	Piepho	Swanson
Carlson, L.	Harens	Levi	Redalen	Tomlinson
Clark, J.	Hauge	Long	Reding	Valan
Clark, K.	Haukoos	Ludeman	Reif	Valento
Clawson	Heap	Luknic	Rice	Vanasek
Dahlvang	Heinitz	Mann	Rodriguez, C.	Vellenga
Dean	Hoberg	Marsh	Rodriguez, F.	Voss
Den Ouden	Hokanson	McCarron	Rose	Weaver
Drew	Hokr	McDonald	Rothenberg	Welch
Eken	Jacobs	McEachern	Samuelson	Welker
Elioff	Jennings	Metzen	Sarna	Wenzel
Ellingson	Johnson, C.	Minne	Schafer	Wieser
Erickson	Johnson, D.	Munger	Schoenfeld	Wigley
Esau	Jude	Murphy	Searles	Wynia
Evans	Kahn	Nelson, K.	Shea	Spkr. Sieben, H.
Ewald	Kaley	Niehaus	Sherwood	

A quorum was present.

Aasness; Anderson, R.; Dempsey; Himle; Nysether; Rees; Schreiber and Zubay were excused.

Anderson, B.; Anderson, I.; Brinkman; Carlson, D.; Mehrkens; Nelsen, B.; O'Connor; Onnen; Osthoff; Pogemiller; Sherman and Stowell were excused until 1:55 p.m.

The Chief Clerk proceeded to read the Journal of the preceding day. Kelly moved that further reading of the Journal be dis-

pensed with and that the Journal be approved as corrected by the Chief Clerk. The motion prevailed.

PETITIONS AND COMMUNICATIONS

The following communications were received:

STATE OF MINNESOTA
OFFICE OF THE GOVERNOR
SAINT PAUL 55155

January 15, 1982

The Honorable Harry A. Sieben, Jr.
Speaker of the House
State Capitol
St. Paul, Minnesota 55155

Dear Speaker Sieben:

In accordance with my public statement of yesterday's date, I have allowed three days to elapse since presentment to me of 1981 Third Special Session House File No. 2, passed by the Legislature during its Third Special Session on January 11, 1982.

In accordance with the provisions of Article IV, Section 23 of the Constitution of the State of Minnesota, this bill has accordingly become law without my signature.

The Act has been deposited with the Secretary of State today.

Sincerely,

ALBERT H. QUIE
Governor

STATE OF MINNESOTA
OFFICE OF THE SECRETARY OF STATE
ST. PAUL 55155

January 15, 1982

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

The Honorable Jack Davies
President of the Senate

I have the honor to inform you that the following enrolled Act of the 1981 Third Special Session of the State Legislature has been received from the Office of the Governor and is

deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

<i>S.F. No.</i>	<i>H.F. No.</i>	<i>Third Special Session Laws Chapter No.</i>	<i>Date Approved 1982</i>	<i>Date Filed 1982</i>
	2	2		January 15

Sincerely,

JOAN ANDERSON GROWE
Secretary of State

MOTIONS AND RESOLUTIONS

Eken moved that the Chief Clerk be and he is hereby authorized to correct and approve the Journal of the House, Third Special Session, for today, Monday, January 18, 1982, and that he be authorized to include in the Journal for today any subsequent proceedings and any appointments to legislative interim committees or commissions created by legislative action or by law. The motion prevailed.

Eken moved that the Chief Clerk be and he is hereby instructed to inform the Senate and the Governor by message that the House of Representatives is about to adjourn this Third Special Session sine die. The motion prevailed.

Eken moved that the House recess subject to the call of the Chair. The motion prevailed.

RECESS

RECONVENED

The House reconvened and was called to order by the Speaker.

There being no objection the order of business reverted to Messages from the Senate.

MESSAGES FROM THE SENATE

The following messages were received from the Senate:
Mr. Speaker:

I hereby announce that the Senate has concurred in and adopted the report of the Conference Committee on:

H. F. No. 4, A bill for an act relating to public welfare; changing certain provisions governing aid to families with dependent children as authorized or required by federal law; changing or adding provisions governing definitions, eligibility standards, payment levels and amounts, income disregards, budgeting methods, child support or maintenance orders; eliminating a stepparents' general support duty and specifying the amount of stepparent income to be considered available in determining need; eliminating coverage of the unborn; extending medical assistance coverage to certain pregnant women; amending Minnesota Statutes 1980, Sections 256.12, Subdivision 14, and by adding subdivisions; 256.73, Subdivisions 3a, 5, and 6; 256.736, Subdivisions 3 and 4; 256.74, Subdivision 1, and by adding a subdivision; 256.99; and 256B.07; Minnesota Statutes 1981 Supplement, Sections 256.73, Subdivision 2; 256.872, Subdivision 1, and by adding a subdivision; 256B.06, Subdivision 1; and 518.551, Subdivision 7; proposing new law coded in Minnesota Statutes, Chapter 256; repealing Minnesota Statutes 1980, Section 256.935, Subdivision 2; and Minnesota Statutes 1981 Supplement, Section 257.021.

The Senate has repassed said bill in accordance with the recommendation and report of the Conference Committee. Said House File is herewith returned to the House.

PATRICK E. FLAHAVER, Secretary of the Senate

Mr. Speaker:

This is to notify you that the Senate is about to adjourn the Third Special Session sine die.

PATRICK E. FLAHAVER, Secretary of the Senate

MOTION TO ADJOURN THIRD SPECIAL SESSION SINE DIE

Eken moved that the House adjourn sine die for the 1981 Third Special Session. The motion prevailed and the Speaker declared the House stands adjourned sine die for the 1981 Third Special Session.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

COMMUNICATIONS AND ANNOUNCEMENTS RECEIVED
SUBSEQUENT TO ADJOURNMENT OF THIRD SPECIAL SESSION

The following communications were received:

STATE OF MINNESOTA
OFFICE OF THE GOVERNOR
SAINT PAUL 55155

January 19, 1982

The Honorable Harry A. Sieben, Jr.
Speaker of the House
State of Minnesota

Dear Speaker Sieben:

I have the honor to inform you that I received, approved, signed and deposited in the Office of the Secretary of State the following 1981 Third Special Session House File:

Special Session H. F. No. 4, relating to public welfare, changing certain provisions governing aid to families with dependent children as authorized or required by federal law; changing or adding provisions governing definitions, eligibility standards, payment levels and amounts, income disregards, budgeting methods, child support or maintenance orders; eliminating a stepparents' general support duty and specifying the amount of stepparent income to be considered available in determining need; eliminating coverage of the unborn; extending medical assistance coverage to certain pregnant women;

Sincerely,

ALBERT H. QUIE
Governor

STATE OF MINNESOTA
 OFFICE OF THE SECRETARY OF STATE
 ST. PAUL 55155

January 19, 1982

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

The Honorable Jack Davies
 President of the Senate

I have the honor to inform you that the following enrolled Act of the 1981 Third Special Session of the State Legislature has been received from the Office of the Governor and is deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

<i>S.F.</i> No.	<i>H.F.</i> No.	<i>Third Special Session Laws Chapter No.</i>	<i>Date Approved 1982</i>	<i>Date Filed 1982</i>
	4	3	January 19	January 19

Sincerely,

JOAN ANDERSON GROWE
 Secretary of State

CERTIFICATE

I certify that the 1981 Third Special Session Journal of the House for Monday, January 18, 1982, including subsequent proceedings, has been corrected and is hereby approved.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

JOURNAL
OF THE
HOUSE
OF REPRESENTATIVES

SEVENTY-SECOND SESSION

OF THE
LEGISLATURE

STATE OF MINNESOTA

1982

RAMALEY PRINTING COMPANY

STATE OF MINNESOTA

SEVENTY-SECOND SESSION - 1982

FIFTY-EIGHTH DAY

SAINT PAUL, MINNESOTA, TUESDAY, JANUARY 12, 1982

The House of Representatives convened at 12:00 noon and was called to order by Harry A. Sieben, Jr., Speaker of the House.

Prayer was offered by Reverend Thomas Salmon, Warrendale Presbyterian Church, St. Paul, Minnesota.

The roll was called and the following members were present:

Aasness	Esau	Kelly	Ogren	Simoneau
Ainley	Evans	Knickerbocker	Olsen	Skoglund
Anderson, B.	Fjoslien	Kostohryz	Onnen	Stadum
Anderson, G.	Forsythe	Kvam	Osthoff	Staten
Anderson, I.	Frerichs	Laidig	Otis	Stowell
Anderson, R.	Greenfield	Lehto	Peterson, B.	Stumpf
Battaglia	Gruenes	Lemen	Peterson, D.	Sviggum
Begich	Gustafson	Levi	Piepho	Swanson
Berkelman	Halberg	Long	Pogemiller	Tomlinson
Blatz	Hanson	Ludeman	Redalen	Valan
Brandl	Harens	Luknic	Reding	Valento
Brinkman	Hauge	Mann	Rees	Vanasek
Byrne	Haukoos	Marsh	Reif	Vellenga
Carlson, D.	Heap	McCarron	Rice	Voss
Carlson, L.	Heinitz	McEachern	Rodriguez, C.	Weaver
Clark, J.	Himle	Mehrkens	Rodriguez, F.	Welch
Clark, K.	Hoberg	Metzen	Rose	Welker
Clawson	Hokanson	Minne	Rothenberg	Wenzel
Dahlvang	Hokr	Munger	Samuelson	Wieser
Dean	Jacobs	Murphy	Sarna	Wigley
Dempsey	Jennings	Nelsen, B.	Schafer	Wynia
Den Ouden	Johnson, C.	Nelson, K.	Schoenfeld	Zubay
Drew	Johnson, D.	Niehaus	Schreiber	Spkr. Sieben, H.
Eken	Jude	Norton	Searles	
Elioff	Kahn	Novak	Shea	
Ellingson	Kaley	Nysether	Sherman	
Erickson	Kalis	O'Connor	Sherwood	

A quorum was present.

Ewald, McDonald and Sieben, M., were excused.

The Chief Clerk proceeded to read the Journal of the preceding day. Johnson, C., moved that further reading of the Journal

be dispensed with and that the Journal be approved as corrected by the Chief Clerk. The motion prevailed.

REPORTS OF STANDING COMMITTEES

Kostohryz from the Committee on General Legislation and Veterans Affairs to which was referred:

H. F. No. 376, A bill for an act proposing an amendment to the Minnesota Constitution, Article X, adding a section; authorizing and taxing parimutuel wagering on races if authorized by law.

Reported the same back with the following amendments:

Page 1, line 12, after "*horse*", insert "*and dog*"

Page 1, line 17, after "*horse*", insert "*and dog*"

With the recommendation that when so amended the bill pass.

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. No. 376 was read for the second time.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following recess bill introductions were prefiled with the Speaker. Pursuant to House Rule 9.5 these bills were given a file number and referred to committee.

Clawson introduced:

H. F. No. 1541, A bill for an act relating to crimes; prohibiting the practice of deprogramming; providing a penalty; proposing new law coded in Minnesota Statutes, Chapter 609.

The bill was read for the first time and referred to the Committee on Judiciary.

Skoglund introduced:

H. F. No. 1542, A bill for an act relating to metropolitan government; regulating the organization, duties and powers of the metropolitan mosquito control district and commission; amending Minnesota Statutes 1980, Sections 473.701, Subdivisions 1, 2 and 3; 473.702; 473.703, Subdivisions 1, 2 and by adding a subdivision; 473.704, Subdivisions 1, 5, 13, 14 and 17; 473.705; and 473.706; proposing new law coded in Minnesota Statutes, Chapter 473; repealing Minnesota Statutes 1980, Sections 473.701, Subdivisions 5 and 6; 473.703, Subdivisions 3, 4, 5, 6, 8, and 9; 473.704, Subdivisions 2, 3, 4, 6, and 15; 473.711; 473.713; 473.714; 473.715; and 473.717.

The bill was read for the first time and referred to the Committee on Local and Urban Affairs.

Onnen, Jude, McEachern and Kvam introduced:

H. F. No. 1543, A bill for an act relating to hazardous wastes; liability of commercial disposal facility operators; waiver of state immunity in certain cases; amending Minnesota Statutes 1980, Section 115A.23, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

McEachern and Jude introduced:

H. F. No. 1544, A bill for an act relating to the environment; providing for a fee and a gross earnings tax on hazardous wastes in order to compensate local governmental units and certain landowners for costs associated with the wastes; requiring certain leasing arrangements for hazardous waste disposal facilities; establishing a state fund; imposing penalties; appropriating money; amending Minnesota Statutes 1980, Sections 115A.06, by adding subdivisions; and 115A.15, Subdivision 6; proposing new law coded in Minnesota Statutes, Chapters 115A and 295.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

O'Connor, Lehto, Kelly, Levi and Mehrkens introduced:

H. F. No. 1545, A bill for an act relating to traffic offenses; prohibiting the issuance of arrest warrants for parking violations; amending Minnesota Statutes 1980, Section 171.16, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Criminal Justice.

Kelly, Clawson and Byrne introduced:

H. F. No. 1546, A bill for an act relating to juveniles; providing for the detention of juveniles for whom a motion to refer for prosecution is pending before the court; amending Minnesota Statutes 1980, Section 260.173, Subdivision 4.

The bill was read for the first time and referred to the Committee on Criminal Justice.

Niehaus, Brinkman, Piepho, Frerichs and Murphy introduced:

H. F. No. 1547, A bill for an act relating to intoxicating liquor; town board approval of certain county liquor licenses; amending Minnesota Statutes 1981 Supplement, Section 340.11, Subdivision 10.

The bill was read for the first time and referred to the Committee on Commerce and Economic Development.

Fjoslien; Nelson, K.; Piepho; Wenzel and Ogren introduced:

H. F. No. 1548, A bill for an act relating to energy; exempting ethanol or fuel alcohol plants from certificate of need requirements; amending Minnesota Statutes 1980, Section 116H.13, Subdivision 8.

The bill was read for the first time and referred to the Committee on Energy.

Vanasek, Lehto, Lemen, Rose and Kelly introduced:

H. F. No. 1549, A bill for an act relating to crimes and criminals; authorizing departures from the presumptive sentences established in the sentencing guidelines; amending Minnesota Statutes 1980, Section 244.10, Subdivision 2, and by adding subdivisions.

The bill was read for the first time and referred to the Committee on Criminal Justice.

Anderson, I., introduced:

H. F. No. 1550, A bill for an act relating to the city of Big Falls; authorizing the establishment of detached banking facilities.

The bill was read for the first time and referred to the Committee on Financial Institutions and Insurance.

Ogren introduced:

H. F. No. 1551, A bill for an act relating to pesticides; prescribing limitations on the aerial application of certain pesticides; proposing new law coded in Minnesota Statutes, Chapter 18.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

Carlson, L.; Reif and Swanson introduced:

H. F. No. 1552, A bill for an act relating to insurance; extending the temporary joint underwriting association act for an additional two year period; extending the termination date of certain insurance policies; amending Minnesota Statutes 1980, Sections 62F.01, Subdivision 2; and 62F.06, Subdivision 1.

The bill was read for the first time and referred to the Committee on Financial Institutions and Insurance.

Sieben, M.; Dempsey; Anderson, G.; Halberg and Mann introduced:

H. F. No. 1553, A bill for an act relating to drivers licenses; requiring the suspension of licenses of certain uninsured persons; providing a penalty; appropriating money; proposing new law coded in Minnesota Statutes, Chapter 171.

The bill was read for the first time and referred to the Committee on Judiciary.

Fjoslien; Mann; Munger; Anderson, I., and Welker introduced:

H. F. No. 1554, A bill for an act relating to aeronautics; providing for the registration of certain aircraft as collector aircraft; amending Minnesota Statutes 1980, Sections 360.55, Subdivision 4; and 360.59, Subdivision 10.

The bill was read for the first time and referred to the Committee on Transportation.

The following House Files were introduced:

McEachern, Kostohryz, Levi, Tomlinson and Anderson, B., introduced:

H. F. No. 1555, A bill for an act relating to education; extending the period for transferring money from operating to non-operating funds; amending Minnesota Statutes 1980, Section 121.912, Subdivisions 2 and 3.

The bill was read for the first time and referred to the Committee on Education.

McEachern, Kostohryz, Levi, Jennings and Anderson, B., introduced:

H. F. No. 1556, A bill for an act relating to education; making health and developmental screening for preschool children optional; amending Minnesota Statutes 1981 Supplement, Section 123.702, Subdivisions 1 and 1a.

The bill was read for the first time and referred to the Committee on Education.

McEachern, Tomlinson, Levi and Jennings introduced:

H. F. No. 1557, A bill for an act relating to education; granting discretion to local school boards regarding the use of bequests, donations, or gifts to school districts; amending Minnesota Statutes 1980, Sections 123.40, Subdivision 3; and 465.03.

The bill was read for the first time and referred to the Committee on Education.

Simoneau introduced:

H. F. No. 1558, A bill for an act relating to unemployment compensation; altering provisions with respect to the advance of federal funds; altering "triggers" relating to extended benefits; altering eligibility requirements for extended benefits; altering eligibility and disqualifying provisions for individuals whose training is approved under the Federal Trade Act of 1974; amending Minnesota Statutes 1980, Sections 268.05, Subdivision 6; 268.071, Subdivisions 1, 3, 5, and 6, and by adding subdivisions; 268.08, Subdivision 1; and 268.09, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Simoneau, Vellenga, Eken and Sieben, H., introduced:

H. F. No. 1559, A bill for an act relating to state government; providing a one time early retirement insurance benefit option for certain state employees; amending Minnesota Statutes 1981 Supplement, Section 43A.24, Subdivision 2.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Sieben, M., and Levi introduced:

H. F. No. 1560, A bill for an act relating to education; authorizing certain school districts in Washington County which did not qualify for the grandfather levy to make an additional levy for school maintenance purposes; amending Minnesota Statutes 1980, Section 275.125, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Education.

Schoenfeld, Munger, McDonald and Wynia introduced:

H. F. No. 1561, A bill for an act relating to hazardous wastes; providing civil and criminal penalties for the illegal processing, handling or disposal thereof; authorizing rewards for informants; proposing new law coded in Minnesota Statutes, Chapter 115A.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

Fjoslien, Jude, Wenzel, Hauge and Dempsey introduced:

H. F. No. 1562, A bill for an act relating to the environment; restricting certain disposal facilities to use of space above ground; amending Minnesota Statutes 1980, Section 115A.03, Subdivision 10.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

Nelsen, B.; Johnson, D., and Anderson, G., introduced:

H. F. No. 1563, A bill for an act relating to public employment; providing for an optional separate bargaining unit for teachers at area vocational-technical institutes; amending Minnesota Statutes 1980, Section 179.63, Subdivision 17; proposing new law coded in Minnesota Statutes, Chapter 179.

The bill was read for the first time and referred to the Committee on Labor-Management Relations.

Weaver, Reif, Kahn, Jude and Dean introduced:

H. F. No. 1564, A bill for an act relating to the University of Minnesota hospitals; repealing authority to issue state bonds; repealing Laws 1981, Chapter 275.

The bill was read for the first time and referred to the Committee on Appropriations.

Ogren; Begich; Stumpf; Anderson, I., and Schoenfeld introduced:

H. F. No. 1565, A bill for an act relating to game and fish; authorizing antlerless deer permits throughout the state; amending Minnesota Statutes 1980, Section 98.50, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

Voss, Shea, Brandl, Laidig and Hoberg introduced:

H. F. No. 1566, A bill for an act relating to state and local government organization and relations; creating an advisory council on local government; prescribing its duties; proposing new law coded as Minnesota Statutes, Chapter 15B.

The bill was read for the first time and referred to the Committee on Local and Urban Affairs.

Tomlinson, Hauge and Anderson, I., introduced:

H. F. No. 1567, A bill for an act relating to taxation; providing a new system for property taxation of railroads; amending Minnesota Statutes 1981 Supplement, Section 272.02, Subdivision 1; proposing new law coded in Minnesota Statutes, Chapter 270; repealing Minnesota Statutes 1980, Sections 270.80 to 270.90.

The bill was read for the first time and referred to the Committee on Taxes.

Nelsen, B.; Nysether and Munger introduced:

H. F. No. 1568, A bill for an act relating to taxidermy; changing certain reporting requirements; amending Minnesota Statutes 1980, Section 98.51, Subdivision 3.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

Lehto introduced:

H. F. No. 1569, A bill for an act relating to taxation; modifying the exemption of certain town levies; amending Minnesota Statutes 1981 Supplement, Section 275.515.

The bill was read for the first time and referred to the Committee on Taxes.

MESSAGES FROM THE SENATE

The following message was received from the Senate:

Mr. Speaker:

I hereby announce that the Senate has concurred in and adopted the report of the Conference Committee on:

S. F. No. 818, A bill for an act relating to game and fish; increasing the amount set aside from any increased deer license fees for deer habitat improvement; restricting the taking of bear to adult bear; amending Minnesota Statutes 1980, Sections 97.49, Subdivision 1a; and 100.27, Subdivision 2.

The Senate has repassed said bill in accordance with the recommendation and report of the Conference Committee. Said Senate File is herewith transmitted to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Reding moved that the House refuse to adopt the Conference Committee report on S. F. No. 818, and that the bill be returned to the Senate and to the Conference Committee. The motion prevailed.

MOTIONS AND RESOLUTIONS

Peterson, B., moved that the name of Rothenberg be added as an author on H. F. No. 1539. The motion prevailed.

Greenfield moved that the name of Welch be added as an author on H. F. No. 1528. The motion prevailed.

Eken moved that the House accede to the request of the Governor for a Joint Convention to hear the message of the Governor on Wednesday, January 13, 1982, at 12:00 noon; that the Chief Clerk be instructed to invite the Senate to meet in Joint Convention at 11:45 a.m. and advise the Governor regarding the Joint Convention; and that the Speaker appoint a committee of five members to act with a similar committee to be appointed

by the Senate to escort the Governor to the Joint Convention. The motion prevailed.

ANNOUNCEMENTS BY THE SPEAKER

The Speaker announced the following changes in committee assignments:

Criminal Justice: Remove the name of Blatz and add the name of Hokr.

General Legislation and Veterans Affairs: Remove the name of Hokr and add the name of Blatz.

The Speaker announced the appointment of the following committee to escort the Governor to the Joint Convention tomorrow:

Carlson, D.; Laidig; Johnson, D.; Vanasek and Gustafson.

ADJOURNMENT

Eken moved that when the House adjourns today it adjourn until 11:30 a.m., Wednesday, January 13, 1982. The motion prevailed.

Eken moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 11:30 a.m., Wednesday, January 13, 1982.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

STATE OF MINNESOTA

SEVENTY-SECOND SESSION - 1982

FIFTY-NINTH DAY

SAINT PAUL, MINNESOTA, WEDNESDAY, JANUARY 13, 1982

The House of Representatives convened at 11:30 a.m. and was called to order by Harry A. Sieben, Jr., Speaker of the House.

Prayer was offered by The Reverend Monsignor Ambrose Hayden, Vicar General of St. Paul Archdiocese, St. Paul, Minnesota.

The roll was called and the following members were present:

Aasness	Esau	Kelly	O'Connor	Sherwood
Ainley	Evans	Knickerbocker	Ogren	Sieben, M.
Anderson, B.	Fjoslien	Kostohryz	Olsen	Simoneau
Anderson, G.	Forsythe	Kvam	Onnen	Skogiund
Anderson, I.	Frerichs	Laidig	Osthoff	Stadum
Anderson, R.	Greenfield	Lehto	Otis	Staten
Battaglia	Gruenes	Lemen	Peterson, B.	Stowell
Begich	Gustafson	Levi	Peterson, D.	Stumpf
Berkelman	Halberg	Long	Piepho	Sviggum
Blatz	Hanson	Ludeman	Pogemiller	Swanson
Brandl	Harens	Luknic	Redalen	Tomlinson
Brinkman	Hauge	Mann	Reding	Valan
Byrne	Haukoos	Marsh	Rees	Valento
Carlson, D.	Heap	McCarron	Reif	Vanasek
Carlson, L.	Heinitz	McDonald	Rice	Vellenga
Clark, J.	Himle	McEachern	Rodriguez, C.	Weaver
Clark, K.	Hoberg	Mehrkens	Rodriguez, F.	Welch
Clawson	Hokanson	Metzen	Rose	Welker
Dahlvang	Hokr	Minne	Rothenberg	Wenzel
Dean	Jacobs	Munger	Samuelson	Wieser
Dempsey	Jennings	Murphy	Sarna	Wigley
Den Ouden	Johnson, C.	Nelsen, B.	Schafer	Wynia
Drew	Johnson, D.	Nelson, K.	Schoenfeld	Zubay
Eken	Jude	Niehaus	Schreiber	Spkr. Sieben, H.
Elioff	Kahn	Norton	Searles	
Ellingson	Kaley	Novak	Shea	
Erickson	Kalis	Nysether	Sherman	

A quorum was present.

Ewald and Voss were excused.

The Chief Clerk proceeded to read the Journal of the preceding day. Stowell moved that further reading of the Journal be

dispensed with and that the Journal be approved as corrected by the Chief Clerk. The motion prevailed.

REPORTS OF CHIEF CLERK

Pursuant to the Rules of the House, printed copies of H. F. No. 376 have been placed in the members' files.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Samuelson introduced:

H. F. No. 1570, A bill for an act relating to commerce; providing for the licensing, bonding, and insuring of certain builders; proposing new law coded in Minnesota Statutes, Chapter 326.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Samuelson introduced:

H. F. No. 1571, A bill for an act relating to state government; providing for the self insurance of employee health benefits; amending Minnesota Statutes 1981 Supplement, Sections 43A.22; 43A.23; 43A.26; 43A.30, Subdivision 2; 43A.31, Subdivision 4; proposing new law coded in Minnesota Statutes, Chapter 43A.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Byrne; Clark, J.; Swanson; Blatz and Olsen introduced:

H. F. No. 1572, A bill for an act relating to health; establishing the right to complete information on all alternative treatments for patients with breast cancer; amending Minnesota Statutes 1980, Section 144.651.

The bill was read for the first time and referred to the Committee on Health and Welfare.

Swanson, Vanasek, Reif, Welch and Kaley introduced:

H. F. No. 1573, A bill for an act relating to crimes; prohibiting the sale, transfer and delivery of simulated controlled substances; prohibiting their sale, transfer and delivery; providing penalties; amending Minnesota Statutes 1980, Sections 152.09, Subdivision 1; 152.15, by adding a subdivision; proposing new law coded in Minnesota Statutes, Chapter 152.

The bill was read for the first time and referred to the Committee on Criminal Justice.

Dempsey introduced:

H. F. No. 1574, A bill for an act relating to Independent School District No. 084, Sleepy Eye; requiring revision of its certified statutory operating debt.

The bill was read for the first time and referred to the Committee on Education.

Lemen, Gustafson, Redalen and Staten introduced:

H. F. No. 1575, A bill for an act relating to economic development; creating a legislative commission for job development; appropriating money; amending Minnesota Statutes 1980, Section 290.06, by adding a subdivision; Minnesota Statutes 1981 Supplement, Sections 290.06, Subdivision 1; and 297A.25, Subdivision 1; proposing new law coded in Minnesota Statutes, Chapter 362.

The bill was read for the first time and referred to the Committee on Commerce and Economic Development.

Berkelman, Metzen, Dean and Brinkman introduced:

H. F. No. 1576, A bill for an act relating to commerce; regulated loans; extending a prohibition on certain types of first liens taken on regulated loans to industrial loan and thrift companies and clarifying this prohibition to exclude loans used to satisfy the balance due on a contract for deed; applying the statutory provisions relating to conventional loan defaults to regulated loans; clarifying the method for the computation of interest; allowing the combination of loans of different maturities and interest rates; prohibiting attorney's fees except in connection with mortgage foreclosures; placing certain restrictions on the procurement of insurance in connection with a loan; providing miscellaneous technical and clarifying amendments; and eliminating a duplicative provision; amending Minnesota Statutes 1980, Section 53.04, Subdivision 5; and Minnesota Statutes 1981 Supplement, Sections 53.01; 53.04, Subdivision 3a; 56.12; 56.131, Subdivisions 1, 3, and 5; 56.14; 56.155; 334.02; and 334.03; proposing new law coded in Minnesota Statutes, Chapter 56.

The bill was read for the first time and referred to the Committee on Financial Institutions and Insurance.

Fjoslien; Munger; Rose; Nelson, K., and Hauge introduced:

H. F. No. 1577, A bill for an act relating to easements; permitting utilization of wind easements for the operation of wind power systems; amending Minnesota Statutes 1980, Section 500.30.

The bill was read for the first time and referred to the Committee on Energy.

Ogren introduced:

H. F. No. 1578, A bill for an act relating to state forests; prohibiting aerial application of 2, 4-D by the commissioner of natural resources; amending Minnesota Statutes 1980, Section 89.01, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

Samuelson introduced:

H. F. No. 1579, A bill for an act relating to state lands; providing for the conveyance of certain land to the city of Brainerd.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Samuelson introduced:

H. F. No. 1580, A bill for an act relating to state lands; providing for the conveyance of certain tax forfeited lands.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Reding introduced:

H. F. No. 1581, A bill for an act relating to judicial procedures; providing an alternative time for a guardian or conservator to file an annual report; amending Minnesota Statutes 1981 Supplement, Section 525.58, Subdivision 1.

The bill was read for the first time and referred to the Committee on Judiciary.

Reding introduced:

H. F. No. 1582, A bill for an act proposing an amendment to the Minnesota Constitution, to repeal Article XIII, Section 5; removing the prohibition against lotteries.

The bill was read for the first time and referred to the Committee on General Legislation and Veterans Affairs.

Begich; Battaglia; Elioff; Anderson, I., and Carlson, D., introduced:

H. F. No. 1583, A bill for an act relating to counties; fixing conditions for the operation of waste facilities; amending Minnesota Statutes 1980, Section 400.16.

The bill was read for the first time and referred to the Committee on Local and Urban Affairs.

Fjoslien; Hoberg; Sieben, H.; Johnson, D., and Heinitz introduced:

H. F. No. 1584, A bill for an act relating to unemployment compensation; regulating benefit deductions for national guard and military reserve pay; amending Minnesota Statutes 1980, Section 268.07, Subdivision 2.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Simoneau introduced:

H. F. No. 1585, A bill for an act relating to public employees; authorizing school districts to renegotiate certain teacher contracts.

The bill was read for the first time and referred to the Committee on Labor-Management Relations.

Anderson, B.; Schoenfeld and Jude introduced:

H. F. No. 1586, A bill for an act relating to crimes; requiring mandatory jail sentences and other dispositional alternatives for persons convicted of driving while under the influence of alcohol or a controlled substance; amending Minnesota Statutes 1980, Sections 169.121, by adding subdivisions; 169.123, Subdivision 2; repealing Minnesota Statutes 1980, Section 169.121, Subdivisions 3 and 4; Minnesota Statutes 1981 Supplement, Section 169.121, Subdivision 5.

The bill was read for the first time and referred to the Committee on Criminal Justice.

MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Mr. Speaker:

I have the honor to inform the House of Representatives that the Senate is ready to meet with the House in Joint Convention at 11:45 a.m., Wednesday, January 13, 1982, to receive the message of the Honorable Albert H. Quie, Governor of the State of Minnesota, which will be delivered at 12:00 Noon.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I have the honor to announce that the Senate has appointed a committee of five members of the Senate to act with a similar committee on the part of the House to escort the Governor to the Joint Convention to be held in the House Chamber, Wednesday, January 13, 1982, said Joint Convention to be convened at 11:45 a.m. and said message of the Governor to be delivered at 12:00 Noon.

Messrs. Petty, Berg, Frank, Purfeerst and Mrs. Brataas have been appointed as members of such committee on the part of the Senate.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned, as amended by the Senate, in which amendment the concurrence of the House is respectfully requested:

H. F. No. 1139, A bill for an act relating to courts; providing for certain reorganization in the court system in the state; providing that the second and fourth judicial district courts shall also be probate courts; creating certain judicial positions to be filled by election; raising the jurisdictional limit in county and county municipal court; providing the county and county municipal court with gross misdemeanor jurisdiction; abolishing the office of referee; providing for continuance of certain referee positions for a limited time; providing for continuance of certain judicial officer positions for a limited time; authorizing the judges of the courts within each judicial district to elect to form one unified court; creating an appellate division of the district court; appropriating money; amending Minnesota Statutes 1980, Sections 2.722, Subdivision

1, and by adding a subdivision; 260.031, Subdivision 1; 484.01; 484.70, Subdivision 1, and by adding subdivisions; 487.08, Subdivisions 2 and 3; 487.15; 487.16; 487.18; 488A.01, Subdivisions 4, 6 and 8; 488A.18, Subdivisions 4, 7, 9 and 13; 488A.27, Subdivision 11; 525.10; proposing new law coded in Minnesota Statutes, Chapter 484; proposing new law coded as Minnesota Statutes, Chapter 484A; repealing Minnesota Statutes 1980, Sections 484.67; 484.70, Subdivisions 2, 3, 4 and 5; 487.08, Subdivision 4; 487.09; 525.04; and Laws 1978, Chapter 750, Section 6.

PATRICK E. FLAHAVEN, Secretary of the Senate

Jude moved that the House refuse to concur in the Senate amendments to H. F. No. 1139, that the Speaker appoint a Conference Committee of 5 members of the House, and that the House requests that a like committee be appointed by the Senate to confer on the disagreeing votes of the two Houses. The motion prevailed.

MOTIONS AND RESOLUTIONS

Ogren moved that the name of Clark, K., be added as an author on H. F. No. 1551. The motion prevailed.

Stowell moved that his name be stricken as an author on H. F. No. 1520. The motion prevailed.

Wenzel introduced:

House Resolution No. 20, A house resolution commemorating the 100th anniversary of the birth of President Franklin D. Roosevelt.

The resolution was referred to the Committee on Rules and Legislative Administration.

Eken moved that the House recess subject to the call of the Chair for the purpose of meeting with the Senate in Joint Convention. The motion prevailed, and the Speaker declared the House recessed.

RECESS

RECONVENED

The Speaker called the House to order at 11:45 a.m.

The Sergeant at Arms announced the arrival of the members of the Senate, and they were escorted to the seats reserved for them at the front of the Chamber.

JOINT CONVENTION

The Speaker of the House as President of the Joint Convention called the Joint Convention to order.

Prayer was offered by the Chaplain.

The roll being called, the following Senators answered to their names: Ashbach, Bang and Belanger.

Senator Moe, R. D., moved that further proceedings of the roll call be dispensed with. The motion prevailed, and a quorum was declared present.

The Sergeant at Arms announced the arrival of the Honorable Joan Anderson Growe, Secretary of State. The Secretary of State was escorted to the seat reserved for her at the rostrum.

The Sergeant at Arms announced the arrival of the Honorable Jim Lord, State Treasurer. The State Treasurer was escorted to the seat reserved for him at the rostrum.

The Sergeant at Arms announced the arrival of the Honorable Warren Spannaus, Attorney General. The Attorney General was escorted to the seat reserved for him at the rostrum.

The Sergeant at Arms announced the arrival of the Honorable Lou Wangberg, Lieutenant Governor. The Lieutenant Governor was escorted to the seat reserved for him at the rostrum.

The Sergeant at Arms announced the arrival of the Honorable Douglas K. Amdahl, Chief Justice of the Supreme Court and the Associate Justices of the Supreme Court. They were escorted to the seats reserved for them near the rostrum.

The Sergeant at Arms announced the arrival of former governors Harold E. Stassen, Elmer L. Andersen, Harold LeVander and Wendell R. Anderson. The distinguished guests were escorted to the seats reserved for them.

The Sergeant at Arms announced the arrival of the Honorable Albert H. Quie, Governor of the State of Minnesota and his official party. The Governor was escorted to the rostrum by the appointed committees.

ADDRESS BY THE GOVERNOR

Governor Albert H. Quie was presented by the President of the Joint Convention and the Governor delivered his "State of State Address" to the members of the Convention and their guests.

Following the address, Senator Moe, R. D., moved that the Joint Convention arise. The motion prevailed, and the President declared the Joint Convention adjourned.

RECONVENED

The House reconvened and was called to order by the Speaker.

ADJOURNMENT

Eken moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 2:00 p.m., Thursday, January 14, 1982.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

STATE OF MINNESOTA

SEVENTY-SECOND SESSION - 1982

SIXTIETH DAY

SAINT PAUL, MINNESOTA, THURSDAY, JANUARY 14, 1982

The House of Representatives convened at 2:00 p.m. and was called to order by Harry A. Sieben, Jr., Speaker of the House.

Prayer was offered by Reverend Curtis A. Herron, Pastor of Zion Baptist Church, Minneapolis, Minnesota.

The roll was called and the following members were present:

Aasness	Esau	Knickerbocker	Ogren	Simoneau
Ainley	Ewald	Kostohryz	Olsen	Skoglund
Anderson, B.	Fjoslien	Kvam	Onnen	Stadum
Anderson, G.	Forsythe	Laidig	Osthoff	Staten
Anderson, I.	Frerichs	Lehto	Otis	Stowell
Anderson, R.	Greenfield	Lemen	Peterson, B.	Stumpf
Battaglia	Gruenes	Levi	Peterson, D.	Sviggum
Begich	Gustafson	Long	Piepho	Swanson
Berkelman	Hanson	Ludeman	Pogemiller	Tomlinson
Blatz	Hauge	Luknic	Redalen	Valan
Brandl	Haukoos	Mann	Reding	Valento
Brinkman	Heap	Marsh	Rees	Vanasek
Byrne	Heinitz	McCarron	Reif	Vellenga
Carlson, D.	Himle	McDonald	Rice	Voss
Carlson, L.	Hoberg	McEachern	Rodriguez, F.	Weaver
Clark, J.	Hokanson	Mehrkens	Rose	Welch
Clark, K.	Hokr	Metzen	Rothenberg	Welker
Clawson	Jacobs	Minne	Samuelson	Wenzel
Dahlvang	Jennings	Munger	Sarna	Wieser
Dempsey	Johnson, C.	Nelsen, B.	Schafer	Wigley
Den Ouden	Johnson, D.	Nelson, K.	Schoenfeld	Wynia
Drew	Jude	Niehaus	Schreiber	Zubay
Eken	Kahn	Norton	Searles	Spkr. Sieben, H.
Elioff	Kaley	Novak	Shea	
Ellingson	Kalis	Nysether	Sherman	
Erickson	Kelly	O'Connor	Sherwood	

A quorum was present.

Dean; Evans; Halberg; Harens; Murphy; Rodriguez, C., and Sieben, M., were excused.

The Chief Clerk proceeded to read the Journal of the preceding day. Clawson moved that further reading of the Journal be

dispensed with and that the Journal be approved as corrected by the Chief Clerk. The motion prevailed.

REPORTS OF STANDING COMMITTEES

McCarron from the Committee on Reapportionment and Elections to which was referred:

H. F. No. 1478, A bill for an act relating to congressional districts; apportioning congressional districts; amending Minnesota Statutes 1980, Sections 2.741; 2.751; 2.761; 2.771; 2.781; 2.791; 2.801; and 2.811.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1980, Section 2.741, is amended to read:

2.741 [FIRST DISTRICT.]

The first congressional district shall consist of the counties of Dodge, Fillmore, Goodhue, Houston, Olmsted, Rice, Steele, Wabasha, Washington, and Winona, and that portion of the county of Dakota not included in the second or fourth congressional (DISTRICT) *districts*.

Sec. 2. Minnesota Statutes 1980, Section 2.751, is amended to read:

2.751 [SECOND DISTRICT.]

The second congressional district shall consist of the counties of Blue Earth, Brown, Carver, Faribault, Freeborn, *Jackson*, LeSueur, Martin, McLeod, Mower, Nicollet, Scott, Sibley, Waseca, and Watonwan, and that portion of the county of Dakota consisting of the (TOWNS OF EAGAN AND EUREKA, AND THE) cities of Apple Valley, Burnsville, (FARMINGTON, AND LAKEVILLE) *Eagan, Lilydale, Mendota and Mendota Heights*, and that portion of the county of Hennepin consisting of the (CITIES OF DEEPHAVEN, EXCELSIOR, GREENWOOD, LONG LAKE, MINNETRISTA, MOUND, ORONO, ST. BONIFACIUS, SHOREWOOD, SPRING PARK, TONKA BAY, AND WOODLAND, AND THE CITIES OF MINNETONKA BEACH AND WAYZATA) *city of Chanhassen*.

Sec. 3. Minnesota Statutes 1980, Section 2.761, is amended to read:

2.761 [THIRD DISTRICT.]

The third congressional district shall consist of that portion of the county of Hennepin (CONSISTING OF THE CITIES OF BROOKLYN PARK, CHANHASSEN, EDEN PRAIRIE, EDINA, GOLDEN VALLEY, MEDICINE LAKE, MINNETONKA, NEW HOPE, AND PLYMOUTH, THE CITIES OF BLOOMINGTON, BROOKLYN CENTER, CRYSTAL, HOPKINS, RICHFIELD, ROBBINSDALE, AND ST. LOUIS PARK, ANY PART OF THE AREA INCLUDED IN THE MINNEAPOLIS-ST. PAUL INTERNATIONAL AIRPORT NOT A PART OF AN INCORPORATED MUNICIPALITY, AND THAT PORTION OF THE CITY OF MINNEAPOLIS DESCRIBED AS FOLLOWS: COMMENCING AT THE INTERSECTION OF FIFTY-THIRD AVENUE NORTH AND XERXES AVENUE NORTH, THENCE SOUTHERLY ALONG XERXES AVENUE NORTH TO FORTY-FIRST AVENUE NORTH, THENCE EASTERLY ALONG FORTY-FIRST AVENUE NORTH TO THOMAS AVENUE NORTH, THENCE SOUTHERLY ALONG THOMAS AVENUE NORTH TO THIRTY-EIGHTH AVENUE NORTH, THENCE EASTERLY ALONG THIRTY-EIGHTH AVENUE NORTH TO SHERIDAN AVENUE NORTH, THENCE SOUTHERLY ALONG SHERIDAN AVENUE NORTH TO THIRTY-FOURTH AVENUE NORTH, THENCE EASTERLY ALONG THIRTY-FOURTH AVENUE NORTH TO GIRARD AVENUE NORTH, THENCE NORTHERLY ALONG GIRARD AVENUE NORTH TO THIRTY-EIGHTH AVENUE NORTH, THENCE WESTERLY ALONG THIRTY-EIGHTH AVENUE NORTH TO HUMBOLDT AVENUE NORTH, THENCE NORTHERLY ALONG HUMBOLDT AVENUE NORTH TO FORTY-SECOND AVENUE NORTH, THENCE WESTERLY ALONG FORTY-SECOND AVENUE NORTH TO JAMES AVENUE NORTH, THENCE NORTHERLY ALONG JAMES AVENUE NORTH TO FORTY-THIRD AVENUE NORTH, THENCE WESTERLY ALONG FORTY-THIRD AVENUE NORTH TO PENN AVENUE NORTH, THENCE NORTHERLY ALONG PENN AVENUE NORTH TO FORTY-FOURTH AVENUE NORTH, THENCE EASTERLY ALONG FORTY-FOURTH AVENUE NORTH TO OLIVER AVENUE NORTH, THENCE NORTHERLY ALONG OLIVER AVENUE NORTH TO THE RIGHT-OF-WAY OF THE SOO LINE RAILROAD, THENCE SOUTHEASTERLY ALONG THE RIGHT-OF-WAY OF THE SOO LINE RAILROAD TO FORTY-SECOND AVENUE NORTH, THENCE EASTERLY ALONG THE EXTENSION OF FORTY-SECOND AVENUE NORTH TO THE MAIN CHANNEL OF THE MISSISSIPPI RIVER, THENCE NORTHERLY ALONG THE MAIN CHANNEL OF THE MISSISSIPPI RIVER TO THE EXTENSION OF FIFTY-THIRD AVENUE NORTH, AND THENCE WESTERLY ALONG FIFTY-THIRD AVENUE NORTH AND ITS EXTENSION TO THE POINT OF BEGINNING, AND THE FORT SNELLING MILITARY RESERVATION) *not included in the second, fifth or sixth congressional districts.*

Sec. 4. Minnesota Statutes 1980, Section 2.771, is amended to read:

2.771 [FOURTH DISTRICT.]

The fourth congressional district shall consist of *that portion of the county of Anoka consisting of the cities of Centerville, Circle Pines, Lexington and Lino Lakes, that portion of the county of Dakota consisting of the cities of South St. Paul and West St. Paul, and that portion of the county of Ramsey not included in the fifth congressional district.*

Sec. 5. Minnesota Statutes 1980, Section 2.781, is amended to read:

2.781 [FIFTH DISTRICT.]

The fifth congressional district shall consist of that portion of the county of Hennepin consisting of the (CITY OF ST. ANTHONY AND THAT PORTION OF THE CITY OF MINNEAPOLIS NOT INCLUDED IN THE THIRD CONGRESSIONAL DISTRICT) *cities of Brooklyn Center, Minneapolis, Robbinsdale and St. Anthony, and that portion of the county of Anoka consisting of the cities of (HILLTOP, FRIDLEY AND COLUMBIA HEIGHTS) Blaine, Columbia Heights, Fridley, Hilltop and Spring Lake Park, and that portion of the county of Ramsey consisting of the city of St. Anthony.*

Sec. 6. Minnesota Statutes 1980, Section 2.791, is amended to read:

2.791 [SIXTH DISTRICT.]

The sixth congressional district shall consist of the counties of Benton, (BIG STONE,) Chippewa, Cottonwood, (JACKSON,) Kandiyohi, (LAC QUI PARLE,) Lincoln, Lyon, Meeker, Mille Lacs, *Morrison*, Murray, Nobles, Pipestone, Redwood, Renville, Rock, Sherburne, Stearns, Wright, and Yellow Medicine, and that portion of the county of Hennepin (NOT INCLUDED IN THE SECOND, THIRD, OR FIFTH CONGRESSIONAL DISTRICTS) *consisting of the cities of Greenfield, Hanover, Independence, Loretto, Maple Plain, Medina and Rockford.*

Sec. 7. Minnesota Statutes 1980, Section 2.801, is amended to read:

2.801 [SEVENTH DISTRICT.]

The seventh congressional district shall consist of the counties of Aitkin, Beltrami, Becker, *Big Stone*, Cass, Clay, Clearwater,

Crow Wing, Douglas, Grant, Hubbard, Kittson, *Lac Qui Parle*, Lake of the Woods, Mahnomen, Marshall, (MORRISON,) Norman, Otter Tail, Pennington, Polk, Pope, Red Lake, Roseau, Stevens, Swift, Todd, Traverse, Wadena, and Wilkin.

Sec. 8. Minnesota Statutes 1980, Section 2.811, is amended to read:

2.811 [EIGHTH DISTRICT.]

The eighth congressional district shall consist of the counties of Carlton, Chisago, Cook, Isanti, Itasca, Kanabec, Koochiching, Lake, Pine, and St. Louis, and that part of the county of Anoka which is not included in the *fourth or fifth congressional (DISTRICT) districts.*"

With the recommendation that when so amended the bill pass.

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. No. 1478 was read for the second time.

INTRODUCTION AND FIRST READING
OF HOUSE BILLS

The following House Files were introduced:

Lehto, Kalis, Laidig, Schoenfeld and Jennings introduced:

H. F. No. 1587, A bill for an act relating to peace officers; providing for appointment of peace officers, constables and deputy constables in towns; requiring towns to notify the peace officers standards and training board before employing law enforcement officers; amending Minnesota Statutes 1980, Sections 367.03, Subdivisions 1, 2, and 3; 367.22; 367.40, Subdivisions 3 and 4; 367.41; Minnesota Statutes 1981 Supplement, Section 367.42, Subdivision 1; repealing Minnesota Statutes 1981 Supplement, Section 382.28.

The bill was read for the first time and referred to the Committee on Criminal Justice.

Evans introduced:

H. F. No. 1588, A bill for an act relating to county court district 7A; providing for election of a county judge in Becker County.

The bill was read for the first time and referred to the Committee on Judiciary.

Stowell; Anderson, B.; Sherman; Mehrkens and Shea introduced:

H. F. No. 1589, A bill for an act relating to motor vehicles; authorizing the operation of motorized wheelchairs and motorized golf carts by certain persons on designated roadways of city streets; regulating the operation thereof; amending Minnesota Statutes 1980, Sections 168.012, by adding a subdivision; 169.522; and proposing new law coded in Minnesota Statutes, Chapter 169.

The bill was read for the first time and referred to the Committee on Transportation.

Wenzel introduced:

H. F. No. 1590, A bill for an act relating to the city of Little Falls; extending a certain expired deferred compensation option to the city administrator therein.

The bill was read for the first time and referred to the Committee on Local and Urban Affairs.

Wenzel introduced:

H. F. No. 1591, A bill for an act relating to retirement; Minnesota state retirement system; providing a post retirement adjustment for certain persons.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Brinkman, Jude, Wenzel and Fjoslien introduced:

H. F. No. 1592, A bill for an act relating to the environment; prohibiting underground disposal of hazardous waste; prescribing penalties; amending Minnesota Statutes 1980, Section 115A.03, Subdivision 10; proposing new law coded in Chapter 116.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

Sieben, M.; Reif; Carlson, L.; Berkelman and Kaley introduced:

H. F. No. 1593, A bill for an act relating to health; directing the elimination of health systems agencies; transferring health planning authority to the commissioner of health; requiring the commissioner of health to analyze and disseminate hospital price information; amending Minnesota Statutes 1980, Sections 144.05; 144.802, Subdivisions 3 and 4; Minnesota Statutes 1981 Supplement, Sections 250.05, Subdivision 4; 447.45, Subdivision 1; and 474.03; proposing new law coded in Minnesota Statutes, Chapter 144; repealing Minnesota Statutes 1980, Sections 145.832 to 145.845, as amended; Minnesota Statutes 1981 Supplement, Sections 62D.22, Subdivision 6; and 144.801, Subdivision 8.

The bill was read for the first time and referred to the Committee on Health and Welfare.

Heinitz, Kalis, Sherwood and Rothenberg introduced:

H. F. No. 1594, A bill for an act relating to crimes; requiring mandatory jail sentences and other dispositional alternatives for persons convicted of driving while under the control of alcohol or a controlled substance; prescribing penalties; amending Minnesota Statutes 1980, Section 169.121, by adding subdivisions; 169.123, Subdivision 2; Minnesota Statutes 1981 Supplement, Section 169.121, Subdivision 5; repealing Minnesota Statutes 1980, Section 169.121, Subdivisions 3 and 4.

The bill was read for the first time and referred to the Committee on Criminal Justice.

Otis, Long, Dean and Brandl introduced:

H. F. No. 1595, A bill for an act relating to taxation; limiting property tax on certain homesteads; providing for replacement by state of certain revenue lost by local government units; appropriating money; proposing new law coded in Minnesota Statutes, Chapter 273.

The bill was read for the first time and referred to the Committee on Taxes.

Murphy; Sieben, H.; Anderson, I.; Sieben, M., and Carlson, D., introduced:

H. F. No. 1596, A bill for an act relating to public works; extending the availability of an appropriation to the city of Cloquet for the purpose of constructing a public water facility; repealing Third Special Session Laws 1981, Chapter 2, Article I, Section 76.

The bill was read for the first time and referred to the Committee on Appropriations.

Heinitz introduced:

H. F. No. 1597, A bill for an act relating to public welfare; changing certain provisions governing aid to families with dependent children as authorized or required by federal law; changing or adding provisions governing definitions, eligibility standards, payment levels and amounts, income disregards, budgeting methods, child support or maintenance orders; eliminating a stepparents' general support duty and specifying the amount of stepparent income to be considered available in determining need; eliminating coverage of the unborn; extending medical assistance coverage to certain pregnant women; amending Minnesota Statutes 1980, Sections 256.12, Subdivision 14, and by adding subdivisions; 256.73, Subdivisions 3a, 5, and 6; 256.736, Subdivisions 3 and 4; 256.74, Subdivision 1, and by adding a subdivision; 256.99; and 256B.07; Minnesota Statutes 1981 Supplement, Sections 256.73, Subdivision 2; 256.872, Subdivision 1, and by adding a subdivision; 256B.06, Subdivision 1; and 518.551, Subdivision 7; proposing new law coded in Minnesota Statutes, Chapter 256; repealing Minnesota Statutes 1980, Section 256.935, Subdivision 2; and Minnesota Statutes 1981 Supplement, Section 257.021.

The bill was read for the first time.

SUSPENSION OF RULES

Pursuant to Article IV, Section 19, of the Constitution of the state of Minnesota, Heinitz moved that the rule therein be suspended and an urgency be declared so that H. F. No. 1597 be given its second and third readings and be placed upon its final passage. The motion prevailed.

Heinitz moved that the rules of the House be so far suspended that H. F. No. 1597 be given its second and third readings and be placed upon its final passage.

A roll call was requested and properly seconded.

The question was taken on the Heinitz motion and the roll was called. There were 105 yeas and 16 nays as follows :

Those who voted in the affirmative were :

Aasness	Esau	Kalis	Onnen	Sherwood
Ainley	Ewald	Kelly	Osthoff	Skoglund
Anderson, G.	Fjoslien	Kostohryz	Otis	Stadum
Anderson, R.	Forsythe	Kvam	Peterson, B.	Stowell
Battaglia	Frerichs	Laidig	Peterson, D.	Stumpf
Begich	Gruenes	Lemen	Piepho	Sviggun
Berkelman	Gustafson	Levi	Redalen	Swanson
Blatz	Hauge	Ludeman	Reding	Tomlinson
Brandl	Haukoos	Luknic	Rees	Valan
Brinkman	Heap	Mann	Reif	Valento
Carlson, D.	Heinitz	Marsh	Rodriguez, F.	Vanasek
Carlson, L.	Himle	McDonald	Rose	Vellenga
Clark, J.	Hoberg	McEachern	Rothenberg	Weaver
Dahlvang	Hokanson	Mehrkens	Samuelson	Welch
Dempsey	Hokr	Metzen	Sarna	Welker
Den Ouden	Jacobs	Nelsen, B.	Schafer	Wenzel
Drew	Jennings	Niehaus	Schoenfeld	Wieser
Eken	Johnson, C.	Novak	Schreiber	Wigley
Elioff	Johnson, D.	Nysether	Searles	Wynia
Ellingson	Jude	Ogren	Shea	Zubay
Erickson	Kaley	Olsen	Sherman	Spkr. Sieben, H.

Those who voted in the negative were :

Anderson, I.	Hanson	McCarron	O'Connor	Rice
Byrne	Kahn	Minne	Pogemiller	Voss
Clark, K.	Lehto	Munger		
Greenfield	Long	Norton		

The motion prevailed.

H. F. No. 1597 was read for the second time.

H. F. No. 1597, A bill for an act relating to public welfare; changing certain provisions governing aid to families with dependent children as authorized or required by federal law; changing or adding provisions governing definitions, eligibility standards, payment levels and amounts, income disregards, budgeting methods, child support or maintenance orders; eliminating a stepparents' general support duty and specifying the amount of stepparent income to be considered available in determining need; eliminating coverage of the unborn; extending medical assistance coverage to certain pregnant women; amending Minnesota Statutes 1980, Sections 256.12, Subdivision 14, and by adding subdivisions; 256.73, Subdivisions 3a, 5, and 6; 256.736, Subdivisions 3 and 4; 256.74, Subdivision 1, and by adding a subdivision; 256.99; and 256B.07; Minnesota Statutes 1981 Supplement, Sections 256.73, Subdivision 2; 256.872, Subdivision 1, and by adding a subdivision; 256B.06, Subdivision 1; and 518.551, Subdivision 7; proposing new law coded in Minnesota Statutes, Chapter 256; repealing Minnesota Statutes 1980, Section 256.935, Subdivision 2; and Minnesota Statutes 1981 Supplement, Section 257.021.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 107 yeas and 16 nays as follows:

Those who voted in the affirmative were:

Aasness	Ellingson	Kelly	Onnen	Stadum
Ainley	Erickson	Kostohryz	Osthoff	Stowell
Anderson, B.	Esau	Kvam	Otis	Stumpf
Anderson, G.	Fjoslien	Laidig	Peterson, B.	Sviggum
Anderson, I.	Forsythe	Lemen	Piepho	Swanson
Anderson, R.	Frerichs	Levi	Redalen	Tomlinson
Battaglia	Gruenes	Ludeman	Reding	Valan
Begich	Hauge	Luknic	Rees	Valento
Berkelman	Haukoos	Mann	Reif	Vanasek
Blatz	Heap	Marsh	Rodriguez, F.	Voss
Brandl	Heinitz	McDonald	Rose	Weaver
Brinkman	Himle	McEachern	Rothenberg	Welch
Carlson, D.	Hoberg	Mehrkens	Samuelson	Welker
Carlson, L.	Hokanson	Metzen	Sarna	Wenzel
Clark, J.	Hokr	Minne	Schafer	Wieser
Clawson	Jacobs	Nelsen, B.	Schoenfeld	Wigley
Dahlvang	Jennings	Nelson, K.	Schreiber	Wynia
Dempsey	Johnson, C.	Niehaus	Searles	Zubay
Den Ouden	Johnson, D.	Novak	Shea	Spkr. Sieben, H.
Drew	Jude	Nysether	Sherman	
Eken	Kaley	Ogren	Sherwood	
Elioff	Kalis	Olsen	Skoglund	

Those who voted in the negative were:

Byrne	Hanson	McCarron	Peterson, D.	Rice
Clark, K.	Kahn	Munger	Pogemiller	Vellenga
Greenfield	Lehto	Norton		
Gustafson	Long	O'Connor		

The bill was passed and its title agreed to.

GENERAL ORDERS

Pursuant to rules of the House, the House resolved itself into the Committee of the Whole, with Sieben, H., in the Chair, for the consideration of bills pending on General Orders of the Day. After some time spent therein the Committee arose.

REPORT OF COMMITTEE OF THE WHOLE

The Speaker resumed the Chair, whereupon the following proceedings of the Committee as kept by the Chief Clerk were reported to the House:

H. F. No. 376 which it recommended be re-referred to the Committee on Rules and Legislative Administration.

On the motion of Eken the report of the Committee of the Whole was adopted.

MOTIONS AND RESOLUTIONS

Samuelson moved that the names of Lehto, Simoneau and Hokanson be added as authors on H. F. No. 1571. The motion prevailed.

Simoneau moved that the name of Nelsen, B., be added as an author on H. F. No. 1585. The motion prevailed.

Samuelson moved that the name of Clawson be added as an author on H. F. No. 1570. The motion prevailed.

Anderson, B., moved that the name of Onnen be added as second author and the name of Johnson, D., be added as fifth author on H. F. No. 1586. The motion prevailed.

Lemen moved that the name of Olsen be added as an author on H. F. No. 1575. The motion prevailed.

Wenzel moved that the names of Clawson; Mann; Anderson, I., and Sieben, H., be added as authors on House Resolution No. 20. The motion prevailed.

Staten; Norton; Sherwood; Nelson, K., and Clark, K., introduced:

House Concurrent Resolution No. 6, A house concurrent resolution requesting that suitable space be provided for a permanent memorial for Martin Luther King.

SUSPENSION OF RULES

Staten moved that the Rules be so far suspended that House Concurrent Resolution No. 6 be now considered and be placed upon its adoption. The motion prevailed.

HOUSE CONCURRENT RESOLUTION NO. 6

A house concurrent resolution requesting that suitable space be provided for a permanent memorial for Martin Luther King.

Whereas, January 15 marks the birth of Martin Luther King; and,

Whereas, his life was devoted to the elimination of segregation and prejudice against his people; and,

Whereas, he sought to fulfill his goals exclusively by non-violent means; and,

Whereas, his life and career were ended by assassination; and,

Whereas, his life and work were typified by great personal sacrifice and devotion to the welfare of his fellowman; and,

Whereas, the actions and efforts of Martin Luther King have served as an inspiration to the citizens of the State of Minnesota; and,

Whereas, many citizens and community groups of the State of Minnesota wish to recognize the great achievements in human and civil rights that were accomplished, in great part, through the efforts of Martin Luther King; *Now, Therefore*,

Be It Resolved by the Minnesota House of Representatives, the Senate concurring, that the State of Minnesota recognizes the immense contributions of Martin Luther King in creating a high quality of life for all citizens of this country regardless of race, creed, or color.

Be It Further Resolved that it requests the Commissioner of Administration to accept gifts from the public for the purpose of creating a memorial to Martin Luther King. When sufficient funds are received, the Commissioner shall obtain the services of a sculptor to create a bust of Martin Luther King and shall obtain a suitable pedestal and marker for the bust. The Commissioner is requested to find appropriate space in the Capitol for the memorial and to maintain it perpetually. Upon the first public showing of the memorial, the Commissioner should invite interested Minnesotans and the public. All expenses for the memorial must be paid from donations from the public.

Be It Further Resolved that the Chief Clerk of the House of Representatives is directed to enroll this resolution, to be authenticated by his signature and those of the Speaker, the President of the Senate, and the Secretary of the Senate, and that it be presented to the Commissioner of Administration and to Coretta Scott King.

Staten moved that House Concurrent Resolution No. 6 be now adopted. The motion prevailed and the resolution was adopted.

ADJOURNMENT

Eken moved that when the House adjourns today it adjourn until 2:00 p.m., Monday, January 18, 1982. The motion prevailed.

Eken moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 2:00 p.m., Monday, January 18, 1982.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

STATE OF MINNESOTA

SEVENTY-SECOND SESSION—1982

SIXTY-FIRST DAY

SAINT PAUL, MINNESOTA, MONDAY, JANUARY 18, 1982

The House of Representatives convened at 2:00 p.m. and was called to order by Harry A. Sieben, Jr., Speaker of the House.

Prayer was offered by Father Stephen J. Adrian, Church of St. Matthew, St. Paul, Minnesota.

The roll was called and the following members were present:

Ainley	Ewald	Knickerbocker	Ogren	Simoneau
Anderson, B.	Fjoslien	Kostohryz	Olsen	Skoglund
Anderson, G.	Forsythe	Kvam	Onnen	Stadum
Anderson, I.	Frerichs	Laidig	Osthoff	Staten
Battaglia	Greenfield	Lehto	Otis	Stowell
Begich	Gruenes	Lemen	Peterson, B.	Stumpf
Berkelman	Gustafson	Levi	Peterson, D.	Swiggum
Blatz	Halberg	Long	Piepho	Swanson
Brandl	Hanson	Ludeman	Pogemiller	Tomlinson
Brinkman	Harens	Luknic	Redalen	Valan
Byrne	Hauge	Mann	Reding	Valento
Carlson, D.	Haukoos	Marsh	Rees	Vanasek
Carlson, L.	Heap	McCarron	Reif	Vellenga
Clark, J.	Heinitz	McDonald	Rice	Voss
Clark, K.	Hoberg	McEachern	Rodriguez, C.	Weaver
Clawson	Hokanson	Mehrkens	Rodriguez, F.	Welch
Dahlvang	Hokr	Metzen	Rose	Welker
Dean	Jacobs	Minne	Rothenberg	Wenzel
Den Ouden	Jennings	Munger	Samuelson	Wieser
Drew	Johnson, C.	Murphy	Sarna	Wigley
Eken	Johnson, D.	Nelsen, B.	Schafer	Wynia
Elioff	Jude	Nelson, K.	Schoenfeld	Zubay
Ellingson	Kahn	Niehaus	Searles	Sprk. Sieben, H.
Erickson	Kaley	Norton	Shea	
Esau	Kalis	Novak	Sherman	
Evans	Kelly	O'Connor	Sherwood	

A quorum was present.

Aasness; Anderson, R.; Dempsey; Himle; Nysether; Schreiber and Sieben, M., were excused.

The Chief Clerk proceeded to read the Journal of the preceding day. Vanasek moved that further reading of the Journal be dis-

pensed with and that the Journal be approved as corrected by the Chief Clerk. The motion prevailed.

REPORTS OF CHIEF CLERK

Pursuant to Rules of the House, printed copies of H. F. Nos. 1478 and 1597 have been placed in the members' files.

REPORTS OF STANDING COMMITTEES

Jude from the Committee on Judiciary to which was referred:

S. F. No. 1150, A bill for an act relating to the interstate compact on juveniles; amending the compact to require the home state to authorize the return of a runaway juvenile and to permit a state in which a juvenile is found to return him to a state in which the juvenile is charged with being a delinquent by reason of a violation of criminal law; amending Minnesota Statutes 1980, Section 260.51.

Reported the same back with the recommendation that the bill pass and be placed on the Consent Calendar.

The report was adopted.

SECOND READING OF SENATE BILLS

S. F. No. 1150 was read for the second time.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Rothenberg and Rose introduced:

H. F. No. 1598, A bill for an act relating to crimes; authorizing the district court to sentence up to the statutory maximum; amending Minnesota Statutes 1980, Section 244.10, Subdivision 2, and by adding a subdivision.

The bill was read for the first time and referred to the Committee on Criminal Justice.

Jude, McEachern, McCarron, Voss and Valento introduced:

H. F. No. 1599, A bill for an act relating to taxation; altering the date on which warrants are issued to the sheriff for collection of certain delinquent mobile home property taxes; amending Minnesota Statutes 1980, Section 274.19, Subdivision 3.

The bill was read for the first time and referred to the Committee on Taxes.

Clawson, Weaver, Welch and Vanasek introduced:

H. F. No. 1600, A bill for an act relating to game and fish; fees for firearms safety courses; amending Minnesota Statutes 1980, Section 97.85, Subdivision 1.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

Drew; Rodriguez, F.; Mehrkens and Kelly introduced:

H. F. No. 1601, A bill for an act relating to transportation; providing for a controlled access roadway connecting trunk highway Route No. 382 with Route No. 392 in the city of St. Paul; amending a route on the interstate system; amending Minnesota Statutes 1980, Sections 161.12; and 161.1245, Subdivision 1.

The bill was read for the first time and referred to the Committee on Transportation.

Anderson, B., introduced:

H. F. No. 1602, A bill for an act relating to counties; providing for meetings of the county board of commissioners; amending Minnesota Statutes 1980, Section 375.07.

The bill was read for the first time and referred to the Committee on Local and Urban Affairs.

Anderson, B., introduced:

H. F. No. 1603, A bill for an act relating to education; requiring the board of teaching and the state board of education to accept certain life experiences in lieu of a training program containing human relations components for issuance or renewal of a license in education; amending Minnesota Statutes 1980, Section 125.05, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Education.

Welker introduced:

H. F. No. 1604, A bill for an act relating to retirement; authorizing purchase of prior service credit by a certain member of the public employees retirement association.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Welker introduced:

H. F. No. 1605, A bill for an act relating to retirement; permitting augmentation of benefits after 30 years of service in certain cases; proposing new law coded in Minnesota Statutes, Chapter 356.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Forsythe, Halberg, Kvam, Searles and Wieser introduced:

H. F. No. 1606, A bill for an act relating to taxation; authorizing certain taxing jurisdictions to impose certain taxes or fees; proposing new law coded in Minnesota Statutes, Chapter 471; repealing Minnesota Statutes 1981 Supplement, Section 477A.-016.

The bill was read for the first time and referred to the Committee on Taxes.

McCarron, Simoneau, Berkelman and Fjoslien introduced:

H. F. No. 1607, A bill for an act relating to waters; making time limits mandatory for certain statutory duties of the commissioner of natural resources; amending Minnesota Statutes 1980, Sections 105.391, Subdivision 3; and 105.44, Subdivision 4.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

Heinitz introduced:

H. F. No. 1608, A bill for an act relating to retirement; city of Plymouth; prohibiting double pension coverage for certain firefighters.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Schreiber, Jude, Jacobs, Vanasek and Valento introduced:

H. F. No. 1609, A bill for an act relating to tax-forfeited lands; providing an alternate sale procedure under certain conditions; amending Minnesota Statutes 1980, Section 282.01, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Kelly, Vanasek, Clawson, Lemen and Levi introduced:

H. F. No. 1610, A bill for an act relating to juveniles; expanding definition of "dependent child;" defining "serious juvenile offender;" permitting jury trials for and jailing of "serious juvenile offenders;" describing relevant evidence in contributing to delinquency cases; requiring reports to justify out of state placement of children; increasing parents' liability for willful and malicious injury caused by their child; prescribing penalties; amending Minnesota Statutes 1980, Sections 260.015, Subdivision 6 and by adding a subdivision; 260.155, Subdivisions 1 and 2, and by adding a subdivision; 260.185, Subdivision 1, and by adding a subdivision; 260.315; and 540.18, Subdivision 1.

The bill was read for the first time and referred to the Committee on Criminal Justice.

Forsythe; Wieser; Dempsey; Sieben, M., and Jude introduced:

H. F. No. 1611, A bill for an act relating to garnishment; authorizing an employer to recover expenses incurred for administering garnishment of an employee's wages; amending Minnesota Statutes 1980, Section 571.57.

The bill was read for the first time and referred to the Committee on Judiciary.

Peterson, B.; Munger; Sherwood; Vanasek and Weaver introduced:

H. F. No. 1612, A resolution memorializing the life and work of Sigurd F. Olson.

The bill was read for the first time.

SUSPENSION OF RULES

Pursuant to Article IV, Section 19, of the Constitution of the state of Minnesota, Peterson, B., moved that the rule therein be

suspended and an urgency be declared so that H. F. No. 1612 be given its second and third readings and be placed upon its final passage. The motion prevailed.

Peterson, B., moved that the rules of the House be so far suspended that H. F. No. 1612 be given its second and third readings and be placed upon its final passage. The motion prevailed.

H. F. No. 1612 was read for the second time.

Peterson, B., moved to amend H. F. No. 1612, as follows:

Page 1, line 4, delete "1900" and insert "1899"

The motion prevailed and the amendment was adopted.

There being no objections H. F. No. 1612, as amended, was temporarily laid over.

GENERAL ORDERS

Pursuant to rules of the House, the House resolved itself into the Committee of the Whole, with Sieben, H., in the Chair, for the consideration of bills pending on General Orders of the Day. After some time spent therein the Committee arose.

REPORT OF COMMITTEE OF THE WHOLE

The Speaker resumed the chair, whereupon the following proceedings of the Committee as kept by the Chief Clerk were reported to the House:

H. F. No. 1478 which it recommended to pass.

On the motion of Eken the report of the Committee of the Whole was adopted.

MOTIONS AND RESOLUTIONS

Otis moved that the name of Jacobs be added as an author on H. F. No. 1595. The motion prevailed.

Berkelman moved that the name of Ewald be added as an author on H. F. No. 1576. The motion prevailed.

Heinitz moved that the name of Olsen be added as an author on H. F. No. 1594. The motion prevailed.

Wenzel moved that H. F. No. 1590 be recalled from the Committee on Local and Urban Affairs and be re-referred to the Committee on Governmental Operations. The motion prevailed.

Osthoff moved that H. F. No. 678 be taken from the table, that the Speaker appoint a Conference Committee of 3 members of the House, and that the House requests that a like committee be appointed by the Senate to confer on the disagreeing votes of the two houses. The motion prevailed.

Osthoff moved that H. F. No. 51 be returned to its author. The motion prevailed.

Sherman and Niehaus introduced:

House Concurrent Resolution No. 7, A house concurrent resolution urging all state agencies to use the term "greater state area" rather than "outstate area" in all publications.

The resolution was referred to the Committee on Rules and Legislative Administration.

There being no objection the order of business reverted to Introduction and First Reading of House Bills.

INTRODUCTION AND FIRST READING OF HOUSE BILLS, Continued

H. F. No. 1612, as amended, was again reported to the House.

H. F. No. 1612, A resolution memorializing the life and work of Sigurd F. Olson.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 125 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Ainley	Byrne	Eken	Greenfield	Hoberg
Anderson, B.	Carlson, D.	Eloff	Gruenes	Hokanson
Anderson, G.	Carlson, L.	Ellingson	Gustafson	Hokr
Anderson, I.	Clark, J.	Erickson	Halberg	Jacobs
Battaglia	Clark, K.	Esau	Hanson	Jennings
Begich	Clawson	Evans	Harens	Johnson, C.
Berkelman	Dahlvang	Ewald	Hauge	Johnson, D.
Blatz	Dean	Fjoslien	Haukoos	Jude
Brandl	Den Ouden	Forsythe	Heap	Kahn
Brinkman	Drew	Frerichs	Heinitz	Kaley

Kalis	McDonald	Onnen	Samuelson	Tomlinson
Kelly	McEachern	Osthoff	Sarna	Valan
Knickerbocker	Mehrkens	Otis	Schafer	Valento
Kostohryz	Metzen	Peterson, B.	Schoenfeld	Vanasek
Kvam	Minne	Peterson, D.	Searles	Vellenga
Laidig	Munger	Piepho	Shea	Voss
Lehto	Murphy	Pogemiller	Sherman	Weaver
Lemen	Nelsen, B.	Redalen	Sherwood	Welch
Levi	Nelson, K.	Reding	Simoneau	Welker
Long	Niehaus	Reif	Skoglund	Wenzel
Ludeman	Norton	Rice	Staten	Wieser
Luknic	Novak	Rodriguez, C.	Stowell	Wigley
Mann	O'Connor	Rodriguez, F.	Stumpf	Wynia
Marsh	Ogren	Rose	Sviggum	Zubay
McCarron	Olsen	Rothenberg	Swanson	Spr. Sieben, H.

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

ANNOUNCEMENT BY THE SPEAKER

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 678:

Osthoff, Minne and Peterson, D.

ADJOURNMENT

Eken moved that when the House adjourns today it adjourn until 2:00 p.m., Thursday, January 21, 1982. The motion prevailed.

Eken moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 2:00 p.m., Thursday, January 21, 1982.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

STATE OF MINNESOTA

SEVENTY-SECOND SESSION—1982

SIXTY-SECOND DAY

SAINT PAUL, MINNESOTA, THURSDAY, JANUARY 21, 1982

The House of Representatives convened at 2:00 p.m. and was called to order by Harry A. Sieben, Jr., Speaker of the House.

Prayer was offered by Reverend Ron Bolt, Calvary Baptist Church, Roseville, Minnesota.

The roll was called and the following members were present:

Aasness	Esau	Kalis	O'Connor	Sherman
Ainley	Evans	Kelly	Ogren	Sherwood
Anderson, B.	Ewald	Knickerbocker	Olsen	Sieben, M.
Anderson, G.	Fjoslien	Kostohryz	Onnen	Simoneau
Anderson, I.	Forsythe	Kvam	Osthoff	Skoglund
Battaglia	Frerichs	Laidig	Otis	Stadum
Begich	Greenfield	Lehto	Peterson, B.	Staten
Berkelman	Gruenes	Lemen	Peterson, D.	Stowell
Blatz	Gustafson	Levi	Piepho	Stumpf
Brandl	Halberg	Long	Pogemiller	Sviggum
Brinkman	Hanson	Ludeman	Redalen	Swanson
Byrne	Harens	Mann	Reding	Tomlinson
Carlson, D.	Hauge	Marsh	Rees	Valan
Carlson, L.	Haukoos	McCarron	Reif	Valento
Clark, J.	Heap	McDonald	Rice	Vanasek
Clark, K.	Heinitz	McEachern	Rodriguez, C.	Vellenga
Clawson	Himle	Mehrkens	Rodriguez, F.	Voss
Dahlvang	Hokanson	Metzen	Rose	Weaver
Dean	Hokr	Minne	Rothenberg	Welch
Dempsey	Jacobs	Munger	Samuelson	Welker
Den Ouden	Jennings	Murphy	Sarna	Wenzel
Drew	Johnson, C.	Nelson, K.	Schafer	Wieser
Eken	Johnson, D.	Niehaus	Schoenfeld	Wigley
Elioff	Jude	Norton	Schreiber	Wynia
Ellingson	Kahn	Novak	Searles	Zubay
Erickson	Kaley	Nysether	Shea	Spkr. Sieben, H.

A quorum was present.

Anderson, R.; Hoberg; Luknic and Nelsen, B., were excused.

The Chief Clerk proceeded to read the Journal of the preceding day. Niehaus moved that further reading of the Journal be dispensed with and that the Journal be approved as corrected by the Chief Clerk. The motion prevailed.

REPORTS OF STANDING COMMITTEES

Eken from the Committee on Rules and Legislative Administration to which was referred:

H. F. No. 1028, A bill for an act relating to the legislature; creating a legislative fiscal office; requiring fiscal notes to accompany certain bills and administrative rules; appropriating money; amending Minnesota Statutes 1980, Sections 3.98, Subdivision 1; 15.0412, Subdivision 7; proposing new law coded in Minnesota Statutes, Chapter 3; repealing Minnesota Statutes 1980, Section 3.98.

Reported the same back with the recommendation that the bill be re-referred to the Committee on Governmental Operations.

The report was adopted.

Brinkman from the Committee on Financial Institutions and Insurance to which was referred:

H. F. No. 1552, A bill for an act relating to insurance; extending the temporary joint underwriting association act for an additional two year period; extending the termination date of certain insurance policies; amending Minnesota Statutes 1980, Sections 62F.01, Subdivision 2; and 62F.06, Subdivision 1.

Reported the same back with the following amendments:

Page 1, line 13, delete "1984" and insert "1988"

Page 1, line 19, delete "1984" and insert "1988"

Amend the title as follows:

Page 1, line 3, delete "two" and insert "six"

With the recommendation that when so amended the bill pass and be placed on the Consent Calendar.

The report was adopted.

Eken from the Committee on Rules and Legislative Administration to which was referred:

House Resolution No. 20, A house resolution commemorating the 100th anniversary of the birth of President Franklin D. Roosevelt.

Reported the same back with the recommendation that the resolution be adopted.

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. No. 1552 was read for the second time.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Anderson, G.; Kalis; Valan; Shea and Mehrkens introduced:

H. F. No. 1613, A bill for an act relating to public safety; providing that certain fines and forfeited bail money collected from persons violating motor vehicle weight laws and apprehended by the state patrol by means of stationary or portable scales be allocated between the state and certain political subdivisions; amending Minnesota Statutes 1981 Supplement, Section 299D.03, Subdivision 5.

The bill was read for the first time and referred to the Committee on Transportation.

Battaglia and Elioff introduced:

H. F. No. 1614, A bill for an act relating to Independent School District No. 708; requiring certification of statutory operating debt.

The bill was read for the first time and referred to the Committee on Education.

Battaglia introduced:

H. F. No. 1615, A bill for an act relating to education; authorizing a school district to decrease a school day by one hour for teacher in-service training; requiring that any time lost shall be replaced by extending other school days or by additional days; amending Minnesota Statutes 1980, Section 124.19, Subdivision 4, and by adding a subdivision.

The bill was read for the first time and referred to the Committee on Education.

Battaglia introduced:

H. F. No. 1616, A bill for an act relating to counties; fixing the maximum amount of county money that may be spent by development organizations for certain county developments; amending Minnesota Statutes 1980, Section 395.08.

The bill was read for the first time and referred to the Committee on Local and Urban Affairs.

Otis, Vanasek, Gustafson, Mehrkens and Rothenberg introduced:

H. F. No. 1617, A bill for an act relating to crimes; lengthening the statute of limitations for prosecutions for certain crimes; amending Minnesota Statutes 1980, Section 628.26.

The bill was read for the first time and referred to the Committee on Judiciary.

Erickson; Ludeman; Mann; Anderson, B., and Esau introduced:

H. F. No. 1618, A bill for an act relating to courts; authorizing the county board of the fifth judicial district to set the salaries of court reporters; proposing new law coded in Minnesota Statutes, Chapter 486.

The bill was read for the first time and referred to the Committee on Judiciary.

Byrne introduced:

H. F. No. 1619, A bill for an act relating to watercraft; providing that flotation or lifesaving devices shall not be required for sailboards; amending Minnesota Statutes 1980, Section 361.141, Subdivision 1.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

Brinkman; Berkelman; Johnson, D.; Voss and Niehaus introduced:

H. F. No. 1620, A bill for an act relating to local government; permitting towns to self insure in the same way as other political subdivisions; amending Minnesota Statutes 1980, Sections 471.98, Subdivision 2; and 471.981, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Financial Institutions and Insurance.

Otis and Ogren introduced:

H. F. No. 1621, A bill for an act relating to commerce; regulating the disclosure of information on individuals by tenant screening services; providing remedies; imposing penalties; proposing new law coded in Minnesota Statutes, Chapter 325E.

The bill was read for the first time and referred to the Committee on Commerce and Economic Development.

Piepho; Wigley; Johnson, C.; Carlson, L., and Dempsey introduced:

H. F. No. 1622, A bill for an act relating to state lands; providing for the transfer of ownership to meet donors' intent.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Piepho, Wigley and Frerichs introduced:

H. F. No. 1623, A bill for an act relating to intoxicating liquor; items allowed sold in exclusive liquor stores; amending Minnesota Statutes 1980, Section 340.07, Subdivision 13.

The bill was read for the first time and referred to the Committee on Commerce and Economic Development.

Sarna, Reding, Rice, Kaley and Rodriguez, F., introduced:

H. F. No. 1624, A bill for an act relating to retirement; public employees retirement association; increasing in line of duty disability benefits for police and firefighters; amending Minnesota Statutes 1980, Section 353.656, Subdivision 1.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Reding; Rice; Rodriguez, F., and Kaley introduced:

H. F. No. 1625, A bill for an act relating to retirement; public employees retirement association; changing the reduction factors for early retirement; amending Minnesota Statutes 1980, Section 353.30, Subdivisions 1 and 1a; Minnesota Statutes 1981 Supplement, Section 353.30, Subdivision 1c; repealing Minnesota Statutes 1980, Section 353.30, Subdivision 1b.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Rice introduced:

H. F. No. 1626, A bill for an act relating to retirement; public employees retirement association; increasing the retirement annuity formula; changing the reduction factors for early retirement; reducing the actuarial factors to provide a joint and survivor benefit; providing an additional surviving spouse optional annuity; amending Minnesota Statutes 1980, Sections 353.29, Subdivisions 2 and 3; 353.30, Subdivisions 1, 1a, and 3; 353.651, Subdivisions 2 and 3; and 353.656, Subdivision 1; Minnesota Statutes 1981 Supplement, Sections 353.30, Subdivision 1c and 353.32, Subdivision 1a; repealing Minnesota Statutes 1980, Section 353.30, Subdivision 1b.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Rothenberg and Heinitz introduced:

H. F. No. 1627, A bill for an act relating to crimes; requiring incarceration as the presumptive sentence for a defendant convicted of a crime against persons; proposing new law coded in Minnesota Statutes, Chapter 244.

The bill was read for the first time and referred to the Committee on Criminal Justice.

Erickson; Wenzel; Clark, K., and Niehaus introduced:

H. F. No. 1628, A bill for an act relating to homestead exemptions; changing the time period for which a homestead is deemed to be abandoned through failure to occupy; amending Minnesota Statutes 1980, Section 510.07.

The bill was read for the first time and referred to the Committee on Taxes.

Haukoos; Jennings; Anderson, B.; Levi and Nelson, K., introduced:

H. F. No. 1629, A bill for an act relating to elections; providing for school district primaries; proposing new law coded in Minnesota Statutes, Chapter 123.

The bill was read for the first time and referred to the Committee on Reapportionment and Elections.

Haukoos; Jennings; Johnson, C.; Levi and Nelson, K., introduced:

H. F. No. 1630, A bill for an act relating to taxation; removing the provision that a school referendum levy may be held only once for each school year; amending Minnesota Statutes 1981 Supplement, Section 275.125, Subdivision 2d.

The bill was read for the first time and referred to the Committee on Education.

Sherman; Shea; Niehaus; Anderson, B., and Carlson, D., introduced:

H. F. No. 1631, A bill for an act relating to statutes; changing certain terminology; amending Minnesota Statutes 1980, Sections 16.911, Subdivision 1; 645.44, by adding a subdivision; Minnesota Statutes 1981 Supplement, Sections 160.293, Subdivision 2; 179.741, Subdivision 3; and 362.41, Subdivision 6.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Vanasek introduced:

H. F. No. 1632, A bill for an act relating to taxation; permitting the city of Lonsdale to impose a special levy for fire protection purposes.

The bill was read for the first time and referred to the Committee on Taxes.

Welch, Sviggum, Stowell, Clawson and Wenzel introduced:

H. F. No. 1633, A bill for an act relating to workers' compensation; limiting the liability of the state and its political subdivisions when evidence of workers' compensation insurance is not required of contractors and licensees; amending Minnesota Statutes 1981 Supplement, Section 176.182.

The bill was read for the first time and referred to the Committee on Labor-Management Relations.

Minne, McCarron, Samuelson and Begich introduced:

H. F. No. 1634, A bill for an act relating to elections; establishing a local government election day for election of county, city, and school district officers, county and county municipal judges and officers of all other political subdivisions except towns; requiring uniform and coordinated election precincts and polling places for municipalities and school districts; integrating municipal and school district election laws with laws applicable to other elections; superseding certain inconsistent general and special laws and home rule charter provisions; amending Minnesota Statutes 1980, Sections 40.05, Subdivision 1; 40.06, Subdivision 1; 122.23, Subdivision 17; 122.25, Subdivision 2; 123.12, Subdivision 1; 123.32, Subdivisions 9 and 23; 123.33, Subdivisions 1 and 4; 123.34, Subdivision 1; 123.351, Subdivisions 1 and 3; 123.51; 128.01; 209.02, Subdivisions 1 and 3; 375.025, Subdivision 4; 375.03; 375.101, Subdivision 2; 375A.02, Subdivision 1; 375A.09, Subdivision 4; 382.01; 389.011, Subdivision 2; 397.06; 397.07; 398.04; 410.21; 412.021, Subdivision 2; 412.571, Subdivision 5; 447.32, Subdivisions 1 and 2; 487.03, Subdivision 5; 488A.021, Subdivision 3; 488A.19, Subdivision 3; Minnesota Statutes 1981 Supplement, Sections 40.05, Subdivisions 3 and 4; 200.02, by adding subdivisions; 201.071, Subdivisions 1, 3, and by adding a subdivision; 203B.05, Subdivision 2; 203B.06, Subdivision 3; 203B.09; 204B.02; 204B.08, Subdivision 3; 204B.09; 204B.11, Subdivision 1; 204B.12, Subdivisions 1 and 2; 204B.14, by adding a subdivision; 204B.16, Subdivision 1; 204B.18, Subdivision 2; 204B.33; 204B.34, Subdivisions 2 and 3; 204B.35, Subdivision 1; 204B.40; 204C.02; 204C.05, Subdivision 1; 204C.10, Subdivision 1; 204C.19, Subdivision 2; 204C.25; 204C.27; 204C.28, by adding a subdivision; 204C.32; 204C.33; 204C.36; 204D.02; 204D.05, Subdivision 2; 204D.07; 204D.08, Subdivision 6; 204D.09; 204D.10, Subdivision 3; 204D.11, Subdivisions 3 and 5; 204D.12; 204D.16; 204D.28, Subdivisions 4, 5, 6, and 7; 365.51; 412.02, Subdivision 2; and 487.03, Subdivision 2; proposing new law coded in Minnesota Statutes, Chapters 204B, 204D, 206, and 210A; repealing Minnesota Statutes 1980, Sections 123.015; 123.11, Subdivisions 2, 3, 4, 5, and 6; 123.32, Subdivisions 1, 2, 3, 5, 6, 8, 8a, 11, 22, 24, 25, 26, and 27; 447.32, Subdivisions 3 and 4; and Chapter 205; Minnesota Statutes 1981 Supplement, Sections 123.32, Subdivisions 4 and 7; 200.015; 201.095; 205.01; 205.03; 205.10; 205.11, Subdivision 4a; 205.121; 205.13, Subdivision 1; 205.14, Subdivision 4; 205.15; 205.17, Subdivisions 2 and 6; and 205.20, Subdivisions 2 and 5.

The bill was read for the first time and referred to the Committee on Reapportionment and Elections.

Anderson, I., introduced:

H. F. No. 1635, A bill for an act relating to state lands; authorizing sale and conveyance of a certain tract of state lands to Bethlehem Lutheran Church of Waskish, Minnesota.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Anderson, I.; Sieben, M.; Johnson, C.; Nelson, K., and Carlson, D., introduced:

H. F. No. 1636, A bill for an act relating to debt management; creating the legislative commission on debt management and prescribing its duties; requiring reports; proposing new law coded in Minnesota Statutes, Chapter 3.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Olsen and Norton introduced:

H. F. No. 1637, A bill for an act relating to the standard of time; providing that the Minnesota standard of time conform to the federal standard of time; amending Minnesota Statutes 1980, Section 645.071.

The bill was read for the first time and referred to the Committee on General Legislation and Veterans Affairs.

Jennings, Ludeman, Piepho, Ainley and Welker introduced:

H. F. No. 1638, A bill for an act relating to regional development commissions; establishing procedures for counties and municipalities to withdraw or join; amending Minnesota Statutes 1980, Section 462.387, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Local and Urban Affairs.

Nelson, K., introduced:

H. F. No. 1639, A bill for an act relating to elections; changing certain times for precinct caucuses; prohibiting certain events; amending Minnesota Statutes 1980, Sections 202A.14, Subdivision 1; 202A.15, Subdivision 1; 202A.19, Subdivisions 1 and 3.

The bill was read for the first time and referred to the Committee on Reapportionment and Elections.

Sviggum introduced:

H. F. No. 1640, A bill for an act relating to agriculture; clarifying the provision of state livestock weighing services; amending Minnesota Statutes 1980, Section 17A.10.

The bill was read for the first time and referred to the Committee on Agriculture.

Rodriguez, C.; Sviggum; Sieben, H.; Mann and Halberg introduced:

H. F. No. 1641, A bill for an act relating to the city of Lakeville; authorizing advances of cash or engineering services, or both, by the city of Lakeville to the commissioner of transportation to expedite construction and improvement on a certain trunk highway within the city of Lakeville; authorizing the commissioner of transportation, by contract, to accept the advances and repay the advances from the trunk highway fund.

The bill was read for the first time and referred to the Committee on Transportation.

Wynia; Sherwood; Nysether; Sieben, M., and Jude introduced:

H. F. No. 1642, A bill for an act relating to liquor; making certain sales of non-intoxicating malt liquor illegal; providing civil liability for illegal sales of intoxicating liquor and non-intoxicating malt liquor; amending Minnesota Statutes 1980, Sections 340.035, Subdivision 1; 340.14, Subdivision 1a; 340.73 and 340.95; proposing new law coded in Minnesota Statutes, Chapter 340; repealing Minnesota Statutes 1980, Section 340.951.

The bill was read for the first time and referred to the Committee on Judiciary.

Peterson, D.; Novak; Pogemiller; Schreiber and Laidig introduced:

H. F. No. 1643, A bill for an act relating to local government; permitting various leases and installment purchases of equipment; providing for their tax and fiscal treatment; amending Minnesota Statutes 1980, Sections 168.012, by adding a subdivision; 297B.03; and 465.71; Minnesota Statutes 1981 Supplement, Section 297A.25, Subdivision 1.

The bill was read for the first time and referred to the Committee on Taxes.

Hauge, Kalis, Novak, Stowell and Shea introduced:

H. F. No. 1644, A bill for an act relating to motor vehicles; taxation of certain motor vehicles and combinations in the ninth and succeeding years of vehicle life; amending Minnesota Statutes 1981 Supplement, Section 168.013, Subdivision 1e.

The bill was read for the first time and referred to the Committee on Taxes.

Osthoff introduced:

H. F. No. 1645, A bill for an act proposing an amendment to the Minnesota Constitution, Article XI, Section 5, and Article XIV; removing certain restrictions on highway bonds and undedicating the proceeds of the motor fuel tax and the motor vehicle tax.

The bill was read for the first time and referred to the Committee on Transportation.

Elioff, Battaglia, Begich and Sarna introduced:

H. F. No. 1646, A bill for an act relating to retirement; Buhl school district; altering the effective date of retirement for the payment of the post-retirement increase; requiring payment of necessary reserves.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Lehto introduced:

H. F. No. 1647, A bill for an act relating to taxation; allowing the town of Rice Lake to levy in excess of its levy limitation for taxes payable in 1982.

The bill was read for the first time and referred to the Committee on Taxes.

Rose; Stowell; Sarna; Johnson, D., and Vanasek introduced:

H. F. No. 1648, A bill for an act relating to crimes; prohibiting the sale, transfer and delivery of simulated controlled substances; providing penalties; amending Minnesota Statutes 1980, Sections 152.09, Subdivision 1; 152.15, by adding a subdivision; and proposing new law coded in Minnesota Statutes, Chapter 152.

The bill was read for the first time and referred to the Committee on Criminal Justice.

Berkelman, Halberg, Eken, Hanson and Sieben, H., introduced:

H. F. No. 1649, A bill for an act relating to taxation; classifying industrial employment property for the purpose of assessment and taxation; amending Minnesota Statutes 1981 Supplement, Section 273.13, Subdivision 9; proposing new law coded in Minnesota Statutes, Chapter 273.

The bill was read for the first time and referred to the Committee on Taxes.

Sieben, M.; Clawson; Halberg; Rodriguez, C., and Levi introduced:

H. F. No. 1650, A bill for an act relating to education; authorizing certain school districts in development region eleven to make a special grandfather levy; amending Minnesota Statutes 1980, Section 275.125, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Education.

Sieben, M.; Clawson; Halberg; Rodriguez, C., and Levi introduced:

H. F. No. 1651, A bill for an act relating to education; authorizing certain school districts in each development region to make a special grandfather levy; amending Minnesota Statutes 1980, Section 275.125, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Education.

Brinkman and Samuelson introduced:

H. F. No. 1652, A bill for an act relating to game and fish; authorizing special permits to take deer with a crossbow under certain circumstances; amending Minnesota Statutes 1980, Sections 98.48, by adding a subdivision; and 100.29, Subdivision 7.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

Olsen and Jennings introduced:

H. F. No. 1653, A bill for an act relating to education; removing the requirement of commissioner of education's approval when the proceeds of the capital expenditure levy are used to rent or lease buildings for school purposes; removing general procedures requiring and governing commissioner of education's approval of contracts for rental of school rooms, buildings or other facilities; amending Minnesota Statutes 1980, Section 123.78, Subdivision 1; Minnesota Statutes 1981 Supplement, Section 275.125, Subdivision 11a; repealing Minnesota Statutes 1980, Section 123.37, Subdivisions 3 to 14.

The bill was read for the first time and referred to the Committee on Education.

McEachern; Jennings; Olsen; Anderson, B., and Tomlinson introduced:

H. F. No. 1654, A bill for an act relating to education; changing certain dates related to approval of special education programs by the commissioner of education; changing the date aid is paid for special education summer school programs; amending Minnesota Statutes 1980, Section 124.32, Subdivisions 7 and 10.

The bill was read for the first time and referred to the Committee on Education.

McEachern; Jennings; Anderson, B.; Levi and Tomlinson introduced:

H. F. No. 1655, A bill for an act relating to education; modifying certain provisions governing abatement levy limitation adjustments as related to school districts; amending Minnesota Statutes 1980, Section 275.48.

The bill was read for the first time and referred to the Committee on Education.

McEachern, Jennings, Levi, Olsen and Tomlinson introduced:

H. F. No. 1656, A bill for an act relating to education; changing certain notification dates for school districts that educate nonresident pupils; providing that districts of residence are not liable for any billings received after a certain date; amending Minnesota Statutes 1981 Supplement, Section 124.2129, Subdivision 3.

The bill was read for the first time and referred to the Committee on Education.

Reding, Rice and Kaley introduced:

H. F. No. 1657, A bill for an act relating to retirement; miscellaneous amendments to the public employees retirement law; amending Minnesota Statutes 1980, Sections 353.01, Subdivisions 12 and 16; 353.03, Subdivision 4; 353.27, Subdivision 12; 353.35; and 353.657, Subdivision 2a; Minnesota Statutes 1981 Supplement, Sections 353.01, Subdivisions 2a and 2b; 353.27, Subdivision 4; 353.33, Subdivision 5; 353.36, Subdivision 2; and 353.64, Subdivision 1; repealing Minnesota Statutes 1980, Sections 353.01, Subdivision 34; and 353.017, Subdivisions 4 and 5; Minnesota Statutes 1981 Supplement, Section 353.023.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Welker introduced:

H. F. No. 1658, A bill for an act relating to waters; allowing local governmental units to discontinue federal flood insurance coverage; amending Minnesota Statutes 1980, Section 104.08, Subdivision 3; proposing new law coded in Minnesota Statutes, Chapter 104.

The bill was read for the first time and referred to the Committee on Local and Urban Affairs.

Clark, K., introduced:

H. F. No. 1659, A bill for an act relating to health; requiring development of a roster to monitor the development of the practice of acupuncture; establishing limited practice standards; providing remedies; prescribing penalties; proposing new law coded in Minnesota Statutes, Chapter 144.

The bill was read for the first time and referred to the Committee on Health and Welfare.

Kvam introduced:

H. F. No. 1660, A bill for an act relating to Independent School District No. 465, Litchfield; authorizing the school board to transfer money from the capital expenditure fund to the general fund before June 30, 1983.

The bill was read for the first time and referred to the Committee on Education.

CONSENT CALENDAR

S. F. No. 1150, A bill for an act relating to the interstate compact on juveniles; amending the compact to require the home

state to authorize the return of a runaway juvenile and to permit a state in which a juvenile is found to return him to a state in which the juvenile is charged with being a delinquent by reason of a violation of criminal law; amending Minnesota Statutes 1980, Section 260.51.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 124 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Aasness	Esau	Kelly	Ogren	Sieben, M.
Ainley	Evans	Knickerbocker	Olsen	Simoneau
Anderson, B.	Fjoslien	Kostohryz	Onnen	Skoglund
Anderson, G.	Forsythe	Kvam	Osthoff	Stadum
Anderson, I.	Frerichs	Lehto	Otis	Staten
Battaglia	Greenfield	Lemen	Peterson, B.	Stowell
Begich	Gruenes	Levi	Peterson, D.	Stumpf
Berkelman	Gustafson	Long	Piepho	Sviggum
Riatz	Halberg	Ludeman	Pogemiller	Swanson
Brandl	Hanson	Mann	Redalen	Tomlinson
Brinkman	Harens	Marsh	Reding	Valan
Byrne	Hauge	McCarron	Rees	Valento
Carlson, D.	Haukoos	McDonald	Rodriguez, C.	Vanasek
Carlson, L.	Heap	McEachern	Rodriguez, F.	Vellenga
Clark, J.	Heinitz	Mehrkens	Rose	Voss
Clark, K.	Hokanson	Metzen	Rothenberg	Weaver
Clawson	Hokr	Minne	Samuelson	Welch
Dahlvang	Jacobs	Munger	Sarna	Welker
Dempsey	Jennings	Murphy	Schafer	Wenzel
Den Ouden	Johnson, C.	Nelson, K.	Schoenfeld	Wieser
Drew	Johnson, D.	Niehaus	Schreiber	Wigley
Eken	Jude	Norton	Searles	Wynia
Elioff	Kahn	Novak	Shea	Zubay
Ellingson	Kaley	Nysether	Sherman	Spkr. Sieben, H.
Erickson	Kalis	O'Connor	Sherwood	

The bill was passed and its title agreed to.

CALENDAR

H. F. No. 1478, A bill for an act relating to congressional districts; apportioning congressional districts; amending Minnesota Statutes 1980, Sections 2.741; 2.751; 2.761; 2.771; 2.781; 2.791; 2.801; and 2.811.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 104 yeas and 24 nays as follows:

Those who voted in the affirmative were:

Aasness	Ainley	Anderson, B.	Anderson, I.	Battaglia
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Begich	Hanson	Lemen	Osthoff	Sherwood
Berkelman	Harens	Levi	Otis	Sieben, M.
Blatz	Hauge	Long	Peterson, B.	Simoneau
Brinkman	Haukoos	Ludeman	Peterson, D.	Stadum
Byrne	Heinitz	Marsh	Piepho	Staten
Carlson, D.	Himle	McCarron	Pogemiller	Stowell
Clark, J.	Hokanson	McDonald	Reding	Stumpf
Dahlvang	Hokr	McEachern	Rees	Swanson
Dempsey	Jacobs	Mehrkens	Reif	Tomlinson
Den Ouden	Jennings	Minne	Rice	Valan
Drew	Johnson, C.	Munger	Rodriguez, C.	Valento
Eken	Johnson, D.	Murphy	Rodriguez, F.	Voss
Elioff	Jude	Nelson, K.	Rose	Weaver
Evans	Kaley	Niehaus	Rothenberg	Welch
Ewald	Kalis	Norton	Samuelson	Welker
Fjoslien	Knickerbocker	Nysether	Sarna	Wenzel
Forsythe	Kostohryz	O'Connor	Schafer	Wigley
Gruenes	Kvam	Ogren	Schreiber	Zubay
Gustafson	Laidig	Olsen	Searles	Spkr. Sieben, H.
Halberg	Lehto	Onnen	Sherman	

Those who voted in the negative were:

Anderson, G.	Ellingson	Kahn	Redalen	Vanasek
Brandl	Erickson	Kelly	Schoenfeld	Vellenga
Carlson, L.	Frerichs	Mann	Shea	Wieser
Clark, K.	Greenfield	Metzen	Skoglund	Wynia
Clawson	Heap	Novak	Svigum	

The bill was passed and its title agreed to.

MOTIONS AND RESOLUTIONS

Reding moved that the name of Friedrich be stricken and the name of McDonald be added as an author on H. F. No. 376. The motion prevailed.

Reding moved that the names of Brinkman; Anderson, R.; Levi and Osthoff be added as authors on H. F. No. 1582. The motion prevailed.

Clark, K., moved that the names of Sieben, M., and Rice be added as authors on H. F. No. 1110. The motion prevailed.

ANNOUNCEMENT BY THE SPEAKER

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 1139:

Jude; Norton; Sieben, M.; Forsythe and Halberg.

ADJOURNMENT

Eken moved that when the House adjourns today it adjourn until 2:00 p.m., Monday, January 25, 1982. The motion prevailed.

Eken moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 2:00 p.m., Monday, January 25, 1982.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

STATE OF MINNESOTA

SEVENTY-SECOND SESSION - 1982

SIXTY-THIRD DAY

SAINT PAUL, MINNESOTA, MONDAY, JANUARY 25, 1982

The House of Representatives convened at 2:00 p.m. and was called to order by Harry A. Sieben, Jr., Speaker of the House.

Prayer was offered by Reverend Anita Cummings, Assistant Minister at United Church of Christ, New Brighton, Minnesota.

The roll was called and the following members were present:

Aasness	Forsythe	Kvam	Onnen	Skoglund
Ainley	Frerichs	Laidig	Osthoff	Stadum
Anderson, B.	Greenfield	Lehto	Otis	Staten
Anderson, G.	Gruenes	Lemen	Peterson, B.	Stowell
Anderson, I.	Gustafson	Levi	Peterson, D.	Stumpf
Battaglia	Halberg	Long	Piepho	Sviggum
Begich	Hanson	Ludeman	Pogemiller	Swanson
Berkelman	Harens	Luknic	Redalen	Tomlinson
Blatz	Hauge	Mann	Reding	Valan
Brandl	Haukoos	Marsh	Reif	Valento
Byrne	Heap	McCarron	Rice	Vanasek
Carlson, D.	Heinitz	McEachern	Rodriguez, C.	Vellenga
Carlson, L.	Himle	Mehrkens	Rodriguez, F.	Voss
Clark, J.	Hoberg	Metzen	Rose	Weaver
Clark, K.	Hokanson	Minne	Rothenberg	Welch
Clawson	Hokr	Munger	Samuelson	Welker
Dahlvang	Jacobs	Murphy	Sarna	Wenzel
Den Ouden	Jennings	Nelsen, B.	Schafer	Wieser
Drew	Johnson, D.	Nelson, K.	Schoenfeld	Wigley
Eken	Jude	Niehaus	Schreiber	Wynia
Elioff	Kahn	Norton	Searles	Zubay
Ellingson	Kaley	Novak	Shea	Spkr. Sieben, H.
Erickson	Kalis	Nysether	Sherman	
Evans	Kelly	O'Connor	Sherwood	
Ewald	Knickerbocker	Ogren	Sieben, M.	
Fjoslien	Kostohryz	Olsen	Simoneau	

A quorum was present.

Anderson, R.; Brinkman; Dean; Dempsey; Esau; Johnson, C.; McDonald and Rees were excused.

The Chief Clerk proceeded to read the Journal of the preceding day. Niehaus moved that further reading of the Journal be

dispensed with and that the Journal be approved as corrected by the Chief Clerk. The motion prevailed.

REPORTS OF CHIEF CLERK

Pursuant to Rules of the House, printed copies of H. F. Nos. 1612 and 1552 have been placed in the members' files.

REPORTS OF STANDING COMMITTEES

Voss from the Committee on Local and Urban Affairs to which was referred:

H. F. No. 1566, A bill for an act relating to state and local government organization and relations; creating an advisory council on local government; prescribing its duties; proposing new law coded as Minnesota Statutes, Chapter 15B.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. [15B.01] [PURPOSE.]

It is the purpose of sections 1 to 7 to create a permanent advisory council, composed of persons active and experienced in state and local government interrelationships, to serve as a forum for discussing and an organization for studying, reporting, and making recommendations on local government and intergovernmental relations, including the following subjects:

(a) Methods for improving relations among local governments and between local governments and the state government;

(b) Assignment of government responsibilities, powers, and functions;

(c) State and local government laws, structures, administrative practices, and procedures which govern or affect intergovernmental relations;

(d) Intergovernmental fiscal relations, local government finance, local revenue needs and resources, and the allocation of state and local fiscal powers and resources;

(e) The state's biennial budgets as they relate to local government finance and intergovernmental fiscal relations;

(f) Effects on local governments of federal and state actions, including fiscal and programmatic mandates and limitations;

(g) *State services to local governments.*

Sec. 2. [15B.02] [DEFINITIONS.]

Subdivision 1. [SCOPE.] For the purposes of sections 1 to 7, the terms defined in this section have the meanings ascribed to them.

Subd. 2. [COUNCIL.] "Advisory council" or "council" means the advisory council on local government created by section 3.

Subd. 3. [LOCAL GOVERNMENT.] "Local government" means statutory and home rule charter cities, counties, towns, local and regional public authorities, corporations, special districts, and other political subdivisions of the state, except school districts.

Sec. 3. [15B.03] [CREATION OF ADVISORY COUNCIL.]

The advisory council on local government is created.

Sec. 4. [15B.04] [MEMBERSHIP.]

Subdivision 1. [APPOINTMENT.] The council shall be composed of 23 members, as follows:

(a) *Three representatives and three senators, appointed by the respective appointing authority of each house;*

(b) *Six members appointed by the governor;*

(c) *The state auditor;*

(d) *Four members appointed by the league of Minnesota cities, at least two of whom shall be officials of cities of less than 2,500 population and at least two of whom shall be officials of cities outside the metropolitan area defined in section 473.121, subdivision 2;*

(e) *Four members appointed by the association of Minnesota counties, at least two of whom shall be officials of counties outside the metropolitan area defined in section 473.121, subdivision 2;*

(f) *Two members appointed by the Minnesota association of townships.*

The appointing authorities shall select members to ensure broad and equitable representation of various geographic areas, interests, and local governments in the state. Two rep-

representatives and two senators shall be appointed from the majority caucus in each house and one representative and one senator from the minority caucus in each house. At least two of the appointees of the governor shall be appointed officers or employees of the executive branch of state government, and one shall be the chairman of the metropolitan council, established by section 473.123, or the chairman's designee. All members appointed pursuant to clauses (d), (e), and (f) shall be elected local government officials.

Subd. 2. [TERMS; COMPENSATION; REMOVAL.] Section 15.059, subdivisions 2 to 4, shall govern the term of office, compensation, and removal of members and the filling of vacancies, provided that members of the legislature shall serve on the commission without compensation but shall receive per diems and expenses in the same manner as for legislative service, and executive branch officers or employees shall be reimbursed for expenses by the office or agency in which they serve or are employed. The terms of members appointed to the council by virtue of service in another office or employment shall expire upon termination of the other office or employment. Section 15.059, subdivisions 5 and 6, shall not apply to the council.

Sec. 5. [15B.05] [ADMINISTRATION.]

Subdivision 1. [MEETINGS.] The governor shall convene the first meeting of the council within 30 days following the effective date of sections 1 to 7. Thereafter the council shall meet at the call of the chair or a majority of the council, which shall be at least once quarterly.

Subd. 2. [OFFICERS; ELECTION; TERMS.] The council shall elect from among its membership a chair, vice-chair, and other officers it deems appropriate. The officers shall serve for one year terms.

Subd. 3. [CHAIR; POWERS AND DUTIES.] The chair or the chair's designee shall preside at meetings. The chair shall appoint council committees, execute contracts and agreements, hire and supervise the executive director of the council as provided in section 6, subdivision 4, and perform all other executive duties and functions assigned to the chair by the council or by law. The council shall approve contracts and agreements and the hiring of employees.

Subd. 4. [ADMINISTRATIVE AND STAFF SERVICES.] The legislative coordinating commission shall ensure the provision of office space, meeting rooms, and administrative and office services and equipment for the council for fiscal years 1982 and 1983. The legislative coordinating commission may assist in the provision of an executive director for employment by the council pursuant to section 6, subdivision 4. The council

shall make recommendations about permanent office and administrative arrangements. Officers, departments, agencies, and staff in the executive and legislative branches of state government that have responsibilities in local government matters and state-local relations shall cooperate with the council and provide information and technical advice and assistance and may provide staff support as requested by the council. Until an executive director is employed by the council pursuant to section 6, subdivision 4, the commissioner of the department of energy, planning, and development shall coordinate requests from the council for assistance from other state departments and agencies.

Sec. 6. [15B.06] [POWERS.]

Subdivision 1. [RESEARCH AND INVESTIGATION.] The council may undertake research studies and programs, collect and analyze data, prepare reports and other materials, and conduct hearings and investigations for the accomplishment of its purposes. The council may encourage, monitor, and, where appropriate, coordinate studies of intergovernmental relations conducted by other entities.

Subd. 2. [ASSISTANCE TO STATE.] The council may advise and assist the governor, executive branch agencies, and the legislature on matters within its scope of responsibility.

Subd. 3. [GIFTS AND GRANTS.] The council may apply and contract for, accept and receive, and use or expend any appropriations, gifts, or grants of money or property in accordance with the purposes of the council and the terms of the appropriation, gift, or grant.

Subd. 4. [EMPLOYEES; CONTRACTS.] The council may enter into contracts and agreements necessary and proper for the accomplishment of its purposes. It may act under the provisions of section 471.59 or any other law providing for joint or cooperative governmental action. It may employ an executive director in the unclassified service and other persons in the classified service. It may contract for the performance of professional and other services for the accomplishment of its purposes.

Sec. 7. [15B.07] [DUTIES.]

Subdivision 1. [RECOMMENDATIONS TO LEGISLATURE AND GOVERNOR.] The council shall provide advice and recommendations to the governor, legislature, and executive agencies from time to time as it deems necessary and as directed by law. The council shall make biennial recommendations to the legislature and the governor by November 15 of each even-numbered year commencing in 1984. The council shall

provide the advice and recommendations required in subdivision 3 by January 1, 1983.

Subd. 2. [FISCAL AFFAIRS.] The council shall give special attention to advising the governor, executive branch agencies, and the legislature about decisions on local government finance and intergovernmental fiscal relations, including: local government revenue needs, resources, and limits; local debt and debt limits; state and federal fiscal and programmatic mandates and limits; and state and federal financial assistance to local governments.

Subd. 3. [PRIORITY.] In particular, during fiscal years 1982 and 1983, the council shall study and provide advice and recommendations on:

(a) Changes in the state's budgets for fiscal years 1982 and 1983, as they relate to local government finance and intergovernmental fiscal relations;

(b) Development and modification of the state's budget for the 1984-1985 biennium, as it relates to local government finance and intergovernmental fiscal relations;

(c) Long-range state policy and state laws governing local government finance and intergovernmental fiscal relations;

(d) Systematic methods for bringing knowledge and information about local government finance and intergovernmental fiscal relations into the state's biennial budget-making process, including systems and procedures for collecting, maintaining, monitoring, and reporting on the requisite quantitative data.

Sec. 8. [EFFECTIVE DATE.]

Sections 1 to 7 are effective the day following final enactment."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Governmental Operations.

The report was adopted.

MESSAGES FROM THE SENATE

The following message was received from the Senate:

Mr. Speaker:

I hereby announce the passage by the Senate of the following Senate File, herewith transmitted:

S. F. No. 1015.

PATRICK E. FLAHAVER, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 1015, A bill for an act relating to civil actions; limitations of actions; providing that actions for malpractice against health care professionals and veterinarians be commenced within two years; amending Minnesota Statutes 1980, Sections 145.61, Subdivision 2; and 541.07.

The bill was read for the first time and referred to the Committee on Judiciary.

CONSENT CALENDAR

H. F. No. 1552, A bill for an act relating to insurance; extending the temporary joint underwriting association act for an additional six year period; extending the termination date of certain insurance policies; amending Minnesota Statutes 1980, Sections 62F.01, Subdivision 2; and 62F.06, Subdivision 1.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 118 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Aasness	Forsythe	Kvam	Ogren	Sherman
Ainley	Frerichs	Laidig	Olsen	Sieben, M.
Anderson, B.	Greenfield	Lehto	Onnen	Simoneau
Anderson, G.	Gruenes	Lemen	Osthoff	Skoglund
Anderson, I.	Gustafson	Levi	Otis	Stadum
Begich	Halberg	Long	Peterson, B.	Staten
Berkelman	Hanson	Ludeman	Peterson, D.	Stowell
Blatz	Harens	Luknic	Piepho	Sviggum
Brandl	Hauge	Mann	Pogemiller	Tomlinson
Byrne	Haukoos	Marsh	Redalen	Valan
Carlson, D.	Heap	McCarron	Reding	Valento
Carlson, L.	Himle	McEachern	Reif	Vanasek
Clark, J.	Hoberg	Mehrkens	Rice	Vellenga
Clawson	Hokanson	Metzen	Rodriguez, C.	Weaver
Dahlvang	Hokr	Minne	Rodriguez, F.	Welch
Den Ouden	Jacobs	Munger	Rose	Welker
Drew	Jennings	Murphy	Rothenberg	Wenzel
Eken	Johnson, D.	Nelsen, B.	Samuelson	Wieser
Elioff	Jude	Nelson, K.	Sarna	Wigley
Ellingson	Kaley	Niehaus	Schafer	Wynia
Erickson	Kalis	Norton	Schoenfeld	Zubay
Evans	Kelly	Novak	Schreiber	Spkr. Sieben, H.
Ewald	Knickerbocker	Nysether	Searles	
Fjoslien	Kostohryz	O'Connor	Shea	

The bill was passed and its title agreed to.

MOTIONS AND RESOLUTIONS

Shea moved that the name of Friedrich be stricken and the name of Anderson, G., be added as chief author on H. F. No. 1073. The motion prevailed.

Rothenberg moved that the names of Begich and Drew be added as authors on H. F. No. 1598. The motion prevailed.

Otis moved that the name of Staten be added as an author on H. F. No. 1621. The motion prevailed.

There being no objection the order of business reverted to Introduction and First Reading of House Bills.

INTRODUCTION AND FIRST READING
OF HOUSE BILLS

The following House Files were introduced :

Kvam; Gruenes; Anderson, B.; McEachern and Schafer introduced :

H. F. No. 1661, A bill for an act relating to education; authorizing school boards to transfer certain funds from the capital expenditure fund to the general fund before June 30, 1983.

The bill was read for the first time and referred to the Committee on Education.

McCarron, Drew, Byrne, Clawson and Ogren introduced :

H. F. No. 1662, A bill for an act relating to occupations and professions; clarifying the scope and extent of chiropractic practice; providing rulemaking authority to the board of chiropractic examiners; amending Minnesota Statutes 1980, Sections 148.01 and 148.08, by adding subdivisions.

The bill was read for the first time and referred to the Committee on Health and Welfare.

Voss; Sieben, H.; Dempsey; Jude and Luknic introduced:

H. F. No. 1663, A bill for an act relating to law libraries; recodifying the laws governing county law libraries; amending Minnesota Statutes 1980, Sections 140.34; 140.35; 140.36; 140.37; 140.38; 140.39; 140.40; 140.44; 140.45; and 140.46; proposing new law coded in Minnesota Statutes 1980, Chapter 140; repealing Minnesota Statutes 1980, Sections 140.01 to 140.20; 140.212 to 140.33; 140.41 to 140.435; Minnesota Statutes 1981 Supplement, Section 140.21.

The bill was read for the first time and referred to the Committee on Judiciary.

Zubay and Hauge introduced:

H. F. No. 1664, A bill for an act relating to education; establishing limitations on appropriations for higher education interstate tuition reciprocity agreements; declaring legislative intention to discontinue appropriating money for higher education interstate tuition reciprocity agreements; providing that continuing students shall remain eligible for remission on nonresident tuition; requiring the higher education coordinating board to determine categories of students eligible for remission of nonresident tuition; encouraging discontinuance of courses of study and schools when duplication exists in this state and adjacent states when economically advantageous; amending Minnesota Statutes 1980, Sections 136A.04, Subdivision 1; and 136A.08; Laws 1981, Chapter 359, Section 3, Subdivision 6.

The bill was read for the first time and referred to the Committee on Appropriations.

Rees introduced:

H. F. No. 1665, A bill for an act relating to retirement; public employees retirement association; providing for an election of exclusion from retirement coverage for certain persons employed by the Prior Lake-Spring Lake watershed district.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Rees introduced:

H. F. No. 1666, A bill for an act relating to crimes; providing increased penalties for robbery for narcotics and receipt of stolen goods from a minor; amending Minnesota Statutes 1980, Sections 609.24; 609.245; and 609.53, by adding subdivisions.

The bill was read for the first time and referred to the Committee on Criminal Justice.

Wenzel introduced:

H. F. No. 1667, A resolution memorializing Congress to propose an amendment to the United States Constitution providing that the states may restrict or prevent abortions.

The bill was read for the first time and referred to the Committee on Judiciary.

Peterson, D., introduced:

H. F. No. 1668, A bill for an act relating to manufactured homes; requiring manufacturers and dealers of manufactured homes to be licensed and regulated by the commissioner of administration; providing for the rights and duties of owners and residents of manufactured home parks; making certain changes in the procedure for titling manufactured homes; requiring park owners to adopt storm safety plans for the protection of residents; empowering municipalities to enforce certain ordinances within manufactured home parks and recreational camping areas; clarifying the procedures to be used in the repossession of a manufactured home; clarifying certain language; prohibiting certain practices; imposing fees and penalties; providing remedies; defining terms; proposing new law coded in Minnesota Statutes, Chapter 168A; proposing new law coded as Minnesota Statutes, Chapters 327B and 327C; amending Minnesota Statutes 1980, Sections 168A.02, Subdivision 3; 327.14; 327.16, Subdivision 2; 327.20, Subdivision 1; 327.24, by adding a subdivision; 327.26; 327.27, Subdivision 2, and by adding a subdivision; 327.62, Subdivision 2; 327.63; 327.65; 327.66; 363.02, by adding a subdivision; and 566.18, Subdivisions 2, 7, and 8; repealing Minnesota Statutes 1980, Sections 327.41; 327.42; 327.43; 327.45; 327.451; 327.452; 327.46; 327.47; 327.51; 327.52; 327.53; 327.54; 327.55; 327.551; 327.552; 327.553, Subdivisions 2, 3 and 4; 327.554; 327.56; and Minnesota Statutes 1981 Supplement, Sections 327.44; 327.441; 327.55, Subdivision 1a; and 327.553, Subdivision 1.

The bill was read for the first time and referred to the Committee on General Legislation and Veterans Affairs.

Harens, Kostohryz and Stowell introduced:

H. F. No. 1669, A bill for an act relating to veterans; establishing information and referral assistance programs; authorizing limited studies; mandating annual reports; establishing an Agent Orange information and assistance section in the department of veterans affairs; providing Agent Orange information to health professionals; providing genetic information and counseling; classifying certain information as confidential; authorizing certain class actions; appropriating money; proposing new law coded in Minnesota Statutes, Chapter 196.

The bill was read for the first time and referred to the Committee on General Legislation and Veterans Affairs.

Gruenes introduced:

H. F. No. 1670, A bill for an act relating to retirement; eliminating certain reductions in annuities for correctional employees; amending Minnesota Statutes 1980, Section 352.93, Subdivision 3.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Gruenes and Wynia introduced:

H. F. No. 1671, A bill for an act relating to insurance; providing for conversion privileges for spouses of deceased employees covered by group health and accident insurance; amending Minnesota Statutes 1980, Section 62A.146.

The bill was read for the first time and referred to the Committee on Financial Institutions and Insurance.

Gruenes; Kelly; Johnson, D., and Brinkman introduced:

H. F. No. 1672, A bill for an act relating to automobile insurance; prohibiting any right of subrogation on underinsurance claims; amending Minnesota Statutes 1980, Section 65B.53, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Financial Institutions and Insurance.

Heap, Welch, Knickerbocker and Hokr introduced:

H. F. No. 1673, A bill for an act relating to education; eliminating a requirement that school districts submit separate corrections of all auditor adjustments; amending Minnesota Statutes 1980, Section 121.908, Subdivision 3.

The bill was read for the first time and referred to the Committee on Education.

Erickson, Onnen, Voss and Clawson introduced:

H. F. No. 1674, A bill for an act relating to courts; authorizing county boards to set salaries of court reporters in all judicial districts; amending Minnesota Statutes 1981 Supplement, Section 486.05, Subdivision 1.

The bill was read for the first time and referred to the Committee on Judiciary.

Niehaus, Haukoos, Berkelman and Schreiber introduced:

H. F. No. 1675, A bill for an act relating to local government; providing for orderly annexations in accordance with the terms of the resolutions of local government units; amending Minnesota Statutes 1981 Supplement, Section 414.0325, Subdivision 1.

The bill was read for the first time and referred to the Committee on Local and Urban Affairs.

Schafer, Olsen, Gruenes, Harens and Anderson, B., introduced:

H. F. No. 1676, A bill for an act relating to education; providing that post-secondary vocational equipment aid be used for renting or leasing buildings for school purposes; amending Minnesota Statutes 1981 Supplement, Sections 124.5624, Subdivisions 3 and 4; and 124.5627, Subdivisions 3, 4, and 5.

The bill was read for the first time and referred to the Committee on Education.

Berkelman, Novak, Hanson, Searles and Blatz introduced:

H. F. No. 1677, A bill for an act relating to taxes; defining institutions of public charity that are exempt from property taxation; amending Minnesota Statutes 1981 Supplement, Section 272.02, Subdivision 1.

The bill was read for the first time and referred to the Committee on Taxes.

Kalis; Anderson, G.; Lehto; Mann and Johnson, C., introduced:

H. F. No. 1678, A bill for an act relating to public safety; providing that fines and forfeited bail money from overweight vehicles apprehended at state-operated scales be placed in the highway user tax distribution fund; amending Minnesota Statutes 1981 Supplement, Section 299D.03, Subdivision 5.

The bill was read for the first time and referred to the Committee on Transportation.

Haukoos, Erickson, Welch, Weaver and Munger introduced:

H. F. No. 1679, A bill for an act relating to education; increasing the amount of money an area vocational-technical institute may expend for lands or buildings or for capital improvements without approval of the state board of education and authorization by specific legislative act; amending Minnesota Statutes 1980, Section 121.21, Subdivision 4a.

The bill was read for the first time and referred to the Committee on Education.

Drew introduced:

H. F. No. 1680, A bill for an act relating to education; removing dental assessments, laboratory tests and nutritional assessments from the health and developmental screening program for pre-kindergarten children; amending Minnesota Statutes 1981 Supplement, Section 123.702, Subdivision 1a.

The bill was read for the first time and referred to the Committee on Education.

Wigley, Esau, Piepho and Dempsey introduced:

H. F. No. 1681, A bill for an act relating to the legislature; reducing the salary and maximum per diem paid to members of the legislature by ten percent; amending Minnesota Statutes 1980, Sections 3.099, Subdivisions 1 and 2; 3.102; and repealing Minnesota Statutes 1980, Sections 3.101 and 3.103.

The bill was read for the first time and referred to the Committee on Rules and Legislative Administration.

Jennings introduced:

H. F. No. 1682, A bill for an act relating to education; providing that loss of school days resulting from a strike is not a circumstance beyond the control of a school board; amending Minnesota Statutes 1980, Section 124.19, Subdivision 1.

The bill was read for the first time and referred to the Committee on Education.

Jennings introduced:

H. F. No. 1683, A bill for an act relating to education; providing that persons whose employment is terminated by certain schools, institutions and educational agencies because of discontinuance of position, lack of students, financial limitations or merger shall not receive unemployment benefits if the person has been rehired by the terminating employer within 12 weeks after notice of termination; amending Minnesota Statutes 1980, Section 268.08, Subdivision 6.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Peterson, D., introduced:

H. F. No. 1684, A bill for an act relating to gambling; increasing the amount of compensation for assistants at a bingo occasion; amending Minnesota Statutes 1980, Section 349.17, Subdivision 1.

The bill was read for the first time and referred to the Committee on General Legislation and Veterans Affairs.

Dempsey, Schoenfeld, Piepho, Stowell and Peterson, B., introduced:

H. F. No. 1685, A bill for an act relating to the military; providing for the administration of oaths and acknowledgments by a member of the armed forces of the United States; amending Minnesota Statutes 1980, Sections 192.205, by adding a subdivision; and 358.32.

The bill was read for the first time and referred to the Committee on General Legislation and Veterans Affairs.

Dempsey, Brandl, Sherman and Dahlvang introduced:

H. F. No. 1686, A bill for an act relating to motor vehicles; providing for special license plates for former prisoners of war; prescribing penalties; proposing new law coded in Minnesota Statutes, Chapter 168.

The bill was read for the first time and referred to the Committee on Transportation.

Dempsey, O'Connor, Voss and Peterson, B., introduced:

H. F. No. 1687, A bill for an act relating to crimes; defining "complainant" for purposes of criminal sexual misconduct offenses; amending Minnesota Statutes 1980, Section 609.341, Subdivision 13.

The bill was read for the first time and referred to the Committee on Judiciary.

Samuelson; McCarron; Clark, K.; Anderson, I., and Ogren introduced:

H. F. No. 1688, A bill for an act relating to health; providing for home health services through the community health services act; appropriating money; amending Minnesota Statutes 1980, Sections 144A.51, by adding a subdivision; 144A.52, Subdivision 3; 144A.53; 144A.54, Subdivision 1; 145.915, by adding a subdivision; 145.918, by adding subdivisions; 145.919; and 145.95, Subdivision 5.

The bill was read for the first time and referred to the Committee on Appropriations.

Kelly, O'Connor, Vellenga, Novak and Wynia introduced:

H. F. No. 1689, A bill for an act relating to the legislature; reducing the senate from 67 to 50 members and the house of representatives from 135 to 100 members; amending Minnesota Statutes 1980, Section 2.021.

The bill was read for the first time and referred to the Committee on Reapportionment and Elections.

Forsythe, Hokanson, Samuelson, Swanson and Kaley introduced:

H. F. No. 1690, A bill for an act relating to public welfare; establishing foster care maintenance payments by the state; establishing a state goal for the reduction of the number of children in residential facilities for more than 24 months; requiring the commissioner of public welfare to comply with the requirements of Title IV-E of the federal Social Security Act in order to obtain adoption assistance funds for eligible children; expanding the eligibility for medical assistance to include children receiving foster care maintenance payments under Title IV-E of the federal Social Security Act; amending Minnesota Statutes 1980, Sections 256.82; 257.071, by adding a subdivision; and 259.40, Subdivisions 2, 3, and 10; Minnesota Statutes 1981 Supplement, Section 256B.06, Subdivision 1.

The bill was read for the first time and referred to the Committee on Health and Welfare.

Hokanson and Clawson introduced :

H. F. No. 1691, A bill for an act relating to child support and maintenance payments; providing for the collection and withholding of payments; amending Minnesota Statutes 1981 Supplement, Sections 518.551, Subdivisions 1 and 2; and 518.611, Subdivision 1.

The bill was read for the first time and referred to the Committee on Health and Welfare.

Swanson; Kelly; Johnson, D.; Wynia and Blatz introduced :

H. F. No. 1692, A bill for an act relating to no-fault automobile insurance; directing the commissioner of public safety to promulgate rules requiring persons to identify their insurance agents and requiring insurance agents to report when required insurance is not in force; amending Minnesota Statutes 1980, Section 65B.68, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Financial Institutions and Insurance.

Laidig; Sieben, H.; Wenzel; Rothenberg and Hoberg introduced :

H. F. No. 1693, A resolution memorializing the governments of the United States and the Socialist Republic of Vietnam to take all possible actions to determine the fate of persons missing in action in Southeast Asia.

The bill was read for the first time.

SUSPENSION OF RULES

Pursuant to Article IV, Section 19, of the Constitution of the state of Minnesota, Laidig moved that the rule therein be suspended and an urgency be declared so that H. F. No. 1693 be given its second and third readings and be placed upon its final passage. The motion prevailed.

Laidig moved that the rules of the House be so far suspended that H. F. No. 1693 be given its second and third readings and be placed upon its final passage. The motion prevailed.

H. F. No. 1693 was read for the second time.

H. F. No. 1693, A resolution memorializing the governments of the United States and the Socialist Republic of Vietnam to take all possible actions to determine the fate of persons missing in action in Southeast Asia.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 124 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Aasness	Forsythe	Kostohryz	Olsen	Sieben, M.
Ainley	Frerichs	Kvam	Onnen	Simoneau
Anderson, B.	Greenfield	Laidig	Osthoff	Skoglund
Anderson, G.	Gruenes	Lehto	Otis	Stadum
Anderson, I.	Gustafson	Lemen	Peterson, B.	Staten
Battaglia	Halberg	Levi	Peterson, D.	Stowell
Begich	Hanson	Long	Piepho	Stumpf
Berkelman	Harens	Luknic	Pogemiller	Sviggum
Blatz	Hauge	Mann	Reding	Swanson
Brandl	Haukoos	Marsh	Reding	Tomlinson
Byrne	Heap	McCarron	Reif	Valan
Carlson, L.	Heinitz	McEachern	Rice	Valento
Clark, J.	Himle	Mehrkens	Rodriguez, C.	Vanasek
Clark, K.	Hoberg	Metzen	Rodriguez, F.	Vellenga
Clawson	Hokanson	Minne	Rose	Voss
Dahlvang	Hokr	Munger	Rothenberg	Weaver
Den Ouden	Jacobs	Murphy	Samuelson	Welch
Drew	Jennings	Nelsen, B.	Sarna	Welker
Eken	Johnson, D.	Nelson, K.	Schafer	Wenzel
Elioff	Jude	Niehaus	Schoenfeld	Wieser
Ellingson	Kahn	Norton	Schreiber	Wigley
Erickson	Kaley	Novak	Searles	Wynia
Evans	Kalis	Nysether	Shea	Zubay
Ewald	Kelly	O'Connor	Sherman	Spkr. Sieben, H.
Fjoslien	Knickerbocker	Ogren	Sherwood	

The bill was passed and its title agreed to.

ADJOURNMENT

Eken moved that when the House adjourns today it adjourn until 2:00 p.m., Thursday, January 28, 1982. The motion prevailed.

Eken moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 2:00 p.m., Thursday, January 28, 1982.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

STATE OF MINNESOTA

SEVENTY-SECOND SESSION - 1982

SIXTY-FOURTH DAY

SAINT PAUL, MINNESOTA, TUESDAY, JANUARY 26, 1982

The Senate met on Tuesday, January 26, 1982, which was the Sixty-fourth Day of the Seventy-Second Session of the Minnesota State Legislature. The House of Representatives did not meet on this date.

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STATE OF MINNESOTA

SEVENTY-SECOND SESSION - 1982

SIXTY-FIFTH DAY

SAINT PAUL, MINNESOTA, WEDNESDAY, JANUARY 27, 1982

The Senate met on Wednesday, January 27, 1982, which was the Sixty-fifth Day of the Seventy-Second Session of the Minnesota State Legislature. The House of Representatives did not meet on this date.

STATE OF MINNESOTA

SEVENTY-SECOND SESSION - 1982

SIXTY-SIXTH DAY

SAINT PAUL, MINNESOTA, THURSDAY, JANUARY 28, 1982

The House of Representatives convened at 2:00 p.m. and was called to order by Harry A. Sieben, Jr., Speaker of the House.

Prayer was offered by Father William Hough, St. Anthony of Padua, Minneapolis, Minnesota.

The roll was called and the following members were present:

Aasness	Esau	Kalis	Nysether	Sherwood
Ainley	Evans	Kelly	O'Connor	Sieben, M.
Anderson, B.	Ewald	Knickerbocker	Ogren	Simoneau
Anderson, G.	Fjoslien	Kostohryz	Olsen	Skoglund
Anderson, I.	Frerichs	Kvam	Onnen	Stadum
Battaglia	Greenfield	Laidig	Osthoff	Staten
Begich	Greenes	Lehto	Otis	Stowell
Berkelman	Gustafson	Lemen	Peterson, B.	Stumpf
Blatz	Halberg	Levi	Peterson, D.	Swiggum
Brandl	Hanson	Long	Piepho	Swanson
Brinkman	Harens	Ludeman	Pogemiller	Tomlinson
Byrne	Hauge	Luknic	Redalen	Valan
Carlson, D.	Haukoos	Mann	Reding	Valento
Carlson, L.	Heap	Marsh	Rees	Vanasek
Clark, J.	Heinitz	McCarron	Reif	Voss
Clark, K.	Himle	McDonald	Rice	Weaver
Clawson	Hoberg	McEachern	Rodriguez, F.	Welch
Dahlvang	Hokanson	Mehrkens	Rose	Welker
Dean	Hokr	Metzen	Rothenberg	Wenzel
Dempsey	Jacobs	Minne	Samuelson	Wieser
Den Ouden	Jennings	Munger	Sarna	Wigley
Drew	Johnson, C.	Nelsen, B.	Schafer	Wynia
Eken	Johnson, D.	Nelson, K.	Schoenfeld	Zubay
Elioff	Jude	Niehaus	Schreiber	Spkr. Sieben, H.
Ellingson	Kahn	Norton	Shea	
Erickson	Kaley	Novak	Sherman	

A quorum was present.

Anderson, R.; Forsythe; Murphy; Rodriguez, C.; Searles and Vellenga were excused.

The Chief Clerk proceeded to read the Journals of the preceding days. Clawson moved that further reading of the Journals

be dispensed with and that the Journals be approved as corrected by the Chief Clerk. The motion prevailed.

REPORTS OF CHIEF CLERK

Pursuant to Rules of the House, printed copies of H. F. No. 1693 and S. F. No. 1015 have been placed in the members' files.

REPORTS OF STANDING COMMITTEES

Nelson from the Committee on Energy to which was referred:

H. F. No. 1208, A bill for an act relating to energy; providing for the lease of potential hydropower sites by the state or political subdivisions; amending Minnesota Statutes 1980, Sections 272.02, Subdivision 1, and by adding a subdivision; 273.19, by adding a subdivision; and proposing new law coded in Minnesota Statutes, Chapter 116H.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1980, Section 105.482, Subdivision 1, is amended to read:

Subdivision 1. [PURPOSE.] The public health, safety, and welfare is promoted by the orderly repair and restoration of dams serving the public interest and by the use of existing dams and potential dam sites for hydroelectric or hydromechanical power generation wherever that use is economically justified and environmentally sound. In furtherance of this objective, it is the purpose of this section to facilitate the repair and restoration of dams owned by the state and local governmental units and to investigate and analyze hydroelectric or hydromechanical generating capability of publicly owned dams and potential dam sites.

Sec. 2. Minnesota Statutes 1980, Section 105.482, is amended by adding a subdivision to read:

Subd. 8. [HYDROPOWER GENERATION POLICY; LEASING OF DAMS AND DAM SITES.] Consistent with laws relating to dam construction, reconstruction, repair, and maintenance, the legislature finds that the public health, safety, and welfare of the state is also promoted by the use of state waters to produce hydroelectric or hydromechanical power. Further, the legislature finds that the leasing of existing dams and potential dam sites primarily for such power generation is a valid public purpose. A local governmental unit, or the commissioner of natural resources with the approval of the

state executive council, may lease dams, dam sites, and hydro-electric or hydromechanical power generation plants owned by the respective government to an individual, a corporation, an organization, or other legal entity upon such terms and conditions as the local governmental unit or the commissioner may negotiate for a period not to exceed 50 years.

Sec. 3. Minnesota Statutes 1980, Section 105.482, is amended by adding a subdivision to read:

Subd. 9. [CONTENTS OF LEASE.] A lease for the development or redevelopment of a hydropower site may contain, but need not be limited to, the following provisions:

(a) Length of the lease, subject to negotiations between the parties but generally not more than 50 years, and conditions for extension, modification, or termination;

(b) Provisions for a performance bond on the developer, or, certification that the equipment and its installation have a design life at least as long as the lease;

(c) Provisions to assure adequate maintenance and safety in the impoundment structures, if any;

(d) Provisions for quarterly or annual payment by the developer, as negotiated by the parties, including the option of in-kind payment through the provision of electricity to the leasing entity.

Sec. 4. Minnesota Statutes 1980, Section 272.02, Subdivision 1, is amended to read:

Subdivision 1. Except as provided in other subdivisions of this section or in section 272.025 or section 273.13, subdivisions 17, 17b, 17c or 17d, 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 property assessed pursuant to section 273.13, subdivisions 17, 17b, 17c or 17d;

(7) All public property exclusively used for any public purpose, *including property held and leased by the state or a local governmental unit for use primarily in producing hydroelectric or hydromechanical power pursuant to sections 1 to 3;*

(8) All natural cheese held in storage for aging by the original Minnesota manufacturer;

(9) (a) Class 2 property of every household of the value of \$100, maintained in the principal place of residence of the owner thereof. The county auditor shall deduct such exemption from the total valuation of such property as equalized by the revenue commissioner assessed to such household, and extend the levy of taxes upon the remainder only. The term "household" as used in this section is defined to be a domestic establishment maintained either (1) by two or more persons living together within the same house or place of abode, subsisting in common and constituting a domestic or family relationship, or (2) by one person.

(b) During the period of his active service and for six months after his discharge therefrom, no member of the armed forces of the United States shall lose status of a householder under paragraph (a) which he had immediately prior to becoming a member of the armed forces.

In case there is an assessment against more than one member of a household the \$100 exemption shall be divided among the members assessed in the proportion that the assessed value of the Class 2 property of each bears to the total assessed value of the Class 2 property of all the members assessed. The Class 2 property of each household claimed to be exempt shall be limited to property in one taxing district, except in those cases where a single domestic establishment is maintained in two or more adjoining districts.

Bonds and certificates of indebtedness hereafter issued by the state of Minnesota, or by any county or city of the state, or any town, or any common or independent school district of the state, or any governmental board of the state, or any county or city thereof, shall hereafter be exempt from taxation; provided, that nothing herein contained shall be construed as exempting such bonds from the payment of a tax thereon, as provided for by section 291.01, when any of such bonds constitute, in whole or in part, any inheritance or bequest, taken or received by any person or corporation.

(10) Farm machinery manufactured prior to 1930, which is used only for display purposes as a collectors item;

(11) The taxpayer shall be exempted with respect to, all agricultural products, inventories, stocks of merchandise of all sorts, all materials, parts and supplies, furniture and equipment,

manufacturers material, manufactured articles including the inventories of manufacturers, wholesalers, retailers and contractors; and the furnishings of a room or apartment in a hotel, rooming house, tourist court, motel or trailer camp, tools and machinery which by law are considered as personal property, and the property described in section 272.03, subdivision 1, clause (c), except personal property which is part of an electric generating, transmission, or distribution system or a pipeline system transporting or distributing water, gas, 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. Railroad docks and wharves which are part of the operating property of a railroad company as defined in section 270.80 are not exempt.

(12) Containers of a kind customarily in the possession of the consumer during the consumption of commodities, the sale of which are subject to tax under the provisions of the excise tax imposed by Extra Session Laws 1967, Chapter 32;

(13) All livestock, poultry, all horses, mules and other animals used exclusively for agricultural purposes;

(14) All agricultural tools, implements and machinery used by the owners in any agricultural pursuit.

(15) 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. Any such equipment or device shall meet standards, regulations 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. If the commissioner determines that property qualifies for exemption, he shall issue an order exempting such property from taxation. Any such 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.

(16) Wetlands. For purposes of this subdivision, "wetlands" means land which is mostly under water, produces little if any income, and has no use except for wildlife or water conservation purposes. "Wetlands" shall be land preserved in its natural condition, drainage of which would be feasible and practical and would provide land suitable 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. 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.

(17) 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. 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 his 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.

(18) *Real and personal property used or to be used primarily for the production of hydroelectric or hydromechanical power on a site leased from the state or a local governmental unit pursuant to the provisions of sections 1 to 3.*

Sec. 5. Minnesota Statutes 1980, Section 272.02, is amended by adding a subdivision to read:

Subd. 6. [SMALL HYDROPOWER SITES.] Notwithstanding the provisions of subdivision 5, real and personal property used or to be used primarily for the production of hydroelectric or hydromechanical power and leased from the state or a local governmental unit pursuant to sections 1 to 3 shall be exempt from taxation or payments in lieu of taxes, except the payments provided in sections 2 and 3.

Sec. 6. Minnesota Statutes 1980, Section 273.19, is amended by adding a subdivision to read:

Subd. 5. [SMALL HYDROPOWER SITES.] Notwithstanding the provisions of this section, real and personal property used or to be used primarily for the production of hydroelectric or hydromechanical power and leased from the state or a local governmental unit pursuant to sections 1 to 3 shall be exempted from taxation or payments in lieu of taxes, except the payments provided in sections 2 and 3.

Sec. 7. [EFFECTIVE DATE.]

This act is effective the day following final enactment."

Further, amend the title as follows:

Page 1, line 3, delete "potential"

Page 1, line 3, delete "political" and insert "local governmental units"

Page 1, line 4, delete "subdivisions"

Page 1, line 5, after "Sections" insert "105.482, Subdivision 1, and by adding subdivisions;"

Page 1, line 6, delete "; and" and insert a period

Page 1, delete lines 7 and 8

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Taxes.

The report was adopted.

Vanasek from the Committee on Criminal Justice to which was referred:

H. F. No. 1250, A bill for an act relating to children; amending the definitions of shelter care facility and secure detention facility; extending the time limit for detaining children who may be dependent or neglected children; defining the privilege doctrine to exempt child abuse or neglect proceedings; creating an exception for chemical dependency personnel in a proceeding or investigation for child abuse or neglect; changing the disposition provision for children found to be neglected or dependent; changing the definition of sexual abuse in the reporting maltreatment of minors law; including attorneys and clergy to persons mandated to report child abuse and neglect; requiring persons who report child abuse or neglect to share all relevant information to the authorities authorized to receive and investigate the report; requiring the local welfare agency and police department to destroy records seven years after the date of final entry in the case record; amending Minnesota Statutes 1980, Sections 254A.09; 260.015, Subdivisions 16 and 17; 260.171, Subdivisions 2, 4, 5 and 6; 260.172, Subdivision 1; 260.191, Subdivision 1; 626.556, Subdivisions 2, 3, 7, 8 and 11; repealing Minnesota Statutes 1980, Section 260.015, Subdivision 15.

Reported the same back with the following amendments:

Page 1, delete section 1

Page 4, line 17, strike ", the" and insert "in a"

Page 4, line 18, strike "where" and insert a comma and strike "is"

Page 4, strike line 19

Page 4, line 20, strike "child to the facility or secure" and insert "*shall be promptly transported to the facility in a manner approved by the facility or by securing*"

Page 4, line 35, after "notified" insert "; and

(f) *any instructions required by section 6*"

Page 4, after line 35, insert:

"Sec. 6. Minnesota Statutes 1980, Section 260.171, is amended by adding a subdivision to read:

Subd. 5a. [SHELTER CARE; NOTICE TO PARENT.] When a child is to be placed in a shelter care facility, the person taking the child into custody or the court shall determine whether or not, in consideration of the health, safety and welfare of the child, the child's parent, guardian, or custodian should be notified of the facility's location. This determination shall be included in the report required by subdivision 5, along with instructions to the shelter care facility to notify or withhold notification if the parent, custodian, or guardian has not been notified."

Page 5, line 2, before "When" insert "(a)"

Page 5, line 3, delete the new language

Page 5, after line 14, insert:

"(b) When a child has been delivered to a shelter care facility, the supervisor of the facility shall deliver to the court a signed report acknowledging receipt of the child stating the time of the child's arrival. The supervisor of the facility shall ascertain from the report of the person who has taken the child into custody whether the child's parent, guardian or custodian has been notified of the placement of the child at the shelter care facility and its location, and the supervisor shall follow any instructions concerning notification contained in that report."

Pages 5 to 10, delete sections 9 to 15

Renumber the sections

Amend the title as follows:

Page 1, line 5, delete "defining the"

Page 1, delete lines 6 to 19

Page 1, line 20, delete "the case record;"

Page 1, line 21, delete "254A.09;"

Page 1, line 22, delete "and" and insert a comma and after "6" insert ", and by adding a subdivision"

Page 1, line 23, delete "260.191, Subdivision 1; 626.556,"

Page 1, line 24, delete "Subdivisions 2, 3, 7, 8 and 11;"

With the recommendation that when so amended the bill pass.

The report was adopted.

Swanson from the Committee on Health and Welfare to which was referred:

H. F. No. 1499, A bill for an act relating to the hospitalization and commitment of persons who are mentally ill, mentally ill and dangerous, mentally deficient, or inebriate; providing for informal hospitalization by consent, involuntary emergency hospitalization and for involuntary commitment by civil judicial procedures; providing for rights of persons hospitalized under voluntary, emergency or involuntary judicial procedures; requiring pre-petition screening prior to filing a petition for commitment; providing for commitment hearings and procedures in conformance with due process; requiring a final hearing within 60 days before final determination of commitment; providing for commitment for determinate periods; providing for provisional discharge and partial hospitalization; requiring special review boards for mentally ill and dangerous and psychopathic personalities; establishing review boards for civilly committed persons; providing penalties; proposing new law coded in Minnesota Statutes, Chapter 253A; repealing Minnesota Statutes 1980, Sections 253A.01 to 253A.21.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [253A.30] [CITATION.]

Sections 1 to 27 may be cited as the "Minnesota Hospitalization and Commitment Act of 1982."

Sec. 2. [253A.35] [DEFINITIONS.]

Subdivision 1. [DEFINITIONS.] For purposes of sections 1 to 27, the terms defined in this section have the meanings given them.

Subd. 2. [PATIENT.] "Patient" means any person who is hospitalized or committed under sections 1 to 27.

Subd. 3. [MENTALLY ILL PERSON.] "Mentally ill person" means any person who has a severe impairment of mental or emotional processes, impaired ability to perceive reality or to reason or understand, which impairment is manifested by instances of grossly disturbed behavior or faulty perceptions. This impairment does not include (a) epilepsy, (b) mental retardation, (c) brief periods of intoxication caused by substances such as alcohol or drugs, or (d) dependence upon or addiction to any substance such as alcohol or drugs. The proposed patient's recent conduct as a result of mental illness must pose a substantial likelihood of physical harm to himself or others, in that either (i) there has been a recent attempt or threat to physically harm himself or others, or (ii) the person has failed to provide necessary food, clothing, shelter or medical care for himself.

Subd. 4. [A PERSON MENTALLY ILL AND DANGEROUS TO THE PUBLIC.] A "person mentally ill and dangerous to the public" is a person who is mentally ill and who as a result of that mental illness presents a clear danger to the safety of others. To establish that this clear danger exists, the court must find that the person has engaged in a recent overt act causing or attempting to cause serious physical harm to another and that there is a substantial likelihood that the person will engage in acts capable of inflicting serious physical harm on another.

Subd. 5. [MENTALLY RETARDED PERSON.] "Mentally retarded person" means any person who has been diagnosed as having significantly subaverage intellectual functioning existing concurrently with demonstrated deficits in adaptive behavior. The person must be so deficient in daily living skills, self-control or the conduct of his affairs and social relations that commitment to a treatment facility is necessary for his own welfare or the protection of society. It must be shown (i) that he is unable and has not cared for his own needs for food, clothing, shelter, safety or medical care or (ii) that he has failed to protect himself from exploitation from others or (iii) that he has attempted to seriously physically harm himself or others.

Subd. 6. [CHEMICALLY DEPENDENT PERSON.] "Chemically dependent person" means any person determined as being incapable of managing himself or his affairs by reason of the habitual and excessive use of intoxicating liquors, narcotics, or other drugs. The proposed patient's recent conduct must pose a substantial likelihood of serious physical harm to himself or others, in that (i) there has been a recent attempt or threat to seriously physically harm himself or others, or (ii)

there is evidence of recent serious physical problems as a result of habitual and excessive use of intoxicating liquors, narcotics or other drugs, or (iii) there exists failure to provide necessary food, clothing, shelter or medical care for himself.

Subd. 7. [EXAMINER.] "Examiner" means a licensed physician or a licensed consulting psychologist, either of whom shall be knowledgeable and trained in the diagnosis and treatment of the alleged impairment.

Subd. 8. [LICENSED PHYSICIAN.] "Licensed physician" means a person licensed under the laws of Minnesota to practice medicine or a medical officer of the government of the United States while in Minnesota in performance of his official duties.

Subd. 9. [TREATMENT FACILITY.] "Treatment facility" means a public or private hospital, community mental health center, or other institution or part thereof qualified to provide care and treatment for mentally ill, mentally retarded, or chemically dependent persons.

Subd. 10. [HEAD OF THE TREATMENT FACILITY.] "Head of the treatment facility" means the physician or other professional or his designee who is charged with overall responsibility for the professional program of care and treatment of the facility.

Subd. 11. [COMMISSIONER.] "Commissioner" means the commissioner of public welfare or his designees.

Subd. 12. [EMERGENCY TREATMENT.] "Emergency treatment" means the treatment of a patient under the provisions of section 5 which is necessary to protect the patient or others from immediate harm.

Subd. 13. [INTERESTED PERSON.] "Interested person" means an interested responsible adult, including but not limited to a public official, the legal guardian, spouse, parent, legal counsel, adult child, or next of kin of a person allegedly mentally ill, mentally retarded, or chemically dependent. The term shall include the proposed patient and may include a person designated by the proposed patient.

Subd. 14. [PEACE OFFICER.] "Peace officer" means a sheriff, or municipal or other local police officer, or a state highway patrol officer when engaged in the authorized duties of his office.

Subd. 15. [HEALTH OFFICER.] "Health officer" means a licensed physician, licensed consulting psychologist, psychiatric social worker, or psychiatric or public health nurse and formally

designated members of the pre-petition screening unit established to carry out the duties of section 7, subdivision 1.

Subd. 16. [LICENSED CONSULTING PSYCHOLOGIST.] "Licensed consulting psychologist" means a person as defined by section 148.91, subdivision 4.

Subd. 17. [COMMITTING COURT.] "Committing court" means probate court.

Subd. 18. [REGIONAL CENTER.] "Regional center" means any state operated facility or hospital for mentally ill, mentally retarded or chemically dependent persons which is under the direct administrative authority of the commissioner of public welfare.

Subd. 19. [DESIGNATED AGENCY.] "Designated agency" means an agency selected by the county board to provide the services under this chapter.

Sec. 3. [253A.40] [RIGHTS OF PATIENTS.]

Subdivision 1. [RESTRAINTS.] Restraints shall not be applied to a patient unless the head of the treatment facility or a member of the medical staff determines that they are necessary for the safety of the patient or others. Each use of a restraint and reason therefor shall be made part of the clinical record of the patient under the signature of the head of the treatment facility.

Subd. 2. [CORRESPONDENCE.] Any patient may correspond by sealed mail or otherwise, freely without censorship. Correspondence rights may be restricted by the head of the treatment facility only if he determines that the medical welfare of the patient so requires. The determination may be reviewed by the commissioner. Any mail or other communication which is not delivered to the patient for whom it is intended shall be immediately returned to the sender. Any limitation imposed by the head of the treatment facility on the exercise of a patient's correspondence rights and the reason for such limitation shall be made a part of the clinical record of the patient.

Subd. 3. [VISITORS AND PHONE CALLS.] Subject to the general rules of the treatment facility and subject to the determination by the head of the treatment facility that it is necessary for the medical welfare of the patient to impose restrictions, every patient shall be entitled to receive visitors and make phone calls except that the head of the treatment facility may impose restrictions on the visits and phone calls only if he finds restrictions are necessary for the medical welfare of the patient. Any limitation imposed on the exercise of the patient's visitation and

phone call rights and the reason for the limitation shall be made a part of the clinical record of the patient. The patient's personal physician, spiritual advisor and attorney shall be permitted to visit or call the patient at all reasonable times, and the patient shall not be denied the right to continue the practice of his religion in accordance with its tenets during his confinement.

Subd. 4. [PERIODIC ASSESSMENT.] The head of a treatment facility shall have the physical and mental condition of every patient assessed as frequently as necessary, but not less often than annually.

Subd. 5. [CONSENT FOR MEDICAL PROCEDURE.] (a) The following procedures apply to the obtaining of consent for any surgical or other medical procedure necessary to preserve the life or health of any committed patient, other than procedures relating to the treatment of mental illness, mental retardation or chemical dependency.

(b) The consent of an adult patient for such procedure shall be obtained and shall be sufficient, unless the patient has been adjudicated legally incompetent or unless the head of the treatment facility determines that the patient is not competent to give a knowing and informed consent.

(c) If the patient is subject to guardianship or conservatorship and the authority of the guardian or conservator includes the provision of medical care, the consent of the guardian or conservator for such procedure shall be obtained and is sufficient.

(d) If the head of the treatment facility determines that the patient is not competent to consent to the procedure and the patient has not been adjudicated incompetent, the determination, with reasons for the determination, shall be documented in the patient's chart. In such a case, consent for the surgery shall be obtained from the nearest proper relative. For this purpose, the following persons are considered proper relatives, in the order listed: the patient's spouse, parent, adult child, or sibling. If the nearest proper relatives cannot be located or refuse to consent to the procedure, the head of the treatment facility or another interested person may petition the committing court for approval for the surgical procedure or may petition an appropriate court for the appointment of a guardian or conservator. In the case of an emergency, when the nearest relatives cannot be located, the head of the treatment facility may give consent.

(e) Consent for a medical procedure upon a minor shall be governed by other provisions of law relating to the provision of medical services to minors. In the case of an emergency and when the persons ordinarily qualified to give consent cannot be located, the head of the treatment facility may give consent.

(f) *No person who consents to the performance of a surgical operation pursuant to the provisions of this subdivision shall be civilly or criminally liable for the performance or the manner of performing the operation. No person who acts within the scope of the authority conferred by the consent in the course of discharging his official duties shall be civilly or criminally liable for the performance of the operation, but this provision shall not affect any liability which he may incur as a consequence of the manner in which the operation is performed.*

Subd. 6. [PROGRAM PLAN.] *Every person committed or otherwise receiving services under sections 1 to 27 shall be entitled to receive proper care and treatment, best adapted, according to contemporary professional standards, to rendering further custody, institutionalization, or other services unnecessary. To this end the head of the treatment facility shall devise or cause to be devised for each person a written program plan which shall describe in behavioral terms the case problems, and the precise goals, including the expected period of time for treatment, and the specific measures to be employed. Each plan shall be reviewed at not less than quarterly intervals to determine progress toward the goals, and to modify the program plan as necessary. The program plan shall be devised and reviewed in each instance with the designated agency and with the patient. The facility medical record shall attest to the program plan review. If the designated agency or the patient does not so participate in the planning and review, the facility medical record shall include reasons for non-participation and the plans for future involvement.*

For regional centers, the department of public welfare shall monitor the aforementioned program plan and review process to insure compliance with the provisions of this subdivision.

Subd. 7. [MEDICAL RECORDS.] *Every person admitted under sections 1 to 27 and every person with respect to whom a petition for commitment has been filed under this chapter, shall, notwithstanding the provisions of Minnesota Statutes, Section 144.335, Subdivision 2, have complete access to all medical records relevant to commitment proceedings.*

Sec. 4. [253A.50] [INFORMAL ADMISSION PROCEDURES FOR MENTALLY ILL, MENTALLY RETARDED, AND CHEMICALLY DEPENDENT PERSONS.]

Subdivision 1. [MENTAL ILLNESS; RETARDATION.] *Informal admission by consent is preferred over involuntary commitment. Any person, if he so requests and the head of the treatment facility consents, may be admitted to a treatment facility as an informal patient for observation, evaluation, diagnosis, care and treatment for mental illness or mental retardation, without making formal written application. Consent for such admission shall not be arbitrarily withheld. Each patient*

admitted under this section shall be informed in writing at the time of his admission that he has a right to leave the facility within 12 hours of his request, unless held under another provision of sections 1 to 27.

Subd. 2. [CHEMICAL DEPENDENCY.] Any person desiring to receive care and treatment at a treatment facility as a chemcially dependent person may be admitted to the treatment facility upon his application. If the person requests to leave the treatment facility, the request shall be submitted in writing to the head of the treatment facility. If the person in writing demands his release, the head of the treatment facility may detain the person for three days, exclusive of Saturdays, Sundays and legal holidays, after the date of the demand for release. If the head of the treatment facility deems the release not to be for the best interest of the person, his family, or the public, he shall petition for the commitment of the person as provided in section 7.

Subd. 3. [AGE OF CONSENT.] Any person 16 years of age or older shall be of sufficient age to apply for and consent to informal admission under this section, and such a person may not be informally admitted under this section without his consent.

Sec. 5. [253A.51] [EMERGENCY HOSPITALIZATION OF MENTALLY ILL, MENTALLY RETARDED AND CHEMICALLY DEPENDENT.]

Subdivision 1. [EMERGENCY HOLD; STATEMENT.] Any person may be admitted or held for emergency care and treatment in a treatment facility with the consent of the head of the treatment facility upon a written statement by an examiner that he has examined the person not more than 15 days prior to the person's admission, that he is of the opinion, for stated reasons, that the person is mentally ill, mentally retarded or chemically dependent, and is in imminent danger of causing injury to himself or others if not immediately restrained, and that an order of the court cannot be obtained in time to prevent such anticipated injury.

The statement shall be sufficient authority for a peace or health officer to transport a patient to a treatment facility. The examiner's reasons for the emergency hold shall be stated in behavioral terms and not in conclusory language. The stated reasons must be of sufficient specificity to provide an adequate record for review. A copy of the statement shall be personally served on the patient immediately upon hospitalization and inception of the 72 hour hold period. A copy of the statement shall be maintained by the treatment facility holding the patient.

Subd. 2. [PEACE OR HEALTH OFFICER HOLD.] (a) A peace or health officer may take a person into custody and transport him to a licensed physician or treatment facility if the officer has reason to believe that the person is mentally ill, mentally retarded or chemically dependent and in imminent danger of injuring himself or others if not immediately restrained. Application for admission of the person to a treatment facility shall be made by the peace or health officer and the application shall contain a statement given by the peace or health officer stating the circumstances under which the person was taken into custody and the reasons therefor. A copy of the statement shall be made available to the person taken into custody. The person may be admitted to a treatment facility for emergency care and treatment pursuant to this subdivision with the consent of the head of the facility if a written statement is made by the medical officer on duty at the facility that after preliminary examination the person has symptoms of mental illness, mental retardation or chemical dependency and appears to be in imminent danger of harming himself or others.

(b) A peace or health officer or a person working under the officer's supervision, may take a person who is intoxicated in public into custody and transport him to a licensed hospital, mental health center facility or a person on the staff of a state licensed or approved program equipped to treat drug dependent persons. Provided, if the person is not endangering himself or any other person or property the peace or health officer may transport the person to his home.

Application for admission of an intoxicated person to a hospital, mental health center or other state licensed or approved program equipped to treat chemically dependent persons shall be made by the peace or health officer, or a person working under the officer's supervision taking the person into custody, and the application shall contain a statement given by the peace or health officer stating the circumstances under which the person was taken into custody and the reasons therefor. The person may be admitted to a program or facility specified in this provision for emergency care and treatment with the consent of the institution program director or head of the facility.

Subd. 3. [DURATION OF HOLD.] Any person held pursuant to this section may be held up to 72 hours after admission, exclusive of Saturdays, Sundays, and legal holidays, unless a petition for the commitment of the person has been filed in the probate court of the county of residence or of the county wherein the facility is located and the court issues an order pursuant to section 7, subdivision 6. If the head of the facility believes that commitment is required and no other petition has been filed, he shall file a petition for the commitment of the person. Upon motion of the hospitalized person the venue of the petition shall be changed to the probate court of the county of the person's residence, if he be a resident of the state of Minnesota.

Subd. 4. [CHANGE OF LEGAL STATUS.] Any person admitted pursuant to this section shall be changed to the informal status provided by section 4 upon his request in writing and with the consent of the head of the treatment facility.

Sec. 6. [253A.52] [RIGHTS OF PATIENTS ADMITTED UNDER INFORMAL OR EMERGENCY PROCEDURES.]

Subdivision 1. [PATIENT'S RIGHT TO COMMUNICATION AND NOTICE THEREOF IN CASES OF INFORMAL OR EMERGENCY ADMISSIONS.] (a) From the time of his admission any patient admitted under the provisions of section 4 or 5 may communicate by all reasonable means with a reasonable number of persons at reasonable hours of the day and night, and may consult privately with an attorney, personal physician and at least one member of his family.

(b) Any patient admitted under the provisions of section 4 shall be informed in writing of his right to leave the treatment facility as provided in section 4 subject to other provisions of sections 1 to 27, and of his right to communicate as specified in clause (a).

(c) Any patient admitted under the provisions of section 5, subdivisions 1 and 2, shall be informed of his right to communicate as specified in clause (a), and of his right to discharge and change of venue under section 5, subdivision 3.

(d) The head of the treatment facility shall assist any patient in making and presenting written requests for discharge and change of venue.

Subd. 2. [MEDICAL EXAMINATION OF PERSONS ADMITTED OTHER THAN BY JUDICIAL PROCEDURE.] (a) The head of a treatment facility shall arrange to have every patient hospitalized pursuant to section 4 or 5 examined by a physician forthwith, but in no event more than 48 hours following the date of admission.

(b) At the end of such period any patient admitted pursuant to section 5 shall be discharged if an examination has not been held or if upon examination the examiner fails to notify the head of the treatment facility in writing that in his opinion the patient is apparently in need of care, treatment, and evaluation as a mentally ill, mentally retarded, or chemically dependent person.

Sec. 7. [253A.53] [JUDICIAL COMMITMENT OF MENTALLY ILL, MENTALLY RETARDED OR CHEMICALLY DEPENDENT PERSONS.]

Subdivision 1. [PRE-PETITION SCREENING.] (a) Prior to filing a petition for commitment of a proposed patient

pursuant to subdivision 7, a prospective petitioner shall apply to the designated agency in the county of the proposed patient's settlement or presence for conduct of a preliminary investigation.

(b) Each designated agency shall provide for a pre-petition screening process to include the following:

(i) a personal interview with the proposed patient and other individuals who appear to have knowledge of the condition of the proposed patient. If the proposed patient is not interviewed, reasons for the failure to interview must be documented;

(ii) exploration of all suitable alternatives to commitment available to the proposed patient. Where no suitable alternatives are available, identification of the type of alternative to commitment, if any, which would be suitable;

(iii) identification and listing the reasons for rejecting or recommending each alternative to involuntary placement; and

(iv) identification and investigation of specific alleged conduct which is the basis for application.

(c) In conducting the investigation required by this subdivision, the pre-petition screening team shall, with respect to proposed patients currently in treatment facilities, have access to all relevant medical records. Data collected pursuant to this clause shall be considered private data within the meaning of sections 15.1611 to 15.1699.

(d) Where the pre-petition screening team recommends commitment, a report of the pre-petition investigation shall be transmitted in written form to the county attorney for the county in which the petition is to be filed. When requested to do so, the county attorney shall assist in drafting the petition for commitment.

(e) Upon completion of the investigation, the pre-petition screening team shall refuse to support a petition if the proposed patient is willing to enter treatment voluntarily or if it appears that the clinical evidence does not warrant commitment.

(f) Where an interested person wishes to proceed with a petition contrary to the recommendation of the pre-petition screening team, application may be made directly to the county attorney, who may, in the exercise of his sound discretion, determine whether or not to proceed with the petition. Notice of the county attorney's determination shall be provided to the interested party.

(g) Where the court, in a criminal proceeding, petitions for commitment pursuant to the rules of criminal procedure, the preliminary investigation required by this section need not be completed prior to the filing of the petition. Such investigation must be completed, however, within seven days after the filing of the petition.

Subd. 2. [THE PETITION.] Any interested person may file in the probate court of the county of the proposed patient's settlement or presence a petition for commitment of a proposed patient, setting forth the name and address of the proposed patient, the name and address of his nearest relatives, and the reasons for the petition. The petition must contain factual descriptions of the proposed patient's recent behavior; including a description of the behavior, where it occurred, and over what period of time it occurred. Each factual allegation must be supported by observations of witnesses who are named in the petition. Petitions shall contain factual statements in behavioral terms and shall not contain judgmental or conclusory statements. The petition shall be accompanied by a written statement by a licensed physician or licensed consulting psychologist, either of whom shall be knowledgeable and trained in the diagnosis and treatment of the impairment alleged in the petition, stating that he has examined the proposed patient within the 15 days preceding the filing of the petition and is of the opinion that the proposed patient is suffering a designated mental disorder or impairment and should be committed to a treatment facility. Where a petitioner has been unable to secure a written statement from an examiner, the petition shall be accompanied by documentation that a reasonable effort has been made to secure the supporting statement.

Subd. 3. [EXAMINERS.] After a petition has been filed under subdivision 2, the probate court shall appoint an examiner, knowledgeable and trained in the diagnosis and treatment of the mental impairment alleged in the petition, and shall at the patient's request appoint a second examiner of the patient's choosing to be paid for by the county at a rate of compensation to be fixed by the court.

Subd. 4. [PRE-HEARING EXAMINATION; NOTICE AND SUMMONS PROCEDURE.] A summons to appear for pre-hearing examination and hearing shall be served upon the proposed patient. A plain language notice of the proceedings and notice of the filing of the petition, a copy of the petition, a copy of the physician's supporting statement, and the order for examination and a copy of the pre-petition screening report shall be given to the proposed patient, his counsel, the petitioner, one other interested person, and such other persons as the court directs. All papers shall be served personally on the proposed patient and unless otherwise ordered by the court such notice shall be served on the proposed patient by a non-uniformed person.

Subd. 5. [PRE-HEARING EXAMINATION; REPORT.] *The examination shall be held at a treatment facility or such other suitable place as the court shall determine is not likely to have a harmful effect on the health of the proposed patient. No persons other than the proposed patient's counsel shall be present during the examination unless authorized by the examiner. The court shall require the examiner to file with the court, prior to the hearing two copies of his report as to the condition of the proposed patient and his need for commitment for treatment. The examiner's report shall be filed with the probate court no less than 48 hours before the hearing and copies shall be sent to the proposed patient and his attorney.*

Subd. 6. [APPREHEND AND HOLD ORDERS.] *When there has been either a particularized showing by the petitioner that serious imminent physical harm is likely unless the proposed patient is apprehended or when the proposed patient has not voluntarily appeared for the examination or hearing pursuant to summons issued under subdivision 4, the court may direct a health or peace officer or any other person to take the proposed patient into custody and transport him to a public treatment facility or private treatment facility consenting to receive him, for observation, evaluation, diagnosis, emergency treatment, care, and if necessary, confinement. The order of the court may be executed on any day and at any time thereof, by the use of all necessary means including the imposition of necessary restraint upon the person of the proposed patient. Unless otherwise ordered by the court, a peace officer taking the proposed patient into custody pursuant to this subdivision shall not be in uniform and shall not use a motor vehicle visibly marked as a police vehicle.*

Subd. 7. [PROBABLE CAUSE HEARING.] (a) *No person may be held pursuant to subdivision 6 for longer than 72 hours exclusive of Saturdays, Sundays, and legal holidays, unless the court holds a preliminary hearing and determines that probable cause exists to continue to hold the person.*

(b) *The proposed patient, his counsel, the petitioner, the county attorney, one other interested person and such other persons as the court directs shall be given at least 24 hours written notice of the time, date and place of the preliminary hearing. The notice shall inform the proposed patient of the alleged grounds for confinement. The proposed patient shall be represented at the preliminary hearing by counsel, either retained or appointed.*

(c) *Hearsay evidence, including written reports, may be relied upon at the preliminary hearing, if the court finds the evidence to be reliable. The court may order the continued holding of the proposed patient if it finds, by a preponderance of the evidence, that there is imminent danger that the patient may cause serious physical harm to himself or others if not confined.*

Subd. 8. [TIME FOR COMMITMENT HEARING.] The court shall fix a time and place for the hearing on the commitment petition which shall be held within 14 days from the date of the filing of the petition. For good cause shown, the court may extend the time of hearing up to an additional 30 days. When any proposed patient has not had a hearing on a petition filed for his commitment within 14 days from the date of filing of the petition, or within the extended time, the proceedings shall be dismissed. The proposed patient, or the head of the treatment facility in which the patient is held, may demand in writing at any time that the hearing be held immediately. Unless the hearing is thereafter held within five days of the date of such demand, exclusive of Saturdays, Sundays and legal holidays, the petition shall be automatically discharged if the patient is being held in a hospital or other institution pursuant to court order. For good cause shown, the court may extend the time of hearing on demand up to an additional ten days.

Subd. 9. [NOTICE OF HEARING.] The proposed patient, his counsel, the petitioner, one other interested person, and such other persons as the court directs shall be given at least five days' notice by the court that a hearing will be held and at least two days' notice of the time and date of the hearing, except that any person may waive notice. Notice to the proposed patient may be waived by patient's counsel. If the proposed patient has no settlement in this state, the commissioner shall be notified by the court of the proceedings.

Subd. 10. [RIGHT TO ATTEND AND TESTIFY.] All persons to whom notice has been given pursuant to subdivision 9 may attend the hearing and, except for the proposed patient's legal counsel, may testify. The court shall notify all such persons of their right to attend the hearing and to testify.

Subd. 11. [WITNESSES.] The proposed patient and the petitioner may present and cross-examine witnesses, including examiners, at the hearing and the court may in its discretion receive the testimony of any other person. Opinions of court-appointed examiners shall not be admitted into evidence unless the examiner is present to testify, except by agreement of the parties.

Subd. 12. [ABSENCE PERMITTED.] The court in its discretion may permit the proposed patient to waive his right to attend the hearing if the court determines that the waiver is freely given. All waivers shall be on the record. The court may exclude from the hearing any person not necessary for the conduct of the proceedings except those persons to whom notice was given pursuant to subdivision 9 and any other persons requested to be present by the proposed patient. At the time of the hearing the patient shall not be so under the influence or so suffer the effects of drugs, medication, or other treatment as to be hampered in preparing for or participating in the proceedings. When in the

opinion of the licensed physician or licensed consulting psychologist attending the patient the discontinuance of drugs, medication, or other treatment is not in the best interest of the patient, the court at the time of the hearing, shall be presented a record of all drugs, medication or other treatment which the patient has received during the 48 hours immediately prior to the hearing.

Subd. 13. [PLACE OF HEARING.] The hearing shall be conducted in a manner consistent with orderly procedure. The hearing shall be held at a court room which may be at a treatment facility.

Subd. 14. [RECORD REQUIRED.] In all proceedings the court shall keep accurate minutes containing, among other appropriate materials, notations of appearances at the hearing, including witnesses, motions made and the disposition thereof, and all waivers of rights made by the parties. The court shall have taken and preserved an accurate stenographic record or tape recording of the proceedings.

Subd. 15. [FINDINGS.] (a) In all cases the court shall find the facts specifically, state separately its conclusions of law thereon, and direct the entry of an appropriate judgment. Where commitment is ordered, the findings of fact and conclusions of law shall specifically include the proposed patient's conduct which is a basis for determining that each of the requisites of section 2 is met.

(b) If commitment is ordered, the findings shall also include a listing of less restrictive alternatives considered and rejected by the court and the reasons for rejecting each alternative.

Subd. 16. [EVIDENCE.] The court shall hear any relevant testimony and shall receive all relevant evidence which may be offered at the hearing. The court shall not be bound by the evidence presented by the examiners but shall make its determination upon the entire record pursuant to the rules of evidence.

Sec. 8. [253A.54] [RIGHT TO COUNSEL.]

In all proceedings the county attorney may appear and represent the petitioner or shall appear and represent the petitioner upon the request of the judge of probate court, subject to the prosecutorial discretion permitted by section 7, subdivision 1, clause (f). The petitioner shall be notified of his right to request that the county attorney appear. The proposed patient shall have the right to be represented by counsel, and if neither the proposed patient nor others provide counsel, the court at the time when the petition is filed shall appoint counsel to represent the proposed patient. Counsel shall consult with the proposed patient prior to the hearing and shall be given adequate time to prepare therefor. Counsel appointed or retained to represent a proposed

patient shall continue to represent the patient throughout any proceedings held pursuant to sections 1 to 27, unless and until the court releases counsel pursuant to the request of counsel or the patient or until the patient furnishes his own counsel who makes a formal appearance in the proceeding. In this, as in all proceedings relative to commitment, counsel's role shall be to function as a vigorous advocate on behalf of his client. Counsel shall have the full right of subpoena.

Sec. 9. [253A.55] [COMMITMENT OF MENTALLY ILL, MENTALLY RETARDED AND CHEMICALLY DEPENDENT PERSONS; STANDARD OF PROOF AND DURATION OF INITIAL COMMITMENT.]

(a) If upon completion of the hearing, the court finds by clear and convincing evidence that the proposed patient is a mentally ill, mentally retarded, or chemically dependent person within the meaning of section 2, the court, after careful consideration of all reasonable alternative dispositions appropriate to the proposed patient's disability, shall commit such patient to a public treatment facility or to a private treatment facility consenting to receive him.

(b) For persons committed as mentally ill or mentally retarded, initial commitment shall be for a period of time not to exceed 60 days and there shall be a review of the commitment at the end of 60 days in accord with provisions of section 15.

(c) For persons committed as chemically dependent, the initial commitment shall be for a period of time not to exceed 45 days. Any subsequent commitment, within the 24 month period that begins with the day of a final discharge from commitment, shall be for a period of time not to exceed 60 days. There shall be a review of this second commitment at the end of 60 days in accord with the provisions of section 15. Commitment proceedings initiated two years or more after a previous final discharge may, after a review by the court of all relevant facts concerning the previous commitment and present circumstances, be treated by the committing court as a petition for initial commitment, subject to petitioner's right to present competent evidence as to why the petition should not be treated as a petition for initial commitment.

Sec. 10. [253A.56] [RELEASE BEFORE COMMITMENT.]

(a) After the commitment hearing and before a commitment order has been issued, the court may release a proposed patient to the custody of any individual or agency upon such conditions guaranteeing the care and treatment of such patient; but no per-

son against whom a criminal proceeding is pending shall be so released.

(b) The court, on its own motion or upon the petition of any person, and after a hearing upon the notice as it directs, may revoke any release and commit the proposed patient in such manner as provided in sections 1 to 27.

Sec. 11. [253A.57] [SEALING OF RECORDS.]

Upon petition by a person who has been the subject of a judicial commitment proceeding, the probate court for the county in which the petitioner resides shall consider the sealing of all judicial records of the commitment proceedings initiated against the petitioner. The court may seal the commitment records if it finds that access to the records creates undue hardship for the petitioner. All hearings held in proceedings under this section shall be held in closed court. The files and records of the court in proceedings under this section shall not be open to inspection by any person except the petitioner, or to other persons only upon order by the court.

Sec. 12. [253A.58] [COMMITMENT PROCEDURES.]

Subdivision 1. [ADMINISTRATIVE REQUIREMENTS.]

(a) Whenever a person is committed under sections 1 to 27, the court shall issue a warrant in duplicate, committing the patient to the custody of the head of the treatment facility and the patient shall be transported to the treatment facility as provided in subdivision 2.

(b) Upon delivery of a patient committed under sections 1 to 27, to the designated treatment facility, the head of the facility shall retain the duplicate warrant and endorse his receipt upon the original warrant, which shall be filed in the court of commitment. After such delivery the patient shall be under the control and custody of the head of the designated facility.

(c) A copy of the petition for commitment, a copy of the court's findings of fact and conclusions of law, a copy of the court order committing the patient, a copy of the report of the examiners, and a copy of the pre-petition report shall accompany the patient to the facility receiving the person.

(d) The court shall determine the nature and extent of the patient's property and the nature and extent of the property of the persons upon whom liability for the patient's care and support is imposed by law. One copy of findings shall be filed with the court and, in the case of persons committed to regional facilities, another copy shall be transmitted to the commissioner.

Subd. 2. [TRANSPORTATION.] (a) Whenever an individual is about to be placed in a treatment facility under the terms of sections 1 to 27, the court may by order:

(i) Authorize the designated agency or treatment facility personnel to transport the individual to the designated facility if the head of the designated agency or treatment facility has advised the court that such personnel are available for the purpose.

(ii) Authorize an interested or any other responsible person to transport the individual to the designated facility.

(iii) Authorize a peace officer to transport the individual to the designated facility. Unless otherwise ordered by the court, the peace officer shall not be in uniform and shall use a motor vehicle not visibly marked as a police vehicle.

(b) In addition to the persons ordered by the court to transport the patient, the patient may be accompanied by one or more interested persons.

(c) Whenever a patient being committed under sections 1 to 27 requests a change of venue as provided in sections 1 to 27, or whenever a hearing is to be held for adjudication of a patient's status pursuant to section 22, the transportation of said patient to the hearing shall be provided by the commissioner.

Subd. 3. [PLACES OF TEMPORARY CONFINEMENT.]

(a) Except when ordered by the court pursuant to a finding of necessity to protect the life of the proposed patient or others, no person apprehended, detained, or admitted as mentally ill, mentally retarded, or chemically dependent under any provision of sections 1 to 27 shall be confined in jail or in any penal or correctional institution, except pursuant to chapters 242 or 244.

(b) Each county or a group of counties or other political subdivisions shall maintain or provide by contract a facility for confinement of persons held temporarily for observation, evaluation, diagnosis, treatment, and care, and when the confinement is provided at a regional center the commissioner shall charge the responsible county, and shall be paid, at a rate based on the commissioner's determination of the average per capita cost of all maintenance, treatment and expense, other than that paid from the Minnesota state building fund, for persons hospitalized pursuant to section 5, subdivision 2 and section 7, subdivision 6 at all of the regional centers for the mentally ill during the fiscal year previous to the period for which billing is being made.

(c) A facility for confinement may consist of all or a portion of a hospital, licensed nursing home, licensed foster home,

or other facility, but shall not be part of a facility used primarily for the detention of individuals charged with or convicted of penal offenses.

(d) *The designated agency shall take reasonable measures, including provision for medical treatment, as may be necessary to assure proper care and treatment of a person temporarily detained pursuant to this section.*

Subd. 4. [NOTICE OF ADMISSION TO TREATMENT FACILITY.] *Whenever a patient has been admitted to a treatment facility under the provisions of sections 9 and 23, the head of the facility shall notify forthwith the patient's spouse or parent, if the patient was not admitted upon the petition of the spouse or parent, and the county of the patient's legal settlement if the county may bear a portion of the cost of hospitalization. If the patient was admitted upon the petition of a spouse or parent the head of the treatment facility shall notify an interested person other than the petitioner.*

Subd. 5. [PRIVATE HOSPITALIZATION.] *Patients or other responsible persons are required to pay the necessary hospital charges for patients committed or transferred to private hospitals or institutions.*

Sec. 13. [253A.59] [TRANSFER TO INFORMAL STATUS.]

At any time prior to the expiration of the 60-day period a patient who has not been committed as mentally ill and dangerous to the public or as a psychopathic personality may be transferred to informal status upon his application in writing with the consent of the head of the facility. Upon such transfer the head of the treatment facility shall immediately notify the court in writing and upon receipt of the same the court shall terminate the proceedings.

Sec. 14. [253A.60] [SIXTY-DAY REPORT FOR PERSONS COMMITTED AS MENTALLY ILL, MENTALLY RETARDED, OR CHEMICALLY DEPENDENT.]

Whenever a patient is committed to a treatment facility pursuant to section 9, it shall be for not more than 60 days and the patient shall be held at the facility during the period for observation, evaluation, diagnosis, treatment, and care. Every patient admitted to a facility under section 9 shall be examined by at least one examiner as soon as practicable after admission. Within 60 days from the date of the commitment order, the head of the facility shall file a written statement with the court issuing said order, and a copy thereof with the patient and the patient's attorney, setting forth in detailed narrative form at least the following: (1) the diagnosis of the patient with supporting data; (2) the anticipated discharge date; (3) an in-

dividualized treatment plan; (4) a detailed description of the discharge planning process with suggested after care plan; (5) whether the patient is in need of further care and treatment with evidence to support the response; (6) whether the care and treatment must be provided in a hospital or other treatment facility with evidence to support the response; (7) whether in his opinion the patient must be committed to a treatment facility; (8) whether in his opinion the patient continues to satisfy the statutory requirement for commitment as set forth in section 2, with documentation of the factual data to support the opinion.

Sec. 15. [253A.61] [SIXTY-DAY REVIEW; HEARING.]

Subdivision 1. [BASIS FOR DISCHARGE.] If no written statement is filed within 60 days or if the written statement describes the patient as not in need of further institutional care and treatment, the proceedings shall be terminated by the court and the patient shall be discharged from the treatment facility.

Subd. 2. [WEIGHT GIVEN TO REPORT.] If the written statement required by section 14 describes the patient as being in need of further care and treatment in a treatment facility, the court shall consider that finding in making its final determination under this section.

Subd. 3. [HEARING; STANDARD OF PROOF.] The probate court shall not make a final determination of commitment unless a hearing is held and the court finds by clear and convincing evidence that (1) the person continues to be mentally ill, mentally retarded or chemically dependent within the meaning of section 2; (2) involuntary commitment is necessary for the protection of the patient or others; and (3) there is no less restrictive alternative to involuntary commitment.

Subd. 4. [TIME FOR HEARING.] The hearing shall be held within 14 days after receipt by the court of the statement of the head of the treatment facility. The court may continue the hearing for good cause shown.

Subd. 5. [NOTICE.] The patient, his counsel, the petitioner, and such other persons as the court directs shall be given at least five days notice by the court of the time and place of the hearing.

Subd. 6. [WAIVER.] A patient, after consultation with his attorney, may waive the hearing. The waiver must be submitted to the probate court and must be in writing and signed by both the patient and his attorney.

Subd. 7. [EXAMINATION.] The court shall inform the patient that he is entitled to an independent examination by an examiner, who may be chosen by the patient and shall be appointed in accordance with provisions of section 7, subdivision 3.

Subd. 8. [RECORD REQUIRED.] Where commitment is ordered the findings of fact and conclusions of law shall specifically state the conduct of the proposed patient which is the basis for the final determination, that the statutory criteria of section 2 continue to be met, and that less restrictive alternatives have been considered and rejected by the court. Reasons for rejecting each alternative shall be stated. A copy of the final order for commitment shall be forwarded to the head of the treatment facility.

Sec. 16. [253A.62] [DURATION OF COMMITMENT.]

Subdivision 1. [MENTALLY ILL PERSONS.] If at the conclusion of a hearing held pursuant to section 15, it is found that a person continues to be mentally ill within the meaning of section 2, the court shall order commitment of the person for a period not to exceed 16 months. Commitment may be continued only if a new petition is filed in accordance with section 7 and hearing and determination made thereon.

Subd. 2. [MENTALLY RETARDED PERSONS.] If at the conclusion of a hearing held pursuant to section 15, it is found that a person continues to be mentally retarded within the meaning of section 2, the court shall order commitment of the person for a period not to exceed one year from the date on which the order is issued. Annual renewal of that commitment shall be required as follows:

(a) Thirty days prior to the expiration of the annual commitment period the head of the treatment facility shall file a written statement with the court and a copy thereof with the commissioner and the patient's attorney, setting forth findings as to the condition of the patient; a diagnosis of the patient; whether the patient is in need of further care and treatment; whether the care and treatment, if any, must be provided in a treatment facility and if so what type or whether the patient should be moved to some less restrictive setting.

(b) If no written statement is filed within the required time or if the written statement describes the patient as not in need of further institutional care and treatment, the proceedings shall be terminated by the court and the patient shall be discharged from the facility.

(c) If the written statement describes the patient as being in need of further institutional care and treatment, the court shall consider that finding in making its final determination.

(d) In addition, the committing court may examine the patient's records to determine if the patient has a need for further institutional care and treatment. The court may also request the patient to appear and make other pertinent inquiries with respect to the patient's present need for confinement.

(e) *If the court finds that the patient is not in need of further institutional care and treatment, the court shall recommend discharge to the head of the treatment facility who shall issue an order for discharge of the patient.*

(f) *If the court finds that that patient is in need of further institutional care and treatment, the court shall issue an order renewing the patient's commitment for an additional one year period.*

Subd. 3. [CHEMICALLY DEPENDENT PERSONS.] *If at the conclusion of a hearing held pursuant to section 15, it is found that a person continues to be chemically dependent within the meaning of section 2, the court shall order commitment of the person for a period of time not to exceed one year from the date of order.*

Sec. 17. [253A.63] [TRANSFER OF PERSONS COMMITTED AS MENTALLY ILL, MENTALLY RETARDED, OR CHEMICALLY DEPENDENT.]

The commissioner may transfer any patient who is committed by the probate court under section 9 from one regional center or institution to any regional center or other institution under his jurisdiction which is capable of providing the patient proper care and treatment. Whenever a patient is transferred from one treatment facility to another written notice shall be given to the probate court if the patient was committed under sections 1 to 27, and to his parent or spouse or, if none be known, to an interested person, and the designated agency.

Sec. 18. [253A.64] [PROVISIONAL DISCHARGE OF MENTALLY ILL, MENTALLY RETARDED, AND CHEMICALLY DEPENDENT PERSONS.]

Subdivision 1. [PROVISIONAL DISCHARGE.] (a) *The head of a treatment facility may provisionally discharge any patient committed under sections 1 to 27, that is, discharge the patient without discharging the commitment, unless the patient was found by the committing court to be mentally ill and dangerous to the public or to have a psychopathic personality.*

(b) *The patient may be placed on provisional discharge as described in this subdivision during the 60-day examination period, but will be subject to sections 1 to 27 unless the discharge is made absolute during the 60-day period.*

(c) *Each patient released on provisional discharge shall have an after care plan developed which specifies the expected period of provisional discharge, the precise goals for the granting of a final discharge, and conditions or restrictions on the patient during the period of the provisional discharge.*

The aftercare plan shall be reviewed on a quarterly basis by the patient, designated agency and other appropriate persons. The aftercare plan shall contain the grounds upon which a provisional discharge may be revoked. The provisional discharge shall terminate on the date specified in the plan unless specific action is taken to revoke or extend it.

Subd. 2. [REVOCAION OF PROVISIONAL DISCHARGE.] (a) *The head of the facility may revoke a provisional discharge if any of the following occur:*

(i) *The patient has departed from the conditions of the provisional discharge plan, and is in need of confinement.*

(ii) *The patient is exhibiting forms of behavior which require institutional care.*

(iii) *The patient is in imminent danger of causing injury to himself or others.*

When the possibility of revocation becomes apparent, the supervisory agency shall notify the patient and all participants in the plan, and every effort shall be made to prevent revocation.

(b) *Prior to revoking a provisional discharge, in non-emergency situations, the head of the facility shall receive a report from the designated agency documenting the specific facts upon which the revocation recommendation is based. Where possible, the report should include specific facts with respect to witnesses, dates and locations and should also include whether there are reasonable and viable alternatives to re-institutionalization. Within 48 hours of receiving the report, the head of the facility shall decide whether or not to revoke the provisional discharge. If a determination is made that revocation is appropriate, the head of the facility shall notify the court, the patient, the patient's attorney, the designated agency and other appropriate persons.*

(c) *If the head of the facility determines that an emergency exists, he may revoke the provisional discharge and, either orally or in writing, order that the patient be immediately returned to the hospital. In such cases, a revocation report, which documents the specific facts upon which revocation is based, shall be requested of the designated agency.*

(d) *Subsequent to any revocation, the patient must be provided a copy of the revocation report and informed in writing of his rights under sections 1 to 27.*

(e) *Upon revocation of a provisional discharge or if a patient is absent without authorization, the head of a facility may request the patient to return to the treatment facility voluntarily, and, when necessary, the court shall direct a health or peace of-*

ficer in the county where the patient is located to return the patient to the facility or to such other facility as consents to receive him for further care and treatment in such manner as provided in sections 1 to 27.

The expense of returning the patient to a hospital shall be paid for by the commissioner unless paid for by the patient or his relatives.

(f) During the first 60 days of a provisional discharge, the head of a facility may order re-institutionalization without being subject to the procedures set forth in clauses (a) to (d):

(g) Any patient aggrieved by a revocation decision made under this section may request a review of that revocation by notifying the head of the facility within 48 hours of receiving a copy of the revocation report, excluding Saturday, Sunday and holidays. Upon receipt of such a request, the head of the hospital shall file with the committing court a petition for review of the revocation. The court shall hold a hearing on the petition and may order continued hospitalization or a return to provisional discharge status.

Subd. 3. [VOLUNTARY RETURN.] A patient on provisional discharge under this section may request return to inpatient status as an informal patient. The patient may be transferred to informal inpatient status with the consent of the head of the treatment facility. If the request for readmission as an informal patient is not granted, the patient shall be informed that voluntary readmission will result in automatic revocation of the provisional discharge, without regard to the provisions of subdivision 2.

Subd. 4. [EXTENSION OF PROVISIONAL DISCHARGE.]
(a) A provisional discharge may be extended only in those circumstances where the patient has not achieved the goals set forth in the provisional discharge plan or continues to need the supervision or assistance provided by an extension of the provisional discharge. In determining whether the provisional discharge is to be extended, the head of the facility shall consider the willingness and ability of the patient to voluntarily obtain needed care and treatment.

(b) The designated agency shall recommend extension of a provisional discharge only after a preliminary conference with the patient and other appropriate persons. The patient shall be given the opportunity to object or make suggestions for alternatives to extension.

(c) Any recommendation for extension shall be made in writing to the head of the facility and to the patient at least 30 days prior to the expiration of the provisional discharge. The written recommendation submitted shall include: the specific grounds for recommending the extension, the date of the preliminary con-

ference and results, the anniversary date of the provisional discharge, the termination date of the provisional discharge and the proposed length of extension.

(d) The head of the facility shall issue a written decision regarding extension within five days after receiving the recommendation from the designated agency.

(e) In no event shall any provisional discharge, revocation, or extension extend the term of the commitment beyond the period provided for in the order issued pursuant to section 9 or 16.

Subd. 5. [EXPIRATION OF PROVISIONAL DISCHARGE.] *(a) At the end of the period specified in the provisional discharge or any extension of the provisional discharge and, in any event, at the end of the time period designated in the commitment order, the patient's discharge shall become absolute.*

(b) If, while on provisional discharge or extended provisional discharge, a patient is discharged as provided in section 20, the discharge shall be absolute.

(c) Notice of the expiration of the provisional discharge shall be given by the head of the treatment facility to the committing court, the commissioner, and the designated agency.

Sec. 19. [253A.65] [PARTIAL HOSPITALIZATION.]

The head of a treatment facility may place any patient committed pursuant to sections 1 to 27 on a status of partial hospitalization. The status shall allow the patient to be absent from the facility for certain fixed periods of time. The head of the facility may terminate the status at any time.

Sec. 20. [253A.66] [DISCHARGE OF PERSONS COMMITTED AS MENTALLY ILL, MENTALLY RETARDED AND CHEMICALLY DEPENDENT.]

The head of a treatment facility shall discharge any patient admitted as mentally ill, mentally retarded or chemically dependent when certified by him to be no longer in need of institutional care and treatment, and in any event, at the conclusion of any period of time specified in the commitment order.

Sec. 21. [253A.67] [NOTIFICATION OF DISCHARGE.]

(a) The head of any facility, prior to the discharge or provisional discharge of any committed person, shall notify the designated agency and the patient's spouse, of it there be no spouse, then an adult child, or if there be none, the next of

kin of the patient, of the proposed discharge. The notice shall be sent to the last known address of the patient's next of kin by certified mail with return receipt. The notice shall include the following: (1) the proposed date of discharge or provisional discharge; (2) the date, time and place of the meeting of the staff who have been treating the patient to discuss discharge and discharge planning; (3) that the patient will be present at the meeting; (4) that the next of kin may attend the designated staff meeting and present any information relevant to the discharge of the patient. The notice shall be sent to the next of kin at least one week prior to the date designated for the meeting.

Sec. 22. [253A.68] [JUDICIAL DETERMINATION OF NEED FOR INSTITUTIONALIZATION.]

Subdivision 1. [PETITION.] Any interested person including the patient himself may petition the court of commitment or the court to which venue has been transferred for an order adjudicating that any patient, except one committed as a psychopathic personality or mentally ill and dangerous under section 23, is not now in need of continued institutionalization or for an order adjudicating that an individual is not now mentally ill, mentally retarded, or chemically dependent, or for such other order as the court may deem just and equitable.

Subd. 2. [NOTICE OF HEARING.] Upon the filing of the petition the court shall fix the time and place for the hearing thereof, ten days' notice of which shall be given to the county attorney, the patient, his legal counsel, the head of the facility in which the patient resides, and such other persons and in a manner as the court directs. Any person may oppose the petition.

Subd. 3. [EXAMINERS.] The court may appoint an examiner knowledgeable and trained in the diagnosis and treatment of mental impairments and, at the patient's request, shall appoint a second examiner of the patient's choosing to be paid for by the county at a rate of compensation to be fixed by the court.

Subd. 4. [EVIDENCE.] The patient, the petitioner and the county attorney shall be entitled to be present and cross-examine witnesses including any examiners. The court shall hear any relevant testimony and shall receive all relevant evidence which may be offered at the hearing.

Subd. 5. [ORDER.] Upon proof of the allegations of the petition, the court shall enter an order adjudicating that the patient is not now in need of continued institutionalization and upon proper proof thereof shall order that an individual is not now mentally ill, mentally retarded, or chemically dependent, or may enter any other order as the court may deem equitable and just.

Subd. 6. [COUNTY ATTORNEY.] The county attorney shall attend the hearing and shall oppose the restoration of the patient in the probate court and in the appellate courts, if he deems it for the best interest of the public.

Subd. 7. [COPY.] A copy of said order shall be mailed to the head of the facility where the patient was last confined. The head of the facility, upon receipt thereof, shall then comply with such order.

Subd. 8. [ATTORNEY GENERAL.] The attorney general shall represent the commissioner in the proceedings.

Subd. 9. [RIGHT TO COUNSEL.] In all proceedings the patient shall be afforded an opportunity to be represented by counsel, and if neither the patient nor others provide counsel the court shall appoint counsel to represent the patient.

Sec. 23. [253A.69] [ADMISSION, TRANSFER, AND DISCHARGE PROCEDURES FOR PERSONS MENTALLY ILL AND DANGEROUS TO THE PUBLIC.]

Subdivision 1. [JUDICIAL COMMITMENT OF PERSONS MENTALLY ILL AND DANGEROUS TO THE PUBLIC.] A person may be committed as mentally ill and dangerous to a treatment facility upon court order in accord with the procedures outlined in sections 7 and 8. If upon completion of the hearing, the court finds by clear and convincing evidence that the proposed patient is mentally ill and dangerous to the public within the meaning of section 2, subdivision 4, it shall commit such person to the Minnesota Security Hospital, or to a regional center designated by the commissioner or to a private treatment facility consenting to receive him.

Subd. 2. [PROCEDURE.] Commitment under this section shall be carried out in accord with the provisions of section 12.

Subd. 3. [REVIEW.] There shall be a review of commitment at the end of 60 days. If no written statement is filed within 60 days or if the written statement describes the patient as not in need of further institutional care and treatment, the person shall not be automatically discharged, but a further hearing shall be held by the committing court within 14 days after the court's receipt of such statement. The committing court shall then make the final determination.

Subd. 4. [INDETERMINATE COMMITMENT.] At the hearing held pursuant to subdivision 3, the court may order commitment of the proposed patient for an indeterminate period of time. Subsequent to this final determination that a patient is mentally ill and dangerous or a psychopathic personality, the patient shall be transferred, provisionally discharged, dis-

charged, or have his commitment status altered only as provided in this section.

Subd. 5. [SPECIAL REVIEW BOARD.] (a) There shall be established by the commissioner one special review board for persons committed as mentally ill and dangerous or psychopathic personalities. The board shall consist of three members, each of whom shall be experienced in the field of mental illness. One member of the special review board shall be a physician qualified in the diagnosis of mental illness and one member shall be an attorney. No member shall be affiliated with the department of public welfare. The special review board shall meet at least every six months and be otherwise on call of the commissioner and shall hear and consider all petitions for transfer out of the Minnesota Security Hospital, all petitions relative to discharge, provisional discharge and revocation of provisional discharge and make recommendations to the commissioner concerning the same.

(b) Each member of the special review board shall receive compensation as established by the commissioner of public welfare for time spent in discharge of his official duties. In addition to the compensation so provided, each member of the special review board shall be reimbursed for all expenses paid or incurred by him in the performance of his official duties.

Subd. 6. [FILING OF PETITION; NOTICE OF HEARING; ATTENDANCE; ENTRY OF ORDER.] A petition for an order of transfer, discharge, provisional discharge, or revocation of provisional discharge shall be filed with the commissioner and may be filed by the patient or by the head of the hospital. The special review board shall be convened by the commissioner at reasonable intervals and shall hold a hearing on each petition prior to making any recommendation. Within 30 days of the filing of the petition, the probate court, the county attorney of the county of commitment, an interested person, the petitioner and his attorney, if any, shall each be given written notice by the commissioner of the time and place of the hearing before the special review board. Special review board hearings shall be considered private. Only those entitled to statutory notice of the hearing or those administratively required to attend may be present. Such persons shall also be given written notice of the making of any order by the commissioner and a copy of the order within five days after the making and entry of such order, the notice and copy thereof to be furnished by certified mail with return receipt. The commissioner shall issue orders no later than 14 days after receiving the recommendation of the special review board and no order by the commissioner shall be made effective sooner than 15 days after the making and entry of the order.

Subd. 7. [TRANSFER.] (a) Persons who have been found by the committing court to be dangerous to the public or a psychopathic personality shall not be transferred out of the

Minnesota Security Hospital unless it appears to the satisfaction of the commissioner, after a hearing before and a recommendation by a majority of the special review board appointed and acting under and pursuant to this section, that such transfer is appropriate. Transfer may be to other regional centers under the commissioner's control. In those instances where a commitment also exists to the department of corrections, transfer may be to a facility designated by the commissioner of corrections.

(b) The following factors are to be considered in determining whether a transfer is appropriate:

(i) the person's clinical progress and present treatment needs;

(ii) the need for security to accomplish continuing treatment;

(iii) the need for continued hospitalization;

(iv) which facility can best meet the person's needs; and

(v) whether transfer can be accomplished with a reasonable degree of safety for the public.

Subd. 8. [PROVISIONAL DISCHARGE; REVOCATION OF PROVISIONAL DISCHARGE.] (a) Persons who have been found by the committing court to be mentally ill and dangerous or a psychopathic personality shall not be provisionally discharged unless it appears to the satisfaction of the commissioner of public welfare, after a hearing before and a recommendation by a majority of the special review board appointed and acting under and pursuant to this section, that the patient is capable of making an acceptable adjustment to open society.

(b) The following factors are to be considered in determining whether a provisional discharge shall be recommended: whether conditions are such as to provide a reasonable degree of protection to the public and to assist the patient in adjusting to the community; and whether the patient's course of hospitalization and present mental status indicate there is no longer a need for in-hospital treatment and supervision.

(c) The provisional discharge plan shall be developed, implemented and monitored by the designated agency in conjunction with the patient, the treatment facility and other appropriate persons. The designated agency shall, at least quarterly, review the plan with the patient and submit a written report to the commissioner and the treatment facility concerning the patient's status and compliance with each term of the plan.

(d) *Provisional discharge pursuant to this section shall not automatically terminate. A full discharge shall occur only as provided in subdivision 9. The commissioner shall annually review the facts relating to the activity of a patient on provisional discharge and notify the patient that the terms of the provisional discharge shall continue unless the patient requests a change in the conditions of provisional discharge or unless the patient acts to petition the special review board for a full discharge and such discharge is granted.*

(e) *The head of the facility may revoke a provisional discharge if any of the following grounds exist:*

(i) *the patient has departed from the conditions of the provisional discharge plan;*

(ii) *the patient is exhibiting signs of a mental illness which may require in-hospital evaluation or treatment; or*

(iii) *the patient is exhibiting behavior which may be dangerous to self or others.*

(f) *In all non-emergency situations, prior to revoking a provisional discharge, the head of the facility shall receive a report from the designated agency outlining the specific reasons for recommending the revocation, including but not limited to the specific facts upon which the revocation recommendation is based. If the head of the facility determines that an emergency exists, he may revoke the provisional discharge and, either orally or in writing, order that the patient be immediately returned to the hospital. In such cases, a report documenting reasons for revocation shall be submitted by the designated agency within seven days after the patient is returned to the treatment facility.*

(g) *The patient must be provided a copy of the revocation report and informed orally and in writing of his rights under this section.*

(h) *After revocation of a provisional discharge or if the patient is absent without authorization, the head of the facility may request the patient to return to the hospital voluntarily, and when necessary may request public health personnel, welfare personnel, or a peace officer to return the patient to the hospital. The head of the facility shall inform the committing probate court of the revocation or absence and the court shall direct a health or peace officer in the county where the patient is located to return the patient to the hospital or to such other hospital or public health facility as consents to receive him for further care and treatment. The expense of returning the patient to a hospital shall be paid by the commissioner unless paid by the patient or his relatives.*

(i) For the purpose of revocation, the medical director may consider the first 60 days of the provisional discharge as an extended visit and during that time may order re-hospitalization without the order being subject to the procedures outlined in clauses (e), (f), and (g).

(j) Any patient aggrieved by a revocation decision may petition the special review board within 48 hours after receipt of the revocation report, excluding Saturdays, Sundays and holidays, for a review of the revocation. The matter shall be scheduled within 30 days. The special review board shall review the circumstances leading to the revocation and shall recommend to the commissioner whether or not the revocation shall be upheld. The special review board shall also have the authority to recommend a new provisional discharge at the time of a revocation hearing.

(k) With the consent of the head of the hospital, a patient may voluntarily return from provisional discharge for a period of up to 30 days and be released from the hospital without a further review by the special review board provided that all the terms and conditions of the provisional discharge order remain unchanged.

Subd. 9. [DISCHARGE.] A person who has been found by the committing court to be mentally ill and dangerous or a psychopathic personality shall not be discharged unless it appears to the satisfaction of the commissioner of public welfare after a hearing before, and a recommendation by a majority of, the special review board appointed and acting under and pursuant to this section that the patient is capable of making an acceptable adjustment to open society.

In determining whether a discharge shall be recommended, the special review board and commissioner shall consider which specific conditions are such as to provide a reasonable degree of protection to the public and to assist the patient in adjusting to the community. If the desired conditions are found not to exist, then the discharge shall not be granted.

Subd. 10. [APPEAL PANEL.] (a) There shall be established by the supreme court an appeal panel composed of three probate judges and two alternate probate judges, all of whom shall be appointed from among the acting probate judges of the state by the chief justice of the supreme court for terms of one year each. Only three judges need hear any case. One of the regular three judges so appointed shall be designated as the chief judge of the appeal panel and that judge is hereby vested with power and authority to fix the time and place of all hearings before the panel, issue all notices, subpoena witnesses, appoint counsel for the patient, if necessary, and generally to supervise and direct the operation of the appeal panel. The chief judge shall designate any other judge or any alternate judge to act as chief

judge in any case where the chief judge is unable to act and with the same powers and authority. No judge appointed to the appeal panel shall take part in the consideration of any case in which that judge committed the patient in the probate court. The chief justice of the supreme court shall determine the compensation of the judges serving on the appeal panel, the compensation to be in addition to their ordinary compensation as probate judges, and all compensation and expenses of the appeal panel shall be borne by the department of public welfare.

(b) The patient or the county attorney of the county from which the patient was committed aggrieved by the action of the commissioner with respect to transfer, discharge, provisional discharge, or revocation of provisional discharge may petition for a rehearing and reconsideration of the case before the appeal panel. The petition shall be filed with the supreme court within 30 days after the making and entry of the order of the commissioner. The supreme court shall notify the head of the treatment facility in which the patient is confined and refer the petition to the chief judge of the appeal panel. Written notice by mail shall be given to the patient, the county attorney of the county of commitment, the commissioner, the head of the treatment facility in which the patient is confined, an interested person, and such persons as the chief judge may designate, of the time and place of the hearing on such petition. The notice is to be given not less than 14 days prior to the date of the hearing, which hearing shall be within 45 days of the filing of the petition. Any person may oppose the petition. The appeal panel may appoint examiners, and may adjourn the hearing from time to time. It shall hear and receive all relevant testimony and evidence and make a record of all such proceedings. The patient and the county attorney of the committing county shall be entitled to be present and to cross-examine all witnesses. A majority of the appeal panel shall make and enter the orders as they may deem just and equitable and the orders of the appeal panel shall supersede all orders of the commissioner in the cases. The orders of the appeal panel shall be limited to the relief requested from the special review board. No order of the appeal panel granting a transfer, discharge or provisional discharge shall be made effective sooner than 15 days after the making and entry of the order.

(c) In all proceedings before the appeal panel the patient shall be afforded an opportunity to be represented by counsel, and if neither the patient or others provide counsel the chief judge of the appeal panel shall appoint counsel to represent the patient. The compensation of such appointed counsel shall be determined by the chief judge and the expense thereof shall be borne and paid by the department of public welfare.

(d) The filing with the supreme court of a petition under clause (b) shall immediately suspend the operation of any order for transfer, discharge, provisional discharge or release from custody of the patient and the patient shall not thereafter be

discharged or released in any manner except upon order of a majority of the appeal panel.

(e) A party aggrieved by an order of the appeal panel may appeal from the decision to the supreme court in the same manner as other appeals in civil actions. The filing of an appeal shall immediately suspend the operation of any order granting transfer, discharge or provisional discharge, pending the determination of the appeal.

Sec. 24. [253A.70] [COMMITMENT TO AN AGENCY OF THE UNITED STATES.]

Subdivision 1. [ADMINISTRATIVE PROCEDURES.] If the patient is entitled to care by the veterans administration or other agency of the United States in this state, the commitment warrant shall be in triplicate, committing the patient to the joint custody of the head of the treatment facility and the institution of the veterans administration or other federal agency. If the veterans administration or other federal agency is unable or unwilling to receive the patient at the time of commitment, the patient may subsequently be transferred to it upon its request.

Subd. 2. [RULES AND REGULATIONS.] Any person, when admitted to an institution of the veterans administration or other federal agency within or without this state, shall be subject to the rules and regulations of the veterans administration or other federal agency, except that nothing in this section shall deprive any person of rights secured to patients of state mental hospitals by sections 1 to 27.

Subd. 3. [POWERS.] The chief officer of any institution operated by the veterans administration or other agency of the United States to which any person is admitted shall with respect to the person be vested with the same powers as the heads of treatment facilities within this state with respect to admission, retention of custody, transfer, parole, release, or discharge.

Subd. 4. [JUDGMENTS.] The judgment or order of commitment by a court of competent jurisdiction of another state or the District of Columbia, committing a person to the veterans administration or other agency of the United States for care or treatment, shall have the same force and effect as to the committed person while in this state as in the jurisdiction in which is situated the court entering the judgment or making the order. Consent is given to the application of the law of the committing state or district in respect to the authority of the chief officer of any facility of the veterans administration, or of any institution operated in this state by any other agency of the United States, to retain custody of, transfer, parole, release, or discharge the committed person.

Subd. 5. [TRANSFER.] Upon receipt of a certificate of the veterans administration or such other agency of the United States that facilities are available for the care or treatment of any person heretofore committed to any treatment facility and that the person is eligible for care or treatment, the head of the treatment facility may cause the transfer of the person to the veterans administration or other agency of the United States for care or treatment. Upon effecting the transfer, the committing court or proper officer thereof shall be notified thereof by the transferring agency. No person shall be transferred to the veterans administration or other agency of the United States if he be confined pursuant to conviction of any felony or misdemeanor or if he has been acquitted of the charge solely on the ground of insanity, unless prior to transfer the court or other authority originally committing the person shall enter an order for the transfer after appropriate motion and hearing.

Written notice of the transfer shall be given to the patient's spouse or parent, or if none be known, to some other interested person.

Any person transferred as provided in this section shall be deemed to be committed to the veterans administration or other agency of the United States pursuant to the original commitment.

Sec. 25. [253A.71] [GENERAL ADMINISTRATIVE PROCEDURES RELATIVE TO DISCHARGE.]

Subdivision 1. [NOTICE TO COURT.] When a committed patient is discharged, provisionally discharged, transferred to another treatment facility, released, or partially hospitalized, or when he dies, is absent without authorization, or is returned, the treatment facility having custody of the patient shall file notice thereof in the court of commitment.

Subd. 2. [CLOTHING.] The head of the treatment facility shall make such arrangements at the expense of the state as may be necessary to insure that no patient is discharged, provisionally discharged, or released without suitable clothing. The head of a public treatment facility shall, if necessary, provide the patient with a sufficient sum of money to secure transportation home, or to another destination of his choice, if the destination is located within a reasonable distance of the treatment facility, which sum shall be paid out of the current expense fund of the hospital or institution.

Subd. 3. [NOTICE TO DESIGNATED AGENCY.] The head of any treatment facility, upon the provisional discharge, partial hospitalization, or release of any patient confined under sections 1 to 27, shall notify the designated agency before the patient is to leave the facility. Whenever possible the notice shall be given at least one week before the patient is to leave the facility. The commissioner shall provide by rule the pro-

cedure and methods whereby the patient shall be helped to receive all public assistance benefits provided by state or federal law to which his residence and circumstances entitle him. The rules shall be uniformly applied in all counties, and all counties shall provide temporary relief whenever necessary to meet the intent of this subdivision.

Subd. 4. [PLAN OF AFTER-CARE SERVICES.] Prior to the date of discharge, provisional discharge, partial hospitalization, or release of any patient confined under sections 1 to 27, the designated agency of the county of such patient's residence, in cooperation with the head of the treatment facility where the patient is confined, and the patient's physician, if notified pursuant to subdivision 6, shall establish a continuing plan of after-care services for the patient including a plan for medical and psychiatric treatment, nursing care, vocational assistance, and other aid as the patient shall need. It shall be the duty of the designated agency to provide case management services, to supervise and assist the patient in finding employment, suitable shelter, and adequate medical and psychiatric treatment, and to aid in his readjustment to the community.

Subd. 5. [CONSULTATION.] In establishing the plan for after-care services the designated agency shall engage in consultation with persons or agencies, including any public health nurse and vocational rehabilitation personnel, as is necessary to insure adequate planning and periodic review for after-care services.

Subd. 6. [NOTICE TO PHYSICIAN.] The head of the treatment facility shall notify the physician of any patient confined pursuant to sections 1 to 27 at the time of the patient's discharge, provisional discharge, partial hospitalization, or release, unless the patient shall object to the notice.

Subd. 7. [SERVICES.] A patient who has been confined under sections 1 to 27 may at any time after discharge, provisional discharge, partial hospitalization, or release, apply to the head of any public treatment facility within whose district he resides for treatment. If the head of the treatment facility determines that the applicant requires service, he may provide, under the medical supervision of a physician in the treatment facility, services related to mental illness, mental retardation or chemical dependency as are required by the applicant. The service shall be provided in regional centers under terms and conditions established by the commissioner.

Sec. 26. [253A.72] [REVIEW BOARDS.]

Subdivision 1. [ESTABLISHMENT.] There shall be established by the commissioner for each regional center a review board of three or more persons to review the admission and re-

tion of patients hospitalized under this chapter. One of the persons shall be qualified in the diagnosis of mental illness or mental retardation and one of the persons shall be learned in the law. The commissioner may, upon written request from the appropriate federal authority, establish a review panel for any federal treatment facility within the state to review the admission and retention of patients hospitalized under this chapter. For any review board established for a federal hospital, one of the persons appointed by the commissioner shall be the commissioner of veterans affairs or his designee.

Subd. 2. [RIGHT TO APPEAR.] Each treatment facility shall be visited by the review board at least once every six months. Each patient in the hospital who so requests shall have the right to appear before the review board during such visit. A patient may at any time request the right to appear before the review board.

Subd. 3. [NOTICE.] The head of the treatment facility shall notify each patient at the time of admission by a simple written statement of the patient's right to appear before the review board and the next date when the board will visit the treatment facility. A request to appear before the board does not have to be in writing. Any employee of the treatment facility receiving such a request to appear before the board shall notify the head of the treatment facility of the request.

Subd. 4. [REVIEW.] The board shall review the admission and retention of patients at its respective treatment facility. The board may examine the records of all patients admitted and may examine personally at its own instigation all patients who from the records or otherwise appear to justify reasonable doubt as to continued need of confinement in a treatment facility. The board shall report its findings to the commissioner and to the head of the treatment facility. The board may also receive reports from patients and interested persons, including but not limited to treatment facility employees, on conditions affecting the humane and dignified care of patients and the board may examine the circumstances thereof in the manner described in this subdivision.

Subd. 5. [COMPENSATION.] Each member of the review board shall receive compensation as established by the commissioner of public welfare for time spent in discharge of his official duties. In addition to the compensation so provided, each member of the review board shall be reimbursed for all expenses paid or incurred by him in the performance of his official duties.

Sec. 27. [253A.73] [GENERAL PROVISIONS.]

Subdivision 1. [COSTS OF HEARINGS.] (a) In each proceeding under sections 1 to 27 the court shall allow and order paid to each witness subpoenaed the fees and mileage prescribed

by law; to each examiner a reasonable sum for his services and for travel; to persons, including county welfare or public health personnel, conveying the patient to the place of detention, disbursements for the travel, board, and lodging of the patient and of themselves and their authorized assistants; and to the patient's counsel, when appointed by the court, a reasonable sum for travel and for each day or portion thereof actually employed in court or actually consumed in preparing for the hearing. Upon the order the county auditor shall issue a warrant on the county treasurer for payment of the amounts allowed.

(b) When the settlement of the patient is found to be in another county, the court shall transmit to the county auditor a statement of the expenses of the taking into custody, confinement, examination, commitment, conveyance to the place of detention, and rehearing. The auditor shall transmit the statement to the auditor of the county of the patient's settlement and this claim shall be paid as other claims against that county. If the auditor to whom this claim is transmitted denies the claim, he shall transmit it, together with his objections thereto, to the commissioner, who shall determine the question of settlement and certify his findings to each auditor. If the claim is not paid within 30 days after such certification, an action may be maintained thereon in the district court of the claimant county.

(c) Whenever venue of a proceeding has been transferred under sections 1 to 27 the costs of the proceedings shall be reimbursed to the county of the patient's settlement by the state.

Subd. 2. [LEGAL RESULTS OF COMMITMENT STATUS.] (a) Except as otherwise provided in sections 1 to 27, and in sections 246.15 and 246.16, no person by reason of commitment, hospitalization, or treatment pursuant to sections 1 to 27 shall be deprived of any legal right, including but not limited to the right to dispose of property, sue and be sued, execute instruments, make purchases, enter into contractual relationships, vote, and hold a driver's license. Commitment, hospitalization, or treatment of any patient pursuant to sections 1 to 27 is not a judicial determination of legal incompetency except to the extent provided in section 3, subdivision 5.

(b) Proceedings for determination of legal incompetency and the appointment of a guardian for a person subject to hospitalization under sections 1 to 27 may be commenced before, during, or after commitment proceedings have been instituted and may be conducted jointly with the commitment proceedings. The court shall notify the head of the hospital to whom the patient is committed of a finding that the patient is incompetent.

(c) Where the person to be committed is a minor or owns property of value and it appears to the court that such person is not competent to manage his estate, the court shall appoint

a guardian or conservator of such person's estate, either general or special as otherwise provided by law.

Subd. 3. [FALSE REPORTS.] Any person who willfully makes, joins in, or advises the making of any false petition or report, or knowingly or willfully makes any false representation for the purpose of causing the petition or report to be made or for the purpose of causing an individual to be improperly hospitalized under sections 1 to 27, is guilty of a gross misdemeanor. The attorney general or his designees shall conduct any prosecution for the violation of this section.

Subd. 4. [IMMUNITY.] All persons acting in good faith, upon either actual knowledge or information thought by them to be reliable, who act pursuant to any provision of this chapter or who procedurally or physically assist in the hospitalization of any individual, pursuant to sections 1 to 27, are not subject to any civil or criminal liability under sections 1 to 27. Any privilege otherwise existing between patient and physician or between patient and examiner is waived as to any physician or examiner who provides information with respect to a patient pursuant to any provision of this chapter.

Subd. 5. [HABEAS CORPUS.] Nothing in sections 1 to 27 shall be construed to abridge the right of any person to the writ of habeas corpus.

Subd. 6. [COURT COMMISSIONER.] The court commissioner may act for the probate judge upon a petition for the commitment of a patient when the probate judge is unable to act.

Subd. 7. [APPEAL.] The commissioner or any other aggrieved party may appeal to the district court from any order entered under sections 1 to 27 in the manner prescribed in section 487.39.

Upon perfection of the appeal, the return shall be filed forthwith. The district court shall hear the appeal within 20 days after service of the notice of appeal. This appeal shall not suspend the operation of the order appealed from until the appeal is determined, unless otherwise ordered by the district court. Notwithstanding any contrary provision in section 487.39, an appeal may be taken from the determination of a district court judge to the supreme court without leave of the supreme court.

Subd. 8. [RULES.] The commissioner shall establish rules not inconsistent with the provisions of sections 1 to 27 as he may find to be necessary for the proper and efficient administration thereof and shall prescribe the form of applications, records, reports, and medical certificates required by sections 1 to 27 and the information to be contained therein.

Subd. 9. [TRANSCRIPTS.] For purposes of taking an appeal or petition for habeas corpus or for a judicial determination of mental competency or need for hospitalization, transcripts of commitment proceedings, or portions thereof, shall be made available to the parties upon written application to the court. Upon a showing by a party that he is unable to pay the cost of such transcripts or portions thereof they shall be made available at no expense to such party.

Sec. 28. [REPEALER.]

Minnesota Statutes 1980, Sections 253A.01; 253A.02; 253A.03; 253A.04; 253A.05; 253A.06; 253A.07; 253A.075; 253A.08; 253A.09; 253A.10; 253A.11; 253A.12; 253A.14; 253A.15; 253A.16; 253A.17; 253A.18; 253A.19; 253A.20; 253A.21; 253A.22; and 253A.23, are repealed.

Sec. 29. [EFFECTIVE DATE.]

Sections 1 to 28 are effective August 1, 1982 and apply to any conduct, transaction, or proceeding within its terms which occurs after August 1, 1982; provided, however, that a proceeding for the commitment of a person to a treatment facility commenced before August 1, 1982 is governed by the law existing at the time the proceeding was commenced, and unless the proceedings are terminated within 12 months after August 1, 1982, they shall thereafter be governed by the provisions of sections 1 to 27."

Delete the title and insert:

"A bill for an act relating to the hospitalization and commitment of persons who are mentally ill, mentally ill and dangerous, mentally retarded, or chemically dependent; providing for informal hospitalization by consent, involuntary emergency hospitalization and for involuntary commitment by civil judicial procedures; providing for rights of persons hospitalized under voluntary, emergency or involuntary judicial procedures; requiring pre-petition screening; providing for commitment hearings and procedures in conformance with due process; requiring a final hearing within 60 days before final determination of commitment; providing for commitment for determinate periods; providing for provisional discharge and partial hospitalization; requiring special review boards for mentally ill and dangerous and psychopathic personalities; establishing review boards for civilly committed persons; providing penalties; proposing new law coded in Minnesota Statutes, Chapter 253A; repealing Minnesota Statutes 1980, Sections 253A.01 to 253A.23."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Judiciary.

The report was adopted.

Mann from the Committee on Transportation to which was referred:

H. F. No. 1523, A bill for an act relating to driver licensing; requiring certain reports to be made to the commissioner of public safety; making insurance coverage inapplicable in certain instances; proposing new law coded in Minnesota Statutes, Chapters 65B and 171.

Reported the same back with the recommendation that the bill be re-referred to the Committee on Judiciary.

The report was adopted.

Brinkman from the Committee on Financial Institutions and Insurance to which was referred:

H. F. No. 1550, A bill for an act relating to the city of Big Falls; authorizing the establishment of detached banking facilities.

Reported the same back with the following amendments:

Page 1, line 11, after "facility" insert "*in the city of Big Falls*"

Page 1, line 16, after the period insert "*No detached facility shall be established under this section if there is an existing bank located within 15 miles of the location of the detached facility to be established under this section.*"

With the recommendation that when so amended the bill pass and be placed on the Consent Calendar.

The report was adopted.

Mann from the Committee on Transportation to which was referred:

H. F. No. 1554, A bill for an act relating to aeronautics; providing for the registration of certain aircraft as collector aircraft; amending Minnesota Statutes 1980, Sections 360.55, Subdivision 4; and 360.59, Subdivision 10.

Reported the same back with the following amendments:

Page 1, line 12, delete "30" and insert "35"

Page 1, line 22, strike "\$25" and insert "\$50"

Page 2, line 11, strike "\$25" and insert "\$50"

Page 3, line 26, delete "30" and insert "35"

With the recommendation that when so amended the bill pass and be placed on the Consent Calendar.

The report was adopted.

Johnson, C., from the Committee on Education to which was referred:

H. F. No. 1574, A bill for an act relating to Independent School District No. 084, Sleepy Eye; requiring revision of its certified statutory operating debt.

Reported the same back with the recommendation that the bill pass and be placed on the Consent Calendar.

The report was adopted.

Kostohryz from the Committee on General Legislation and Veterans Affairs to which was referred:

H. F. No. 1582, A bill for an act proposing an amendment to the Minnesota Constitution, to repeal Article XIII, Section 5; removing the prohibition against lotteries.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on Rules and Legislative Administration.

The report was adopted.

Johnson, C., from the Committee on Education to which was referred:

H. F. No. 1614, A bill for an act relating to Independent School District No. 708; requiring certification of statutory operating debt.

Reported the same back with the recommendation that the bill pass and be placed on the Consent Calendar.

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 1250, 1550, 1554, 1574 and 1614 were read for the second time.

INTRODUCTION AND FIRST READING
OF HOUSE BILLS

The following House Files were introduced:

Gruenes introduced:

H. F. No. 1694, A bill for an act relating to the town of St. Cloud; providing for the homestead credit treatment of its property tax levy.

The bill was read for the first time and referred to the Committee on Taxes.

Vellenga, Wynia, Kaley, Schoenfeld and Schreiber introduced:

H. F. No. 1695, A bill for an act relating to taxation; providing for withholding of income tax refunds from child support debtors; amending Minnesota Statutes 1980, Section 290.50, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Taxes.

McEachern; Anderson, B.; Jennings; Johnson, C., and Nelson, K., introduced:

H. F. No. 1696, A bill for an act relating to education; reducing the appropriation for the improved learning program; reducing the amount of transportation aid appropriation reductions; clarifying the duration of the transportation levy increase; amending Laws 1981, Third Special Session Chapter 2, Article II, Sections 1, 2 and 20.

The bill was read for the first time and referred to the Committee on Education.

Elioff, Battaglia, Sarna, Kaley and Begich introduced:

H. F. No. 1697, A bill for an act relating to retirement; validating a certain post retirement adjustment granted by the Virginia firefighters relief association.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Kaley, Samuelson, Hokanson, Forsythe and Zubay introduced:

H. F. No. 1698, A bill for an act relating to public welfare; delaying the duty of the commissioner of administration to sell certain land and buildings; amending Laws 1981, Chapter 360, Article I, Section 2, Subdivision 5.

The bill was read for the first time and referred to the Committee on Governmental Operations.

McEachern introduced:

H. F. No. 1699, A bill for an act relating to education; requiring all public elementary and secondary schools to provide instruction in chemical dependency prevention; amending Minnesota Statutes 1980, Section 126.03; and proposing new law coded in Chapter 126.

The bill was read for the first time and referred to the Committee on Education.

Nelsen, B.; Johnson, D.; Evans; Wenzel and Samuelson introduced:

H. F. No. 1700, A bill for an act relating to the military; prohibiting entry to Camp Ripley without authorization of the adjutant general; imposing a penalty; amending Minnesota Statutes 1980, Sections 609.60 and 609.605.

The bill was read for the first time and referred to the Committee on General Legislation and Veterans Affairs.

Minne introduced:

H. F. No. 1701, A bill for an act relating to the city of Hibbing; authorizing increases in certain firefighters service pensions and survivor benefits; amending Laws 1977, Chapter 169, Section 1 and Laws 1971, Chapter 614, Section 1, Subdivision 2.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Anderson, G.; Sieben, H.; Carlson, L.; Fjoslien and Nelsen, B., introduced:

H. F. No. 1702, A bill for an act relating to veterans; providing for the furnishing of chiropractic care to residents of the Minnesota veterans home; appropriating money; proposing new law coded in Minnesota Statutes, Chapter 198.

The bill was read for the first time and referred to the Committee on Health and Welfare.

Heinitz and Nelson, K., introduced:

H. F. No. 1703, A bill for an act relating to commerce; regulating certain sales of wood as fuel; requiring standard measurements and delivery ticket or sales invoices; providing exceptions; amending Minnesota Statutes 1980, Section 325E.01; and proposing new law coded in Minnesota Statutes, Chapter 239.

The bill was read for the first time and referred to the Committee on Commerce and Economic Development.

Hokanson; Sieben, M.; Rose; Clark, J., and Zubay introduced:

H. F. No. 1704, A bill for an act relating to public safety; prohibiting the sale, use, manufacture and possession of high penetration bullets; prohibiting the sale and possession of armor-piercing bullets; prescribing penalties; proposing new law coded in Minnesota Statutes, Chapter 624.

The bill was read for the first time and referred to the Committee on Criminal Justice.

Jacobs and Anderson, I., introduced:

H. F. No. 1705, A bill for an act relating to public indebtedness; providing the interest rate maximum on obligations; amending Minnesota Statutes 1980, Section 475.55, Subdivision 1.

The bill was read for the first time and referred to the Committee on Taxes.

Fjoslien and Weaver introduced:

H. F. No. 1706, A bill for an act relating to waters; removing the authority of the commissioner of natural resources to appeal certain waters inventory and classification decisions; amending Minnesota Statutes 1980, Section 105.391, Subdivision 1.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

Rodriguez, C., and Mann introduced:

H. F. No. 1707, A bill for an act relating to transportation; allowing certain vehicles to cross certain railroad crossings without stopping; removing the requirement for designated routes for certain buses; modifying the public transit capital grant assistance program; providing for public transit contract procedures; amending Minnesota Statutes 1980, Sections 169.28; 169.29; 169.80, Subdivisions 2 and 2a; 174.245; Laws 1981, Chapter 363, Section 55, Subdivision 1, as amended; repealing Minnesota Statutes 1980, Section 219.21.

The bill was read for the first time and referred to the Committee on Transportation.

Reding; Rodriguez, F.; Kaley and Sarna introduced:

H. F. No. 1708, A bill for an act relating to retirement; public employees retirement association and public employees police and fire fund; authorizing a modification in the payment of employee contributions to make them exempt from federal income taxation until disbursed as retirement annuities or benefits; amending Minnesota Statutes 1980, Sections 353.01, Subdivision 16; 353.27, Subdivisions 2, 7, 8, 9, 12, and by adding a subdivision; 353.28, Subdivision 1; 353.29, Subdivision 2; 353.32, Subdivisions 1, 2, 3, and 4; 353.34, Subdivisions 1, 2, and 5; 353.38; 353.65, Subdivisions 1, 2, 4, and by adding a subdivision; 353.656, Subdivision 1; Minnesota Statutes 1981 Supplement, Sections 353.27, Subdivision 4; 353.34, Subdivision 3; and 353.37, Subdivision 1.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Aasness, Kelly, Rothenberg and Novak introduced:

H. F. No. 1709, A bill for an act relating to crimes; requiring mandatory jail sentences for persons convicted of driving while under the influence of alcohol or a controlled substance; prescribing penalties; amending Minnesota Statutes 1980, Section 169.121, by adding a subdivision; Minnesota Statutes 1981 Supplement, Sections 169.121, Subdivision 5; and 609.135, Subdivision 1.

The bill was read for the first time and referred to the Committee on Criminal Justice.

Brinkman and Redalen introduced :

H. F. No. 1710, A bill for an act relating to commerce; petroleum products; providing specifications for fuel oil sold as kerosene; amending Minnesota Statutes 1980, Section 296.05, Subdivision 2, and by adding a subdivision.

The bill was read for the first time and referred to the Committee on Regulated Industries.

Schafer; Jennings; Anderson, B.; Olsen and McEachern introduced :

H. F. No. 1711, A bill for an act relating to education; establishing a limit on the amount of special education aid a district may receive for administrative and other similar personnel; exempting certain stations and facilities from the limit; exempting Independent School District No. 166 from the limit; suspending a rule; granting authority to adopt temporary rules; providing for permanent rules; amending Minnesota Statutes 1981 Supplement, Section 124.32, Subdivision 1.

The bill was read for the first time and referred to the Committee on Education.

Kaley and McCarron introduced :

H. F. No. 1712, A bill for an act relating to public welfare; amending the community social services act; removing certain requirements related to biennial plans and the sliding fee for child care; amending Minnesota Statutes 1980, Section 256E.09, Subdivision 4; Minnesota Statutes 1981 Supplement, Sections 245.84, Subdivision 2; and 256E.03, Subdivision 2; repealing Minnesota Statutes 1981 Supplement, Section 256E.07, Subdivisions 2 and 3.

The bill was read for the first time and referred to the Committee on Health and Welfare.

Elioff, Battaglia, Minne, Begich and Sarna introduced :

H. F. No. 1713, A bill for an act relating to St. Louis county; providing for the calculation of vacation and sick leave allowances of certain employees.

The bill was read for the first time and referred to the Committee on Local and Urban Affairs.

Nelsen, B.; Kaley; Kalis and Nysether introduced:

H. F. No. 1714, A bill for an act relating to public welfare; authorizing payment of claims for medical assistance from homestead property which is part of an estate; amending Minnesota Statutes 1981 Supplement, Sections 256B.15 and 525.145.

The bill was read for the first time and referred to the Committee on Health and Welfare.

Fjoslien; Nelson, K.; Ainley and Jude introduced:

H. F. No. 1715, A bill for an act relating to energy; definition of large facility; conservation information and education; emergency plan; local zoning of wind energy conversion systems; amending Minnesota Statutes 1980, Sections 116H.02, Subdivision 5; 394.25, Subdivision 2; and 462.357, Subdivision 1; Minnesota Statutes 1981 Supplement, Sections 116H.085; 116H.088, Subdivision 1; and 116H.09, Subdivision 1; repealing Minnesota Statutes 1980, Sections 116H.088, Subdivision 2; 116H.19, Subdivision 2; and Minnesota Statutes 1981 Supplement, Section 116H.19, Subdivision 1.

The bill was read for the first time and referred to the Committee on Energy.

Ludeman and Reif introduced:

H. F. No. 1716, A bill for an act relating to government operations; revising the public employment labor relations act; modifying the definition of "essential employee" to include state employees in the health care non-professional unit; removing constraints from the mediation and strike processes; amending Minnesota Statutes 1980, Sections 179.63, Subdivision 11; 179.64, Subdivisions 1 and 1b; 179.69, Subdivisions 1 and 3; 179.70, Subdivision 1; repealing Minnesota Statutes 1980, Section 179.64, Subdivision 1a; Minnesota Statutes 1981 Supplement, Sections 179.691 and 179.692.

The bill was read for the first time and referred to the Committee on Labor-Management Relations.

Aasness, Ogren, Mann and Niehaus introduced:

H. F. No. 1717, A bill for an act relating to agriculture; requiring the commissioner of agriculture to make certain rules relating to milk for manufacturing purposes; proposing new law coded in Minnesota Statutes, Chapter 32.

The bill was read for the first time and referred to the Committee on Agriculture.

Knickerbocker; Kostohryz; Schreiber; Carlson, L., and Levi introduced:

H. F. No. 1718, A bill for an act relating to education; authorizing transportation aid for pupils who reside one mile or more from the school attended; amending Minnesota Statutes 1981 Supplement, Section 124.223.

The bill was read for the first time and referred to the Committee on Education.

Gustafson, Berkelman, Battaglia, Munger and Jude introduced:

H. F. No. 1719, A bill for an act relating to courts; authorizing the chief judge of the sixth judicial district to fill vacancies in the office of judicial officer in St. Louis, Steele and Carlton counties; amending Minnesota Statutes 1981 Supplement, Section 487.08, Subdivision 2.

The bill was read for the first time and referred to the Committee on Judiciary.

Reding; Rodriguez, F.; Kaley and Sarna introduced:

H. F. No. 1720, A bill for an act relating to retirement; recognizing service covered by multiple retirement funds for entitlement to a disability benefit; proposing new law coded in Minnesota Statutes, Chapter 356.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Fjoslien, Hoberg, Niehaus, Haukoos and Wigley introduced:

H. F. No. 1721, A bill for an act relating to state government; providing for the salary reduction of certain legislative employees; amending Minnesota Statutes 1980, Section 3.099, Subdivision 2.

The bill was read for the first time and referred to the Committee on Rules and Legislative Administration.

Minne; Johnson, C.; Ludeman and Jacobs introduced:

H. F. No. 1722, A bill for an act relating to the environment; regulating certain assessments for the environmental quality board; amending Minnesota Statutes 1981 Supplement, Section 116C.69, Subdivision 3.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

Vellenga, Gruenes, Skoglund and Ellingson introduced:

H. F. No. 1723, A bill for an act relating to crimes; prohibiting driving a motor vehicle when impaired by alcohol; providing prima facie evidentiary standards for determining if persons were driving while impaired or under the influence of alcohol; requiring blood, breath or urine tests of surviving drivers involved in accidents; authorizing written blood sample reports; amending Minnesota Statutes 1980, Sections 169.121, Subdivisions 1, 2, 3, and 4; 169.123, Subdivisions 2, 3, 4, 6, and by adding a subdivision.

The bill was read for the first time and referred to the Committee on Judiciary.

Johnson, C., and Dempsey introduced:

H. F. No. 1724, A bill for an act relating to Independent School District No. 507, Nicollet; authorizing a transfer of funds collected by referendum levy to reduce statutory operating debt.

The bill was read for the first time and referred to the Committee on Education.

Laidig, Schoenfeld, Jennings, Wenzel and Nelsen, B., introduced:

H. F. No. 1725, A bill for an act relating to the military; increasing the minimum pay for enlisted personnel called into active service; amending Minnesota Statutes 1980, Section 192.51, Subdivision 2.

The bill was read for the first time and referred to the Committee on General Legislation and Veterans Affairs.

Elioff; Johnson, C.; Levi and McEachern introduced:

H. F. No. 1726, A bill for an act relating to education; removing the commissioner of education from the state university board and as secretary of the board; amending Minnesota Statutes 1980, Sections 136.12, Subdivision 1; and 136.13.

The bill was read for the first time and referred to the Committee on Education.

Clawson; Sieben, M.; Halberg; Jude and Dempsey introduced:

H. F. No. 1727, A bill for an act relating to courts; proposing an amendment to the Minnesota Constitution, Article VI, Sections 1, 2, 5 and 6; providing for a court of appeals; providing for election of judges; conferring certain powers and duties on the court of appeals; amending Minnesota Statutes 1980, Sections 2.724, Subdivision 2; 8.01; 10A.01, Subdivisions 5 and 19; 15.0416; 15.0417; 15.0424, Subdivisions 1, 2, 3 and 6; 15.0426; 45.07; 45.17, Subdivision 5; 97.481, Subdivision 2; 122.23, Subdivision 16c; 145.698, Subdivision 2; 145.838, Subdivision 4; 150A.08, Subdivision 2; 197.481, Subdivision 6; 210A.01, Subdivision 3; 237.39; 244.11; 260.291, Subdivision 2; 270.23; 290.48, Subdivision 6; 299F.25; 357.08; 363.072, Subdivisions 1 and 2; 373.11; 430.031, Subdivision 4; 480.01; 480.054; 480.055, Subdivision 1; 480.061, Subdivision 8; 480.19; 484.63; 487.39, Subdivisions 1 and 2; 488A.01, Subdivision 14; 488A.17, Subdivision 12; 488A.18, Subdivision 14; 488A.34, Subdivision 11; 501.35; 525.71; 574.18; 586.11; Minnesota Statutes 1981 Supplement, Sections 5.08, Subdivision 2; and 648.39, Subdivision 1; proposing new law coded as Minnesota Statutes, Chapter 480A; repealing Minnesota Statutes 1980, Sections 80A.24, Subdivision 3; 363.10; 473.597; and 525.74.

The bill was read for the first time and referred to the Committee on Judiciary.

Fjoslien, Valento, Reif, Weaver and Marsh introduced:

H. F. No. 1728, A bill for an act relating to the legislature; proposing an amendment to the Minnesota Constitution, Article IV, by adding sections, to provide for initiative and referendum; implementing the initiative and referendum process, including the manner of petitioning and voting on initiative and referendum measures and judicial review; precluding corporations from deducting as expenses the costs of ballot issue campaigns; imposing duties on certain officials; providing penalties; appropriating money; amending Minnesota Statutes 1980, Sections 10A.20, by adding a subdivision; and 645.02; Minnesota Statutes 1981 Supplement, Sections 204C.33, Subdivision 3; 204D.11, Subdivision 2; 204D.15, Subdivision 1; 290.09, Subdivision 2; and 290.21, Subdivision 3; proposing new law coded as Minnesota Statutes, Chapter 3B.

The bill was read for the first time and referred to the Committee on General Legislation and Veterans Affairs.

Ellingson introduced:

H. F. No. 1729, A bill for an act relating to highway traffic regulations; revising procedures for hearings and appeals on driver license revocations for failure to submit to chemical testing or for exceeding prescribed alcohol concentrations; amending Minnesota Statutes 1980, Section 169.123, Subdivisions 5, 5a, 6, and by adding a subdivision.

The bill was read for the first time and referred to the Committee on Judiciary.

Ellingson introduced:

H. F. No. 1730, A bill for an act relating to state departments and agencies; regulating the disposition of certain land within the capitol area; amending Minnesota Statutes 1981 Supplement, Section 15.50, Subdivision 6.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Reding; Rodriguez, F.; Sarna; Kaley and Rice introduced:

H. F. No. 1731, A bill for an act relating to retirement; volunteer firefighters relief associations; fire and police state aid programs; combining various reports for purposes of qualifying for fire state aid; modifying the presumptions used in determining qualification for fire or police state aid; clarifying the duration of disqualification from receipt of fire or police state aid in the event of noncompliance with financing guidelines; clarifying the procedure for crediting service by certain probationary volunteer firefighters; clarifying a limitation on the payment of service pensions to active volunteer firefighters; amending Minnesota Statutes 1980, Sections 69.021, Subdivision 4; 69.051, Subdivision 3; 69.771, Subdivision 3; and 424A.01, by adding a subdivision; Minnesota Statutes 1981 Supplement, Sections 69.011, Subdivision 2; 69.051, Subdivision 1; 69.77, Subdivision 1; and 424A.02, Subdivision 1.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Skoglund; Evans; Anderson, R.; Ogren and Eken introduced:

H. F. No. 1732, A bill for an act relating to athletics; regulating boxing activities; providing a penalty; proposing new law coded in Minnesota Statutes, Chapter 341.

The bill was read for the first time and referred to the Committee on Regulated Industries.

Evans and Anderson, R., introduced:

H. F. No. 1733, A bill for an act relating to agriculture; changing Becker, Hubbard and Otter Tail Counties from area one to area four for purposes of potato promotion; amending Minnesota Statutes 1981 Supplement, Section 30.464, Subdivision 1.

The bill was read for the first time and referred to the Committee on Agriculture.

Olsen, Jude, Ellingson and Norton introduced:

H. F. No. 1734, A bill for an act relating to courts; authorizing the continuance of the office of court referee in the second and fourth judicial districts; amending Minnesota Statutes 1981 Supplement, Section 484.70, Subdivision 1.

The bill was read for the first time and referred to the Committee on Judiciary.

Pogemiller introduced:

H. F. No. 1735, A bill for an act relating to retirement; Hennepin county supplemental retirement program; providing for a phase out of the program; authorizing current participants to withdraw from the program; providing for an increased withdrawal benefit option in certain instances; amending Laws 1969, Chapter 950, Sections 1, 2, 3, as amended, 4, as amended, 5 and 6; repealing Laws 1969, Chapter 950, Section 8.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Ellingson introduced:

H. F. No. 1736, A bill for an act relating to Hennepin County; providing for the interest on and name of certain debt; regulating personnel provisions; clarifying self insurance authority; amending Laws 1965, Chapter 855, Section 4, Subdivision 1, as amended, and Section 7, Subdivisions 3, as amended, and 4, as amended; Laws 1979, Chapter 55, Section 1; and Laws 1979, Chapter 198, Article II, Section 7, Subdivisions 1 and 2.

The bill was read for the first time and referred to the Committee on Local and Urban Affairs.

Rodriguez, F.; Reding; Sarna and Rice introduced:

H. F. No. 1737, A bill for an act relating to retirement; local police and salaried firefighters relief associations; providing minimum disability benefit coverage for certain police officers and firefighters; proposing new law coded in Minnesota Statutes, Chapter 423A.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Voss, Rees and Peterson, D., introduced:

H. F. No. 1738, A bill for an act relating to municipal planning and zoning; prohibiting exclusion of manufactured homes and other types of single family dwellings; amending Minnesota Statutes 1980, Section 462.357, Subdivision 1.

The bill was read for the first time and referred to the Committee on Local and Urban Affairs.

Tomlinson; Nelson, K.; Himle; Evans and Vellenga introduced:

H. F. No. 1739, A bill for an act relating to residential energy credits; extending the effective date; amending Minnesota Statutes 1981 Supplement, Section 290.06, Subdivision 14.

The bill was read for the first time and referred to the Committee on Taxes.

Ellingson and Heinitz introduced:

H. F. No. 1740, A bill for an act relating to state government; regulating the data practices of the department of economic security; amending Minnesota Statutes 1980, Section 268.12, Subdivision 12.

The bill was read for the first time and referred to the Committee on Judiciary.

Ellingson and Heinitz introduced:

H. F. No. 1741, A bill for an act relating to the collection and dissemination of data; proposing the classification of certain welfare data as nonpublic; amending Minnesota Statutes 1980, Section 15.1691, Subdivision 6; Minnesota Statutes 1981 Supplement, Sections 15.781, Subdivision 1; and 15.791, Subdivision 9.

The bill was read for the first time and referred to the Committee on Judiciary.

Clark, K. ; Greenfield and Peterson, D., introduced :

H. F. No. 1742, A bill for an act relating to taxation; real property; clarifying the assessment of property owned by a neighborhood real estate trust; amending Minnesota Statutes 1980, Section 273.13, Subdivision 17d.

The bill was read for the first time and referred to the Committee on Taxes.

Brinkman, Jude and Heinitz introduced :

H. F. No. 1743, A bill for an act relating to courts; authorizing courts to obtain the presence of persons confined in state institutions for court appearances; proposing new law coded in Minnesota Statutes, Chapter 589.

The bill was read for the first time and referred to the Committee on Judiciary.

Rothenberg; Rose; Peterson, B.; Kalis and Jude introduced :

H. F. No. 1744, A bill for an act relating to crimes; providing prima facie evidentiary standards for determining if persons were driving while under the influence of alcohol; enhancing criminal penalties for persons who are convicted of more than one offense of driving while under the influence of alcohol or a controlled substance; enhancing the length of revocation of a driver's license or operating privileges for each additional offense of driving while under the influence of alcohol or a controlled substance; requiring results of preliminary screening tests be recorded on a driver's record if there is an alcohol concentration between .05 and .10; authorizing chemical tests for persons incapable of refusing to submit to tests; authorizing written blood sample reports into evidence; amending Minnesota Statutes 1980, Sections 169.121, Subdivisions 1, 2, 3, 4, and 6; 169.123, Subdivisions 2, 3, 4, and by adding a subdivision; 171.12, by adding a subdivision; and Minnesota Statutes 1981 Supplement, Section 169.121, Subdivision 5.

The bill was read for the first time and referred to the Committee on Judiciary.

Hanson, Vanasek, Voss and Wynia introduced :

H. F. No. 1745, A bill for an act relating to public safety; regulating amusement rides; requiring state safety inspections of amusement rides; requiring liability insurance covering amusement rides; providing penalties; appropriating money; proposing new law coded as Minnesota Statutes, Chapter 182A.

The bill was read for the first time and referred to the Committee on General Legislation and Veterans Affairs.

Berkelman, Gustafson, Munger, Murphy and Lehto introduced:

H. F. No. 1746, A bill for an act relating to port authorities; authorizing seaway port authorities to establish a fiscal year based on the season for international shipping through the St. Lawrence Seaway; amending Minnesota Statutes 1981 Supplement, Section 458.14.

The bill was read for the first time and referred to the Committee on Local and Urban Affairs.

Pogemiller and Long introduced:

H. F. No. 1747, A bill for an act relating to the city of Minneapolis; providing for the security for certain rehabilitation loans; amending Laws 1977, Chapter 138, Section 2.

The bill was read for the first time and referred to the Committee on Local and Urban Affairs.

Kelly, Tomlinson, Hanson, Vellenga and Reif introduced:

H. F. No. 1748, A bill for an act relating to Ramsey county; providing for the organization, powers and duties of the Saint Paul-Ramsey Medical Center commission; permitting the issuance of revenue bonds; amending Laws 1974, Chapter 435, Section 3.14, as amended.

The bill was read for the first time and referred to the Committee on Local and Urban Affairs.

Forsythe; Sarna; Marsh; Rodriguez, C., and Heinitz introduced:

H. F. No. 1749, A bill for an act relating to economic development; providing an exception to the business licensing act; amending Minnesota Statutes 1981 Supplement, Section 362.452, Subdivision 2a.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Swanson introduced:

H. F. No. 1750, A bill for an act relating to education; transferring the powers necessary and incident to the management, jurisdiction and control of the community colleges to the state university board; abolishing the state board for community colleges; providing for merger of the state university system and the state community college system; requiring transfer of vocational programs in state universities and community colleges to area vocational-technical institutes; prohibiting area vocational-technical institutes from granting associate degrees unless the degree is awarded jointly with a collegiate institution; amending Minnesota Statutes 1980, Sections 136.02; 136.03; 136.065; 136.12, Subdivision 1; 136.14; 136.60; 136.621, Subdivision 1; 136.63; 136.65; 136.67; and 136.88; Minnesota Statutes 1981 Supplement, Sections 121.218; 136.80, Subdivision 1; 136.82, Subdivision 1; and 136.87, Subdivision 1; proposing new law coded in Minnesota Statutes, Chapter 136; repealing Minnesota Statutes 1980, Sections 136.602; 136.603; 136.61; 136.62; and 136.70.

The bill was read for the first time and referred to the Committee on Education.

MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Mr. Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned:

H. F. No. 1693, A resolution memorializing the governments of the United States and the Socialist Republic of Vietnam to take all possible actions to determine the fate of persons missing in action in Southeast Asia.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned, as amended by the Senate, in which amendment the concurrence of the House is respectfully requested:

H. F. No. 1478, A bill for an act relating to congressional districts; apportioning congressional districts; amending Minnesota Statutes 1980, Sections 2.741; 2.751; 2.761; 2.771; 2.781; 2.791; 2.801; and 2.811.

PATRICK E. FLAHAVEN, Secretary of the Senate

McCarron moved that the House refuse to concur in the Senate amendments to H. F. No. 1478, that the Speaker appoint a Conference Committee of 5 members of the House, and that the House requests that a like committee be appointed by the Senate to confer on the disagreeing votes of the two Houses. The motion prevailed.

Mr. Speaker:

I hereby announce the passage by the Senate of the following Senate File, herewith transmitted:

S. F. No. 1552.

PATRICK E. FLAHAVER, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 1552, A bill for an act relating to legislative districts; reapportioning legislative districts; amending Minnesota Statutes 1980, Sections 2.021; 2.031; and 2.711; proposing new law coded in Minnesota Statutes, Chapter 2; repealing Minnesota Statutes 1980, Sections 2.041 to 2.701 and 2.712.

The bill was read for the first time and referred to the Committee on Reapportionment and Elections.

MOTIONS AND RESOLUTIONS

Marsh moved that the name of Laidig be added as an author on H. F. No. 1025. The motion prevailed.

Peterson, D., moved that the names of Voss, Rees and McEachern be added as authors on H. F. No. 1668. The motion prevailed.

Niehaus moved that the name of Kalis be added as an author on H. F. No. 1675. The motion prevailed.

Harens moved that the names of McEachern and Wenzel be added as authors on H. F. No. 1669. The motion prevailed.

Drew moved that the name of O'Connor be added as an author on H. F. No. 1601. The motion prevailed.

Gruenes moved that the name of Rodriguez, C., be added as an author on H. F. No. 1671. The motion prevailed.

Begich moved that H. F. No. 1583 be recalled from the Committee on Local and Urban Affairs and be re-referred to the Committee on Environment and Natural Resources. The motion prevailed.

Zubay moved that H. F. No. 1664 be recalled from the Committee on Appropriations and be re-referred to the Committee on Education. The motion prevailed.

Carlson, L., moved that H. F. No. 1326 be returned to its author. The motion prevailed.

Ogren moved that H. F. No. 1551 be returned to its author. The motion prevailed.

House Resolution No. 20 was reported to the House.

Wenzel moved that House Resolution No. 20 be now adopted.

HOUSE RESOLUTION NO. 20

A house resolution commemorating the 100th anniversary of the birth of President Franklin D. Roosevelt.

Whereas, Franklin D. Roosevelt was born on January 30, 1882; and,

Whereas, he was first elected President of the United States on November 8, 1932, and served from March 9, 1933, until he died on April 12, 1945; and,

Whereas, his administration is remembered for the "100 days" in which more major legislation was passed than ever before in the history of the country; and,

Whereas, Franklin D. Roosevelt fathered the innovation of the New Deal—the most far-reaching economic and social policies in the nation's history—to end a national economic depression, and also led the United States to victory in World War II; and,

Whereas, he was also known for his personal magnetism and dedication to the poor and unfortunate of the nation; and,

Whereas, he is remembered as one of the most effective presidents in the history of the United States, and is ranked and rated by American historians as the greatest President of the 20th century; and,

Whereas, it is appropriate to commemorate his contribution to this country on this 100th anniversary of his birth and 50th anniversary of his first election as president; *Now, Therefore*,

Be It Resolved by the House of Representatives of the State of Minnesota that it commemorates the life and work of Frank-

lin D. Roosevelt. It urges all Minnesotans to recall him with admiration and to emulate his life and work.

Be It Further Resolved that the Chief Clerk of the House of Representatives is directed to prepare an enrolled copy of this resolution, to be authenticated by his signature and that of the Speaker, and that it be presented to members of the Roosevelt family, the Minnesota Congressional delegation, and the Smithsonian Institute in Washington, D.C.

A roll call was requested and properly seconded.

Piepho moved to amend House Resolution No. 20, as follows:

Page 1, line 9, delete "and" and insert "NOW, THEREFORE"

Page 1, delete lines 10 to 24

Page 2, delete lines 1 and 2

Page 2, line 5, delete everything after the period

Page 2, delete lines 6 to 12

A roll call was requested and properly seconded.

CALL OF THE HOUSE

On the motion of Hanson and on the demand of 10 members, a call of the House was ordered. The following members answered to their names:

Aasness	Ewald	Kelly	O'Connor	Sieben, M.
Ainley	Fjoslien	Knickerbocker	Ogren	Simoneau
Anderson, B.	Frerichs	Kostohryz	Olsen	Skoglund
Anderson, G.	Greenfield	Kvam	Onnen	Stadum
Anderson, I.	Gruenes	Laidig	Osthoff	Staten
Battaglia	Gustafson	Lehto	Otis	Stowell
Begich	Halberg	Lemen	Peterson, B.	Stumpf
Berkelman	Hanson	Long	Peterson, D.	Sviggum
Blatz	Harens	Ludeman	Piepho	Swanson
Brandl	Hauge	Luknie	Pogemiller	Tomlinson
Brinkman	Haukoos	Mann	Redalen	Valan
Byrne	Heap	Marsh	Rees	Valento
Carlson, L.	Heinitz	McCarron	Reif	Vanasek
Clark, J.	Himle	McDonald	Rice	Voss
Clark, K.	Hoberg	McEachern	Rodriguez, F.	Weaver
Clawson	Hokanson	Mehrkens	Rose	Welch
Dahlvang	Hokr	Metzen	Rothenberg	Welker
Dean	Jacobs	Minne	Samuelson	Wenzel
Dempsey	Jennings	Munger	Sarna	Wieser
Den Ouden	Johnson, C.	Nelsen, B.	Schafer	Wigley
Drew	Johnson, D.	Nelson, K.	Schoenfeld	Wynia
Eken	Jude	Niehaus	Schreiber	Zubay
Elihoff	Kahn	Norton	Shea	Spkr. Sieben, H.
Esau	Kaley	Novak	Sherman	
Evans	Kalis	Nysether	Sherwood	

Eken moved that further proceedings of the roll call be dispensed with and that the Sergeant at Arms be instructed to bring in the absentees. The motion prevailed and it was so ordered.

The question recurred on the Piepho amendment and the roll was called.

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

There were 34 yeas and 86 nays as follows :

Those who voted in the affirmative were :

Aasness	Frerichs	Knickerbocker	Nelsen, B.	Sherwood
Ainley	Haukoos	Kvam	Niehaus	Swiggum
Carlson, D.	Heap	Lemen	Onnen	Valan
Dean	Himle	Levi	Piepho	Valento
Den Ouden	Hoberg	Ludeman	Redalen	Welker
Esau	Jennings	McDonald	Reif	Wieser
Evans	Kaley	Mehrkens	Schafer	

Those who voted in the negative were :

Anderson, B.	Elioff	Kelly	Otis	Stadum
Anderson, G.	Ellingson	Kostohryz	Peterson, D.	Staten
Anderson, I.	Ewald	Lehto	Pogemiller	Stumpf
Battaglia	Fjoslien	Long	Reding	Swanson
Begich	Greenfield	Luknic	Rees	Tomlinson
Berkelman	Gruenes	Mann	Rice	Vanasek
Blatz	Gustafson	McCarron	Rodriguez, F.	Voss
Brandl	Hanson	McEachern	Rose	Weaver
Brinkman	Harens	Metzen	Rothenberg	Welch
Byrne	Hauge	Minne	Samuelson	Wenzel
Carlson, L.	Hokanson	Munger	Sarna	Wigley
Clark, J.	Hokr	Nelson, K.	Schoenfeld	Wynia
Clark, K.	Jacobs	Novak	Schreiber	Zubay
Clawson	Johnson, C.	Nysether	Shea	Spkr. Sieben, H.
Dahlvang	Johnson, D.	O'Connor	Sherman	
Dempsey	Jude	Ogren	Sieben, M.	
Drew	Kahn	Olsen	Simoneau	
Eken	Kalis	Osthoff	Skoglund	

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

Sherman moved to amend House Resolution No. 20, as follows :

Page 1, line 14, delete "the most far-reaching economic and social"

Page 1, line 15, delete "policies in the nations's history—"

Page 1, line 15, delete "end" and insert "address"

Page 1, line 21, delete "and is ranked"

Page 1, delete lines 22 and 23

A roll call was requested and properly seconded.

The question was taken on the Sherman amendment and the roll was called.

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

There were 49 yeas and 72 nays as follows :

Those who voted in the affirmative were :

Aasness	Frerichs	Kvam	Olsen	Sherman
Ainley	Halberg	Laidig	Onnen	Sherwood
Blatz	Haukoos	Lemen	Piepho	Stadum
Carlson, D.	Heap	Ludeman	Redalen	Sviggum
Dean	Himle	Luknic	Rees	Valan
Dempsey	Hoberg	McDonald	Reif	Valento
Den Ouden	Hokr	Mehrkens	Rose	Welker
Esau	Jennings	Nelsen, B.	Rothenberg	Wieser
Evans	Johnson, D.	Niehaus	Schafer	Wigley
Fjoslien	Knickerbocker	Nysether	Schreiber	

Those who voted in the negative were :

Anderson, B.	Eken	Kalis	Ogren	Staten
Anderson, G.	Elioff	Kelly	Osthoff	Stumpf
Anderson, I.	Ellingson	Kostohryz	Otis	Swanson
Battaglia	Ewald	Lehto	Peterson, D.	Tomlinson
Begich	Greenfield	Long	Pogemiller	Vanasek
Berkelman	Gruenes	Mann	Reding	Voss
Brandl	Gustafson	McCarron	Rice	Weaver
Brinkman	Hanson	McEachern	Rodriguez, F.	Welch
Byrne	Harens	Metzen	Samuelson	Wenzel
Carlson, L.	Hauge	Minne	Sarna	Wynia
Clark, J.	Hokanson	Munger	Schoenfeld	Zubay
Clark, K.	Jacobs	Nelson, K.	Shea	Spkr. Sieben, H.
Clawson	Johnson, C.	Norton	Sieben, M.	
Dahlvang	Jude	Novak	Simoneau	
Drew	Kahn	O'Connor	Skoglund	

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

Sherwood moved to amend House Resolution No. 20, as follows :

Page 2, line 6, after "his" insert "public"

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

The question was taken on House Resolution No. 20 and the roll was called.

McDonald moved that those not voting be excused from voting. The motion did not prevail.

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

There were 97 yeas and 23 nays as follows :

Those who voted in the affirmative were :

Anderson, B.	Esau	Kelly	O'Connor	Sieben, M.
Anderson, G.	Ewald	Knickerbocker	Ogren	Simoneau
Anderson, I.	Greenfield	Kostohryz	Olsen	Skoglund
Battaglia	Gruenes	Laidig	Osthoff	Stadum
Begich	Gustafson	Lehto	Otis	Staten
Berkelman	Hanson	Levi	Peterson, D.	Stumpf
Blatz	Harens	Long	Pogemiller	Sviggum
Brandl	Hauge	Luknic	Redalen	Swanson
Brinkman	Haukoos	Mann	Reding	Tomlinson
Byrne	Heap	McCarron	Rees	Vanasek
Carlson, D.	Himle	McEachern	Rice	Voss
Carlson, L.	Hokanson	Metzen	Rodriguez, F.	Weaver
Clark, J.	Jacobs	Minne	Rose	Welch
Clark, K.	Jennings	Munger	Rothenberg	Wenzel
Clawson	Johnson, C.	Nelsen, B.	Samuelson	Wynia
Dahlvang	Johnson, D.	Nelson, K.	Sarna	Zubay
Drew	Jude	Niehaus	Schoenfeld	Spkr. Sieben, H.
Eken	Kahn	Norton	Schreiber	
Elioff	Kaley	Novak	Shea	
Ellingson	Kalis	Nysether	Sherman	

Those who voted in the negative were :

Aasness	Evans	Lemen	Reif	Welker
Ainley	Frerichs	McDonald	Schafer	Wieser
Dean	Halberg	Mehrkens	Sherwood	Wigley
Dempsey	Hoberg	Onnen	Valan	
Den Ouden	Kvam	Piepho	Valento	

The motion prevailed and the resolution was adopted.

ADJOURNMENT

Eken moved that when the House adjourns today it adjourn until 2:00 p.m., Monday, February 1, 1982. The motion prevailed.

Eken moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 2:00 p.m., Monday, February 1, 1982.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

STATE OF MINNESOTA

SEVENTY-SECOND SESSION - 1982

SIXTY-SEVENTH DAY

SAINT PAUL, MINNESOTA, MONDAY, FEBRUARY, 1, 1982

The House of Representatives convened at 2:00 p.m. and was called to order by Harry A. Sieben, Jr., Speaker of the House.

Prayer was offered by Father Michael Erlander, St. Luke's Church, St. Paul, Minnesota.

The roll was called and the following members were present:

Aasness	Esau	Kalis	O'Connor	Sherman
Ainley	Evans	Kelly	Ogren	Sherwood
Anderson, B.	Ewald	Knickerbocker	Olsen	Sieben, M.
Anderson, G.	Fjoslien	Kostohryz	Onnen	Simoneau
Anderson, I.	Frerichs	Kvam	Osthoff	Skoglund
Battaglia	Greenfield	Laidig	Otis	Stadum
Begich	Gruenes	Lehto	Peterson, B.	Staten
Berkelman	Gustafson	Lemen	Peterson, D.	Stowell
Blatz	Halberg	Levi	Piepho	Stumpf
Brandl	Hanson	Long	Pogemiller	Swiggum
Brinkman	Harens	Ludeman	Redalen	Swanson
Byrne	Hauge	Luknic	Reding	Tomlinson
Carlson, D.	Haukoos	Marsh	Rees	Valan
Carlson, L.	Heap	McCarron	Reif	Valento
Clark, J.	Heinitz	McDonald	Rice	Vanasek
Clark, K.	Himle	McEachern	Rodriguez, C.	Vellenga
Clawson	Hoberg	Mehrkens	Rodriguez, F.	Voss
Dahlvang	Hokanson	Metzen	Rose	Weaver
Dean	Hokr	Minne	Rothenberg	Welch
Dempsey	Jacobs	Munger	Samuelson	Welker
Den Ouden	Jennings	Murphy	Sarna	Wenzel
Drew	Johnson, C.	Nelsen, B.	Schafer	Wieser
Eken	Johnson, D.	Niehaus	Schoenfeld	Wigley
Elioff	Jude	Norton	Schreiber	Wynia
Ellingson	Kahn	Novak	Searles	Zubay
Erickson	Kaley	Nysether	Shea	Spkr. Sieben, H.

A quorum was present.

Anderson, R.; Forsythe; Mann and Nelson, K., were excused.

The Chief Clerk proceeded to read the Journal of the preceding day. Laidig moved that further reading of the Journal be dispensed with and that the Journal be approved as corrected by the Chief Clerk. The motion prevailed.

REPORTS OF CHIEF CLERK

Pursuant to Rules of the House, printed copies of H. F. Nos. 1574, 1614, 1550, 1554 and 1250 and S. F. No. 1552 have been placed in the members' files.

PETITIONS AND COMMUNICATIONS

The following communication was received:

STATE OF MINNESOTA
OFFICE OF THE GOVERNOR
SAINT PAUL 55155

January 29, 1982

The Honorable Harry A. Sieben, Jr.
Speaker of the House
State of Minnesota

Dear Speaker Sieben:

I have the honor to inform you that I received, approved, signed and deposited in the Office of the Secretary of State the following House File:

H. F. No. 1693, A resolution memorializing the governments of the United States and the Socialist Republic of Vietnam to take all possible actions to determine the fate of persons missing in action in Southeast Asia.

Sincerely,

ALBERT H. QUIE
Governor

REPORTS OF STANDING COMMITTEES

Rice from the Committee on Labor-Management Relations to which was referred:

S. F. No. 429, A bill for an act relating to public safety; regulating boilers, other apparatus and their operators; providing penalties; amending Minnesota Statutes 1980, Sections 183.375, Subdivision 2; 183.38; 183.39, Subdivision 1; 183.41, Subdivision 2; 183.411, Subdivision 3; 183.42; 183.44; 183.45; 183.46; 183.465; 183.48; 183.50; 183.51; 183.52; 183.53; 183.54; 183.545; 183.56; 183.57; 183.59; 183.60; 183.61; 183.62; and proposing new law coded in Minnesota Statutes, Chapter 183; repealing Minnesota Statutes 1980, Section 183.39, Subdivision 2.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1980, Section 183.375, Subdivision 2, is amended to read:

Subd. 2. [CHIEF OF DIVISION.] Subject to the provisions of chapter 43, the commissioner shall appoint a chief and a deputy chief of the division of boiler inspection. They shall be qualified steam engineers with at least ten years of experience as such and shall be licensed as chief Grade A engineers in this state and shall possess a current commission issued by the national board of boiler and pressure vessel inspectors. *Inspectors employed in the division of boiler inspection may utilize up to five years of equivalent experience as inspectors, in satisfying the requirement of ten years of experience as steam engineers for the chief and deputy chief positions.*

Sec. 2. Minnesota Statutes 1980, Section 183.38, is amended to read:

183.38 [BOILER INSPECTOR; INSPECTIONS; EXAMINATIONS; LICENSES.]

Subdivision 1. [ALL BOILERS INSPECTED.] The division of boiler inspection shall inspect all (STEAM) boilers and pressure vessels in use not expressly excepted from such inspection by law. Immediately upon inspection the division of boiler inspection shall issue a (LICENSE) *certificate of inspection* therefor or a certificate condemning the boiler or pressure vessel and shall seal it. Forms for these licenses and certificates shall be prepared and furnished by the commission. The division of boiler inspection shall examine all applicants for engineer's licenses. The chief of the division of boiler inspection shall issue such license to an applicant as the examination shall show (HE) *the applicant* is entitled to receive.

Subd. 2. [INSPECTOR'S EXAMINATION.] For the purpose of examining applicants for license the chief of the division of boiler inspection or (HIS) *the deputy chief* shall fix and determine a time and place for the examinations, and give notice to all applicants of the time and place. The chief or (HIS) *the deputy chief* shall grant and sign such license certificates as applicants are entitled to receive upon examination. *Applicants may be examined and issued certificates of competency as inspectors of boilers and pressure vessels.*

Sec. 3. Minnesota Statutes 1980, Section 183.39, Subdivision 1, is amended to read:

Subdivision 1. Each boiler inspector shall be a person of good moral character, (AND) shall be licensed in this state as a chief grade A engineer (, EXCEPT FOR THE PURPOSE OF ORGANIZING THE DIVISION UNDER LAWS 1957, CHAPTER 503, THE REQUIREMENTS OF THIS SUBDIVISION SHALL NOT APPLY) *and must hold a national board commission as a boiler inspector within 12 months of being employed as a boiler inspector by the department.* (THERE SHALL BE A QUALIFYING EXAMINATION CONDUCTED AMONG THE PRESENT INSPECTORS REGARDLESS OF LICENSE. THE REQUIREMENTS FOR INSPECTORS HIRED AFTER THE QUALIFYING EXAMINATION SHALL BE AS REQUIRED IN THIS SUBDIVISION. HE) *An inspector shall not be interested in the manufacture or sale of boilers or steam machinery or in any patented article required or generally used in the construction of engines or boilers or their appurtenances.*

Sec. 4. Minnesota Statutes 1980, Section 183.41, Subdivision 2, is amended to read:

Subd. 2. The department shall prescribe (REGULATIONS) *rules* for the (ANNUAL) inspection of the hulls, machinery, boilers, steam connections, fire fighting apparatus, life saving appliances and equipment of all power boats navigating the inland waters of the state, which shall conform (AS NEAR AS MAY BE) to the requirements *and specifications* of the United States Coast Guard as provided in Title 46, Code of Federal Regulations in similar cases; these (REGULATIONS) *rules* shall have the force of law.

Sec. 5. Minnesota Statutes 1980, Section 183.42, is amended to read:

183.42 [INSPECTION EACH YEAR.]

Every owner, lessee, or other person having charge of (STEAM) boilers, (UNFIRED) pressure vessels or any boat subject to inspection under this chapter shall cause the same to be inspected (AT LEAST ONCE EACH YEAR) by the division of boiler inspection. *Boilers and boats subject to inspection under this chapter shall be inspected at least annually and pressure vessels inspected at least every two years.*

Sec. 6. Minnesota Statutes 1980, Section 183.44, is amended to read:

183.44 [EXAMINATIONS; REGULATIONS; LICENSING, REVOCATIONS.]

Subdivision 1. [MASTERS AND PILOTS.] The division of boiler inspection shall examine all masters and pilots of

(STEAMBOATS AND VESSELS AND ALL GASOLINE) boats and vessels carrying passengers for hire on the inland waters of the state as to their qualifications and fitness. If found trustworthy and competent to perform (HIS) *their* duties as a master or pilot (HE) *they* shall be given a certificate authorizing (HIM) *them* to act as such on the inland waters of the state (DESIGNATED IN THE CERTIFICATE).

Subd. 2. [RULES.] The division of boiler inspection shall make such (REGULATIONS) *rules for inspection and operation of boats subject to inspection under this chapter, boilers and pressure vessels, the licensing of engineers and pilots, and the navigation of any such boat or vessel as will require their operation without danger to life or property.*

Subd. 3. [SUSPENSION, REVOCATION.] The division of boiler inspection (SHALL) *may suspend or revoke the license of any master, pilot or engineer found under the influence of (INTOXICATING LIQUOR) drugs or alcohol when on duty or who otherwise disregards the provisions of sections 183.375 to 183.62 or any (REGULATION) rule promulgated (BY IT) thereunder.*

Sec. 7. Minnesota Statutes 1980, Section 183.45, is amended to read:

183.45 [INSPECTION.]

All (STEAM) boilers and steam generators shall be inspected by the division of boiler inspection before same are used and all boilers shall be inspected at least once each year thereafter. Inspectors (SHALL) *may subject all boilers to hydrostatic pressure or hammer test, and shall ascertain by a thorough internal and external examination that they are well made and of good and suitable material; that the openings for the passage of water and steam, respectively, and all pipes and tubes exposed to heat, are of proper dimensions and free from obstructions; that the flues are circular in form; that the arrangements for delivering the feed water are such that the boilers cannot be injured thereby; and that such boilers and their (STEAM) connections may be safely used without danger to life or property. Inspectors shall ascertain that the safety valves are of suitable dimensions, sufficient in number, and properly arranged, and that the safety valves are so adjusted as to allow no greater pressure in the boilers than the amount prescribed by the inspector's certificate; that there is a sufficient number of gauge cocks, properly inserted, to indicate the amount of water, and suitable gauges that will correctly record the pressure (OF STEAM); and that the fusible metals are properly inserted where required so as to fuse by the heat of the furnace whenever the water in the boiler falls below its prescribed limit; and that provisions are made for an ample supply of water to feed the boilers at all times (, SO THAT IN HIGH-PRESSURE*

BOILERS THE WATER SHALL NOT BE LESS THAN THREE INCHES ABOVE THE TOP OF THE FIRE SURFACE); and that means for blowing out are provided, so as to thoroughly remove the mud and sediment from all parts when under pressure (OF STEAM).

Sec. 8. Minnesota Statutes 1980, Section 183.46, is amended to read:

183.46 [TESTS.]

In subjecting both high and low pressure boilers and (UNFIRED) pressure vessels to the hydrostatic test, and to determine the safe allowable working pressure, the inspector shall use the latest approved formula of the American Society of Mechanical Engineers Code.

Sec. 9. Minnesota Statutes 1980, Section 183.465, is amended to read:

183.465 [STANDARDS OF INSPECTION.]

The engineering standards of boilers and (UNFIRED) pressure vessels for use in this state shall be that established by the current edition of the construction (CODE), *operation and care of, inservice inspection and testing, and controls and safety devices codes* of the American Society of Mechanical Engineers and amendments thereto and the (REGULATIONS) *rules* of the division of boiler inspection adopted by the department of labor and industry.

Sec. 10. [183.466] [STANDARDS OF REPAIRS.]

The recommended rules for repair of boilers and pressure vessels for use in this state shall be those established by the current edition of the national board of boiler and pressure vessel inspectors inspection code and the rules of the division of boiler inspection adopted by the department of labor and industry.

Sec. 11. Minnesota Statutes 1980, Section 183.48, is amended to read:

183.48 [SPECIAL EXAMINATION.]

At any time the inspector deems it necessary (HE SHALL MAKE) an examination *shall be made* of any boiler or (UNFIRED) pressure vessel which *there is reason to believe* has become unsafe, and notify the owners or operators thereof of any defect therein, and what repairs are necessary. Such boiler or (UNFIRED) pressure vessel shall not thereafter be used until so repaired. *Boilers found to be operated by unlicensed or improperly licensed persons shall be considered to be unsafe*

and shall not thereafter be used until the operators are properly licensed. If circumstances warrant continued operation, approval may be given for continuing operation for a specific period of time, not to exceed 30 days, at the discretion of the boiler inspector.

Sec. 12. Minnesota Statutes 1980, Section 183.50, is amended to read:

183.50 [INSPECTION OF (STEAM) BOILERS AND PRESSURE VESSELS.]

The owner or manager of a (STEAM) boiler or (UNFIRED) pressure vessel shall allow inspectors full access thereto. Every engineer operating a (STEAM) boiler shall assist the inspector in (HIS) *the* examination, and point out any known defects in the boilers, steam engines or turbines in his charge. (NO PERSON SHALL BE ENTRUSTED WITH THE OPERATION OF ANY STEAM BOILER, STEAM ENGINES, OR TURBINE WHO HAS NOT RECEIVED A LICENSE OF SUCH GRADE AS TO COVER THAT STEAM BOILER, STEAM ENGINES OR TURBINES. THE LICENSE SHALL BE RENEWED ANNUALLY. WHEN A VIOLATION OF THIS SECTION OCCURS THE DIVISION OF BOILER INSPECTION SHALL CAUSE A COMPLAINT TO BE MADE FOR THE PROSECUTION OF THE OFFENDER.)

Sec. 13. [183.501] [LICENSE REQUIREMENT.]

(a) *No person shall be entrusted with the operation of or operate any boiler, steam engine, or turbine who has not received a license of grade covering that boiler, steam engine or turbine. The license shall be renewed annually. When a violation of this section occurs the division of boiler inspection may cause a complaint to be made for the prosecution of the offender and shall be entitled to sue for and obtain injunctive relief in the district courts for such violations.*

(b) *For purposes of this chapter, "operation" shall not include monitoring of an automatic boiler, either through on premises inspection of the boiler or by remote electronic surveillance, provided that no operations are performed upon the boiler other than emergency shut down in alarm situations.*

Sec. 14. [183.502] [SCHOOL ENGINEER OPERATIONAL REQUIREMENTS.]

Any custodial engineer employed by a school whose duties include the operation of a boiler shall be licensed pursuant to Minnesota Statutes, Section 183.51, to operate the particular class of boiler used in the school.

Sec. 15. Minnesota Statutes 1980, Section 183.51, is amended to read:

183.51 [EXAMINATIONS; CLASSIFICATIONS; QUALIFICATIONS.]

Subdivision 1. [ENGINEERS, CLASSES.] Engineers shall be divided into (FIVE) *four* classes:

(1) Chief engineers; Grade A, Grade B, and Grade C. (2) first class engineers; Grade A, Grade B, and Grade C. (3) second class engineers; Grade A, Grade B, and Grade C. (4) (THIRD CLASS) *Special* engineers. ((5) FOURTH CLASS ENGINEERS.)

Subd. 2. [APPLICATIONS.] Any person who desires an engineer's license shall make a written application, on blanks furnished by the inspector. (HE) *The person* shall also successfully pass a written examination for such grade of license applied for.

Subd. 3. [HIGH AND LOW PRESSURE BOILERS.] For the purposes of sections 183.50, 183.51, high pressure boilers shall mean boilers operating at a (PRESSURE IN EXCESS OF 15PSI. LOW PRESSURE SHALL MEAN BOILERS OPERATING AT A PRESSURE OF 15PSI OR LESS) *steam or other vapor pressure in excess of 15 p.s.i.g., or a water or other liquid boiler in which the pressure exceeds 160 p.s.i.g. or a temperature of 250 degrees Fahrenheit.*

Low pressure boilers shall mean boilers operating at a steam or other vapor pressure of 15 p.s.i.g. or less, or a water or other liquid boiler in which the pressure does not exceed 160 p.s.i.g. or a temperature of 250 degrees Fahrenheit.

Subd. 4. [CHIEF ENGINEER, (HIGH PRESSURE) GRADE A.] A person seeking licensure as a chief engineer, Grade A, shall be at least 18 years of age (, BE OF SUCH) and have habits and (HAVE HAD SUCH) experience (AS TO) which justify the belief that (HE) the person is competent to take charge of and be responsible for the safe operation and maintenance of all classes of (STEAM) boilers, steam engines, or turbines and their appurtenances; and, before receiving a license, (HE) the applicant shall take and subscribe an oath (THAT HE HAS HAD) attesting to at least five years actual experience in operating such boilers, (STEAM) engines or turbines.

Subd. 5. [CHIEF ENGINEER, (LOW PRESSURE) GRADE B.] A person seeking licensure as a chief engineer, Grade B, shall be at least 18 years of age (, BE OF SUCH) and have habits and (HAVE HAD SUCH) experience (AS TO) which justify the belief that (HE) the person is competent to take charge of and be responsible for the safe operation and maintenance of all classes of (STEAM) boilers (,) and their appurtenances; and, before receiving a license, (HE) the applicant

shall take and subscribe an oath (THAT HE HAS) *attesting to* at least five years actual experience in operating (SUCH) *those* boilers.

Subd. 6. [CHIEF ENGINEER, GRADE C.] *A person seeking licensure as a chief engineer, Grade C, shall be at least 18 years of age (, BE OF SUCH) and have habits and (HAVE HAD SUCH) experience (AS TO) which justify the belief that (HE) the person is competent to take charge of and be responsible for the safe operation and maintenance of all classes of low pressure (STEAM) boilers and their appurtenances, and before receiving a license, (HE) the applicant shall take and subscribe an oath (THAT HE HAS) attesting to at least five years of actual experience in operating such boilers.*

Subd. 7. [FIRST-CLASS ENGINEER, (HIGH PRESSURE) GRADE A.] *A person seeking licensure as a first-class engineer, Grade A, shall be at least 18 years of age (, BE OF SUCH) and have habits and (HAVE HAD SUCH) experience (AS TO) which justify the belief that (HE) the person is competent to take charge of and be responsible for the safe operation and maintenance of all classes of (STEAM) boilers, (STEAM) engines, or turbines and their appurtenances of not more than 300 horsepower or to operate as a shift engineer in a plant of unlimited horsepower. Before receiving a license, (HE) the applicant shall take and subscribe an oath (THAT HE HAS HAD) attesting to at least three years actual experience in operating such boilers, (STEAM) engines, or turbines.*

Subd. 8. [FIRST CLASS ENGINEER, GRADE B.] *A person seeking licensure as a first-class engineer, Grade B, shall be at least 18 years of age (, BE OF SUCH) and have habits and (HAVE HAD SUCH) experience (AS TO) which justify the belief that (HE) the person is competent to take charge of and be responsible for the safe operation and maintenance of all classes of (STEAM) boilers of not more than 300 horsepower or to operate as a shift engineer in a plant of unlimited horsepower. Before receiving a license (HE) the applicant shall take and subscribe an oath (THAT HE HAS HAD) attesting to at least three years actual experience in operating such boilers.*

Subd. 9. [FIRST-CLASS ENGINEER, (LOW PRESSURE) GRADE C.] *A person seeking licensure as a first-class engineer, Grade C, shall be at least 18 years of age (, BE OF SUCH) and have habits and (HAVE HAD SUCH) experience (AS TO) which justify the belief that (HE) the person is competent to take charge of and be responsible for the safe operation and maintenance of all classes of low pressure (STEAM) boilers and their appurtenances of not more than 300 horsepower or to operate as a shift engineer in a low pressure plant of unlimited horsepower. Before receiving a license, (HE) the applicant shall take and subscribe an oath (THAT HE SHALL HAVE HAD)*

attesting to at least three years actual experience in operating such boilers.

Subd. 10. [SECOND-CLASS ENGINEER, (HIGH PRESSURE) GRADE A.] *A person seeking licensure as a second-class engineer, Grade A, shall be at least 18 years of age (, BE OF SUCH) and have habits and (HAVE HAD SUCH) experience (AS TO) which justify the belief that (HE) the person is competent to take charge of and be responsible for the safe operation and maintenance of all classes of (STEAM) boilers, (STEAM) engines, or turbines and their appurtenances of not more than 100 horsepower or to operate as a shift engineer in a plant of not more than 300 horsepower, or to assist the shift engineer, under direct supervision, in a plant of unlimited horsepower. Before receiving a license (HE) the applicant shall take and subscribe an oath (THAT HE HAS HAD) attesting to at least one year of actual experience in operating such boilers, (STEAM) engines, or turbines.*

Subd. 11. [SECOND-CLASS ENGINEER, GRADE B.] *A person seeking licensure as a second-class engineer, Grade B, shall be at least 18 years of age (, BE OF SUCH) and have habits and (HAVE HAD SUCH) experience (AS TO) which justify the belief that (HE) the person is competent to take charge of and be responsible for the safe operation and maintenance of all classes of (STEAM) boilers of not more than 100 horsepower or to operate as a shift engineer in a plant of not more than 300 horsepower or to assist the shift engineer, under direct supervision, in a plant of unlimited horsepower. Before receiving a license (HE) the applicant shall take and subscribe an oath (THAT HE HAS HAD) attesting to at least one year of actual experience in operating such boilers.*

Subd. 12. [SECOND-CLASS ENGINEER, (LOW PRESSURE) GRADE C.] *A person seeking licensure as a second-class engineer, Grade C, shall be at least 18 years of age (, BE OF SUCH) and have habits and (HAVE HAD SUCH) experience (AS TO) which justify the belief that (HE) the person is competent to take charge of and be responsible for the safe operation and maintenance of all classes of low pressure (STEAM) boilers and their appurtenances of not more than 100 horsepower or to operate as a shift engineer in a low pressure plant of not more than 300 horsepower, or to assist the shift engineer, under direct supervision, in a low pressure plant of unlimited horsepower. Before receiving a license, (HE) the applicant shall take and subscribe an oath (THAT HE HAS HAD) attesting to at least one year of actual experience in operating such boilers.*

Subd. 13. [SPECIAL ENGINEER.] (THIRD-CLASS) *A person seeking licensure as a special (ENGINEERS) engineer shall be at least 18 years of age (, BE OF SUCH) and have habits and (HAVE HAD SUCH) experience (AS TO) which justify*

the belief that (HE) *the person is competent to take charge of and be responsible for the safe operation and maintenance of all classes of (STEAM) boilers and their appurtenances of not more than 30 horsepower or to operate as a shift engineer in a plant of not more than 100 horsepower, or to serve as an apprentice in any plant under the direct supervision of the properly licensed engineer.* (BEFORE RECEIVING A LICENSE HE SHALL TAKE AND SUBSCRIBE AN OATH THAT HE HAS HAD AT LEAST SIX MONTHS OF ACTUAL EXPERIENCE IN OPERATING SUCH BOILERS.)

(SUBD. 14. A FOURTH-CLASS ENGINEER SHALL BE AT LEAST 18 YEARS OF AGE, BE OF SUCH HABITS AND ACQUAINTED WITH THE DUTIES OF AN ENGINEER TO JUSTIFY THE BELIEF THAT HE CAN BE SAFELY ENTRUSTED WITH LOW PRESSURE STEAM BOILERS OF NOT MORE THAN 30 HORSEPOWER.)

Subd. (15) 14. [CURRENT BOILER OPERATORS.] (ANY PERSON WHO, AT THE TIME OF THE ENACTMENT OF LAWS 1947, CHAPTER 563, WAS, AND SINCE THAT TIME HAS BEEN LICENSED AS A FIRST-CLASS OR SECOND-CLASS ENGINEER, SHALL BE GRANTED A RENEWAL LICENSE FOR GRADE A OF THE RESPECTIVE CLASSIFICATION WITHOUT EXAMINATION UPON APPLICATION THEREFOR, OR WHO HELD A SPECIAL LICENSE SHALL BE GRANTED A THIRD-CLASS LICENSE WITHOUT EXAMINATION UPON APPLICATION THEREFOR) *Any person operating a boiler other than a steam boiler at the effective date of sections 1 to 27 shall be qualified for application for the applicable class license upon presentation of an affidavit furnished by an inspector and sworn to by his employer or a chief engineer. The applicant must have at least the number of years of actual experience specified for the class of license requested and pass the appropriate examination.*

(SUBD. 16. ANY PERSON, WHO RECEIVED A FIRST-CLASS OR SECOND-CLASS ENGINEER'S LICENSE AFTER ENACTMENT OF LAWS 1947, CHAPTER 563, BUT BEFORE APRIL 30, 1957, UPON PRESENTATION OF AN AFFIDAVIT FURNISHED BY THE INSPECTOR AND SWORN TO BY HIS EMPLOYER OR A CHIEF ENGINEER STATING THAT HE HAS HAD THE REQUIRED STEAM ENGINE OR TURBINE EXPERIENCE, SHALL BE GRANTED A RENEWAL LICENSE WITHOUT FURTHER EXAMINATION FOR GRADE A OF THE RESPECTIVE CLASSIFICATION. ANY OTHER ENGINEER LICENSED DURING SUCH PERIOD SHALL RECEIVE A GRADE B LICENSE OF THE RESPECTIVE CLASSIFICATION UNLESS HE OTHERWISE QUALIFIES AS PROVIDED IN THIS SECTION.

(SUBD. 17. ANY PERSON WITH A CHIEF ENGINEER'S LICENSE RECEIVED BEFORE THE EFFECTIVE DATE

OF SECTIONS 183.50, 183.51, SHALL RECEIVE A GRADE A LICENSE.)

(SUBD. 18. ENGINEERS NOW LICENSED AND OPERATING A LOW PRESSURE BOILER AT THE TIME OF ENACTMENT OF SECTIONS 183.50, 183.51, SHALL BE ISSUED A LICENSE TO COVER THEIR RESPECTIVE POSITION, UPON PRESENTATION OF AN AFFIDAVIT FURNISHED BY THE INSPECTOR AND SWORN TO BY HIS EMPLOYER OR A CHIEF ENGINEER.)

Subd. 15. [RATING HORSEPOWER.] For the purpose of rating boiler horsepower for engineer license classifications only: ten square feet of heating surface shall be considered equivalent to one boiler horsepower for conventional boilers and five square feet of heating surface equivalent to one boiler horsepower for steam coil type generators.

Sec. 16. Minnesota Statutes 1981 Supplement, Section 183.52, is amended to read:

183.52 [REVOCATION OF LICENSE.]

(WHEN ANY PERSON MAKES A COMPLAINT AGAINST ANY LICENSED ENGINEER THAT, BY REASON OF NEGLIGENCE, WANT OF SKILL, INATTENTION TO DUTY, OR VIOLATION OF ANY PROVISION OF SECTIONS 183.375 TO 183.57, THE ENGINEER PERMITTED A BOILER TO BURN OR BECOME IN BAD CONDITION, THE LICENSE OF THAT ENGINEER SHALL BE REVOKED BY THE DIVISION OF BOILER INSPECTION UPON SATISFACTORY EVIDENCE. AN ENGINEER AGGRIEVED BY A REVOCATION OF HIS LICENSE ON ANY OF THESE GROUNDS MAY APPEAL TO THE COMMISSIONER OF LABOR AND INDUSTRY. THE DECISION OF THE COMMISSIONER IN THE CASE IS FINAL.)

The chief boiler inspector or his representative may issue cease and desist orders to any person found to be in violation of sections 183.375 to 183.62 or the rules adopted thereunder, or for otherwise operating or allowing a boiler or pressure vessel to be operated under unsafe or dangerous conditions, and may petition for enforcement of the order in the district court. The department may also suspend or revoke the license of any engineer for a violation.

Sec. 17. Minnesota Statutes 1980, Section 183.53, is amended to read:

183.53 [VERIFICATION OF CERTIFICATE.]

In making an inspection of boilers, machinery, or (STEAM) vessels, inspectors may act jointly or separately. In all cases inspectors shall verify the certificate of inspection.

Sec. 18. Minnesota Statutes 1980, Section 183.54, is amended to read:

183.54 [(DISTRICT) BOILER INSPECTOR TO DELIVER CERTIFICATES; PAYMENT OF INSPECTION FEES.]

Subdivision 1. [SAFETY CERTIFICATE.] After examination and tests, if a boiler inspector finds any (STEAM) boiler or pressure vessel safe and suitable for use, (HE) *the inspector* shall deliver to the chief boiler inspector a verified certificate in such form as prescribed by the chief boiler inspector containing a specification of the tests applied and the working pressure allowed. A copy of the certificate is delivered to the owner of the boiler or pressure vessel, who shall place and retain the same in a conspicuous place on or near the boiler or pressure vessel.

Subd. 2. [FEES.] Fees for the inspection of (STEAM) boilers and pressure vessels are payable at the time of the delivery of the certificate.

Subd. 3. [FAILURE TO PAY FEE.] If the owner or lessee of any boiler or pressure vessel, which boiler or pressure vessel has been duly inspected, refuses to pay the required fee within 30 days from the date of the inspection, the chief boiler inspector, or his deputy, may seal the boiler or pressure vessel until the fee is paid.

Sec. 19. Minnesota Statutes 1980, Section 183.545, is amended to read:

183.545 [FEES FOR INSPECTION.]

Subdivision 1. [FEE AMOUNT; VESSELS.] The fees for the inspection of the hull, boiler, machinery, and equipments of vessels are:

Vessels of 50 tons burden or over, (\$20) \$30.

Vessels of less than 50 tons burden, (\$10) \$15.

Subd. 2. [FEE AMOUNTS; MASTERS AND PILOTS.] The fee for an examination of an applicant for a master's or pilot's license is (\$8) \$10. The fee for an annual renewal of a master's or a pilot's license is \$6 or \$8 if paid later than 10 days after expiration.

Subd. 3. [INSPECTION FEES.] The fees for the *annual* inspection of boilers and *biennial inspection* of pressure vessels are:

Boiler inaccessible for internal inspection, \$15

Boiler accessible for internal inspection, \$20

Boiler internal inspection over 2,000 square feet heating surface, \$30

Boiler internal inspection over 4,000 square feet heating surface, \$40

Boiler internal inspection over 10,000 square feet heating surface, \$60

Boiler accessible for internal inspection requiring one-half day or more of inspection time shall be billed at the established shop inspection fee rate.

Pressure vessel (ACCESSIBLE) for internal inspection *via manhole*, (\$10) \$15

Pressure vessel inaccessible for internal inspection, (\$6) \$10

An additional fee based on the scale of fees applicable to an inspection shall be charged when it is necessary to make a special trip for a hydrostatic test of a boiler or pressure vessel.

Shop inspection fees shall be charged as follows for full day (\$145) \$190 plus \$35 per hour over eight hours, one-half day (\$85) \$100, two hours or less \$50, plus mileage and reasonable expenses. Inspection time includes all time related to the shop inspection.

Subd. 4. [APPLICANTS FEES.] The fee for an examination of an applicant for an engineer's license is:

Chief engineer's license,	\$20
First class engineer's license,	\$15
Second class engineer's license,	\$13
Special engineer's license,	\$8

If an applicant, after an examination, is entitled to receive a license, it shall be issued (TO HIM) without the payment of any additional charge. Any license so issued expires one year after the date of its issuance. An engineer's license may be

renewed upon application therefor and the payment of an annual renewal fee as follows:

Chief engineer's license renewal	\$10
First class engineer's license renewal	\$10
Second class engineer's license renewal	\$8
Special engineer's license renewal	\$6

The fee is payable at the time of application, which shall be made not later than ten days after the date of expiration of such license. If application is made more than ten days after the date of expiration of such license, an expired fee shall be paid instead of the renewal fee prescribed above; the expired fees are:

Chief engineer	\$15
First class engineer	\$12
Second class engineer	\$10
Special engineer	\$8

Subd. 5. [FEE FORFEITURE.] Where an applicant for an engineer's license has paid the fees provided by subdivision 4, and thereafter fails to take an examination (THEREFOR) or furnish a proper affidavit, within a period of one year, said application fee shall be forfeited to the state of Minnesota. (APPLICATION FEES HERETOFORE PAID SHALL BE FORFEITED TO THE STATE OF MINNESOTA IF THE APPLICANT THEREFOR FAILS TO TAKE SUCH AN EXAMINATION WITHIN ONE YEAR FROM THE EFFECTIVE DATE OF LAWS 1959, CHAPTER 586.)

Subd. 6. [NATIONAL BOARD INSPECTORS.] *The fee for an examination of an applicant for a national board of boiler and pressure vessels inspectors commission is \$25.*

Subd. 7. [NUCLEAR ENDORSEMENT.] *The fee for each examination of an applicant for a national board of boiler and pressure vessels commissioned inspectors nuclear endorsement is \$10.*

Subd. 8. [CERTIFICATE OF COMPETENCY.] *The fee for issuance of the original state of Minnesota certificate of competency for inspectors is \$10. This fee is waived for inspectors who paid the examination fee of \$25. The fee for an annual renewal of the state of Minnesota certificate of competency is \$5 and is due January 1 of each year.*

Sec. 20. Minnesota Statutes 1981 Supplement, Section 183.56, is amended to read:

183.56 [EXCEPTIONS.]

The provisions of sections 183.38 to (183.57) 183.62, shall not apply to (HEATING PLANTS IN BUILDINGS OCCUPIED SOLELY FOR RESIDENCE PURPOSES WITH ACCOMMODATIONS THEREIN FOR NOT MORE THAN FOUR FAMILIES, NOR TO DOMESTIC TYPE WATER SUPPLY HEATERS REGARDLESS OF WHERE INSTALLED, NOR TO RAILROAD LOCOMOTIVES OPERATED BY RAILROAD COMPANIES FOR TRANSPORTATION PURPOSES, NOR IN RAILROAD CONSTRUCTION WORK, NOR FOR UNLOADING MATERIALS OR FREIGHT, NOR TO RAILROAD-LOCOMOTIVE ENGINEERS AND FIREMEN EMPLOYED BY RAILROAD COMPANIES, NOR TO TANKS OR CYLINDERS USED FOR STORAGE OR TRANSFER OF LIQUEFIED PETROLEUM GASES, NOR TO UNFIRED PRESSURE VESSELS IN PETROLEUM REFINERIES; NOR TO AN AIR TANK OR PRESSURE VESSEL WHICH IS AN INTEGRAL PART OF A PASSENGER MOTOR BUS, TRUCK OR TRAILER.):

(1) *Boilers in buildings occupied solely for residence purposes with accommodations for not more than five families;*

(2) *Railroad locomotives operated by railroad companies for transportation purposes;*

(3) *Air tanks installed on the right-of-way of railroads and used directly in the operation of trains;*

(4) *Boilers and pressure vessels under the direct jurisdiction of the United States;*

(5) *Unfired pressure vessels having an internal or external working pressure not exceeding 15 p.s.i.g. with no limit on size;*

(6) *Pressure vessels used for storage of compressed air not exceeding five cubic feet in volume and equipped with an American Society of Mechanical Engineers code stamped safety valve set at a maximum of 100 p.s.i.g.;*

(7) *Pressure vessels having an inside diameter not exceeding six inches or a length not exceeding 36 inches;*

(8) *Pressure vessels with a nominal water containing capacity of 120 gallons or less for containing water under pressure including those containing air the compression of which serves only as a cushion;*

(9) *Boiler or pressure vessels located on farms used solely for agricultural or horticultural purposes;*

(10) *Tanks or cylinders used for storage or transfer of liquefied petroleum gases;*

(11) *Unfired pressure vessels in petroleum refineries;*

(12) *An air tank or pressure vessel which is an integral part of a passenger motor bus, truck, or trailer;*

(13) *Hot water heating and other hot liquid boilers not exceeding a heat input of 750,000 BTU per hour;*

(14) *Hot water supply boilers (water heaters) not exceeding a heat input of 500,000 BTU per hour, a water temperature of 210 degrees Fahrenheit, a nominal water capacity of 120 gallons, or a pressure of 160 p.s.i.g.; and*

(15) *Laundry and dry cleaning presser not exceeding five cubic feet of steam volume.*

An engineers license is not required for hot water supply boilers.

An engineers license is not required for boilers, steam cookers, steam kettles, steam sterilizers or other steam generators not exceeding 100,000 BTU per hour input, 25 kilowatt, 2-1/2 horsepower or a pressure of 15 p.s.i.g.

Electric boilers not exceeding a maximum working pressure of 50 p.s.i.g., maximum of 30 kilowatt input or three horsepower rating shall be inspected as pressure vessels and shall not require an engineer license to operate.

Sec. 21. Minnesota Statutes 1981 Supplement, Section 183.57, Subdivision 2, is amended to read:

Subd. 2. Every boiler or pressure vessel as to which any insurance company authorized to do business in this state has issued a policy of insurance, after the inspection thereof, is exempt from inspection made under sections 183.375 to (183.57) 183.62, while the same continues to be insured and the person, firm, or corporation owning or operating the same has an unexpired certificate of exemption from inspection, issued by the chief boiler inspector (UPON RECEIPT OF). The (EXEMPTION) fee of (\$4 FOR EACH OBJECT) \$5 shall apply to each exempt object. A certificate of exemption expires one year from date of issue. The certificate of exemption shall be posted in a conspicuous place near the boiler or pressure vessel or in the plant office or boiler room described therein and to which it relates.

Every insurance company shall give written notice to the chief boiler inspector of the cancellation or expiration of every policy of insurance issued by it with reference to policies in this state, and the cause or reason for the cancellation or expiration. These notices of cancellation or expiration shall show the date of the policy and the date when the cancellation has or will become effective.

Sec. 22. Minnesota Statutes 1980, Section 183.57, is amended by adding a subdivision to read:

Subd. 3. [CERTIFICATE OF EXEMPTION.] The division of boiler inspection may issue a billing and exemption certificate for each boiler and pressure vessel which the division records indicate shall be or has been inspected by an insurance company which is providing coverage for the boilers and pressure vessels. The division may determine the monthly schedule of the billings to be followed for each business insured.

Sec. 23. Minnesota Statutes 1981 Supplement, Section 183.59, is amended to read:

183.59 [VIOLATIONS BY INSPECTORS.]

Every inspector who wilfully certifies falsely regarding any (STEAM) boiler or its attachments, or pressure vessel, or the hull and equipments of any steam vessel, or who grants a license to any person to act as engineer, master, or pilot contrary to any provision of sections 183.375 to (183.57) 183.62, is guilty of a (FELONY) *misdemeanor*. (UPON CONVICTION HE SHALL BE PUNISHED BY A FINE WHICH SHALL NOT BE LESS THAN \$50 NOR MORE THAN \$500 OR BY IMPRISONMENT IN THE MINNESOTA CORRECTIONAL FACILITY-STILLWATER FOR NOT MORE THAN ONE YEAR, OR BY BOTH.) In addition to this punishment (HE) *the inspector* shall be removed from office forthwith.

Sec. 24. Minnesota Statutes 1980, Section 183.60, is amended to read:

183.60 [VIOLATIONS IN CONSTRUCTION; REPAIR; SALE.]

(EVERY PERSON WHO CONSTRUCTS A BOILER OR STEAM PIPE OR IRON OR STEEL PLATES KNOWN TO BE FAULTY OR IMPERFECT, OR DRIFTS ANY RIVET HOLE TO MAKE IT COME FAIR, OR WHO DELIVERS ANY SUCH BOILER FOR USE, KNOWING IT TO BE IMPERFECT IN ITS FLUES, FLANGING, RIVETING, BRACING, OR IN ANY OTHER OF ITS PARTS, IS GUILTY OF A GROSS MISDEMEANOR. UPON CONVICTION HE SHALL BE PUNISHED BY A FINE OF \$200. ONE-HALF OF THE FINE SHALL BE PAID TO THE INFORMER.)

Subdivision 1. [CONSTRUCTION VIOLATION.] Every person who constructs a boiler, boiler piping, or a pressure vessel so as not to meet the minimum construction requirements of the American Society of Mechanical Engineers boiler and pressure vessel code, and the rules of the division of boiler inspection adopted by the department of labor and industry is guilty of a gross misdemeanor.

Subd. 2. [REPAIR VIOLATION.] Every person who repairs a boiler or pressure vessel by welding or riveting so as not to meet the minimum requirements established by the current edition of the national board of boiler and pressure vessel inspectors inspection code and the rules of the division of boiler inspection adopted by the department of labor and industry is guilty of a gross misdemeanor.

Subd. 3. [SALE VIOLATION.] Every manufacturer, jobber, dealer or person selling or offering for sale a boiler or pressure vessel that does not meet the minimum construction requirements of the American Society of Mechanical Engineers boiler and pressure vessel code and the rules of the division of boiler inspection adopted by the department of labor and industry is guilty of a gross misdemeanor.

Sec. 25. Minnesota Statutes 1980, Section 183.61, is amended to read:

183.61 [VIOLATIONS BY THOSE RESPONSIBLE FOR OPERATION.]

Subdivision 1. [VIOLATING REGULATIONS.] Any owner, master, or other person violating any regulation prescribed by the department of labor and industry is guilty of a misdemeanor.

Subd. 2. [INSPECTION VIOLATION.] Any person who causes to be operated, or operates, any (STEAM) boiler or boat (SUBJECT TO THE PROVISIONS OF LAWS 1957, CHAPTER 503,) without having the same inspected at least once each year or pressure vessel without having it inspected biennially, and without having the proper engineer or pilot license is guilty of a misdemeanor.

Subd. 3. [BOATS.] Every owner, lessee, master, or pilot violating any provision of section 183.44 is guilty of a misdemeanor.

Subd. 4. [FAILURE TO REPAIR.] Every person operating or causing to be operated any boiler or pressure vessel after it has been examined and found to be unsafe and after the owner or operator thereof has been notified of any defect therein and what repairs are necessary to remedy the defect who fails to

comply with the inspector's requirements is guilty of a misdemeanor.

Subd. 5. [SECTION 183.50 VIOLATION.] Every person who violates any provision of section 183.50 is guilty of a misdemeanor.

Subd. 6. [INSURANCE REPORTS.] Any insurance company that fails to comply with the requirements of section 183.57 is guilty of a misdemeanor. (UPON CONVICTION THE COMPANY SHALL BE FINED NOT TO EXCEED \$50.)

Sec. 26. Minnesota Statutes 1980, Section 183.62, is amended to read:

183.62 [LIABILITY OF PERSONS OPERATING BOATS, BOILERS OR PRESSURE VESSELS; PENALTY.]

Every person who shall apply, or cause to be applied, to a (STEAM) boiler or pressure vessel a higher pressure (OF STEAM) than is allowed by law, or by the inspector, officer, or person authorized to limit the same; and every owner and lessee of a boiler or pressure vessel having knowledge of such application, or of circumstances which would cause such an application, shall be guilty of a gross misdemeanor. Every captain or other person having charge of the machinery (OR BOILER) of a (STEAMBOAT) boat used for the conveyance of passengers in the waters of this state (, WHO, FROM IGNORANCE OR GROSS NEGLIGENCE, OR FOR THE PURPOSE OF INCREASING THE SPEED OF THE BOAT, SHALL CREATE, OR CAUSE TO BE CREATED, AN UNDUE AND UNSAFE PRESSURE OF STEAM;) and every engineer or other person having charge of a (STEAM) boiler, steam engine, or other apparatus for generating or employing steam, (EMPLOYED IN A RAILWAY, MANUFACTORY, OR OTHER MECHANICAL WORKS,) who shall wilfully, or from ignorance or gross neglect, create, or allow to be created (, SUCH AN UNDUE QUANTITY OF STEAM AS TO BURST THE BOILER, ENGINE, OR APPARATUS, OR CAUSE ANY OTHER ACCIDENT, WHEREBY HUMAN LIFE IS ENDANGERED,) any condition whereby human life is endangered, and every owner and lessee of a boat, boiler, steam engine, or other apparatus for generating or supplying steam who has knowledge of such a condition, or of circumstances which would cause such a condition, shall be guilty of a gross misdemeanor.

Sec. 27. [REPEALER.]

Minnesota Statutes 1980, Section 183.39, Subdivision 2, is repealed.

Sec. 28. [EFFECTIVE DATE.]

Sections 1 to 27 are effective April 15, 1982."

Further delete the title and insert:

"A bill for an act relating to public safety; regulating boilers, other apparatus and their operators; providing penalties; amending Minnesota Statutes 1980, Sections 183.375, Subdivision 2; 183.38; 183.39, Subdivision 1; 183.41, Subdivision 2; 183.42; 183.44; 183.45; 183.46; 183.465; 183.48; 183.50; 183.51; 183.53; 183.54; 183.545; 183.60; 183.61; 183.62; amending Minnesota Statutes 1981 Supplement, Sections 183.52; 183.56; 183.57, Subdivision 2, and by adding a subdivision; and 183.59; and proposing new law coded in Minnesota Statutes, Chapter 183; repealing Minnesota Statutes 1980, Section 183.39, Subdivision 2."

With the recommendation that when so amended the bill pass.

The report was adopted.

SECOND READING OF SENATE BILLS

S. F. No. 429 was read for the second time.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Dahlvang, Sarna, Metzen, Zubay and Osthoff introduced:

H. F. No. 1751, A bill for an act relating to alcoholic beverages; increasing the maximum dollar value of equipment furnished to beer retailers by brewers and wholesalers; deleting obsolete language; amending Minnesota Statutes 1980, Section 340.405.

The bill was read for the first time and referred to the Committee on Commerce and Economic Development.

Lemen; Jude; Peterson, B.; Wenzel and Brinkman introduced:

H. F. No. 1752, A bill for an act relating to the environment; establishing guidelines for determining the amount of fines levied for violation of certain pollution control laws; amending Minnesota Statutes 1980, Section 115.071, by adding a subdivision; proposing new law coded in Minnesota Statutes, Chapter 115.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

Valento, Kostohryz, Rose and Novak introduced:

H. F. No. 1753, A bill for an act relating to metropolitan government; providing for the allocation of certain sewage costs; amending Minnesota Statutes 1980, Section 473.517, Subdivision 2.

The bill was read for the first time and referred to the Committee on Local and Urban Affairs.

Erickson, Heinitz, Brinkman and Stadum introduced:

H. F. No. 1754, A bill for an act relating to workers' compensation; providing for comprehensive changes based on the Florida law; proposing new law coded as Minnesota Statutes, Chapter 176A; repealing Minnesota Statutes 1980, Chapter 176, as amended.

The bill was read for the first time and referred to the Committee on Labor-Management Relations.

Sviggum, Heinitz, Brinkman and Aasness introduced:

H. F. No. 1755, A bill for an act relating to workers' compensation; prohibiting double recovery for certain permanent partial disabilities; amending Minnesota Statutes 1980, Section 176.101, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Labor-Management Relations.

Jacobs, McEachern, Kalis, Niehaus and Wigley introduced:

H. F. No. 1756, A bill for an act relating to public utilities; requiring utilities to supply local government units with plans of their facilities; proposing new law coded in Minnesota Statutes, Chapter 216A.

The bill was read for the first time and referred to the Committee on Regulated Industries.

Weaver, Reif, Kahn, Dean and Jude introduced:

H. F. No. 1757, A bill for an act relating to the University of Minnesota hospitals; limiting the amount of certain bonds previously authorized; amending Laws 1981, Chapter 275, Section 1, Subdivision 1.

The bill was read for the first time and referred to the Committee on Appropriations.

Kelly, Marsh, Gustafson and Battaglia introduced:

H. F. No. 1758, A bill for an act relating to controlled substances; prohibiting conspiracies to violate controlled substances laws; prescribing penalties; proposing new law coded in Minnesota Statutes 1980, Chapter 152.

The bill was read for the first time and referred to the Committee on Criminal Justice.

Schreiber, Vanasek, Jude, Hokanson and McDonald introduced:

H. F. No. 1759, A bill for an act relating to crimes; prohibiting the manufacture or delivery of drug paraphernalia; prohibiting the delivery of drug paraphernalia to minors; prohibiting the advertisement of drug paraphernalia; providing for civil forfeiture of drug paraphernalia; prescribing penalties; amending Minnesota Statutes 1980, Sections 152.01, by adding a subdivision; 152.19, Subdivisions 1 and 3; proposing new law coded in Minnesota Statutes, Chapter 152.

The bill was read for the first time and referred to the Committee on Criminal Justice.

Pogemiller; Lehto; Kelly; Johnson, D., and Gruenes introduced:

H. F. No. 1760, A bill for an act relating to crimes; expanding criminal responsibility of certain recipients of stolen property; modifying penalties for receiving stolen property; expanding definition of "burglary"; amending Minnesota Statutes 1980, Sections 609.53, Subdivisions 1 and 3; and 609.53, Subdivision 2; Minnesota Statutes 1981 Supplement, Section 609.53, Subdivisions 1a and 4; repealing Minnesota Statutes 1980, Section 609.53, Subdivision 2; and Minnesota Statutes 1981 Supplement, Section 609.53, Subdivision 2a.

The bill was read for the first time and referred to the Committee on Criminal Justice.

Marsh, Zubay, Brinkman, Schafer and Aasness introduced:

H. F. No. 1761, A bill for an act relating to crimes; prohibiting plea agreements when the offense is a crime against persons involving firearms or other dangerous weapons; proposing new law coded in Minnesota Statutes, Chapter 244.

The bill was read for the first time and referred to the Committee on Criminal Justice.

Marsh, Rothenberg, Brinkman, Schafer and Vanasek introduced:

H. F. No. 1762, A bill for an act relating to corrections; authorizing the earning of good time for voluntary participation in rehabilitation oriented programs; amending Minnesota Statutes 1980, Sections 244.02; and 244.04, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Criminal Justice.

Esau; Johnson, C.; Mann; Schafer and Olsen introduced:

H. F. No. 1763, A bill for an act relating to education; eliminating provisions governing review and comment by the commissioner of education for school district construction; amending Minnesota Statutes 1981 Supplement, Section 124.43, Subdivision 1; repealing Minnesota Statutes 1980, Section 122.90.

The bill was read for the first time and referred to the Committee on Education.

Levi; Kelly; Vanasek; Clark, J., and Nelson, K., introduced:

H. F. No. 1764, A bill for an act relating to crimes; prohibiting possession of obscene works appealing to pedophiles; prescribing penalties; amending Minnesota Statutes 1980, Section 617.246, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Criminal Justice.

Nysether; Johnson, C.; Jennings and Eken introduced:

H. F. No. 1765, A bill for an act relating to education; providing for enrollment in a school district other than the district of residence in cases of particular hardship; amending Minnesota Statutes 1980, Section 120.0751, Subdivision 3, and by adding a subdivision.

The bill was read for the first time and referred to the Committee on Education.

Kelly introduced:

H. F. No. 1766, A bill for an act relating to courts; authorizing the Ramsey County commissioners to set fees for conciliation court causes removed to municipal court; amending Minnesota Statutes 1981 Supplement, Section 488A.34, Subdivision 2.

The bill was read for the first time and referred to the Committee on Judiciary.

Blatz; Rothenberg; Rodriguez, F.; Anderson, B., and Welch introduced:

H. F. No. 1767, A bill for an act relating to crimes; requiring mandatory jail sentences and other dispositional alternatives for persons convicted of driving while under the influence of alcohol or a controlled substance; amending Minnesota Statutes 1980, Sections 169.121, by adding subdivisions; 169.123, Subdivision 2; repealing Minnesota Statutes 1980, Section 169.121, Subdivisions 3 and 4; Minnesota Statutes 1981 Supplement, Section 169.121, Subdivision 5.

The bill was read for the first time and referred to the Committee on Criminal Justice.

Marsh and Gruenes introduced:

H. F. No. 1768, A bill for an act relating to historic sites; adding the Consumers Pure Ice and Storage Company Building in St. Cloud to the registry of state historic sites; amending Minnesota Statutes 1980, Section 138.58, by adding a subdivision.

The bill was read for the first time and referred to the Committee on General Legislation and Veterans Affairs.

Rodriguez, C.; Hoberg and Kalis introduced:

H. F. No. 1769, A bill for an act relating to municipal bonds; repealing limitations on interest rates; changing a public sale requirement; amending Minnesota Statutes 1980, Sections 475.55 and 475.60, Subdivision 2.

The bill was read for the first time and referred to the Committee on Local and Urban Affairs.

Carlson, D., introduced:

H. F. No. 1770, A bill for an act relating to public safety; appropriating money to the commissioner of public safety to be used in conjunction with federal grants to establish a decentralized animated audio-visual traffic accident reconstruction system.

The bill was read for the first time and referred to the Committee on Transportation.

Aasness introduced :

H. F. No. 1771, A bill for an act relating to taxation; property; decreasing the classification ratio on a certain portion of commercial and industrial property; amending Minnesota Statutes 1981 Supplement, Section 273.13, Subdivision 9.

The bill was read for the first time and referred to the Committee on Taxes.

Eken and Sieben, H., introduced :

H. F. No. 1772, A bill for an act relating to the legislature; changing January payment date; amending Minnesota Statutes 1980, Section 3.099, Subdivision 1.

The bill was read for the first time and referred to the Committee on Rules and Legislative Administration.

Kelly introduced :

H. F. No. 1773, A bill for an act relating to the legislature; changing the dates on which members of the legislature are paid; amending Minnesota Statutes 1980, Section 3.099, Subdivision 1.

The bill was read for the first time and referred to the Committee on Rules and Legislative Administration.

McEachern, Niehaus, Den Ouden, McDonald and Anderson, B., introduced :

H. F. No. 1774, A bill for an act relating to local improvements; providing the method for action on certain improvements by certain towns; amending Minnesota Statutes 1980, Section 429.011, Subdivision 2b.

The bill was read for the first time and referred to the Committee on Local and Urban Affairs.

Blatz, Begich, Munger, Battaglia and Drew introduced :

H. F. No. 1775, A bill for an act relating to waters; regulating nonmotorized paddle boats; amending Minnesota Statutes 1980, Sections 361.02, by adding a subdivision; and 361.03, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

Fjoslien, Kalis, Eken and Evans introduced:

H. F. No. 1776, A bill for an act relating to industrial development; extending the industrial development law to all towns; amending Minnesota Statutes 1980, Section 474.02, Subdivision 2.

The bill was read for the first time and referred to the Committee on Local and Urban Affairs.

Weaver, Jacobs, Luknic, Hoberg and McEachern introduced:

H. F. No. 1777, A bill for an act relating to taxation; providing that individuals may designate a portion of their income tax refund or make a donation in addition to payment of income tax to the United States olympic committee; appropriating money; proposing new law coded in Minnesota Statutes, Chapter 290.

The bill was read for the first time and referred to the Committee on Taxes.

Rose, Stowell, Heinitz and Erickson introduced:

H. F. No. 1778, A bill for an act relating to unemployment compensation; establishing a credit week as a percentage of average weekly wages; reducing the minimum tax rate and increasing the maximum tax rate; providing for retroactive tax rate changes; increasing the weeks necessary to establish a claim during favorable economic conditions; providing for the payment of additional benefits and reducing the weeks necessary to establish a claim during unfavorable economic conditions; limiting the maximum benefit amount; eliminating payment of the waiting week; removing the limitation on the deductibility of severance payments; providing for the full deduction of vacation pay, holiday pay, and of military retirement payments; providing for the deduction of secondary social security benefits; providing increased penalties for individuals who quit employment or who are discharged for misconduct; redefining suitable wages for seasonal workers; amending Minnesota Statutes 1980, Sections 268.04, Subdivisions 23 and 29; 268.06, Subdivisions 8 and 19; 268.07, Subdivision 2, and by adding a subdivision; 268.08, Subdivisions 1 and 3; 268.09, Subdivisions 1 and 2; repealing Minnesota Statutes 1980, Section 268.07, Subdivision 4.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Munger; Carlson, D.; Norton and Sieben, H., introduced:

H. F. No. 1779, A bill for an act relating to environment; abolishing the water planning board; transferring certain duties of the water planning board to the environmental quality board and the department of energy, planning and development; providing for board membership and staff; providing for the appointment of a chairman; amending Minnesota Statutes 1980, Sections 116C.03, Subdivision 2a, and by adding subdivisions; 116C.04, by adding a subdivision; 362.12, by adding a subdivision; Minnesota Statutes 1981 Supplement, Section 116C.03, Subdivisions 2 and 4; repealing Minnesota Statutes 1980, Sections 105.401; 116C.04, Subdivisions 8 and 9; 116C.05; 116C.07; and Minnesota Statutes 1981 Supplement, Section 116C.03, Subdivision 3.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

Brinkman, Dempsey, Gustafson and O'Connor introduced:

H. F. No. 1780, A bill for an act relating to civil actions; providing civil liability for illegal sale or barter of alcoholic beverages; amending Minnesota Statutes 1980, Sections 340.95; and 340.951; proposing new law coded in Chapter 340.

The bill was read for the first time and referred to the Committee on Judiciary.

Rose; Stowell; Clark, K.; Sieben, H., and Sherman introduced:

H. F. No. 1781, A bill for an act relating to taxation; providing for reassessment of homestead property damaged by a disaster; appropriating money; proposing new law coded in Minnesota Statutes, Chapter 273.

The bill was read for the first time and referred to the Committee on Taxes.

Skoglund; Dean; Reding; Nelson, K., and Vellenga introduced:

H. F. No. 1782, A bill for an act relating to cable communications; prohibiting newspapers from owning or controlling cable communications companies operating within their market areas; proposing new law coded in Minnesota Statutes, Chapter 238.

The bill was read for the first time and referred to the Committee on Regulated Industries.

Greenfield; Samuelson; Clark, K.; Swanson and Wynia introduced:

H. F. No. 1783, A bill for an act relating to public welfare; changing liquid asset limits for medical assistance eligibility; amending Minnesota Statutes 1981 Supplement, Section 256B.06, Subdivision 1, as amended by a law passed in the 1981 third special session styled as House File No. 2, Article I, Section 32.

The bill was read for the first time and referred to the Committee on Health and Welfare.

Samuelson; Rodriguez, F.; Sieben, M.; McDonald and Carlson, D., introduced:

H. F. No. 1784, A bill for an act relating to public welfare; providing for reimbursement of chiropractic services for people receiving general assistance medical care; clarifying the meaning of medically certified for purposes of eligibility for general assistance; amending Minnesota Statutes 1981 Supplement, Sections 256D.03, Subdivision 4; and 256D.05, Subdivision 1.

The bill was read for the first time and referred to the Committee on Health and Welfare.

Kalis introduced:

H. F. No. 1785, A bill for an act relating to drainage; increasing certain authorized repair expenditures; amending Minnesota Statutes 1980, Section 106.471, Subdivision 2.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

Stowell, Welch, Erickson, Kalis and Aasness introduced:

H. F. No. 1786, A bill for an act relating to agriculture; changing certain procedures relating to fertilizers and soil and plant amendments; imposing a penalty; amending Minnesota Statutes 1980, Sections 17.713, by adding a subdivision; 17.721, Subdivision 2; and 17.728, as amended; Minnesota Statutes 1981 Supplement, Sections 17.713, Subdivisions 8, 12, 17a, and 20; 17.714, Subdivision 2; 17.716, Subdivision 6; 17.719, Subdivision 1, and by adding a subdivision; 17.721, Subdivision 1; 17.725, Subdivision 1; and 17.726; proposing new law coded in Minnesota Statutes, Chapter 17.

The bill was read for the first time and referred to the Committee on Agriculture.

Voss, Berkelman and Wynia introduced:

H. F. No. 1787, A bill for an act relating to local government; requiring municipalities or redevelopment agencies to provide certain security for commercial industrial revenue bonds; repealing the interest rate limit on industrial revenue bonds; raising the maximum interest rate limit for public indebtedness; amending Minnesota Statutes 1980, Sections 474.02, Subdivision 1a; 474.06; and 475.55, Subdivision 1.

The bill was read for the first time and referred to the Committee on Local and Urban Affairs.

Mehrkens introduced:

H. F. No. 1788, A bill for an act relating to taxation; exempting from the motor vehicle excise tax certain purchases of motorized bicycles for resale; amending Minnesota Statutes 1980, Section 297B.035, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Taxes.

Lehto, Munger, Greenfield and Laidig introduced:

H. F. No. 1789, A bill for an act relating to the environment; limiting and reducing emissions of sulphur dioxide in the state; requiring acid deposition control standards by the pollution control agency; requiring reports; proposing new law coded in Minnesota Statutes, Chapter 116.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

Anderson, I.; Sieben, H.; Tomlinson; Evans and Jacobs introduced:

H. F. No. 1790, A bill for an act relating to taxation; sales; exempting paper plant material; proposing new law coded in Minnesota Statutes, Chapter 297A.

The bill was read for the first time and referred to the Committee on Taxes.

Long, Sarna, Brandl and Pogemiller introduced:

H. F. No. 1791, A bill for an act relating to the city of Minneapolis; permitting the city to change the name of the housing and redevelopment authority; permitting the transfer of certain employees to employment of the housing and redevelopment authority; establishing terms for transfer of the employees; permitting certain employees to purchase service credit from the Minneapolis employees retirement fund; amending Laws 1980, Chapter 595, Section 2, Subdivision 1 and Section 3, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Schoenfeld; Ogren; Hauge; Carlson, D., and Schafer introduced:

H. F. No. 1792, A bill for an act relating to local government; removing town levy limits; amending Minnesota Statutes 1981 Supplement, Section 275.50, Subdivision 2.

The bill was read for the first time and referred to the Committee on Taxes.

Carlson, D.; Redalen; Dempsey; Valan and Schafer introduced:

H. F. No. 1793, A bill for an act relating to local government; removing towns from general levy limits; amending Minnesota Statutes 1981 Supplement, Section 275.50, Subdivision 2.

The bill was read for the first time and referred to the Committee on Taxes.

Wynia, Staten, Berkelman and Hokanson introduced:

H. F. No. 1794, A bill for an act relating to health; providing for grants to certain maternal and child health care programs; proposing new law coded in Minnesota Statutes, Chapter 144.

The bill was read for the first time and referred to the Committee on Health and Welfare.

Pogemiller; Clark, J.; Dahlvang and Long introduced:

H. F. No. 1795, A bill for an act relating to the city of Minneapolis; changing limitations on housing programs in two Minneapolis development districts; amending Laws 1971, Chapter 677.

The bill was read for the first time and referred to the Committee on Local and Urban Affairs.

Kaley, Reding, Sarna, Rice and Rodriguez, F., introduced:

H. F. No. 1796, A bill for an act relating to retirement; second class city police relief associations; eliminating a dollar amount limitation on the payment of salaries to relief association officers; amending Minnesota Statutes 1981 Supplement, Section 423.808.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Weaver, Kalis, Schreiber and Valento introduced:

H. F. No. 1797, A bill for an act relating to the operation of state government; providing procedures for state mandating of local government functions; allowing for certain mandated functions to be discretionary; modifying the requirements of certain other mandated activities; amending Minnesota Statutes 1980, Sections 18.231, Subdivisions 1, 2, and 3; 162.04; 162.10; 169.14, Subdivision 5; 344.01; 373.01, by adding a subdivision; 373.052, Subdivision 1; 375.12, Subdivision 1; 394.01; 403.01, Subdivision 1; 410.19; and 477A.04, Subdivision 1; Minnesota Statutes 1981 Supplement, Section 477A.04, Subdivision 2; proposing new law coded in Minnesota Statutes, Chapter 10.

The bill was read for the first time and referred to the Committee on Local and Urban Affairs.

Otis; Nelson, K.; Laidig; Norton and Evans introduced:

H. F. No. 1798, A bill for an act relating to energy; specifying the role of the department of energy, planning and development before the public utilities commission; clarifying certain public utilities commission responsibilities; amending Minnesota Statutes 1980, Sections 116H.02, Subdivision 5; and 216B.03; Minnesota Statutes 1981 Supplement, Sections 116H.07; 116H.-11, by adding a subdivision; and 216B.241, Subdivision 2.

The bill was read for the first time and referred to the Committee on Energy.

Swanson and Welch introduced:

H. F. No. 1799, A bill for an act relating to health; providing for evaluation of certain changes in certificate of need review; requiring monitoring; amending the thresholds of review; providing for additional waivers; requiring reports; amending Minnesota Statutes 1980, Sections 145.833, Subdivision 5; and 145.835, Subdivisions 3 and 4; repealing Minnesota Statutes 1980, Sections 145.832 to 145.845, as amended; and Minnesota Statutes 1981 Supplement, Section 62D.22, Subdivision 6.

The bill was read for the first time and referred to the Committee on Health and Welfare.

Nelson, K.; Staten and Clark, J., introduced:

H. F. No. 1800, A bill for an act relating to state contracts; rules governing eligibility for award of small business set aside contracts; amending Minnesota Statutes 1980, Section 16.085.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Carlson, D., introduced:

H. F. No. 1801, A bill for an act relating to the state fire code; repealing an administrative rule of the department of public safety; amending Minnesota Statutes 1981 Supplement, Section 299F.011, Subdivision 1.

The bill was read for the first time and referred to the Committee on Governmental Operations.

McEachern introduced:

H. F. No. 1802, A bill for an act relating to local improvements; providing for certain local improvements and special assessments; amending Minnesota Statutes 1981 Supplement, Section 429.021, Subdivision 1.

The bill was read for the first time and referred to the Committee on Transportation.

Levi, Kelly, Vanasek, Rothenberg and Rose introduced:

H. F. No. 1803, A bill for an act relating to juveniles; providing for termination of jurisdiction over juveniles; providing for the apprehension of juvenile absconders and escapees; amending Minnesota Statutes 1980, Sections 242.19; 260.181, Subdivision 4; and Minnesota Statutes 1981 Supplement, Section 242.44.

The bill was read for the first time and referred to the Committee on Criminal Justice.

Johnson, C., and Murphy introduced:

H. F. No. 1804, A bill for an act relating to partition fences; exempting certain lands from the provisions of chapter 344; providing that when only one owner or occupant is benefited by a fence he shall be assigned the entire expenses of the fence; amending Minnesota Statutes 1980, Section 344.03, Subdivision 1; proposing new law coded in Minnesota Statutes, Chapter 344.

The bill was read for the first time and referred to the Committee on Agriculture.

Lemen, Kelly, Norton and Carlson, D., introduced:

H. F. No. 1805, A bill for an act relating to highway traffic regulations; impounding registration plates and certificates if convicted for driving while under the influence of alcohol; abolishing the incarcerative sanction for the offense if driving while under the influence; repealing the provision authorizing limited licenses for offenses involving driving while under the influence; amending Minnesota Statutes 1980, Sections 168.041, Subdivision 6, and by adding a subdivision; 169.121, Subdivisions 3 and 4; 169.123, Subdivisions 5a and 6; repealing Minnesota Statutes 1980, Section 169.123, Subdivision 9.

The bill was read for the first time and referred to the Committee on Judiciary.

Peterson, B.; Jude; Dempsey; Olsen and Sieben, M., introduced:

H. F. No. 1806, A bill for an act relating to constitutional amendments; proposing an amendment to the people to change the majority necessary to approve a constitutional amendment at an election to a majority of those voting on the question rather than a majority of those voting at the election.

The bill was read for the first time and referred to the Committee on Reapportionment and Elections.

Welch; Clawson; Johnson, D., and Luknic introduced:

H. F. No. 1807, A bill for an act relating to health; establishing a study commission on the use of state facilities in lieu of reimbursing private facilities for some purposes.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Brinkman introduced:

H. F. No. 1808, A bill for an act relating to financial institutions; authorizing the establishment of certain branch banks by banks located in this state; providing for application and approval of branch banks; permitting change of locations and office closings; permitting establishment of branch banks through merger or consolidation; authorizing the acquisition of banks or trust companies located in this state by foreign bank holding companies under certain prescribed conditions; amending Minnesota Statutes 1980, Section 49.34; proposing new law coded in Minnesota Statutes, Chapters 47 and 48; repealing Minnesota Statutes 1980, Section 48.34.

The bill was read for the first time and referred to the Committee on Financial Institutions and Insurance.

Pogemiller, Levi, Simoneau and Vanasek introduced:

H. F. No. 1809, A bill for an act relating to crimes; prohibiting the selling of children; prescribing penalties; proposing new law coded in Minnesota Statutes, Chapter 609.

The bill was read for the first time and referred to the Committee on Criminal Justice.

McEachern introduced:

H. F. No. 1810, A bill for an act relating to taxation; real property; eliminating tax recapture or payment acceleration of deferred special assessments upon certain sales of qualifying agricultural property; amending Minnesota Statutes 1980, Section 273.111, Subdivisions 9, 11, and by adding a subdivision.

The bill was read for the first time and referred to the Committee on Taxes.

Staten, Norton, Kahn and Greenfield introduced:

H. F. No. 1811, A bill for an act relating to state investment policy; prohibiting certain investments in countries not following human rights standards; proposing new law coded in Minnesota Statutes, Chapter 11A.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Kelly; Rodriguez, F., and Tomlinson introduced:

H. F. No. 1812, A bill for an act relating to state historic sites; the Old Federal Courts building; amending Minnesota Statutes 1980, Section 138.56, Subdivision 7.

The bill was read for the first time and referred to the Committee on General Legislation and Veterans Affairs.

Dempsey, Jude, Schafer and O'Connor introduced:

H. F. No. 1813, A bill for an act relating to family law; defining the status of marital property and providing for its division in dissolution and annulment actions; amending Minnesota Statutes 1980, Section 518.54, Subdivision 5; and Minnesota Statutes 1981 Supplement, Section 518.58.

The bill was read for the first time and referred to the Committee on Judiciary.

Stumpf, Battaglia, Eken and Begich introduced:

H. F. No. 1814, A bill for an act relating to game and fish; prohibited methods of taking certain quadrupeds; amending Minnesota Statutes 1980, Section 100.29, Subdivision 14.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

Mehrkens and Anderson, G., introduced:

H. F. No. 1815, A bill for an act relating to highway traffic regulations; allowing the use of certain combinations of vehicles; allowing certain axle weight combinations; establishing allowable axle weight combinations; establishing allowable axle weights on restricted routes; modifying the distribution of receipts collected as fines; amending Minnesota Statutes 1981 Supplement, Sections 169.81, Subdivision 3; 169.825, Subdivisions 8, 10, and 12; 299D.03, Subdivision 5; repealing Minnesota Statutes 1981 Supplement, Section 169.861.

The bill was read for the first time and referred to the Committee on Transportation.

Peterson, B.; Munger; Drew and Long introduced:

H. F. No. 1816, A bill for an act relating to the environment; expediting the receipt of federal moneys for emergency response to hazardous waste releases; expediting the variance issuance procedures of the pollution control agency; amending Minnesota Statutes 1980, Sections 116.03, Subdivision 3; and 116.07, Subdivision 5.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

Mehrkens, Mann, Frerichs, Hauge and Kalis introduced:

H. F. No. 1817, A bill for an act relating to transportation; adding a new route to the trunk highway system in substitution of an existing route; discontinuing and removing a route from the trunk highway system; providing for the disposal of surplus property; exempting the state transportation plan from the provisions of the administrative procedure act; requiring driver qualifications and safety requirements for certain motor carriers; regulating building movers and establishing fees; allowing expenditures from the state airports fund for educational programs to promote interest and safety in aeronautics; amending Minnesota Statutes 1980, Sections 161.41; 174.03, Subdivisions 1 and 2; 360.015, Subdivision 2; 360.017, Subdivision 1; Minnesota Statutes 1981 Supplement, Sections 221.011, Subdivision 22; and 221.81; proposing new law coded in Minnesota Statutes, Chapter 221.

The bill was read for the first time and referred to the Committee on Transportation.

Osthoff, Kelly, Hanson, Wynia and Drew introduced:

H. F. No. 1818, A bill for an act relating to the city of St. Paul; providing for the composition of the St. Paul charter commission.

The bill was read for the first time and referred to the Committee on Local and Urban Affairs.

Levi, McEachern, Elioff, Hoberg and Anderson, B., introduced:

H. F. No. 1819, A bill for an act relating to education; authorizing school districts to develop programs enabling secondary students to attend courses at post secondary institutions; proposing new law coded in Minnesota Statutes, Chapter 123.

The bill was read for the first time and referred to the Committee on Education.

Schreiber introduced:

H. F. No. 1820, A bill for an act relating to local government; changing certain notice requirements and meeting dates; establishing a homestead credit replacement aid formula; abolishing the homestead credit; altering the maximum amounts of property tax refunds for taxes payable; repealing the levy limit extension; amending Minnesota Statutes 1980, Sections 270.12, Subdivisions 2 and 3; 270.13; 273.13, Subdivision 8a, and by adding a subdivision; 274.01, Subdivision 1; 274.14; 290A.04, Subdivision 3, and by adding a subdivision; Minnesota Statutes 1981 Supplement, Sections 273.13, Subdivisions 4, 6, 7, and 9; proposing new law coded in Minnesota Statutes, Chapter 273; repealing Minnesota Statutes 1980, Sections 273.115, as amended; 273.116, as amended; 273.121; 273.13, Subdivisions 7a, 14, 14a, and 18; 273.139; Minnesota Statutes 1981 Supplement, Sections 124.213; 273.13, Subdivisions 15a and 15b; Laws 1981, Third Special Session, Chapter 2, Article IV, Sections 9, 10, and 11.

The bill was read for the first time and referred to the Committee on Taxes.

HOUSE ADVISORIES

The following House Advisory was introduced:

Kelly, Lehto, Byrne, Levi and Lemen introduced:

H. A. No. 47, A proposal to create a crime victims' service agency.

The advisory was referred to the Committee on Governmental Operations.

CONSENT CALENDAR

H. F. No. 1550, A bill for an act relating to the city of Big Falls; authorizing the establishment of detached banking facilities.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 126 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Aasness	Ewald	Kostohryz	Onnen	Skoglund
Ainley	Fjoslien	Kvam	Osthoff	Stadum
Anderson, B.	Frerichs	Laidig	Otis	Staten
Anderson, G.	Greenfield	Lehto	Peterson, B.	Stowell
Anderson, I.	Gruenes	Lemen	Peterson, D.	Stumpf
Battaglia	Gustafson	Levi	Piepho	Sviggum
Begich	Halberg	Long	Pogemiller	Swanson
Berkelman	Hanson	Ludeman	Redalen	Tomlinson
Blatz	Harens	Luknic	Reding	Valan
Brandl	Hauge	Marsh	Rees	Valento
Brinkman	Haukoos	McCarron	Reif	Vanasek
Byrne	Heap	McDonald	Rice	Vellenga
Carlson, D.	Himle	McEachern	Rodriguez, C.	Voss
Carlson, L.	Hoberg	Mehrkens	Rodriguez, F.	Weaver
Clark, J.	Hokanson	Metzen	Rose	Welch
Clawson	Hokr	Minne	Rothenberg	Welker
Dahlvang	Jacobs	Munger	Samuelson	Wenzel
Dean	Jennings	Murphy	Sarna	Wieser
Dempsey	Johnson, C.	Nelsen, B.	Schafer	Wigley
Den Ouden	Johnson, D.	Niehaus	Schoenfeld	Wynia
Drew	Jude	Norton	Schreiber	Zubay
Eken	Kahn	Novak	Searles	Spkr. Sieben, H.
Elioff	Kaley	Nysether	Sherman	
Ellingson	Kalis	O'Connor	Sherwood	
Esau	Kelly	Ogren	Sieben, M.	
Evans	Knickerbocker	Olsen	Simoneau	

The bill was passed and its title agreed to.

H. F. No. 1554 was reported to the House.

There being no objection, H. F. No. 1554 was continued on the Consent Calendar until Thursday, February 4, 1982.

H. F. No. 1574, A bill for an act relating to Independent School District No. 084, Sleepy Eye; requiring revision of its certified statutory operating debt.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 128 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Aasness	Esau	Kelly	Ogren	Sieben, M.
Ainley	Evans	Knickerbocker	Olsen	Simoneau
Anderson, B.	Ewald	Kostohryz	Onnen	Skoglund
Anderson, G.	Frerichs	Kvam	Osthoff	Stadum
Anderson, I.	Greenfield	Laidig	Otis	Staten
Battaglia	Gruenes	Lehto	Peterson, B.	Stowell
Begich	Gustafson	Lemen	Peterson, D.	Stumpf
Berkelman	Halberg	Levi	Piepho	Sviggum
Blatz	Hanson	Long	Pogemiller	Swanson
Brandl	Harens	Ludeman	Redalen	Tomlinson
Brinkman	Hauge	Luknic	Reding	Valan
Byrne	Haukoos	Marsh	Rees	Valento
Carlson, D.	Heap	McCarron	Reif	Vanasek
Carlson, L.	Heinitz	McDonald	Rice	Vellenga
Clark, J.	Himle	McEachern	Rodriguez, C.	Voss
Clark, K.	Hoberg	Mehrkens	Rodriguez, F.	Weaver
Clawson	Hokanson	Metzen	Rose	Welch
Dahlvang	Hokr	Minne	Rothenberg	Welker
Dean	Jacobs	Munger	Samuelson	Wenzel
Dempsey	Jennings	Murphy	Sarna	Wieser
Den Ouden	Johnson, C.	Nelsen, B.	Schafer	Wigley
Drew	Johnson, D.	Niehaus	Schoenfeld	Wynia
Eken	Jude	Norton	Schreiber	Zubay
Elioff	Kahn	Novak	Searles	Sprk. Sieben, H.
Ellingson	Kaley	Nysether	Sherman	
Erickson	Kalis	O'Connor	Sherwood	

The bill was passed and its title agreed to.

H. F. No. 1614, A bill for an act relating to Independent School District No. 708; requiring certification of statutory operating debt.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 123 yeas and 1 nay as follows:

Those who voted in the affirmative were:

Aasness	Den Ouden	Himle	Levi	Ogren
Ainley	Drew	Hoberg	Long	Olsen
Anderson, B.	Eken	Hokanson	Ludeman	Onnen
Anderson, G.	Elioff	Hokr	Luknic	Osthoff
Anderson, I.	Ellingson	Jacobs	Marsh	Otis
Battaglia	Erickson	Jennings	McCarron	Peterson, B.
Begich	Esau	Johnson, C.	McDonald	Peterson, D.
Berkelman	Evans	Johnson, D.	McEachern	Piepho
Blatz	Ewald	Jude	Mehrkens	Pogemiller
Brandl	Frerichs	Kahn	Metzen	Redalen
Brinkman	Greenfield	Kaley	Minne	Reding
Byrne	Gruenes	Kalis	Munger	Rees
Carlson, D.	Halberg	Kelly	Murphy	Reif
Carlson, L.	Hanson	Knickerbocker	Nelsen, B.	Rodriguez, C.
Clark, J.	Harens	Kostohryz	Niehaus	Rodriguez, F.
Clawson	Hauge	Kvam	Norton	Rose
Dahlvang	Haukoos	Laidig	Novak	Rothenberg
Dean	Heap	Lehto	Nysether	Samuelson
Dempsey	Heinitz	Lemen	O'Connor	Sarna

Schafer	Sieben, M.	Sviggum	Voss	Wigley
Schoenfeld	Simoneau	Swanson	Weaver	Wynia
Schreiber	Skoglund	Tomlinson	Weich	Zubay
Searles	Staaum	Valan	Welker	Spkr. Sieben, H.
Sherman	Stowell	Valento	Wenzel	
Sherwood	Stumpf	Vellenga	Wieser	

Those who voted in the negative were:

Rice

The bill was passed and its title agreed to.

GENERAL ORDERS

Pursuant to rules of the House, the House resolved itself into the Committee of the Whole, with Sieben, H., in the Chair, for the consideration of bills pending on General Orders of the Day. After some time spent therein the Committee arose.

REPORT OF COMMITTEE OF THE WHOLE

The Speaker resumed the Chair, whereupon the following proceedings of the Committee as kept by the Chief Clerk were reported to the House:

H. F. No. 1250 which it recommended to pass with the following amendment offered by Lemen:

Page 3, delete line 15

Page 3, line 16, delete the new language and insert:

“shelter care facility. If there is reason to believe that disclosure of the location of the shelter care facility would place the child’s health and welfare in immediate endangerment, disclosure of the location of the shelter care facility shall not be made”

Page 4, delete lines 29 to 36

Page 5, delete line 1 and insert:

“Subd. 5a. [SHELTER CARE; NOTICE TO PARENT.] When a child is to be placed in a shelter care facility the person taking the child into custody or the court shall determine whether or not there is reason to believe that disclosure of the shelter care facility’s location to the child’s parent, guardian, or custodian would immediately endanger the health and welfare of the child. If there is reason to believe that the child’s health and welfare would be immediately endangered, disclosure of the location shall not be made. This determination shall be included in the report required by subdivision 5, along with instructions to the shelter care facility to notify or withhold notification.”

On the motion of Eken the report of the Committee of the Whole was adopted.

MOTIONS AND RESOLUTIONS

Clawson moved that the name of Anderson, B., be stricken as an author and the name of Hauge be added as chief author on H. F. No. 535. The motion prevailed.

Marsh moved that the names of Mann and Novak be added as authors on H. F. No. 1025. The motion prevailed.

Hokanson moved that the name of Rose be stricken and the name of Lehto be added as an author on H. F. No. 1704. The motion prevailed.

Peterson, D., moved that the name of Valento be added as an author on H. F. No. 1668. The motion prevailed.

Wigley moved that the name of Valento be added as an author on H. F. No. 1681. The motion prevailed.

Onnen moved that the name of Stumpf be added as an author on H. F. No. 1543. The motion prevailed.

Dempsey moved that the name of Valento be added as an author on H. F. No. 1686. The motion prevailed.

Olsen moved that the name of Peterson, B., be added as an author on H. F. No. 1734. The motion prevailed.

McEachern moved that the names of Long, Stumpf, Levi and Clark, K., be added as authors on H. F. No. 1699. The motion prevailed.

Pogemiller moved that the names of Brandl and Staten be added as authors on H. F. No. 1747. The motion prevailed.

Fjoslien moved that the name of Staten be added as an author on H. F. No. 1715. The motion prevailed.

Fjoslien moved that the name of Kvam be added as an author on H. F. No. 1706. The motion prevailed.

Aasness moved that the name of Valento be added as an author on H. F. No. 1709. The motion prevailed.

Pogemiller moved that the name of Sieben, H., be added as second author and the name of Eken be added as third author on H. F. No. 1365. The motion prevailed.

Skoglund moved that the name of Vellenga be stricken and the name of Otis be added as an author on H. F. No. 1782. The motion prevailed.

Lehto moved that the name of Dean be added as third author on H. F. No. 1789. The motion prevailed.

ANNOUNCEMENT BY THE SPEAKER

The Speaker announced the following committee assignments, effective August 18, 1981:

Frerichs: Commerce and Economic Development, Regulated Industries and Transportation.

ADJOURNMENT

Eken moved that when the House adjourns today it adjourn until 2:00 p.m., Thursday, February 4, 1982. The motion prevailed.

Eken moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 2:00 p.m., Thursday, February 4, 1982.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

STATE OF MINNESOTA

SEVENTY-SECOND SESSION - 1982

SIXTY-EIGHTH DAY

SAINT PAUL, MINNESOTA, THURSDAY, FEBRUARY 4, 1982

The House of Representatives convened at 2:00 p.m. and was called to order by Harry A. Sieben, Jr., Speaker of the House.

Prayer was offered by Sister Mary M. Tacheny, Minnesota Catholic Conference Rural Affairs Department, St. Paul, Minnesota.

The roll was called and the following members were present:

Ainley	Fjoslien	Kvam	Onnen	Simoneau
Anderson, B.	Forsythe	Laidig	Osthoff	Skoglund
Anderson, G.	Frerichs	Lehto	Otis	Stadum
Anderson, I.	Greenfield	Lemen	Peterson, B.	Staten
Battaglia	Gruenes	Levi	Peterson, D.	Stowell
Begich	Gustafson	Long	Piepho	Stumpf
Berkelman	Hanson	Ludeman	Pogemiller	Sviggum
Biatz	Harens	Luknic	Redalen	Swanson
Brandl	Hauge	Mann	Reding	Tomlinson
Brinkman	Haukoos	Marsh	Rees	Valan
Byrne	Heinitz	McCarron	Reif	Valento
Carison, D.	Himle	McDonald	Rice	Vanasek
Carlson, L.	Hoberg	McEachern	Rodriguez, C.	Vellenga
Clark, K.	Hokanson	Metzen	Rodriguez, F.	Voss
Clawson	Hokr	Minne	Rose	Weaver
Dahlvang	Jacobs	Munger	Rothenberg	Welch
Dean	Jennings	Murphy	Samuelson	Welker
Den Ouden	Johnson, C.	Nelsen, B.	Sarna	Wenzel
Drew	Johnson, D.	Nelson, K.	Schafer	Wieser
Eken	Jude	Niehau	Schoenfeld	Wigley
Elioff	Kahn	Norton	Schreiber	Wynia
Ellingson	Kaley	Novak	Searles	Zubay
Erickson	Kalis	Nysether	Shea	Spkr. Sieben, H.
Esau	Kelly	O'Connor	Sherman	
Evans	Knickerbocker	Ogren	Sherwood	
Ewald	Kostohryz	Olsen	Sieben, M.	

A quorum was present.

Aasness; Anderson, R.; Clark, J.; Dempsey; Halberg; Heap and Mehrkens were excused.

The Chief Clerk proceeded to read the Journal of the preceding day. Stumpf moved that further reading of the Journal be

dispensed with and that the Journal be approved as corrected by the Chief Clerk. The motion prevailed.

REPORTS OF CHIEF CLERK

Pursuant to Rules of the House, printed copies of H. F. No. 1250 and S. F. No. 429 have been placed in the members' files.

The Speaker announced that the next order of business would be election of officers.

ELECTION OF OFFICERS

The following names were placed in nomination :

The name of Daniel L. Kane was placed in nomination for First Assistant Chief Clerk by McCarron.

The name of Teresa Kittridge was placed in nomination for Postmaster by Jacobs.

The name of Aliceann Murphy was placed in nomination for Assistant Postmaster by Osthoff.

There being no further nominations, the Speaker declared the nominations closed.

The roll was called on the election of the officers and the following members voted for the officers :

Ainley	Ewald	Kvam	Olsen	Sieben, M.
Anderson, B.	Fjoslien	Laidig	Onnen	Simoneau
Anderson, G.	Forsythe	Lehto	Osthoff	Skoglund
Anderson, I.	Frerichs	Lemen	Otis	Stadum
Battaglia	Greenfield	Levi	Peterson, B.	Staten
Begich	Gruenes	Long	Peterson, D.	Stowell
Berkelman	Gustafson	Ludeman	Piepho	Stumpf
Blatz	Hanson	Luknic	Pogemiller	Sviggum
Brandl	Harens	Mann	Redalen	Swanson
Brinkman	Hauge	Marsh	Reding	Tomlinson
Byrne	Haukoos	McCarron	Rees	Valan
Carlson, D.	Heinitz	McDonald	Reif	Valento
Carlson, L.	Hoberg	McEachern	Rice	Vanasek
Clark, K.	Hokanson	Metzen	Rodriguez, C.	Vellenga
Clawson	Hokr	Minne	Rodriguez, F.	Voss
Dahlvang	Jacobs	Munger	Rose	Weaver
Dean	Jennings	Murphy	Rothenberg	Welch
Den Ouden	Johnson, C.	Nelsen, B.	Samuelson	Wenzel
Drew	Johnson, D.	Nelson, K.	Sarna	Wieser
Eken	Jude	Niehaus	Schafer	Wigley
Elioff	Kahn	Norton	Schoenfeld	Wynia
Ellingson	Kaley	Novak	Searles	Zubay
Erickson	Kalis	Nysether	Shea	Spkr. Sieben, H.
Esau	Kelly	O'Connor	Sherman	
Evans	Kostohryz	Ogren	Sherwood	

The nominees, having received a majority of the votes cast, were declared duly elected to their respective offices.

OATH OF OFFICE

The oath of office was administered to those elected to the above offices by the Speaker.

PETITIONS AND COMMUNICATIONS

The following communication was received :

STATE OF MINNESOTA
OFFICE OF THE SECRETARY OF STATE
ST. PAUL 55155

February 1, 1982

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

The Honorable Jack Davies
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 1982 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 :

<i>S.F. No.</i>	<i>H.F. No.</i>	<i>Session Laws Chapter No.</i>	<i>Date Approved 1982</i>	<i>Date Filed 1982</i>
1150		371	January 29	January 29
	1693	Resolution 4	January 29	January 29

Sincerely,

JOAN ANDERSON GROWE
Secretary of State

REPORTS OF STANDING COMMITTEES

Nelson, K., from the Committee on Energy to which was referred:

H. F. No. 451, A bill for an act relating to energy; modifying certain need certification criteria; amending Minnesota Statutes 1980, Section 116H.13, by adding a subdivision.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1981 Supplement, Section 116H.13, Subdivision 3, is amended to read:

Subd. 3. No proposed large energy facility shall be certified for construction unless the applicant has justified its need. In assessing need, the commissioner shall evaluate:

(1) The accuracy of the long range energy demand forecasts on which the necessity for the facility is based;

(2) The effect of existing or possible energy conservation programs under sections 116H.01 to 116H.15 or other federal or state legislation on long term energy demand;

(3) The relationship of the proposed facility to overall state energy needs, as described in the most recent state energy policy and conservation report prepared pursuant to section 116H.11;

(4) Promotional activities which may have given rise to the demand for this facility;

(5) Socially beneficial uses of the output of this facility, including its uses to protect or enhance environmental quality;

(6) The effects of the facility in inducing future development;

(7) Possible alternatives for satisfying the energy demand including but not limited to potential for increased efficiency of existing energy generation facilities;

(8) The policies, rules and regulations of other state and federal agencies and local governments; (AND)

(9) Any feasible combination of energy conservation improvements, required by the public utilities commission pursuant to section 216B.241, that can (a) replace part or all of the energy to be provided by the proposed facility, and (b) compete with it economically; and

(10) *For electric power generating plants:*

(a) *The recent and projected surplus capacity in the applicant's area power pool and other regional power pools with sufficient interchange capabilities; and*

(b) *The appropriateness of the applicant's reserve margin.*

Clause (10) does not apply to a certificate of need application submitted before the effective date of this act.

Sec. 2. Minnesota Statutes 1981 Supplement, Section 116H.13, is amended by adding a subdivision to read:

Subd. 3a. The commissioner shall not certify the construction of electric power generating plants unless the commissioner finds that the applicant's need cannot be met by feasible and prudent power exchanges from other electricity producers. Rules shall not be promulgated to further specify this criteria.

This subdivision does not apply to a certificate of need application submitted before the effective date of this act.

Sec. 3. [EFFECTIVE DATE.]

Sections 1 and 2 are effective the day following final enactment."

Amend the title as follows:

Page 1, line 4, delete "1980" and insert "1981 Supplement" and after "116H.13," insert "Subdivision 3, and"

With the recommendation that when so amended the bill pass.

The report was adopted.

Vanasek from the Committee on Criminal Justice to which was referred:

H. F. No. 879, A bill for an act relating to juveniles; authorizing imposition of fines and other dispositions for children adjudicated delinquent for offenses relating to controlled substances and intoxicating liquors; amending Minnesota Statutes 1980, Sections 152.15, by adding a subdivision; 340.035, Subdivision 2, and by adding a subdivision; 340.73, Subdivision 3, and by adding a subdivision; and 340.732.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1980, Section 260.015, Subdivision 5, is amended to read:

Subd. 5. "Delinquent child" means a child:

(a) Who has violated any state or local law (OR ORDINANCE), except as provided in section 260.193, subdivision 1,

section 2, and except for juvenile petty offenses, running away, and habitual truancy; or

(b) Who has violated a federal law or a law of another state and whose case has been referred to the juvenile court (; OR) *if the violation would be an act of delinquency if committed in this state or a crime or offense if committed by an adult.*

((C) WHO IS HABITUALLY TRUANT FROM SCHOOL;
OR)

((D) WHO IS UNCONTROLLED BY HIS PARENT, GUARDIAN, OR OTHER CUSTODIAN BY REASON OF BEING WAYWARD OR HABITUALLY DISOBEDIENT.)

Sec. 2. Minnesota Statutes 1980, Section 260.015, is amended by adding subdivisions to read:

Subd. 19. [HABITUAL TRUANT.] "Habitual truant" means a child under the age of 16 years absents himself or herself from attendance at school without lawful excuse for seven school days if the child is in elementary school or for one or more class periods on seven school days if the child is in middle school, junior high school, or high school.

Subd. 20. [RUNAWAY.] "Runaway" means an unmarried child under the age of 18 years who absents himself or herself from the home of his or her parent or other lawful placement without the consent of his or her parent, guardian, or lawful custodian.

Subd. 21. [JUVENILE PETTY OFFENDER; JUVENILE PETTY OFFENSE.] A "juvenile petty offense" is a violation of section 609.685 or violation of a local ordinance, other than a juvenile alcohol or controlled substance offense, which by its terms prohibits conduct by a child under the age of 18 years which would be lawful conduct if committed by an adult or where a child is uncontrolled by his or her parent, guardian, or other custodian by reason of being wayward or habitually disobedient. A child who commits a juvenile petty offense is a "juvenile petty offender."

Subd. 22. [JUVENILE ALCOHOL OFFENDER.] "Juvenile alcohol offender" means a child who violates section 340.035, subdivision 1, clause (4), (5), or (6) or section 340.731.

Subd. 23. [JUVENILE CONTROLLED SUBSTANCE OFFENDER.] "Juvenile controlled substance offender" means a child who violates section 152.09, subdivision 1, clause (2) with respect to a small amount of marijuana.

Sec. 3. Minnesota Statutes 1980, Section 260.111, Subdivision 1, is amended to read:

Subdivision 1. [CHILDREN WHO ARE DELINQUENT, NEGLECTED, DEPENDENT OR NEGLECTED AND IN FOSTER CARE.] Except as provided in sections 260.125 and 260.193, the juvenile court has original and exclusive jurisdiction in proceedings concerning any child who is alleged to be delinquent, a juvenile traffic offender, a *juvenile petty offender*, an *habitual truant*, a *runaway*, a *juvenile alcohol or controlled substance offender*, neglected, neglected and in foster care, or dependent, and in proceedings concerning any minor alleged to have been a delinquent, an *habitual truant*, a *runaway*, a *juvenile petty offender*, or a *juvenile alcohol or controlled substance offender* or a juvenile traffic offender prior to having become 18 years of age. The juvenile court shall deal with such a minor as it deals with any other child who is alleged to be delinquent or a juvenile traffic offender.

Sec. 4. Minnesota Statutes 1980, Section 260.121, Subdivision 1, is amended to read:

Subdivision 1. Except where otherwise provided, venue for any proceedings under section 260.111 shall be in the county where the child is found, or the county of his residence. When it is alleged that a child is neglected, venue may be in the county where the child is found, in the county of his residence, or in the county where the alleged neglect occurred. If delinquency, *habitual truancy*, *running away*, a *juvenile petty offense*, a *juvenile alcohol or controlled substance offense*, or a juvenile traffic offense is alleged, proceedings shall be brought in the county of his residence or the county where the alleged delinquency, *habitual truancy*, *running away*, *juvenile petty offense*, *juvenile alcohol or controlled substance offense* or juvenile traffic offense occurred.

Sec. 5. Minnesota Statutes 1980, Section 260.121, Subdivision 2, is amended to read:

Subd. 2. The judge of the juvenile court may transfer any proceedings brought under section 260.111, except adoptions, to the juvenile court of a county having venue as provided in subdivision 1, at any stage of the proceedings and in the following manner. When it appears that the best interests of the child, society, or the convenience of proceedings will be served by a transfer, the court may transfer the case to the juvenile court of the county of the child's residence. With the consent of the receiving court, the court may also transfer the case to the juvenile court of the county where the child is found or, if delinquency, *habitual truancy*, *running away*, a *juvenile petty offense*, *juvenile alcohol or controlled substance offense* or a juvenile traffic offense is alleged, to the county where the alleged delinquency, *habitual truancy*, *running away*, *juvenile petty offense*, *juvenile alcohol or controlled substance offense* or juvenile traffic offense occurred. The court transfers the case by ordering a continuance and by forwarding to the clerk of the appropriate

juvenile court a certified copy of all papers filed, together with an order of transfer. The judge of the receiving court may accept the findings of the transferring court or he may direct the filing of a new petition or notice under section 6 or 11 and hear the case anew.

Sec. 6. [260.132] [PROCEDURE; HABITUAL TRUANTS, RUNAWAYS, JUVENILE PETTY OFFENDERS.]

Subdivision 1. [NOTICE.] When a peace officer, or attendance officer in the case of an habitual truant, has probable cause to believe that a child is a runaway, an habitual truant, or a juvenile petty offender, the officer may issue a notice to the child to appear in juvenile court in the county in which the child is found or in the county of his residence or, in the case of a juvenile petty offense, the county in which the offense was committed. The officer shall file a copy of the notice to appear with the juvenile court of the appropriate county. If a child fails to appear in response to the notice provided by this subdivision, the court may issue a summons notifying the child of the nature of the offense alleged and the time and place set for the hearing. If the peace officer finds it necessary to take the child into custody, sections 260.165 and 260.171 shall apply.

Subd. 2. [EFFECT OF NOTICE.] Filing with the court a notice to appear containing the name and address of the child, specifying the offense alleged and the time and place it was committed, shall have the effect of a petition giving the juvenile court jurisdiction. In the case of running away, the place where the offense was committed may be stated in the notice as either the child's custodial parent's or guardian's residence or lawful placement or where the child was found by the officer. In the case of truancy, the place where the offense was committed may be stated as the school or the place where the child was found by the officer.

Subd. 3. [NOTICE TO PARENT.] Whenever a notice to appear or petition is filed alleging that a child is a runaway, an habitual truant, or a juvenile petty offender, the court shall summon and notify the person or persons having custody or control of the child of the nature of the offense alleged and the time and place of hearing. This summons and notice shall be served in the time and manner provided in section 260.135, subdivision 1.

Sec. 7. Minnesota Statutes 1980, Section 260.151, is amended to read:

260.151 [INVESTIGATION; PHYSICAL AND MENTAL EXAMINATION.]

Subdivision 1. Upon request of the court the county welfare board or probation officer shall investigate the personal and

family history and environment of any minor coming within the jurisdiction of the court under section 260.111 and shall report its findings to the court. The court may order any minor coming within its jurisdiction to be examined by a duly qualified physician, psychiatrist, or psychologist appointed by the court. With the consent of the commissioner of corrections and agreement of the county to pay the costs thereof, the court may, by order, place a minor coming within its jurisdiction in an institution maintained by the commissioner for the detention, diagnosis, custody and treatment of persons adjudicated to be delinquent, *an habitual truant, a runaway, a juvenile petty offender, or a juvenile alcohol or controlled substance offender* in order that the condition of the minor be given due consideration in the disposition of the case. Adoption investigations shall be conducted in accordance with the laws relating to adoptions. Any funds received under the provisions of this subdivision or under the provisions of section 260.175, clause (d) shall not cancel until the end of the fiscal year immediately following the fiscal year in which the funds were received. The funds are available for use by the commissioner of corrections during that period, and are hereby appropriated annually to the commissioner of corrections as reimbursement of the costs of providing these services to the juvenile courts.

Subd. 2. The court may proceed as described in subdivision 1 only after a petition has been filed and, in delinquency, *habitual truancy, runaway, juvenile petty offender, or juvenile alcohol or controlled substance offender* cases, after the child has appeared before the court or a court appointed referee and has been informed of the allegations contained in the petition. However, when the child denies before the court or court appointed referee that he is delinquent, *an habitual truant, a runaway, or a juvenile petty offender, or juvenile alcohol or controlled substance offender*, the investigation or examination shall not be conducted before a hearing has been held as provided in section 260.155.

Sec. 8. Minnesota Statutes 1980, Section 260.155, Subdivision 1, is amended to read:

Subdivision 1. [GENERAL.] Except for hearings arising under section 260.261, hearings on any matter shall be without a jury and may be conducted in an informal manner. The rules of evidence promulgated pursuant to section 480.0591 and the law of evidence shall apply in adjudicatory proceedings involving a child alleged to be delinquent, *an habitual truant, a runaway, a juvenile petty offender, or a juvenile alcohol or controlled substance offender*, and hearings conducted pursuant to section 260.125 except to the extent that the rules themselves provide that they do not apply. Hearings may be continued or adjourned from time to time and, in the interim, the court may make such orders as it deems in the best interests of the minor in accordance with the provisions of sections 260.011 to 260.301.

The court shall exclude the general public from these hearings and shall admit only those persons who, in the discretion of the court, have a direct interest in the case or in the work of the court. In all delinquency cases a person named in the charging clause of the petition as a person directly damaged in person or property shall be entitled, upon request, to be notified by the clerk of court in writing, at his last known address, of (1) the date of the reference or adjudicatory hearings, and (2) the disposition of the case. Adoption hearings shall be conducted in accordance with the provisions of laws relating to adoptions.

Sec. 9. Minnesota Statutes 1980, Section 260.173, Subdivision 3, is amended to read:

Subd. 3. If the child had been taken into custody and detained as one who is alleged to be delinquent, *an habitual truant, a runaway, a juvenile petty offender, or a juvenile alcohol or controlled substance offender* by reason of:

(a) (BEING UNCONTROLLED BY HIS PARENT, GUARDIAN, OR OTHER CUSTODIAN BECAUSE OF WAYWARDNESS OR HABITUAL DISOBEDIENCE; OR)

((B)) Having committed an offense which would not constitute a violation of a state law or local ordinance if he were an adult; or

((C)) (b) Having been previously adjudicated delinquent, *habitually truant, a runaway, a juvenile petty offender, or a juvenile alcohol or controlled substance offender*, or conditionally released by the juvenile court without adjudication (OF DELINQUENCY), has violated his probation, parole, or other field supervision under which he had been placed as a result of behavior described in this subdivision; he may be placed only in a shelter care facility.

Sec. 10. [260.192] [DISPOSITIONS; CHILDREN WHO ARE HABITUALLY TRUANT, RUNAWAYS, OR JUVENILE PETTY OFFENDERS.]

Subdivision 1. [DISPOSITIONS PERMITTED.] If the court finds that the child is an habitual truant, a runaway, or a juvenile petty offender, it shall enter an order making any of the following dispositions of the case which it deems necessary to the rehabilitation of the child:

(a) *Counsel the child or his parents, guardian, or custodian;*

(b) *Place the child under the supervision of a probation officer or other suitable person in the child's own home under conditions prescribed by the court, including reasonable rules for the child's conduct and the conduct of his parents, guardian,*

or custodian, designed for the physical, mental, and moral well-being and behavior of the child; or with consent of the commissioner of corrections, in a group foster care facility which is under the commissioner's management and supervision;

(c) Subject to the supervision of the court, transfer legal custody of the child to one of the following:

(1) A child placing agency; or

(2) The county welfare board; or

(3) A reputable individual of good moral character. No person may receive custody of two or more unrelated children unless he or she is licensed as a residential facility pursuant to sections 245.781 to 245.813; or

(4) A county probation officer for placement in a group foster home established under the direction of the juvenile court and licensed pursuant to section 241.021;

(d) Require the child to pay a fine of up to \$100; the court shall order payment of the fine in a manner that will not impose undue financial hardship upon the child, and may impose an installment payment schedule for this purpose;

(e) If the child is in need of special treatment and care for his physical or mental health, the court may order the child's parent, guardian, or custodian to provide it. If the parent, guardian, or custodian fails to provide this treatment or care, the court may order it provided;

(f) Require the child to participate in a community service project;

(g) Order the child to undergo a chemical dependency evaluation and if warranted by the evaluation, order participation by the child in a drug awareness program, or an inpatient or outpatient chemical dependency treatment program;

(h) Require the child to perform any other activities or participate in any other treatment programs deemed appropriate by the court;

(i) If the court believes that it is in the best interests of the child and of public safety that the child's driver's license be cancelled, the court may recommend to the commissioner of public safety that the child's license be cancelled for any period up to the child's 18th birthday, and the commissioner is hereby authorized to cancel the license without a hearing. At any time before the expiration of the period of cancellation, the court may, for good cause, recommend to the commissioner of public safety that

the child be authorized to apply for a new license, and the commissioner may so authorize.

Any order for a disposition authorized by this section shall contain written findings of fact to support the disposition ordered, and shall also set forth in writing the following information:

(a) Why the best interests of the child are served by the disposition ordered; and

(b) What alternative dispositions were considered by the court and why those dispositions were not appropriate in the instant case.

Subd. 2. [EXPUNGEMENT.] The court may expunge the adjudication of a child as an habitual truant, a runaway, or juvenile petty offender at any time it deems advisable.

Subd. 3. [CONTINUANCE.] When it is in the best interests of the child to do so and when the child has admitted the allegations contained in the notice before the judge or referee, or when a hearing has been held as provided for in section 260.155 and the allegations contained in the notice have been duly proven but, in either case, before a finding of habitual truancy, running away, or juvenile petty offense has been entered, the court may continue the case for a period not to exceed 90 days, and only after the court has reviewed the case and entered its order for an additional continuance without a finding of habitual truancy, running away, or petty juvenile offense.

Subd. 4. [SUPERVISION; DURATION; RENEWAL.] All orders for supervision under subdivision 1, clause (b) shall be for an indeterminate period unless otherwise specified by order of the court, and shall be reviewed by the court at least annually. All orders under subdivision 1, clause (c) shall be for a specified length of time set by the court. However, before an order has expired and upon the court's own motion or that of any interested party, the court has continuing jurisdiction to renew the order or, after notice to the parties and a hearing, make some other disposition of the case, until the individual is no longer a minor. Any person to whom legal custody is transferred shall report to the court in writing at such periods as the court may direct.

Subd. 5. [TRANSFER OF CUSTODY; REPORT.] When the court transfers legal custody of a juvenile petty offender, an habitual truant, or a runaway child to a licensed child placing agency or county welfare board, it shall transmit with the order transferring legal custody a copy of its findings and a summary of its information concerning the child.

Sec. 11. [260.194] [JUVENILE ALCOHOL OR CONTROLLED SUBSTANCE OFFENDER; PROCEDURES; DISPOSITIONS.]

Subdivision 1. [ADJUDICATION.] A child who violates section 340.035, subdivision 1, clause (4), (5), or (6), section 340.731 with respect to alcohol, section 152.09, subdivision 1, clause (2) with respect to a small amount of marijuana, or local ordinance equivalent therewith, shall be adjudicated a "juvenile alcohol offender or juvenile controlled substance offender," and shall not be adjudicated delinquent, unless, as in the case of any other child alleged to be delinquent, a petition is filed in the manner provided in section 260.131, summons issued, notice given, a hearing held, and the court finds as a further fact that the child is also delinquent within the meaning and purpose of the laws related to juvenile courts.

Subd. 2. [PROCEDURE.] When a peace officer has probable cause to believe that a child has committed a violation of section 340.035, subdivision 1, clause (4), (5), or (6), section 340.731, section 152.09, subdivision 1, clause (2) with respect to a small amount of marijuana, or local ordinance equivalent therewith, the officer may issue a notice to the child to appear in juvenile court in the county in which the alleged violation occurred. The officer shall file a copy of the notice to appear with the juvenile court of the county in which the alleged violation occurred. Filing with the court a notice to appear containing the name and address of the child who is alleged to have committed a violation of section 340.035, subdivision 1, clause (4), (5), or (6), section 340.731, section 152.09, subdivision 1, clause (2), with respect to a small amount of marijuana, or local ordinance equivalent therewith, as specifying the offense charged, and the time and place of the alleged violation shall have the effect of a petition giving the juvenile court jurisdiction. Any reputable person having knowledge of a child's violation of section 340.035, subdivision 1, clause (4), (5), or (6), section 340.731, section 152.09, subdivision 1, clause (2), with respect to a small amount of marijuana, or local ordinance equivalent therewith, may petition the juvenile court in the manner provided in section 260.131. Whenever a notice to appear or petition is filed alleging that a child has violated section 340.035, subdivision 1, clause (4), (5), or (6), section 340.731, section 152.09, subdivision 1, clause (2), with respect to a small amount of marijuana, or local ordinance equivalent therewith, the court shall summon and notify the person or persons having custody or control of the child of the nature of the offense charged and the time and place of hearing. This summons and notice shall be served in the time and manner provided in section 260.135, subdivision 1. If a child fails to appear in response to the notice provided by this subdivision, the court may issue a summons notifying the child of the nature of the offense alleged and the time and place set for the hearing. If the peace officer finds it necessary to take the child into custody, sections 260.165 and 260.171 shall apply.

Subd. 3. [DISPOSITIONS.] If the juvenile court finds that a child has violated section 340.035, subdivision 1, clause (4),

(5), or (6), section 340.731, section 152.09, subdivision 1, clause (2) with respect to a small amount of marijuana, or local ordinance equivalent therewith, the court may require the child to:

- (a) Pay a fine of up to \$100;
- (b) Participate in a community service project;
- (c) Participate in a drug awareness program; or

(d) Order the child to undergo a chemical dependency evaluation and if warranted by this evaluation, order participation by the child in an inpatient or outpatient chemical dependency treatment program; or

(e) Perform any other activities or participate in any other treatment programs deemed appropriate by the court.

None of the dispositional alternatives described in this subdivision shall be imposed by the court in a manner which would cause an undue hardship upon the child.

Subd. 4. [ALTERNATIVE DISPOSITION.] In addition to dispositional alternatives authorized by subdivision 3, in the case of a third or subsequent finding by the court pursuant to an admission in court or after trial that a child has committed an offense in violation of sections 340.035, subdivision 1, clause (4), (5), or (6), section 340.731, with respect to alcohol, section 152.09, subdivision 1, clause (2), with respect to a small amount of marijuana, or local ordinance equivalent therewith, the juvenile court shall order a chemical dependency evaluation of the child and if warranted by the evaluation, the court may order participation by the child in an inpatient or outpatient chemical dependency treatment program, or any other treatment deemed appropriate by the court.

Subd. 5. [FINDINGS REQUIRED.] Any order for disposition authorized by this section shall contain written findings of fact to support the disposition ordered, and shall also set forth in writing the following information:

- (a) Why the best interests of the child are served by the disposition ordered; and
- (b) What alternative dispositions were considered by the court and why those dispositions were not appropriate in the instant case.

Subd. 6. [EXPUNGEMENT.] The court may expunge the adjudication of a child as a juvenile alcohol or controlled substance offender at any time it deems advisable.

Sec. 12. [EFFECTIVE DATE.]

Sections 1 to 11 are effective August 1, 1982 and apply to proceedings commenced on and after that date."

Delete the title and insert:

"A bill for an act relating to juveniles; removing certain children from definition of "delinquent child"; defining "runaway," "habitual truant," "juvenile petty offender," "juvenile alcohol or controlled substance offender"; simplifying certain pleading and notice procedures; providing hearing rights and dispositional alternatives; amending Minnesota Statutes 1980, Sections 260.015, Subdivision 5, and by adding subdivisions; 260.111, Subdivision 1; 260.121, Subdivisions 1 and 2; 260.151; 260.155, Subdivision 1; and 260.173, Subdivision 3; proposing new law coded in Minnesota Statutes, Chapter 260."

With the recommendation that when so amended the bill pass.

The report was adopted.

Vanasek from the Committee on Criminal Justice to which was referred:

H. F. No. 1283, A bill for an act relating to limitation of actions; providing a five year statute of limitations for criminal sexual offenses; tolling the statute of limitations for victims of criminal sexual conduct; amending Minnesota Statutes 1980, Section 628.26.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1980, Section 628.26, is amended to read:

628.26 [LIMITATIONS.]

(a) *Indictments or complaints* for murder may be found or made at any time after the death of the person killed (;).

(b) *Indictments or complaints* for violation of section 609.42, subdivision 1, clauses (1) or (2) shall be found or made and filed in the proper court within six years after the commission of the offense (;).

(c) *Indictments or complaints* for violation of sections 609.3641 to 609.3644, or for violation of sections 609.342 to 609.345 if the victim and the actor were in a familial relationship as defined in section 609.364, subdivision 9 at the time the offense

was committed, shall be found or made and filed in the proper court within 7 years after the commission of the offense.

(d) In all other cases, indictments or complaints shall be found or made and filed in the proper court within three years after the commission of the offense; but the time during which the defendant shall not be an inhabitant of, or usually resident within, this state, shall not constitute any part of the limitations imposed by this section.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective August 1, 1982 and applies to offenses committed on and after August 1, 1982."

Delete the title and insert:

"A bill for an act relating to crimes; lengthening the statute of limitations for prosecutions for certain crimes; amending Minnesota Statutes 1980, Section 628.26."

With the recommendation that when so amended the bill pass.

The report was adopted.

Jacobs from the Committee on Regulated Industries to which was referred:

H. F. No. 1479, A bill for an act relating to public utilities; prohibiting city jurisdiction over securities or indebtedness of a utility; amending Minnesota Statutes 1980, Sections 216B.36; and 216B.49, Subdivision 5.

Reported the same back with the recommendation that the bill pass and be placed on the Consent Calendar.

The report was adopted.

Vanasek from the Committee on Criminal Justice to which was referred:

H. F. No. 1546, A bill for an act relating to juveniles; providing for the detention of juveniles for whom a motion to refer for prosecution is pending before the court; amending Minnesota Statutes 1980, Section 260.173, Subdivision 4.

Reported the same back with the following amendments:

Page 2, line 20, delete "more than" and insert "up to"

With the recommendation that when so amended the bill pass.

The report was adopted.

Vanasek from the Committee on Criminal Justice to which was referred :

H. F. No. 1573, A bill for an act relating to crimes; prohibiting the sale, transfer and delivery of simulated controlled substances; prohibiting their sale, transfer and delivery; providing penalties; amending Minnesota Statutes 1980, Sections 152.09, Subdivision 1; 152.15, by adding a subdivision; proposing new law coded in Minnesota Statutes, Chapter 152.

Reported the same back with the following amendments :

Page 1, line 13, after the first "to" insert "manufacture,"

Page 2, after line 12, insert :

"Subd. 3. [EXEMPTION.] Prescribing and dispensing of placebos by licensed practitioners and licensed pharmacists is exempt from prosecution under this section."

Page 2, line 24, after "(3)" insert "manufacture,"

Page 2, line 29, after "by" insert "manufacturing,"

Amend the title as follows :

Page 1, line 2, after "the" insert "manufacture,"

Page 1, line 4, after "their" insert "manufacture,"

With the recommendation that when so amended the bill pass.

The report was adopted.

Norton from the Committee on Governmental Operations to which was referred :

H. F. No. 1579, A bill for an act relating to state lands; providing for the conveyance of certain land to the city of Brainerd.

Reported the same back with the following amendments :

Page 1, line 8, after "administration" insert "and upon approval by the community college board"

With the recommendation that when so amended the bill pass.

The report was adopted.

Norton from the Committee on Governmental Operations to which was referred:

H. F. No. 1580, A bill for an act relating to state lands; providing for the conveyance of certain tax forfeited lands.

Reported the same back with the following amendments:

Page 1, line 13, after "20" insert "*subject to existing easements for Trunk Highway 73*"

With the recommendation that when so amended the bill pass and be placed on the Consent Calendar.

The report was adopted.

Vanasek from the Committee on Criminal Justice to which was referred:

H. F. No. 1587, A bill for an act relating to peace officers; providing for appointment of peace officers, constables and deputy constables in towns; requiring towns to notify the peace officers standards and training board before employing law enforcement officers; amending Minnesota Statutes 1980, Sections 367.03, Subdivisions 1, 2, and 3; 367.22; 367.40, Subdivisions 3 and 4; 367.41; Minnesota Statutes 1981 Supplement, Section 367.42, Subdivision 1; repealing Minnesota Statutes 1981 Supplement, Section 382.28.

Reported the same back with the following amendments:

Page 2, line 27, after "(PROCEDURE)" insert "*to authorize the town board*"

With the recommendation that when so amended the bill pass.

The report was adopted.

Vanasek from the Committee on Criminal Justice to which was referred:

H. F. No. 1610, A bill for an act relating to juveniles; expanding definition of "dependent child;" defining "serious juvenile offender;" permitting jury trials for and jailing of "serious juvenile offenders;" describing relevant evidence in contributing to delinquency cases; requiring reports to justify out of state placement of children; increasing parents' liability for willful and

malicious injury caused by their child; prescribing penalties; amending Minnesota Statutes 1980, Sections 260.015, Subdivision 6 and by adding a subdivision; 260.155, Subdivisions 1 and 2, and by adding a subdivision; 260.185, Subdivision 1, and by adding a subdivision; 260.315; and 540.18, Subdivision 1.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1980, Section 260.015, Subdivision 5, is amended to read:

Subd. 5. "Delinquent child" means a child:

(a) Who has violated any state or local law or ordinance (, EXCEPT AS PROVIDED IN SECTION 260.193, SUBDIVISION 1);

(b) Who has violated a federal law or a law of another state and whose case has been referred to the juvenile court; or

(c) Who is habitually truant from school; or

(d) Who is uncontrolled by his parent, guardian, or other custodian by reason of being wayward or habitually disobedient.

Sec. 2. Minnesota Statutes 1980, Section 260.015, Subdivision 6, is amended to read:

Subd. 6. [DEPENDENT CHILD.] "Dependent child" means a child:

(a) Who is without a parent, guardian, or other custodian; or

(b) Who is in need of special care and treatment required by his physical or mental condition and whose parent, guardian, or other custodian is unable to provide it; or

(c) Whose parent, guardian, or other custodian for good cause desires to be relieved of his care and custody; or

(d) Who is without proper parental care because of the emotional, mental, or physical disability, or state of immaturity of his parent, guardian, or other custodian; or whose parent, guardian, or other custodian has failed or refused to obey an order made pursuant to section 260.185, subdivision 1, clause (a) or (g).

Sec. 3. Minnesota Statutes 1980, Section 260.155, Subdivision 1, is amended to read:

Subdivision 1. [GENERAL.] Except for hearings arising under section 260.261, hearings on any matter shall be without a jury and may be conducted in an informal manner. The rules of evidence promulgated pursuant to section 480.0591 and the law of evidence shall apply in adjudicatory proceedings involving a child alleged to be delinquent and hearings conducted pursuant to section 260.125 except to the extent that the rules themselves provide that they do not apply. Hearings may be continued or adjourned from time to time and, in the interim, the court may make such orders as it deems in the best interests of the minor in accordance with the provisions of sections 260.011 to 260.301. The court shall exclude the general public from these hearings and shall admit only those persons who, in the discretion of the court, have a direct interest in the case or in the work of the court. In all delinquency cases a *natural* person named in the charging clause of the petition as a person directly damaged in person or property shall be entitled (*, UPON REQUEST,*) to be notified by the clerk of court in writing, *unless he or she otherwise requests*, at his last known address, of (1) the date of the reference or adjudicatory hearings, and (2) the disposition of the case *and that he may attend proceedings other than the disposition hearing, except where it is necessary that he be sequestered as a witness.* Adoption hearings shall be conducted in accordance with the provisions of laws relating to adoptions.

Sec. 4. [260.197] [OUT OF STATE PLACEMENTS.]

Subdivision 1. [PLACEMENT RESTRICTIONS.] Except where a child is placed in the home of a relative, no child shall be placed by the juvenile court outside of the state of Minnesota if all or a part of the cost of the placement will be paid by the state of Minnesota or a county within this state, unless the court finds that the child has serious medical or psychological problems for which no treatment program, adequate for the child's needs and the public safety, exists in this state and the out-of-state placement is for the purpose of obtaining this treatment, or where there is no facility or program in this state adequate for the child's needs within a reasonable distance from the child's parent's or guardian's home.

Subd. 2. [FINDINGS, REPORT.] Whenever a placement of a child outside of the state of Minnesota is made pursuant to subdivision 1, the court shall make written findings of fact and conclusions of law on the issue of the necessity for the out-of-state placement. The court shall send a copy of these findings and conclusions to the commissioner of public welfare along with a report stating the length of anticipated placement, program costs, and the name and location of the program or institution where the child is placed. Any information contained in the findings and conclusions or report identifying a particular child are

confidential and may be disclosed by the commissioner of public welfare only by order of the juvenile court. Any person violating this subdivision by releasing confidential information is guilty of a misdemeanor.

Sec. 5. [260.199] [TRAFFIC OFFENSES.]

Subdivision 1. [TRAFFIC OFFENSE; DEFINITION.] For purposes of this section, "traffic offense" means any violation of a state or local traffic law, ordinance, or regulation, or a federal, state, or local water traffic law or ordinance.

Subd. 2. [TRAFFIC VIOLATIONS; JURISDICTION.] A child who commits a traffic offense and at the time of the offense was 15 years old or older shall be subject to the laws and court procedures governing adult traffic violators, except that the court shall not commit a juvenile traffic offender to serve any imprisonment sentence unless the court finds that the child has committed one or more major traffic violations and that the welfare of the child or the public safety would be better served by service of an imprisonment sentence than by other dispositions available to the court, and the juvenile traffic offender shall not be under the jurisdiction of the juvenile court. A child under the age of 15 years who commits a traffic offense shall be under the jurisdiction of the juvenile court.

Sec. 6. Minnesota Statutes 1980, Section 260.315, is amended to read:

260.315 [CONTRIBUTING TO NEGLECT OR DELINQUENCY.]

Subdivision 1. [ACTS CONSTITUTING.] Any person who by act, word or omission encourages, causes or contributes to the neglect or delinquency of a child, and (SUCH) the act, word or omission is not by other provisions of law declared to be a felony, shall be guilty of a misdemeanor. A person may be charged and convicted under this section although the child involved is not the subject of a delinquency or neglect proceeding.

Subd. 2. [EVIDENCE.] In determining whether a person has contributed to the neglect or delinquency of a minor, the court may consider evidence, including but not limited to the following:

(a) That the person harbored the child within the person's home for more than 24 hours, with knowledge that the child did not have his parent's, guardian's, or other custodian's consent to be there, without making a reasonable effort to notify the child's parent, guardian, or other custodian of the child's whereabouts;

(b) *That the person charged intentionally assisted the child to absent from his or her home or other lawful placement without the consent of the child's parent, guardian, or other custodian by providing the child with transportation, food, shelter, or financial assistance to enable the child to absent.*

Clauses (a) and (b) shall not apply to a shelter for runaways licensed by the commissioner of public welfare, which makes a reasonable effort to notify the parent or guardian of a runaway child within 24 hours after the child arrives at the shelter. A licensed shelter for runaways is not required to transport a child to his or her parents or to refuse shelter to a child even if the child's parent refuses to consent to the child's remaining at the shelter, but may permit the parent to remove the child from the shelter.

Subd. 3. [DEFENSE.] If the wrongful conduct alleged as contributing to delinquency is harboring a child without the parent's, guardian's, or custodian's consent, it shall be a defense to a charge of contributing to the delinquency of a child that the person charged harbored the child in the person's home solely because the person reasonably believed that the child had been physically or sexually abused by the child's parent, guardian or other custodian; or by a person known to the parent, guardian, or other custodian and the parent, guardian, or other custodian failed or refused to report the abuse to proper authorities.

Sec. 7. Minnesota Statutes 1980, Section 540.18, is amended to read:

Subdivision 1. The parent or guardian of the person of a minor who is under the age of 18 and who is living with the parent or guardian and who willfully or maliciously causes injury to any person or damage to any property is jointly and severally liable with such minor for such injury or damage to an amount not exceeding (\$500) *\$1,000*, if (SUCH) *the* minor would have been liable for (SUCH) *the* injury or damage if he had been an adult. Nothing in this subdivision shall be construed to relieve (SUCH) *the* minor from personal liability for (SUCH) *the* injury or damage. The liability provided in this subdivision is in addition to and not in lieu of any other liability which may exist at law. Recovery under this section shall be limited to special damages.

Subd. 1a. [TOTAL LIABILITY.] The liability limit of \$1,000 in subdivision 1 means that the combined liability of both parents or all guardians in the case where the child is living with two parents or more than one guardian at the time of the injury shall not exceed \$1,000.

Subd. 1b. [ACCESS TO JUVENILE COURT RECORDS.] Notwithstanding the provisions of section 260.161, except when

an action is brought in conciliation court, a person who brings an action or asserts a counterclaim or cross-claim against a person for civil damages under subdivision 1 may make a motion to the court in which the action was filed for permission to inspect the juvenile court records, if any, relating to the act which caused the injury for which the civil damages are claimed. The juvenile court shall make these records available to the court in which the civil action is pending, or certify to the court that no such record exists. The court in which the civil action is pending shall make an in camera inspection of those records and determine whether or not the interests of justice require that all or a portion of those records be disclosed to the moving party to obtain evidence to prove his or her claim or defense.

If the court decides that all or a portion of the juvenile court records should be disclosed to the moving party, the court may make any protective order it deems necessary to protect the confidentiality of the contents of the records.

Any person who obtains access to a juvenile court record pursuant to this subdivision shall not disclose any portion of its contents to any other person except as the court may authorize. The court shall not authorize disclosure to any person other than the parties to the civil action and their attorneys.

Any person who makes a disclosure not authorized by the court pursuant to this section is guilty of a misdemeanor.

Subd. 2. This section shall not apply to persons having custody or charge of any minor under the authority of the welfare or corrections department of the state.

Sec. 8. [REPEALER.]

Minnesota Statutes 1980, Section 260.193 is repealed."

Delete the title and insert:

"A bill for an act relating to juveniles; expanding definition of "dependent child;" expanding the rights of victims of juvenile delinquency; restricting out-of-state placements of children; making juvenile traffic offenders subject to the same legal consequences and rights as adults; providing evidentiary standards for contributing to delinquency or neglect; increasing parental liability of minors willful or malicious conduct; amending Minnesota Statutes 1980, Sections 260.015; Subdivisions 5 and 6; 260.155, Subdivision 1; 260.315; and 540.18; proposing new law coded in Minnesota Statutes, Chapter 260; repealing Minnesota Statutes 1980, Section 260.193."

With the recommendation that when so amended the bill pass.

The report was adopted.

Norton from the Committee on Governmental Operations to which was referred:

H. F. No. 1635, A bill for an act relating to state lands; authorizing sale and conveyance of a certain tract of state lands to Bethlehem Lutheran Church of Waskish, Minnesota.

Reported the same back with the following amendments:

Page 1, delete lines 14 to 22 and insert:

"A tract in Government Lot 3, Section 8, Township 154 North, Range 30 West beginning 100 feet North of the South boundary of Government Lot 3 on the East right-of-way line of State Trunk Highway 72; thence Northerly 200 feet along said highway; thence East to the Westerly right-of-way of old Trunk Highway 72; thence Southerly 200 feet along said right-of-way line; thence Westerly to the point of beginning."

With the recommendation that when so amended the bill pass and be placed on the Consent Calendar.

The report was adopted.

Mann from the Committee on Transportation to which was referred:

H. F. No. 1641, A bill for an act relating to the city of Lakeville; authorizing advances of cash or engineering services, or both, by the city of Lakeville to the commissioner of transportation to expedite construction and improvement on a certain trunk highway within the city of Lakeville; authorizing the commissioner of transportation, by contract, to accept the advances and repay the advances from the trunk highway fund.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Johnson, C., from the Committee on Education to which was referred:

H. F. No. 1724, A bill for an act relating to Independent School District No. 507, Nicollet; authorizing a transfer of funds collected by referendum levy to reduce statutory operating debt.

Reported the same back with the recommendation that the bill pass and be placed on the Consent Calendar.

The report was adopted.

Wenzel from the Committee on Agriculture to which was referred:

H. F. No. 1786, A bill for an act relating to agriculture; changing certain procedures relating to fertilizers and soil and plant amendments; imposing a penalty; amending Minnesota Statutes 1980, Sections 17.713, by adding a subdivision; 17.721, Subdivision 2; and 17.728, as amended; Minnesota Statutes 1981 Supplement, Sections 17.713, Subdivisions 8, 12, 17a, and 20; 17.714, Subdivision 2; 17.716, Subdivision 6; 17.719, Subdivision 1, and by adding a subdivision; 17.721, Subdivision 1; 17.725, Subdivision 1; and 17.726; proposing new law coded in Minnesota Statutes, Chapter 17.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Brinkman from the Committee on Financial Institutions and Insurance to which was referred:

H. F. No. 1808, A bill for an act relating to financial institutions; authorizing the establishment of certain branch banks by banks located in this state; providing for application and approval of branch banks; permitting change of locations and office closings; permitting establishment of branch banks through merger or consolidation; authorizing the acquisition of banks or trust companies located in this state by foreign bank holding companies under certain prescribed conditions; amending Minnesota Statutes 1980, Section 49.34; proposing new law coded in Minnesota Statutes, Chapters 47 and 48; repealing Minnesota Statutes 1980, Section 48.34.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"FOREIGN ACQUISITION OF SAVINGS BANKS

Section 1. [49.47] [DEFINITIONS.]

Subdivision 1. [TERMS.] Unless the language or context clearly indicates that a different meaning is intended, the following terms, for purposes of section 2, have the meanings given.

Subd. 2. [ACT.] "Act" means the Federal Bank Holding Company Act of 1956, as amended.

Subd. 3. [FOREIGN BANK HOLDING COMPANY.] "Foreign bank holding company" means a company which is defined as a bank holding company under the Act and which conducted its principal banking business in a jurisdiction of the United States other than Minnesota, on May 9, 1956, or on the date on which the company became a bank holding company under the Act, whichever occurred later.

Subd. 4. [SAVINGS BANKS.] "Savings bank" means a savings bank on the effective date of this act as defined in section 47.01.

Subd. 5. [ACQUISITION.] "Acquisition" means acquiring, directly or indirectly, any voting shares of, interest in, or all or substantially all of the assets of, a savings bank whose principal office is located in this state.

Subd. 6. [COMMISSIONER.] "Commissioner" means the commissioner of banks.

Sec. 2. [49.48] [AUTHORITY OF FOREIGN BANK HOLDING COMPANIES TO ACQUIRE A SAVINGS BANK.]

Subdivision 1. [ACQUISITIONS.] If the commissioner has determined that exigent circumstances exist such that an acquisition of a savings bank is necessary and in the public interest to maintain the continued viability or prevent the probable failure of the savings bank, a foreign bank holding company or a subsidiary of a foreign bank holding company may make the acquisition and thereby engage in the business of banking in this state. The foreign bank holding company and its subsidiaries doing business in this state shall be subject to the provisions of all laws of this state which are applicable to banks and other financial institutions.

Subd. 2. [CONVERSION.] To facilitate an acquisition pursuant to this section, the commissioner may convert the charter, form of ownership, or operating powers of a savings bank into the charter, form of ownership, or operating powers of a bank.

Subd. 3. [COOPERATION WITH FEDERAL AUTHORITIES.] The commissioner shall participate to the extent permissible with the appropriate federal authorities in an effort to secure a suitable acquirer for a savings bank pursuant to subdivision 1 of this section. The acquiring institution shall be chosen after due consideration is given to the financial institution structure in the state, impact on the insurance fund of the Federal Deposit Insurance Corporation, state and federal anti-trust laws, and the convenience and needs of the public.

Sec. 3. [EFFECTIVE DATE.]

This act is effective the day after final enactment."

Delete the title and insert:

"A bill for an act relating to financial institutions; authorizing the acquisition of a savings bank located in this state by foreign bank holding companies under certain prescribed conditions; proposing new law coded in Minnesota Statutes, Chapter 49."

With the recommendation that when so amended the bill pass.

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 451, 879, 1283, 1479, 1546, 1573, 1579, 1580, 1587, 1610, 1635, 1724, 1786 and 1808 were read for the second time.

INTRODUCTION AND FIRST READING
OF HOUSE BILLS

The following House Files were introduced:

Novak and Anderson, I., introduced:

H. F. No. 1821, A bill for an act relating to taxation; making technical corrections and administrative changes to the income tax and property tax refund; amending Minnesota Statutes 1980, Sections 290.012, Subdivision 2; 290.02; 290.03; 290.06, Subdivisions 9 and 9a; 290.079, Subdivision 1; 290.09, Subdivisions 16 and 17; 290.095, Subdivision 4; 290.13, Subdivision 1; 290.133, Subdivision 1; 290.19, Subdivision 1; 290.281, Subdivision 1; 290.31, Subdivisions 5 and 19; 290.36; 290.45, Subdivision 1; 290.49, Subdivisions 3, 7, and by adding a subdivision; 290.53, by adding a subdivision; 290.65, Subdivisions 9 and 11; 290.91; 290.92, Subdivision 13; 290.93, Subdivision 9; 290.936; 290A.11, by adding a subdivision; and Minnesota Statutes 1981 Supplement, Sections 290.01, Subdivisions 20 and 27; 290.05, Subdivisions 1 and 4; 290.075; 290.081; 290.09, Subdivisions 2, 4, and 15; 290.091; 290.095, Subdivision 11; 290.10; 290.131, Subdivision 1; 290.132, Subdivision 1; 290.136, Subdivision 1; 290.14; 290.18, Subdivisions 1 and 2; 290.21, Subdivision 3; 290.23, Subdivision 3; 290.31, Subdivisions 3 and 4; 290.32; 290.37, Subdivision 1; 290.41, Subdivision 2; 290.42; 290.431; 290.92, Subdivisions 2a, 5, 5a, and 6; 290.93, Subdivisions 1 and 10; 290.9725; 290.974; 290A.03, Subdivisions 3 and 13; 290A.07, Subdivision 2a; 290A.-11, Subdivision 1; proposing new law coded in Minnesota Statutes, Chapter 290; repealing Minnesota Statutes 1980, Sections 62E.03, Subdivision 2; 290.06, Subdivision 3c; 290.0781; 290.079,

Subdivisions 2, 3, 4, and 5; 290.08, Subdivision 21; 290.09, Subdivision 24; 290.13, Subdivisions 2, 4, and 10; 290.136, Subdivision 8; 290.26, Subdivision 5; 290.281, Subdivisions 3, 4, and 6; 290.31, Subdivisions 7, 8, 12, 13, 14, 15, 16, 17, 18, 20, 22, 23, 24, 25, and 26; 290.973; and Minnesota Statutes 1981 Supplement, Sections 290.079, Subdivision 6; 290.09, Subdivision 17a; 290.131, Subdivisions 2 and 3; 290.132, Subdivision 2; 290.133, Subdivision 2; 290.21, Subdivision 7; 290.26, Subdivisions 1 and 3; 290.281, Subdivision 2; 290.31, Subdivisions 6, 8a, 9, 10, 11, and 21; and 290.971, Subdivision 7.

The bill was read for the first time and referred to the Committee on Taxes.

Novak and Anderson, I., introduced:

H. F. No. 1822, A bill for an act relating to taxation; income; property tax refund; adopting certain federal income tax amendments; limiting the income tax investment credit subtraction; altering the adoption of accelerated cost recovery system; amending Minnesota Statutes 1980, Section 290.16, Subdivisions 15, as amended, and 16, as amended; Minnesota Statutes 1981 Supplement, Sections 290.01, Subdivision 20, as amended; 290.09, Subdivisions 7, as amended, and 29; 290.091, as amended; 290.92, Subdivision 15; 290.93, Subdivision 1; 290.934, Subdivision 4; 290A.03, Subdivision 3; repealing Minnesota Statutes 1980, Section 290.65, Subdivisions 2, 3, 4, 5, 6, and 7.

The bill was read for the first time and referred to the Committee on Taxes.

O'Connor; Anderson, I.; Jacobs and Novak introduced:

H. F. No. 1823, A bill for an act relating to taxation; income tax; providing for allocation of income for nonresident athletes and entertainers; providing for apportionment of income for athletic teams; providing for withholding; amending Minnesota Statutes 1980, Sections 290.19, Subdivision 1; and 290.92, Subdivision 4a; and Minnesota Statutes 1981 Supplement, Section 290.17, Subdivision 2.

The bill was read for the first time and referred to the Committee on Taxes.

Gustafson; Anderson, I.; Jacobs and Novak introduced:

H. F. No. 1824, A bill for an act relating to taxation; income tax; property tax refund; providing an action to enjoin certain tax return preparers from engaging in certain conduct or from preparing returns; imposing penalties on a preparer for wilfully understating an income tax liability or wilfully overstating a property tax refund claim; proposing new law coded in Minnesota Statutes, Chapters 290 and 290A.

The bill was read for the first time and referred to the Committee on Taxes.

Peterson, D.; Anderson, I.; Tomlinson; Begich and Jacobs introduced:

H. F. No. 1825, A bill for an act relating to taxation; enacting the multistate tax compact; appropriating money; proposing new law coded in Minnesota Statutes, Chapter 290.

The bill was read for the first time and referred to the Committee on Taxes.

Wynia; Sieben, M.; Dempsey; Peterson, B., and Ellingson introduced:

H. F. No. 1826, A bill for an act relating to legal services; providing for a surcharge on civil filing fees; authorizing the supreme court to appoint an advisory committee; authorizing the distribution of the surcharge funds to qualified programs providing legal services to certain persons; requiring a report to the legislature; proposing new law coded in Minnesota Statutes, Chapter 480.

The bill was read for the first time and referred to the Committee on Judiciary.

Heinitz and Stowell introduced:

H. F. No. 1827, A bill for an act relating to education; requiring school boards and exclusive bargaining representatives of teachers to negotiate a plan providing for unrequested leaves of absence without pay or fringe benefits; amending Minnesota Statutes 1980, Section 125.12, by adding a subdivision; repealing Minnesota Statutes 1980, Section 125.12, Subdivisions 6a and 6b.

The bill was read for the first time and referred to the Committee on Education.

McDonald, McCarron and McEachern introduced:

H. F. No. 1828, A bill for an act relating to local government; permitting cities to impose a separate property tax to pay the cost of elections; proposing new law coded in Minnesota Statutes, Chapter 465.

The bill was read for the first time and referred to the Committee on Taxes.

Jennings introduced:

H. F. No. 1829, A bill for an act relating to the city of St. James; providing for the calculation of its property tax levy limitation.

The bill was read for the first time and referred to the Committee on Taxes.

Heap and Marsh introduced:

H. F. No. 1830, A bill for an act relating to securities; removing the exemption from filing fees for an agent who is a primary officer, partner, or director of a licensed broker-dealer; amending Minnesota Statutes 1981 Supplement, Section 80A.28, Subdivision 2.

The bill was read for the first time and referred to the Committee on Commerce and Economic Development.

Rodriguez, C.; Sieben, M.; Jennings; Wynia and Levi introduced:

H. F. No. 1831, A bill for an act relating to human rights; including sexual harassment as a form of unfair discriminatory practices for certain purposes; amending Minnesota Statutes 1980, Section 363.01, Subdivision 10, and by adding a subdivision.

The bill was read for the first time and referred to the Committee on Judiciary.

Wynia, Hokanson, Heinritz, Kelly and Onnen introduced:

H. F. No. 1832, A bill for an act relating to the operation of state government; authorizing the legislative auditor to approve contracts for auditing state agencies; modifying authority of the housing finance agency and certain other agencies to contract for audits without approval; amending Minnesota Statutes 1980, Sections 3.972; and 462A.22, Subdivision 10.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Sarna, O'Connor, McEachern, Ogren and Marsh introduced:

H. F. No. 1833, A bill for an act relating to no-fault automobile insurance; providing for reduced premiums for inexperienced drivers in certain circumstances; proposing new law coded in Minnesota Statutes, Chapter 65B.

The bill was read for the first time and referred to the Committee on Financial Institutions and Insurance.

Metzen, Berkelman and Den Ouden introduced :

H. F. No. 1834, A bill for an act relating to claims against the state; providing for payment of various claims; appropriating money.

The bill was read for the first time and referred to the Committee on Appropriations.

Hoberg, Valan, Knickerbocker, Battaglia and Elioff introduced :

H. F. No. 1835, A bill for an act relating to public safety; providing that certain fines and forfeited bail money collected from persons violating motor vehicle weight laws and apprehended by the state patrol by means of stationary or portable scales be allocated between the state and certain political subdivisions; amending Minnesota Statutes 1981 Supplement, Section 299D.03, Subdivision 5.

The bill was read for the first time and referred to the Committee on Transportation.

Elioff, Begich, Battaglia and Ludeman introduced :

H. F. No. 1836, A bill for an act relating to state lands; providing for the conveyance of certain lands to the heirs of John G. and Ruby A. Handberg.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Simoneau introduced :

H. F. No. 1837, A bill for an act relating to state collective bargaining units; adopting a modified unit composition schedule for state employees; amending Minnesota Statutes 1980, Section 179.741, Subdivision 1.

The bill was read for the first time and referred to the Committee on Labor-Management Relations.

Begich, Battaglia and Anderson, I., introduced :

H. F. No. 1838, A bill for an act relating to natural resources; extending the time during which the commissioner of natural resources may extend timber permits; amending Laws 1981, Chapter 305, Section 11.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

Evans; Reif; Swanson; Clark, J., and Blatz introduced:

H. F. No. 1839, A bill for an act relating to health; requiring reports of cases of Reyes syndrome; proposing new law coded in Minnesota Statutes, Chapter 144.

The bill was read for the first time and referred to the Committee on Health and Welfare.

Dempsey, Kalis, Reding and Piepho introduced:

H. F. No. 1840, A bill for an act relating to public welfare; allowing payment of claims for medical assistance to be made against homestead property which is part of an estate; amending Minnesota Statutes 1980, Sections 510.05; 524.3-805; and Minnesota Statutes 1981 Supplement, Section 525.145.

The bill was read for the first time and referred to the Committee on Health and Welfare.

McDonald; Jennings; Johnson, C., and Levi introduced:

H. F. No. 1841, A bill for an act relating to education; authorizing an additional referendum election for a school district levy increase when 45 percent of the votes cast on the question were in favor of the increase; amending Minnesota Statutes 1981 Supplement, Section 275.125, Subdivision 2d.

The bill was read for the first time and referred to the Committee on Education.

Rodriguez, F.; Kelly; Hanson; Drew and Vellenga introduced:

H. F. No. 1842, A bill for an act relating to the city of Saint Paul; authorizing the issuance of bonds to provide funds to repair, remodel, construct or reconstruct the civic center facilities.

The bill was read for the first time and referred to the Committee on Local and Urban Affairs.

Rodriguez, F.; Tomlinson; Vellenga; Drew and Kelly introduced:

H. F. No. 1843, A bill for an act relating to the city of St. Paul; establishing certain taxes.

The bill was read for the first time and referred to the Committee on Taxes.

Mehrkens, Stowell and Wieser introduced:

H. F. No. 1844, A bill for an act relating to game and fish; removing the restriction upon issuance of wild turkey licenses; amending Minnesota Statutes 1980, Section 100.271, Subdivision 3a.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

Wenzel, Jude, Erickson, Schafer and Den Ouden introduced:

H. F. No. 1845, A bill for an act relating to agriculture; prohibiting waste disposal and processing sites on certain agricultural land; amending Minnesota Statutes 1980, Sections 115A.03, by adding a subdivision; 116.081, by adding a subdivision; 368.01, Subdivision 14; 412.221, Subdivision 22; Minnesota Statutes 1981 Supplement, Sections 115A.09, Subdivision 2; 115A.20; 473.153, Subdivision 2; 473.803, Subdivision 1a; proposing new law coded in Minnesota Statutes, Chapters 116C and 400.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

Reding introduced:

H. F. No. 1846, A bill for an act relating to game and fish; restricting commercial fishing on Lake of the Woods and Rainy Lake to rough fish only; amending Minnesota Statutes 1980, Section 102.26, Subdivisions 1 and 3.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

Harens; Jude; Luknic; Nelson, K., and Nysether introduced:

H. F. No. 1847, A bill for an act relating to education; regulating student fees at the University of Minnesota; proposing new law coded in Minnesota Statutes, Chapter 137.

The bill was read for the first time and referred to the Committee on Education.

Elioff and Battaglia introduced:

H. F. No. 1848, A bill for an act relating to Independent School District No. 699; requiring certification of statutory operating debt.

The bill was read for the first time and referred to the Committee on Education.

Kelly, Byrne, Gustafson and Vanasek introduced:

H. F. No. 1849, A bill for an act relating to crimes; clarifying methods of and responsibility for imposing and collecting penalty assessments; amending Minnesota Statutes 1981 Supplement, Sections 609.101 and 626.861.

The bill was read for the first time and referred to the Committee on Criminal Justice.

Kelly, Long, Pogemiller, Levi and Hokr introduced:

H. F. No. 1850, A bill for an act relating to juveniles; providing that commission of certain offenses constitutes prima facie evidence in reference for prosecution cases; amending Minnesota Statutes 1981 Supplement, Section 260.125, Subdivision 3.

The bill was read for the first time and referred to the Committee on Criminal Justice.

Samuelson and Anderson, I., introduced:

H. F. No. 1851, A bill for an act relating to occupations and professions; cosmetology; providing for the licensing of cosmetologists and certain related occupations; establishing a board of cosmetology; providing for the powers, duties, terms, compensation, and removal of members; authorizing the board to promulgate rules; prescribing penalties; appropriating money; proposing new law coded as Minnesota Statutes, Chapter 155B; repealing Minnesota Statutes 1981 Supplement, Sections 155A.01 to 155A.18.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Jude; Ellingson; Anderson, B.; Piepho and Luknic introduced:

H. F. No. 1852, A bill for an act relating to waters; making the water well contractors and exploratory borers advisory council permanent; amending Minnesota Statutes 1980, Section 156A.06, Subdivision 1.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Otis introduced:

H. F. No. 1853, A bill for an act relating to taxation; authorizing taxing districts to abate taxes on new business; proposing new law coded in Minnesota Statutes, Chapter 273.

The bill was read for the first time and referred to the Committee on Taxes.

McEachern introduced:

H. F. No. 1854, A bill for an act relating to state lands; directing the sale and conveyance of a certain tract.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Lehto, Munger and Nysether introduced:

H. F. No. 1855, A bill for an act relating to natural resources; requiring payment of interest on late refunds to timber sale permit holders; authorizing reappraisal of damaged or destroyed timber sold under a permit; authorizing settlement of permit obligations when a permittee is incapacitated or deceased; amending Minnesota Statutes 1980, Section 90.201.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

Voss, McEachern, Niehaus and Clawson introduced:

H. F. No. 1856, A bill for an act relating to the joint exercise of powers between governmental units; authorizing governmental units to provide services for other governmental units; amending Minnesota Statutes 1980, Section 471.59, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Local and Urban Affairs.

Voss, McEachern, Niehaus and Clawson introduced:

H. F. No. 1857, A bill for an act relating to municipal planning; authorizing towns to plan; providing for standards and criteria for conditional uses and variances; authorizing the establishment of a board for planning in certain areas; amending Minnesota Statutes 1980, Sections 462.352, Subdivision 2; 462.357, Subdivision 6; and 462.36, Subdivision 1; proposing new law coded in Minnesota Statutes, Chapter 462.

The bill was read for the first time and referred to the Committee on Local and Urban Affairs.

Voss, McEachern, Niehaus and Clawson introduced:

H. F. No. 1858, A bill for an act relating to counties; authorizing the establishment of subordinate service districts in order to provide and finance governmental services; proposing new law coded as Minnesota Statutes, Chapter 375B.

The bill was read for the first time and referred to the Committee on Local and Urban Affairs.

Voss, McEachern, Niehaus and Clawson introduced:

H. F. No. 1859, A bill for an act relating to towns; authorizing certain towns to exercise special powers; requiring notice; amending Minnesota Statutes 1980, Section 368.01, Subdivisions 1, 30, and by adding a subdivision.

The bill was read for the first time and referred to the Committee on Local and Urban Affairs.

Dempsey, McEachern, Jude, Rees and McCarron introduced:

H. F. No. 1860, A bill for an act relating to agriculture; eliminating certain provisions relating to abstracts of mortgages and liens on grain crops; repealing Minnesota Statutes 1980, Sections 386.42 and 386.43.

The bill was read for the first time and referred to the Committee on Agriculture.

Simoneau introduced:

H. F. No. 1861, A bill for an act relating to taxation; income; providing a credit for home care of the elderly; appropriating money; amending Minnesota Statutes 1980, Section 290.06, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Taxes.

Wynia, Kelly, Greenfield and Kaley introduced:

H. F. No. 1862, A bill for an act relating to insurance; authorizing separate accounts for certain pension plans; amending Minnesota Statutes 1981 Supplement, Section 61A.282, Subdivision 2; proposing new law coded in Minnesota Statutes, Chapter 61A.

The bill was read for the first time and referred to the Committee on Financial Institutions and Insurance.

Greenfield, Rees, Simoneau, Voss and Brinkman introduced:

H. F. No. 1863, A bill for an act relating to credit unions; providing for approval of amendments to certificates of organization and bylaws; authorizing the board of directors to appoint a credit committee or a credit manager; prescribing the powers of a credit committee and credit manager; amending Minnesota Statutes 1980, Section 52.02; 52.08; 52.09, Subdivision 2; and 52.10.

The bill was read for the first time and referred to the Committee on Financial Institutions and Insurance.

Simoneau, Voss, Greenfield, Rees and Brinkman introduced:

H. F. No. 1864, A bill for an act relating to credit unions; providing for maximum interest rates on the unpaid balance of loans made by a credit union; making a temporary, superseding interest rate provision permanent; amending Minnesota Statutes 1980, Section 52.14, Subdivision 2; repealing Minnesota Statutes 1980, Section 52.14, Subdivision 1.

The bill was read for the first time and referred to the Committee on Financial Institutions and Insurance.

Rees, Wenzel and Sviggum introduced:

H. F. No. 1865, A bill for an act relating to metropolitan government; providing for the management of waste resulting from sewage treatment; requiring a study and certification of need before the establishment of new disposal facilities; amending Minnesota Statutes 1980, Section 473.153, by adding subdivisions.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

Rees and Sviggum introduced:

H. F. No. 1866, A bill for an act relating to metropolitan solid waste management; allowing the removal of the moratorium on development at certain sites; amending Minnesota Statutes 1981 Supplement, Section 473.803, Subdivision 1a.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

Brinkman introduced:

H. F. No. 1867, A bill for an act relating to insurance; eliminating certain mandatory filings with the commissioner of insurance; repealing Minnesota Statutes 1980, Section 72A.062.

The bill was read for the first time and referred to the Committee on Financial Institutions and Insurance.

Novak, Schreiber and Long introduced:

H. F. No. 1868, A bill for an act relating to local government aid; requiring a portion of sales tax collections to be distributed for local government aid; providing for payment of local government aid; requiring the commissioner of revenue to estimate payments; appropriating money; amending Minnesota Statutes 1981 Supplement, Sections 477A.014, Subdivision 1; 477A.015; and 477A.03.

The bill was read for the first time and referred to the Committee on Local and Urban Affairs.

Novak, Hanson, Onnen and Long introduced:

H. F. No. 1869, A bill for an act relating to local government aid; requiring a portion of the state general fund to be distributed for local government aid; providing for payment of local government aid; requiring the commissioner of revenue to estimate payments; authorizing the delay of 1982 aid payments; appropriating money; amending Minnesota Statutes 1981 Supplement, Sections 477A.014, Subdivision 1; 477A.015; and 477A.03.

The bill was read for the first time and referred to the Committee on Local and Urban Affairs.

Voss introduced:

H. F. No. 1870, A bill for an act relating to tax forfeited land; restoring certain funds to the real estate assurance account; appropriating money; amending Minnesota Statutes 1981 Supplement, Section 284.28, Subdivision 8.

The bill was read for the first time and referred to the Committee on Appropriations.

McEachern and Sieben, H., introduced:

H. F. No. 1871, A bill for an act relating to education and public data on individuals; requiring the disclosure of names, addresses, telephone numbers and dates of birth of students in secondary schools to recruiting officers for any branch of the United States armed forces unless the parents request in writing that the information not be released; requiring certain procedures to be followed prior to release; restricting the dissemination of disclosed information; amending Minnesota Statutes 1980, Section 15.1693, Subdivision 2, and by adding a subdivision.

The bill was read for the first time and referred to the Committee on Education.

Anderson, I.; Jacobs; Tomlinson and Sieben, H., introduced:

H. F. No. 1872, A bill for an act relating to taxation; deleting an obsolete provision relating to income tax credits for taxable years beginning prior to 1980; repealing Minnesota Statutes 1980, Section 290.06, Subdivision 3c.

The bill was read for the first time and referred to the Committee on Taxes.

Clark, K., introduced:

H. F. No. 1873, A bill for an act relating to drivers licenses; requiring the suspension of licenses of certain uninsured persons; providing a penalty; proposing new law coded in Minnesota Statutes, Chapter 171.

The bill was read for the first time and referred to the Committee on Judiciary.

Schoenfeld, Kalis and Anderson, I., introduced:

H. F. No. 1874, A bill for an act relating to taxation; income; providing a tax credit for certain workers' compensation insurance expenses; eliminating the credit for insurance premium taxes; amending Minnesota Statutes 1980, Section 290.06, by adding a subdivision; Minnesota Statutes 1981 Supplement, Sections 290.06, Subdivision 3f; and 290.35.

The bill was read for the first time and referred to the Committee on Taxes.

Clark, K., introduced:

H. F. No. 1875, A bill for an act relating to crimes; clarifying the definition of physically helpless victims of criminal sexual conduct; amending Minnesota Statutes 1980, Section 609.341, Subdivision 9.

The bill was read for the first time and referred to the Committee on Criminal Justice.

Eken, Stumpf and Shea introduced:

H. F. No. 1876, A bill for an act relating to public safety; providing that certain fines and forfeited bail money collected from persons violating motor vehicle weight laws and apprehended by the state patrol by means of stationary or portable scales be allocated between the state and certain political subdivisions; amending Minnesota Statutes 1981 Supplement, Section 299D.03, Subdivision 5.

The bill was read for the first time and referred to the Committee on Transportation.

Kvam; Dempsey; Anderson, I.; Valento and Blatz introduced:

H. F. No. 1877, A bill for an act relating to taxation; making technical corrections and administrative changes to the income tax and property tax refund; amending Minnesota Statutes 1980, Sections 290.012, Subdivision 2; 290.02; 290.03; 290.06, Subdivisions 9 and 9a; 290.079, Subdivision 1; 290.09, Subdivisions 16 and 17; 290.095, Subdivision 4; 290.13, Subdivision 1; 290.133, Subdivision 1; 290.19, Subdivision 1; 290.281, Subdivision 1; 290.31, Subdivisions 5 and 19; 290.36; 290.45, Subdivision 1; 290.49, Subdivisions 3, 7, and by adding a subdivision; 290.53, by adding a subdivision; 290.65, Subdivisions 9 and 11; 290.91; 290.92, Subdivision 13; 290.93, Subdivision 9; 290.936; 290A.11, by adding a subdivision; and Minnesota Statutes 1981 Supplement, Sections 290.01, Subdivisions 20 and 27; 290.05, Subdivisions 1 and 4; 290.075; 290.081; 290.09, Subdivisions 2, 4, and 15; 290.091; 290.095, Subdivision 11; 290.10; 290.131, Subdivision 1; 290.132, Subdivision 1; 290.136, Subdivision 1; 290.14; 290.18, Subdivisions 1 and 2; 290.21, Subdivision 3; 290.23, Subdivision 3; 290.31, Subdivisions 3 and 4; 290.32; 290.37, Subdivision 1; 290.41, Subdivision 2; 290.42; 290.431; 290.92, Subdivisions 2a, 5, 5a, and 6; 290.93, Subdivisions 1 and 10; 290.9725; 290.974; 290A.03, Subdivisions 3 and 13; 290A.07, Subdivision 2a; 290A.11, Subdivision 1; proposing new law coded in Minnesota Statutes, Chapter 290; repealing Minnesota Statutes 1980, Sections 62E.03, Subdivision 2; 290.06, Subdivision 3c; 290.0781; 290.079, Subdivisions 2, 3, 4, and 5; 290.08, Subdivision 21; 290.09, Subdivision 24; 290.13, Subdivisions 2, 4, and 10;

290.136, Subdivision 8; 290.26, Subdivision 5; 290.281, Subdivisions 3, 4, and 6; 290.31, Subdivisions 7, 8, 12, 13, 14, 15, 16, 17, 18, 20, 22, 23, 24, 25, and 26; 290.973; and Minnesota Statutes 1981 Supplement, Sections 290.079, Subdivision 6; 290.09, Subdivision 17a; 290.131, Subdivisions 2 and 3; 290.132, Subdivision 2; 290.133, Subdivision 2; 290.21, Subdivision 7; 290.26, Subdivisions 1 and 3; 290.281, Subdivision 2; 290.31, Subdivisions 6, 8a, 9, 10, 11, and 21; and 290.971, Subdivision 7.

The bill was read for the first time and referred to the Committee on Taxes.

Nelson, K., introduced:

H. F. No. 1878, A bill for an act relating to the legislature; establishing a legislative science and technology resource council; providing for its powers and duties; proposing new law coded in Minnesota Statutes, Chapter 3.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Nelson, K.; Evans and Murphy introduced:

H. F. No. 1879, A bill for an act relating to energy; transferring certain duties to the commissioner of the department of energy, planning and development; amending Minnesota Statutes 1980, Sections 16.86, Subdivisions 4 and 5; 116H.02, by adding a subdivision; 394.25, Subdivision 2; 462.357, Subdivision 1; Minnesota Statutes 1981 Supplement, Sections 116H.07; 116H.088, Subdivision 1; 116H.095, Subdivisions 4 and 5; 116H.10, Subdivision 4; 116H.11, Subdivision 1; 116H.12, Subdivision 4; 116H.128; 116H.18; proposing new law coded in Minnesota Statutes, Chapter 325E; repealing Minnesota Statutes 1980, Sections 116H.088, Subdivision 2; 116H.12, Subdivision 8; 116H.19, Subdivision 2.

The bill was read for the first time and referred to the Committee on Energy.

Nelson, K.; Ewald; Norton and Johnson, D., introduced:

H. F. No. 1880, A resolution memorializing the President and Congress of the United States in support of a mutual freeze with the Soviet Union on the testing, production, and deployment of nuclear weapons and delivery systems.

The bill was read for the first time and referred to the Committee on Rules and Legislative Administration.

MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Mr. Speaker:

I hereby announce the passage by the Senate of the following Senate File, herewith transmitted:

S. F. No. 1151.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce the passage by the Senate of the following Senate File, herewith transmitted:

S. F. No. 832.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce the adoption by the Senate of the following Senate Concurrent Resolution, herewith transmitted:

Senate Concurrent Resolution No. 9, A Concurrent Resolution providing session deadlines for the legislature pursuant to Joint Rule 2.03.

PATRICK E. FLAHAVEN, Secretary of the Senate

SUSPENSION OF RULES

Eken moved that the Rules be so far suspended that Senate Concurrent Resolution No. 9 be now considered and be placed upon it adoption. The motion prevailed.

SENATE CONCURRENT RESOLUTION NO. 9

A Senate concurrent resolution providing session deadlines for the legislature pursuant to Joint Rule 2.03.

Whereas, Joint Rule 2.03, paragraph (b) requires the legislature to establish session deadline dates for even year sessions that are comparable to odd year sessions; *Now, Therefore*,

Be It Resolved by the Senate of the State of Minnesota, the House of Representatives concurring therein, that committee

reports on bills favorably acted upon by a committee in the house of origin after Monday, February 22, 1982, and committee reports on bills originating in the other house favorably acted upon by a committee after Wednesday, March 3, 1982, shall be referred in the Senate to the Committee on Rules and Administration, and in the House of Representatives to the Committee on Rules and Legislative Administration for disposition. Referral is not required when a committee, after the earlier date and by the later date set by this paragraph, acts on a bill that is a companion to a bill that has met the earlier deadline in the other house. This requirement does not apply to the Senate Committees on Finance and on Taxes and Tax Laws, and the House Committees on Appropriations and on Taxes.

After Monday, March 8, 1982, neither house shall act on bills other than those contained in:

- (1) Reports of conference committees;
- (2) Messages from the other house;
- (3) Reports of the Committee on Rules and Administration in the Senate or the Committee on Rules and Legislative Administration in the House; or
- (4) Messages from the governor.

Eken moved that Senate Concurrent Resolution No. 9 be now adopted. The motion prevailed and Senate Concurrent Resolution No. 9 was adopted.

FIRST READING OF SENATE BILLS

S. F. No. 1151, A bill for an act relating to county recorders; providing for the disposal of various obsolete records including state and federal liens; amending Minnesota Statutes 1980, Section 386.46.

The bill was read for the first time and referred to the Committee on Judiciary.

S. F. No. 832, A bill for an act relating to financial institutions; authorizing the acquisition of a savings bank located in this state by foreign bank holding companies under certain prescribed conditions; proposing new law coded in Minnesota Statutes, Chapter 49.

The bill was read for the first time.

SUSPENSION OF RULES

Pursuant to Article IV, Section 19, of the Constitution of the state of Minnesota, Brinkman moved that the rule therein be suspended and an urgency be declared so that S. F. No. 832 be given its second and third readings and be placed upon its final passage. The motion prevailed.

Brinkman moved that the rules of the House be so far suspended that S. F. No. 832 be given its second and third readings and be placed upon its final passage. The motion prevailed.

S. F. No. 832 was read for the second time.

S. F. No. 832, A bill for an act relating to financial institutions; authorizing the acquisition of a savings bank located in this state by foreign bank holding companies under certain prescribed conditions; proposing new law coded in Minnesota Statutes, Chapter 49.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 120 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Ainley	Evans	Kvam	Olsen	Sieben, M.
Anderson, B.	Ewald	Laidig	Onnen	Simoneau
Anderson, B.	Fjoslien	Lehto	Osthoff	Skoglund
Anderson, G.	Forsythe	Lemen	Otis	Stadum
Anderson, I.	Frerichs	Levi	Peterson, B.	Staten
Battaglia	Greenfield	Long	Peterson, D.	Stowell
Begich	Gruenes	Ludeman	Piepho	Stumpf
Berkelman	Hanson	Luknic	Redalen	Sviggum
Blatz	Hauge	Mann	Reding	Swanson
Brandl	Haukoos	Marsh	Rees	Tomlinson
Brinkman	Heinitz	McCarron	Reif	Valan
Byrne	Hoberg	McDonald	Rice	Valento
Carlson, D.	Hokanson	McEachern	Rodriguez, C.	Vanasek
Carlson, L.	Hokr	Metzen	Rose	Vellenga
Clark, K.	Jacobs	Minne	Rothenberg	Voss
Clawson	Jennings	Murphy	Samuelson	Weaver
Dahlvang	Johnson, C.	Nelsen, B.	Sarna	Welch
Dean	Johnson, D.	Nelson, K.	Schafer	Welker
Den Ouden	Jude	Niehaus	Schoenfeld	Wenzel
Drew	Kaley	Norton	Schreiber	Wieser
Eken	Kalis	Novak	Searies	Wigley
Elioff	Kelly	Nysether	Shea	Wynia
Ellingson	Knickerbocker	O'Connor	Sherman	Zubay
Erickson	Kostohryz	Ogren	Sherwood	Spkr. Sieben, H.
Esau				

The bill was passed and its title agreed to.

CONSENT CALENDAR

H. F. No. 1554 was reported to the House.

Upon objection of ten members H. F. No. 1554 was stricken from the Consent Calendar and returned to General Orders.

CALENDAR

H. F. No. 1250 was reported to the House.

There being no objection, H. F. No. 1250 was continued on the Calendar for one day.

GENERAL ORDERS

Pursuant to rules of the House, the House resolved itself into the Committee of the Whole, with Sieben, H., in the Chair, for the consideration of bills pending on General Orders of the Day. After some time spent therein the Committee arose.

REPORT OF COMMITTEE OF THE WHOLE

The Speaker resumed the Chair, whereupon the following proceedings of the Committee as kept by the Chief Clerk were reported to the House:

S. F. No. 429 which it recommended progress with the following amendment offered by Swanson:

Page 5, line 32, delete "*current edition of the*"

Page 6, line 10, delete "*be considered to be unsafe and shall*"

Page 6, line 11, delete "*thereafter*"

On the motion of Eken the report of the Committee of the Whole was adopted.

ANNOUNCEMENT BY THE SPEAKER

The Speaker announced the following changes in committee assignments:

Energy: Remove the name of Jennings and add the name of Sherwood.

Rules and Legislative Administration: Remove the name of Sherwood and add the name of Jennings.

MOTIONS AND RESOLUTIONS

Skoglund moved that the name of Rodriguez, F., be added as an author on H. F. No. 1542. The motion prevailed.

Rees moved that the name of Friedrich be stricken and the name of Rees be shown as chief author on H. F. No. 605. The motion prevailed.

Swanson moved that the name of Carlson, L., be added as an author on H. F. No. 1799. The motion prevailed.

Pogemiller moved that the name of Staten be added as an author on H. F. No. 1795. The motion prevailed.

Erickson moved that the name of Kalis be added as an author on H. F. No. 1754. The motion prevailed.

Munger moved that the name of Laidig be added as an author on H. F. No. 1779. The motion prevailed.

Valento moved that the name of Rodriguez, C., be added as an author on H. F. No. 1753. The motion prevailed.

Rodriguez, C., moved that the names of Brandl and Valento be added as authors on H. F. No. 1769. The motion prevailed.

Zubay moved that the name of Kelly be added as second author and the names of Heap and Frerichs be added as authors on H. F. No. 1664. The motion prevailed.

Vellenga moved that the name of Dempsey be added as an author on H. F. No. 1723. The motion prevailed.

Lemen moved that the name of Long be added as an author on H. F. No. 1805. The motion prevailed.

Pogemiller moved that the name of Otis be added as an author on H. F. No. 1747. The motion prevailed.

Rodriguez, F., moved that the name of Kaley be added as an author on H. F. No. 1737. The motion prevailed.

Greenfield moved that the name of Harens be stricken and the name of Anderson, B., be added as an author on H. F. No. 275. The motion prevailed.

Voss moved that H. F. No. 1738 be recalled from the Committee on Local and Urban Affairs and be re-referred to the Committee on General Legislation and Veterans Affairs. The motion prevailed.

Otis moved that H. F. No. 1798 be recalled from the Committee on Energy and be re-referred to the Committee on Regulated Industries. The motion prevailed.

Skoglund moved that H. F. No. 611 be returned to its author. The motion prevailed.

Brinkman moved that H. F. No. 1808, now on Technical General Orders, be returned to its author. The motion prevailed.

Haukoos moved that H. F. No. 1679 be recalled from the Committee on Education and be re-referred to the Committee on Appropriations. The motion prevailed.

Lemen and Nelsen, B., introduced:

House Resolution No. 21, A house resolution commemorating the 160th anniversary of the birth of President Rutherford B. Hayes.

The resolution was referred to the Committee on Rules and Legislative Administration.

ADJOURNMENT

Eken moved that when the House adjourns today it adjourn until 2:00 p.m., Monday, February 8, 1982. The motion prevailed.

Eken moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 2:00 p.m., Monday, February 8, 1982.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

STATE OF MINNESOTA

SEVENTY-SECOND SESSION - 1982

SIXTY-NINTH DAY

SAINT PAUL, MINNESOTA, MONDAY, FEBRUARY 8, 1982

The House of Representatives convened at 2:00 p.m. and was called to order by Harry A. Sieben, Jr., Speaker of the House.

Prayer was offered by Reverend Peter Wyckoff, Minister of the United Presbyterian Church, St. Paul, Minnesota.

The roll was called and the following members were present:

Aasness	Ewald	Knickerbocker	Ogren	Sieben, M.
Ainley	Fjoslien	Kostohryz	Olsen	Simoneau
Anderson, B.	Forsythe	Kvam	Onnen	Skoglund
Anderson, G.	Frerichs	Laidig	Osthoff	Stadum
Anderson, I.	Greenfield	Lehto	Otis	Staten
Battaglia	Gruenes	Lemen	Peterson, B.	Stowell
Begich	Gustafson	Levi	Peterson, D.	Stumpf
Berkelman	Halberg	Long	Piepho	Sviggum
Blatz	Hanson	Ludeman	Pogemiller	Swanson
Brandl	Harens	Luknic	Redalen	Tomlinson
Brinkman	Hauge	Mann	Reding	Valan
Byrne	Haukoos	Marsh	Rees	Valento
Carlson, D.	Heap	McCarron	Reif	Vanasek
Carlson, L.	Heinitz	McDonald	Rice	Vellenga
Clark, K.	Himle	McEachern	Rodriguez, C.	Voss
Clawson	Hoberg	Mehrkens	Rodriguez, F.	Weaver
Dahlvang	Hokanson	Metzen	Rose	Welch
Dean	Hokr	Minne	Rothenberg	Welker
Dempsey	Jacobs	Munger	Samuelson	Wenzel
Den Ouden	Jennings	Murphy	Sarna	Wieser
Drew	Johnson, C.	Nelsen, B.	Schafer	Wigley
Eken	Johnson, D.	Nelson, K.	Schoenfeld	Wynia
Elioff	Jude	Niehaus	Schreiber	Zubay
Ellingson	Kahn	Norton	Searies	Spkr. Sieben, H.
Erickson	Kaley	Novak	Shea	
Esau	Kalis	Nysether	Sherman	
Evans	Kelly	O'Connor	Sherwood	

A quorum was present.

Anderson, R., and Clark, J., were excused.

The Chief Clerk proceeded to read the Journal of the preceding day. Kelly moved that further reading of the Journal be

dispensed with and that the Journal be approved as corrected by the Chief Clerk. The motion prevailed.

REPORTS OF CHIEF CLERK

Pursuant to Rules of the House, printed copies of H. F. Nos. 1479, 1724, 1786, 451, 879, 1283, 1546, 1610, 1573, 1579, 1580, 1587, 1635 and 1808 and S. F. Nos. 1151 and 429 have been placed in the members' files.

PETITIONS AND COMMUNICATIONS

The following communication was received:

STATE OF MINNESOTA
OFFICE OF THE SECRETARY OF STATE
ST. PAUL 55155

February 4, 1982

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

The Honorable Jack Davies
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 1982 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:

<i>S.F.</i> <i>No.</i>	<i>H.F.</i> <i>No.</i>	<i>Session Laws</i> <i>Chapter No.</i>	<i>Date Approved</i> <i>1982</i>	<i>Date Filed</i> <i>1982</i>
832		372	February 4	February 4

Sincerely,

JOAN ANDERSON GROWE
Secretary of State

REPORTS OF STANDING COMMITTEES

Brinkman from the Committee on Financial Institutions and Insurance to which was referred:

H. F. No. 776, A bill for an act relating to insurance; requiring private passenger vehicle insurers to disclose surcharge rates and plans; proposing new law coded in Minnesota Statutes, Chapter 65B.

Reported the same back with the following amendments:

Page 1, line 21, after "*policy*" insert "*, including the removal of an accident-free or claim-free discount,*"

Page 1, line 22, after "*violation*" delete the balance of the line

Page 1, delete line 23 to the period

Page 1, line 25, delete "*on a form prescribed by the commissioner*"

Page 2, lines 1 and 2, delete "*rates and surcharge*"

Page 2, line 2, after "*plan,*" insert "*and*"

Page 2, line 5, delete "*rates and surcharge*"

Page 2, line 6, delete "*a description of*"

Page 2, line 15, after "*or*" insert "*as*"

Page 2, line 20, delete "*1982*" and insert "*1983*"

Page 2, line 24, delete "*1982*" and insert "*1983*"

Page 2, line 29, delete "*rates or surcharge*"

Page 2, line 33, after "*policy.*" insert "*No change in a surcharge plan may be applied retroactively.*"

Pages 2 and 3, delete subdivision 5

Page 3, line 4, after "*of*" insert "*, or forfeits bail for,*" and after "*offense*" insert "*, or the driver's license is revoked pursuant to section 169.123*"

Page 3, line 4, after the period insert "*If a surcharge is applied because bail is forfeited and if the driver is later acquitted of the offense, the insurer shall rebate the surcharge.*"

Page 3, delete subdivision 8

Renumber the subdivisions

Amend the title as follows:

Page 1, line 3, delete "*rates and*"

With the recommendation that when so amended the bill pass.

The report was adopted.

Voss from the Committee on Local and Urban Affairs to which was referred:

H. F. No. 1166, A bill for an act relating to metropolitan government; providing for membership on the metropolitan sports facilities commission; amending Minnesota Statutes 1980, Section 473.553.

Reported the same back with the following amendments:

Page 2, line 7, delete "*April*" and insert "*October*"

With the recommendation that when so amended the bill pass.

The report was adopted.

Jude from the Committee on Judiciary to which was referred:

H. F. No. 1341, A bill for an act relating to county recorders; providing for the disposal of various obsolete records including state and federal liens; amending Minnesota Statutes 1980, Section 386.46.

Reported the same back with the following amendments:

Page 1, line 17, strike "*the*" and insert "*their*"; strike "*thereof*"; strike "*such*" and insert "*the*"

Page 1, line 19, after "*liens*" insert "*, except federal estate and gift tax liens,*"

With the recommendation that when so amended the bill pass and be placed on the Consent Calendar.

The report was adopted.

Voss from the Committee on Local and Urban Affairs to which was referred:

H. F. No. 1430, A bill for an act relating to the city of Hibbing; fixing the amount of the mayor's contingent fund; amending Laws 1939, Chapter 329, Section 1.

Reported the same back with the recommendation that the bill pass and be placed on the Consent Calendar.

The report was adopted.

Jude from the Committee on Judiciary to which was referred:

H. F. No. 1484, A bill for an act relating to highway traffic regulations; providing for administrative driving privilege revocations for failure to submit to chemical testing or exceeding prescribed alcohol concentration; authorizing revocations prior to judicial review; revising the procedure for hearings and appeals on administrative revocations; authorizing introduction into evidence certain peace officer records and reports; amending Minnesota Statutes 1980, Section 169.123, Subdivisions 5, 5a, 6, 7, and by adding a subdivision.

Reported the same back with the following amendments;

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1980, Section 169.123, Subdivision 5, is amended to read:

Subd. 5. [NOTICE OF REVOCATION OR DETERMINATION TO DENY; REQUEST FOR HEARING.] (NO) A revocation under subdivision 4 (IS) *becomes* effective (UNTIL) *at the time* the commissioner of public safety or a peace officer acting on his behalf notifies the person of the intention to revoke and of revocation (AND ALLOWS THE PERSON A 30 DAY PERIOD TO REQUEST OF THE COMMISSIONER OF PUBLIC SAFETY, IN WRITING, A HEARING AS HEREIN PROVIDED. IF NO REQUEST IS FILED WITHIN THE 30 DAY PERIOD THE ORDER OF REVOCATION BECOMES EFFECTIVE. IF A REQUEST FOR HEARING IS FILED, A REVOCATION IS NOT EFFECTIVE UNTIL A FINAL JUDICIAL DETERMINATION RESULTING IN A DECISION ADVERSE TO THE PERSON). *The notice shall advise the person of the right to obtain administrative and judicial review as provided in this section. If mailed, the notice and order of revocation is deemed received three days after mailing to the last known address of the person.*

Sec. 2. Minnesota Statutes 1980, Section 169.123, Subdivision 5a, is amended to read:

Subd. 5a. [PEACE OFFICER AGENT FOR NOTICE OF REVOCATION.] On behalf of the commissioner of public safety a peace officer offering a chemical test or directing the administration of a chemical test may serve immediate notice of intention to revoke and of revocation on a person who refuses to permit chemical testing or on a person who submits to a chemical test the results of which indicate an alcohol concentration of 0.10 or more. The officer shall take the license or permit of the driver, if any, and issue a temporary license effective only for (30) 10 days. The peace officer shall send the person's driver's license to the commissioner of public safety along with the certificate required by subdivision 4.

(IF THE PERSON REQUESTS A HEARING WITHIN THE 30 DAY PERIOD, THE COMMISSIONER SHALL ISSUE ADDITIONAL TEMPORARY LICENSES UNTIL THE FINAL DETERMINATION OF WHETHER THERE SHALL BE A REVOCATION UNDER THIS SECTION.)

Sec. 3. Minnesota Statutes 1980, Section 169.123, is amended by adding a subdivision to read:

Subd. 5b. [ADMINISTRATIVE REVIEW.] At any time during a period of revocation imposed under this section a person may request in writing a review of the order of revocation by the Commissioner of Public Safety. Upon receiving any such request the commissioner or his designee shall review the order, the evidence upon which the order was based, and any other material information brought to the attention of the commissioner, and determine whether sufficient cause exists to sustain the order. Within 15 days of receiving the request the commissioner shall report in writing the results of his review.

The availability of administrative review for an order of revocation shall have no effect upon the availability of judicial review under this section.

Sec. 4. Minnesota Statutes 1980, Section 169.123, is amended by adding a subdivision to read:

Subd. 5c. [PETITION FOR JUDICIAL REVIEW.] Within 30 days following receipt of a notice and order of revocation pursuant to this section, a person may petition the court for review. The petition shall be filed with the clerk of county or municipal court in the county where the alleged offense occurred, together with proof of service of a copy on the commissioner of public safety, and accompanied by the standard filing fee for civil actions. No responsive pleading shall be required of the commissioner of public safety, and no court fees shall be charged for his appearance in the matter.

The petition shall be captioned in the name of the person making the petition as petitioner and the commissioner of public safety as respondent. The petition shall state with specificity the grounds upon which the petitioner seeks rescission of the order of revocation or denial.

The filing of the petition shall not stay the revocation or denial. The reviewing court may order a stay if the hearing has not been conducted within 60 days after filing of the petition upon terms the court deems proper. Judicial reviews shall be conducted according to the rules of civil procedure.

Sec. 5. Minnesota Statutes 1980, Section 169.123, Subdivision 6, is amended to read:

Subd. 6. [HEARING.] A hearing under this section shall be before a municipal or county judge, in (THE) *any county in the judicial district* where the alleged offense occurred (, UNLESS THERE IS AGREEMENT THAT THE HEARING MAY BE HELD IN SOME OTHER COUNTY). The hearing shall be to the court and may be conducted at the same time and in the same manner as hearings upon pre-trial motions in the criminal prosecution under section 169.121, if any. The hearing shall be recorded. The commissioner of public safety may appear through his own attorney or, by agreement with the jurisdiction involved, through the prosecuting authority for that jurisdiction.

The hearing shall be held at the earliest practicable date, and in any event no later than 60 days following the filing of the petition for review. The judicial district administrator shall establish procedures to ensure efficient compliance with the provisions of this subdivision. To accomplish this, the administrator shall, whenever possible, consolidate and transfer review hearings among the county courts within the judicial district.

The scope of the hearing shall (COVER) *be limited to the issues of:*

(1) whether the peace officer had reasonable and probable grounds to believe the person was driving, operating, or in physical control of a motor vehicle while under the influence of alcohol or a controlled substance, and whether the person was lawfully placed under arrest for violation of section 169.121, or the person was involved in a motor vehicle accident or collision resulting in property damage, personal injury or death, or the person refused to take a screening test provided for by section 169.121, subdivision 6, or the screening test was administered and recorded an alcohol concentration of 0.10 or more; and

(2) whether at the time of the request for the test the peace officer informed the person of his rights and the consequences of taking or refusing the test as required by subdivision 2; and

(3) either (a) whether the person refused to permit the test, or (b) whether a test was taken and the test results indicated an alcohol concentration of 0.10 or more *at the time of testing*, and whether the testing method used was valid and reliable, and whether the test results were accurately evaluated.

It shall be an affirmative defense for the (PERSON) *petitioner* to prove, *that at the time of the refusal*, that his refusal to permit the test was based upon reasonable grounds.

Certified or otherwise authenticated copies of laboratory or medical personnel reports, records, documents, licenses and certificates shall be admissible as substantive evidence.

The court shall order either that the revocation be rescinded or sustained and forward the order to the commissioner of public safety. *The court shall file its order within 14 days following the hearing.* If the revocation is sustained, the court shall also forward the person's driver's license or permit to the commissioner of public safety for his further action if the license or permit is not already in the commissioner's possession.

Sec. 6. Minnesota Statutes 1980, Section 169.123, Subdivision 7, is amended to read:

Subd. 7. [REVIEW BY DISTRICT COURT.] (IF THE REVOCATION OR DENIAL IS SUSTAINED, THE PERSON WHOSE LICENSE OR PERMIT TO DRIVE, OR NONRESIDENT OPERATING PRIVILEGE HAS BEEN REVOKED OR DENIED, MAY WITHIN 20 DAYS AFTER NOTICE OF THE DETERMINATION BY THE COMMISSIONER OF PUBLIC SAFETY FILE A PETITION FOR A HEARING OF THE MATTER IN THE DISTRICT COURT IN THE COUNTY WHERE THE HEARING PURSUANT TO SUBDIVISION 6 WAS HELD UNLESS THERE IS AGREEMENT THAT THE HEARING MAY BE HELD IN SOME OTHER COUNTY. THE PETITION SHALL BE FILED WITH THE CLERK OF THE COURT TOGETHER WITH PROOF OF SERVICE OF A COPY THEREOF ON THE COMMISSIONER OF PUBLIC SAFETY. IT IS THE DUTY OF THE COURT TO SET THE MATTER FOR HEARING ON A DAY CERTAIN WITH REASONABLE NOTICE THEREOF TO THE PARTIES. THE HEARING SHALL BE ON THE RECORD AND SHALL BE CONDUCTED IN THE SAME MANNER PROVIDED IN SECTIONS 487.39 AND 484.63 FOR APPEAL OF MISDEMEANOR CONVICTIONS) *Any party aggrieved by the decision of the reviewing court may appeal the decision to the district court as provided in sections 484.63 and 487.39.*

Sec. 7. Minnesota Statutes 1980, Section 171.19, is amended to read:

171.19 [PETITION FOR REINSTATEMENT OF LICENSES.]

Any person whose driver's license has been refused, revoked, suspended, or canceled by the commissioner, *except where the license is revoked under section 169.123*, may file a petition for a hearing in the matter in the district court in the county wherein such person shall reside and, in the case of a non-resident, in the district court in any county, and such court is hereby vested with jurisdiction, and it shall be its duty, to set the matter for hearing upon 15 days' written notice to the commissioner, and thereupon to take testimony and examine into the facts of the case to determine whether the petitioner is entitled to a license or is subject to revocation, suspension, cancelation, or refusal of license, under the provisions of this chapter, and shall render

judgment accordingly. The petition shall be heard by the court without a jury and may be heard in or out of term. The commissioner may appear in person, or by his agents or representatives, and may present his evidence upon the hearing by affidavit by himself, his agents, or representatives. The petitioner may present his evidence by affidavit, except that the petitioner must be present in person at such hearing for the purpose of cross-examination. In the event the department shall be sustained in these proceedings, the petitioner shall have no further right to make further petition to any court for the purpose of obtaining a driver's license until after the expiration of one year after the date of such hearing.

Sec. 8. [EFFECTIVE DATE.]

Sections 1 to 7 are effective July 1, 1982, and apply to violations occurring on or after that date."

Amend the title as follows:

Page 1, line 11, delete "a subdivision" and insert "subdivisions; and 171.19"

With the recommendation that when so amended the bill pass.

The report was adopted.

Jude from the Committee on Judiciary to which was referred:

H. F. No. 1523, A bill for an act relating to driver licensing; requiring certain reports to be made to the commissioner of public safety; making insurance coverage inapplicable in certain instances; proposing new law coded in Minnesota Statutes, Chapters 65B and 171.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [171.131] [REPORTING TO COMMISSIONER.]

Subdivision 1. Any physician who diagnoses a physical or mental condition which in the physician's judgment will significantly impair the person's ability to operate safely a motor vehicle may voluntarily report the person's name and other information relevant to the condition to the commissioner. The commissioner, upon receiving the report, shall require the person so reported to be examined as provided in section 171.13, subdivision 3.

Subd. 2. Any physician reporting in good faith and exercising due care shall have immunity from any liability, civil

or criminal, that otherwise might result by reason of his actions pursuant to the section."

Further amend the title as follows :

Page 1, line 2, delete "requiring" and insert "allowing"

Page 1, line 4, delete everything after the semicolon

Page 1, line 5, delete "certain instances;"

Page 1, line 6, delete "Chapters 65B and" insert "Chapter"

With the recommendation that when so amended the bill pass.

The report was adopted.

Jude from the Committee on Judiciary to which was referred :

H. F. No. 1553, A bill for an act relating to drivers licenses; requiring the suspension of licenses of certain uninsured persons; providing a penalty; appropriating money; proposing new law coded in Minnesota Statutes, Chapter 171.

Reported the same back with the following amendments :

Page 1, line 13, after "*jurisdiction*" insert "*, including county, municipal or conciliation court,*"

Page 1, line 22, after "*judgment*" delete "*and failed*" and insert "*the clerk of court shall, upon affidavit of the judgment creditor that the judgment has not been satisfied,*"

Page 1, delete lines 23 to 25

Page 2, line 1, delete the first "*to*"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Mann from the Committee on Transportation to which was referred :

H. F. No. 1589, A bill for an act relating to motor vehicles; authorizing the operation of motorized wheelchairs and motorized golf carts by certain persons on designated roadways of

city streets; regulating the operation thereof; amending Minnesota Statutes 1980, Sections 168.012, by adding a subdivision; 169.522; and proposing new law coded in Minnesota Statutes, Chapter 169.

Reported the same back with the following amendments:

Page 1, line 26, delete “, and to”

Page 1, delete line 27 to the period

Page 4, after line 15 insert:

“Sec. 4. [EFFECTIVE DATE.]

This act is effective the day following final enactment.”

With the recommendation that when so amended the bill pass.

The report was adopted.

Voss from the Committee on Local and Urban Affairs to which was referred:

H. F. No. 1602, A bill for an act relating to counties; providing for meetings of the county board of commissioners; amending Minnesota Statutes 1980, Section 375.07.

Reported the same back with the following amendments:

Page 1, line 12, delete the new language and strike “the”

With the recommendation that when so amended the bill pass and be placed on the Consent Calendar.

The report was adopted.

Voss from the Committee on Local and Urban Affairs to which was referred:

H. F. No. 1616, A bill for an act relating to counties; fixing the maximum amount of county money that may be spent by development organizations for certain county developments; amending Minnesota Statutes 1980, Section 395.08.

Reported the same back with the recommendation that the bill pass and be placed on the Consent Calendar.

The report was adopted.

Kostohryz from the Committee on General Legislation and Veterans Affairs to which was referred:

H. F. No. 1637, A bill for an act relating to the standard of time; providing that the Minnesota standard of time conform to the federal standard of time; amending Minnesota Statutes 1980, Section 645.071.

Reported the same back with the recommendation that the bill pass and be placed on the Consent Calendar.

The report was adopted.

Kostohryz from the Committee on General Legislation and Veterans Affairs to which was referred:

H. F. No. 1668, A bill for an act relating to manufactured homes; requiring manufacturers and dealers of manufactured homes to be licensed and regulated by the commissioner of administration; providing for the rights and duties of owners and residents of manufactured home parks; making certain changes in the procedure for titling manufactured homes; requiring park owners to adopt storm safety plans for the protection of residents; empowering municipalities to enforce certain ordinances within manufactured home parks and recreational camping areas; clarifying the procedures to be used in the repossession of a manufactured home; clarifying certain language; prohibiting certain practices; imposing fees and penalties; providing remedies; defining terms; proposing new law coded in Minnesota Statutes, Chapter 168A; proposing new law coded as Minnesota Statutes, Chapters 327B and 327C; amending Minnesota Statutes 1980, Sections 168A.02, Subdivision 3; 327.14; 327.16, Subdivision 2; 327.20, Subdivision 1; 327.24, by adding a subdivision; 327.26; 327.27, Subdivision 2, and by adding a subdivision; 327.62, Subdivision 2; 327.63; 327.65; 327.66; 363.02, by adding a subdivision; and 566.18, Subdivisions 2, 7, and 8; repealing Minnesota Statutes 1980, Sections 327.41; 327.42; 327.43; 327.45; 327.451; 327.452; 327.46; 327.47; 327.51; 327.52; 327.53; 327.54; 327.55; 327.551; 327.552; 327.553, Subdivisions 2, 3 and 4; 327.554; 327.56; and Minnesota Statutes 1981 Supplement, Sections 327.44; 327.441; 327.55, Subdivision 1a; and 327.553, Subdivision 1.

Reported the same back with the following amendments:

Page 4, line 23, after "*deposit*" insert "*, share draft*"

Page 5, line 16, after "*delivery*" insert "*of the manufactured home*"

Page 7, line 28, after "*his*" insert "*or her*"

Page 8, line 9, delete "*regulations*" and insert "*rules*"

Page 8, line 35, delete "*and for a*" and insert "*or*"

Page 9, line 14, delete "*of this section*"

Page 9, line 24, delete "*he*" and insert "*the commissioner*"

Page 10, delete lines 9 to 12

Page 10, line 14, delete "*him*" and insert "*the commissioner*"

Page 10, line 27, delete "*permission from*" and insert "*first notifying*"

Page 10, delete lines 31 to 33

Reletter the clauses

Page 11, line 19, delete "*he*" and insert "*the commissioner*"

Page 11, line 30, delete "*of this section*"

Page 11, line 35, delete "*his*" and insert "*the commissioner's*"

Page 12, lines 11, 17 and 21, delete "*he*" and insert "*the commissioner*"

Page 12, line 28, delete everything before the period and insert "*authority to conduct a hearing to a hearing examiner*"

Page 14, line 30, delete "*regulations*" and insert "*rules*"

Page 14, line 35, delete "*his*" and insert "*the dealer's*"

Page 16, line 14, delete "*who is not an affiliate of the dealer*"

Page 16, line 21, after "*rules*" insert "*and issue orders*"

Page 16, line 22, after "*implement*" insert "*and administer*"

Page 17, line 4, after "*he*" insert "*or she*"

Page 17, after line 26 insert:

"Sec. 14. [TEMPORARY SURCHARGE.]

For purposes of defraying costs of administering the provisions of sections 1 to 13, a \$30 surcharge is imposed on each application for a license or license renewal submitted during calendar year 1983. This surcharge shall expire December 31, 1983. All surcharge income is appropriated to the department of

administration, building code division, for costs directly attributed to the requirements of sections 1 to 13; any additional income shall cancel on December 31, 1983, to the general fund."

Page 17, line 34, delete "14" and insert "15"

Renumber the sections

Page 18, line 34, after "parks" insert "sufficient authority"

Page 20, line 8, delete "16" and insert "17"

Page 21, line 1, delete "or incorporate by reference"

Page 21, line 15, delete "sixty days" and insert "60-days"

Page 21, line 17, after "resident" insert "first"

Page 21, line 20, after "the" insert "original"

Page 21, line 21, delete "or a" and insert "is not a substantial modification of the rental agreement and is not considered to be a rule for purposes of section 2, subdivision 9. A"

Page 21, line 32, after "secure" insert "and conspicuous"

Page 22, line 13, after "or" insert "substantially endanger"

Page 22, line 21, delete "2" and insert "seven"

Page 22, line 23, delete ", and your"

Page 22, line 24, delete everything before the period

Page 22, line 26, after the period insert "Your rent may not be increased more than twice a year."

Page 22, line 32, delete "fifteen" and insert "15"

Page 22, line 34, after "resident" insert ", and you must advise in writing anyone who wants to buy your home that the sale is subject to final approval by the park owner"

Page 23, line 12, delete the comma and insert "AND" and delete "AND APPLICATION"

Page 23, line 22, delete the comma and insert "or" and delete "or special nature"

Page 23, line 32, after the period insert "*This subdivision does not prohibit a park owner from abating the rent of a particular resident with special needs.*"

Page 24, line 8, delete "*fifteen*" and insert "*15*"

Page 24, line 18, delete "*makes*" and insert "*serves the resident with a written notice of*" and delete "*in writing*"

Page 25, line 5, delete "*fifteen*" and insert "*15*"

Page 26, line 12, after the comma insert "*any rule which violates any provision of this article or of any other law shall be deemed unreasonable, and*"

Page 26, line 17, delete "*his*" and insert "*the resident's*"

Page 26, line 22, after the semicolon insert "*and*"

Page 26, line 24, delete "*;* *and*" and insert a period

Page 26, delete lines 25 and 26

Page 27, line 8, delete "*sixty*"

Page 27, line 9, delete "*days*" and insert "*60-days*"

Page 27, line 22, delete "*fifteen*" and insert "*15*"

Page 27, line 24, delete "*twenty-five dollars*" and insert "*\$25*"

Page 28, after line 4 insert:

"(c) if the park owner requires the prospective buyer to apply or be interviewed in person, the park owner is available to the prospective buyer at reasonable times;"

Reletter the clauses

Page 28, line 10, delete "*fourteen*" and insert "*14*"

Page 28, line 17, after "*request*" insert "*for an explanation*"

Page 28, line 36, after "*rules*" insert "*applicable to the resident and*"

Page 29, line 5, after "*compliance*" insert "*with preexisting maintenance rules applicable to the resident,*"

Page 30, line 25, after "*ten*" insert a hyphen

Page 30, line 27, delete "*rent*" and insert "*periodic rental*"

Page 30, lines 31 and 33, delete "*regulation*" and insert "*rule*"

Page 31, line 2, delete "*30 day*" and insert "*30-days*" and delete "*must*" and insert "*does*"

Page 31, line 5, delete "*substantially annoys or*"

Page 31, line 6, after "*personnel*" delete "*or*" and insert a comma

Page 31, line 7, after "*premises*" insert "*or substantially annoys other residents,*" and after "*30*" insert a hyphen

Page 31, line 10, delete the semicolon and insert ". *A park owner seeking to evict pursuant to this subdivision need not produce evidence of a criminal conviction, even if the alleged misconduct constitutes a criminal offense.*"

Page 31, lines 13 and 20, before "*rule*" insert "*state*"

Page 31, line 32, after "*90*" insert a hyphen

Page 32, line 12, delete "*regulations*" and insert "*rules*"

Page 32, line 15, after "*that*" insert "*the sum allegedly due contains a charge which violates section 4, or that*"

Page 32, line 36, delete "*eighteen*" and insert "*18*"

Page 33, line 13, delete "*two*" and insert "*seven*"

Page 33, line 27, after "*three*" insert a hyphen and after "*days*" insert "*written*"

Page 34, line 2, after "*his*" insert "*or her*"

Page 34, line 6, delete "*owner*" and after "*90*" insert a hyphen

Page 35, delete lines 4 to 5

Renumber the clauses

Page 35, line 13, after "*2*" delete the semicolon and insert a comma

Page 35, line 24, strike "*such*" and insert "*that*"

Page 36, line 8, before "*Minnesota*" insert "*(a)*"

Page 36, line 9, delete "*and Minnesota Statutes*" and insert "*are repealed.*"

Page 36, delete line 10 and insert:

"(b) Minnesota Statutes 1981 Supplement, Sections 327.44 and 327.441 are repealed."

Page 36, line 12, delete "19" and insert "21(a)"

Page 36, line 15, after "17" delete ", and 18" and insert "to 20, and 21(b)"

Page 38, line 33, strike "Provided, that"

Page 39, line 1, strike "regulations" and insert "rules"

Page 41, line 26, strike "regulations" and insert "rules"

Page 42, line 4, delete "*and regulations*"

Page 45, after line 5, insert:

"Sec. 14. [EFFECTIVE DATE.]

Sections 1 to 4 and 6 to 13 are effective August 1, 1982. Section 5 is effective January 1, 1983."

With the recommendation that when so amended the bill pass.

The report was adopted.

Jude from the Committee on Judiciary to which was referred:

S. F. No. 16, A bill for an act relating to probate; changing certain time limits and procedures for a personal representative to file an inventory and appraisal; amending Minnesota Statutes 1980, Section 524.3-706.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1980, Section 524.3-706, is amended to read:

524.3-706 [DUTY OF PERSONAL REPRESENTATIVE;
INVENTORY AND APPRAISEMENT.]

Within (THREE) *six* months after (HIS) appointment, or *nine months after the death of the decedent, whichever is later*, a personal representative, who is not a special administrator or a successor to another representative who has previously discharged this duty, shall prepare (AND FILE WITH THE COURT OR REGISTRAR AND MAIL TO THE SURVIVING SPOUSE, IF THERE BE ONE, AND TO ALL RESIDUARY DISTRIBUTEES) an inventory of property owned by the decedent at the time of his death, listing it with reasonable detail, and indicating as to each listed item, its fair market value as of the date of the decedent's death, and the type and amount of any encumbrance that may exist with reference to any item.

The personal representative shall send a copy of the inventory to the surviving spouse, if there be one, and to all residuary distributees. The personal representative shall also mail a copy of the inventory to interested persons or creditors who request it, or he may file the original of the inventory with the court.

Sec. 2. [EFFECTIVE DATE.]

This act is effective for estates of decedents dying after the date of final enactment."

With the recommendation that when so amended the bill pass.

The report was adopted.

Mann from the Committee on Transportation to which was referred:

S. F. No. 699, A bill for an act relating to transportation; authorizing the commissioner of transportation to act as agent for political subdivisions for the construction of roads and bridges under certain circumstances; amending Minnesota Statutes 1980, Section 161.36, Subdivision 3.

Reported the same back with the following amendments:

Page 1, lines 19 to 23, delete the new language

Page 1, after line 23, insert:

"Sec. 2. Minnesota Statutes 1980, Section 161.38, Subdivision 7, is amended to read:

Subd. 7. [IMPROVEMENTS OUTSIDE LIMITS OF STATE CONSTRUCTION PROJECT.] The commissioner may act as agent for any municipality, at its request and on its approval, for the construction of street or highway improvements outside the limits of a state construction project (WHEN SUCH IM-

PROVEMENTS ARE ADJACENT TO OR CONNECT WITH THE STATE PROJECT). *Administration of a contract in this manner must be based on an estimated cost savings for both the state and the municipality.* (SUCH WORK MAY BE INCLUDED IN THE STATE CONSTRUCTION CONTRACT, AND) All costs of such work shall be paid by the municipality. (SUCH WORK SHALL NOT EXTEND OUTSIDE THE LIMITS OF THE STATE PROJECT FOR A GREATER DISTANCE THAN 2000 FEET.) Prior to the letting of the state construction contract, the provisions for payment and all details of the work to be done outside of the limits of the state construction project shall be set out in an agency agreement between the municipality and the state.

Sec. 3. [EFFECTIVE DATE.]

This act is effective the day following final enactment."

Amend the title as follows:

Page 1, line 6, delete "Section" and insert "Sections" and before the period insert "; and 161.38, Subdivision 7"

With the recommendation that when so amended the bill pass and be placed on the Consent Calendar.

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 776, 1166, 1341, 1430, 1484, 1523, 1589, 1602, 1616, 1637 and 1668 were read for the second time.

SECOND READING OF SENATE BILLS

S. F. Nos. 16 and 699 were read for the second time.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Shea, Sherwood, Ogren, Skoglund and Stumpf introduced:

H. F. No. 1881, A bill for an act relating to boxing; establishing certain conditions for participation in professional matches; proposing new law coded in Minnesota Statutes, Chapter 341.

The bill was read for the first time and referred to the Committee on Regulated Industries.

Pogemiller introduced:

H. F. No. 1882, A bill for an act relating to corrections; creating the Minnesota board of supervised release; prescribing its powers and duties; appropriating money; amending Minnesota Statutes 1980, Sections 241.05, Subdivisions 1, 2, 3, 3a, and by adding a subdivision; 244.01, Subdivision 7, and by adding a subdivision; 244.05, Subdivisions 2, 3, and 5; 244.06; 244.065; Minnesota Statutes 1981 Supplement, Sections 241.045, Subdivision 6; and 243.05; repealing Minnesota Statutes 1980, Sections 241.045, Subdivisions 7 and 8; 243.07; 243.10; 243.12; and 244.08.

The bill was read for the first time and referred to the Committee on Criminal Justice.

Rodriguez, C., introduced:

H. F. No. 1883, A bill for an act relating to highway traffic regulations; regulating speed limits and hours when speed limits are in effect within school zones; amending Minnesota Statutes 1980, Section 169.14, Subdivision 5a.

The bill was read for the first time and referred to the Committee on Transportation.

Carlson, L.; Dahlvang and Rice introduced:

H. F. No. 1884, A bill for an act relating to the legislature; creating a committee on human and economic development and prescribing its duties; proposing new law coded in Minnesota Statutes, Chapter 3.

The bill was read for the first time and referred to the Committee on Commerce and Economic Development.

Brandl; Clark, J.; Greenfield and Onnen introduced:

H. F. No. 1885, A bill for an act relating to public welfare; providing for approval of mental health clinics and centers pending promulgation of permanent rules.

The bill was read for the first time and referred to the Committee on Health and Welfare.

Dahlvang, Simoneau and Himle introduced:

H. F. No. 1886, A bill for an act relating to labor; providing that certain public safety communications personnel are essential employees for purposes of the public employment labor relations act; amending Minnesota Statutes 1980, Section 179.63, Subdivision 11.

The bill was read for the first time and referred to the Committee on Labor-Management Relations.

Kelly and Vellenga introduced:

H. F. No. 1887, A bill for an act relating to education; requiring welfare and correctional institutions to submit an educational policy to the commissioner of education; proposing new law coded in Minnesota Statutes, Chapter 121.

The bill was read for the first time and referred to the Committee on Education.

O'Connor, Drew, Byrne, Hanson and Kelly introduced:

H. F. No. 1888, A bill for an act relating to Ramsey County; providing duties for the county surveyor; amending Laws 1974, Chapter 435, Section 3.151, as amended.

The bill was read for the first time and referred to the Committee on Local and Urban Affairs.

Peterson, D.; Clark, K.; O'Connor and Pogemiller introduced:

H. F. No. 1889, A bill for an act relating to taxation; providing homestead treatment for certain cooperative housing; amending Minnesota Statutes 1980, Section 273.133, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Taxes.

Ellingson and Carlson, L., introduced:

H. F. No. 1890, A bill for an act relating to the city of Brooklyn Center; authorizing the Brooklyn Center housing and redevelopment authority to carry out a housing interest buy-down program.

The bill was read for the first time and referred to the Committee on General Legislation and Veterans Affairs.

Wynia, Skoglund and Clawson introduced :

H. F. No. 1891, A bill for an act relating to public improvements; permitting deferral of special assessments in instances of hardship; amending Minnesota Statutes 1981 Supplement, Section 435.193.

The bill was read for the first time and referred to the Committee on Local and Urban Affairs.

Anderson, B., introduced :

H. F. No. 1892, A bill for an act relating to education; authorizing school districts to levy a special grandfather levy equal to the maximum grandfather levy of any district in region eleven; amending Minnesota Statutes 1980, Section 275.125, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Education.

Anderson, B., introduced :

H. F. No. 1893, A bill for an act relating to education; authorizing school boards to transfer interest earnings from the capital expenditure fund and the debt redemption fund to the general fund of the district.

The bill was read for the first time and referred to the Committee on Education.

Vellenga ; Peterson, D. ; Clark, K., and Drew introduced :

H. F. No. 1894, A bill for an act relating to municipal housing; authorizing the planning, implementation, and financing of rehabilitation and energy improvement loans; amending Minnesota Statutes 1980, Sections 462C.01; 462C.02, Subdivisions 3, 4 and 5, and by adding subdivisions; 462C.03, as amended; 462C.04, Subdivision 2; 462C.05, Subdivisions 2 and 5; 462C.07, Subdivision 1; Minnesota Statutes 1981 Supplement, Sections 462C.05, Subdivisions 1 and 3; and 462C.09; repealing Minnesota Statutes 1981 Supplement, Section 462C.07, Subdivision 2.

The bill was read for the first time and referred to the Committee on General Legislation and Veterans Affairs.

Fjoslien, Tomlinson, Drew and Dahlvang introduced :

H. F. No. 1895, A bill for an act relating to energy; making administrative changes in laws governing duties of the commissioner, fuel set-asides, report confidentiality, agency reporting, demonstration projects and energy efficient building education; deleting a requirement for reporting by public schools; amending Minnesota Statutes 1980, Section 116H.15, Subdivisions 1 and 3; Minnesota Statutes 1981 Supplement, Sections 116H.07; 116H.095, Subdivisions 4 and 5; 116H.10, Subdivision 4; 116H.11, Subdivision 1; 116H.128; 116H.15, Subdivision 2; and 116H.18; repealing Minnesota Statutes 1981 Supplement, Section 120.78, Subdivision 1.

The bill was read for the first time and referred to the Committee on Energy.

Ellingson introduced :

H. F. No. 1896, A bill for an act relating to guardianship and conservatorship; providing for delegation of certain powers by parents or guardians; applying the rules of evidence to certain proceedings; requiring appointment of conservators in certain cases; providing a procedure for discharge of guardians or conservators in certain cases; clarifying certain provisions; amending Minnesota Statutes 1980, Section 525.6165; Minnesota Statutes 1981 Supplement, Sections 525.55, Subdivision 1; 525.551, Subdivision 3; 525.5515; 525.619; and 525.6196; proposing new law coded in Minnesota Statutes, Chapters 524 and 525.

The bill was read for the first time and referred to the Committee on Judiciary.

Rice, Laidig, Kostohryz and Sviggum introduced :

H. F. No. 1897, A bill for an act relating to the state agricultural society; updating and clarifying certain powers and duties of the society; amending Minnesota Statutes 1980, Sections 37.01; 37.04, Subdivision 3; 37.05; 37.06; 37.17, Subdivisions 1, 2, and by adding a subdivision; 37.18; 37.19; 37.20; 37.21; and 37.22; repealing Minnesota Statutes 1980, Section 37.23; Minnesota Statutes 1981 Supplement, Sections 37.17, Subdivision 3; and 37.27.

The bill was read for the first time and referred to the Committee on General Legislation and Veterans Affairs.

Stadum; Brinkman; Rees; Anderson, G., and Himle introduced:

H. F. No. 1898, A bill for an act relating to workers' compensation; changing benefits; providing for rehabilitation; requiring notices of injury; providing for the release of medical data; regulating supplemental benefits; providing for benefit adjustments; providing for various studies; defining terms; providing for continuance of certain insurance coverages; amending Minnesota Statutes 1980, Sections 62A.10, Subdivision 10; 62C.14, by adding a subdivision; 62D.10, by adding a subdivision; 176.011, Subdivision 3, and by adding subdivisions; 176.111, Subdivision 18; 176.131, Subdivisions 1, 1a, and 8; 176.132, Subdivision 1; 176.235, by adding a subdivision; and 176.641; Minnesota Statutes 1981 Supplement, Sections 176.021, Subdivision 3; 176.131, Subdivision 10; 176.132, Subdivision 2; 176.221, Subdivisions 1, 2, and 3; and 176.645, Subdivision 1; proposing new law coded in Minnesota Statutes, Chapter 176; repealing Minnesota Statutes 1980, Sections 176.011, Subdivisions 14 and 18; 176.095; 176.101, as amended; 176.102, as amended; 176.105, as amended; 176.111, as amended; and 176.235, Subdivisions 1 and 2; Minnesota Statutes 1981 Supplement, Sections 176.021, Subdivision 3a; and 176.152.

The bill was read for the first time and referred to the Committee on Labor-Management Relations.

Clawson, Welch and Greenfield introduced:

H. F. No. 1899, A bill for an act relating to local government; allowing towns and cities to set license fees for cigarette sellers; amending Minnesota Statutes 1980, Section 461.12.

The bill was read for the first time and referred to the Committee on Local and Urban Affairs.

Long introduced:

H. F. No. 1900, A bill for an act relating to criminal penalties; providing for additional fines for drivers convicted of driving while intoxicated or for violations of the implied consent law; amending Minnesota Statutes 1981 Supplement, Sections 609.101; and 626.861, Subdivision 1.

The bill was read for the first time and referred to the Committee on Judiciary.

Swanson and Himle introduced:

H. F. No. 1901, A bill for an act relating to the city of Bloomington; regulating the port authority of the city of Bloomington; permitting the issuance of bonds to provide for improvements in a development district and the use of tax increments derived from the development district; requiring city council consent to certain port authority action; amending Laws 1980, Chapter 453, by adding a section.

The bill was read for the first time and referred to the Committee on Local and Urban Affairs.

Rodriguez, F., introduced:

H. F. No. 1902, A bill for an act relating to Ramsey County; permitting the county to establish a small business set-aside program.

The bill was read for the first time and referred to the Committee on Commerce and Economic Development.

Schoenfeld, Hauge and Wenzel introduced:

H. F. No. 1903, A bill for an act relating to soil conservation; providing a state paid property tax credit to agricultural property owners who carry out and maintain approved soil conservation practices under agreements with soil and water conservation districts; appropriating money; amending Minnesota Statutes 1980, Section 40.07, by adding a subdivision; proposing new law coded in Minnesota Statutes, Chapter 273.

The bill was read for the first time and referred to the Committee on Taxes.

Brandl, Schreiber and Novak introduced:

H. F. No. 1904, A bill for an act relating to local government; permitting the establishment of special service districts; providing taxing and other financial authority; proposing new law coded as Minnesota Statutes, Chapter 429A.

The bill was read for the first time and referred to the Committee on Local and Urban Affairs.

Ellingson and Carlson, L., introduced:

H. F. No. 1905, A bill for an act relating to the city of Brooklyn Center; authorizing the establishment of a home energy conservation program as part of its municipal utility system and the issuance of bonds or notes for that purpose.

The bill was read for the first time and referred to the Committee on Energy.

Elioff, Begich and Minne introduced:

H. F. No. 1906, A bill for an act relating to local government; allowing the city of Orr and the town of Leiding to assess the cost of maintenance of television relay service.

The bill was read for the first time and referred to the Committee on Local and Urban Affairs.

Vellenga, Wigley and Johnson, C., introduced:

H. F. No. 1907, A bill for an act relating to public utilities; specifying the appropriate treatment of certain advertising expenses and charitable contributions; amending Minnesota Statutes 1980, Section 216B.16, Subdivisions 8 and 9.

The bill was read for the first time and referred to the Committee on Regulated Industries.

Halberg; Redalen; Peterson, B.; Olsen and Luknic introduced:

H. F. No. 1908, A bill for an act relating to taxation; income; property tax refund; adopting certain federal income tax amendments; limiting the income tax investment credit subtraction; adopting full accelerated cost recovery system for individuals and corporations; reducing the income tax rate for corporations; amending Minnesota Statutes 1980, Section 290.16, Subdivisions 15, as amended, and 16, as amended; Minnesota Statutes 1981 Supplement, Sections 290.01, Subdivision 20, as amended; 290.06, Subdivision 1, as amended; 290.09, Subdivisions 7, as amended, and 29; 290.091, as amended; 290.92, Subdivision 15; 290.93, Subdivision 1; 290.934, Subdivision 4; 290A.03, Subdivision 3; repealing Minnesota Statutes 1980, Section 290.65, Subdivisions 2, 3, 4, 5, 6, and 7.

The bill was read for the first time and referred to the Committee on Taxes.

Hokr; Rodriguez, C.: Otis; Laidig and Levi introduced:

H. F. No. 1909, A bill for an act relating to the legislature; repealing the reduction in membership of the council on the economic status of women; amending Minnesota Statutes 1981 Supplement, Section 3.9222, Subdivision 2, as amended; repealing Laws 1981, Third Special Session Chapter 2, Article I, Section 8.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Marsh, Schafer, Evans, Sviggum and Brinkman introduced:

H. F. No. 1910, A bill for an act relating to crimes; providing that the primary purpose of the sentencing guidelines is to protect public safety; requiring the commission to authorize judicial consideration of "real offense" information in certain cases involving the plea negotiation process; requiring the commission to study the impact of the plea negotiation process on the operation of the guidelines; amending Minnesota Statutes 1980, Section 244.09, Subdivision 5; proposing new law coded in Minnesota Statutes, Chapter 244.

The bill was read for the first time and referred to the Committee on Criminal Justice.

Schafer and Dempsey introduced:

H. F. No. 1911, A bill for an act proposing an amendment to the Minnesota Constitution, Article XIV, Section 11; removing certain restrictions on highway bonds.

The bill was read for the first time and referred to the Committee on Transportation.

Nelsen, B., introduced:

H. F. No. 1912, A bill for an act relating to public welfare; authorizing payment of claims for medical assistance from homestead property which is part of an estate; amending Minnesota Statutes 1981 Supplement, Section 525.145.

The bill was read for the first time and referred to the Committee on Health and Welfare.

Sarna, Kahn, Dahlvang, Staten and Clark, J., introduced:

H. F. No. 1913, A bill for an act relating to Special School District No. 1; prohibiting the district from implementing a plan for closing schools until the 1983-1984 school year; amending Laws 1959, Chapter 462, Section 3, as amended.

The bill was read for the first time and referred to the Committee on Education.

Valan and Hoberg introduced:

H. F. No. 1914, A bill for an act relating to local government; providing that Clay county may levy a gravel tax of up to ten cents per cubic yard; amending Laws 1961, Chapter 605, Section 1.

The bill was read for the first time and referred to the Committee on Taxes.

Dempsey; Johnson, C.; Wigley and Den Ouden introduced:

H. F. No. 1915, A bill for an act relating to local government; establishing a board to implement and administer a plan for a segment of the Minnesota river in Blue Earth, Brown, Le Sueur, Nicollet, Redwood and Renville counties.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

Johnson, D.; Metzen; Brinkman and Heinitz introduced:

H. F. No. 1916, A bill for an act relating to commerce; providing uniformity in requiring insurance of accounts in depository financial institutions; clarifying examination reports as confidential records; clarifying permissible transactions at financial institutions by examiners; defining building and loan association; clarifying financial institution real estate investment authority; establishing an application procedure for certain bank detached facilities; providing for clearly differentiating a detached facility from the parent bank principal office; establishing a uniform authority for financial institutions' limited trust powers and individual housing accounts; clarifying certain words, terms and phrases relating to supervision of banks and trust companies; eliminating the filing requirement for bank directors' oaths; clarifying exceptions to prohibition against bank or trust company sale of assets; providing for uniform quarterly reporting by banks or trust companies; providing uniform capital requirements for stock savings banks and approval

procedures for amending articles or certificates of incorporation; removing inconsistencies in fees payable to secretary of state; removing the expiration date for the credit union advisory council; removing inconsistencies with earlier laws regarding certificate loan plans of industrial loan and thrift companies; providing for liquidity reserve requirements by insured industrial loan and thrift companies consistent with other depository institutions; providing for reasonable fees, annual renewals and surety bond limits for licensing safe deposit companies; clarifying default charges, deferments, conversion rights, interest after maturity and issuance of receipts on regulated loans; limiting licensing and examination of sales finance companies to those located in this state; authorizing the restatement of articles of incorporation of financial institutions; amending Minnesota Statutes 1980, Sections 46.07, Subdivision 2; 46.09, as amended; 47.01, Subdivision 5; 47.10; 48.01, Subdivision 1; 48.16; 48.21; 48.76; 50.25; 51A.23, Subdivision 6; 52.061; 52.24; 53.04, Subdivision 5; 53.07; 55.04, Subdivision 2; 55.05; 168.66, Subdivision 8; Minnesota Statutes 1981 Supplement, Sections 48.06; 48.48; 51A.03, Subdivision 5; 56.131, Subdivision 1; 56.14; proposing new law coded in Minnesota Statutes, Chapters 45; 47; 55; and 300; repealing Minnesota Statutes 1980, Sections 47.16, Subdivision 2; 48.159, Subdivision 1; 48.25; 50.157, Subdivision 1; 51A.-21, Subdivision 16; 52.135; Minnesota Statutes 1981 Supplement, Sections 48.159, Subdivision 2; 50.157, Subdivision 2; 51A.21, Subdivision 16a; and 52.136.

The bill was read for the first time and referred to the Committee on Financial Institutions and Insurance.

McDonald and Nelsen, B., introduced:

H. F. No. 1917, A resolution memorializing the Congress of the United States to propose an amendment to the United States Constitution to require a balanced federal budget.

The bill was read for the first time and referred to the Committee on Rules and Legislative Administration.

Osthoff introduced:

H. F. No. 1918, A bill for an act relating to transportation; amending a route on the interstate system; removing certain restrictions on highway construction in the city of St. Paul; amending Minnesota Statutes 1980, Section 161.12; repealing Minnesota Statutes 1980, Section 161.1245, Subdivisions 1 and 2.

The bill was read for the first time and referred to the Committee on Transportation.

Kalis; Anderson, G.; Ogren and Shea introduced:

H. F. No. 1919, A bill for an act relating to agriculture; formulating a state agricultural land preservation policy; imposing duties on state agencies regarding agency actions adversely affecting agricultural land; continuing the existence of the joint legislative committee on agricultural land preservation; allocating certain state cost-sharing funds for high priority soil erosion, sedimentation and water control problems identified by local soil and water conservation districts; imposing duties on state and local soil and water conservation boards; providing technical and administrative assistance grants to local districts; requiring coordination of state soil and water conservation programs with other public agencies; establishing a conservation tillage demonstration program; appropriating money; amending Minnesota Statutes 1980, Sections 15.0412, by adding a subdivision; 40.03, Subdivision 4; 40.036; 40.07, Subdivision 9; and Laws 1979, Chapter 315, Section 2; proposing new law coded in Minnesota Statutes, Chapters 17 and 40; repealing Minnesota Statutes 1980, Section 473H.13; and Laws 1979, Chapter 315, Section 1.

The bill was read for the first time and referred to the Committee on Agriculture.

Anderson, G., and Hauge introduced:

H. F. No. 1920, A bill for an act relating to economic development; excepting motor carriers from the definition of "business license;" amending Minnesota Statutes 1981 Supplement, Section 362.452, Subdivision 2a.

The bill was read for the first time and referred to the Committee on Commerce and Economic Development.

Carlson, D., introduced:

H. F. No. 1921, A bill for an act relating to local government; providing for the separation of the city and town of Sturgeon Lake.

The bill was read for the first time and referred to the Committee on Local and Urban Affairs.

Carlson, D., introduced:

H. F. No. 1922, A bill for an act relating to power plant siting; transferring the powers and duties in administration of the power plant siting act to the commissioner of the department of energy, planning and development from the environmental quality board; defining terms; clarifying language; annual hearings; adoption of an inventory of study areas; savings clause; public hearings for inventory criteria; public meeting requirements of the commissioner for routing and siting decisions; amending Minnesota Statutes 1980, Sections 116C.52, Subdivision 2, and by adding a subdivision; 116C.53; 116C.54; 116C.55, Subdivision 3; 116C.57; 116C.58; 116C.59; 116C.61, Subdivisions 2 and 3; 116C.62; 116C.64; 116C.645; 116C.65; 116C.66; 116C.-68, Subdivision 2; and 116C.69, Subdivision 1; Minnesota Statutes 1981 Supplement, Section 116C.69, Subdivisions 2, 2a, and 3; proposing new law coded in Minnesota Statutes, Chapter 116J; repealing Minnesota Statutes 1980, Sections 116C.55, Subdivision 2; 116C.60; and 116C.67.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

Carlson, D., introduced:

H. F. No. 1923, A bill for an act relating to taxation; redefining agricultural land for purposes of the agricultural homestead credit and state school agricultural credit; amending Minnesota Statutes 1980, Section 273.13, Subdivision 6.

The bill was read for the first time and referred to the Committee on Taxes.

Metzen, Sarna and Rodriguez, F., introduced:

H. F. No. 1924, A bill for an act relating to retirement; public employees retirement association; authorizing the purchase of prior service credit for certain former elected officials.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Johnson, D.; Kvam and Johnson, C., introduced:

H. F. No. 1925, A bill for an act relating to local government; removing towns from general levy limits; amending Minnesota Statutes 1981 Supplement, Section 275.50, Subdivision 2.

The bill was read for the first time and referred to the Committee on Taxes.

Peterson, B.; Sviggum; Wenzel and Jennings introduced :

H. F. No. 1926, A bill for an act relating to the legislature; proposing an amendment to the Minnesota Constitution, Article IV, by adding sections, to provide for initiative and referendum; implementing the initiative and referendum process, including the manner of petitioning and voting on initiative and referendum measures and judicial review; permitting corporations to spend money to promote or defeat ballot questions; requiring disclosure of contributions and expenditures on ballot questions; imposing duties on certain officials; providing penalties; appropriating money; amending Minnesota Statutes 1980, Sections 10A.20, by adding a subdivision; and 645.02; Minnesota Statutes 1981 Supplement, Sections 204C.19, Subdivision 2; 204C.33, Subdivision 3; 204D.11, Subdivision 5, and by adding a subdivision; 204D.15; 290.09, Subdivision 2; 290.21, Subdivision 3; and by proposing new law coded as Minnesota Statutes, Chapter 3B.

The bill was read for the first time and referred to the Committee on General Legislation and Veterans Affairs.

Rothenberg and Peterson, B., introduced :

H. F. No. 1927, A bill for an act relating to crimes; requiring restitution as a condition of probation for property offenses; proposing new law coded in Minnesota Statutes, Chapter 609.

The bill was read for the first time and referred to the Committee on Criminal Justice.

McCarron introduced :

H. F. No. 1928, A bill for an act relating to civil actions involving negligence; limiting the liability of governmental units in certain circumstances; removing the liability of governmental units in certain cases; amending Minnesota Statutes 1980, Section 604.02, Subdivisions 1 and 3.

The bill was read for the first time and referred to the Committee on Judiciary.

Osthoff; McEachern; Peterson, D.; Stumpf and Hokanson introduced :

H. F. No. 1929, A bill for an act relating to motor vehicles; providing for special license plates for former prisoners of war; prescribing penalties; proposing new law coded in Minnesota Statutes, Chapter 168.

The bill was read for the first time and referred to the Committee on Transportation.

Begich; Carlson, D.; Battaglia; Elioff and Anderson, I., introduced:

H. F. No. 1930, A bill for an act relating to game and fish; prohibiting harassment of hunters, trappers and fishers; providing penalties; proposing new law coded in Minnesota Statutes, Chapter 97.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

Peterson, D.; Minne and Olsen introduced:

H. F. No. 1931, A bill for an act relating to public cemeteries; permitting assessments of public cemetery property; amending Minnesota Statutes 1980, Section 306.14, Subdivision 1.

The bill was read for the first time and referred to the Committee on Taxes.

Eken, Shea, Novak, Wynia and Simoneau introduced:

H. F. No. 1932, A bill for an act relating to elections; proposing an amendment to the Minnesota Constitution, Article VII, Section 9, to limit campaign expenditures by candidates for the United States senate and house of representatives; providing implementing legislation; amending Minnesota Statutes 1980, Sections 10A.01, Subdivision 13, and by adding a subdivision; 10A.20, Subdivision 3a, and by adding a subdivision; 10A.22, by adding a subdivision; 10A.25, Subdivisions 5, 6, 7, 10, and by adding a subdivision; 10A.27; 10A.275; 10A.28, Subdivisions 1 and 2; 10A.31, Subdivisions 2 and 7; and 10A.335; Minnesota Statutes 1981 Supplement, Sections 10A.255, Subdivision 1; and 10A.31, Subdivisions 1, 3, and 5.

The bill was read for the first time and referred to the Committee on Reapportionment and Elections.

Voss, Jacobs and McCarron introduced:

H. F. No. 1933, A bill for an act relating to state government; removing the geographic limitation on state and public employees' eligibility for the state employee transportation program; amending Minnesota Statutes 1981 Supplement, Section 16.756, Subdivision 1a.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Long introduced:

H. F. No. 1934, A bill for an act relating to the environment; amending the waste management act; authorizing the commissioner of administration to acquire certain development rights; defining terms for purposes of the resource recovery program; prohibiting the waste management board from certifying the use of facilities for disposal of radioactive waste; amending Minnesota Statutes 1980, Section 115A.15, Subdivisions 2, 6, and by adding a subdivision; Minnesota Statutes 1981 Supplement, Sections 115A.06, Subdivision 4; and 115A.24, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

Hokanson, Blatz, Clawson and Nysether introduced:

H. F. No. 1935, A bill for an act relating to waters and watercraft safety; clarifying certain watercraft definitions and changing registration fees; amending Minnesota Statutes 1980, Sections 361.02, by adding subdivisions; and 361.03, Subdivision 3.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

Shea, Stumpf and Hauge introduced:

H. F. No. 1936, A bill for an act relating to taxation; sales and use tax; requiring prepaid postage on envelopes sent with returns to permitholders; amending Minnesota Statutes 1980, Section 297A.27, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Taxes.

Novak; Sieben, H.; Norton and Simoneau introduced:

H. F. No. 1937, A bill for an act relating to state departments and agencies; transferring the duties of the former department of economic development to the secretary of state; appropriating money; proposing new law coded in Minnesota Statutes, Chapter 5.

The bill was read for the first time and referred to the Committee on Commerce and Economic Development.

Johnson, D.; Carlson, D.; Den Ouden and Johnson, C., introduced:

H. F. No. 1938, A bill for an act relating to animals; eliminating certain licensing and registration requirements; repealing Minnesota Statutes 1980, Section 35.695.

The bill was read for the first time and referred to the Committee on General Legislation and Veterans Affairs.

Rodriguez, C.; Halberg; Metzen; Sviggum and Sieben, H., introduced:

H. F. No. 1939, A bill for an act relating to transportation; directing the commissioner of transportation to construct a freeway along a certain route in the city of St. Paul; requiring the posting of bond in certain proceedings; amending Minnesota Statutes 1980, Section 161.1245, Subdivision 1; repealing Minnesota Statutes 1980, Section 161.1245, Subdivision 2.

The bill was read for the first time and referred to the Committee on Transportation.

Metzen, Kalis, Mann, Mehrkens and Dempsey introduced:

H. F. No. 1940, A bill for an act relating to highway traffic regulations; removing certain requirements for bug deflectors; amending Minnesota Statutes 1980, Section 169.743.

The bill was read for the first time and referred to the Committee on Transportation.

Stumpf; Battaglia; Anderson, I., and Carlson, D., introduced:

H. F. No. 1941, A bill for an act relating to agriculture; setting a standard of proof and procedures for decision and appeal for claims of damage to livestock by endangered species; amending Minnesota Statutes 1980, Section 3.737, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Agriculture.

Hauge, Ogren and Anderson, B., introduced :

H. F. No. 1942, A bill for an act relating to agriculture; providing for the prevention of economic waste in the marketing of certain agricultural crops produced in Minnesota by fixing a minimum price; providing for administration and enforcement; providing a penalty; proposing new law coded in Minnesota Statutes, Chapter 17.

The bill was read for the first time and referred to the Committee on Agriculture.

Onnen, Tomlinson, Valento, Jacobs and Kvam introduced :

H. F. No. 1943, A bill for an act relating to taxation; income tax; property tax refund; providing an action to enjoin certain tax return preparers from engaging in certain conduct or from preparing returns; imposing penalties on a preparer for wilfully understating an income tax liability or wilfully overstating a property tax refund claim; proposing new law coded in Minnesota Statutes, Chapters 290 and 290A.

The bill was read for the first time and referred to the Committee on Taxes.

Piepho, Vanasek, Sherwood, Haukoos and Kelly introduced :

H. F. No. 1944, A bill for an act relating to elections; requiring notices and reports concerning certain fundraisers; proposing new law coded in Minnesota Statutes, Chapter 10A.

The bill was read for the first time and referred to the Committee on Reapportionment and Elections.

Sviggum, Haukoos, Piepho, Wigley and Rose introduced :

H. F. No. 1945, A bill for an act relating to the legislature; reducing the senate from 67 to 56 members and the house of representatives from 135 to 112 members; amending Minnesota Statutes 1980, Section 2.021.

The bill was read for the first time and referred to the Committee on Reapportionment and Elections.

Rees; Peterson, B.; Jude; Norton and Clawson introduced:

H. F. No. 1946, A bill for an act relating to administrative procedures; providing for notice of temporary rulemaking; amending Minnesota Statutes 1981 Supplement, Section 15.0412, Subdivision 5.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Vanasek, Minne, Luknic, Jacobs and Schreiber introduced:

H. F. No. 1947, A bill for an act relating to taxation; sales; abolishing the limitation on the exemption of food relating to certain prepared foods; amending Minnesota Statutes 1981 Supplement, Section 297A.25, Subdivision 1.

The bill was read for the first time and referred to the Committee on Taxes.

Swanson and Hokanson introduced:

H. F. No. 1948, A bill for an act relating to retirement; Richfield firefighters relief association; eliminating various obsolete special law provisions; validating certain prior payments or actions; amending Extra Session Laws 1961, Chapter 28, Section 14; repealing Extra Session Laws 1961, Chapter 28, Sections 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12 and 13; and Laws 1963, Chapter 464.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Peterson, B.; Vanasek and Lemen introduced:

H. F. No. 1949, A bill for an act relating to controlled substances; defining "hashish"; adding new substances to the schedules of controlled substances; amending Minnesota Statutes 1980, Sections 152.01, Subdivision 16, and by adding a subdivision; 152.02, Subdivisions 2, 3, 4, and 5.

The bill was read for the first time and referred to the Committee on Criminal Justice.

Lemen, Hokr, Luknic, Valento and Carlson, D., introduced:

H. F. No. 1950, A bill for an act relating to health insurance; providing for a statewide catastrophic health expense protection plan; providing for an increase in the income tax liability of taxpayers by the amount of the yearly premium; prescribing powers and duties; creating a certain account in the state treasury; appropriating money; proposing new law coded in Minnesota Statutes, Chapters 62E and 290; repealing Minnesota Statutes 1980, Sections 62E.51 to 62E.55.

The bill was read for the first time and referred to the Committee on Health and Welfare.

Laidig and Vanasek introduced:

H. F. No. 1951, A bill for an act relating to community corrections; clarifying and harmonizing the provisions of Minnesota Statutes relating to the administrative structure of participating counties, the composition of the corrections advisory board, the powers of probation officers, and the powers and duties of the commissioner of corrections; amending Minnesota Statutes 1980, Sections 401.01, Subdivision 2; 401.02, Subdivisions 1, 3, and 4; 401.06; 401.08, Subdivisions 1 and 2; and 401.13.

The bill was read for the first time and referred to the Committee on Criminal Justice.

Haukoos; Rodriguez, C.; Piepho; Vellenga and Jennings introduced:

H. F. No. 1952, A bill for an act relating to the legislature; limiting the payment of per diem and mileage payable to legislators during an interim period and special sessions; amending Minnesota Statutes 1980, Sections 3.099, Subdivision 1; 3.101; 3.102; and 3.103.

The bill was read for the first time and referred to the Committee on Rules and Legislative Administration.

Peterson, B.; Sieben, M., and Gruenes introduced:

H. F. No. 1953, A bill for an act relating to reapportionment of the legislature and Minnesota's congressional districts; proposing an amendment to the Minnesota Constitution, Article IV, Sections 2 and 3, and by adding a new article; providing for establishment of the boundaries of congressional and legislative districts by a commission; limiting the power of the legislature to change the number of senators and representatives; imple-

menting the proposed reapportionment commission amendment by providing by law for the duties, powers and operation of the commission; providing for judicial review of an apportionment plan; imposing duties on certain state officials; appropriating money; proposing new law coded as Minnesota Statutes, Chapter 2A; repealing Minnesota Statutes 1980, Sections 2.041 to 2.712 and 2.731 to 2.811.

The bill was read for the first time and referred to the Committee on Reapportionment and Elections.

Johnson, D.; Battaglia; Vanasek and Zubay introduced:

H. F. No. 1954, A bill for an act relating to corrections; authorizing the appointment of internal security investigators for adult correctional facilities in the unclassified civil service; clarifying the "good time" and solitary confinement provisions relating to county jails; amending Minnesota Statutes 1980, Sections 241.01, Subdivision 3a; 641.09; and 643.29, Subdivision 1.

The bill was read for the first time and referred to the Committee on Criminal Justice.

McDonald introduced:

H. F. No. 1955, A bill for an act relating to the city of Waconia; authorizing the sale of certain revenue bonds at a price less than par value.

The bill was read for the first time and referred to the Committee on Local and Urban Affairs.

Marsh and Schafer introduced:

H. F. No. 1956, A bill for an act relating to taxation; property; imposing a five year freeze on the reassessment of certain unimproved residential property.

The bill was read for the first time and referred to the Committee on Taxes.

Stumpf; Nelsen, B., and Reding introduced:

H. F. No. 1957, A bill for an act relating to game and fish; restrictions on setting of traps; amending Minnesota Statutes 1980, Section 100.295.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

Stumpf; Begich; Nelsen, B.; Reding and Carlson, D., introduced:

H. F. No. 1958, A bill for an act relating to game and fish; extending the restriction upon issuance of moose licenses; amending Minnesota Statutes 1980, Section 100.271, Subdivision 3a.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

Simoneau, Jacobs, Ewald and Brinkman introduced:

H. F. No. 1959, A bill for an act relating to commerce; petroleum products; requiring producers or refiners to sell retail service stations to franchisees in certain circumstances; requiring the producer or refiner to provide financing; providing remedies; prescribing penalties; proposing new law coded in Minnesota Statutes, Chapter 325E.

The bill was read for the first time and referred to the Committee on Commerce and Economic Development.

Voss, Laidig, Pogemiller and Berkelman introduced:

H. F. No. 1960, A bill for an act relating to housing; authorizing a housing interest reduction program for housing and redevelopment authorities; amending Minnesota Statutes 1980, Sections 462.421, Subdivision 14; 462.445, by adding subdivisions; and 462.545, Subdivision 1.

The bill was read for the first time and referred to the Committee on General Legislation and Veterans Affairs.

MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Mr. Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned:

H. F. No. 1552, A bill for an act relating to insurance; extending the temporary joint underwriting association act for an additional six year period; extending the termination date of certain insurance policies; amending Minnesota Statutes 1980, Sections 62F.01, Subdivision 2; and 62F.06, Subdivision 1.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker :

I hereby announce the passage by the Senate of the following House File, herewith returned :

H. F. No. 583, A bill for an act relating to public use of private land; clarifying and altering landowners' liability in the recreational use of their land; amending Minnesota Statutes 1980, Sections 87.021, Subdivisions 2, 3, 4 and 5; 87.0221; 87.023; 87.025; and 87.03; repealing Minnesota Statutes 1980, Section 87.022.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker :

I hereby announce the adoption by the Senate of the following Senate Concurrent Resolution, herewith transmitted :

Senate Concurrent Resolution No. 8, A Concurrent Resolution proclaiming the second week in March as Women's History Week in Minnesota.

PATRICK E. FLAHAVEN, Secretary of the Senate

Senate Concurrent Resolution No. 8 was referred to the Committee on Rules and Legislative Administration.

Mr. Speaker :

I hereby announce the passage by the Senate of the following Senate Files, herewith transmitted :

S. F. Nos. 679, 860, 1068, 1231, 1364, 1408, 1503 and 1514.

PATRICK E. FLAHAVEN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 679, A bill for an act relating to eminent domain; providing for the computation of interest rates on damages; amending Minnesota Statutes 1980, Section 117.195.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

S. F. No. 860, A bill for an act relating to municipal land use planning; permitting municipal fees for administrative actions relating to official controls; amending Minnesota Statutes 1980, Sections 462.353, by adding a subdivision; and 462.358, Subdivi-

sion 3b; repealing Minnesota Statutes 1980, Section 462.358, Subdivision 4.

The bill was read for the first time and referred to the Committee on Local and Urban Affairs.

S. F. No. 1068, A bill for an act relating to agriculture; authorizing gradual increases in assessments for potato research and promotion; amending Minnesota Statutes 1981 Supplement, Section 30.469.

The bill was read for the first time and referred to the Committee on Agriculture.

S. F. No. 1231, A bill for an act relating to waters; exempting certain watercraft from requirements related to personal flotation devices; amending Minnesota Statutes 1980, Section 361.141, Subdivision 1.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

S. F. No. 1364, A bill for an act relating to local government; providing for the separation of the city and town of Sturgeon Lake and the city of Rutledge and town of Kettle River.

The bill was read for the first time and referred to the Committee on Local and Urban Affairs.

S. F. No. 1408, A bill for an act relating to public utilities; prohibiting city jurisdiction over securities or indebtedness of a utility; amending Minnesota Statutes 1980, Sections 216B.36; and 216B.49, Subdivision 5.

The bill was read for the first time.

Berkelman moved that S. F. No. 1408 and H. F. No. 1479, now on the Consent Calendar, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1503, A bill for an act relating to game and fish; fees for firearms safety courses; amending Minnesota Statutes 1980, Section 97.85, Subdivision 1.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

S. F. No. 1514, A bill for an act relating to public works; extending the availability of an appropriation to the city of Cloquet for the purpose of constructing a public water facility; repealing Third Special Session Laws 1981, Chapter 2, Article I, Section 76.

The bill was read for the first time and referred to the Committee on Appropriations.

CONSENT CALENDAR

H. F. No. 1580 was reported to the House.

Samuelson moved to amend H. F. No. 1580, the first engrossment, as follows:

Page 1, line 13, after "*existing*" insert "*right of way,*" and delete "*for Trunk*"

Page 1, line 14, delete "*Highway 73*" and insert "*, leases and permits*"

The motion prevailed and the amendment was adopted.

H. F. No. 1580, A bill for an act relating to state lands; providing for the conveyance of certain tax forfeited lands.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 126 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Aasness	Fjoslien	Kostohryz	Ogren	Sieben, M.
Ainley	Forsythe	Kvam	Olsen	Simoneau
Anderson, G.	Frerichs	Laidig	Onnen	Skoglund
Anderson, I.	Greenfield	Lehto	Osthoff	Stadum
Battaglia	Gruenes	Lemen	Otis	Staten
Begich	Gustafson	Levi	Peterson, B.	Stowell
Berkelman	Halberg	Long	Peterson, D.	Stumpf
Blatz	Hanson	Ludeman	Piepho	Sviggum
Brandl	Hauge	Luknic	Pogemiller	Swanson
Brinkman	Haukoos	Mann	Redalen	Tomlinson
Byrne	Heap	Marsh	Reding	Valento
Carlson, D.	Heinitz	McCarron	Rees	Vanasek
Carlson, L.	Himle	McDonald	Rice	Vellenga
Clark, K.	Hoberg	McEachern	Rodriguez, C.	Voss
Clawson	Hokanson	Mehrkens	Rodriguez, F.	Weaver
Dahlvang	Hokr	Metzen	Rose	Welker
Dean	Jacobs	Minne	Rothenberg	Wenzel
Dempsey	Jennings	Munger	Samuelson	Wieser
Den Ouden	Johnson, C.	Murphy	Sarna	Wigley
Drew	Johnson, D.	Nelsen, B.	Schafer	Wynia
Eken	Jude	Nelson, K.	Schoenfeld	Zubay
Elioff	Kahn	Niehaus	Schreiber	Spkr. Sieben, H.
Ellingson	Kaley	Norton	Searles	
Esau	Kalis	Novak	Shea	
Evans	Kelly	Nysether	Sherman	
Ewald	Knickerbocker	O'Connor	Sherwood	

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

H. F. No. 1635 was reported to the House.

Anderson, I., moved to amend H. F. No. 1635, the first engrossment, as follows:

Page 1, line 23, after "general" insert "*and shall provide that the property shall revert to the state in the event it is no longer used for church purposes, upon repayment by the state of the purchase price*"

The motion prevailed and the amendment was adopted.

H. F. No. 1635, A bill for an act relating to state lands; authorizing sale and conveyance of a certain tract of state lands to Bethlehem Lutheran Church of Waskish, Minnesota.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 127 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Aasness	Fjoslien	Kostohryz	Olsen	Simoneau
Ainley	Forsythe	Kvam	Onnen	Skoglund
Anderson, B.	Frerichs	Laidig	Osthoff	Stadum
Anderson, G.	Greenfield	Lehto	Otis	Staten
Anderson, I.	Gruenes	Lemen	Peterson, B.	Stowell
Battaglia	Gustafson	Levi	Peterson, D.	Stumpf
Begich	Halberg	Long	Piepho	Sviggum
Berkelman	Hanson	Ludeman	Pogemiller	Swanson
Blatz	Hauge	Luknic	Redalen	Tomlinson
Brandl	Haukoos	Mann	Reding	Valan
Brinkman	Heap	Marsh	Rees	Valento
Byrne	Heinitz	McCarron	Rice	Vanasek
Carlson, D.	Himle	McDonald	Rodriguez, C.	Vellenga
Carlson, L.	Hoberg	McEachern	Rodriguez, F.	Voss
Clark, K.	Hokanson	Mehrkens	Rose	Weaver
Clawson	Hokr	Metzen	Rothenberg	Welch
Dahlvang	Jacobs	Minne	Samuelson	Welker
Dean	Jennings	Munger	Sarna	Wenzel
Dempsey	Johnson, C.	Nelsen, B.	Schafer	Wieser
Den Ouden	Johnson, D.	Nelson, K.	Schoenfeld	Wigley
Drew	Jude	Niehaus	Schreiber	Wynia
Eken	Kahn	Norton	Searles	Zubay
Ellingson	Kaley	Novak	Shea	Spkr. Sieben, H.
Esau	Kalis	Nysether	Sherman	
Evans	Kelly	O'Connor	Sherwood	
Ewald	Knickerbocker	Ogren	Sieben, M.	

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

H. F. No. 1724, A bill for an act relating to Independent School District No. 507, Nicollet; authorizing a transfer of funds collected by referendum levy to reduce statutory operating debt.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 129 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Aasness	Ewald	Knickerbocker	O'Connor	Sherwood
Ainley	Fjoslien	Kostohryz	Ogren	Sieben, M.
Anderson, B.	Forsythe	Kvam	Olsen	Simoneau
Anderson, G.	Frerichs	Laidig	Onnen	Skoglund
Anderson, I.	Greenfield	Lehto	Osthoff	Stadum
Battaglia	Gruenes	Lemen	Otis	Staten
Begich	Gustafson	Levi	Peterson, B.	Stowell
Berkelman	Halberg	Long	Peterson, D.	Stumpf
Blatz	Hanson	Ludeman	Piepho	Sviggum
Brandl	Hauge	Luknic	Pogemiller	Swanson
Brinkman	Haukoos	Mann	Redalen	Tomlinson
Byrne	Heap	Marsh	Reding	Valan
Carlson, D.	Heinitz	McCarron	Rees	Valento
Carlson, L.	Himle	McDonald	Rice	Vanasek
Clark, K.	Hoberg	McEachern	Rodriguez, C.	Vellenga
Clawson	Hokanson	Mehrrens	Rodriguez, F.	Voss
Dahivang	Hokr	Metzen	Rose	Weaver
Dean	Jacobs	Minne	Rothenberg	Welch
Dempsey	Jennings	Munger	Samuelson	Welker
Den Ouden	Johnson, C.	Murphy	Sarna	Wenzel
Drew	Johnson, D.	Nelsen, B.	Schafer	Wieser
Eken	Jude	Nelson, K.	Schoenfeld	Wigley
Elioff	Kahn	Niehaus	Schreiber	Wynia
Ellingson	Kaley	Norton	Searles	Zubay
Esau	Kalis	Novak	Shea	Spkr. Sieben, H.
Evans	Kelly	Nysether	Sherman	

The bill was passed and its title agreed to.

CALENDAR

H. F. No. 1250 was reported to the House.

There being no objection, H. F. No. 1250 was continued on the Calendar until Thursday, February 11, 1982.

Stowell was excused at 3:00 p.m.

GENERAL ORDERS

Pursuant to rules of the House, the House resolved itself into the Committee of the Whole, with Sieben, H., in the Chair, for the consideration of bills pending on General Orders of the Day. After some time spent therein the Committee arose.

REPORT OF COMMITTEE OF THE WHOLE

The Speaker resumed the Chair, whereupon the following proceedings of the Committee as kept by the Chief Clerk were reported to the House:

H. F. Nos. 1283, 1546, 1573, 1579 and 1587 which it recommended to pass.

H. F. Nos. 879 and 1786 which it recommended progress.

H. F. No. 451 which it recommended progress until Thursday, February 18, 1982.

H. F. No. 1554 which it recommended be returned to its author with the following amendment offered by Wynia and Sieben, M.:

Delete Section 2 from the bill

Amend the title:

Page 1, line 4, delete "Sections" insert "Section"

Page 1, line 5, after "Subdivision 4" delete "; and 360.59, Subdivision 10"

S. F. No. 429 which it recommended to pass with the following amendments to the second unofficial engrossment offered by Swanson and as amended by the Fjoslien amendment:

Page 18, line 13, delete "\$5" and insert "\$10"

In the Swanson amendment after "\$10" insert "*on the first object inspected and \$5 on each object thereafter*"

H. F. No. 1610 which it recommended to pass with the following amendment offered by Kelly:

Page 2, line 13, after "(a)" insert ", (b),"

Page 3, after line 36, insert:

"Subd. 2. [MAJOR TRAFFIC VIOLATION; DEFINITION.] For purposes of this section, "major traffic violation" means violation of section 609.21 or a second or subsequent violation of section 169.121."

Page 4, line 1, delete "2" and insert "3."

On the motion of Eken the report of the Committee of the Whole was adopted.

ROLL CALLS IN COMMITTEE OF THE WHOLE

Pursuant to rule 1.6, the following roll call was taken in the Committee of the Whole:

Wynia and Sieben, M., moved to amend H. F. No. 1554, as follows:

Delete Section 2 from the bill

Amend the title:

Page 1, line 4, delete "Sections" insert "Section"

Page 1, line 5, after "Subdivision 4" delete "; and 360.59 Subdivision 10"

The question was taken on the amendment and the roll was called. There were 65 yeas and 59 nays as follows:

Those who voted in the affirmative were:

Battaglia	Evans	Kalis	O'Connor	Shea
Begich	Greenfield	Kelly	Ogren	Sieben, M.
Berkelman	Gruenes	Kostohryz	Osthoff	Simoneau
Brandl	Gustafson	Lehto	Otis	Skoglund
Byrne	Hanson	Long	Peterson, D.	Staten
Carlson, L.	Harens	McCarron	Pogemiller	Swanson
Clark, K.	Hauge	McEachern	Rice	Tomlinson
Clawson	Himle	Metzen	Rodriguez, C.	Vanasek
Dahlvang	Hokanson	Minne	Rodriguez, F.	Vellenga
Drew	Jacobs	Murphy	Rose	Voss
Eken	Johnson, C.	Nelson, K.	Samuelson	Welch
Elioff	Jude	Norton	Sarna	Wynia
Ellingson	Kahn	Novak	Schoenfeld	Spkr. Sieben, H.

Those who voted in the negative were:

Aasness	Forsythe	Lemen	Peterson, B.	Stadum
Ainley	Frerichs	Ludeman	Piepho	Stowell
Anderson, G.	Halberg	Luknic	Redalen	Svigum
Blatz	Haukoos	Mann	Reding	Valan
Brinkman	Heinitz	Marsh	Rees	Valento
Carlson, D.	Hoberg	McDonald	Reif	Weaver
Dean	Jennings	Mehrkens	Rothenberg	Welker
Dempsey	Johnson, D.	Nelsen, B.	Schafer	Wenzel
Den Ouden	Kaley	Niehaus	Schreiber	Wieser
Esau	Knickerbocker	Nysether	Searles	Wigley
Ewald	Kvam	Olsen	Sherman	Zubay
Fjoslien	Laidig	Onnen	Sherwood	

The motion prevailed and the amendment was adopted.

MOTIONS AND RESOLUTIONS

Simoneau moved that the names of Staten and Olsen be added as authors on H. F. No. 1861. The motion prevailed.

Pogemiller moved that the name of Schreiber be added as an author on H. F. No. 1865. The motion prevailed.

Novak moved that the name of Clawson be added as an author on H. F. No. 1868. The motion prevailed.

Rees moved that the names of Jude and McDonald be added as authors on H. F. No. 1865. The motion prevailed.

Nelson, K., moved that the names of Reding and Wynia be added as authors on H. F. No. 1879. The motion prevailed.

Nelson, K., moved that the name of Minne be added as an author on H. F. No. 1880. The motion prevailed.

Nelson, K., moved that the names of Rees, Greenfield and Zubay be added as authors on H. F. No. 1878. The motion prevailed.

Simoneau moved that the name of Clark, K., be added as an author on H. F. No. 1861. The motion prevailed.

Rees moved that the name of Vanasek be added as an author on H. F. No. 1666. The motion prevailed.

Novak moved that the name of Clawson be added as an author on H. F. No. 1869. The motion prevailed.

Rice moved that the names of Peterson, B.; Stadum and Laidig be added as authors on H. F. No. 1262. The motion prevailed.

Mehrkens moved that the name of Anderson, G., be shown as chief author and the name of Mehrkens be shown as second author on H. F. No. 1815. The motion prevailed.

Clark, K., moved that S. F. No. 1151 be recalled from the Committee on Judiciary and together with H. F. No. 1341, now on the Technical Consent Calendar, be referred to the Chief Clerk for comparison. The motion prevailed.

Rodriguez, F., moved that the names of Hanson, Kelly, Drew and O'Connor be added as authors on H. F. No. 1902. The motion prevailed.

Peterson, D., moved that the name of Long be added as an author on H. F. No. 1889. The motion prevailed.

Long moved that the name of Hokanson be added as an author on H. F. No. 1900. The motion prevailed.

Peterson, B., moved that the names of Lehto and Marsh be added as authors on H. F. No. 1949. The motion prevailed.

Brandl moved that the name of Tomlinson be added as an author on H. F. No. 1904. The motion prevailed.

Brandl moved that the name of Niehaus be added as an author on H. F. No. 1885. The motion prevailed.

Kelly moved that the name of Welch be added as an author on H. F. No. 1887. The motion prevailed.

Dempsey moved that the name of Esau be added as an author on H. F. No. 1915. The motion prevailed.

Voss moved that the name of Long be added as an author on H. F. No. 1933. The motion prevailed.

Battaglia moved that the name of Murphy be added as an author on H. F. No. 1616. The motion prevailed.

Kalis moved that the name of Redalen be added as an author on H. F. No. 1919. The motion prevailed.

Nysether moved that the name of Forsythe be added as an author on H. F. No. 1765. The motion prevailed.

Schoenfeld moved that H. F. No. 353 be taken from the table, that the Speaker appoint a Conference Committee of 5 members of the House, and that the House requests that a like committee be appointed by the Senate to confer on the disagreeing votes of the two houses. The motion prevailed.

Skoglund moved that the name of Eken be stricken and the name of Shea be added as an author on H. F. No. 1732. The motion prevailed.

ADJOURNMENT

Eken moved that when the House adjourns today it adjourn until 2:00 p.m., Thursday, February 11, 1982. The motion prevailed.

Eken moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 2:00 p.m., Thursday, February 11, 1982.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

STATE OF MINNESOTA

SEVENTY-SECOND SESSION - 1982

SEVENTIETH DAY

SAINT PAUL, MINNESOTA, THURSDAY, FEBRUARY 11, 1982

The House of Representatives convened at 2:00 p.m. and was called to order by Harry A. Sieben, Jr., Speaker of the House.

Prayer was offered by Pastor Richard F. Goebel, Zion Lutheran Church, St. Paul, Minnesota.

The roll was called and the following members were present:

Aasness	Fjoslien	Knickerbocker	O'Connor	Simoneau
Ainley	Forsythe	Kostohryz	Ogren	Skoglund
Anderson, B.	Frerichs	Kvam	Olsen	Stadum
Anderson, G.	Greenfield	Laidig	Onnen	Staten
Anderson, I.	Gruenes	Lehto	Osthoff	Stowell
Battaglia	Gustafson	Lemen	Otis	Stumpf
Begich	Halberg	Levi	Peterson, B.	Sviggum
Berkelman	Hanson	Long	Peterson, D.	Swanson
Blatz	Harens	Ludeman	Piepho	Tomlinson
Brandl	Hauge	Luknic	Pogemiller	Valan
Brinkman	Haukoos	Mann	Redalen	Valento
Byrne	Heap	Marsh	Reding	Vanasek
Carlson, D.	Heinitz	McCarron	Rees	Vellenga
Carlson, L.	Himle	McDonald	Reif	Voss
Clark, K.	Hoberg	McEachern	Rice	Weaver
Clawson	Hokanson	Mehrkens	Rodriguez, C.	Welch
Dahlvang	Hokr	Metzen	Rodriguez, F.	Welker
Dean	Jacobs	Minne	Rose	Wenzel
Den Ouden	Jennings	Munger	Rothenberg	Wieser
Drew	Johnson, C.	Murphy	Samuelson	Wigley
Eken	Johnson, D.	Nelsen, B.	Sarna	Wynia
Ellingson	Jude	Nelson, K.	Schafer	Zubay
Erickson	Kahn	Niehaus	Schreiber	Spkr. Sieben, H.
Esau	Kaley	Norton	Shea	
Evans	Kalis	Novak	Sherman	
Ewald	Kelly	Nysether	Sherwood	

A quorum was present.

Anderson, R.; Clark, J.; Dempsey; Elioff; Schoenfeld and Searles were excused.

Sieben, M., was excused until 4:40 p.m.

The Chief Clerk proceeded to read the Journal of the preceding day. Clawson moved that further reading of the Journal be

dispensed with and that the Journal be approved as corrected by the Chief Clerk. The motion prevailed.

REPORTS OF CHIEF CLERK

Pursuant to Rules of the House, printed copies of H. F. Nos. 1430, 1616, 1637, 776, 1166, 1341, 1484, 1580, 1589, 1602, 1635, 1523, 1668 and 1610 and S. F. Nos. 679, 860, 1068, 1231, 1364, 1408, 1503, 1514, 699, 16 and 429 have been placed in the members' files.

S. F. No. 1408 and H. F. No. 1479, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Berkelman moved that S. F. No. 1408 be substituted for H. F. No. 1479 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1151 and H. F. No. 1341, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Clark, K., moved that S. F. No. 1151 be substituted for H. F. No. 1341 and that the House File be indefinitely postponed. The motion prevailed.

REPORTS OF STANDING COMMITTEES

Swanson from the Committee on Health and Welfare to which was referred:

H. F. No. 275, A bill for an act relating to optometrists; requiring advice to patients under certain conditions; proposing new law coded in Minnesota Statutes, Chapter 148.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [148.571] [USE OF TOPICAL OCULAR DRUGS.]

Subdivision 1. [AUTHORITY.] Subject to the provisions of sections 1 to 5, a licensed optometrist may administer topical ocular drugs to the anterior segment of the human eye during an eye examination in the course of his or her practice in his or her normal practice setting, solely for the purposes of determining the refractive, muscular, or functional origin of sources of visual discomfort or difficulty, and detecting abnormalities which may be evidence of disease.

Subd. 2. [DRUGS SPECIFIED.] For purposes of sections 1 to 5, "topical ocular drugs" means:

(1) commercially prepared topical anesthetics as follows: proparacaine HC1 0.5 percent, tetracaine HC1 0.5 percent, and benoxinate HC1 0.4 percent;

(2) commercially prepared mydriatics as follows: phenylephrine HC1 in strength not greater than 2.5 percent and hydroxyamphetamine HBr in strength not greater than 1 percent; and

(3) commercially prepared cycloplegics/mydriatics as follows: tropicamide in strength not greater than 1 percent and cyclopentolate in strength not greater than 1 percent.

Sec. 2. [148.572] [ADVICE TO SEEK DIAGNOSIS AND TREATMENT.]

Whether or not topical ocular drugs have been used, if any licensed optometrist is informed by a patient or determines from examining a patient, using judgment and that degree of skill, care, knowledge and attention ordinarily possessed and exercised by optometrists in good standing under like circumstances, that there is present in that patient signs or symptoms which may be evidence of disease, then the licensed optometrist shall (1) promptly advise that patient to seek evaluation by an appropriate licensed physician for diagnosis and possible treatment and (2) not attempt to treat such condition by the use of drugs or any other means.

Sec. 3. [148.573] [PREREQUISITES TO DRUG USE.]

Subdivision 1. [CERTIFICATE REQUIRED.] A licensed optometrist shall not purchase, possess or administer any topical ocular drugs unless, after the effective date of this section the optometrist has obtained a certificate from the board of optometry certifying that the optometrist has complied with the following requirements:

(a) Successful completion of 60 classroom hours of study in general and clinical pharmacology as it relates to the practice of optometry, with particular emphasis on the use of topical ocular drugs for examination purposes. At least 30 of the 60 classroom hours shall be in ocular pharmacology and shall emphasize the systemic effects of and reactions to topical ocular drugs, including the emergency management and referral of any adverse reactions that may occur. The course of study shall be approved by the board of optometry, and shall be offered by an institution which is accredited by a regional or professional accreditation organization recognized or approved by the Council on Post-secondary Education or the United States Depart-

ment of Education or their successors. The course shall be completed prior to entering the examination required by this section;

(b) Successful completion of an examination approved by the board of optometry on the subject of general and ocular pharmacology as it relates to optometry with particular emphasis on the use of topical ocular drugs, including emergency management and referral of any adverse reactions that may occur;

(c) Successful completion, after the effective date of this section, of a course in cardiopulmonary resuscitation offered or approved by the Red Cross, American Heart Association, an accredited hospital, or a comparable organization or institution; and

(d) Establishment, after the effective date of this section, of an emergency plan for the management and referral to appropriate medical services of patients who may experience adverse drug reactions resulting from the application of topical ocular drugs. The plan must be approved by the board of optometry and shall, at least, require the optometrist to:

(1) Refer patients who notify the optometrist of an adverse drug reaction to appropriate medical specialists or facilities;

(2) Routinely advise the patient to immediately contact the optometrist if the patient experiences an adverse reaction;

(3) Place in the patient's permanent record information describing any adverse drug reaction experienced by the patient, and the date and time that any referral was made; and

(4) Include in the plan the names of at least three physicians, physician clinics, or hospitals to whom the optometrist will refer patients who experience an adverse drug reaction. At least one of these physicians shall be skilled in the diagnosis and treatment of diseases of the eye.

Subd. 2. [EXCEPTION.] The course and examination required by clauses (a) and (b) of subdivision 1 shall be completed after the effective date of this section except that the board of optometry may certify applicants who have graduated from an accredited school of optometry within two years prior to the effective date of sections 1 to 5 if the school's curriculum includes a course and examination meeting the requirements of clauses (a) and (b) of subdivision 1.

Subdivision 3. [CONSULTATION REQUIRED.] Approvals of the course, examination and emergency plan required by clauses (a), (b) and (d) of subdivision 1 shall be given by the board of optometry only after consultation with the board of

medical examiners and board of pharmacy, provided that the recommendations of the board of medical examiners and board of pharmacy are made within 120 days after they are requested by the board of optometry.

**Sec. 4. [148.574] [PROHIBITIONS RELATING TO LEG-
END DRUGS; AUTHORIZING SALES BY PHARMACISTS
UNDER CERTAIN CONDITIONS.]**

*An optometrist shall not purchase, possess, administer, pre-
scribe or give any legend drug as defined in section 151.01 to any
person except as is expressly authorized by sections 1 to 3. Noth-
ing in Chapter 151 shall prevent a pharmacist from selling topi-
cal ocular drugs to an optometrist authorized to use such drugs
pursuant to sections 1 to 3.*

**Sec. 5. Minnesota Statutes 1980, Section 148.57, Subdivision
3, is amended to read:**

Subd. 3. [REVOCAION, SUSPENSION.] The board may
revoke the license or suspend the right to practice of any person
who has been convicted of any violation of sections 148.52 to
148.62 or of any other criminal offense, *or who violates any pro-
vision of sections 1 to 4* or who is found by the board to be in-
competent or guilty of unprofessional conduct. "Unprofessional
conduct" means any conduct of a character likely to deceive or
defraud the public, including, among other things, free exami-
nation advertising, the loaning of his license by any licensed
optometrist to any person; the employment of "cappers" or "steer-
ers" to obtain business; splitting or dividing a fee with any per-
son; the obtaining of any fee or compensation by fraud or mis-
representation; employing directly or indirectly any suspended
or unlicensed optometrist to perform any work covered by sec-
tions 148.52 to 148.62; the advertising by any means of optomet-
ric practice or treatment or advice in which untruthful, improb-
able, misleading, or impossible statements are made. After one
year, upon application and proof that the disqualification has
ceased, the board may reinstate such person."

Amend the title as follows:

Page 1, line 2, after the semicolon insert "authorizing the use
of certain topical ocular drugs; providing for education, training
and testing requirements; requiring an emergency treatment
plan;"

Page 1, line 2 after "patients" insert "to seek evaluation by
physician"

Page 1, line 3 after the semicolon insert "amending Minnesota
Statutes 1980, Section 148.57, Subdivision 3;"

With the recommendation that when so amended the bill pass.

The report was adopted.

Jude from the Committee on Judiciary to which was referred:

H. F. No. 919, A bill for an act relating to real property; providing for the registration of certain possessory estates in real property without court proceedings; providing for a changeover from a certificate of possessory title to a certificate of title after a certain number of years; proposing new law coded as Minnesota Statutes, Chapter 508A.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Voss from the Committee on Local and Urban Affairs to which was referred:

H. F. No. 1176, A bill for an act relating to the environment; establishing an environmental response fund to pay for removal and remedial action associated with certain hazardous substances released into the environment; providing for liability for releases of hazardous substances; imposing penalties; appropriating money; proposing new law coded as Minnesota Statutes, Chapter 115B.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. [115B.01] [CITATION.]

Sections 1 to 22 may be cited as the Environmental Response and Liability Act.

Sec. 2. [115B.02] [DEFINITIONS.]

Subdivision 1. [APPLICATION.] For the purposes of sections 1 to 22, the following terms have the meanings given them.

Subd. 2. [ACT OF GOD.] “Act of God” means an unanticipated grave natural disaster or other natural phenomenon of an exceptional, inevitable, and irresistible character, the effects of which could not have been prevented or avoided by the exercise of due care or foresight.

Subd. 3. [AGENCY.] “Agency” means the pollution control agency.

Subd. 4. [DAMAGES.] *“Damages” means damages for economic loss or personal injury or the loss of natural resources as specified in section 3.*

Subd. 5. [DIRECTOR.] *“Director” means the director of the pollution control agency.*

Subd. 6. [FACILITY.] *“Facility” means:*

(a) *Any building, structure, installation, equipment, pipe or pipeline (including any pipe into a sewer or publicly owned treatment works), well, pit, pond, lagoon, impoundment, ditch, landfill, storage container, motor vehicle, rolling stock, or aircraft;*

(b) *Any watercraft of any description, or other artificial contrivance used or capable of being used as a means of transportation on water; or*

(c) *Any site or area where a hazardous substance has been deposited, stored, disposed of, or placed, or otherwise come to be located.*

“Facility” does not include any consumer product in consumer use.

Subd. 7. [FEDERAL SUPERFUND ACT.] *“Federal Superfund Act” means the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. Section 9601 et seq.*

Subd. 8. [FUND.] *“Fund” means the environmental response, compensation and compliance fund established under section 16.*

Subd. 9. [HAZARDOUS SUBSTANCE.] *“Hazardous substance” means:*

(a) *Any substance designated pursuant to the Federal Water Pollution Control Act, under 33 U.S.C. Section 1321 (b)(2)(A);*

(b) *Any element, compound, mixture, solution, or substance designated pursuant to the Federal Superfund Act, under 42 U.S.C. Section 9602;*

(c) *Any substance having the characteristics identified or listed pursuant to the Solid Waste Disposal Act, under 42 U.S.C. Section 6921, not including any waste the regulation of which under that act has been suspended by act of congress;*

(d) *Any toxic pollutant listed pursuant to the Federal Water Pollution Control Act, under 33 U.S.C. Section 1317(a);*

(e) *Any hazardous air pollutant listed pursuant to the Clean Air Act, under 42 U.S.C. Section 7412;*

(f) *Any imminently hazardous chemical substance or mixture with respect to which the administrator of the federal environmental protection agency has taken action pursuant to the Toxic Substances Control Act, under 15 U.S.C. Section 2606;*

(g) *Any hazardous waste; and*

(h) *Any PCB as defined in section 116.36.*

Subd. 10. [HAZARDOUS WASTE.] *“Hazardous waste” has the meaning given it in section 116.06, subdivision 13, and includes those substances identified as hazardous wastes pursuant to rules adopted under section 116.07.*

Subd. 11. [NATURAL RESOURCES.] *“Natural resources” has the meaning given it in section 116B.02, subdivision 4.*

Subd. 12. [RELEASE.] *“Release” means any spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, or disposing into the environment which occurred at a point in time or which continues to occur.*

“Release” does not include:

(a) *Emissions from the engine exhaust of a motor vehicle, rolling stock, aircraft, watercraft, or pipeline pumping station engine;*

(b) *Release of source, byproduct, or special nuclear material from a nuclear incident, as those terms are defined in the Atomic Energy Act of 1954, under 42 U.S.C. Section 2014, if the release is subject to requirements with respect to financial protection established by the federal nuclear regulatory commission under 42 U.S.C. Section 2210;*

(c) *Release of source, byproduct or special nuclear material from any processing site designated pursuant to the Uranium Mill Tailings Radiation Control Act of 1978, under 42 U.S.C. Section 7912(a)(1) or 7942(a); or*

(d) *The normal application of fertilizer or normal application of recommended levels of approved agricultural chemicals.*

Subd. 13. [REMEDY OR REMEDIAL ACTION.] *“Remedy” or “remedial action” means those actions consistent with permanent remedy taken instead of or in addition to removal actions in the event of a release or threatened release of a hazardous substance into the environment, to prevent, minimize*

or eliminate the release of hazardous substances to protect the public health or welfare or the environment.

“Remedy” or “remedial action” includes, but is not limited to:

(a) *Actions at the location of the release such as storage, confinement, perimeter protection using dikes, trenches, or ditches, clay cover, neutralization, cleanup of released hazardous substances or contaminated materials, recycling or reuse, diversion, destruction, segregation of reactive wastes, dredging or excavations, repair or replacement of leaking containers, collection of leachate and runoff, onsite treatment or incineration, provision of alternative water supplies, and any monitoring and maintenance reasonably required to assure that these actions protect the public health and welfare and the environment; and*

(b) *The costs of permanent relocation of residents and businesses and community facilities when the agency determines that, alone or in combination with other measures, relocation is more cost effective than and environmentally preferable to the transportation, storage, treatment, destruction, or secure disposition offsite of hazardous substances, or may otherwise be necessary to protect the public health or welfare.*

“Remedy” or “remedial action” does not include offsite transport of hazardous substances, or the storage, treatment, destruction, or secure disposition offsite of hazardous substances or contaminated materials unless the agency determines that these actions:

(1) *Are more cost effective than other remedial actions;*

(2) *Will create new capacity to manage hazardous substances in addition to those located at the affected facility, in compliance with section 116.07 and subtitle C of the Solid Waste Disposal Act, 42 U.S.C. Section 6921 et seq.; or*

(3) *Are necessary to protect public health or welfare or the environment from a present or potential risk which may be created by further exposure to the continued presence of the substances or materials.*

Subd. 14. [REMOVE OR REMOVAL.] *“Remove” or “removal” means:*

(a) *The cleanup or removal of released hazardous substances from the environment;*

(b) *Necessary actions taken in the event of a threatened release of hazardous substances into the environment;*

(c) *Actions necessary to monitor, assess, and evaluate a release or threatened release of hazardous substances;*

(d) *Disposal or processing of removed material; or*

(e) *Other actions necessary to prevent, minimize, or mitigate damage to the public health or welfare or to the environment, which may otherwise result from a release or threatened release.*

“Remove” or “removal” includes, but is not limited to, security fencing or other measures to limit access, provision of alternative water supplies, temporary evacuation and housing of threatened individuals not otherwise provided for, action taken pursuant to the Federal Superfund Act, under 42 U.S.C. Section 9604(b), and any emergency assistance which may be provided under the Disaster Relief Act of 1974, 42 U.S.C. Section 5121 et seq.

Subd. 15. [RESPOND OR RESPONSE.] “Respond” or “response” means remove, removal, remedy, and remedial action.

Subd. 16. [WATER.] “Water” has the meaning given to the term “waters of the state” in section 115.01, subdivision 9.

Sec. 3. [115B.03] [LIABILITY FOR RESPONSE COSTS AND DAMAGES.]

Subdivision 1. [GENERAL RULE.] Except as otherwise provided in subdivisions 3 to 7 and section 4, and notwithstanding any other provision or rule of law, any person who is responsible for a release or threatened release of a hazardous substance from a facility shall be strictly liable, jointly and severally, for:

(a) *All reasonable and necessary costs of removal, or remedial action incurred by the state, a political subdivision of the state or the United States;*

(b) *Any other reasonable and necessary costs or expenses incurred by any person to remove a hazardous substance; and*

(c) *All damages for economic loss or loss due to personal injury or disease or loss of natural resources resulting from such a release including:*

(1) *Any injury to, destruction of, or loss of any real or personal property, including relocation costs;*

(2) *Any loss of use of real or personal property;*

(3) *Any injury to, destruction of, or loss of natural resources, including the reasonable costs of assessing such injury, destruction, or loss;*

(4) *Any loss of income or profits or impairment of earning capacity resulting from personal injury or disease or from injury to or destruction of real or personal property or natural resources without regard to the ownership of such property or resources; and*

(5) *All medical expenses, rehabilitation costs or burial expenses due to personal injury or disease.*

Subd. 2. [RESPONSIBLE PERSON.] For the purpose of subdivision 1, a person is responsible for a release or threatened release of a hazardous substance from a facility if the person:

(a) *Owned or operated the facility at the time the hazardous substance was placed or came to be located in or on the facility, during the time of the release or threatened release, or at any time between those occurrences;*

(b) *Owned or possessed the hazardous substance and arranged, by contract, agreement or otherwise, for the disposal, treatment or transport for disposal or treatment of the hazardous substance; or*

(c) *Accepted the hazardous substance for transport to a disposal or treatment facility and either selected the facility to which it was transported or disposed of the substance in a manner contrary to law.*

Subd. 3. [DEFENSES AVAILABLE TO RESPONSIBLE PERSONS.] There shall be no liability under subdivision 1 for any person otherwise liable if the person establishes by a preponderance of the evidence that the release or threatened release was caused solely by:

(a) *An act of God;*

(b) *An act of war; or*

(c) *An act or omission of a third party.*

"Third party" for the purposes of clause (c) does not include an employee or agent of the defendant, or a person whose act or omission occurs in connection with a contractual relationship, existing directly or indirectly, with the defendant.

The defense provided in clause (c) applies only if the defendant establishes by a preponderance of the evidence that he exercised due care with respect to the hazardous substance concerned, taking into consideration the characteristics of the hazardous substance in light of all relevant facts and circumstances, and that he took precautions against foreseeable acts

or omissions of a third party and the consequences that could foreseeably result from those acts or omissions.

Subd. 4. [DEFENSE AVAILABLE TO OWNER OF REAL PROPERTY.] *An owner of real property is not liable for damages under subdivision 1, clause (c), if he:*

(a) Shows by a preponderance of the evidence that he neither knew nor reasonably should have known that any hazardous substance was present on the property before the release or threatened release; and

(b) Notifies the agency of the release or threatened release as soon as practicable after he knows about it.

Subd. 5. [CERTAIN EMPLOYEE CLAIMS NOT COVERED.] *There is no liability under subdivision 1 for personal injury or disease of employees arising out of and in the course of employment, as those terms are used in chapter 176, if the defendant shows that no other personal injury or disease is known to have resulted from the release.*

Subd. 6. [NATURAL RESOURCES.] *No liability with respect to natural resources shall be imposed when the defendant has demonstrated that:*

(a) The damages to natural resources complained of were specifically identified as an irreversible and irretrievable commitment of natural resources in an approved final state or federal environmental impact statement, or other comparable approved final environmental analysis;

(b) The decision to grant a permit or license authorizes that commitment of natural resources; and

(c) The facility or project was operating within the terms of its permit or license.

Subd. 7. [LIABILITY FOR A THREATENED RELEASE.] *Liability for a threatened release of a hazardous substance is limited to the recovery by the agency of response costs pursuant to section 14, subdivision 6.*

Subd. 8. [LIABILITY OF POLITICAL SUBDIVISIONS.] *The liability of a political subdivision under this section is subject to the limits imposed under section 466.04, subdivision 1.*

Sec. 4. [115B.04] [EXEMPTION FROM LIABILITY.]

A person shall not be liable under sections 1 to 12:

(a) *For damages as a result of acts taken or omitted in preparation for, or in the course of rendering care, assistance, or advice to the director or agency pursuant to section 14 or in accordance with the national hazardous substance response plan pursuant to the Federal Superfund Act, under 42 U.S.C. Section 9605, or at the direction of an on-scene coordinator appointed under that plan, with respect to an incident creating a danger to public health or welfare or the environment as a result of any release or threatened release of a hazardous substance;*

(b) *For damages or response costs as a result of the release or threatened release of a hazardous substance from a hazardous waste facility as defined under section 115A.03, for which a permit has been issued pursuant to section 116.07 or pursuant to subtitle C of the Solid Waste Disposal Act, 42 U.S.C. Section 6921 et seq., if the hazardous substance is specifically identified in the permit and the release is within the limits allowed in the permit for release of that substance;*

(c) *For damages or response costs as a result of a release or threatened release of a hazardous substance if the substance is specifically identified in a federal or state permit and the release is within the limits allowed in the permit for release of that substance; or*

(d) *If his liability has been transferred to and assumed by the federal post-closure liability fund pursuant to the Federal Superfund Act, under 42 U.S.C. Section 9607(k).*

Sec. 5. [115B.05] [PROVING CAUSATION OF PERSONAL INJURY OR DISEASE.]

Subdivision 1. [RELEVANT EVIDENCE.] In adjudicating under sections 1 to 12 the question of whether a plaintiff's personal injury or disease was caused by the release of a hazardous substance, any evidence tending to establish that the hazardous substance causes, contributes to or increases the risk of injury or disease of the sort suffered by the plaintiff is relevant evidence on the issue of causation including:

(a) *Evidence indicating an increase of incidence of that sort or injury or disease in the population exposed to the release of that substance above that which is otherwise probable;*

(b) *Results of epidemiological studies;*

(c) *Results of animal studies;*

(d) *Results of tissue culture studies; and*

(e) *Results of laboratory or toxicologic studies.*

Subd. 2. [BURDEN OF PRODUCING EVIDENCE.] In adjudicating under sections 1 to 12 the question of whether a plaintiff's personal injury or disease was caused by the release of a hazardous substance, the burden of producing evidence related to causation shifts to the defendant and the question shall be submitted to the trier of fact if the plaintiff shows evidence sufficient to enable the trier of fact to find that:

(a) There is a reasonable likelihood that the plaintiff was exposed to the hazardous substance found in the release;

(b) There is a reasonable likelihood that exposure to the hazardous substance causes or significantly contributes to injury or disease of the sort suffered by the plaintiff; and

(c) There is a reasonable likelihood that the quantity or duration of the plaintiff's exposure to the hazardous substance is sufficient to cause or significantly contribute to injury or disease of the sort suffered by the plaintiff.

Nothing in this subdivision affects the burden of persuasion on the question of whether the release of a hazardous substance caused a personal injury or disease. That burden remains with the plaintiff.

Sec. 6. [115B.06] [APPORTIONMENT OF LIABILITY; LIMITATION; CONTRIBUTION.]

Subdivision 1. [APPORTIONMENT FACTORS.] For the purposes of subdivisions 2 and 3, any person held jointly and severally liable under section 3 may seek an apportionment of the common liability. In apportioning the liability of any party under this section, the trier of fact shall consider the following:

(a) The ability of the party to demonstrate that his contribution to a release of a hazardous substance can be distinguished;

(b) The amount of hazardous substance involved;

(c) The degree of toxicity of the hazardous substance involved;

(d) The degree of involvement and care exercised in manufacturing, treating, transporting, and disposing of the hazardous substance;

(e) The degree of cooperation with federal, state, or local officials to prevent any harm to the public health or the environment; and

(f) Knowledge of the hazardous nature of the substance.

Subd. 2. [LIMITATION OF LIABILITY.] If a person who is held jointly and severally liable under section 3 is able to demonstrate by a preponderance of evidence that his share of the common liability can be apportioned and that his actions were not a significant factor in causing or contributing to the release or the damages resulting from it, then the liability of that person shall be limited to his proportionate share of the common liability.

Subd. 3. [CONTRIBUTION.] Any person held jointly and severally liable under section 3 who is required to pay more than that person's proportionate share of the common liability is entitled to seek contribution from any other person liable for the damages to the extent of their proportionate liability.

Sec. 7. [115B.07] [CIVIL PENALTIES; FAILURE TO TAKE REQUESTED ACTIONS.]

The agency may impose a civil penalty of up to \$10,000 per day on any person responsible for a release or threatened release of a hazardous substance, pollutant, or contaminant for each day that the person fails to take response actions or to make reasonable progress in completing response actions requested as provided in this section. A request for emergency removal action shall be made by the director. Other requests for response actions shall be made by the agency. The request shall be in writing, shall state the action requested, the reasons for the action, and a reasonable time by which the action must be begun and completed taking into account the urgency of the action for protection of the public health, welfare, and environment.

Any penalty imposed under this section may be recovered by an action brought by the attorney general in the name of the state in connection with an action to recover expenses of the agency under section 14, subdivision 6, or by a separate action in the district court of Ramsey County. All penalties recovered under this section shall be deposited in the fund.

Sec. 8. [115B.08] [AGREEMENTS TO TRANSFER LIABILITY; INSURANCE AND SUBROGATION.]

No indemnification, hold harmless, conveyance, or similar agreement shall be effective to transfer the liability imposed under section 3 from the owner or operator of a facility or from any person who may be liable under section 3 to any other person. Nothing in this section shall be construed:

(a) To prohibit any party who may be liable under section 3 from entering an agreement by which that party is insured, held harmless or indemnified for part or all of that liability;

(b) To prohibit the enforcement of any insurance, hold harmless or indemnification agreement; or

(c) To bar any cause of action brought by a party who may be liable under section 3 or by an insurer or guarantor, whether by right of subrogation or otherwise.

Sec. 9. [115B.09] [STATUTE OF LIMITATIONS.]

No person may recover for any injury or loss pursuant to sections 3 to 11 unless the action is commenced within six years from the date of discovery of the injury or loss.

Sec. 10. [115B.10] [OTHER REMEDIES PRESERVED.]

Nothing in sections 1 to 12 shall affect the right of any person to bring a legal action or use any remedy available under any other provision of state or federal law, including common law, to recover for injury, disease or economic loss resulting from a release of any hazardous substance, or for removal or the costs of removal of that hazardous substance.

Sec. 11. [115B.11] [DOUBLE RECOVERY PROHIBITED.]

A person who recovers response costs or damages pursuant to sections 1 to 12 may not recover the same costs or damages pursuant to any other law. A person who recovers response costs or damages pursuant to any other state or federal law may not recover for the same costs or damages pursuant to sections 1 to 12.

Sec. 12. [115B.12] [APPLICATION OF SECTIONS 1 TO 11.]

Sections 1 to 11 apply to any release or threatened release of a hazardous substance occurring on or after July 1, 1982, including any release which began before July 1, 1982 and continued after that date. Sections 1 to 11 do not apply to a release or threatened release which occurred wholly before July 1, 1982, regardless of the date of discovery of any injury or loss caused by the release or threatened release.

Sec. 13. [115B.13] [DISPOSITION OF FACILITIES.]

Subdivision 1. [CLOSED DISPOSAL FACILITIES; USE OF PROPERTY.] *No person shall use any property on or in which hazardous waste remains after closure of a disposal facility as defined in section 115A.03, subdivision 10, in any way that disturbs the integrity of the final cover, liners, or any other components of any containment system, or the function of the disposal facility's monitoring systems, unless the agency finds that the disturbance:*

(a) *Is necessary to the proposed use of the property, and will not increase the potential hazard to human health or the environment; or*

(b) *Is necessary to reduce a threat to human health or the environment.*

Subd. 2. [RECORDING OF AFFIDAVIT AND NOTATION.] Before any transfer of ownership of any property on which a hazardous substance has been disposed of or which has been contaminated by release of a hazardous substance the owner shall record with the county recorder of the county in which the property is located an affidavit that discloses to any potential transferee:

(a) *That the land has been used to dispose of hazardous waste or that the land has been contaminated by a release of a hazardous substance;*

(b) *The identity, quantity, location, condition and circumstances of the disposal or contamination to the full extent known or ascertainable; and*

(c) *That the use of the property may be restricted as provided in subdivision 1.*

An owner must also file an affidavit within 60 days after any material change in any matter required to be disclosed under clauses (a) to (c) with respect to property for which an affidavit has already been recorded.

When an affidavit is recorded, the owner shall record with the county recorder a notation on the deed to the property which states the existence of a hazardous substance on the property and the place where the recorded affidavit may be found.

If the owner or any subsequent owner of the property removes the hazardous substance, together with any residues, liner, and contaminated underlying and surrounding soil, that owner may record a notation to the deed indicating the removal of the hazardous substance.

Failure to record an affidavit or notation as provided in this subdivision does not affect or prevent any transfer of ownership of the property.

Subd. 3. [DUTY OF COUNTY RECORDER.] The county recorder shall record all affidavits and notations presented to him in accordance with subdivision 2. The affidavits shall be recorded in a manner which will assure their disclosure in the ordinary course of a title search of the subject property.

Subd. 4. [PENALTIES.] (a) Any person who knowingly violates the provisions of subdivision 1 is subject to a civil fine of not more than \$100,000, and shall be liable under section 3 for any release or threatened release of any hazardous substance resulting from the violation.

(b) Any person who knowingly fails to record an affidavit or notation as required by subdivision 2 shall be liable under section 3 for any release or threatened release of any hazardous substance from a facility located on that property.

(c) A civil fine may be imposed and recovered by an action brought by a county attorney or by the attorney general in the district court of the county in which the property is located.

(d) Any civil fines recovered under this subdivision shall be deposited in the fund.

Sec. 14. [115B.14] [STATE RESPONSE TO RELEASES OF HAZARDOUS SUBSTANCES.]

Subdivision 1. [REMOVAL AND REMEDIAL ACTION.] Whenever there is a release or substantial threat of release into the environment of any pollutant or contaminant which presents an imminent and substantial danger to the public health or welfare, or whenever a hazardous substance is released or there is a threatened release of a hazardous substance into the environment:

(a) The agency may take any removal or remedial action relating to the hazardous substance, pollutant, or contaminant which the agency deems necessary to protect the public health or welfare or the environment. Before taking any action the agency shall:

(1) Request any responsible party known to the agency to take actions which the agency deems reasonable and necessary to protect the public health, welfare or the environment, stating the reasons for the actions, a reasonable time for beginning and completing the actions taking into account the urgency of the actions for protecting the public health, welfare and environment, and the intention of the agency to take action if the requested actions are not taken as requested; and

(2) Determine that the actions requested by the agency will not be taken by any known responsible party in the manner and within the time requested.

(b) The director may take removal action which he deems necessary to protect the public health, welfare or the environment if the director determines that the release or threatened release constitutes an emergency requiring immediate action to prevent, minimize or mitigate damage to the public health, wel-

fare or the environment. Before taking any action the director shall make reasonable efforts in light of the urgency of the action to follow the procedure provided in clause (a).

No removal action taken by any person shall be construed as an admission of liability for a release or threatened release.

Subd. 2. [POLLUTANT OR CONTAMINANT.] For the purposes of this section, "pollutant" or "contaminant" includes, but is not limited to, any element, substance, compound, or mixture, including disease-causing agents, which after release into the environment and upon exposure, ingestion, inhalation, or assimilation into any organism, either directly from the environment or indirectly by ingestion through food chains, will or may reasonably be anticipated to cause death, disease, behavioral abnormalities, cancer, genetic mutation, physiological malfunctions (including malfunctions in reproduction) or physical deformations, in the organisms or their offspring.

Subd. 3. [OTHER ACTIONS.] Whenever the agency or director is authorized to act pursuant to subdivision 1 or whenever the agency or director has reason to believe that a release of a hazardous substance, pollutant or contaminant has occurred or is about to occur, or that illness, disease, or complaints thereof may be attributable to exposure to a hazardous substance, pollutant, or contaminant, the agency or director may undertake investigations, monitoring, surveys, testing, and other information gathering necessary or appropriate to identify the existence and extent of the release or threat thereof, the source and nature of the hazardous substances, pollutants or contaminants involved, and the extent of danger to the public health or welfare or to the environment. In addition, the agency may undertake planning, legal, fiscal, economic, engineering, architectural, and other studies or investigations necessary or appropriate to plan and direct a response action, to recover the costs thereof, and to enforce the provisions of sections 1 to 14.

Subd. 4. [DUTY TO PROVIDE INFORMATION.] Any person who is responsible for a release or threatened release as provided in section 3, subdivision 2, including a release or threatened release of a pollutant or contaminant, when requested by the agency, or any member, employee or agent thereof who is authorized by the agency, shall furnish to the agency any information which he may have or may reasonably obtain which is relevant to the release or threatened release.

Subd. 5. [ACCESS TO INFORMATION AND PROPERTY.] The agency or any member, employee or agent thereof authorized by the agency, upon presentation of credentials, may:

(a) Examine and copy any books, papers, records, memoranda or data of any person who the agency has reason to believe is responsible for a release or threatened release as provided in

section 3, subdivision 2, including a release of a pollutant or contaminant; and

(b) Enter upon any property, public or private, for the purpose of taking any action authorized by this section including obtaining information, examining records, conducting surveys or investigations, and taking removal or remedial action.

Subd. 6. [RECOVERY OF EXPENSES.] Any reasonable and necessary expenses incurred by the agency or director pursuant to this section including administrative and legal expenses may be recovered in a civil action brought by the attorney general under sections 1 to 12 or under any other law. The agency's certification of expenses shall be prima facie evidence that the expenses are reasonable and necessary. Any expenses incurred pursuant to this section which are recovered by the attorney general pursuant to sections 3 to 11 or any other law shall be deposited in the fund and may be appropriated only for additional response actions as provided in section 16, subdivision 2, clause (b) or (c).

Subd. 7. [ACTIONS RELATING TO NATURAL RESOURCES.] For the purpose of this subdivision, the state is the trustee of the air, water and wildlife of the state. An action pursuant to sections 1 to 12 for damages with respect to air, water or wildlife may be brought by the attorney general in the name of the state as trustee for those natural resources. Any damages recovered by the attorney general pursuant to sections 1 to 12 or any other law for injury to, or loss or loss of use of natural resources resulting from the release of a hazardous substance shall be deposited in the fund and may be appropriated only for rehabilitation or restoration of natural resources as provided in section 16, subdivision 2, clause (c).

Subd. 8. [ACTIONS RELATING TO PESTICIDES.] When the commissioner of agriculture has reported an incident involving the release of pesticides under the provisions of section 18A.37, and the agency determines that the incident constitutes a release of a hazardous substance, pollutant or contaminant, the agency shall authorize the commissioner, subject to the provisions of subdivision 11, to take any action which the agency would be authorized to take under subdivisions 1 to 5. Subject to the provisions of section 16, subdivision 3, the agency shall reimburse the commissioner from the fund for the reasonable and necessary expenses incurred in taking those actions and may recover any amount spent from the fund under subdivision 6.

Subd. 9. [ACTIONS RELATING TO OCCUPATIONAL SAFETY AND HEALTH.] The agency, director and the commissioner of labor and industry shall make reasonable efforts to coordinate any actions taken under this section and under sections 182.65 to 182.674 to avoid duplication or conflict of actions or requirements with respect to a release or threatened

release affecting the safety of any conditions or place of employment.

Subd. 10. [LIMIT ON ACTIONS BY POLITICAL SUBDIVISIONS.] *When the agency or director has requested a person who is responsible for a release or threatened release to take any response action under subdivision 1, no political subdivision shall request or order that person to take any action which conflicts with the action requested by the agency or director.*

Subd. 11. [PRIORITIES; RULES.] *By August 1, 1982, the agency shall adopt a temporary list of priorities among releases or threatened releases for the purpose of taking remedial action and, to the extent practicable consistent with the urgency of the action, for taking removal action under this section. The temporary list, with any necessary modifications, shall remain in effect until nine months after criteria for determining priorities are published in the national contingency plan pursuant to the Federal Superfund Act, under 42 U.S.C. Section 9605. By that date, the agency shall adopt rules establishing state criteria for determining priorities among releases and threatened releases. After rules are adopted, a permanent priority list shall be established, and may be modified from time to time, according to the criteria set forth in the rules.*

The temporary list and the rules required by this subdivision shall be based upon the relative risk or danger to public health or welfare or the environment, taking into account to the extent possible the population at risk, the hazardous potential of the hazardous substances at the facilities, the potential for contamination of drinking water supplies, the potential for direct human contact, the potential for destruction of sensitive ecosystems, the administrative and financial capabilities of the agency, and other appropriate factors.

Sec. 15. [PURPOSES OF FUND, TAXES AND FEES.]

In establishing the environmental response, compensation and compliance fund and imposing the taxes in sections 18 and 19, it is the purpose of the legislature to:

(a) *Encourage treatment and disposal of hazardous waste in a manner that adequately protects the public health and welfare and the environment;*

(b) *Encourage responsible parties to provide the response actions necessary to protect the public and the environment from the effects of the release of hazardous substances;*

(c) *Encourage the use of alternatives to land disposal of solid and hazardous waste including resource recovery, recycling, neutralization and reduction;*

(d) *Provide state agencies with the financial resources needed to prepare and implement an effective and timely state response to the release of hazardous substances, including investigation, planning, removal and remedial action;*

(e) *Compensate local units of government for increased governmental expenses and loss of revenue and to provide other appropriate assistance to mitigate any adverse impact on communities in which commercial hazardous waste processing or disposal facilities are located under the siting process provided in chapter 115A; and*

(f) *Recognize the environmental and public health costs of land disposal of solid waste and of the use and disposal of hazardous substances and to place the burden of financing state waste management activities on those whose products and services contribute to waste management problems and increase the risks of harm to the public and the environment.*

Sec. 16. [ENVIRONMENTAL RESPONSE, COMPENSATION AND COMPLIANCE FUND.]

Subdivision 1. [ESTABLISHMENT.] The environmental response, compensation and compliance fund is created as an account in the state treasury and may be spent only for the purposes provided in subdivision 2.

Subd. 2. [PURPOSES FOR WHICH MONEY MAY BE SPENT.] Subject to appropriation by the legislature the money in the fund may be spent for any of the following purposes:

(a) *Preparation by the agency for taking removal or remedial action under section 14, including investigation, monitoring and testing activities, enforcement and compliance efforts relating to the release of hazardous substances;*

(b) *Removal and remedial actions taken or authorized by the agency or director under section 14 and payment of the state share of the cost of remedial action which may be carried out under a cooperative agreement with the federal government pursuant to the Federal Superfund Act, under 42 U.S.C. Section 9604(c)(3) for actions related to facilities other than those located under the siting authority of chapter 115A;*

(c) *Removal and remedial actions taken or authorized by the agency or director under section 14 and payment of the state share of the cost of remedial action which may be carried out under a cooperative agreement with the federal government pursuant to the Federal Superfund Act, under 42 U.S.C. Section 9604(c)(3) for actions related to commercial hazardous waste facilities located under the siting authority of chapter 115A;*

(d) *Compensation to local units of government as provided by law after submission by the waste management board of the report required under section 115A.08, subdivision 5 to mitigate any adverse impact of the location of commercial hazardous waste processing or disposal facilities located pursuant to the siting authority of chapter 115A;*

(e) *Planning and implementation by the commissioner of natural resources of the rehabilitation, restoration or acquisition of natural resources to remedy injuries or losses to natural resources resulting from the release of a hazardous substance;*

(f) *Inspection and monitoring by the agency of commercial hazardous waste facilities located under the siting authority of chapter 115A;*

(g) *Grants by the agency or the waste management board to demonstrate alternatives to land disposal of solid and hazardous waste, for education of persons involved in regulating and handling solid and hazardous waste, and to assist counties to develop comprehensive waste management plans; and*

(h) *Intervention and environmental mediation by the legislative commission on waste management under chapter 115A.*

Subd. 3. [LIMIT ON CERTAIN EXPENDITURES.] *The director or agency may not spend any money under subdivision 2, clause (b) or (c) for removal or remedial actions to the extent that the costs of those actions may be compensated from any fund established under the Federal Superfund Act, 42 U.S.C. Section 9600 et seq. The director or agency shall determine the extent to which any of the costs of those actions may be compensated under the federal act based on the likelihood that the compensation will be available in a timely fashion taking into account:*

(a) *The urgency of the removal or remedial actions and the priority assigned under the Federal Superfund Act to the release which necessitates those actions;*

(b) *The availability of money in the funds established under the Federal Superfund Act; and*

(c) *The consistency of any compensation for the cost of the proposed actions under the Federal Superfund Act with the national contingency plan, if such a plan has been adopted under that act.*

Subd. 4. [REVENUE SOURCES.] *Revenue from the following sources shall be deposited in the environmental response, compensation and compliance fund:*

(a) *The proceeds of the taxes imposed pursuant to sections 18 and 19, including interest and penalties;*

(b) *All money recovered by the state under section 14, subdivisions 6 and 7;*

(c) *All money paid to the agency in matters relating to the enforcement of sections 1 to 13 or any other statute or rule related to the regulation of hazardous waste or hazardous substances, including civil penalties and money paid under any agreement, stipulation or settlement;*

(d) *All interest attributable to investment of money deposited in the fund; and*

(e) *All money received in the form of gifts, grants, reimbursement or appropriation from any source for any of the purposes provided in subdivision 2, except federal grants.*

Subd. 5. [RECOMMENDATION BY LCWM.] The legislative commission on waste management shall make recommendations on appropriations from the fund to the standing legislative committees on finance and appropriations.

Subd. 6. [REPORT TO LEGISLATURE.] At the end of each fiscal year, the agency shall submit to the senate finance committee, the house appropriations committee and the legislative commission on waste management a report detailing the activities for which money from the environmental response, compensation and compliance fund has been spent during that year.

Sec. 17. [TAXES AND FEES; DEFINITIONS.]

Subdivision 1. [APPLICATION.] The definitions provided in this section apply to sections 17 to 22.

Subd. 2. [COMMISSIONER.] "Commissioner" means the commissioner of revenue.

Subd. 3. [MIXED MUNICIPAL SOLID WASTE.] "Mixed municipal solid waste" means the waste defined in section 115A.02, subdivision 21.

Subd. 4. [SOLID WASTE DISPOSAL FACILITY.] "Solid waste disposal facility" means real or personal property which is primarily used for the land disposal of mixed municipal solid waste.

Subd. 5. [GENERATOR.] "Generator" means a person who generates hazardous waste in this state and who is required

to disclose the generation of hazardous waste under the hazardous waste rules of the agency adopted under section 116.07.

Subd. 6. [OPERATOR.] "Operator" means the permittee, owner, or other person in control of the facility under a lease, contract, or other arrangement.

Sec. 18. [SOLID WASTE DISPOSAL TAX.]

Subdivision 1. [AMOUNT OF TAX; APPLICATION.] The operator of any solid waste disposal facility shall pay a tax on solid waste accepted at the facility as follows:

(a) A solid waste disposal facility that weighs the waste which it accepts shall pay a tax of \$2 per ton of solid waste accepted;

(b) A solid waste disposal facility which does not weigh the waste which it accepts but which measures the volume of the waste shall pay a tax of 80 cents per cubic yard of waste accepted;

(c) A solid waste disposal facility which does not measure the weight or volume of waste accepted shall pay an annual tax of \$1.80 per capita based on the population served by the facility.

The tax imposed under clause (a), (b), or (c) may be reduced by the amount of tax which is attributable to waste accepted by the facility which is separated for recycling or re-use and is not land disposed.

The tax imposed under clause (a), (b), or (c) applies to a solid waste disposal facility operated by a political subdivision only if the political subdivision imposes a charge for the use of the facility on or after January 1, 1982.

Subd. 2. [CONSOLIDATED HEARING ON POPULATION OF SERVICE AREAS.] The tax imposed under subdivision 1, clause (c) shall be based on the population of the area served by a solid waste facility as determined by the agency under this subdivision. By July 1, 1982, the agency shall publish in the state register a list showing each facility subject to tax under subdivision 1, clause (c) and the population of its service area as determined by the agency. By July 1 in each succeeding even-numbered year the agency shall publish a list of those facilities subject to tax under subdivision 1, clause (c) for which the agency has determined a new population figure. For a facility which receives a modified landfill permit under the rules of the agency adopted pursuant to section 116.07, the population shall not be less than the number determined in the permitting process.

The list shall be published with a notice of the right of any operator of a facility subject to tax under subdivision 1, clause (c) to challenge the population determination upon which its tax will be based. A copy of the list and notice shall be sent to each operator subject to tax under subdivision 1, clause (c).

An operator who wishes to challenge the determination of the agency shall notify the agency of his intention and shall provide written evidence to the agency to support his challenge within 30 days of receipt of notice. The agency shall hold a single contested case hearing as necessary to determine any and all challenges to its determination under this subdivision. The hearing shall be completed and the decision of the agency shall be rendered not later than December 1 after the list and notice are published.

The population of a service area as determined under this subdivision shall be conclusive for the purpose of the tax imposed under subdivision 1, clause (c).

Subd. 3. [DISPOSITION OF PROCEEDS.] The proceeds of the tax imposed under this section including any interest and penalties, less the commissioner's costs of administration, shall be deposited in the fund.

Sec. 19. [HAZARDOUS WASTE GENERATOR TAX.]

Subdivision 1. [TAX IMPOSED; EXCLUSIONS.] Each generator of hazardous waste shall pay the tax imposed by this section based upon the volume and destination of the hazardous wastes generated. The generator disclosure forms, annual reports, and hazardous waste management plans required under rules of the agency adopted pursuant to section 116.07 shall be prima facie evidence of the volume and destination of hazardous wastes generated. The tax imposed by this section does not apply to hazardous wastes destined for recycling and reuse or to waste oil.

Subd. 2. [LONG TERM CONTAINMENT WITHOUT TREATMENT.] Hazardous waste destined for long term containment without treatment, including land disposal and long term storage, shall be taxed at the rate of five cents per gallon of liquid or \$5 per cubic yard of solid.

Subd. 3. [LONG TERM CONTAINMENT AFTER TREATMENT.] Hazardous waste destined for long term containment after treatment shall be taxed at the rate of four cents per gallon of liquid or \$4 per cubic yard of solid.

Subd. 4. [OTHER TREATMENT.] Hazardous waste destined for chemical treatment to produce a material which is not hazardous or which is destined for destructive treatment by incineration or other means shall be taxed at the rate of two cents per gallon of liquid or \$2 per cubic yard of solid.

Subd. 5. [ON-SITE TREATMENT; REDUCED TAX.] Hazardous wastes which are treated in a manner provided in subdivision 3 or 4 before the wastes are transported along any public street or highway as defined in section 169.01, subdivision 29, shall be taxed at one-half the rate at which they would otherwise be taxed.

Subd. 6. [DISPOSITION OF PROCEEDS.] The proceeds of the tax imposed under this section including any interest and penalties, less the commissioner's costs of administration, shall be deposited in the fund and may be appropriated for any purpose provided in section 16, subdivision 2, except the purposes provided in clauses (b) and (c) of that subdivision.

Sec. 20. [SEVERABILITY.]

If any tax imposed under section 18 or 19 is found to be invalid because of the purpose for which the proceeds were appropriated or made available under section 16, subdivision 2, the proceeds of that tax shall not be appropriated or available for the objectionable purposes, but the tax shall continue to be imposed and the proceeds shall be appropriated and made available for other purposes provided in section 16, subdivision 2.

Sec. 21. [TAX ADMINISTRATION AND ENFORCEMENT.]

Subdivision 1. [DECLARATION, RETURN AND PAYMENT OF TAX.] Any person required to pay a tax under section 18 or 19 shall file declarations of estimated tax and tax returns, and shall pay estimated and actual taxes due under section 18 or 19 in the manner and at the times provided for payment of corporate income taxes under sections 290.931 to 290.936, as far as practicable. The taxpayer shall file all declarations, returns, taxes, penalties and interest with the commissioner and shall file a copy of the declarations and returns with the agency. The commissioner shall prescribe forms and instructions necessary to implement this subdivision.

Subd. 2. [DUTIES OF THE AGENCY.] The agency shall provide to the commissioner the names and addresses of all persons known to the agency who are subject to tax under section 18 or 19, together with any information which the agency possesses concerning the amount of solid waste accepted or hazardous waste generated and disposed of by those persons. The agency shall notify the commissioner of any suspected inaccurate or fraudulent declaration or return and may audit any person subject to tax under section 18 or 19 when requested by the commissioner.

Subd. 3. [PENALTIES; ENFORCEMENT.] The audit, penalty and enforcement provisions applicable to taxes imposed under chapter 290 apply to the taxes imposed under sections 18

and 19 and those provisions shall be administered by the commissioner.

Subd. 4. [RULES.] *The commissioner may adopt temporary and permanent rules necessary to implement the provisions of this section. The agency may adopt temporary and permanent rules necessary to implement the provisions of sections 18 and 19.*

Sec. 22. [SOLID AND HAZARDOUS WASTE ADMINISTRATION FEES.]

Subdivision 1. [FEE SCHEDULES.] *The agency shall establish fee schedules pursuant to subdivisions 2 and 3 at the beginning of each fiscal year which will raise an amount of fees sufficient to cover the non-federally funded portion of the amount appropriated to the agency for that year for administrative expenses of the solid and hazardous waste division of the agency, excluding any portion of the appropriation for which the legislature provides that fees need not be collected and any amount appropriated under section 16, subdivision 2, clauses (a) and (f). Fees collected from solid waste and hazardous waste activities shall approximate the expenses of the agency for regulation of solid waste and hazardous waste respectively. All fees collected by the agency under this section shall be deposited in the general fund.*

Subd. 2. [HAZARDOUS WASTE GENERATOR FEE.] *Each generator of hazardous waste shall pay a fee on the hazardous waste which he generates. The agency shall compute the amount of the fee due based on the hazardous waste disclosures submitted by the generators and other information available to the agency. The agency shall annually prepare a statement of the amount of the fee due from each generator. The fee shall be paid quarterly commencing with the first day of the calendar quarter after the date of the statement.*

The agency may exempt generators of small quantities of hazardous wastes otherwise subject to the fee if it finds that the cost of administering a fee on those generators is excessive relative to the proceeds of the fee. The fee shall consist of a minimum fee for each generator not exempted by the agency and an additional fee which generally reflects the quantity of wastes generated by the generator.

If any metropolitan counties recover the costs of administering county hazardous waste regulations by charging fees, the fees charged by the agency shall not exceed the fees charged by those counties and the agency shall impose a surcharge on the fees charged by the metropolitan counties and by the agency to reflect the agency's expenses in carrying out its statewide hazardous waste regulatory responsibilities. Metropolitan counties shall remit the proceeds of the surcharge to the agency.

Subd. 3. [FACILITY FEES.] The agency shall charge an original permit fee, a reissuance fee and an annual operator's fee for any solid waste or hazardous waste facility permitted by the agency. The agency may include reasonable and necessary costs of any environmental review required under chapter 116D in the original permit fee for any solid waste or hazardous waste facility.

Sec. 23. Minnesota Statutes 1980, Section 466.01, is amended by adding a subdivision to read:

Subd. 3. For the purposes of sections 466.01 to 466.15, "release" and "hazardous substance" have the meanings given in section 2.

Sec. 24. Minnesota Statutes 1980, Section 466.04, Subdivision 1, is amended to read:

Subdivision 1. [LIMITS; PUNITIVE DAMAGES.] Liability of any municipality on any claim within the scope of sections 466.01 to 466.15 shall not exceed:

(a) \$100,000 when the claim is one for death by wrongful act or omission and \$100,000 to any claimant in any other case;

(b) \$300,000 for any number of claims arising out of a single occurrence;

(c) Twice the limits provided in clauses (a) and (b) when the claim arises out of the release or threatened release of a hazardous substance, whether the claim is brought under sections 1 to 12 or under any other law.

No award for damages on any such claim shall include punitive damages.

Sec. 25. [APPROPRIATION.]

Subdivision 1. [FUND.] The appropriations in this section are from the environmental response, compensation and compliance fund, and are available until July 1, 1983.

Subd. 2. [RESPONSE ACTIONS.] All revenues deposited in the fund before July 1, 1983, except the proceeds of the tax imposed under section 19, and any money recovered under section 14, subdivision 7, are appropriated to the agency for actions under section 16, subdivision 2, clause (b).

Subd. 3. [PREPARATION FOR RESPONSE.] All revenues deposited in the fund before July 1, 1983 as proceeds of the tax imposed under section 19 are appropriated to the agency for the purposes of section 16, subdivision 2, clause (a).

Sec. 26. [EFFECTIVE DATE.]

Sections 18 to 21 are effective the day following final enactment except that the taxes imposed by sections 18 and 19 are effective January 1, 1983. Section 22 is effective July 1, 1983. The remaining sections of this act are effective July 1, 1982."

Delete the title and insert:

"A bill for an act relating to the environment; establishing an environmental response, compensation and compliance fund to pay for removal and remedial action associated with certain hazardous substances released into the environment and for other purposes; providing for liability for cleanup costs, personal injury and economic loss resulting from releases of hazardous substances; imposing taxes, fees, and penalties; appropriating money; amending Minnesota Statutes 1980, Sections 466.01, by adding a subdivision; and 466.04, Subdivision 1; proposing new law coded as Minnesota Statutes, Chapter 115B."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Environment and Natural Resources.

The report was adopted.

Rice from the Committee on Labor-Management Relations to which was referred:

H. F. No. 1262, A bill for an act relating to workers' compensation; permitting political subdivisions to provide additional benefits; amending Minnesota Statutes 1980, Section 176.021, Subdivision 5.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Vanasek from the Committee on Criminal Justice to which was referred:

H. F. No. 1442, A bill for an act relating to crimes; eliminating the defenses of mental illness and mental deficiency; amending Minnesota Statutes 1980, Section 611.026.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Swanson from the Committee on Health and Welfare to which was referred:

H. F. No. 1690, A bill for an act relating to public welfare; establishing foster care maintenance payments by the state; establishing a state goal for the reduction of the number of children in residential facilities for more than 24 months; requiring the commissioner of public welfare to comply with the requirements of Title IV-E of the federal Social Security Act in order to obtain adoption assistance funds for eligible children; expanding the eligibility for medical assistance to include children receiving foster care maintenance payments under Title IV-E of the federal Social Security Act; amending Minnesota Statutes 1980, Sections 256.82; 257.071, by adding a subdivision; and 259.40, Subdivisions 2, 3, and 10; Minnesota Statutes 1981 Supplement, Section 256B.06, Subdivision 1.

Reported the same back with the following amendments:

Page 2, delete lines 20 to 26 and insert:

"Subd. 5. [RULES; CHILDREN IN RESIDENTIAL FACILITIES.] The commissioner of public welfare shall promulgate all rules necessary to carry out the provisions of public law 96-272 as regards the establishment of a state goal for the reduction of the number of children in residential facilities beyond 24 months."

Pages 4 to 6, delete Section 6 and insert:

"Sec. 6. Minnesota Statutes 1981 Supplement, Section 256B.06, Subdivision 1, as amended by Laws 1981, Third Special Session Chapter 2, Article I, Section 32; and Chapter 3, Section 17 is amended to read:

Subdivision 1. Medical assistance may be paid for any person:

(1) Who is a child eligible for or receiving adoption assistance payments under Title IV-E of the social security act; or

(2) Who is a child eligible for or receiving foster care maintenance payments under Title IV-E of the social security act; or

((1)) (3) Who is eligible for or receiving public assistance, or a woman who is pregnant, as medically verified, and who would be eligible for assistance under the aid to families with dependent children program if the child had been born and living with the woman; or

((2)) (4) Who is eligible for or receiving supplemental security income for the aged, blind and disabled; or

((3)) (5) Who except for the amount of income or resources would qualify for supplemental security income for the aged, blind and disabled, or aid to families with dependent children and is in need of medical assistance; or

((4)) (6) Who is under 21 years of age and in need of medical care that neither he nor his relatives responsible under sections 256B.01 to 256B.26 are financially able to provide; or

((5)) (7) Who is residing in a hospital for treatment of mental disease or tuberculosis and is 65 years of age or older and without means sufficient to pay the per capita hospital charge; and

((6)) (8) Who resides in Minnesota, or, if absent from the state, is deemed to be a resident of Minnesota in accordance with the regulations of the state agency; and

((7)) (9) Who alone, or together with his spouse, does not own real property other than the homestead. For the purposes of this section, "homestead" means the house owned and occupied by the applicant as his dwelling place, together with the land upon which it is situated and an area no greater than two contiguous lots in a platted or laid out city or town or 80 contiguous acres in unplatted land. Occupancy or exemption shall be determined as provided in chapter 510 and applicable law, including continuing exemption by filing notice under section 510.07. Real estate not used as a home may not be retained unless it produces net income applicable to the family's needs or the family is making a continuing effort to sell it at a fair and reasonable price or unless sale of the real estate would net an insignificant amount of income applicable to the family's needs, or unless the commissioner determines that sale of the real estate would cause undue hardship; and

((8)) (10) Who individually does not own more than \$2,000 in cash or liquid assets, or if a member of a household with two family members (husband and wife, or parent and child), does not own more than \$4,000 in cash or liquid assets, plus \$200 for each additional legal dependent. The value of the following shall not be included:

(a) the homestead, and (b) one motor vehicle licensed pursuant to chapter 168 and defined as: (1) passenger automobile, (2) station wagon, (3) motorcycle, (4) motorized bicycle or (5) truck of the weight found in categories A to E, of section 168.013, subdivision 1e; and

(9) (11) Who has or anticipates receiving an annual income not in excess of \$2,600 for a single person, or \$3,250 for two family members (husband and wife, parent and child, or two siblings), plus \$625 for each additional legal dependent, or who has income in excess of these maxima and in the month of application, or during the three months prior to the month of application, incurs expenses for medical care that total more than one-half of the annual excess income in accordance with the regulations of the state agency. In computing income to determine eligibility of persons who are not residents of long term care facilities, the commissioner shall disregard increases in income of social security or supplementary security income recipients due solely to increases required by sections 215(i) and 1617 of the social security act, and shall disregard income of disabled persons that is also disregarded in determining eligibility for supplemental aid under section 256D.37, subdivision 1, unless prohibited by federal law or regulation. If prohibited, the commissioner shall first seek a waiver. In excess income cases, eligibility shall be limited to a period of six months beginning with the first of the month in which these medical obligations are first incurred; and

(10) (12) Who has continuing monthly expenses for medical care that are more than the amount of his excess income, computed on a monthly basis, in which case eligibility may be established before the total income obligation referred to in the preceding paragraph is incurred, and medical assistance payments may be made to cover the monthly unmet medical need. In licensed nursing home and state hospital cases, income over and above that required for justified needs, determined pursuant to a schedule of contributions established by the commissioner of public welfare, is to be applied to the cost of institutional care. The commissioner of public welfare may establish a schedule of contributions to be made by the spouse of a nursing home resident to the cost of care and shall seek a waiver from federal regulations which establish the amount required to be contributed by either spouse when one spouse is a nursing home resident; and

(11) (13) Who has applied or agrees to apply all proceeds received or receivable by him or his spouse from automobile accident coverage and private health care coverage to the costs of medical care for himself, his spouse, and children. The state agency may require from any applicant or recipient of medical assistance the assignment of any rights accruing under private health care coverage. Any rights or amounts so assigned shall by applied against the cost of medical care paid for under this chapter. Any assignment shall not be effective as to benefits paid or provided under automobile accident coverage and private health care coverage prior to receipt of the assignment by the person or organization providing the benefits."

Amend the title as follows:

Page 1, line 3, delete "establishing" and insert "requiring the commissioner of public welfare to promulgate rules which establish"

Page 1, line 16, after "1" insert ", as amended"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Jacobs from the Committee on Regulated Industries to which was referred:

H. F. No. 1710, A bill for an act relating to commerce; petroleum products; providing specifications for fuel oil sold as kerosene; amending Minnesota Statutes 1980, Section 296.05, Subdivision 2, and by adding a subdivision.

Reported the same back with the recommendation that the bill pass and be placed on the Consent Calendar.

The report was adopted.

Swanson from the Committee on Health and Welfare to which was referred:

H. F. No. 1712, A bill for an act relating to public welfare; amending the community social services act; removing certain requirements related to biennial plans and the sliding fee for child care; amending Minnesota Statutes 1980, Section 256E.09, Subdivision 4; Minnesota Statutes 1981 Supplement, Sections 245.84, Subdivision 2; and 256E.03, Subdivision 2; repealing Minnesota Statutes 1981 Supplement, Section 256E.07, Subdivisions 2 and 3.

Reported the same back with the following amendments:

Page 4, after line 22, insert:

"Sec. 3. Minnesota Statutes 1981 Supplement, Section 256E.-05, Subdivision 3, is amended to read:

Subd. 3. [ADDITIONAL DUTIES.] The commissioner shall also:

(a) Provide necessary forms and instructions to the counties for plan format and information;

(b) *Identify and then* eliminate or revise the portions of all applicable department rules which mandate counties to pro-

vide specific community social services or programs, unless (THE) *state or federal law* requires the commissioner to mandate a service or program (; IN ADDITION TO NOTICE REQUIRED PURSUANT TO SECTION 15.0411, THE COMMISSIONER SHALL GIVE). *When the commissioner determines that any community social service or program is not specifically required by law, he shall immediately notify county boards that the service is optional, to be provided at county discretion. The commissioner shall be exempt from the rule-making provisions of chapter 15 in eliminating or revising rules pursuant to this clause;*

(c) *Provide to the chairman of each county board, in addition to notice required pursuant to section 15.0411, timely advance notice and a written summary of the fiscal impact (IN WRITING) of any proposed new rule or changes in existing rule which will have the effect of increasing county costs for community social services;*

((C)) (d) *Provide training and other support services to county boards to assist in needs assessment, planning, implementing, and monitoring social services programs in the counties;*

((D)) (e) *Design and implement a method of monitoring and evaluating the social services delivered within the state, and assure compliance with applicable standards, guidelines, and the county and state social services plans;*

((E)) (f) *Annually publish a report on community social services which shall reflect the contents of the individual county reports. The report shall be submitted to the governor and the legislature with an evaluation of community social services and recommendations for changes needed to fully implement state social service policies; and*

((F)) (g) *Request waivers from federal programs as necessary to implement sections 256E.01 to 256E.12.*

Sec. 4. Minnesota Statutes 1981 Supplement, Section 256E.07, Subdivision 3, is amended to read:

Subd. 3. [PRIORITIES.] *If any proposed federal block grant program affecting title XX funds becomes operative, the state shall, within the limits set by federal law, adopt the following priority when allocating funds: provide that in each calendar year 1982 and 1983, each county shall, for the purposes of providing the same or similar services, receive priority for an allocation of title XX funds (THAT IS EQUAL TO OR GREATER THAN THE AMOUNT RECEIVED BY THE COUNTY IN 1981)."*

Page 4, line 34, delete "*Subdivisions*" and insert "*Subdivision*" and delete "*and 3, are*" and insert "*is*"

Renumber the sections

Amend the title as follows :

Page 1, line 5, after the semicolon insert "providing for identification of certain rules; exempting the commissioner from certain rulemaking procedures; providing for allocation of funds to counties;"

Page 1, line 7, delete "and"

Page 1, line 8, after the semicolon insert "256E.05, Subdivision 3; and 256E.07, Subdivision 3;"

Page 1, line 9, delete "Subdivisions" and insert "Subdivision" and delete "and 3"

With the recommendation that when so amended the bill pass.

The report was adopted.

Jacobs from the Committee on Regulated Industries to which was referred :

H. F. No. 1732, A bill for an act relating to athletics; regulating boxing activities; providing a penalty; proposing new law coded in Minnesota Statutes, Chapter 341.

Reported the same back with the following amendments :

Delete everything after the enacting clause and insert :

"Section 1. [341.011] [DEFINITIONS; TOUGH MAN CONTEST OR BATTLE OF THE BRAWLERS.]

As used in sections 341.01 to 341.15, the following term shall have the meaning given it. "Tough man contest" or "battle of the brawlers" means any competition which involves any physical contact bout between two or more individuals, none of whom has had professional boxing or wrestling experience nor has trained in the martial arts, who attempt to knock out their opponent by employing boxing, wrestling, martial arts tactics, or any combination thereof and by using techniques including, but not limited to, punches, kicks, and choking. This term shall not apply to amateur or professional contests of the martial arts and any collegiate or scholastic boxing, wrestling, or martial arts contest.

Sec. 2. Minnesota Statutes 1981 Supplement, Section 341.05, Subdivision 1, is amended to read :

Subdivision 1. The board of boxing shall have charge and supervision of all boxing and sparring exhibitions held in the state and have power:

(1) To promulgate rules governing the conduct of boxing and sparring exhibitions and the time and place thereof;

(2) To issue licenses to individuals or organizations desiring to promote or conduct boxing or sparring exhibitions, and to suspend or revoke the licenses at its pleasure; every application for a license shall designate the territory in which the individual or organization intends to operate, and the license granted shall entitle the licensee to conduct the exhibitions in that territory and in no other.

Notwithstanding the provisions of any other law, rule, or agreement to the contrary, the board shall not issue a license to any person or organization to promote, sponsor, or to participate in any manner in the staging of, or the conduct of, any competition referred to as a tough man contest or a battle of the brawlers or in any similar competition.

The commissioner of revenue shall collect five percent of the gross receipts from admission to every boxing and sparring exhibition other than an amateur boxing and sparring exhibition held within the state, and five percent of the gross receipts from the lease or sale of radio, motion picture and television rights therein.

All complimentary tickets for a boxing and sparring exhibition other than an amateur boxing and sparring exhibition presented at any entrance gate shall likewise be assessed for the tax herein provided five percent of the value thereof. All moneys so collected shall be paid into the state treasury.

Sec. 3. [341.115] [PROFESSIONAL BOXING.]

Any contest, match or exhibition in which prizes or compensation worth five dollars or more are offered to any boxer shall comply with all rules of the board of boxing governing professional boxing. No boxer participating in these contests, matches, or exhibitions shall engage in consecutive contests with less than a seven day interval. No boxer shall participate in these contests unless the boxer has submitted an affidavit of physical fitness to the board and has been examined by a physician designated by the board. The affidavit shall state: (a) that the boxer has previously participated in ten amateur or professional matches sanctioned by the board of boxing or sanctioned by a board which regulates boxing in another jurisdiction; or (b) that the boxer has trained for at least 90 days under the supervision of a trainer licensed by the board of boxing. The examination shall include, but not be limited to, an electrocardiogram. The examination shall be performed at the expense of the promoter.

Sec. 4. Minnesota Statutes 1981 Supplement, Section 341.13, is amended to read:

341.13 [PENALTIES FOR NON-LICENSED EXHIBITIONS.]

Any person or persons who shall send or cause to be sent, published, or otherwise made known, any challenge to fight what is commonly known as a prize fight, *tough man or battle of the brawlers contests*, or engage in any public boxing or sparring match, exhibition, or contest, with or without gloves, for any prize, reward, or compensation, or at which any admission fee is charged directly or indirectly, or go into training preparatory for such fight, exhibition, or contest, or act as a trainer, aider, abetter, backer, umpire, second surgeon, assistant, or attendant at (SUCH) *the* fight, exhibition, or contest, or in any preparation for the same, and any owner or lessee of any grounds, buildings, or structure of any kind permitting the same to be used for such fight, exhibition, or contest, shall be deemed guilty of a misdemeanor; provided, that this section shall not apply to boxing or sparring exhibitions held or to be held under license issued by the board of boxing and in compliance with the rules issued by it.

Sec. 5. [EFFECTIVE DATE.]

This act is effective the day after final enactment."

Amend the title as follows:

Page 1, delete line 2, and insert "relating to boxing; prohibiting certain boxing activities; establishing certain conditions for participation in professional matches;"

Page 1, line 3, after the semicolon, insert "amending Minnesota Statutes 1981 Supplement, Sections 341.05, Subdivision 1; and 341.13;"

With the recommendation that when so amended the bill pass and be placed on the Consent Calendar.

The report was adopted.

Wenzel from the Committee on Agriculture to which was referred:

H. F. No. 1919, A bill for an act relating to agriculture; formulating a state agricultural land preservation policy; imposing duties on state agencies regarding agency actions adversely affecting agricultural land; continuing the existence of the joint legislative committee on agricultural land preserva-

tion; allocating certain state cost-sharing funds for high priority soil erosion, sedimentation and water control problems identified by local soil and water conservation districts; imposing duties on state and local soil and water conservation boards; providing technical and administrative assistance grants to local districts; requiring coordination of state soil and water conservation programs with other public agencies; establishing a conservation tillage demonstration program; appropriating money; amending Minnesota Statutes 1980, Sections 15.0412, by adding a subdivision; 40.03, Subdivision 4; 40.036; 40.07, Subdivision 9; and Laws 1979, Chapter 315, Section 2; proposing new law coded in Minnesota Statutes, Chapters 17 and 40; repealing Minnesota Statutes 1980, Section 473H.13; and Laws 1979, Chapter 315, Section 1.

Reported the same back with the following amendments:

Page 1, line 26, after "PRESERVATION" insert "AND CONSERVATION"

Page 3, delete lines 22 to 29 and insert "*land which is in agricultural use, and which has been identified as agricultural land by a local unit of government pursuant to sections 394.21 to 394.37, 462.351 to 462.364, 366.10 to 366.19 or 473H.04, or which is composed of predominantly class I, II, III, or IV soils as identified in the land capability classification system of the United States Department of Agriculture Soil Conservation Service and the county soil survey, if completed.*"

Page 3, delete lines 31 to 34 and insert "*use of land for the production of livestock, dairy animals, dairy products, poultry and poultry products, fur bearing animals, horticultural and nursery stock which is under sections 18.44 to 18.61, fruit of all kinds, vegetables, forage, grains, bees, and apiary products. Wetlands, pasture and woodlands accompanying land in agricultural use shall be considered to be in agricultural use.*"

Page 5, line 18, after "2," insert "as amended by Laws 1981, Chapter 78, Section 1,"

Page 5, line 22, after "preservation" insert "*and conservation*"

Page 8, line 28, delete "*and*" and insert "*or*"

Page 8, line 29, delete "*identified in*" and insert "*based on*"

Page 8, line 30, before the period insert "*and statewide priorities established by the board*"

Page 8, line 34, before "grants" insert "*administrative expenses and for*"

Page 8, line 35, delete "*expenses*" and insert "*assistance*"

Page 9, line 35, delete everything after "(b)"

Page 9, delete line 36

Page 10, line 1, delete everything before "*standards*"

Page 13, line 5, delete "*cultivation and*"

Page 13, after line 9, insert:

"The board may establish guidelines for the implementation of this section. The guidelines need not be adopted as rules under chapter 15."

Page 13, delete section 13

Page 13, line 24, in the blank insert "*150,000*"

Page 13, line 25, in the blank insert "*100,000*"

Page 13, after line 25, insert:

"(c) For staff support to implement
sections 8 to 12 *\$50,000*"

Page 13, line 33, delete "*15*" and insert "*14*"

Renumber the sections

Amend the title as follows:

Page 1, line 3, after "*preservation*" insert "*and conservation*"

Page 1, line 20, before the semicolon insert "*, as amended*"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

POINT OF ORDER

Knickerbocker raised a point of order pursuant to rule 5.8 that H. F. No. 1919 be re-referred to the Committee on Governmental Operations. The Speaker ruled the point of order not well taken.

SECOND READING OF HOUSE BILLS

H. F. Nos. 275, 919, 1262, 1442, 1710, 1712 and 1732 were read for the second time.

SECOND READING OF SENATE BILLS

S. F. Nos. 1408 and 1151 were read for the second time.

INTRODUCTION AND FIRST READING
OF HOUSE BILLS

The following House Files were introduced :

Battaglia, Munger, Begich, Hanson and Skoglund introduced :

H. F. No. 1961, A bill for an act relating to natural resources; authorizing the acquisition of certain state water access sites.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

Jacobs, Sarna, Metzen, Minne and Peterson, D., introduced :

H. F. No. 1962, A bill for an act relating to taxation; income; adopting certain federal income tax amendments relating to retirement savings; amending Minnesota Statutes 1981 Supplement, Section 290.01, Subdivision 20, as amended.

The bill was read for the first time and referred to the Committee on Taxes.

Gustafson, Schoenfeld, Ogren, O'Connor and Hauge introduced :

H. F. No. 1963, A bill for an act relating to residential energy credits; extending the effective date; amending Minnesota Statutes 1981 Supplement, Section 290.06, Subdivision 14.

The bill was read for the first time and referred to the Committee on Taxes.

McEachern introduced :

H. F. No. 1964, A bill for an act relating to taxation; extending class 3 property to certain property owned by certain fraternal beneficiary societies or associations for community service; amending Minnesota Statutes 1981 Supplement, Section 273.13, Subdivision 4.

The bill was read for the first time and referred to the Committee on Taxes.

Minne introduced:

H. F. No. 1965, A bill for an act relating to the city of Hibbing; providing for the size of the Hibbing public utilities commission.

The bill was read for the first time and referred to the Committee on Local and Urban Affairs.

Munger, Lehto, Sherwood, Laidig and Anderson, G., introduced:

H. F. No. 1966, A resolution memorializing the President and Congress of the United States to take immediate steps to curb the sources of acid rain.

The bill was read for the first time and referred to the Committee on Rules and Legislative Administration.

Simoneau; Clark, K.; Heinitz; Rose and Norton introduced:

H. F. No. 1967, A bill for an act relating to state government; improving the state's personnel management functions; amending Minnesota Statutes 1980, Sections 6.582; 11A.07, Subdivision 4; 12.04, Subdivision 1; 15.0575, Subdivision 3; 15.059, Subdivision 3; 15.43, Subdivision 1; 60B.09, Subdivision 2; 84.028, Subdivision 3; 84.081, Subdivision 1; 85A.03, Subdivision 2; 86.51; 124.645, Subdivision 3; 128A.02, Subdivision 3; 136A.55, Subdivision 4; 144A.52, Subdivision 2; 168.325, Subdivision 1; 171.015, Subdivision 1; 216A.04, Subdivision 3; 241.64, Subdivision 3; 241.65; 246.017, Subdivision 2; 268.14, Subdivision 6; 299E.01, Subdivision 1; 299F.01, Subdivision 2; amending Minnesota Statutes 1981 Supplement, Sections 3.855, Subdivision 3; 43A.02, Subdivision 28; 43A.04, Subdivisions 3, 4, and by adding a subdivision; 43A.08, Subdivisions 1, 3, and by adding subdivisions; 43A.11, Subdivisions 3, 4, 7 and 8; 43A.13, Subdivisions 1, 4 and 5; 43A.15, Subdivisions 6 and 10; 43A.17, Subdivision 4; 43A.18, Subdivisions 3 and 4; 43A.19, Subdivision 1; 43A.27, Subdivision 3; 43A.33, Subdivisions 1, 3 and 4; 43A.37, Subdivision 1; 43A.38; 43A.39; 43A.42; 43A.44, Subdivision 2; 124.41, Subdivision 3; 254A.03, Subdivision 1; Laws 1971, Extra Session, Chapter 3, Section 19, Subdivision 5; Laws 1980, Chapter 564, Article XII, Section 1, Subdivision 6; Laws 1981, Chapter 210, Section 55; repealing Minnesota Statutes 1980, Sections 12.05; 124.615, Subdivision 3; 190.081; and 190.095; and Minnesota Statutes 1981 Supplement, Section 43A.08, Subdivision 2.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Begich and Elioff introduced:

H. F. No. 1968, A bill for an act relating to workers' compensation; regulating reports of injury or death; providing a penalty; amending Minnesota Statutes 1980, Section 176.231, Subdivision 10.

The bill was read for the first time and referred to the Committee on Labor-Management Relations.

Begich and Elioff introduced:

H. F. No. 1969, A bill for an act relating to workers' compensation; regulating interest rates on payments; amending Minnesota Statutes 1981 Supplement, Section 176.221, Subdivision 7.

The bill was read for the first time and referred to the Committee on Labor-Management Relations.

Begich and Elioff introduced:

H. F. No. 1970, A bill for an act relating to workers' compensation; redefining the term "daily wage"; amending Minnesota Statutes 1980, Section 176.011, Subdivision 3.

The bill was read for the first time and referred to the Committee on Labor-Management Relations.

Begich and Elioff introduced:

H. F. No. 1971, A bill for an act relating to workers' compensation; redefining the term "weekly wage;" amending Minnesota Statutes 1980, Section 176.011, Subdivision 18.

The bill was read for the first time and referred to the Committee on Labor-Management Relations.

Begich and Elioff introduced:

H. F. No. 1972, A bill for an act relating to labor; extending the time period for wage claim actions; amending Minnesota Statutes 1980, Sections 541.05, Subdivision 1; and 541.07.

The bill was read for the first time and referred to the Committee on Labor-Management Relations.

Ogren, Stumpf and Nelsen, B., introduced:

H. F. No. 1973, A bill for an act relating to local government; providing for the examination of town accounts by the state auditor pursuant to petition or resolution; amending Minnesota Statutes 1980, Sections 6.54; and 6.55.

The bill was read for the first time and referred to the Committee on Local and Urban Affairs.

McEachern and Anderson, B., introduced:

H. F. No. 1974, A bill for an act relating to education; allowing a school district flexibility in scheduling hours and days of attendance; requiring state board approval; amending Minnesota Statutes 1980, Section 124.19, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Education.

McEachern introduced:

H. F. No. 1975, A bill for an act relating to local government; permitting towns to issue off-sale liquor licenses; amending Minnesota Statutes 1980, Section 368.01, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Commerce and Economic Development.

Anderson, B., introduced:

H. F. No. 1976, A bill for an act relating to retirement; Edgerton volunteer ambulance service retirement fund; authorizing the establishment and maintenance of the retirement fund; validating prior municipal contributions and prior pension payments.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Kaley and Levi introduced:

H. F. No. 1977, A bill for an act relating to highway traffic regulations; prescribing minimum mandatory terms in jail and other sanctions for driving while under the influence of alcohol; requiring permanent revocation of a driver's license, permit or nonresident driving privilege upon a second refusal to submit to chemical testing; authorizing limited licenses for drivers whose licenses have been revoked under the implied consent law only for travel to work; amending Minnesota Statutes 1980, Sections 169.121, by adding subdivisions; 169.123, Subdivisions 2,

4, and 9; and 169.129; Minnesota Statutes 1981 Supplement, Section 169.121, Subdivision 5; proposing new law coded in Minnesota Statutes, Chapter 169; repealing Minnesota Statutes 1980, Section 169.121, Subdivisions 3 and 4.

The bill was read for the first time and referred to the Committee on Criminal Justice.

Jude; Ellingson; Sieben, H.; Halberg and Rothenberg introduced:

H. F. No. 1978, A bill for an act relating to professional records; providing for ownership and control of medical records by their individual subjects; providing for client ownership of certain records in the hands of an attorney; amending Minnesota Statutes 1980, Sections 144.335, Subdivision 2, and by adding a subdivision; 144.651; and 481.14.

The bill was read for the first time and referred to the Committee on Judiciary.

Voss, Simoneau, Jacobs and McCarron introduced:

H. F. No. 1979, A bill for an act relating to education; changing the dates relating to maximum effort debt service levy; amending Minnesota Statutes 1981 Supplement, Section 124.38, Subdivision 7.

The bill was read for the first time and referred to the Committee on Education.

Simoneau introduced:

H. F. No. 1980, A bill for an act relating to education; providing for the inclusion of certain community college and state university faculty members in the definition of an employee under the public employment labor relations act of 1971; amending Minnesota Statutes 1981 Supplement, Section 179.63, Subdivision 7.

The bill was read for the first time and referred to the Committee on Labor-Management Relations.

Sherwood introduced:

H. F. No. 1981, A bill for an act relating to Independent School District No. 176, Pillager; authorizing the school board to transfer money from the capital expenditure fund to the general fund before June 30, 1983.

The bill was read for the first time and referred to the Committee on Education.

Anderson, I.; Begich; Munger; Battaglia and Carlson, D., introduced:

H. F. No. 1982, A bill for an act relating to forestry; establishing a forest research management policy and plan; realignment of forestry boundaries; establishing a forest management fund and accounting system; making various changes in forestry laws; amending Minnesota Statutes 1980, Sections 16A.125, Subdivision 5; 89.001, Subdivision 6, and by adding subdivisions; 89.01, Subdivision 6; 89.021, Subdivision 1; 89.036; 89.37, Subdivisions 2, 3, 3a, and 4; 90.251, Subdivisions 1 and 4; 197.447; 282.01, Subdivisions 1 and 3; 282.02; and 282.132; Minnesota Statutes 1981 Supplement, Section 282.04, Subdivision 1; proposing new law coded in Minnesota Statutes, Chapters 88, 89, 90, and 282; repealing Minnesota Statutes 1980, Sections 282.031; 282.032; 282.033; 282.034; 282.035; 282.036; and 282.037.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

Schreiber, Brinkman, Onnen, Dempsey and Johnson, D., introduced:

H. F. No. 1983, A bill for an act relating to taxation; adopting ACRS for individuals and corporations, with certain limitations; limiting the investment credit subtraction; amending Minnesota Statutes 1980, Sections 290.16, Subdivisions 15, as amended, and 16, as amended; Minnesota Statutes 1981 Supplement, Sections 290.01, Subdivision 20, as amended; 290.09, Subdivision 7, as amended; and 290.091, as amended.

The bill was read for the first time and referred to the Committee on Taxes.

Minne; Elioff; Jacobs; Anderson, I., and Begich introduced:

H. F. No. 1984, A bill for an act relating to taxation; imposing a tax on the gross earnings of individuals, estates, and trusts; reducing the rate of income tax on individuals, estates, and trusts; amending Minnesota Statutes 1981 Supplement, Section 290.06, Subdivisions 2c and 3d; proposing new law coded in Minnesota Statutes, Chapter 290.

The bill was read for the first time and referred to the Committee on Taxes.

Heinitz, Jude and Ellingson introduced:

H. F. No. 1985, A bill for an act relating to probate; validating certain contract, gift, conveyance and trust provisions; proposing new law coded in Minnesota Statutes, Chapter 524.

The bill was read for the first time and referred to the Committee on Judiciary.

Voss and Brinkman introduced:

H. F. No. 1986, A bill for an act relating to insurance; group health and accident; including certain debtors under the provisions relating to this insurance; amending Minnesota Statutes 1980, Section 62A.10, Subdivision 1.

The bill was read for the first time and referred to the Committee on Financial Institutions and Insurance.

Wynia; Novak; Greenfield; Carlson, L., and Vellenga introduced:

H. F. No. 1987, A bill for an act relating to taxation; eliminating the reduction of certain property tax refunds; repealing Laws 1981, Third Special Session Chapter 2, Article IV, Section 14.

The bill was read for the first time and referred to the Committee on Taxes.

Sieben, M.; Sviggum; Haukoos; Fjoslien and Anderson, B., introduced:

H. F. No. 1988, A bill for an act relating to education; authorizing a special grandfather levy for certain school districts; amending Minnesota Statutes 1980, Section 275.125, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Education.

Welch and Clawson introduced:

H. F. No. 1989, A bill for an act relating to public improvements; providing for a therapeutic pool at the Cambridge state hospital; authorizing issuance of state bonds; appropriating money.

The bill was read for the first time and referred to the Committee on Appropriations.

Rodriguez, C. ; Kahn ; Vellenga and Laidig introduced :

H. F. No. 1990, A resolution memorializing Congress to establish a National Academy of Peace and Conflict Resolution.

The bill was read for the first time and referred to the Committee on Rules and Legislative Administration.

Long ; Nelson, K. ; Otis and Vellenga introduced :

H. F. No. 1991, A bill for an act relating to education ; imposing affirmative action duties on school districts and the state board of education ; providing a penalty for school districts which fail to fulfill the duties ; authorizing a program of grants for certain administrative interns ; appropriating money ; amending Minnesota Statutes 1980, Sections 124.15, Subdivision 2 ; 125.12, Subdivision 6b ; proposing new law coded in Minnesota Statutes, Chapter 123.

The bill was read for the first time and referred to the Committee on Education.

O'Connor, Metzen, Byrne, Dempsey and Ogren introduced :

H. F. No. 1992, A bill for an act relating to crimes ; prohibiting the sale or dissemination of obscene materials to minors ; prohibiting false representation of age or parental status to procure obscene materials harmful to minors ; prohibiting public display of obscene materials harmful to minors ; prescribing penalties ; proposing new law coded in Minnesota Statutes, Chapter 260 ; repealing Minnesota Statutes 1980, Sections 617.291 to 617.297.

The bill was read for the first time and referred to the Committee on Judiciary.

Osthoff ; Anderson, I. ; Samuelson ; McCarron and Peterson, D., introduced :

H. F. No. 1993, A bill for an act relating to intoxicating liquor ; veteran's organization licenses in first class cities ; amending Minnesota Statutes 1980, Section 340.11, Subdivision 11.

The bill was read for the first time and referred to the Committee on Commerce and Economic Development.

Wynia, Metzen, Kelly, Heinitz and Valan introduced:

H. F. No. 1994, A bill for an act relating to financial institutions; authorizing bank or trust company investment in community welfare projects; amending Minnesota Statutes 1980, Section 48.61, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Financial Institutions and Insurance.

Osthoff, Dempsey, Wenzel, Sherwood and Harens introduced:

H. F. No. 1995, A bill for an act relating to education; establishing a demonstration grant program for elementary pupils; appropriating money.

The bill was read for the first time and referred to the Committee on Education.

Brinkman introduced:

H. F. No. 1996, A bill for an act relating to economic development; exempting certain licenses from the state uniform business licensing policy; amending Minnesota Statutes 1981 Supplement, Section 362.452, Subdivision 2a.

The bill was read for the first time and referred to the Committee on Commerce and Economic Development.

Wynia, Berkelman, Dempsey, Forsythe and Jude introduced:

H. F. No. 1997, A bill for an act relating to bankruptcy exemptions; providing that married couples filing petitions in bankruptcy must both select either the state or the federal bankruptcy exemptions; proposing new law coded in Minnesota Statutes, Chapter 550.

The bill was read for the first time and referred to the Committee on Judiciary.

Stowell, Kaley and Zubay introduced:

H. F. No. 1998, A bill for an act relating to public welfare; clarifying the scope of coverage of the severance plan for employees stationed at the Rochester state hospital; amending Laws 1981, Chapter 360, Article I, Section 2, Subdivision 5.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Shea, Aasness, Niehaus, Hauge and Nelson, K., introduced :

H. F. No. 1999, A resolution memorializing the President of the United States and the Secretary of the Navy to have the nuclear attack submarine U.S.S. Corpus Christi rechristened.

The bill was read for the first time and referred to the Committee on Rules and Legislative Administration.

Greenfield; Rodriguez, F.; Clark, K., and Byrne introduced :

H. F. No. 2000, A bill for an act relating to public welfare; clarifying certain provisions of the general assistance program; modifying the eligibility standards for emergency general assistance; providing that grants of emergency general assistance be made in the form of vouchers or vendor payments; amending Minnesota Statutes 1981 Supplement, Sections 256D.05, Subdivision 1; 256D.06, Subdivision 2; and 256D.09, Subdivision 1.

The bill was read for the first time and referred to the Committee on Health and Welfare.

Marsh, Niehaus, Aasness, Battaglia and Begich introduced :

H. F. No. 2001, A bill for an act relating to air pollution; allowing certain cities and towns to adopt ordinances to permit and regulate open burning of leaves; amending Minnesota Statutes 1980, Section 116.07, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

Anderson, I.; Battaglia and Munger introduced :

H. F. No. 2002, A bill for an act relating to pollution; providing a delay in the implementation of certain air pollution standards to certain sawmill operations.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

Simoneau; Rose; Sieben, H.; Sieben, M., and Stadum introduced:

H. F. No. 2003, A bill for an act relating to state government; ratifying state employee and University of Minnesota labor agreements and compensation plans; amending Minnesota Statutes 1980, Sections 15A.081, Subdivision 7; 15A.083, Subdivisions 1 and 2; 299D.03, Subdivision 2; Minnesota Statutes 1981 Supplement, Section 15A.081, Subdivision 1; repealing Minnesota Statutes 1980, Sections 299C.041; and 299D.03, Subdivision 3.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Clawson, Lehto, Vanasek, Hokr and Johnson, D., introduced:

H. F. No. 2004, A bill for an act relating to controlled substances; defining "hashish"; adding new substances to the schedules of controlled substances; amending Minnesota Statutes 1980, Sections 152.01, Subdivision 16, and by adding a subdivision; 152.02, Subdivisions 2, 3, 4, and 5.

The bill was read for the first time and referred to the Committee on Criminal Justice.

Simoneau; Greenfield; Rodriguez, C.; Luknic and Pogemiller introduced:

H. F. No. 2005, A bill for an act relating to employment; providing for equitable compensation relationships among certain government employees; appropriating money; amending Minnesota Statutes 1981 Supplement, Sections 43A.01, by adding a subdivision; 43A.02, by adding subdivisions; 43A.05, by adding a subdivision; and 43A.18, Subdivision 8; proposing new law coded in Minnesota Statutes, Chapter 137.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Hoberg and Searles introduced:

H. F. No. 2006, A bill for an act relating to local government; providing for the proration of local government aids in proportion to sales tax revenues; proposing new law coded in Minnesota Statutes, Chapter 477A.

The bill was read for the first time and referred to the Committee on Taxes.

Clawson, Jude, Byrne, Rose and O'Connor introduced :

H. F. No. 2007, A bill for an act relating to metropolitan government; providing a salary maximum for metropolitan government employees; amending Minnesota Statutes 1980, Section 15A.081, Subdivision 7.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Wynia, Vellenga, Forsythe, Brandl and Hokr introduced :

H. F. No. 2008, A bill for an act relating to crimes; providing for the protection of the victims of criminal sexual conduct and intrafamilial sexual abuse; amending Minnesota Statutes 1981 Supplement, Section 15.791, Subdivision 9; proposing new law coded in Minnesota Statutes, Chapter 631.

The bill was read for the first time and referred to the Committee on Judiciary.

Welker introduced :

H. F. No. 2009, A bill for an act relating to the city of Madison; authorizing the city to make certain loans from its public utilities fund to promote economic development in the city; repealing Laws 1967, Chapter 239.

The bill was read for the first time and referred to the Committee on Local and Urban Affairs.

Stumpf; Anderson, I.; Eken and Simoneau introduced :

H. F. No. 2010, A bill for an act relating to unemployment compensation; creating an acute local unemployment benefits program; establishing eligibility for benefits; imposing duties upon the commissioner of economic security; proposing new law coded in Minnesota Statutes, Chapter 268.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Dempsey, Sarna, Dahlvang, Metzen and Kvam introduced:

H. F. No. 2011, A bill for an act relating to commerce; motor vehicle sale and distribution; providing for the termination or cancellation of franchise agreements; specifying conditions that do not establish good cause for refusal to honor a succession; limiting a manufacturer's ability to withhold consent to a proposed transfer, assignment or sale of a dealership; specifying certain circumstances establishing good cause for entering into or relocating an additional franchise for the same line make; amending Minnesota Statutes 1981 Supplement, Sections 80E.07, Subdivision 1; 80E.09, Subdivision 1; 80E.10, Subdivision 5; 80E.11, Subdivision 1; 80E.13; and 80E.14, Subdivision 2.

The bill was read for the first time and referred to the Committee on Commerce and Economic Development.

Onnen introduced:

H. F. No. 2012, A bill for an act relating to public welfare; requiring audits of nursing home cost reports; amending Minnesota Statutes 1980, Sections 256B.27, Subdivision 2a; and 256B.-35, Subdivision 4.

The bill was read for the first time and referred to the Committee on Health and Welfare.

Rothenberg and Blatz introduced:

H. F. No. 2013, A bill for an act relating to crimes; establishing mandatory minimum terms of imprisonment for the use of a dangerous weapon or firearm in crimes committed against the elderly and handicapped; prescribing penalties; amending Minnesota Statutes 1981 Supplement, Section 609.11, Subdivisions 4, 5, 7, and 8; and by adding a subdivision.

The bill was read for the first time and referred to the Committee on Criminal Justice.

Rothenberg and Blatz introduced:

H. F. No. 2014, A bill for an act relating to crimes; providing for additional sentences for theft against the elderly; requiring the sentencing guidelines commission to modify the sentencing guidelines to require application of incarcerative sanctions for theft against the elderly; prescribing penalties; amending Minnesota Statutes 1980, Section 609.52, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Criminal Justice.

Long, Brandl, Berkelman, Schreiber and Laidig introduced:

H. F. No. 2015, A bill for an act relating to housing and re-development authorities; amending the method of determining a quorum when a conflict of interest exists; amending Minnesota Statutes 1981 Supplement, Section 462.432, Subdivision 2.

The bill was read for the first time and referred to the Committee on Local and Urban Affairs.

Murphy and Battaglia introduced:

H. F. No. 2016, A bill for an act relating to Carlton County; permitting the county to spend a certain sum for promotion of development.

The bill was read for the first time and referred to the Committee on Local and Urban Affairs.

Nelsen, B.; Stadum; Stumpf; Brinkman and Valan introduced:

H. F. No. 2017, A bill for an act relating to agriculture; changing certain deadlines; eliminating certain duties of the commissioner of agriculture and county agricultural agents; allowing the sale of certain flowers, canning compounds and butter; eliminating certain presumptions relating to dairy industry discrimination; amending Minnesota Statutes 1980, Section 38.02, Subdivisions 1 and 3; repealing Minnesota Statutes 1980, Sections 17.031; 17.032; 17.23; 31.401 to 31.406; 32.12; 32.472; and 32.473.

The bill was read for the first time and referred to the Committee on Agriculture.

Nelson, K., introduced:

H. F. No. 2018, A bill for an act relating to education; establishing programs for youth who leave or are likely to leave high school before graduation; authorizing the department of education to award grants and perform certain other duties; appropriating money.

The bill was read for the first time and referred to the Committee on Education.

Schoenfeld, Dempsey, Jacobs and Anderson, I., introduced:

H. F. No. 2019, A bill for an act relating to taxation; permitting transfer of income tax excess interest deduction under certain circumstances; amending Minnesota Statutes 1981 Supplement, Section 290.01, Subdivision 20, as amended; proposing new law coded in Minnesota Statutes, Chapter 290.

The bill was read for the first time and referred to the Committee on Taxes.

Carlson, L.; Welch and Swanson introduced:

H. F. No. 2020, A bill for an act relating to hospitals; promoting price competition by requiring hospitals to report certain diagnostic and price information to the commissioner of health; requiring the commissioner of health to analyze and disseminate the information; proposing new law coded in Minnesota Statutes, Chapter 144.

The bill was read for the first time and referred to the Committee on Health and Welfare.

Wenzel introduced:

H. F. No. 2021, A bill for an act relating to local government; creating the Morrison County rural development finance authority; authorizing the establishment of a development and redevelopment program and the authorization of powers for it.

The bill was read for the first time and referred to the Committee on Local and Urban Affairs.

Rose, Valento and Stadum introduced:

H. F. No. 2022, A bill for an act relating to unemployment compensation; altering provision as to advance of federal funds; altering "triggers" relating to extended benefits; altering eligibility requirements for extended benefits; altering eligibility and disqualifying provisions for individuals whose training is approved under the federal trade act of 1974; providing for the interception of unemployment benefits to satisfy child support obligations; amending Minnesota Statutes 1980, Sections 268.05, Subdivision 6; 268.071, Subdivisions 1, 3, 5, and 6, and by adding subdivisions; 268.08, Subdivision 1; and 268.09, by adding a subdivision; proposing new law coded in Minnesota Statutes, Chapter 268; repealing Minnesota Statutes 1980, Section 268.07, Subdivision 4.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Wenzel, Welch and Kostohryz introduced:

H. F. No. 2023, A bill for an act relating to education; authorizing aid for driver education courses offered by school districts; appropriating money; amending Minnesota Statutes 1980, Section 124.212, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Education.

Anderson, I.; Jacobs; Sieben, H.; Tomlinson and Berkelman introduced:

H. F. No. 2024, A bill for an act relating to taxation; establishing state paid tax credits for designated commercial and industrial properties in economically distressed areas; exempting certain equipment from sales tax; appropriating money; amending Minnesota Statutes 1981 Supplement, Section 273.13, Subdivision 15a; 297A.25, as amended; proposing new law coded in Minnesota Statutes, Chapter 273.

The bill was read for the first time and referred to the Committee on Taxes.

Wenzel, Stumpf, Ogren and Shea introduced:

H. F. No. 2025, A resolution memorializing the President and Congress of the United States and the Farmers Home Administration to stop foreclosures on loans by the Farmers Home Administration.

The bill was read for the first time and referred to the Committee on Rules and Legislative Administration.

Anderson, I.; Begich; Battaglia; Elioff and Minne introduced:

H. F. No. 2026, A bill for an act relating to Independent School District 319; permitting the district to issue bonds for school buildings; providing the district with taxing authority.

The bill was read for the first time and referred to the Committee on Taxes.

Wenzel, Jude and Brinkman introduced:

H. F. No. 2027, A bill for an act relating to natural resources; setting a limit on acquisition of land from a single owner as an activity area for land disposal of hazardous waste; proposing new law coded in Minnesota Statutes, Chapter 115A.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

Aasness introduced :

H. F. No. 2028, A bill for an act relating to agriculture; establishing an apiary account in the state treasury; appropriating money; amending Minnesota Statutes 1980, Section 19.19, Subdivision 3.

The bill was read for the first time and referred to the Committee on Appropriations.

Simoneau, Harens, Evans, Stowell and Hanson introduced :

H. F. No. 2029, A bill for an act relating to the military; precluding the payment of workers' compensation when a member is not paid from state funds; amending Minnesota Statutes 1981 Supplement, Section 176.011, Subdivision 9.

The bill was read for the first time and referred to the Committee on Labor-Management Relations.

Peterson, B., and Himle introduced :

H. F. No. 2030, A bill for an act relating to education; authorizing school districts to transfer money from their capital expenditure fund to the general fund.

The bill was read for the first time and referred to the Committee on Education.

Kahn, Greenfield, Sarna and Metzen introduced :

H. F. No. 2031, A bill for an act relating to alcoholic beverages; extending the on-sale closing hour to three a.m.; amending Minnesota Statutes 1980, Sections 340.034, Subdivision 1; and 340.14, Subdivision 1; Minnesota Statutes 1981 Supplement, Section 340.14, Subdivision 5.

The bill was read for the first time and referred to the Committee on Commerce and Economic Development.

Sviggum, Ludeman, Stumpf, Ogren and Redalen introduced :

H. F. No. 2032, A bill for an act relating to agriculture; transferring the state soil and water conservation board to the department of agriculture; amending Minnesota Statutes 1980, Section 40.03, Subdivisions 1, 2 and 4.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Anderson, G.; Kalis; Jennings; Johnson, D., and Mann introduced:

H. F. No. 2033, A bill for an act relating to agriculture; providing for the licensing and regulation of certain grain buyers; providing a penalty; appropriating money; proposing new law coded in Minnesota Statutes, Chapter 223; repealing Minnesota Statutes 1980, Chapter 223, as amended; and Sections 232.01; 232.02, as amended; 232.04; and 232.06, Subdivision 5.

The bill was read for the first time and referred to the Committee on Agriculture.

Anderson, G.; Kalis; Jennings; Johnson, D., and Mann introduced:

H. F. No. 2034, A bill for an act relating to agriculture; providing for the regulation of grain storage warehouse operators; providing penalties; appropriating money; proposing new law coded in Minnesota Statutes, Chapter 232; repealing Minnesota Statutes 1980, Sections 232.06, Subdivisions 2, 3, 4, 6 and 7; 232.-07 to 232.19; Minnesota Statutes 1981 Supplement, Section 232.-06, Subdivision 1.

The bill was read for the first time and referred to the Committee on Agriculture.

Wynia introduced:

H. F. No. 2035, A bill for an act relating to financial institutions; shared appreciation mortgages; limiting a lender or mortgagee's right to receive future appreciation; providing that the mortgage becomes due and payable upon its sale or transfer; amending Minnesota Statutes 1981 Supplement, Section 47.20, Subdivision 4b.

The bill was read for the first time and referred to the Committee on Financial Institutions and Insurance.

Rice, Minne, Murphy and McCarron introduced:

H. F. No. 2036, A bill for an act relating to labor; including sheltered workers within definition of employee in the labor relations act; amending Minnesota Statutes 1980, Section 179.01, Subdivision 4.

The bill was read for the first time and referred to the Committee on Labor-Management Relations.

Frerichs, Reding, Ludeman, Berkelman and Stowell introduced:

H. F. No. 2037, A bill for an act relating to regional development; clarifying procedures for the dissolution of regional development commissions; amending Minnesota Statutes 1980, Section 462.398, by adding a subdivision; and Minnesota Statutes 1981 Supplement, Section 462.398, Subdivision 2.

The bill was read for the first time and referred to the Committee on Local and Urban Affairs.

Nelson, K., introduced:

H. F. No. 2038, A bill for an act relating to taxation; providing energy credits for property providing a certain thermal integrity factor; extending the time when the credit will be available; amending Minnesota Statutes 1981 Supplement, Section 290.06, Subdivision 14.

The bill was read for the first time and referred to the Committee on Taxes.

Laidig; Schreiber; Sieben, H.; McCarron and Novak introduced:

H. F. No. 2039, A bill for an act relating to municipal industrial development; defining development projects; amending Minnesota Statutes 1980, Section 474.02, Subdivision 1b.

The bill was read for the first time and referred to the Committee on Local and Urban Affairs.

Anderson, G.; Ogrøn; Valan and Anderson, B., introduced:

H. F. No. 2040, A bill for an act relating to real property; providing for relief in certain cases from inequitable foreclosure of mortgages, termination of contracts for the conveyance of real estate, and execution sales of real property during an emergency declared by the governor; authorizing the governor to declare by proclamation a public economic emergency under certain conditions, limiting its duration, and providing nullifying powers in the legislature; postponing certain sales and extending the period of redemption of real property during an emergency; providing for possession during the extended period; and limiting the right to maintain actions for deficiency judgments; proposing new law coded in Minnesota Statutes, Chapter 4.

The bill was read for the first time and referred to the Committee on Judiciary.

Kostohryz introduced:

H. F. No. 2041, A bill for an act relating to the city of Maplewood; authorizing a project and the issuance of revenue bonds.

The bill was read for the first time and referred to the Committee on Local and Urban Affairs.

Kvam; Peterson, B.; Halberg; Onnen and Dempsey introduced:

H. F. No. 2042, A bill for an act relating to taxation; providing for the collection of taxes; imposing penalties; amending Minnesota Statutes 1980, Sections 270.06; 270.07, Subdivision 1; 270.10, Subdivision 1; 270.70, Subdivisions 1, 2, 3, and 5, and by adding subdivisions; 290.45, Subdivision 2; 290.48, Subdivisions 3, 4, 6, and 8; 290.53, Subdivisions 2 and 5; 290.54; 290.92, Subdivision 23; 296.01, Subdivision 8; 296.14, Subdivision 1; 296.17, Subdivision 11; 297A.33, Subdivision 2; 297A.39, Subdivisions 2 and 5; 508.25; 559.21, by adding a subdivision; 580.-15; Minnesota Statutes 1981 Supplement, Sections 270.063; 270.-66; 270.75, by adding a subdivision; 290.92, Subdivisions 6 and 15; 296.12, Subdivision 4; proposing new law coded in Minnesota Statutes, Chapter 270; repealing Minnesota Statutes 1980, Sections 290.48, Subdivisions 1 and 9; 290.51; 290.97; 297A.33, Subdivision 6; 297A.36; 297A.39, Subdivision 6; 297A.40, Subdivision 2; and Minnesota Statutes 1981 Supplement, Section 290.48, Subdivision 2.

The bill was read for the first time and referred to the Committee on Taxes.

Kvam, Searles, Dempsey, Halberg and Evans introduced:

H. F. No. 2043, A bill for an act relating to taxation; income; deleting certain provisions relating to the taxation of unitary business income; amending Minnesota Statutes 1980, Section 290.34, Subdivision 2, as amended; Minnesota Statutes 1981 Supplement, Section 290.17, Subdivision 2, as amended; 290.21, Subdivision 4, as amended.

The bill was read for the first time and referred to the Committee on Taxes.

Welker introduced :

H. F. No. 2044, A bill for an act relating to health ; providing criteria for renewal of certain certificates related to basic life support transportation services ; amending Minnesota Statutes 1980, Section 144.804, Subdivision 1.

The bill was read for the first time and referred to the Committee on Health and Welfare.

McEachern introduced :

H. F. No. 2045, A bill for an act relating to local government ; allowing cities to impose gravel taxes ; amending Minnesota Statutes 1981 Supplement, Section 298.75, as amended.

The bill was read for the first time and referred to the Committee on Taxes.

Peterson, D. ; Jacobs ; Anderson, I. ; Levi and Stowell introduced :

H. F. No. 2046, A bill for an act relating to taxation ; providing for the imposition of sales tax on certain retail sales of manufactured homes ; amending Minnesota Statutes 1981 Supplement, Sections 297A.01, Subdivision 3 ; 297A.02 ; and 297A.25, Subdivision 1.

The bill was read for the first time and referred to the Committee on Taxes.

Weaver, Novak, Searles, Heinitz and Brinkman introduced :

H. F. No. 2047, A bill for an act relating to taxation ; delayed assessment of value added by restoration, preservation, and rehabilitation of historically designated buildings ; proposing new law coded in Minnesota Statutes, Chapter 273.

The bill was read for the first time and referred to the Committee on Taxes.

Olsen, Rothenberg, Jacobs, Brinkman and Blatz introduced :

H. F. No. 2048, A bill for an act relating to taxation ; providing for conformity to federal income tax treatment of contributions to individual retirement accounts and Keogh plans ; amending Minnesota Statutes 1981 Supplement, Section 290.01, Subdivision 20, as amended.

The bill was read for the first time and referred to the Committee on Taxes.

Nelson, K.; Novak; Otis; Evans and Tomlinson introduced:

H. F. No. 2049, A bill for an act relating to taxation; income; providing a credit for certain energy management training expenditures; amending Minnesota Statutes 1980, Section 290.06, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Taxes.

Greenfield, Vanasek, Kelly, Novak and Blatz introduced:

H. F. No. 2050, A bill for an act relating to crimes; establishing the crime of commercial bribery; prescribing penalties; proposing new law coded in Minnesota Statutes, Chapter 609.

The bill was read for the first time and referred to the Committee on Criminal Justice.

Clawson introduced:

H. F. No. 2051, A bill for an act relating to human rights; prohibiting employment discrimination against members of the national guard and the armed forces reserve; amending Minnesota Statutes 1980, Sections 363.01, Subdivision 24; 363.03, Subdivision 1; 363.05, Subdivision 1; 363.11; 363.115; and 363.12, Subdivision 1.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Rodriguez, F., introduced:

H. F. No. 2052, A bill for an act relating to occupations and professions; providing for the licensing of painting and decorating contractors; establishing the board of painting and decorating contractors; prescribing powers and duties; providing penalties; amending Minnesota Statutes 1980, Sections 326.01, by adding a subdivision; and 326.53, by adding a subdivision; proposing new law coded in Minnesota Statutes 1980, Chapter 326.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Piepho, Brinkman, Metzen and Dahlvang introduced :

H. F. No. 2053, A bill for an act relating to commerce; requiring the commissioner of public safety to adopt fire extinguisher licensing and certification rules; providing exceptions; proposing new law coded in Minnesota Statutes, Chapter 299F.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Evans, Frerichs, Knickerbocker, Wieser and Carlson, D., introduced :

H. F. No. 2054, A bill for an act relating to crimes; providing that motor vehicles of persons convicted of a second violation of driving under the influence of alcohol or a controlled substance are subject to forfeiture; appropriating money; proposing new law coded in Minnesota Statutes, Chapter 169.

The bill was read for the first time and referred to the Committee on Judiciary.

McDonald and Rees introduced :

H. F. No. 2055, A bill for an act relating to Carver County; permitting the county to make electronic funds transfers.

The bill was read for the first time and referred to the Committee on Local and Urban Affairs.

Wenzel, Ogren, Stumpf, Shea and Erickson introduced :

H. F. No. 2056, A bill for an act relating to agriculture; increasing the complement of the agricultural statistics service in the department of agriculture; appropriating money.

The bill was read for the first time and referred to the Committee on Agriculture.

Stowell introduced :

H. F. No. 2057, A bill for an act relating to state government; allowing for disclosures of information between the commissioner of revenue and the department of economic security; amending Minnesota Statutes 1980, Section 268.12, Subdivision 12; and Minnesota Statutes 1981 Supplement, Section 290.61.

The bill was read for the first time and referred to the Committee on Judiciary.

Hokanson, Onnen, Byrne, Hokr and Samuelson introduced :

H. F. No. 2058, A bill for an act relating to public welfare; providing for classification, access, and destruction of certain child abuse report records; clarifying the classification of reports regarding vulnerable adults; amending Minnesota Statutes 1980, Sections 626.556, Subdivisions 3, 7, and by adding a subdivision; 626.557, by adding a subdivision; and Minnesota Statutes 1981 Supplement, Section 626.556, Subdivision 11.

The bill was read for the first time and referred to the Committee on Health and Welfare.

Jacobs and Voss introduced :

H. F. No. 2059, A bill for an act relating to real property; requiring certification by the municipality prior to transfer by the county auditor of certain unplatted properties; proposing new law coded in Minnesota Statutes, Chapter 272.

The bill was read for the first time and referred to the Committee on Local and Urban Affairs.

Ellingson, Norton, Heinitz, Brinkman and Hokr introduced :

H. F. No. 2060, A bill for an act relating to commerce; providing for a determination of when certain property held by a financial institution or business organization is presumed abandoned; amending Minnesota Statutes 1980, Sections 345.32, as amended; and 345.39, as amended.

The bill was read for the first time and referred to the Committee on Financial Institutions and Insurance.

Osthoff introduced :

H. F. No. 2061, A bill for an act relating to agriculture; clarifying the food handling license requirements applicable to carnivals, circuses, and fairs; proposing new law coded in Minnesota Statutes, Chapter 28A.

The bill was read for the first time and referred to the Committee on Commerce and Economic Development.

Laidig, Kahn and Norton introduced:

H. F. No. 2062, A bill for an act relating to health; establishing a permanent council on health promotion and wellness; appropriating money; proposing new law coded in Minnesota Statutes, Chapter 145.

The bill was read for the first time and referred to the Committee on Health and Welfare.

Clark, K.; Greenfield; Byrne and Welch introduced:

H. F. No. 2063, A bill for an act relating to public welfare; requiring preadmission screening for patients entering nursing homes from hospitals; requiring hospital discharge planners to attend certain preadmission screening assessments; allowing recipient choice between long term care and alternative care; modifying cost limits for alternative care; amending Minnesota Statutes 1980, Section 256B.091, Subdivisions 2, 4, and 6; and Minnesota Statutes 1981 Supplement, Section 256B.091, Subdivision 8.

The bill was read for the first time and referred to the Committee on Health and Welfare.

Clark, K.; Tomlinson; Greenfield and Anderson, I., introduced:

H. F. No. 2064, A bill for an act relating to taxation; providing for the creation of urban shelter preserves in which property taxes on residential property rented to low income persons would be reduced; proposing new law coded in Minnesota Statutes, Chapter 273.

The bill was read for the first time and referred to the Committee on Taxes.

Clark, K.; Clawson and Welch introduced:

H. F. No. 2065, A bill for an act relating to public welfare; providing for regulation of aversive or deprivation procedures for behavior modification of mentally retarded, mentally ill, or chemically dependent individuals in order that the procedures are appropriately selected, planned, and implemented with due regard for human rights and needs; establishing a penalty; proposing new law coded in Minnesota Statutes, Chapter 245.

The bill was read for the first time and referred to the Committee on Health and Welfare.

HOUSE ADVISORIES

The following House Advisories were introduced :

Jacobs; Anderson, I.; Minne and Peterson, D., introduced :

H. A. No. 48, A proposal to study enactment of a tax on the gross income of individuals.

The advisory was referred to the Committee on Taxes.

Byrne, Swanson, Clawson, Hokr and Onnen introduced :

H. A. No. 49, A proposal to study out-of-home placements of juveniles.

The advisory was referred to the Committee on Health and Welfare.

Byrne, Clawson, Kelly, Gustafson and Levi introduced :

H. A. No. 50, A proposal to investigate use of secure detention in juvenile correctional facilities.

The advisory was referred to the Committee on Criminal Justice.

Frerichs; Aasness; Kalis; Anderson, G., and Mehrkens introduced :

H. A. No. 51, A proposal to study the present Minnesota rail system and its future in the next decade.

The advisory was referred to the Committee on Transportation.

MESSAGES FROM THE SENATE

The following messages were received from the Senate :

Mr. Speaker :

I hereby announce that the Senate has concurred in and adopted the report of the Conference Committee on :

S. F. No. 818.

The Senate has repassed said bill in accordance with the recommendation and report of the Conference Committee. Said Senate File is herewith transmitted to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONFERENCE COMMITTEE REPORT ON S. F. NO. 818

A bill for an act relating to game and fish; increasing the amount set aside from any increased deer license fees for deer habitat improvement; restricting the taking of bear to adult bear; amending Minnesota Statutes 1980, Sections 97.49, Subdivision 1a; and 100.27, Subdivision 2.

February 3, 1982

The Honorable Jack Davies
President of the Senate

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

We, the undersigned conferees for S. F. No. 818, 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. 818 be amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1980, Section 84.111, is amended by adding a subdivision to read:

Subd. 5. Notwithstanding the provisions of subdivisions 1 to 3, any person holding fee title to all property surrounding a body of public waters may use mechanical harvesting devices to harvest wild rice in those waters. This subdivision does not apply to:

- (a) Any body of public waters greater than 125 acres in size;*
- (b) Any body of public waters to which the public has access directly or through a channel or watercourse; or*
- (c) Harvesting of wild rice for use or sale by any person other than the owner of the surrounding property.*

Sec. 2. Minnesota Statutes 1980, Section 97.48, Subdivision 24, is amended to read:

Subd. 24. The commissioner may limit the number of persons who may hunt deer *or bear*, when he determines that the game supply or area open to hunting is too small for unrestricted hunting, and he may establish by order any practicable method, including a drawing, for impartially determining the persons who may hunt in such areas.

Sec. 3. Minnesota Statutes 1980, Section 97.4841, Subdivision 2, is amended to read:

Subd. 2. [STAMP REQUIRED.] *Except for residents under the age of 18 and over the age of 65 years*, no person (OVER THE AGE OF 18 AND UNDER THE AGE OF 65 YEARS) who is otherwise required to possess a Minnesota small game license shall hunt or take migratory waterfowl within this state without first purchasing a stamp and having the stamp in (HIS) possession while hunting or taking migratory waterfowl. Each stamp shall be validated by the signature of the licensee written across its face. The commissioner shall determine the form of the stamp and shall furnish and distribute stamps to county auditors for sale by them and their authorized subagents as prescribed by order of the commissioner. The commissioner shall encourage the purchase of stamps by nonhunters who are interested in the preservation and development of habitat for migratory waterfowl. People who are hunting on their own property shall not be required to possess a Minnesota waterfowl stamp.

Sec. 4. Minnesota Statutes 1980, Section 97.49, Subdivision 1a, is amended to read:

Subd. 1a. (a) For purposes of this subdivision, "deer license" means a license issued by the commissioner under the provisions of section 98.46, subdivision 2, clauses (2) and (3) and subdivision 14, clauses (2) and (3).

(b) It is the policy of this state that at least (\$1) \$2 from each deer license issued by the commissioner shall be used for the purpose of deer habitat improvement.

Sec. 5. Minnesota Statutes 1980, Section 98.45, Subdivision 1, is amended to read:

Subdivision 1. Except as specifically permitted in chapters 97 to 102, no person may take, buy, sell, transport, or possess any protected wild animals of this state or any aquatic plants without first procuring a license therefor as provided in section 98.46 or in section 98.48. Every license is issued for a year beginning on the first day of March and is void after the last day of the open season or the lawful time within that year during which the acts authorized may be performed. Except as provided in this section, no license to take deer with firearm or with bow and arrow may be issued after the day prior to the first day of the

regular rifle season, and all license agents shall return all stubs and unsold license blanks to the county auditor on the first business day following the first day of such season. *A license to take deer with bow and arrow issued after the opening of the bow and arrow deer season shall not be valid until the fifth day after it is issued.* A resident who is discharged from the military or naval forces of the United States, or any active reserve or component thereof, during the regular season for taking deer by firearm or within ten days before its commencement, may be issued, at any time during the firearm deer season and upon a showing of his official discharge paper, a license to take deer with firearm. Only one license of each kind, except as authorized by order of the commissioner adopted pursuant to section 97.53 and except the non-resident short term angling license, may be issued to a person in any licensing year. No license may be transferred except as expressly authorized.

Sec. 6. Minnesota Statutes 1980, Section 98.47, Subdivision 7, is amended to read:

Subd. 7. No license to *buy or sell fish or to take fish commercially in international waters extending from Pigeon Point West to the North Dakota boundary line shall be issued to any person or member of (HIS) the person's household, or employee, engaged in the business of conducting a summer resort.*

Sec. 7. Minnesota Statutes 1980, Section 98.52, Subdivision 1, is amended to read:

Subdivision 1. Except as otherwise provided herein, the license of any person who is convicted of violating any provisions of chapters 97 to 102, or any order or regulation duly prescribed by the commissioner under authority thereof, relating to the license or to the wild animals covered thereby, shall immediately become null and void, and no big game license of any kind shall be issued to such person for three years after the date of:

(1) A conviction for a violation relating to big game which is classified as a gross misdemeanor, or for doing any act without a big game license for which chapters 97 to 102 require a big game license, or;

(2) A second conviction within a three year period for any other violation of chapters 97 to 102 relating to big game; or

(3) A conviction for taking any big game animal out of season.

No license of the kind related to the conviction shall be issued to (SUCH) a person for one year after the date of conviction if the license is other than a big game license. Every person convicted of doing anything without a license for which chapters

97 to 102 require a license, shall forfeit (HIS) *their* right to secure (SUCH A) *that* license for a period of one year from a conviction other than a conviction related to big game.

Sec. 8. Minnesota Statutes 1980, Section 99.27, Subdivision 1, is amended to read:

Subdivision 1. Breeding and propagating fur-bearing animals, game birds, *bear* or deer, shall be authorized under license only upon privately owned or leased lands and waters. "Private waters," as used herein, includes all bodies of waters or streams, whether meandered or not, of a shallow, swampy, marshy, or boggy nature, not navigable in fact, and of no substantial beneficial use to the general public. The owner or lessee, applying for the license, shall have first enclosed the area, in the manner approved by the commissioner, sufficiently to confine the respective birds or animals to be raised thereon. Licenses shall be granted only in cases where the commissioner finds the application is made in good faith with intention to actually carry on the business described in the application and where the facilities, in his judgment, are adequate therefor.

Sec. 9. Minnesota Statutes 1980, Section 100.27, Subdivision 1, is amended to read:

Subdivision 1. Except as otherwise specifically provided, there shall be no open season on elk, caribou, antelope, marten, *cougar*, or wolverine.

Sec. 10. Minnesota Statutes 1980, Section 100.29, Subdivision 3, is amended to read:

Subd. 3. (IT SHALL BE UNLAWFUL TO HAVE IN POSSESSION OUT OF DOORS, EXCEPT UPON TARGET RANGES OPERATED UNDER A PERMIT FROM THE COMMISSIONER, UNLESS UNLOADED AND CONTAINED IN A GUN CASE, OR UNLOADED AND BROKEN DOWN:)

((1) ANY RIFLE OR HANDGUN, EXCEPT A 22 CALIBER RIM-FIRE RIFLE OR HANDGUN CARRIED FOR THE SOLE PURPOSE OF TAKING SMALL GAME WHEN LAWFUL AND USING 22 CALIBER SHORT, LONG, OR LONG RIFLE BULLETS, OR ANY SHOTGUN WITH SLUGS, IN ANY TERRITORY WHEREIN THERE IS AN OPEN SEASON FOR TAKING DEER WITH FIREARMS, FOR A PERIOD OF TEN DAYS PRECEDING AND FIVE DAYS SUCCEEDING SUCH SEASON:)

((2) ANY RIFLE, EXCEPT THOSE DESCRIBED IN THIS CLAUSE, IN A TERRITORY OPEN FOR THE TAKING OF DEER WITH SHOTGUNS AND SLUGS BUT NOT WITH

RIFLES, DURING SUCH SEASON; (A) SMOOTH-BORE MUZZLE LOADING MUSKETS OF NOT LESS THAN 45 CALIBER AND RIFLE MUZZLE LOADING MUSKETS OF NOT LESS THAN 40 CALIBER THAT ARE INCAPABLE OF BEING LOADED AT THE BREECH, MAY BE POSSESSED AND USED FOR THE HUNTING OF DEER DURING SUCH OPEN SEASON AND (B) 22 CALIBER RIM-FIRE RIFLES OR HANDGUNS CARRIED FOR THE SOLE PURPOSE OF TAKING SMALL GAME WHEN LAWFUL AND USING 22 CALIBER SHORT, LONG, OR LONG RIFLE BULLETS, MAY BE POSSESSED AND USED DURING SUCH OPEN DEER SEASON;)

(3) ANY SLUGS FOR USE IN A SHOTGUN IN ANY TERRITORY OPEN FOR THE TAKING OF DEER WITH FIREARMS DURING THE OPEN SEASON, EXCEPT FOR SLUGS CARRIED FOR THE SOLE PURPOSE OF TAKING DEER OR BEAR.) *Within any area where deer may be taken by firearms, it shall be unlawful during the period beginning the tenth day before the open firearms season and ending the fifth day after the close of the season, inclusive, to have any firearm or ammunition in possession out of doors other than:*

(1) *Shotguns using shot;*

(2) *Handguns and rifles using .22 caliber short, long and long rifle cartridges; and*

(3) *Firearms described in subdivision 9, as legal for taking big game subject to weapon zone restrictions as prescribed by the commissioner, provided the bearer has a big game license on his person and is afield during the time and within the area the big game license is valid.*

Except for pistols and revolvers carried in compliance with sections 624.714 to 624.715 and firearms in possession upon target ranges operated under a permit from the commissioner, all firearms carried out of doors other than in conformity with this subdivision must be unloaded and contained in a case or unloaded and contained in the trunk of a car with the trunk door closed.

Sec. 11. Minnesota Statutes 1980, Section 100.29, Subdivision 9, is amended to read:

Subd. 9. (EXCEPT AS PROVIDED IN SUBDIVISION 3, AND IN THIS SUBDIVISION, IT SHALL BE UNLAWFUL TO TAKE DEER, MOOSE, OR ANY OTHER WILD ANIMAL DURING DEER OR MOOSE SEASON IN OPEN DEER OR MOOSE HUNTING TERRITORY WITH A RIFLE OR FIREARM WHICH DISCHARGES A PROJECTILE, THE DIAMETER OF WHICH IS LESS THAN TWENTY-THREE HUN-

DREDTHS OF AN INCH, OR TO USE ANY CARTRIDGE LESS THAN 1-3/4 INCHES IN LENGTH, AND NOT CONTAINING A SOFT POINT OR EXPANDING BULLET, THE MEASUREMENT TO INCLUDE THE CARTRIDGE OR SHELL AND THE BULLET SEATED IN THE USUAL MANNER, PROVIDED CARTRIDGES OF 35 CALIBER OR LARGER MAY BE USED, REGARDLESS OF LENGTH, OR TO USE SHELLS CONTAINING BUCKSHOT, OR FINE SHOT EXCEPT FOR GAME BIRDS, AND EXCEPT THAT SMOOTH-BORE MUZZLE LOADING MUSKETS OF NOT LESS THAN 45 CALIBER AND RIFLED MUZZLE LOADING MUSKETS OF NOT LESS THAN 40 CALIBER THAT ARE INCAPABLE OF BEING LOADED AT THE BREECH MAY BE USED, AND PROVIDED FURTHER THAT HANDGUNS OF THE .357, .41, AND .44 MAGNUM CALIBER, USING AMMUNITION WITH A CASE LENGTH OF NOT LESS THAN 1.285 INCHES, AND OTHER CALIBERS OF SIMILAR PERFORMANCE AS DETERMINED BY THE COMMISSIONER, MAY BE USED TO TAKE DEER, MOOSE, BEAR, OR ANY WILD ANIMAL.) *A firearm or ammunition may be used to take big game if it meets the following requirements:*

(1) Handguns, rifles, shotguns and all projectiles used therein shall be at least 23/100ths of an inch in caliber;

(2) All firearms shall be loaded only with ammunition containing single projectiles;

(3) All projectiles shall be of a soft point or an expanding bullet type;

(4) All ammunition shall have a case length of at least 1.285 inches; and

(5) Muzzleloaders must be incapable of being loaded at the breech. Smooth-bore muzzleloaders shall be at least .45 caliber and rifled muzzleloaders shall be at least .40 caliber.

It is unlawful to take big game with a .30 caliber M-1 carbine cartridge or with any other firearm or ammunition which does not meet the requirements provided in clauses (1) to (5).

Sec. 12. Minnesota Statutes 1981 Supplement, Section 98.46, Subdivision 4, is amended to read:

Subd. 4. Fees for the following licenses, to be issued to residents only, shall be:

(1) To trap fur bearing animals (, EXCEPT BEAVER,) for residents over the age of 13 and under the age of 18, \$3.50;

(2) To trap fur bearing animals (, EXCEPT BEAVER,) for residents 18 years of age and older, \$13;

(3) To buy or sell raw furs anywhere within the state including the privilege of selling to resident manufacturers or to unlicensed non-residents, representing unlicensed non-residents as a broker or agent, or conducting a fur auction wherein sales are made to unlicensed non-residents or resident manufacturers, \$100, provided that any employee, partner or officer buying or selling at the established place of business only for the licensee may secure a supplemental license for \$50;

(4) (TO TRAP BEAVER DURING AN OPEN SEASON OR BY PERMIT WHEN DOING DAMAGE, \$2.50;)

((5)) To guide bear hunters, \$75.

Sec. 13. Minnesota Statutes 1981 Supplement, Section 98.46, Subdivision 14, is amended to read:

Subd. 14. Fees for the following licenses, to be issued to non-residents, shall be:

(1) To take small game and unprotected quadrupeds with firearms and bow and arrows, \$35;

(2) To take deer and unprotected quadrupeds with firearms (AND BOW AND ARROWS), \$75;

(3) To take deer and unprotected quadrupeds with a bow and arrows only, (\$35) \$75;

(4) To take bear, \$100;

(5) To take turkeys, \$30, in addition to a small game license;

(6) To hunt raccoon, *bobcat*, *fox*, *coyote*, or *Canada lynx*, with or without dogs, \$100, in addition to nonresident small game license.

Sec. 14. Minnesota Statutes 1980, Section 98.46, Subdivision 21, is amended to read:

Subd. 21. The commissioner may by order require every licensee to tag *any fur bearing animal* at the place where (TRAPPED, BEAVER, FISHER OR OTTER) taken. The tag (WILL) shall be of a type prescribed by the commissioner and bearing (THE LICENSE NUMBER OF THE OWNER AND) the year of its issue. Tags (WILL) shall be issued (WITH THE LICENSE) upon request of the licensee in a manner prescribed by the commissioner at no additional cost. (DURING THE

CALENDAR YEARS 1977 AND 1978 THE COMMISSIONER SHALL REQUIRE THE TAGGING OF FISHER IN THE MANNER DESIGNATED IN THIS SUBDIVISION.)

Sec. 15. Minnesota Statutes 1980, Section 98.46, Subdivision 26, is amended to read:

Subd. 26. No nonresident shall possess or transport a raccoon, bobcat, *Canada lynx*, or fox taken in this state unless a tag of a type prescribed by the commissioner is affixed to the carcass. The number of tags which the commissioner shall prescribe by order will be issued with every nonresident license to take raccoon, bobcat, *Canada lynx*, or fox provided no such license or tags shall be issued after the fifth day from the commencement of the season for that licensing year.

Sec. 16. Minnesota Statutes 1981 Supplement, Section 97.4842, Subdivision 1, is amended to read:

Subdivision 1. [STAMP REQUIRED.] No person over the age of 18 and under the age of 65 years who is otherwise required to possess a Minnesota fishing license shall (TAKE TROUT BY ANGLING) *angle* in any stream designated by the commissioner as a trout stream (WITHIN THIS STATE) without first purchasing a stamp and having the stamp in his possession while angling for trout in any such trout stream. Each stamp shall be validated by the signature of the licensee written across its face. The commissioner shall determine the form of the stamp and shall furnish and distribute stamps to county auditors for sale by them and their authorized subagents as prescribed by order of the commissioner. The commissioner shall encourage the purchase of stamps by any persons who are interested in the improvement of trout streams.

Sec. 17. Minnesota Statutes 1981 Supplement, Section 98.50, Subdivision 5, is amended to read:

Subd. 5. Any resident desiring to sell the licenses referred to in subdivision 1 may either purchase for cash or obtain on consignment license blanks from a county auditor in groups of not less than five non-resident, and ten resident license blanks. In addition to the basic license fee, he shall collect a fee for issuing each license in the amount of \$1 for the license to take deer and for the sportsman license authorized in section 98.46, subdivision 2a, and 75 cents for all other licenses. The state migratory waterfowl stamp required by section 97.4841, the trout stamp required by section 97.4842, and any other similar state stamp required by statute, each shall be considered to be a "license" within the meaning of this subdivision except when such stamp and a small game or other appropriate license are issued in the same transaction in which case the stamp shall be considered a part of the (SMALL GAME) appropriate

license and only one issuing fee shall be collected. In selling such licenses, he shall be deemed an agent of the county auditor and the commissioner, and he shall observe all rules and regulations promulgated by the commissioner for the accounting for and handling of such licenses.

The county auditor shall promptly deposit all moneys received from the sale of licenses with the county treasurer, and shall promptly transmit such reports as may be required by the commissioner, together with his warrant on the county treasurer for 100 percent of the surcharge imposed by section 97.482 plus 96 percent of the price to the licensee, exclusively of said surcharge and the issuing fee, for each license sold or consigned by him and subsequently sold to a licensee during the accounting period. The county auditor shall retain as his commission four percent of all license fees, excluding issuing fees for licenses consigned to subagents. In addition, for licenses sold for cash directly to the licensee, the auditor shall collect the same issuing fee as a subagent. Unsold license blanks in the hands of any agent shall be redeemed by the commissioner if presented for redemption within the time prescribed by the commissioner therefor. Any license blanks not presented for redemption within the period prescribed shall be conclusively presumed to have been sold, and the agent possessing the same or to whom they are charged shall be accountable therefor. The commissioner shall collect the same issuing fee as a subagent for licenses sold directly through a license distribution center operated by the department of natural resources. The issuing fees so collected by the commissioner shall be credited to the game and fish fund.

Sec. 18. Minnesota Statutes 1980, Section 101.42, Subdivision 7, is amended to read:

Subd. 7. Except as otherwise specifically permitted, it shall be unlawful to buy or sell any fish taken from the waters of this state, except rough fish and minnows, fish raised in a private hatchery when tagged or labeled as prescribed by the commissioner, fish taken under licensed commercial fishing operations, or lawfully taken and subject to sale from other states or countries; provided, black bass, rock bass, muskellunge, and sunfish may not be bought or sold in this state *except when bought or sold by a private hatchery in accordance with procedures and restrictions prescribed by order of the commissioner for the purpose of stocking waters for recreational fishing.*

Sec. 19. Minnesota Statutes 1980, Section 100.29, Subdivision 5, is amended to read:

Subd. 5. Except as permitted by section 98.48, subdivision 10, it (SHALL BE) *is* unlawful to take any wild animal by (MEANS OF) discharging any firearm or bow and arrow (THEREAT) from a motor vehicle or airplane or snowmobile (, OR TO TRANSPORT ANY FIREARM). Except *for* a pistol or revolver

carried in compliance with sections 624.714 and 624.715, it is unlawful to transport any firearm, including a muzzle loading firearm, in a motor vehicle or airplane or snowmobile, unless (1) the (SAME) firearm is unloaded in both barrels and magazine and (COMPLETELY) contained in a gun case expressly made for that purpose which is fully enclosed by being zipped, snapped, buckled, tied, or otherwise fastened, with no portion of the firearm exposed, or (UNLESS) (2) the firearm is unloaded and (CONTAINED) in the trunk of (THE) a car with the trunk door closed. It is also unlawful to transport (THE FOLLOWING) a bow and arrow in a motor vehicle, airplane, or snowmobile (: (1) A BOW AND ARROW) unless (1) unstrung (OR) , (2) completely contained in a case, or (UNLESS) (3) contained in the trunk of the car with the trunk door closed (; (2) A MUZZLE LOADING FIREARM UNLESS FULLY UNLOADED AND COMPLETELY CONTAINED IN A GUN CASE EXPRESSLY MADE FOR THAT PURPOSE WHICH IS FULLY ENCLOSED BY BEING ZIPPED, SNAPPED, BUCKLED, TIED, OR OTHERWISE FASTENED, WITH NO PORTION OF THE FIREARM EXPOSED, AND IN THE CLOSED TRUNK OF A CAR OR REARMOST LOCATION OF A VEHICLE). A muzzle loading firearm with a flintlock ignition is fully unloaded if it has no priming powder in any pan and a muzzle loading firearm with percussion ignition is fully unloaded if it has no percussion cap on any nipple. Subject to the requirements of subdivision 17, migratory waterfowl may be taken from a floating craft including those propelled by motor, sail and wind, or both, if the motor is shut off and the sails are furled, the progress of the craft caused by such propulsion has ceased, and the craft is drifting, beached, moored, resting at anchor, or is being propelled by paddle, oars, or pole.

Sec. 20. Minnesota Statutes 1980, Section 101.42, is amended by adding a subdivision to read:

Subd. 1a. No muskellunge less than 36 inches in length may be taken in any waters north of trunk highway No. 210.

Sec. 21. [REPEALER.]

Minnesota Statutes 1980, Sections 98.46, Subdivision 20 and 101.42, Subdivision 10, are repealed.

Sec. 22. [EFFECTIVE DATE.]

Sections 1, 3, 5, 7, 9, 10, 11, 12, and 17 are effective August 1, 1982. Sections 8, 16, 18, 19, 20, and 21 are effective the day after final enactment. Sections 2, 4, 6, 13, 14, and 15 are effective for licensing years beginning March 1, 1982."

Delete the title and insert:

“A bill for an act relating to game and fish; altering requirements for taking and possession; increasing the deer license habitat amount; prescribing requirements for carrying and use of firearms and ammunition; prescribing penalties; restricting the season on cougar; restricting the taking of bear; removing a license fee for beaver; establishing nonresident fees for bobcat, fox, coyote and Canada lynx, allowing tagging for fur bearing animals; clarifying the trout stamp requirement; permitting certain fish to be bought or sold by private hatcheries; clarifying the transportation of firearms; clarifying the use of mechanical harvesting devices for wild rice; restricting the taking of certain muskellunge in certain areas of the state; amending Minnesota Statutes 1980, Sections 84.111, by adding a subdivision; 97.48, Subdivision 24; 97.4841, Subdivision 2; 97.49, Subdivision 1a; 98.45, Subdivision 1; 98.46, Subdivisions 21 and 26; 98.47, Subdivision 7; 98.52, Subdivision 1; 99.27, Subdivision 1; 100.27, Subdivision 1; 100.29, Subdivisions 3, 5 and 9; 101.42, Subdivision 7 and by adding a subdivision; Minnesota Statutes 1981 Supplement, Sections 97.4842, Subdivision 1; 98.46, Subdivisions 4 and 14; and 98.50, Subdivision 5; repealing Minnesota Statutes 1980, Sections 98.46, Subdivision 20; and 101.42, Subdivision 10.”

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

Senate Conferees: COLLIN C. PETERSON and STEVE ENGLER.

House Conferees: LEO J. REDING, DAVID P. BATTAGLIA and JOHN DREW.

Reding moved that the report of the Conference Committee on S. F. No. 818 be adopted and that the bill be repassed as amended by the Conference Committee. The motion did not prevail.

Reding moved that S. F. No. 818 be returned to the Conference Committee. The motion prevailed.

Mr. Speaker:

I hereby announce the passage by the Senate of the following Senate Files, herewith transmitted.

S. F. Nos. 786, 787, 1239 and 1538.

PATRICK E. FLAHAVEN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 786, A bill for an act relating to retirement; volunteer firefighters relief associations; authorizing relief associations to increase retirement benefit and service pension amounts

without municipal ratification in certain instances; amending Minnesota Statutes 1980, Sections 69.772, Subdivision 6; 69.773, Subdivision 6; and 424A.02, Subdivision 10.

The bill was read for the first time and referred to the Committee on Governmental Operations.

S. F. No. 787, A bill for an act relating to retirement; volunteer firefighters relief associations; financing and benefit amounts; amending Minnesota Statutes 1980, Sections 69.772, Subdivision 2a; 424.01; 424.02; 424.04; 424.16; 424.17; and 424A.02, Subdivisions 3, 7 and 9.

The bill was read for the first time and referred to the Committee on Governmental Operations.

S. F. No. 1239, A bill for an act relating to the operation of state government; authorizing the state board of investment to employ investment management firms to invest certain funds on its behalf; appropriating money; amending Minnesota Statutes 1980, Section 11A.04.

The bill was read for the first time and referred to the Committee on Appropriations.

S. F. No. 1538, A bill for an act relating to peace officers; providing for appointment of peace officers, constables and deputy constables in towns; requiring towns to notify the peace officers standards and training board before employing law enforcement officers; amending Minnesota Statutes 1980, Sections 367.03, Subdivisions 1, 2, and 3; 367.22; 367.40, Subdivisions 3 and 4; 367.41; Minnesota Statutes 1981 Supplement, Section 367.42, Subdivision 1; repealing Minnesota Statutes 1981 Supplement, Section 382.28.

The bill was read for the first time.

Lehto moved that S. F. No. 1538 and H. F. No. 1587, now on the Calendar, be referred to the Chief Clerk for comparison. The motion prevailed.

There being no objection the order of business reverted to Reports of Standing Committees.

REPORTS OF STANDING COMMITTEES

Johnson, C., from the Committee on Education to which was referred:

H. F. No. 1603, A bill for an act relating to education; requiring the board of teaching and the state board of education to accept certain life experiences in lieu of a training program con-

taining human relations components for issuance or renewal of a license in education; amending Minnesota Statutes 1980, Section 125.05, by adding a subdivision.

Reported the same back with the following amendments:

Page 1, delete lines 12 to 25 and insert:

"Subd. 4. [HUMAN RELATIONS.] The board of teaching and the state board of education shall accept training programs completed through Peace Corps, VISTA, and Teacher Corps in lieu of completion of the human relations component of the training program for purposes of issuing or renewing a license in education."

Amend the title as follows:

Page 1, line 3, before "certain" insert "completion of"

Page 1, delete lines 4 and 5 and insert "training programs in lieu of the human relations components required for licensure"

Page 1, line 6, delete "renewal of a license in education"

With the recommendation that when so amended the bill pass and be placed on the Consent Calendar.

The report was adopted.

Johnson, C., from the Committee on Education to which was referred:

H. F. No. 1664, A bill for an act relating to education; establishing limitations on appropriations for higher education interstate tuition reciprocity agreements; declaring legislative intention to discontinue appropriating money for higher education interstate tuition reciprocity agreements; providing that continuing students shall remain eligible for remission on non-resident tuition; requiring the higher education coordinating board to determine categories of students eligible for remission of nonresident tuition; encouraging discontinuance of courses of study and schools when duplication exists in this state and adjacent states when economically advantageous; amending Minnesota Statutes 1980, Sections 136A.04, Subdivision 1; and 136A.08; Laws 1981, Chapter 359, Section 3, Subdivision 6.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Laws 1981, Chapter 359, Section 3, Subdivision 6, is amended to read:

Subd. 6. Interstate Tuition Reciprocity

\$ 5,300,000 \$ 5,669,000

If the appropriation for either year is insufficient, the appropriation for the other year is available to meet reciprocity contract obligations *but only for the following categories of students: students who have been accepted and are now eligible for nonresident tuition remission, and as many students seeking first-time approval for nonresident tuition remission as possible within the appropriation.*

Sec. 2. Minnesota Statutes 1980, Section 136A.04, Subdivision 1, is amended to read:

Subdivision 1. The higher education coordinating board shall:

(a) Continuously study and analyze all phases and aspects of higher education, both public and private, and develop necessary plans and programs to meet present and future needs of the people of the state (IN RESPECT THERETO);

(b) Continuously engage in long range planning of the needs of higher education and (, IF NECESSARY,) cooperatively engage in (SUCH) planning with neighboring states and agencies of the federal government;

(c) Act as successor to any committee or commission heretofore authorized to engage in exercising any of the powers and duties prescribed by sections 136A.01 to 136A.07;

(d) Review, make recommendations and identify priorities with respect to all plans and proposals for new or additional programs of instruction or substantial changes in existing programs to be established in or offered by (,) the University of Minnesota, (THE) state universities, (THE) community colleges, (AND PUBLIC) area vocational-technical institutes, and private collegiate and non-collegiate institutions offering post-secondary education, and periodically review existing programs offered in or by (THE ABOVE) *these* institutions and recommend discontinuing or modifying any existing program, the continuation of which is judged by the board as being unnecessary or a (NEEDLESS) duplication of existing programs;

(e) Develop, in cooperation with the post-secondary systems, committee on appropriations of the house of representatives, committee on finance of the senate, and the departments of administration and finance, a compatible budgetary reporting format (DESIGNED) to provide data (OF A NATURE TO

FACILITATE) for systematic review of (THE) budget submissions of the University of Minnesota, (THE) state university system, (THE) state community college system and (THE PUBLIC) area vocational-technical schools; and which includes the relating of dollars to program output;

(f) Review budget requests, including plans for construction or acquisition of facilities, of the University of Minnesota, (THE) state (COLLEGES) universities, (THE) state community colleges, and (PUBLIC) area vocational-technical schools (FOR THE PURPOSE OF RELATING) to relate present resources and higher educational programs to the state's present and long range needs; and conduct a continuous analysis of the financing of post-secondary institutions and systems, including (THE) assessments (AS TO) of the extent to which (THE) expenditures and accomplishments are consistent with legislative intent;

(g) Obtain from private post-secondary institutions receiving state funds a report on their use of those funds;

(h) Continuously monitor and study the transferability between Minnesota post-secondary and higher education institutions of credits earned for equal and relevant work at those institutions, the degree to which credits earned at one institution are accepted at full value by the other institutions, and the policies of these institutions concerning the placement of these transferred credits on transcripts.

Sec. 3. Minnesota Statutes 1980, Section 136A.08, is amended to read:

136A.08 [RECIPROCAL AGREEMENTS RELATING TO NONRESIDENT TUITION WITH OTHER STATES.]

Subdivision 1. [AUTHORIZATION FOR AGREEMENTS.] The Minnesota higher education coordinating board (HEREIN REFERRED TO AS THE BOARD), in addition to its general responsibility for cooperatively engaging in planning higher education needs with neighboring states pursuant to section 136A.04, may enter into agreements or understandings which include remission of nonresident tuition for designated categories of students at state institutions of higher education and public area vocational-technical institutes with appropriate state agencies and institutions of higher education in other states to facilitate utilization of public higher education institutions in this state and other states. (SUCH) These agreements shall have as their purpose the mutual improvement of educational advantages for residents of this state and (SUCH) other states or institutions of other states with whom agreements are made.

Subd. 2. [APPROPRIATION LIMITATION.] *It is the intention of the legislature to discontinue appropriating money in biennia beginning after June 30, 1985 for nonresident tuition remission agreements except in accordance with the provisions*

of this section. Agreements and understandings shall be subject to actions of the legislature and legislative appropriation.

Subd. 3. [CONTINUING STUDENTS.] A student who is eligible for remission of nonresident tuition shall continue to remain eligible as long as the student remains in good standing and is a full-time student.

Subd. 4. [DESIGNATED CATEGORIES.] The board may determine students eligible for remission of nonresident tuition to meet the limitation in subdivision 2 by designation of categories of students according to a method selected by the board.

The board may give priority to a student whose residence in Minnesota is within 30 miles of the school the student wishes to attend.

The board may give priority to a student who is admitted to a course of study leading to a degree, associate degree, or certificate in another state when that course of study is not available at an educational institution in this state. The eligibility shall cease when the student changes that course of study or when the student completes the degree in that course of study.

The board may terminate the eligibility of a student who is not in good standing at the school attended.

If necessary to prevent burdensome enrollments in Minnesota post-secondary schools, the total number of students eligible for any school year may decline according to the previous year's decline in enrollment in Minnesota post-secondary schools.

Subd. 5. [AGREEMENT WITH WISCONSIN.] At the discretion of the board, a higher education reciprocity agreement with the state of Wisconsin may include provision for the transfer of funds between Minnesota and Wisconsin provided that an income tax reciprocity agreement between Minnesota and Wisconsin is in effect for the period of time included under the higher education reciprocity agreement. If provision for transfer of funds between the two states is included in a collegiate education reciprocity agreement, the amount of funds to be transferred shall be determined according to a formula which is mutually acceptable to the board and a duly designated agency representing Wisconsin. (SUCH) The formula shall recognize differences in tuition rates between the two states and the number of students attending institutions in each state under the agreement. Any payments to Minnesota by Wisconsin shall be deposited by the board in the general fund of the state treasury. The amount required for the payments shall be certified by the executive director of the higher education coordinating board to the commissioner of finance annually.

Subd. (2) 6. [AGREEMENTS WITH NORTH DAKOTA AND SOUTH DAKOTA.] At the discretion of the board, a reciprocity agreement with North Dakota may include provision for the transfer of funds between Minnesota and North Dakota. If provision for transfer of funds between the two states is included in an agreement, the amount of funds to be transferred shall be determined according to a formula which is mutually acceptable to the board and a duly designated agency representing North Dakota. In adopting a formula, the board shall consider tuition rates in the two states and the number of students attending institutions in each state under the agreement. Any payment to Minnesota by North Dakota shall be deposited by the board in the general fund. The amount required for the payments shall be certified by the executive director of the higher education coordinating board to the commissioner of finance annually. All provisions in this subdivision pertaining to North Dakota shall also be applied to South Dakota and all authority and conditions granted for higher education reciprocity with North Dakota are also granted for higher education reciprocity with South Dakota.

Subd. (3) 7. [STUDENT AID.] The board may enter into an agreement, with a state with which it has negotiated a reciprocity agreement for tuition, to permit students from both states to receive student aid awards from the student's state of residence for attending an eligible institution in the other state.

Subd. (4) 8. [APPROVAL BY VARIOUS BOARDS.] No agreement made by the board pursuant to this section shall be valid as to an area vocational-technical institute without the approval of the state board for vocational education, as to a state university without the approval of the state university board, as to a community college without the approval of the state board for community colleges, and as to the university of Minnesota without the approval of the board of regents of the university of Minnesota.

Subd. 9. [BALANCE IN EACH BIENNIUM.] The board shall administer approval of students for remission of nonresident tuition so that at the end of each biennium beginning after June 30, 1985, no deficit exists between this state and any state with which there is an agreement."

Delete the title and insert:

"A bill for an act relating to education; establishing limitations on appropriations for higher education interstate tuition reciprocity agreements; declaring legislative intention to discontinue appropriating money for higher education interstate tuition reciprocity agreements; providing that continuing students shall remain eligible for remission on nonresident tuition; requiring the higher education coordinating board to determine categories of students eligible for remission of nonresident tuition;

amending Minnesota Statutes 1980, Sections 136A.04, Subdivision 1; and 136A.08; Laws 1981, Chapter 359, Section 3, Subdivision 6.”

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Johnson, C., from the Committee on Education to which was referred:

H. F. No. 1699, A bill for an act relating to education; requiring all public elementary and secondary schools to provide instruction in chemical dependency prevention; amending Minnesota Statutes 1980, Section 126.03; and proposing new law coded in Chapter 126.

Reported the same back with the following amendments:

Page 1, line 15, delete “[126.56]” and insert “[126.031]”

Page 1, line 15, delete “DEPENDENCY PREVENTION” and insert “ABUSE PROGRAMS”

Page 1, line 18, delete “*and the prevention of chemical*”

Page 1, line 19, delete “*dependency*”

Page 1, after line 26, insert:

“Sec. 3. [EFFECTIVE DATE.]

Sections 1 and 2 are effective July 1, 1982.”

Amend the title as follows:

Page 1, line 3, delete “instruction” and insert “instructional programs”

Page 1, line 4, delete “dependency prevention” and insert “abuse”

With the recommendation that when so amended the bill pass and be placed on the Consent Calendar.

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 1603 and 1699 were read for the second time.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House File was introduced :

Blatz; Sieben, H., and Kostohryz introduced :

H. F. No. 2066, A bill for an act relating to local government; providing for city facilities related to armories; authorizing issuance of bonds; proposing new law coded in Minnesota Statutes, Chapter 193.

The bill was read for the first time and referred to the Committee on General Legislation and Veterans Affairs.

CONSENT CALENDAR

H. F. No. 1430, A bill for an act relating to the city of Hibbing; fixing the amount of the mayor's contingent fund; amending Laws 1939, Chapter 329, Section 1.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 122 yeas and 0 nays as follows :

Those who voted in the affirmative were :

Aasness	Ewald	Knickerbocker	O'Connor	Simoneau
Ainley	Fjoslien	Kostohryz	Ogren	Skoglund
Anderson, B.	Forstythe	Kvam	Olsen	Stadum
Anderson, G.	Frerichs	Laidig	Onnen	Staten
Anderson, I.	Greenfield	Lehto	Osthoff	Stowell
Battaglia	Gruenes	Lemen	Otis	Stumpf
Begich	Gustafson	Levi	Peterson, B.	Sviggum
Berkelman	Halberg	Long	Peterson, D.	Swanson
Blatz	Hanson	Ludeman	Piepho	Tomlinson
Brandl	Harens	Luknic	Pogemiller	Valan
Brinkman	Hauge	Mann	Redalen	Valento
Byrne	Haukoos	Marsh	Reding	Vanasek
Carlson, D.	Heinitz	McCarron	Rees	Vellenga
Carlson, L.	Himle	McDonald	Reif	Voss
Clark, K.	Hoberg	McEachern	Rice	Weaver
Clawson	Hokanson	Mehrkens	Rodriguez, C.	Welch
Dahlvang	Hokr	Metzen	Rodriguez, F.	Welker
Dean	Jacobs	Minne	Rose	Wenzel
Den Ouden	Jennings	Munger	Rothenberg	Wieser
Drew	Johnson, D.	Murphy	Samuelson	Wigley
Eken	Jude	Nelsen, B.	Sarna	Zubay
Ellingson	Kahn	Nelson, K.	Schafer	Spkr. Sieben, H.
Erickson	Kaley	Niehaus	Schreiber	
Esau	Kalis	Novak	Sherman	
Evans	Kelly	Nysether	Sherwood	

The bill was passed and its title agreed to.

H. F. No. 1602, A bill for an act relating to counties; providing for meetings of the county board of commissioners; amending Minnesota Statutes 1980, Section 375.07.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 123 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Aasness	Ewald	Kelly	O'Connor	Sherwood
Ainley	Fjoslien	Knickerbocker	Ogren	Simoneau
Anderson, B.	Forsythe	Kvam	Olsen	Skoglund
Anderson, G.	Frerichs	Laidig	Onnen	Stadum
Anderson, I.	Greenfield	Lehto	Osthoff	Staten
Battaglia	Gruenes	Lemen	Otis	Stowell
Begich	Halberg	Levi	Peterson, B.	Stumpf
Berkelman	Hanson	Long	Peterson, D.	Sviggum
Blatz	Harens	Ludeman	Piepho	Swanson
Brandl	Hauge	Luknic	Pogemiller	Tomlinson
Brinkman	Haukoos	Mann	Redalen	Valan
Byrne	Heap	Marsh	Reding	Valento
Carlson, D.	Heinitz	McCarron	Rees	Vanasek
Carlson, L.	Himle	McDonald	Reif	Vellenga
Clark, K.	Hoberg	McEachern	Rice	Voss
Clawson	Hokanson	Mehrkens	Rodriguez, C.	Weaver
Dahlvang	Hokr	Metzen	Rodriguez, F.	Welker
Dean	Jacobs	Minne	Rose	Wenzel
Den Ouden	Jennings	Munger	Rothenberg	Wieser
Drew	Johnson, C.	Murphy	Samuelson	Wigley
Eken	Johnson, D.	Nelsen, B.	Sarna	Wynia
Ellingson	Jude	Nelson, K.	Schafer	Zubay
Erickson	Kahn	Niehaus	Schreiber	Spkr. Sieben, H.
Esau	Kaley	Novak	Shea	
Evans	Kalis	Nysether	Sherman	

The bill was passed and its title agreed to.

H. F. No. 1616, A bill for an act relating to counties; fixing the maximum amount of county money that may be spent by development organizations for certain county developments; amending Minnesota Statutes 1980, Section 395.08.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 123 yeas and 1 nay as follows:

Those who voted in the affirmative were:

Aasness	Battaglia	Brinkman	Clawson	Eken
Ainley	Begich	Byrne	Dahlvang	Ellingson
Anderson, B.	Berkelman	Carlson, D.	Dean	Erickson
Anderson, G.	Blatz	Carlson, L.	Den Ouden	Esau
Anderson, I.	Brandl	Clark, K.	Drew	Evans

Ewald	Jude	Mehrkens	Redalen	Stumpf
Fjoslien	Kahn	Metzen	Reding	Sviggum
Forsythe	Kaley	Minne	Rees	Swanson
Frerichs	Kalis	Munger	Reif	Tomlinson
Greenfield	Kelly	Murphy	Rodriguez, C.	Valan
Gruenes	Knickerbocker	Nelsen, B.	Rodriguez, F.	Valento
Gustafson	Kostohryz	Nelson, K.	Rose	Vanasek
Halberg	Kvam	Niehaus	Rothenberg	Vellenga
Hanson	Laidig	Novak	Samuelson	Voss
Harens	Lehto	Nysether	Sarna	Weaver
Hauge	Lemen	O'Connor	Schafer	Welch
Haukoos	Levi	Ogren	Schreiber	Welker
Heimitz	Long	Olsen	Shea	Wenzel
Himle	Ludeman	Onnen	Sherman	Wieser
Hoberg	Luknic	Osthoff	Sherwood	Wigley
Hokanson	Mann	Otis	Simoneau	Wynia
Jacobs	Marsh	Peterson, B.	Skoglund	Zubay
Jennings	McCarron	Peterson, D.	Stadum	Spkr. Sieben, H.
Johnson, C.	McDonald	Piepho	Staten	
Johnson, D.	McEachern	Pogemiller	Stowell	

Those who voted in the negative were:

Rice

The bill was passed and its title agreed to.

H. F. No. 1637, A bill for an act relating to the standard of time; providing that the Minnesota standard of time conform to the federal standard of time; amending Minnesota Statutes 1980, Section 645.071.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 126 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Aasness	Eken	Hoberg	Ludeman	Olsen
Ainley	Ellingson	Hokanson	Luknic	Onnen
Anderson, B.	Erickson	Hokr	Mann	Osthoff
Anderson, G.	Esau	Jacobs	Marsh	Otis
Anderson, I.	Evans	Jennings	McCarron	Peterson, B.
Battaglia	Ewald	Johnson, C.	McDonald	Peterson, D.
Begich	Fjoslien	Johnson, D.	McEachern	Piepho
Berkelman	Forsythe	Jude	Mehrkens	Pogemiller
Blatz	Frerichs	Kahn	Metzen	Redalen
Brandl	Greenfield	Kaley	Minne	Reding
Brinkman	Gruenes	Kalis	Munger	Rees
Byrne	Gustafson	Kelly	Murphy	Reif
Carlson, D.	Halberg	Knickerbocker	Nelsen, B.	Rice
Carlson, L.	Hanson	Kostohryz	Nelson, K.	Rodriguez, C.
Clark, K.	Harens	Kvam	Niehaus	Rodriguez, F.
Clawson	Hauge	Laidig	Norton	Rose
Dahlvang	Haukoos	Lehto	Novak	Rothenberg
Dean	Heap	Lemen	Nysether	Samuelson
Den Ouden	Heimitz	Levi	O'Connor	Sarna
Drew	Himle	Long	Ogren	Schafer

Schreiber	Stadum	Tomlinson	Welch	Zubay
Shea	Staten	Valan	Welker	Spkr. Sieben, H.
Sherman	Stowell	Valento	Wenzel	
Sherwood	Stumpf	Vanasek	Wieser	
Simoneau	Sviggum	Vellenga	Wigley	
Skoglund	Swanson	Weaver	Wynia	

The bill was passed and its title agreed to.

S. F. No. 699, A bill for an act relating to transportation; authorizing the commissioner of transportation to act as agent for political subdivisions for the construction of roads and bridges under certain circumstances; amending Minnesota Statutes 1980, Section 161.36, Subdivision 3.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 126 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Aasness	Forsythe	Kostohryz	Ogren	Skoglund
Ainley	Frerichs	Kvam	Olsen	Stadum
Anderson, B.	Greenfield	Laidig	Onnen	Staten
Anderson, G.	Gruenes	Lehto	Osthoff	Stowell
Anderson, I.	Gustafson	Lemen	Otis	Stumpf
Battaglia	Halberg	Levi	Peterson, B.	Sviggum
Begich	Hanson	Long	Peterson, D.	Swanson
Blatz	Harens	Ludeman	Piepho	Tomlinson
Brandl	Hauge	Luknic	Pogemiller	Valan
Brinkman	Haukoos	Mann	Redalen	Valento
Byrne	Heap	Marsh	Reding	Vanasek
Carlson, D.	Heinitz	McCarron	Rees	Vellenga
Carlson, L.	Himle	McDonald	Reif	Voss
Clark, K.	Hoberg	McEachern	Rice	Weaver
Clawson	Hokanson	Mehrkens	Rodriguez, C.	Welch
Dahlvang	Hokr	Metzen	Rodriguez, F.	Welker
Dean	Jacobs	Minne	Rose	Wenzel
Den Ouden	Jennings	Munger	Rothenberg	Wieser
Drew	Johnson, C.	Murphy	Samuelson	Wigley
Eken	Johnson, D.	Nelsen, B.	Sarna	Wynia
Ellingson	Jude	Nelson, K.	Schafer	Zubay
Erickson	Kahn	Niehaus	Schreiber	Spkr. Sieben, H.
Esau	Kaley	Norton	Shea	
Evans	Kalis	Novak	Sherman	
Ewald	Kelly	Nysether	Sherwood	
Fjoslien	Knickerbocker	O'Connor	Simoneau	

The bill was passed and its title agreed to.

CALENDAR

H. F. No. 1250, A bill for an act relating to children; amending the definitions of shelter care facility and secure detention facility; extending the time limit for detaining children who may be dependent or neglected children; amending Minnesota Stat-

utes 1980, Sections 260.015, Subdivisions 16 and 17; 260.171, Subdivisions 2, 4, 5, 6, and by adding a subdivision; 260.172, Subdivision 1; repealing Minnesota Statutes 1980, Section 260.015, Subdivision 15.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 125 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Aasness	Ewald	Kalis	Norton	Shea
Ainley	Fjoslien	Kelly	Novak	Sherman
Anderson, B.	Forsythe	Knickerbocker	Nysether	Sherwood
Anderson, G.	Frerichs	Kostohryz	O'Connor	Simoneau
Anderson, I.	Greenfield	Kvam	Ogren	Skoglund
Battaglia	Gruenes	Laidig	Olsen	Staten
Begich	Gustafson	Lehto	Onnen	Stowell
Berkelman	Halberg	Lemen	Osthoff	Stumpf
Eiatz	Hanson	Levi	Otis	Sviggum
Brandl	Harens	Long	Peterson, B.	Swanson
Brinkman	Hauge	Ludeman	Peterson, D.	Tomlinson
Byrne	Haukoos	Luknic	Piepho	Valan
Carlson, D.	Heap	Mann	Pogemiller	Valento
Carlson, L.	Heinitz	Marsh	Redalen	Vanasek
Clark, K.	Himle	McCarron	Reding	Vellenga
Clawson	Hoberg	McDonald	Rees	Voss
Dahlvang	Hokanson	McEachern	Reif	Weaver
Dean	Hokr	Mehrkens	Rice	Welch
Den Ouden	Jacobs	Metzen	Rodriguez, C.	Welker
Drew	Jennings	Minne	Rodriguez, F.	Wenzel
Eken	Johnson, C.	Munger	Rothenberg	Wieser
Ellingson	Johnson, D.	Murphy	Samuelson	Wigley
Erickson	Jude	Nelsen, B.	Sarna	Wynia
Esau	Kahn	Nelson, K.	Schafer	Zubay
Evans	Kaley	Niehaus	Schreiber	Sprk. Sieben, H.

The bill was passed and its title agreed to.

Berkelman was excused for the remainder of today's session.

S. F. No. 429, A bill for an act relating to public safety; regulating boilers, other apparatus and their operators; providing penalties; amending Minnesota Statutes 1980, Sections 183.375, Subdivision 2; 183.38; 183.39, Subdivision 1; 183.41, Subdivision 2; 183.411, Subdivision 3; 183.42; 183.44; 183.45; 183.46; 183.465; 183.48; 183.50; 183.51; 183.52; 183.53; 183.54; 183.545; 183.56; 183.57; 183.59; 183.60; 183.61; 183.62; and proposing new law coded in Minnesota Statutes, Chapter 183; repealing Minnesota Statutes 1980, Section 183.39, Subdivision 2.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 81 yeas and 33 nays as follows:

Those who voted in the affirmative were:

Aasness	Forsythe	Kalis	Niehaus	Shea
Anderson, G.	Greenfield	Kelly	O'Connor	Sherman
Anderson, I.	Gruenes	Knickerbocker	Ogren	Skoglund
Battaglia	Gustafson	Kostohryz	Olsen	Staten
Begich	Halberg	Kvam	Otis	Stowell
Blatz	Hanson	Laidig	Peterson, B.	Valan
Carlson, D.	Harens	Lehto	Redalen	Weaver
Carlson, L.	Haukoos	Lemen	Rees	Welch
Clark, K.	Heap	Long	Reif	Wenzel
Clawson	Heinitz	Luknic	Rice	Wieser
Dahlvang	Himle	Mann	Rodriguez, C.	Wigley
Dean	Hoberg	McEachern	Rodriguez, F.	Zubay
Drew	Jacobs	Mehrkens	Rose	Spkr. Sieben, H.
Esau	Johnson, D.	Minne	Rothenberg	
Evans	Jude	Munger	Samuelson	
Ewald	Kahn	Murphy	Sarna	
Fjoslien	Kaley	Nelson, K.	Schreiber	

Those who voted in the negative were:

Ainley	Frerichs	Metzen	Pogemiller	Valento
Anderson, B.	Jennings	Nelsen, B.	Reding	Vanasek
Byrne	Johnson, C.	Novak	Schafer	Voss
Den Ouden	Ludeman	Onnen	Sherwood	Welker
Eken	Marsh	Osthoff	Stumpf	Wynia
Ellingson	McCarron	Peterson, D.	Sviggum	
Erickson	McDonald	Piepho	Swanson	

The bill was passed and its title agreed to.

H. F. No. 1283, A bill for an act relating to crimes; lengthening the statute of limitations for prosecutions for certain crimes; amending Minnesota Statutes 1980, Section 628.26.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 126 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Aasness	Carlson, L.	Ewald	Heap	Kaley
Ainley	Clark, K.	Fjoslien	Heinitz	Kalis
Anderson, B.	Clawson	Forsythe	Himle	Kelly
Anderson, G.	Dahlvang	Frerichs	Hoberg	Knickerbocker
Anderson, I.	Dean	Greenfield	Hokanson	Kostohryz
Battaglia	Den Ouden	Gruenes	Hokr	Kvam
Begich	Drew	Gustafson	Jacobs	Laidig
Blatz	Eken	Halberg	Jennings	Lehto
Brandl	Ellingson	Hanson	Johnson, C.	Lemen
Brinkman	Erickson	Harens	Johnson, D.	Levi
Byrne	Esau	Hauge	Jude	Long
Carlson, D.	Evans	Haukoos	Kahn	Ludeman

Luknic	Norton	Reding	Sherwood	Voss
Mann	Novak	Rees	Simoneau	Weaver
Marsh	Nysether	Reif	Skoglund	Welch
McCarron	O'Connor	Rice	Stadum	Welker
McDonald	Ogren	Rodriguez, C.	Staten	Wenzel
McEachern	Olsen	Rodriguez, F.	Stowell	Wieser
Mehrkens	Onnen	Rose	Stumpf	Wigley
Metzen	Osthoff	Rothenberg	Sviggum	Wynia
Minne	Otis	Samuelson	Swanson	Zubay
Munger	Peterson, B.	Sarna	Tomlinson	Spkr. Sieben, H.
Murphy	Peterson, D.	Schafer	Valan	
Nelsen, B.	Piepho	Schreiber	Valento	
Nelson, K.	Pogemiller	Shea	Vanasek	
Niehaus	Redalen	Sherman	Vellenga	

The bill was passed and its title agreed to.

H. F. No. 1546, A bill for an act relating to juveniles; providing for the detention of juveniles for whom a motion to refer for prosecution is pending before the court; amending Minnesota Statutes 1980, Section 260.173, Subdivision 4.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 124 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Aasness	Fjoslien	Kelly	Nysether	Sherman
Ainley	Forsythe	Knickerbocker	O'Connor	Sherwood
Anderson, B.	Frerichs	Kostohryz	Ogren	Simoneau
Anderson, G.	Greenfield	Kvam	Olsen	Skoglund
Anderson, I.	Gruenes	Laidig	Onnen	Staten
Battaglia	Gustafson	Lehto	Osthoff	Stowell
Begich	Halberg	Lemen	Otis	Stumpf
Blatz	Hanson	Levi	Peterson, B.	Sviggum
Brandl	Harens	Long	Peterson, D.	Swanson
Brinkman	Hauge	Ludeman	Piepho	Tomlinson
Byrne	Haukoos	Luknic	Pogemiller	Valan
Carlson, D.	Heap	Mann	Redalen	Valento
Carlson, L.	Heinitz	Marsh	Reding	Vanasek
Clark, K.	Himle	McCarron	Rees	Vellenga
Clawson	Hoberg	McDonald	Reif	Voss
Dahlvang	Hokanson	McEachern	Rice	Weaver
Dean	Hokr	Mehrkens	Rodriguez, C.	Welch
Den Ouden	Jacobs	Minne	Rodriguez, F.	Welker
Drew	Jennings	Munger	Rose	Wenzel
Eken	Johnson, C.	Murphy	Rothenberg	Wieser
Ellingson	Johnson, D.	Nelsen, B.	Samuelson	Wigley
Erickson	Jude	Nelson, K.	Sarna	Wynia
Esau	Kahn	Niehaus	Schafer	Zubay
Evans	Kaley	Norton	Schreiber	Spkr. Sieben, H.
Ewald	Kalis	Novak	Shea	

The bill was passed and its title agreed to.

H. F. No. 1573, A bill for an act relating to crimes; prohibiting the manufacture, sale, transfer and delivery of simulated con-

trolled substances; prohibiting their manufacture, sale, transfer and delivery; providing penalties; amending Minnesota Statutes 1980, Sections 152.09, Subdivision 1; 152.15, by adding a subdivision; proposing new law coded in Minnesota Statutes, Chapter 152.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 124 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Aasness	Fjoslien	Knickerbocker	O'Connor	Sherwood
Ainley	Forsythe	Kostohryz	Ogren	Simoneau
Anderson, B.	Frerichs	Kvam	Olsen	Skoglund
Anderson, G.	Greenfield	Laidig	Onnen	Stadum
Anderson, I.	Gruenes	Lehto	Osthoff	Staten
Battaglia	Halberg	Lemen	Otis	Stowell
Begich	Hanson	Levi	Peterson, B.	Stumpf
Blatz	Harens	Long	Peterson, D.	Sviggun
Brandl	Hauge	Luknic	Piepho	Swanson
Brinkman	Haukoos	Mann	Pogemiller	Tomlinson
Byrne	Heap	Marsh	Redalen	Valan
Carlson, D.	Heinitz	McCarron	Reding	Valento
Carlson, L.	Himle	McDonald	Rees	Vanasek
Clark, K.	Hoberg	McEachern	Reif	Vellenga
Clawson	Hokanson	Mehrkens	Rice	Voss
Dahlvang	Hokr	Metzen	Rodriguez, C.	Weaver
Dean	Jacobs	Minne	Rodriguez, F.	Welch
Den Ouden	Jennings	Munger	Rose	Welker
Drew	Johnson, C.	Murphy	Rothenberg	Wenzel
Eken	Johnson, D.	Nelsen, B.	Samuelson	Wieser
Ellingson	Jude	Nelson, K.	Sarna	Wigley
Erickson	Kahn	Niehaus	Schafer	Wynia
Esau	Kaley	Norton	Schreiber	Zubay
Evans	Kalis	Novak	Shea	Spkr. Sieben, H.
Ewald	Kelly	Nysether	Sherman	

The bill was passed and its title agreed to.

H. F. No. 1579, A bill for an act relating to state lands; providing for the conveyance of certain land to the city of Brainerd.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 109 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Aasness	Battaglia	Byrne	Den Ouden	Esau
Ainley	Begich	Carlson, D.	Drew	Evans
Anderson, B.	Blatz	Clark, K.	Eken	Ewald
Anderson, G.	Brandl	Clawson	Ellingson	Forsythe
Anderson, I.	Brinkman	Dean	Erickson	Frerichs

Greenfield	Johnson, D.	McDonald	Redalen	Stowell
Gruenes	Jude	Minne	Rees	Stumpf
Gustafson	Kaley	Murphy	Reif	Sviggum
Halberg	Kalis	Nelsen, B.	Rice	Swanson
Hanson	Kelly	Niehaus	Rodriguez, C.	Valan
Harens	Knickerbocker	Norton	Rodriguez, F.	Valento
Hauge	Kostohryz	Nysether	Rose	Vanasek
Haukoos	Kvam	O'Connor	Rothenberg	Vellenga
Heap	Lehto	Ogren	Samuelson	Weaver
Heinitz	Lemen	Olsen	Sarna	Welker
Himle	Levi	Onnen	Schreiber	Wenzel
Hoberg	Long	Osthoff	Shea	Wieser
Hokanson	Ludeman	Otis	Sherman	Wigley
Hokr	Luknic	Peterson, B.	Sherwood	Wynia
Jacobs	Mann	Peterson, D.	Skoglund	Zubay
Jennings	Marsh	Piepho	Stadum	Spkr. Sieben, H.
Johnson, C.	McCarron	Pogemiller	Staten	

The bill was passed and its title agreed to.

H. F. No. 1610, A bill for an act relating to juveniles; expanding definition of "dependent child;" expanding the rights of victims of juvenile delinquency; restricting out-of-state placements of children; making juvenile traffic offenders subject to the same legal consequences and rights as adults; providing evidentiary standards for contributing to delinquency or neglect; increasing parental liability of minors willful or malicious conduct; amending Minnesota Statutes 1980, Sections 260.015, Subdivisions 5 and 6; 260.155, Subdivision 1; 260.315; and 540.18; proposing new law coded in Minnesota Statutes, Chapter 260; repealing Minnesota Statutes 1980, Section 260.193.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 126 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Aasness	Ellingson	Hokanson	Luknic	Onnen
Ainley	Erickson	Hokr	Mann	Osthoff
Anderson, B.	Esau	Jacobs	Marsh	Otis
Anderson, G.	Evans	Jennings	McCarron	Peterson, B.
Anderson, I.	Ewald	Johnson, C.	McDonald	Peterson, D.
Battaglia	Fjoslien	Johnson, D.	McEachern	Piepho
Begich	Forsythe	Jude	Mehrkens	Pogemiller
Blatz	Frerichs	Kahn	Metzen	Redalen
Brandl	Greenfield	Kaley	Minne	Reding
Brinkman	Gruenes	Kalis	Munger	Rees
Byrne	Gustafson	Kelly	Murphy	Reif
Carlson, D.	Halberg	Knickerbocker	Nelsen, B.	Rice
Carlson, L.	Hanson	Kostohryz	Nelson, K.	Rodriguez, C.
Clark, K.	Harens	Kvam	Niehaus	Rodriguez, F.
Clawson	Hauge	Laidig	Norton	Rose
Dahlvang	Haukoos	Lehto	Novak	Rothenberg
Dean	Heap	Lemen	Nysether	Samuelson
Den Ouden	Heinitz	Levi	O'Connor	Sarna
Drew	Himle	Long	Ogren	Schafer
Eken	Hoberg	Ludeman	Olsen	Schreiber

Shea	Staten	Valan	Welch	Zubay
Sherman	Stowell	Valento	Welker	Spkr. Sieben, H.
Sherwood	Stumpf	Vanasek	Wenzel	
Simoneau	Sviggum	Vellenga	Wieser	
Skoglund	Swanson	Voss	Wigley	
Stadum	Tomlinson	Weaver	Wynia	

The bill was passed and its title agreed to.

Rees was excused at 3:15 p.m. Swanson was excused at 4:35 p.m. Novak was excused at 4:50 p.m.

GENERAL ORDERS

Pursuant to rules of the House, the House resolved itself into the Committee of the Whole, with Sieben, H., in the Chair, for the consideration of bills pending on General Orders of the Day. After some time spent therein the Committee arose.

REPORT OF COMMITTEE OF THE WHOLE

The Speaker resumed the Chair, whereupon the following proceedings of the Committee as kept by the Chief Clerk were reported to the House:

H. F. Nos. 1786 and 1668 which it recommended to pass.

H. F. No. 1166 which it recommended progress.

H. F. No. 879 which it recommended to pass with the following amendment offered by Levi:

Page 5, line 14 to page 6, line 17, delete Section 7 from the bill.

Renumber sections accordingly

Page 13, line 6, after "Sections 1 to" delete "11" and insert "10"

Amend the title as follows:

Page 1, line 11, after "Subdivisions 1 and 2;" delete "260.151;"

H. F. No. 776 which it recommended to pass with the following amendment offered by Nysether:

Page 3, after line 9, insert:

"Sec. 2. [65B.495] [NOTIFICATION OF PAYMENT OF LIABILITY CLAIMS.]

No reparation obligor shall pay any claim under residual liability coverage without prior notification to the insured that

the claim has been submitted and that the reparation obligor intends to pay the claim."

Amend the title as follows :

Page 1, line 3, after the semicolon insert "prohibiting payment of certain claims unless notice is given to the insured;"

H. F. No. 1484 which it recommended to pass with the following amendments :

Offered by Forsythe :

Page 2, line 14, delete "10" and insert "7"

Offered by Wieser :

Page 4, line 4, delete "shall" insert "may"

H. F. No. 1523 which it recommended to pass with the following amendment offered by Byrne :

Page 1, line 20, after "section." insert "No cause of action may be brought against any physician for not making a report pursuant to this section."

H. F. No. 1589 which it recommended progress with the following amendment offered by Stowell :

Page 2, line 1, after "permit" insert ", require evidence of insurance complying with the provisions of section 65B.48, subdivision 5"

On the motion of Simoneau the report of the Committee of the Whole was adopted.

ROLL CALLS IN COMMITTEE OF THE WHOLE

Pursuant to rule 1.6, the following roll call was taken in the Committee of the Whole :

Fjoslien moved to amend H. F. No. 1668, the first engrossment, as follows :

Page 42, line 12, delete "the sheltering or"

Page 42, line 16, delete "shelter or"

The question was taken on the amendment and the roll was called. There were 17 yeas and 74 nays as follows :

Those who voted in the affirmative were:

Aasness	Fjoslien	Laidig	Schafer	Wigley
Ainley	Frerichs	Ludeman	Sherwood	
Erickson	Halberg	Nysether	Welker	
Esau	Jennings	Piepho	Wieser	

Those who voted in the negative were:

Anderson, G.	Gruenes	Luknic	O'Connor	Sherman
Anderson, I.	Hanson	Mann	Olsen	Sieben, M.
Battaglia	Hauge	Marsh	Onnen	Simoneau
Begich	Himle	McCarron	Osthoff	Skoglund
Blatz	Hokanson	McEachern	Otis	Stowell
Carlson, L.	Jacobs	Mehrkens	Peterson, D.	Stumpf
Clark, K.	Johnson, C.	Metzen	Pogemiller	Tomlinson
Clawson	Johnson, D.	Minne	Reding	Valento
Dahlvang	Jude	Munger	Rice	Vanasek
Den Ouden	Kahn	Murphy	Rodriguez, C.	Vellenga
Eken	Kelily	Nelsen, B.	Rodriguez, F.	Voss
Ellingson	Knickerbocker	Nelson, K.	Rose	Wenzel
Ewald	Kostohryz	Niehaus	Samuelson	Wynia
Forsythe	Lemen	Norton	Sarna	Spkr. Sieben, H.
Greenfield	Levi	Novak	Schreiber	

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

ANNOUNCEMENT BY THE SPEAKER

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 353:

Schoenfeld, Jude, Shea, Kalis and Erickson.

ADJOURNMENT

Simoneau moved that when the House adjourns today it adjourn until 2:00 p.m., Monday, February 15, 1982. The motion prevailed.

Simoneau moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 2:00 p.m., Monday, February 15, 1982.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

STATE OF MINNESOTA

SEVENTY-SECOND SESSION - 1982

SEVENTY-FIRST DAY

SAINT PAUL, MINNESOTA, MONDAY, FEBRUARY 15, 1982

The House of Representatives convened at 2:00 p.m. and was called to order by Harry A. Sieben, Jr., Speaker of the House.

Prayer was offered by Reverend Thomas Koelln, Louisburg-St. Paul's Lutheran Parish, Louisburg, Minnesota.

The roll was called and the following members were present:

Aasness	Evans	Kelly	O'Connor	Sherwood
Ainley	Ewald	Knickerbocker	Ogren	Sieben, M.
Anderson, B.	Fjoslien	Kostohryz	Olsen	Simoneau
Anderson, G.	Forsythe	Kvam	Onnen	Skoglund
Anderson, I.	Frerichs	Laidig	Osthoff	Stadum
Battaglia	Greenfield	Lehto	Otis	Staten
Begich	Gruenes	Lemen	Peterson, B.	Stowell
Berkelman	Gustafson	Levi	Peterson, D.	Stumpf
Blatz	Halberg	Long	Piepho	Sviggum
Brandl	Hanson	Ludeman	Pogemiller	Swanson
Brinkman	Harens	Luknic	Redalen	Tomlinson
Byrne	Hauge	Mann	Reding	Valento
Carlson, D.	Haukoos	Marsh	Rees	Vanasek
Carlson, L.	Heap	McCarron	Reif	Voss
Clark, J.	Heinitz	McDonald	Rice	Weaver
Clark, K.	Himle	McEachern	Rodriguez, C.	Welch
Clawson	Hoberg	Mehrkens	Rodriguez, F.	Welker
Dahlvang	Hokanson	Metzen	Rose	Wenzel
Dean	Hokr	Minne	Rothenberg	Wieser
Dempsey	Jacobs	Munger	Samuelson	Wigley
Den Ouden	Jennings	Murphy	Sarna	Wynia
Drew	Johnson, C.	Nelsen, B.	Schafer	Zubay
Eken	Johnson, D.	Nelson, K.	Schoenfeld	Spkr. Sieben, H.
Elioff	Jude	Niehaus	Schreiber	
Ellingson	Kahn	Norton	Searles	
Erickson	Kaley	Novak	Shea	
Esau	Kalis	Nysether	Sherman	

A quorum was present.

Anderson, R.; Valan and Vellenga were excused.

The Chief Clerk proceeded to read the Journal of the preceding day. Kelly moved that further reading of the Journal be

dispensed with and that the Journal be approved as corrected by the Chief Clerk. The motion prevailed.

REPORTS OF CHIEF CLERK

Pursuant to Rules of the House, printed copies of H. F. Nos. 919, 1262, 1442, 1710, 275, 1603, 1699, 776, 879, 1484, 1523, 1589, 1712 and 1732 and S. F. Nos. 786, 787, 1239 and 1538 have been placed in the members' files.

S. F. No. 1538 and H. F. No. 1587, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Lehto moved that the rules be so far suspended that S. F. No. 1538 be substituted for H. F. No. 1587 and that the House File be indefinitely postponed. The motion prevailed.

REPORTS OF STANDING COMMITTEES

Jude from the Committee on Judiciary to which was referred:

H. F. No. 685, A bill for an act relating to crimes; providing for the return of stolen property; providing that photographic records of stolen property shall be admissible as evidence; proposing new law coded in Minnesota Statutes, Chapter 609.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [609.523] [RETURN OF STOLEN PROPERTY TO OWNERS.]

Subdivision 1. [PHOTOGRAPHIC RECORD.] Photographs of property, as defined in section 609.52, subdivision 1, which a person is alleged to have exerted unauthorized control over or to have otherwise obtained unlawfully are competent evidence if the photographs are admissible into evidence under all rules of law governing the admissibility of photographs into evidence. The photographic record, when satisfactorily identified, is as admissible in evidence as the stolen property itself.

Subd. 2. [RECORD OF PROPERTY.] The photographs may bear a written description of the property alleged to have been wrongfully taken, the name of the owner of the property taken, the name of the accused, the name of the arresting law enforcement officer, the date of the photograph, and the signature of the photographer.

Subd. 3. [RETURN OF PROPERTY.] A law enforcement agency that is holding property over which a person is alleged to have exerted unauthorized control or to have otherwise obtained unlawfully may return that property to its owner if:

(a) The appropriately identified photographs are filed and retained by the law enforcement agency;

(b) Satisfactory proof of ownership of the property is shown by the owner;

(c) A declaration of ownership is signed under penalty of perjury; and

(d) A receipt for the property is obtained from the owner upon delivery by the law enforcement agency.

Subd. 4. [NONLIABILITY; GOOD FAITH RETURN.] Any person who in good faith returns property pursuant to this section is not thereafter to be held liable in any legal proceedings concerning the return of the property."

Delete the title and insert:

"A bill for an act relating to crimes; providing photographic records of evidence shall be admissible as evidence; providing for the return of stolen property; proposing new law coded in Minnesota Statutes, Chapter 609."

With the recommendation that when so amended the bill pass.

The report was adopted.

Mann from the Committee on Transportation to which was referred:

H. F. No. 1025, A bill for an act relating to safety; imposing an additional registration tax on motorcycles for motorcycle safety education programs; providing for the disposition of the proceeds of the additional tax; prescribing duties of commissioner of education; appropriating money; amending Minnesota Statutes 1980, Section 168.013, Subdivisions 1b and 8; proposing new law coded in Minnesota Statutes, Chapter 126.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1981 Supplement, Section 171.06, is amended by adding a subdivision to read:

Subd. 2a. [FEE INCREASED.] The fee for any duplicate drivers license which is obtained for the purpose of adding a

two-wheeled vehicle endorsement is increased by \$6 for each first such duplicate license and \$4 for each renewal thereof. The additional fee shall be paid into the state treasury and credited to the motorcycle safety fund which is hereby created.

All application forms prepared by the commissioner for two-wheeled vehicle endorsements shall clearly contain the information that of the total fee charged for the endorsement, \$4 is dedicated to the motorcycle safety fund.

Sec. 2. [126.115] [MOTORCYCLE SAFETY EDUCATION PROGRAM.]

Subdivision 1. [ADVISORY COMMITTEE ESTABLISHED.] There is hereby created an advisory committee on motorcycle safety. The committee shall be appointed by the commissioners of education and public safety and shall consist of no more than eight members which shall include educational, safety and motorcycling representatives. The committee will serve at no expense to the state and shall expire September 30, 1984.

Subd. 2. [ESTABLISHED; ADMINISTRATION; RULES.] A motorcycle safety program is established. The program shall be administered by the commissioners of public safety and education with the advice of the advisory committee on motorcycle safety. The program shall include but is not limited to training and coordination of motorcycle safety instructors, motorcycle safety promotion and public information, and reimbursement for the cost of approved courses offered by schools and organizations.

Subd. 3. [REIMBURSEMENTS.] The commissioner of education, to the extent that funds are available, may reimburse schools and other approved organizations offering approved motorcycle safety education courses for up to 50 percent of the actual cost of the courses. If sufficient funds are not available reimbursements shall be prorated. The commissioner may conduct audits and otherwise examine the records and accounts of schools and approved organizations offering the courses to insure the accuracy of the costs.

Subd. 4. [APPROPRIATION.] All funds in the motorcycle safety fund created by section 1 of this act are hereby annually appropriated to the commissioner of public safety to carry out the purposes of subdivisions 2 and 3. The commissioner of public safety may make grants from the fund to the commissioner of education at such times and in such amounts as he deems necessary to carry out the purposes of subdivisions 2 and 3. Not more than five percent of the funds so appropriated shall be expended to defray the administrative costs of carrying out the purposes of subdivisions 2 and 3, and not more than 50 percent of the money so appropriated shall be expended for the

combined purpose of training and coordinating the activities of motorcycle safety instructors and making reimbursements to schools and other approved organizations."

Amend the title as follows :

Page 1, delete lines 3 to 9 and insert "fee for two-wheeled vehicle endorsements for motorcycle safety programs; providing for the disposition of the proceeds of the additional fee; prescribing duties of commissioner of public safety; establishing a fund; making a standard appropriation; amending Minnesota Statutes 1981 Supplement, Section 171.06, by adding a subdivision; proposing new law coded in Minnesota Statutes, Chapter 126."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Voss from the Committee on Local and Urban Affairs to which was referred :

H. F. No. 1050, A bill for an act relating to insurance; requiring proof of motor vehicle or motorcycle insurance prior to the issuance of a parking permit by a governmental unit; proposing new law coded in Minnesota Statutes, Chapter 65B.

Reported the same back with the following amendments :

Page 1, line 10, delete "No" and insert "A" and delete "shall issue" and insert "*may require that the issuance of*"

Page 1, line 11, after "it" insert "*may be denied the owner*"

Amend the title as follows :

Page 1, line 2, after the semicolon insert "authorizing the" and after "requiring" insert "of"

With the recommendation that when so amended the bill pass and be placed on the Consent Calendar.

The report was adopted.

Jude from the Committee on Judiciary to which was referred :

H. F. No. 1068, A bill for an act relating to adoption; providing for record retention; providing for services by adoption agencies; proposing new law coded in Minnesota Statutes, Chapter 259.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. [259.46] [ADOPTION RECORDS.]

Subdivision 1. [CONTENT.] The adoption records of the commissioner, his agents and licensed child placing agencies shall contain copies of all relevant legal documents, responsibly collected genetic, medical and social history of the child and his genetic parents, the child's placement record, copies of all pertinent agreements, contracts, and correspondence relevant to the adoption, and copies of all reports and recommendations made to the court. Identifying information contained in the adoption record shall be confidential and shall be disclosed only pursuant to section 259.31.

Subd. 2. [USE.] Each adoption record shall constitute the permanent record upon which court action is based and agency services are administered.

Subd. 3. [RETENTION.] All adoption records shall be retained on a permanent basis under a protected record system which ensures confidentiality and lasting preservation.

Sec. 2. [259.47] [POST-ADOPTION SERVICES.]

Subdivision 1. [SERVICES PROVIDED.] Agencies shall provide assistance and counseling services upon receiving a request for current information from adoptive parents, genetic parents, or adopted persons aged 19 years and over. The agency shall contact the other adult persons or the adoptive parents of a minor child in a personal and confidential manner to determine whether there is a desire to receive or share information or to have contact. If there is such a desire, the agency shall provide the services requested. The agency shall provide services to adult genetic siblings if there is no known violation of the confidentiality of a genetic parent or if the genetic parent gives written consent.

Subd. 2. [HEALTH INFORMATION.] When the agency receives information about a medical or genetic condition which has affected or may affect the physical or mental health of genetically related persons, the agency shall make a diligent effort to contact those persons in order to transmit the health information.

Subd. 3. [IDENTIFYING INFORMATION.] In agency adoptive placements made on and after August 1, 1982, the agency responsible for the placement shall obtain from the genetic parents named on the original birth certificate an affidavit attesting to the following:

(a) That the genetic parent has been informed of the right of the adopted person at age 19 to request from the agency the name, last known address, birthdate and birthplace of the genetic parents named on the adopted person's original birth certificate;

(b) That each genetic parent may file in the agency record an affidavit objecting to the release of any or all of the information listed in clause (a) about that genetic parent, and only about himself, to the adopted person;

(c) That if the genetic parent does not file an affidavit objecting to release of information before the adopted person's 19th birthdate, the agency will provide the adopted person with the information upon request;

(d) That notwithstanding the filing of an affidavit, the adopted person may petition the court pursuant to section 259.31 for release of identifying information about a genetic parent;

(e) That the genetic parent shall then have the opportunity to present evidence to the court that nondisclosure of identifying information is of greater benefit to the genetic parent than disclosure to the adopted person; and

(f) That any objection filed by the genetic parent shall become invalid when withdrawn by the genetic parent or when the genetic parent dies. Upon receipt of a death certificate for the genetic parent, the agency shall release the identifying information to the adopted person if requested.

Subd. 4. [CONFIDENTIALITY.] Agencies shall provide adoptive parents, genetic parents and adult siblings, and adopted persons aged 19 years and over reasonable assistance in a manner consistent with state and federal laws, rules, and regulations regarding the confidentiality and privacy of child welfare and adoption records.

Subd. 5. [CHARGES.] Agencies may require a reasonable expense reimbursement for providing services required in this section.

Sec. 3. [259.48] [RULES.]

The commissioner of public welfare shall make rules as necessary to administer sections 1 and 2."

With the recommendation that when so amended the bill pass.

The report was adopted.

Voss from the Committee on Local and Urban Affairs to which was referred:

H. F. No. 1365, A bill for an act relating to cities; authorizing city rehabilitation loan programs for small and medium sized commercial buildings; and providing for the issuance of revenue bonds to finance the programs; proposing new law coded in Minnesota Statutes, Chapter 459.

Reported the same back with the following amendments:

Page 2, line 11, after "and" insert "*, if the city has adopted a comprehensive plan,*"

Page 2, after line 20, insert "*small and medium sized*"

Page 3, line 23, delete "\$100,000" and insert "\$200,000"

Page 3, line 36, after "city" insert "*or county*"

Page 4, line 1, delete "*this act*" and insert "*sections 1 to 3*"

Page 6, line 14, delete "*this act*" and insert "*sections 1 to 3*"

Page 6, line 16, delete "*Subd. 5*" and insert "*Sec. 4. [459.34]*" and before "*The*" begin a new paragraph

Page 6, line 17, delete "*this act*" and insert "*sections 1 to 3*"

Page 6, after line 18, insert:

"Sec. 5. Minnesota Statutes 1980, Section 462.421, Subdivision 14, is amended to read:

Subd. 14. "Project" means a housing project, a housing development project or a redevelopment project, or any combination of such projects. The term "project" also may be applied to all real and personal property, assets, cash, or other funds, held or used in connection with the development or operation of the housing project, housing development project or redevelopment project, as the case may be. *The term "project" also includes an interest reduction program authorized by section 462.445, subdivision 10.*

Sec. 6. Minnesota Statutes 1980, Section 462.445, is amended by adding a subdivision to read:

Subd. 10. [INTEREST REDUCTION PROGRAM.] An authority may develop and administer an interest reduction program to assist the financing of the construction, rehabilitation, and purchase of housing units which are primarily for occupancy by individuals of low or moderate income and related and subordinate facilities. An authority may:

(a) pay in periodic payments or in a lump sum payment any or all of the interest on loans made pursuant to chapter 462C or section 462.445, subdivision 9;

(b) pay any or all of the interest on bonds issued pursuant to chapter 462C, or pursuant to this chapter for the purpose of making loans authorized by section 462.445, subdivision 9;

(c) pay in periodic payments or in a lump sum payment any or all of the interest on loans made by private lenders to purchasers of housing units;

(d) pay any or all of the interest due on loans made by private lenders to a developer for the construction or rehabilitation of housing units;

(e) pay in periodic payments or in a lump sum payment any or all of the interest on loans made by any person to a developer for the construction, rehabilitation, and purchase of commercial facilities which are related and subordinate to the construction, rehabilitation, or purchase of housing units which receive interest reduction assistance provided that the entire development is composed primarily of housing units;

(f) pay any or all of the interest on bonds issued pursuant to chapter 474, when the bonds are issued for a project which is related and subordinate to the construction, rehabilitation, or purchase of housing units which receive interest reduction assistance provided that the entire development is composed primarily of housing units;

(g) pay in periodic payments or in a lump sum payment any or all of the interest on loans made pursuant to sections 1 to 5 for the rehabilitation or preservation of small and medium sized commercial buildings; and

(h) pay any or all of the interest on bonds issued pursuant to section 3.

Sec. 7. Minnesota Statutes 1980, Section 462.445, is amended by adding a subdivision to read:

Subd. 11. [INTEREST REDUCTION PROGRAM; LIMITATIONS.] In developing the interest reduction program authorized by section 6 the authority shall consider:

(a) the availability and affordability of other governmental programs;

(b) the availability and affordability of private market financing; and

(c) the need for additional affordable mortgage credit to encourage the construction and enable the purchase of housing units within the jurisdiction of the authority.

The authority shall promulgate regulations for the interest reduction program. Interest reduction assistance shall not be provided when the authority determines that financing for the purchase of a housing unit or for the construction or rehabilitation of housing units is otherwise available from private lenders upon terms and conditions which are affordable by the applicant, as provided by the authority in its regulations.

At least 20 percent of the aggregate dollar amount of funds appropriated for interest reduction assistance for housing units within any calendar year by an authority shall be appropriated either (1) for housing units which are held available for rental to families or individuals with an adjusted gross income which is less than 80 percent of the median family income as established by the United States department of housing and urban development for the nonmetropolitan county or standard metropolitan statistical area, as the case may be or (2) for housing units which are to be sold to families or individuals with an adjusted gross income which is less than 100 percent of the median family income as established by the United States department of housing and urban development for the nonmetropolitan county or standard metropolitan statistical area, as the case may be. At least an additional 55 percent of the aggregate dollar amount of funds appropriated for interest reduction assistance for housing units within any calendar year by an authority shall be appropriated for housing units which are held available for families or individuals with an adjusted gross income which is less than 160 percent of the median family income as established by the United States department of housing and urban development for the nonmetropolitan county or standard metropolitan statistical area, as the case may be. The adjusted gross income may be adjusted by the authority for family size.

Sec. 8. Minnesota Statutes 1980, Section 462.545, Subdivision 1, is amended to read:

Subdivision 1. [FINANCING PLANS AUTHORIZED.] *The entire cost of a project as defined in section 462.421, subdivision 14, including administrative expense of the authority allocable to the project and debt charges and all other costs authorized to be incurred by the authority in sections 462.415 to 462.705, shall be known as the public redevelopment cost. The proceeds from the sale or lease of property in a project shall be known as the capital proceeds. Since it is the purpose of this act that authorities will sell or lease or retain the land in the (REDEVELOPMENT) project area, in whole or in part, for a variety of purposes, depending upon the type of project, including private housing for upper or middle-income groups, or low income groups, public housing for low-income groups, commercial and other purposes, at its fair use value, except as provided in section 462.525, subdivisions 9 and 10, which may be less than the public redevelopment cost, the capital proceeds from land sold may pay back only a portion of the public redevelopment cost. For*

the purpose of carrying out the provisions of sections 462.515 to 462.545, including the defrayment of the (DIFFERENCES BETWEEN THE) public redevelopment cost (AND) *minus* the capital proceeds *if any*, which includes the difference between any annual debt service and the annual administrative expenses of the authority allocable to the project and any annual capital proceeds, an authority may, in its discretion, finance such projects in any one, by any combination of, the following methods, which are also dealt with in sections 462.415 to (462.711) 462.705.

Sec. 9. [EFFECTIVE DATE.]

This act shall be effective the day following final enactment."

Amend the title as follows:

Page 1, line 5, after "programs;" insert "authorizing a housing and commercial rehabilitation interest reduction program; amending Minnesota Statutes 1980, Sections 462.421, Subdivision 14; 462.445, by adding subdivisions; and 462.545, Subdivision 1;"

With the recommendation that when so amended the bill pass.

The report was adopted.

Jude from the Committee on Judiciary to which was referred:

H. F. No. 1366, A bill for an act relating to liens for improvements made to real property; prescribing notice requirements to owners by subcontractors; defining owner; amending Minnesota Statutes 1980, Section 514.011, Subdivisions 2 and 5.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Mann from the Committee on Transportation to which was referred:

H. F. No. 1462, A bill for an act relating to motor vehicles; providing for special license plates for certain motor vehicles owned and operated by members of certain fire departments; amending Minnesota Statutes 1980, Section 168.12, by adding a subdivision.

Reported the same back with the following amendments:

Page 1, line 11, delete "Any"

Page 1, delete lines 12 to 19 and insert "*The registrar shall issue special license plates to any applicant who is both a member of a fire department receiving state aid under chapter 69 and an owner or joint owner of a passenger automobile, station*

wagon, van or pickup with a gross weight of 9,000 pounds or less, upon payment of the registration tax required by law for the vehicle and compliance with other laws of this state relating to registration and licensing of motor vehicles and drivers. In lieu of the identification required under subdivision 1, the special license"

Page 1, line 21, delete "*which is in lieu of the*"

Page 1, line 22, delete "*identification required under subdivision 1*"

Page 1, line 24, after the period, begin a new paragraph

Page 2, line 3, after "*department*" delete the comma

Page 2, line 9, after the period, begin a new paragraph

Page 2, line 10, delete "*pursuant to*" and insert "*under*" and delete "*governing*" and insert "*, sections 15.041 to 15.052, to govern*"

Page 2, after line 12, insert:

"Sec. 2. [APPROPRIATION.]

The sums necessary to administer the provisions of section 1 are appropriated from the highway user tax distribution fund."

Amend the title as follows:

Page 1, line 4, after the semicolon, insert "*appropriating money;*"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Voss from the Committee on Local and Urban Affairs to which was referred:

H. F. No. 1505, A bill for an act relating to metropolitan government; providing for the establishment and operation of a water planning and management program in the metropolitan area; requiring watershed and local water management plans; establishing a metropolitan water resources advisory board; providing for the establishment and operation of watershed management organizations; establishing a program of planning and capital improvement grants; authorizing county and metropolitan debt; authorizing taxes; amending Minnesota Statutes 1980,

Sections 112.35, by adding a subdivision; 112.37, Subdivision 1, and by adding a subdivision; 112.42, Subdivision 3 and by adding subdivisions; 112.43, by adding a subdivision; 112.46; proposing new law coded in Minnesota Statutes, Chapter 473.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1980, Section 112.35, is amended by adding a subdivision to read:

Subd. 22. "Metropolitan area" has the meaning given in section 473.121, subdivision 2.

Sec. 2. Minnesota Statutes 1980, Section 112.37, Subdivision 1, is amended to read:

112.37 [PROCEDURE FOR ESTABLISHMENT.]

Subdivision 1. Proceedings for the establishment of a watershed district shall be initiated (ONLY) by the filing of a nominating petition with the secretary of the board (, WHICH). *The* nominating petition shall be signed by any one of the following groups: (EITHER BY)

(1) at least one-half of the counties within the proposed district; *or*

(2) (OR) by a county or counties having at least 50 percent of the area within the proposed district; *or*

(3) (OR) by a majority of the cities within the proposed district; *or*

(4) (OR A NOMINATING PETITION ALSO MAY BE FILED IF SIGNED) by at least 50 resident freeholders of the proposed district, exclusive of the resident freeholders within the corporate limits of any city on whose behalf the authorized official has signed the petition.

(SAID) *The* nominating petition shall set forth the following:

(1) The name of the proposed district;

(2) The necessity for the district, and why it would be conducive to public health and public welfare, or accomplish any of the purposes of a watershed district;

(3) A statement in general terms setting forth the purpose of the contemplated improvements, the territory to be included

in the district, and all proposed subdivisions thereof, if any, of the district;

(4) The number of managers proposed for the district. *Except as otherwise provided in subdivisions 6 and 7, the managers shall be not less than three nor more than five (AND), shall be selected from a list of at least ten nominees (THEY), and shall be selected as representative of the local units of government affected (AND). None shall be a public officer of the county, state, or federal government;*

(5) A map of the proposed district;

(6) A request for the establishment of the district as proposed.

The petitioners shall cause to be served upon the county auditor or auditors of the counties affected by the proposed district, the commissioner, and the director, a copy of (SAID) *the nominating petition, and proof of service thereof shall be attached to the original petition, to be filed with the secretary of the board.*

Sec. 3. Minnesota Statutes 1980, Section 112.37, is amended by adding a subdivision to read:

Subd. 7. The managers of a district wholly within the metropolitan area shall number not less than five nor more than nine. They shall be selected from a list of persons nominated jointly or severally by statutory and home rule charter cities and towns having territory within the district. The list shall contain at least three nominees for each position to be filled. If the cities and towns fail to nominate in accordance with this subdivision, the managers shall be selected as provided in subdivision 1.

Sec. 4. Minnesota Statutes 1980, Section 112.42, Subdivision 3, is amended to read:

Subd. 3. At least 30 days prior to the expiration of the term of office of the first managers named by the board, the county commissioners of each county affected shall meet and proceed to appoint successors to the first managers. (PROVIDED, HOWEVER,) If the nominating petition that initiated the district (SHALL BE) originated from a majority of the cities within the district or if the district is wholly within the metropolitan area, the county commissioners shall appoint the managers from a list of (NOMINEES SUBMITTED) *persons nominated jointly or severally by the townships and municipalities within the district. (SAID) The list shall contain at least three nominees for each position to be filled. It shall be submitted to the affected county board at least 60 days prior to the expiration of the term of office. If (SUCH) the list is not submitted within 60 days*

prior to the expiration of the term of office the county commissioners shall select the managers from eligible individuals within the district. (SAID) *The county commissioners shall at least 30 days before the expiration of the term of office of any managers meet and appoint the successors. If the district affects more than one county, distribution of the managers among the counties affected shall be as directed by the board. Ten years after the order of establishment, upon petition of the county board of commissioners of any county affected by the district, the board after public hearing thereon, may redistribute the managers among the counties if (SUCH) redistribution is in accordance with the policy and purposes of this chapter. No petition for the redistribution of managers shall be filed with the board more often than once in ten years. The term of office of each manager, if the number does not exceed three, shall be one for a term of one year, one for a term of two years, and one for a term of three years. If the managers consist of five members, one shall be for a term of one year, two for a term of two years, and two for a term of three years. If the board of managers consists of more than five members, the managers shall be appointed so that as nearly as possible one-third serve terms of one year, one-third serve terms of two years, and one-third serve terms of three years. If the district affects more than one county, the board shall direct the distribution of the one, two and three year terms among the affected counties. Thereafter, the term of office for each manager shall be for a term of three years, and until his successor is appointed and qualified. If the district affects more than five counties, in order to provide for the orderly distribution of the managers, the board may determine and identify the manager areas within the territory of the district and select the appointing county board of commissioners for each manager's area. Any vacancy occurring in an office of a manager shall be filled by the appointing county board of commissioners. A record of all appointments made under this subdivision shall be filed with the county auditor of each county affected, with the secretary of the board of managers, and with the secretary of the water resources board. No person shall be appointed as a manager who is not a voting resident of the district and none shall be a public officer of the county, state, or federal government.*

Sec. 5. Minnesota Statutes 1980, Section 112.42, is amended by adding a subdivision to read:

Subd. 3a. The board shall restructure the boards of managers of districts established before the effective date of this act and located wholly within the metropolitan area to ensure compliance with the requirements of sections 3 and 4. The board shall request recommendations from the district and the affected local government units. Additional managers, if any, shall be appointed by the county designated by the board, to terms designated by the board, at the time of and in the manner provided for the next regular appointment of successors to managers of the district.

Sec. 6. Minnesota Statutes 1980, Section 112.43, is amended by adding a subdivision to read:

Subd. 1a. Notwithstanding any contrary provision of subdivision 1, a watershed district located wholly within the metropolitan area shall have authority to regulate the use and development of land only under the conditions specified in section 9, clause (c).

Sec. 7. [473.875] [PURPOSES.]

The purpose of the surface water management programs required by sections 7 to 14 is to preserve and use natural water storage and retention systems in order to (a) reduce to the greatest practical extent the public capital expenditures necessary to control excessive volumes and rates of runoff, (b) improve water quality, (c) prevent flooding and erosion from surface flows, (d) promote ground water recharge, (e) protect and enhance fish and wildlife habitat and water recreational facilities, and (f) secure the other benefits associated with the proper management of surface water.

Sec. 8. [473.876] [DEFINITIONS.]

Subdivision 1. [SCOPE.] For the purposes of sections 7 to 14, the following terms have the meanings given them.

Subd. 2. [CAPITAL IMPROVEMENT PROGRAM.] "Capital improvement program" means an itemized program for at least a five year prospective period, and any amendments to it, subject to at least biennial review, setting forth the schedule, timing, and details of specific contemplated capital improvements by year, together with their estimated cost, the need for each improvement, financial sources, and the financial effect that the improvements will have on the local government unit or watershed management organization.

Subd. 3. [LOCAL COMPREHENSIVE PLAN.] "Local comprehensive plan" has the meaning given it in section 473.852, subdivision 5.

Subd. 4. [LOCAL GOVERNMENT UNIT.] "Local government unit" or "local unit" has the meaning given it in section 473.852.

Subd. 5. [OFFICIAL CONTROLS.] "Official controls" has the meaning given it in section 473.852.

Subd. 6. [WATERSHED.] "Watershed" means a natural drainage area which crosses the borders of two or more local government units and which has boundaries substantially coterminous with secondary or tertiary watersheds recognized by

the state water planning board, except that boundaries shall not cross a primary river nor a river forming the boundary between a metropolitan county and a county outside of the metropolitan area.

Subd. 7. [WATERSHED DISTRICT.] "Watershed district" means a district established under chapter 112.

Subd. 8. [WATERSHED MANAGEMENT ORGANIZATION.] "Watershed management organization" or "organization" means a watershed district wholly within the metropolitan area or an entity established under special law or a joint powers agreement wholly within the metropolitan area which performs some or all of the functions of a watershed district for a watershed and which has the characteristics and the authority specified under section 9.

Sec. 9. [473.877] [WATERSHED MANAGEMENT ORGANIZATION; AUTHORITY.]

Any agreement under section 471.59 to jointly or cooperatively manage or plan for the management of surface water in a watershed wholly within the metropolitan area may provide for a joint board having:

(a) the authority to prepare and adopt a plan meeting the requirements of section 10;

(b) the authority to review and approve local water management plans as provided in section 11;

(c) the authority of a watershed district under chapter 112 to regulate the use and development of land when one or more of the following conditions exists: (1) the local government unit exercising planning and zoning authority over the land under sections 366.10 to 366.19, 394.21 to 394.37, or 462.351 to 462.364, does not have a local water management plan approved and adopted in accordance with the requirements of section 11 or has not adopted the implementation program described in the plan; (2) an application to the local government unit for a permit for the use and development of land requires an amendment to or variance from the adopted local water management plan or implementation program of the local unit; (3) the local government unit has authorized the organization to require permits for the use and development of land.

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

Sec. 10. [473.878] [WATERSHED PLANS.]

Subdivision 1. [REQUIREMENT.] A watershed management plan shall be prepared and adopted for each watershed wholly within the metropolitan area in accordance with the requirements of this section.

Subd. 2. [RESPONSIBLE UNITS.] Where a watershed management organization exists, the plan for the watershed shall be prepared and adopted by the organization. If a watershed management organization is not established by December 31, 1983, for any watershed located wholly outside of Hennepin and Ramsey counties, the county or counties containing the watershed shall prepare and adopt the watershed plan and shall have the planning, review, and permitting authority of a watershed management organization specified in section 9. If a watershed management organization is not established by December 31, 1983, for any watershed wholly or partly within Hennepin or Ramsey counties, the county or counties containing the watershed shall petition for the establishment of a watershed district under chapter 112, provided, however, that a district established pursuant to such a petition shall not have authority to plan or construct storm sewer separation projects without the agreement of all local governments having territory within the district. A watershed management organization may request a county to prepare all or part of a plan. A county may delegate the preparation of all or part of a plan to the county soil and water conservation district. Upon request of a statutory or home rule charter city or town, a county may delegate the preparation of all or part of a plan to the city or town.

Subd. 3. [GENERAL STANDARDS.] The watershed management plan shall extend through the year 1990 or any year thereafter which is evenly divisible by five. The plan shall contain the elements required by subdivision 4. Each element shall be set out in the degree of detail and prescription necessary to accomplish the purposes of sections 7 to 14, considering the character of existing and anticipated physical and hydrogeologic conditions, land use, and development and the severity of existing and anticipated water management problems in the watershed. The plan shall be prepared and submitted for review under subdivision 5 by December 31, 1985. Existing plans of a watershed management organization shall remain in force and effect until amended or superseded by plans adopted under sections 7 to 14. Existing or amended plans of a watershed management organization which meet the requirements of sections 7 to 14 may be submitted for review under subdivision 5.

Subd. 4. [CONTENTS.] The plan shall:

(a) Describe the existing physical environment, land use, and development in the area and the environment, land use, and development proposed in existing local and metropolitan comprehensive plans;

(b) *Present information on the hydrologic system and its components and existing and potential problems related thereto;*

(c) *State objectives and policies, including management principles, alternatives and modifications, water quality, and protection of natural characteristics;*

(d) *Set forth a management plan, including the hydrologic and water quality conditions that will be sought and significant opportunities for improvement;*

(e) *Describe conflicts between the watershed plan and existing plans of local government units;*

(f) *Set forth an implementation program consistent with the management plan, which includes a capital improvement program and standards and schedules for amending the comprehensive plans and official controls of local government units in the watershed to bring about conformance with the watershed plan; and*

(g) *Set out a procedure for amending the plan.*

Subd. 5. [REVIEW.] Upon completion of the plan but before final adoption by the organization, the organization shall submit the plan for review and comment to all counties, towns, and statutory and home rule charter cities having territory within the watershed. Any local government unit which expects that substantial amendment of its local comprehensive plan will be necessary in order to bring local water management into conformance with the watershed plan shall describe as specifically as possible, within its comments, the amendments to the local plan which it expects will be necessary. Sixty days after the submission to local government units for comment, the organization shall submit the plan, any comments received, and any appropriate amendments to the plan, to the board of the county or counties having territory within the watershed. The county shall approve or disapprove projects in the capital improvement program which may require the provision of county funds pursuant to section 112.60, subdivision 2, or section 14. The county shall have 60 days to complete its review of the capital improvement program. If the county fails to complete its review within the prescribed period, unless an extension is agreed to by the organization the program shall be deemed approved. If the watershed extends into more than one county and one or more counties disapprove of all or part of a capital improvement program while the other county or counties approve, the program shall be submitted to the water resources board for review pursuant to subdivision 7.

Subd. 6. [REVIEW BY METROPOLITAN COUNCIL.] After completion of the review under subdivision 5, the plan shall be submitted to the metropolitan council for review. Notwith-

standing any provision to the contrary in sections 112.46 and 473.165, the council shall review the plan in the same manner and with the same authority and effect as provided for the council's review of the comprehensive plans of local government units under section 473.175. The council shall comment on the apparent conformity with metropolitan system plans of any anticipated amendments to local comprehensive plans.

Subd. 7. [REVIEW BY STATE AGENCIES.] After completion of the review under subdivision 6, the plan shall be submitted to the commissioner of natural resources and the pollution control agency for review and comment on the consistency of the plan with state laws and rules relating to water and related land resources, and to the water resources board for review under section 112.46. Except as otherwise provided in this subdivision, the water resources board shall review the plan as provided in section 112.46. The board shall review the plan for conformance with the requirements of chapter 112 and sections 7 to 14. The board shall not prescribe a plan, but may disapprove all or parts of a plan which it determines is not in conformance with the requirements of chapter 112 and sections 7 to 14. If the capital improvement program is the subject of a dispute between counties, the water resources board shall make a final decision on the issue. The decision shall be binding on the organization and the counties involved.

Subd. 8. [ADOPTION; IMPLEMENTATION.] The organization shall adopt and implement its plan within 120 days after compliance with the provisions of subdivision 7 and approval of the plan by the water resources board. Notwithstanding anything to the contrary in chapter 112, a watershed district may implement its plan and capital improvement program by resolution without petition or further review by the water resources board.

Subd. 9. [AMENDMENTS.] To the extent and in the manner required by the adopted plan, all amendments to the adopted plan shall be submitted to the towns, cities, county, and other agencies for review in accordance with the provisions of subdivisions 5 and 6.

Sec. 11. [473.879] [LOCAL WATER MANAGEMENT PLANS.]

Subdivision 1. [REQUIREMENT.] After the watershed plan is approved and adopted, or amended, pursuant to section 10, each local government unit having territory within the watershed shall prepare or cause to be prepared a local water management plan, capital improvement program, and official controls as necessary to bring local water management into conformance with the watershed plan within the time period prescribed in the implementation program of the watershed plan and, as neces-

sary, shall prepare or cause to be prepared amendments to the local comprehensive plan.

Subd. 2. [STANDARDS; CONTENTS.] Each local plan, in the degree of detail required in the watershed plan, shall:

(a) Describe existing and proposed physical environment and land use;

(b) Define drainage areas and the volumes, rates, and paths of stormwater runoff;

(c) Identify areas and elevations for stormwater storage adequate to meet performance standards established in the watershed plan;

(d) Define water quality and water quality protection methods adequate to performance standards established in the watershed plan;

(e) Identify regulated areas; and

(f) Set forth an implementation program, including a description of official controls and, as appropriate, a capital improvement program.

Subd. 3. [REVIEW.] After consideration but before adoption by the governing body, each local unit shall submit its water management plan to the watershed management organization for review for consistency with the watershed plan adopted pursuant to section 10. The organization shall approve or disapprove the local plan or parts thereof. The organization shall have 60 days to complete its review. If the organization fails to complete its review within the prescribed period, unless an extension is agreed to by the local unit the local plan shall be deemed approved.

Subd. 4. [ADOPTION; IMPLEMENTATION.] After approval of the local plan by the organization, the local government unit shall adopt and implement its plan within 120 days and shall amend its official controls accordingly within 180 days.

Subd. 5. [AMENDMENTS.] To the extent and in the manner required by the organization, all amendments to local water management plans shall be submitted to the organization for review and approval in accordance with the provisions of subdivision 3 for the review of plans.

Sec. 12. [473.880] [EXEMPTION FROM LEVY LIMIT.]

Any levy to pay the increased costs to a local government unit or water shed management organization of implementing sec-

tions 10 and 11 or to pay costs of improvements and maintenance of improvements identified in an approved and adopted plan shall be in addition to any other taxes authorized by law and shall be disregarded in the calculation of limits on taxes imposed by chapter 275. Notwithstanding any provision to the contrary in chapter 112, a watershed district may levy a tax sufficient to pay the increased costs to the district of implementing sections 10 and 11. The proceeds of any tax levied under this section shall be deposited in a separate fund and expended only for the purposes authorized by this section.

Sec. 13. [473.881] [SPECIAL TAX DISTRICT.]

Subdivision 1. [WATERSHED MANAGEMENT TAX DISTRICT.] Any local government unit planning for water management under sections 10 and 11 may establish a watershed management tax district in the territory within the watershed, for the purpose of paying the costs of the planning required under sections 10 and 11. Any local government unit which has part of its territory within a watershed for which a plan has been adopted in accordance with section 10 and which has a local water management plan adopted in accordance with section 11 may establish a watershed management tax district in the territory within the watershed, for the purpose of paying capital costs of the water management facilities described in the capital improvement program of the plans and for the purpose of paying for normal and routine maintenance of the facilities.

Subd. 2. [PROCEDURE.] The district shall be established by ordinance adopted after a hearing. Notice of the time, place, and purpose of the hearing shall be published for two successive weeks in the official newspaper of the local government unit, ending at least seven days before the day of the hearing. The ordinance shall describe with particularity the territory or area to be included in the district. After adoption, the ordinance shall be filed with the county auditor and county recorder. The district may be dissolved by following the procedures prescribed for the establishment of the district.

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 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).

Subd. 4. [BONDS.] After adoption of the ordinance under subdivision 2, and after a contract for the construction of all or part of an improvement has been entered into or the work has been ordered done by day labor, the local government unit may issue obligations in the amount it deems necessary to pay in whole or in part the capital cost incurred and estimated to be incurred in making the improvement. The obligations shall be payable out of the proceeds of the tax levied pursuant to subdivision 3. The local unit may by resolution of its governing body adopted prior to the sale of obligations pledge the full faith, credit and taxing power of the local unit to assure payment of the principal and interest in the event the proceeds of the tax levy in the district are insufficient to pay principal and interest. The amount of any taxes which are required to be levied outside of the territory of the tax district or taken from the general funds of the local unit to pay principal and interest on the obligations shall be reimbursed to the local unit from taxes levied within the territory of the tax district. Obligations shall be issued in accordance with chapter 475, except that an election is not required and the amount of any obligations shall not be included in determining the net indebtedness of the local unit under the provisions of any law or charter limiting indebtedness.

Sec. 14. [473.882] [WATERSHED MANAGEMENT ORGANIZATION; CAPITAL IMPROVEMENTS; PAYMENT BY COUNTY.]

Subdivision 1. [GENERAL AUTHORITY.] The authority provided to watershed districts in this section is in addition to the authority provided in chapter 112. A watershed management organization which has adopted a watershed plan in accordance with section 10 may certify for payment by the county as provided in this section all or any part of the cost of a capital improvement contained in the capital improvement program of the plan.

Subd. 2. [PROCEDURE.] A copy of the plan for the improvement shall be forwarded to the county board. The organization shall then hold a public hearing on the proposed improvement, following publication once each week for two successive weeks before the date of the hearing in a legal newspaper published in the county or counties in which a part or all of the affected waters and lands are located. The last publication shall occur not more than 30 days nor less than ten days before the hearing. The notice shall state the time and place of hearing, the general nature of the proposed improvement, the estimated cost, and the method by which the cost of the improvement is to be paid, including the cost to be allocated to each county under subdivision 3. Not less than ten days before the hearing, notice by mail shall be given to the counties and to each home rule charter or statutory city or town located wholly or partly within the territory of the watershed management organization. Failure to give mailed notice or defects in the notice shall not invalidate the proceedings. At the time and place specified in the notice the

organization shall hear all parties interested in the proposed improvement. If upon full hearing the organization finds that the improvement will be conducive to public health and promote the general welfare, and is in compliance with sections 7 to 14 and the plan adopted pursuant to section 10, it shall make findings accordingly, determine the cost of the improvement, and certify the cost to the county or counties for payment.

Subd. 3. [APPORTIONMENT OF COSTS.] If the territory of the watershed management organization extends into more than one county, the cost of the improvement shall be certified to the county boards in an amount bearing the same proportion to the cost of the improvement as the assessed value of all taxable property in the part of the territory of the organization located within each county bears to the assessed value of all taxable property in the territory of the organization.

Subd. 4. [COUNTY PAYMENT.] Each county receiving a certification for payment from a watershed management organization pursuant to this section shall provide funds to meet its proportionate share of the cost of the improvement as shown in the certification by the organization.

Subd. 5. [BONDS.] In order to make the payment required by subdivision 4, the county board of each county may issue general obligation bonds of the county in the amount necessary to pay all or part of the cost of improvements certified to the county board or to refund general obligation bonds issued for this purpose. The bonds shall be sold, issued, and secured in accordance with the provisions of chapter 475 for general obligation bonds, except as otherwise provided in this subdivision. No election shall be required.

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 tax levied on all taxable property located within the territory of the watershed management organization 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, 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. 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 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.

Subd. 7. [MAINTENANCE LEVY.] For the purpose of creating a maintenance fund to be used for normal and routine maintenance of a work of improvement constructed in whole or part with money provided by the county pursuant to subdivision 4, the board of managers of a watershed district, with the approval of the county, may impose an ad valorem levy on all property located within the territory of the watershed district. The levy shall be certified, levied, collected, and distributed as provided in section 112.611, and shall be in addition to any other moneys levied and distributed to the district thereunder. The proceeds of the levy shall be deposited in a separate maintenance and repair account to be used only for the purpose for which the levy was made.

Sec. 15. [APPLICATION.]

Sections 7 to 14 apply in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington."

Amend the title as follows :

Page 1, delete line 6

Page 1, line 7, delete "board;"

Page 1, line 8, delete "establishing a"

Page 1, delete line 9

Page 1, line 10, delete "county and metropolitan"

Page 1, line 14, delete "subdivisions" and insert "a subdivision"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Taxes.

The report was adopted.

Jude from the Committee on Judiciary to which was referred :

H. F. No. 1532, A bill for an act relating to tort actions; prohibiting the causes of action for wrongful life and wrongful birth; prohibiting a defense, an award of damages, or a penalty based on the failure or refusal to prevent a live birth; proposing new law coded in Minnesota Statutes, Chapter 145.

Reported the same back with the following amendments :

Delete everything after the enacting clause and insert:

"Section 1. [145.424] [PROHIBITION OF TORT ACTIONS.]

Subdivision 1. [WRONGFUL LIFE ACTION PROHIBITED.] No person shall maintain a cause of action or receive an award of damages on behalf of himself based on the claim that but for the negligent conduct of another, he would have been aborted.

Subd. 2. [WRONGFUL BIRTH ACTION PROHIBITED.] No person shall maintain a cause of action or receive an award of damages on the claim that but for the negligent conduct of another, a child would have been aborted.

Subd. 3. [FAILURE OR REFUSAL TO PREVENT A LIVE BIRTH.] Nothing in this section shall be construed to preclude a cause of action for intentional or negligent malpractice or any other action arising in tort based on a claim that, but for the negligent conduct of another, tests or treatment would have been provided or would have been provided properly which would have made possible the prevention, cure, or amelioration of any disease, defect, deficiency, or handicap; provided, however, that abortion shall not have been deemed to prevent, cure, or ameliorate any disease, defect, deficiency, or handicap. The failure or refusal of any person to perform or have an abortion shall not be a defense in any action, nor shall that failure or refusal be considered in awarding damages or in imposing a penalty in any action."

With the recommendation that when so amended the bill pass.

The report was adopted.

Jude from the Committee on Judiciary to which was referred:

H. F. No. 1611, A bill for an act relating to garnishment; authorizing an employer to recover expenses incurred for administering garnishment of an employee's wages; amending Minnesota Statutes 1980, Section 571.57.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Jude from the Committee on Judiciary to which was referred:

H. F. No. 1719, A bill for an act relating to courts; authorizing the chief judge of the sixth judicial district to fill vacancies in

the office of judicial officer in St. Louis, Steele and Carlton counties; amending Minnesota Statutes 1981 Supplement, Section 487.08, Subdivision 2.

Reported the same back with the following amendments:

Amend the title as follows:

Page 1, line 3, delete "sixth"

With the recommendation that when so amended the bill pass.

The report was adopted.

Jude from the Committee on Judiciary to which was referred:

H. F. No. 1734, A bill for an act relating to courts; authorizing the continuance of the office of court referee in the second and fourth judicial districts; amending Minnesota Statutes 1981 Supplement, Section 484.70, Subdivision 1.

Reported the same back with the following amendments:

Page 1, lines 17 and 18, delete "*the persons holding the office of referee*" and insert "*the offices*"

Page 1, line 20, delete "*to hold office*"

With the recommendation that when so amended the bill pass.

The report was adopted.

Jude from the Committee on Judiciary to which was referred:

H. F. No. 1744, A bill for an act relating to crimes; providing prima facie evidentiary standards for determining if persons were driving while under the influence of alcohol; enhancing criminal penalties for persons who are convicted of more than one offense of driving while under the influence of alcohol or a controlled substance; enhancing the length of revocation of a driver's license or operating privileges for each additional offense of driving while under the influence of alcohol or a controlled substance; requiring results of preliminary screening tests be recorded on a driver's record if there is an alcohol concentration between .05 and .10; authorizing chemical tests for persons incapable of refusing to submit to tests; authorizing written blood sample reports into evidence; amending Minnesota Statutes 1980, Sections 169.121, Subdivisions 1, 2, 3, 4, and 6; 169.123, Subdivisions 2, 3, 4, and by adding a subdivision; 171.12, by adding a subdivision; and Minnesota Statutes 1981 Supplement, Section 169.121, Subdivision 5.

Reported the same back with the following amendments:

Page 1, line 28, after "any" reinstate "(MOTOR)"

Page 4, after line 11, insert:

"The attorney in the jurisdiction in which the violation occurred who is responsible for prosecution of misdemeanor violations of section 169.121 shall also be responsible for prosecution of gross misdemeanor violations of section 169.121."

Page 6, line 1, delete "For"

Page 6, delete lines 2 and 3

Page 6, line 4, delete "violation."

Page 7, line 13, strike "0.10" and insert "0.05"

Page 8, delete lines 2 through 7

Page 9, line 27, strike "0.10" and insert "0.05"

Page 10, delete section 11 and insert:

"Sec. 10. Minnesota Statutes 1980, Section 169.123, Subdivision 9, is amended to read:

Subd. 9. [LIMITED LICENSE.] In any case in which a license has been revoked under this section, the commissioner may issue a limited license to the driver. The commissioner in issuing a limited license may impose the conditions and limitations which in his judgment are necessary to the interests of the public safety and welfare, including re-examination of the driver's qualifications, attendance at a driver improvement clinic, or attendance at counseling sessions. The license may be limited to the operation of particular vehicles and to particular classes and time of operation. The limited license issued by the commissioner shall clearly indicate the limitations imposed and the driver operating under a limited license shall have the license in his possession at all times when operating as a driver. In determining whether to issue a limited license, the commissioner shall consider the number and the seriousness of prior convictions and the entire driving record of the driver.

When the revocation under this section is the second such revocation within a three-year period, no limited license shall be issued until one-half of the revocation period has expired. When the revocation is the third such revocation within a three-year period, no limited license shall be issued during the term of the revocation.

Sec. 11. [REVISOR INSTRUCTION.]

The revisor is directed to renumber section 168.041 to be section 171.241."

Renumber the sections

Amend the title as follows:

Page 1, line 16, after the semicolon insert "instruction to the revisor;"

Page 1, line 19, after "and" insert "9"

Page 1, line 19, delete "by adding a subdivision"

Page 1, line 19, after the semicolon delete "171.12, by"

Page 1, line 20, delete "adding a subdivision;"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Criminal Justice.

The report was adopted.

Voss from the Committee on Local and Urban Affairs to which was referred:

H. F. No. 1746, A bill for an act relating to port authorities; authorizing seaway port authorities to establish a fiscal year based on the season for international shipping through the St. Lawrence Seaway; amending Minnesota Statutes 1981 Supplement, Section 458.14.

Reported the same back with the recommendation that the bill pass and be placed on the Consent Calendar.

The report was adopted.

Mann from the Committee on Transportation to which was referred:

H. F. No. 1815, A bill for an act relating to highway traffic regulations; allowing the use of certain combinations of vehicles; allowing certain axle weight combinations; establishing allowable axle weight combinations; establishing allowable axle weights on restricted routes; modifying the distribution of receipts collected as fines; amending Minnesota Statutes 1981 Supplement, Sections 169.81, Subdivision 3; 169.825, Subdivisions 8, 10, and 12; 299D.03, Subdivision 5; repealing Minnesota Statutes 1981 Supplement, Section 169.861.

Reported the same back with the following amendments:

Page 1, after line 13, insert:

"Section 1. Minnesota Statutes 1980, Section 169.80, Subdivision 1, is amended to read:

Subdivision 1. [LIMITATIONS.] It is a misdemeanor for a person to drive or move, or for the owner to cause or knowingly permit to be driven or moved, on a highway a vehicle or vehicles of a size or weight exceeding the limitations stated in sections 169.80 to 169.88, or otherwise in violation of sections 169.80 to 169.88, and the maximum size and weight of vehicles as prescribed in sections 169.80 to 169.88 shall be lawful throughout this state, and local authorities shall have no power or authority to alter these limitations except as express authority may be granted in sections 169.80 to 169.88.

When all the axles of a vehicle or combination of vehicles are weighed separately the sum of the weights of the axles so weighed shall be evidence of the total gross weight of the vehicle or combination of vehicles so weighed.

When each of the axles of any group that contains two or more consecutive axles of a vehicle or combination of vehicles have been weighed separately the sum of the weights of the axles so weighed shall be evidence of the total gross weight on the group of axles so weighed.

When, in any group of three or more consecutive axles of a vehicle or combination of vehicles any axles have been weighed separately and two or more axles consecutive to each other in the group have been weighed together, the sum of the weights of the axles weighed separately and the axles weighed together shall be evidence of the total gross weight of the group of axles so weighed.

The provisions of sections 169.80 to 169.88 governing size, weight, and load shall not apply to fire apparatus, or to implements of husbandry temporarily moved upon a highway, or to loads of loose hay or corn stalks if transported by a horse-drawn vehicle or drawn by a farm tractor, or to a vehicle operated under the terms of a special permit issued as provided by law. For purposes of sections 169.80 to 169.88, a specialized vehicle resembling a low-slung two wheel trailer having a short bed or platform shall be deemed to be an implement of husbandry when the vehicle is used exclusively to transport implements of husbandry; and the term "temporarily moved upon a highway" shall mean a movement not to exceed 50 miles.

In addition to any other special permits authorized, an annual permit may be issued authorizing movements *on interstate highway and movements exceeding 50 miles on non-interstate highways* of oversize vehicles and loads when the vehicles or combina-

tion of vehicles are used exclusively to transport implements of husbandry. Annual permits are issued in accordance with the applicable provisions of section 169.86, except that the transporting vehicle or combination of vehicles may be moved at the discretion of the permittee without prior route approval from the permit issuing office of the department of transportation if:

(a) The overall width of the transporting vehicle, including load, does not exceed 12 feet;

(b) The transporting vehicle otherwise complies with equipment requirements and length, height and weight limitations prescribed by this chapter;

(c) The movement is made after the hour of sunrise and not later than 30 minutes after sunset;

(d) The movement is not made when visibility is impaired by weather, fog or other conditions rendering persons and vehicles not clearly visible at a distance of 500 feet, or on Sundays after twelve o'clock noon, and holidays;

(e) The transporting vehicle shall display at the front and rear end of the load or vehicle a pair of flashing amber lights whenever the overall width of the vehicle exceeds ten feet, six inches, as provided in section 169.59, subdivision 4; and

(f) The movement, if made on a trunk highway, is made on a trunk highway with a surfaced roadway width of not less than 24 feet.

The fee for an annual permit is \$24."

Re-number the sections

Page 2, line 23, delete the new language

Page 9, line 26, after "to" insert "*the maximum*"

Page 9, line 27, after "weight" insert "*as limited in section 169.825, subdivision 10, clause (c)*"

Amend the title as follows:

Page 1, line 8, after "amending" insert "Minnesota Statutes 1980, Section 169.80, Subdivision 1; and"

With the recommendation that when so amended the bill pass.

The report was adopted.

Mann from the Committee on Transportation to which was referred:

H. F. No. 1817, A bill for an act relating to transportation; adding a new route to the trunk highway system in substitution of an existing route; discontinuing and removing a route from the trunk highway system; providing for the disposal of surplus property; exempting the state transportation plan from the provisions of the administrative procedure act; requiring driver qualifications and safety requirements for certain motor carriers; regulating building movers and establishing fees; allowing expenditures from the state airports fund for educational programs to promote interest and safety in aeronautics; amending Minnesota Statutes 1980, Sections 161.41; 174.03, Subdivisions 1 and 2; 360.015, Subdivision 2; 360.017, Subdivision 1; Minnesota Statutes 1981 Supplement, Sections 221.011, Subdivision 22; and 221.81; proposing new law coded in Minnesota Statutes, Chapter 221.

Reported the same back with the following amendments:

Page 3, after line 7, insert:

Sec. 4. Minnesota Statutes 1980, Section 173.02, Subdivision 2, is amended to read:

Subd. 2. "Advertising device" means any billboard, sign, notice, poster, display, or other device visible to and primarily intended to advertise and inform or to attract or which does attract the attention of operators and occupants of motor vehicles (ON THE INTERSTATE SYSTEM OF HIGHWAYS) and shall include any structure erected primarily for use in connection with the display of any such device and all lighting or other attachments used in connection therewith."

Page 8, line 6, delete "\$300" and insert "\$150"

Page 8, line 8, delete "\$300" and insert "\$100"

Page 8, line 13, delete "\$20" and insert "\$50"

Page 8, line 17, delete "\$100" and insert "\$200"

Renumber the sections

Page 11, line 6, delete "4," and after "7," insert "8 and" and after "9" delete "and 10"

Page 11, line 7, after the period delete the balance of the line

Page 11, delete line 8

Amend the title as follows:

Page 1, line 14, after "161.41;" insert "173.02, Subdivision 2;"

With the recommendation that when so amended the bill pass.

The report was adopted.

Jude from the Committee on Judiciary to which was referred:

H. F. No. 1831, A bill for an act relating to human rights; including sexual harassment as a form of unfair discriminatory practices for certain purposes; amending Minnesota Statutes 1980, Section 363.01, Subdivision 10, and by adding a subdivision.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Jude from the Committee on Judiciary to which was referred:

S. F. No. 378, A bill for an act relating to marriage dissolution; clarifying factors to consider in awarding maintenance; amending Minnesota Statutes 1980, Section 518.552.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1980, Section 518.552, is amended to read:

518.552 [MAINTENANCE.]

Subdivision 1. In a proceeding for dissolution of marriage or legal separation, or in a proceeding for maintenance following dissolution of the marriage by a court which lacked personal jurisdiction over the absent spouse and which has since acquired jurisdiction, the court may grant a maintenance order for either spouse if it finds that the spouse seeking maintenance:

(a) Lacks sufficient property, including marital property apportioned to him, to provide for his reasonable needs, especially during a period of training or education, and

(b) Is unable to adequately support himself after considering all relevant circumstances through appropriate employment

or is the custodian of a child whose condition or circumstances make it appropriate that the custodian not be required to seek employment outside the home.

Subd. 2. The maintenance order shall be in amounts and for periods of time, *including permanently*, as the court deems just, without regard to marital misconduct, and after considering all relevant factors including:

(a) The financial resources of the party seeking maintenance, including marital property apportioned to him, and his ability to meet his needs independently, including the extent to which a provision for support of a child living with the party includes a sum for that party as custodian;

(b) The time necessary to acquire sufficient education or training to enable the party seeking maintenance to find appropriate employment, *and the probability, given the spouse's age and skills, of completing education or training and becoming fully self-supporting*;

(c) The standard of living established during the marriage *and the difference between what the spouse from whom maintenance is sought earns and can reasonably be expected to earn, and what the spouse who seeks maintenance earns and can reasonably be expected to earn, considering each spouse's age, education, experience and health*;

(d) The duration of the marriage *and, in the case of a homemaker, the length of absence from employment and the extent to which any education, skills, or experience have become out-moded and earning capacity has become permanently diminished*;

(e) The age, and the physical and emotional condition of the spouse seeking maintenance; (AND)

(f) The ability of the spouse from whom maintenance is sought to meet his needs while meeting those of the spouse seeking maintenance; and

(g) The contribution of each party in the acquisition, preservation, depreciation, or appreciation in the amount or value of the marital property, as well as the contribution of a spouse as a homemaker."

With the recommendation that when so amended the bill pass.

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 685, 1050, 1068, 1365, 1366, 1532, 1611, 1719, 1734, 1746, 1815, 1817 and 1831 were read for the second time.

SECOND READING OF SENATE BILLS

S. F. Nos. 1538 and 378 were read for the second time.

INTRODUCTION AND FIRST READING
OF HOUSE BILLS

The following House Files were introduced :

Rose and Fjoslien introduced :

H. F. No. 2067, A bill for an act relating to unemployment compensation; redefining wages; providing for rate notices; regulating experience rating transfers; regulating eligibility for compensation; providing for determination of claims; providing for collection of contributions, reimbursements, and overpayments; providing penalties; amending Minnesota Statutes 1980, Sections 268.04, Subdivision 25; 268.06, Subdivisions 22, 25, and 28; 268.08, Subdivisions 1, 3, and 6; 268.09, Subdivisions 1, 2, and 3; 268.10, Subdivisions 1 and 2; 268.12, Subdivision 13; 268.16, Subdivisions 1 and 2; 268.18, Subdivisions 1, 2, 4, and by adding subdivisions; proposing new law coded in Minnesota Statutes, Chapter 268; repealing Minnesota Statutes 1980, Section 268.16, Subdivision 3, as amended.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Anderson, I., introduced :

H. F. No. 2068, A bill for an act relating to intoxicating liquor; authorizing the city of International Falls to issue one short term on-sale liquor license.

The bill was read for the first time and referred to the Committee on Commerce and Economic Development.

Rothenberg introduced :

H. F. No. 2069, A bill for an act relating to victim reparation for wrongful death; a clarification of the time limitations for maintaining an action for death by intentional wrongful act where the act causing the death constitutes the crime of murder; amending Minnesota Statutes 1980, Section 573.02, Subdivision 1.

The bill was read for the first time and referred to the Committee on Judiciary.

Den Ouden introduced:

H. F. No. 2070, A bill for an act relating to the environment; transferring the functions of the environmental quality board under the environmental coordination procedures act to the commissioner of energy, planning and development and the business licensing bureau; amending Minnesota Statutes 1980, Sections 116C.24, Subdivision 3, and by adding a subdivision; 116C.25; 116C.32; 116C.33, Subdivision 2; and 116C.34.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

Rees introduced:

H. F. No. 2071, A bill for an act relating to insurance; authorizing the commissioner to enjoin violations of chapter 60A; amending Minnesota Statutes 1981 Supplement, Section 60A.17, Subdivision 6c.

The bill was read for the first time and referred to the Committee on Financial Institutions and Insurance.

Otis introduced:

H. F. No. 2072, A bill for an act relating to crimes; requiring mandatory jail terms as condition of probation for driving under the influence; requiring the court or prosecutor to give reasons for reduction or dismissal of charges; expanding peace officers' powers to administer blood alcohol tests; reducing blood alcohol concentration required for certain testing, driver license revocation, and statutory violation; permitting imposition of community service duties or practical alcohol education programs as conditions of probation; restricting issuance of limited drivers' licenses; requiring mandatory jail sentences for driving after certain license revocations; requiring mandatory minimum term of imprisonment for criminal negligence resulting in death; prescribing penalties; amending Minnesota Statutes 1980, Sections 169.121, Subdivisions 1, 2, 3, 4, and by adding a subdivision; 169.123, Subdivisions 2, 4, 5, 5a, 6, 7, 9, and by adding a subdivision; 169.129; 171.30; and 609.21; Minnesota Statutes 1981 Supplement, Section 169.121, Subdivision 5; proposing new law coded in Minnesota Statutes, Chapter 169.

The bill was read for the first time and referred to the Committee on Criminal Justice.

Voss introduced:

H. F. No. 2073, A bill for an act relating to resource recovery; permitting the use of waste oil heaters in commercial and industrial buildings; proposing new law coded in Minnesota Statutes, Chapter 299F.

The bill was read for the first time and referred to the Committee on Energy.

Welch; Carlson, L., and Reif introduced:

H. F. No. 2074, A bill for an act relating to health; adding a factor for determining whether to regulate a human services occupation; requiring a surcharge on health related licensing board licenses; changing health related licensing board rule review authority; allowing certain practices under rule authority; changing the composition of the human services occupations advisory council; appropriating money; amending Minnesota Statutes 1980, Sections 214.001, Subdivision 2; 214.13, Subdivisions 2 and 3; 214.14, Subdivision 1; and Minnesota Statutes 1981 Supplement, Section 214.06, Subdivision 1.

The bill was read for the first time and referred to the Committee on Health and Welfare.

Begich introduced:

H. F. No. 2075, A bill for an act relating to retirement; authorizing increases in benefits payable by the Eveleth police and fire trust fund.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Kelly introduced:

H. F. No. 2076, A bill for an act relating to commerce; providing certain warranty protection to consumers; amending Minnesota Statutes 1980, Section 325G.19, by adding a subdivision; proposing new law coded in Minnesota Statutes, Chapter 325G.

The bill was read for the first time and referred to the Committee on Commerce and Economic Development.

Swanson and Kaley introduced:

H. F. No. 2077, A bill for an act relating to insurance; increasing the percentage of the state comprehensive health plan premium that may be used to pay certain fees and expenses; amending Minnesota Statutes 1980, Section 62E.11, Subdivision 3.

The bill was read for the first time and referred to the Committee on Financial Institutions and Insurance.

Sviggum, Dahlvang and Rose introduced:

H. F. No. 2078, A bill for an act relating to state government; authorizing the commissioner of the department of economic security to delegate certain powers; amending Minnesota Statutes 1980, Section 268.011, Subdivision 2.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Fjoslien introduced:

H. F. No. 2079, A bill for an act relating to state lands; authorizing the sale of a certain lakeshore lot in Douglas County.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Anderson, I.; Evans; Kalis; Battaglia and Jacobs introduced:

H. F. No. 2080, A bill for an act relating to economic development; providing for a Minnesota conference on job formation; appropriating money.

The bill was read for the first time and referred to the Committee on Taxes.

Gruenes and Piepho introduced:

H. F. No. 2081, A bill for an act relating to labor; changing the definition of "plumber's apprentice" for the purpose of employment licensing; amending Minnesota Statutes 1980, Section 326.01, Subdivision 9.

The bill was read for the first time and referred to the Committee on Commerce and Economic Development.

Rees, McDonald, Laidig and Sviggum introduced:

H. F. No. 2082, A bill for an act relating to the environment; providing for regulation of storage facilities for waste; prohibiting acquisition of certain land by condemnation; authorizing the metropolitan council to abrogate the development moratorium on sites and buffer areas for waste facilities; amending Minnesota Statutes 1980, Sections 115A.03, Subdivisions 6, 25, 35, 36, and by adding subdivisions; 115A.10; 115A.18; 115A.22, Subdivisions 1 and 5; 115A.25, Subdivision 1; 116.06, by adding subdivisions; 116.41, Subdivisions 1 and 1a; 473.516, Subdivision 1; 473.811, Subdivision 1; 473.833, Subdivision 4; Minnesota Statutes 1981 Supplement, Sections 115A.06, Subdivision 4; 115A.08, Subdivision 4; 115A.11, Subdivision 1; 115A.20; 115A.-21, Subdivisions 1 and 2; 115A.23; 115A.24, Subdivisions 1 and 2; 473.153, Subdivision 3; 473.803, Subdivision 1a; repealing Minnesota Statutes 1980, Section 473.833, Subdivision 5.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

Kalis, Clawson, Forsythe, Voss and Heinitz introduced:

H. F. No. 2083, A bill for an act relating to state government; establishing a chemical dependency board; transferring powers and duties to the new board from the alcohol and other drug abuse section; abolishing the alcohol and other drug abuse section; proposing new law coded as Minnesota Statutes, Chapter 254B; repealing Minnesota Statutes 1980, Sections 254A.01; 254A.02; 254A.03, Subdivision 2; 254A.031; 254A.04; 254A.07, Subdivision 1; 254A.08, Subdivision 2; 254A.10; 254A.12; 254A.-14; 254A.15; 254A.16; Minnesota Statutes 1981 Supplement, Sections 254A.03, Subdivisions 1 and 3; 254A.05, Subdivision 1; 254A.07, Subdivision 2; 254A.08, Subdivision 1; and 254A.09.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Wenzel introduced:

H. F. No. 2084, A bill for an act relating to agriculture; establishing a plan of consumption of milk for the purpose of increasing dairy sales; allowing a minimum consumption of milk by pupils in public and nonpublic schools; requiring school districts to provide milk to all elementary and secondary pupils in public and nonpublic schools; appropriating money; proposing new law coded in Minnesota Statutes, Chapter 123.

The bill was read for the first time and referred to the Committee on Agriculture.

Stumpf, Hauge, Wenzel and Anderson, B., introduced :

H. F. No. 2085, A bill for an act relating to retirement; volunteer ambulance services; authorizing the establishment of local volunteer ambulance attendants relief associations; authorizing the relief association to pay lump sum service pensions and other retirement benefits; establishing service pension maximums based on the ability to finance the service pension amount; establishing minimum financing guidelines; imposing an obligation to provide financing on the affiliated volunteer ambulance service; amending Minnesota Statutes 1980, Section 69.80; proposing new law coded as Minnesota Statutes, Chapter 424B.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Heinitz, Weaver, Wieser, Jennings and McDonald introduced :

H. F. No. 2086, A bill for an act relating to taxation; changing the distribution of cigarette and tobacco tax revenues; amending Minnesota Statutes 1980, Section 297.13, Subdivision 1.

The bill was read for the first time and referred to the Committee on Taxes.

Jacobs; Anderson, I.; Gustafson and Olsen introduced :

H. F. No. 2087, A bill for an act relating to taxation; imposing the sales tax on sales of building materials purchased for use in another state; amending Minnesota Statutes 1980, Section 297A.25, Subdivision 1.

The bill was read for the first time and referred to the Committee on Taxes.

Marsh, Otis, Metzen and Heap introduced :

H. F. No. 2088, A bill for an act relating to economic development; authorizing the formation of a state development company for small business aid purposes; appropriating money; proposing new law coded in Minnesota Statutes, Chapter 362.

The bill was read for the first time and referred to the Committee on Commerce and Economic Development.

Marsh, Ludeman, Frerichs, McDonald and Evans introduced :

H. F. No. 2089, A bill for an act relating to taxation; reducing income tax rates in certain years; amending Minnesota Statutes 1981 Supplement, Section 290.06, Subdivision 2c.

The bill was read for the first time and referred to the Committee on Taxes.

Minne; Begich; Anderson, I.; Johnson, C., and Luknic introduced :

H. F. No. 2090, A bill for an act relating to taxation; requiring notification to school districts of certain property tax assessment challenge proceedings; authorizing school districts to participate at certain hearings; amending Minnesota Statutes 1980, Sections 278.01; and 278.05, Subdivision 2.

The bill was read for the first time and referred to the Committee on Taxes.

Anderson, G.; Carlson, D.; Osthoff; Kahn and Weaver introduced :

H. F. No. 2091, A bill for an act relating to the arts; requiring the state arts board to give special consideration to certain individuals and organizations; changing requirements for advisory committee members; requiring written reports from advisory committees to applicants for assistance; amending Minnesota Statutes 1980, Section 139.10, Subdivisions 1 and 2.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Ellingson introduced :

H. F. No. 2092, A bill for an act relating to corporations; correcting certain errors; removing certain deficiencies and ambiguities; and amending Minnesota Statutes 1981 Supplement, Sections 300.083, Subdivision 2; 300.49, Subdivision 1; 302A.011, Subdivisions 4, 10, 17, 21, 25, 29, 30, and 31; 302A.021, Subdivisions 2, 4, 7, and 8; 302A.111, Subdivisions 2, 3, and 4; 302A.115, Subdivision 2; 302A.123; 302A.131; 302A.135, Subdivisions 2 and 4; 302A.181, Subdivision 3; 302A.201, Subdivision 2; 302A.207; 302A.235; 302A.239, Subdivision 1; 302A.241, Subdivisions 1 and 2; 302A.243; 302A.251, Subdivisions 2 and 3; 302A.255, Subdivision 1; 302A.401, Subdivision 2; 302A.403, Subdivisions 2 and 4; 302A.405, Subdivision 1; 302A.413, Subdivision 4; 302A.431, Subdivision 2; 302A.433, Subdivisions 1 and 2; 302A.435, Subdivision 1; 302A.437, Subdivision 1; 302A.443; 302A.445, Subdivisions 1 and 6; 302A.455; 302A.457, Subdivi-

sions 1 and 2; 302A.461, Subdivision 2; 302A.463; 302A.467; 302A.521, Subdivision 2; 302A.551, Subdivisions 1 and 2; 302A.559, Subdivision 1; 302A.613, Subdivisions 2 and 3; 302A.661, Subdivision 2; 302A.721, Subdivision 2; 302A.723, Subdivision 1; 302A.727, Subdivision 2; 302A.729, Subdivision 1; 302A.731, Subdivision 2; 302A.733, Subdivision 1; 302A.741; 302A.751, Subdivisions 2 and 3; 302A.781, Subdivision 1; 302A.821, Subdivisions 4 and 5; repealing Minnesota Statutes 1981 Supplement, Sections 302A.011, Subdivision 35; and 302A.241, Subdivision 3.

The bill was read for the first time and referred to the Committee on Commerce and Economic Development.

Ellingson introduced:

H. F. No. 2093, A bill for an act relating to state departments and agencies; secretary of state; eliminating and simplifying certain filings; amending Minnesota Statutes 1980, Sections 303.14, Subdivision 3, as amended; 333.001, Subdivisions 2 and 3; Minnesota Statutes 1981 Supplement, Sections 301.071, Subdivision 2; 301.42, Subdivision 4; 303.05, Subdivision 1; and 322A.16; repealing Minnesota Statutes 1981 Supplement, Sections 301.06, Subdivision 3; 301.07; 301.071, Subdivision 1; and 301.33, Subdivision 3.

The bill was read for the first time and referred to the Committee on Commerce and Economic Development.

Esau, Mann, Wigley, Schafer and Piepho introduced:

H. F. No. 2094, A bill for an act relating to public safety; providing that certain fines and forfeited bail money collected from persons violating motor vehicle weight laws and apprehended by the state patrol by means of stationary or portable scales be allocated between the state and certain political subdivisions; amending Minnesota Statutes 1981 Supplement, Section 299D.03, Subdivision 5.

The bill was read for the first time and referred to the Committee on Transportation.

Esau, Mann, Piepho and Peterson, B., introduced:

H. F. No. 2095, A bill for an act relating to meetings of public bodies; requiring that meetings be held in places accessible to handicapped persons; amending Minnesota Statutes 1980, Section 471.705, Subdivision 1.

The bill was read for the first time and referred to the Committee on General Legislation and Veterans Affairs.

Lemen, Sherwood, Weaver, Evans and Haukoos introduced:

H. F. No. 2096, A bill for an act relating to taxation; income; establishing a credit for upgrading certain waste disposal systems located on shorelands; amending Minnesota Statutes 1980, Section 290.06, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Taxes.

Ogren, Wenzel, Valan, Stumpf and Brinkman introduced:

H. F. No. 2097, A bill for an act relating to natural resources; requiring the waste management board to give first priority to incineration and recycling of hazardous wastes and avoidance of land disposal; postponing the certification of a hazardous waste land disposal facility; amending Minnesota Statutes 1981 Supplement, Sections 115A.11, Subdivision 1; and 115A.24, Subdivision 1.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

Kalis introduced:

H. F. No. 2098, A bill for an act relating to retirement; teachers retirement association; extending the time limit for the purchase of service credit for military service leaves of absence for certain veterans; amending Minnesota Statutes 1981 Supplement, Section 354.53, Subdivisions 1 and 3.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Kalis introduced:

H. F. No. 2099, A bill for an act relating to education; authorizing school districts to transfer money from the capital expenditure fund to the general fund.

The bill was read for the first time and referred to the Committee on Education.

Mehrkens and Stowell introduced:

H. F. No. 2100, A bill for an act relating to transportation; providing for the construction of a new bridge crossing the Mississippi River at Wabasha; appropriating money.

The bill was read for the first time and referred to the Committee on Transportation.

Rodriguez, C., introduced :

H. F. No. 2101, A bill for an act relating to transportation; modifying the provisions for financial assistance for certain services under the metropolitan transit service demonstration program; amending Minnesota Statutes 1981 Supplement, Section 174.265, Subdivision 4.

The bill was read for the first time and referred to the Committee on Local and Urban Affairs.

Levi, Zubay and Nelsen, B., introduced :

H. F. No. 2102, A bill for an act relating to education; establishing four levels of extended discretionary aids and levies for the 1985-1986 school year and each year thereafter; establishing extended discretionary aids and levies for the 1983-1984 and 1984-1985 school years; amending Minnesota Statutes 1980, Section 275.125, Subdivision 18, and by adding a subdivision; Minnesota Statutes 1981 Supplement, Section 124.212, Subdivision 1; 124.2128, Subdivision 1; 275.125, Subdivisions 2a, 2d, and 9; proposing new law coded in Minnesota Statutes, Chapter 124; repealing Minnesota Statutes 1981 Supplement, Sections 124.2123; 124.2124, as amended; 124.2125, as amended; 124.2128, Subdivision 6; and 275.125, Subdivisions 2e, 6b, 6c, 7a, and 7c.

The bill was read for the first time and referred to the Committee on Education.

Kelly and Vanasek introduced :

H. F. No. 2103, A bill for an act relating to the environment; requiring testing of certain pipelines for integrity; providing civil penalties; proposing new law coded in Minnesota Statutes, Chapter 116.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

Weaver, Munger, Jacobs and Valento introduced :

H. F. No. 2104, A bill for an act relating to the disposal and reuse of abandoned tires; defining terms; establishing an abandoned tire recycling account in the state treasury and providing for the expenditure of money in the account; granting certain powers to counties and cities relative to tire dumps and the disposal of used tires; imposing duties and responsibilities on the pollution control agency; providing for the licensure and regula-

tion of tire processors; imposing an excise tax supplemental to the general sales tax on the sale at retail of tires; imposing a registration and transfer tax on certain vehicles; providing for certain tax credits; appropriating money; amending Minnesota Statutes 1980, Section 290.06, by adding subdivisions; proposing new law coded in Minnesota Statutes, Chapter 168B.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

Simoneau introduced:

H. F. No. 2105, A bill for an act relating to credit unions; allowing certain nonmembers to establish individual retirement accounts; amending Minnesota Statutes 1980, Section 52.135.

The bill was read for the first time and referred to the Committee on Financial Institutions and Insurance.

Vanasek, Schreiber, Novak and Blatz introduced:

H. F. No. 2106, A bill for an act relating to taxation; income; specifying the deduction for use of an automobile while making a charitable contribution; amending Minnesota Statutes 1981 Supplement, Section 290.21, Subdivision 3.

The bill was read for the first time and referred to the Committee on Taxes.

McEachern introduced:

H. F. No. 2107, A bill for an act relating to education; authorizing school districts to charge fees for secondary school programs and activities that do not have credit toward graduation; authorizing school districts to levy up to three mills for secondary school programs and activities that do not have credit toward graduation; requiring a public hearing prior to a proposed levy; requiring the district to present a fee schedule and program and activity costs at a public hearing; requiring a reverse referendum on a proposed levy; amending Minnesota Statutes 1980, Sections 120.73, Subdivision 1; and 275.125, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Education.

Sarna and Murphy introduced:

H. F. No. 2108, A bill for an act relating to no-fault automobile insurance; providing for reduced premiums for certain qualified drivers; proposing new law coded in Minnesota Statutes, Chapter 65B.

The bill was read for the first time and referred to the Committee on Financial Institutions and Insurance.

Murphy, Wynia and Johnson, D., introduced:

H. F. No. 2109, A bill for an act relating to automobile insurance; limiting the right of an insurer to cancel or reduce the limits of a policy in certain circumstances; making miscellaneous form changes; amending Minnesota Statutes 1980, Section 65B.15, Subdivision 1.

The bill was read for the first time and referred to the Committee on Financial Institutions and Insurance.

Olsen, Himle, Rothenberg, Gustafson and Tomlinson introduced:

H. F. No. 2110, A bill for an act relating to taxation; providing for homestead treatment of certain condominium leased land; clarifying use of additional sales ratio study information; amending Minnesota Statutes 1980, Sections 273.13, Subdivision 7c; and 278.05, Subdivision 4.

The bill was read for the first time and referred to the Committee on Taxes.

Haukoos, Dempsey, Novak, Blatz and Brinkman introduced:

H. F. No. 2111, A bill for an act relating to municipal industrial development; authorizing municipalities to waive certain property taxes; amending Minnesota Statutes 1981 Supplement, Section 474.03.

The bill was read for the first time and referred to the Committee on Taxes.

Gustafson introduced:

H. F. No. 2112, A bill for an act relating to criminal justice; providing for appointment of a peace officer to the sentencing guidelines commission; amending Minnesota Statutes 1980, Section 244.09, Subdivision 2.

The bill was read for the first time and referred to the Committee on Criminal Justice.

Gustafson introduced:

H. F. No. 2113, A bill for an act relating to agriculture; requiring state grain inspection and grading at terminal warehouses; amending Minnesota Statutes 1980, Section 17B.11.

The bill was read for the first time and referred to the Committee on Agriculture.

Heinitz; Jennings; Wynia; Anderson, B., and Brinkman introduced:

H. F. No. 2114, A bill for an act relating to economic development; granting a state tax credit to certain business firms which contribute to neighborhood organizations or engage in activities which tend to upgrade impoverished areas of the state; appropriating money; proposing new law coded in Minnesota Statutes, Chapter 362.

The bill was read for the first time and referred to the Committee on Taxes.

Jude; Ogren; Anderson, I.; Ewald and Luknic introduced:

H. F. No. 2115, A bill for an act relating to natural resources; requiring rules and actions of the commissioner to be consistent with local zoning ordinances; amending Minnesota Statutes 1980, Section 84.03.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

Wigley; Johnson, C., and Piepho introduced:

H. F. No. 2116, A bill for an act relating to Blue Earth County; permitting county board members to serve on the county housing and redevelopment authority.

The bill was read for the first time and referred to the Committee on Local and Urban Affairs.

Battaglia and Begich introduced:

H. F. No. 2117, A bill for an act relating to state parks; restating the boundaries of Tower Soudan state park; authorizing conveyance of certain park lands.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

Battaglia and Begich introduced:

H. F. No. 2118, A bill for an act relating to liquor; permitting counties to issue off-sale licenses in unincorporated areas; amending Minnesota Statutes 1980, Section 340.11, Subdivision 10a.

The bill was read for the first time and referred to the Committee on Commerce and Economic Development.

Berkelman introduced:

H. F. No. 2119, A bill for an act relating to taxation; extending the redemption period for certain tax-forfeited land.

The bill was read for the first time and referred to the Committee on Taxes.

Berkelman introduced:

H. F. No. 2120, A bill for an act relating to public welfare; changing liquid asset limits for medical assistance eligibility; amending Minnesota Statutes 1981 Supplement, Section 256B.06, Subdivision 1, as amended by a law passed in the 1981 third special session styled as House File No. 2, Article I, Section 32.

The bill was read for the first time and referred to the Committee on Health and Welfare.

Drew, Mehrkens and McCarron introduced:

H. F. No. 2121, A bill for an act relating to crimes; defining "vulnerable adult" under the vulnerable adult reporting law; amending Minnesota Statutes 1980, Section 626.557, Subdivision 2.

The bill was read for the first time and referred to the Committee on Health and Welfare.

Rose and Hanson introduced:

H. F. No. 2122, A bill for an act relating to the city of Roseville; providing an exception from the Roseville police civil service system for the chief and deputy chief of police.

The bill was read for the first time and referred to the Committee on Labor-Management Relations.

Brandl, Wynia, Heinitz, Byrne and Haukoos introduced:

H. F. No. 2123, A bill for an act relating to public welfare; modifying certain provisions relating to medical assistance; providing for a case management system and competitive bidding procedures; allowing a cause of action against responsible relatives; providing for payments to health maintenance organizations; allowing certain claims against the homesteads of recipients; altering eligibility standards related to income and liquid assets; amending Minnesota Statutes 1980, Sections 256B.01; 256B.04, by adding a subdivision; 256B.05, Subdivision 2; 256B.06, Subdivision 3; 256B.14; 256B.19, Subdivision 1; 256B.27, Subdivision 3; 510.05; 524.3-805; 525.16; Minnesota Statutes 1981 Supplement, Sections 256.966; 256B.06, Subdivision 1, as amended; 256B.15; and 525.145.

The bill was read for the first time and referred to the Committee on Health and Welfare.

Lemen and Sherwood introduced:

H. F. No. 2124, A bill for an act relating to retirement; teachers retirement association; authorizing the purchase of prior service credit by certain persons.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Stumpf and Nysether introduced:

H. F. No. 2125, A bill for an act relating to the Red River watershed; naming all counties in which the special taxing authority of certain watershed districts applies; amending Laws 1976, Chapter 162, Section 1.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

Osthoff, Ewald, Metzen, Dahlvang and Sarna introduced:

H. F. No. 2126, A bill for an act relating to motor vehicles; exempting certain persons from the motor vehicle dealer licensing requirements; amending Minnesota Statutes 1980, Section 168.27, Subdivision 1.

The bill was read for the first time and referred to the Committee on Commerce and Economic Development.

Ogren, Wenzel, Sherwood, Evans and Luknic introduced:

H. F. No. 2127, A bill for an act relating to transportation; authorizing the erection of tourist-oriented signs on excess trunk highway rights-of-way; proposing new law coded in Minnesota Statutes, Chapter 173.

The bill was read for the first time and referred to the Committee on Transportation.

Eken, Stumpf and Stadum introduced:

H. F. No. 2128, A bill for an act relating to Polk County; authorizing the county to establish subordinate service areas to provide and finance governmental services.

The bill was read for the first time and referred to the Committee on Local and Urban Affairs.

Byrne; Norton; Jude; Peterson, B., and Heinritz introduced:

H. F. No. 2129, A bill for an act relating to nonjudicial resolution of disputes; establishing a study commission; requiring a report to the governor and legislature.

The bill was read for the first time and referred to the Committee on Judiciary.

Pogemiller; Mehrkens; Anderson, G.; Kalis and Valan introduced:

H. F. No. 2130, A bill for an act relating to transportation; establishing a highway maintenance cost containment council.

The bill was read for the first time and referred to the Committee on Transportation.

Haukoos, Schreiber, Dempsey, Minne and Brinkman introduced:

H. F. No. 2131, A bill for an act relating to taxation; property tax refund; redefining rent constituting property taxes; amending Minnesota Statutes 1981 Supplement, Section 290A.03, Subdivisions 11 and 13.

The bill was read for the first time and referred to the Committee on Taxes.

Ogren; Clark, K.; Samuelson; Lemen and Luknic introduced:

H. F. No. 2132, A bill for an act relating to highway traffic regulations; including a person in a wheelchair within the definition of pedestrian; amending Minnesota Statutes 1980, Sections 169.01, Subdivision 24; and 169.21, Subdivision 5.

The bill was read for the first time and referred to the Committee on Transportation.

Peterson, D.; Clark, K., and Staten introduced:

H. F. No. 2133, A bill for an act relating to taxation; requiring registration of certain rental housing; limiting certain income tax deductions; amending Minnesota Statutes 1981 Supplement, Section 290.01, Subdivision 20, as amended; proposing new law coded in Minnesota Statutes, Chapter 290.

The bill was read for the first time and referred to the Committee on General Legislation and Veterans Affairs.

Dahlvang and Metzen introduced:

H. F. No. 2134, A bill for an act relating to the city of Minneapolis; establishing uniformity in liquor licensing provisions applicable to nonprofit corporations within the city; amending Laws 1975, Chapter 305, Section 1.

The bill was read for the first time and referred to the Committee on Commerce and Economic Development.

MESSAGES FROM THE SENATE

The following message was received from the Senate:

Mr. Speaker:

I hereby announce the passage by the Senate of the following Senate Files, herewith transmitted:

S. F. Nos. 1088 and 1539.

PATRICK E. FLAHAVEN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 1088, A bill for an act relating to real property; providing for the registration of certain possessory estates in real property without court proceedings; providing for a changeover from a certificate of possessory title to a certificate of title after

a certain number of years; proposing new law coded as Minnesota Statutes, Chapter 508A.

The bill was read for the first time.

Ellingson moved that S. F. No. 1088 and H. F. No. 919, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1539, A bill for an act relating to state collective bargaining units; adopting a modified unit composition schedule for state employees; amending Minnesota Statutes 1980, Section 179.741, Subdivision 1; and Minnesota Statutes 1981 Supplement, Section 179.74, Subdivision 4.

The bill was read for the first time and referred to the Committee on Labor-Management Relations.

CONSENT CALENDAR

S. F. No. 1408, A bill for an act relating to public utilities; prohibiting city jurisdiction over securities or indebtedness of a utility; amending Minnesota Statutes 1980, Sections 216B.36; and 216B.49, Subdivision 5.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 125 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Aasness	Ellingson	Johnson, C.	Minne	Rodriguez, C.
Ainley	Erickson	Johnson, D.	Munger	Rodriguez, F.
Anderson, B.	Esau	Jude	Murphy	Rose
Anderson, G.	Evans	Kahn	Nelsen, B.	Rothenberg
Anderson, I.	Ewald	Kaley	Nelson, K.	Samuelson
Battaglia	Fjoslien	Kalis	Niehaus	Sarna
Begich	Forsythe	Kelly	Norton	Schafer
Berkelman	Frerichs	Kostohryz	Novak	Schoenfeld
Blatz	Greenfield	Kvam	Nysether	Searles
Brandl	Gruenes	Laidig	O'Connor	Shea
Brinkman	Gustafson	Lehto	Ogren	Sherman
Byrne	Halberg	Lemen	Olsen	Sherwood
Carlson, D.	Hanson	Levi	Onnen	Sieben, M.
Carlson, L.	Harens	Long	Otis	Simoneau
Clark, J.	Hauge	Ludeman	Peterson, B.	Skoglund
Clark, K.	Haukoos	Luknic	Peterson, D.	Stadum
Clawson	Heap	Mann	Piepho	Staten
Dean	Heinitz	Marsh	Pogemiller	Stowell
Dempsey	Himle	McCarron	Redalen	Stumpf
Den Ouden	Hoberg	McDonald	Reding	Sviggum
Drew	Hokr	McEachern	Rees	Swanson
Eken	Jacobs	Mehrkens	Reif	Tomlinson
Elioff	Jennings	Metzen	Rice	Valento

Voss	Welch	Wenzel	Wigley	Zubay
Weaver	Welker	Wieser	Wynia	Spkr.Sieben,H.

The bill was passed and its title agreed to.

S. F. No. 1151, A bill for an act relating to county recorders; providing for the disposal of various obsolete records including state and federal liens; amending Minnesota Statutes 1980, Section 386.46.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 127 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Aasness	Evans	Kalis	Nysether	Sherman
Ainley	Ewald	Kelly	O'Connor	Sherwood
Anderson, B.	Fjoslien	Knickerbocker	Ogren	Sieben, M.
Anderson, G.	Forsythe	Kostohryz	Olsen	Simoneau
Anderson, I.	Frerichs	Kvam	Onnen	Skoglund
Battaglia	Greenfield	Laidig	Otis	Stadum
Begich	Gruenes	Lehto	Peterson, B.	Staten
Berkelman	Gustafson	Lemen	Peterson, D.	Stowell
Blatz	Halberg	Levi	Piepho	Stumpf
Brandl	Hanson	Long	Pogemiller	Sviggum
Brinkman	Harens	Ludeman	Redalen	Swanson
Byrne	Hauge	Luknic	Reding	Tomlinson
Carlson, D.	Haukoos	Mann	Rees	Valento
Carlson, L.	Heap	Marsh	Reif	Vanasek
Clark, J.	Heinitz	McCarron	Rice	Voss
Clark, K.	Himle	McDonald	Rodriguez, C.	Weaver
Clawson	Hoberg	McEachern	Rodriguez, F.	Welch
Dean	Hokanson	Mehrkens	Rose	Welker
Dempsey	Hokr	Metzen	Rothenberg	Wenzel
Den Ouden	Jacobs	Minne	Samuelson	Wieser
Drew	Jennings	Munger	Sarna	Wigley
Eken	Johnson, C.	Murphy	Schafer	Zubay
Elioff	Johnson, D.	Nelsen, B.	Schoenfeld	Spkr.Sieben,H.
Ellingson	Jude	Nelson, K.	Schreiber	
Erickson	Kahn	Niehaus	Searles	
Esau	Kaley	Norton	Shea	

The bill was passed and its title agreed to.

H. F. No. 1710, A bill for an act relating to commerce; petroleum products; providing specifications for fuel oil sold as kerosene; amending Minnesota Statutes 1980, Section 296.05, Subdivision 2, and by adding a subdivision.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 128 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Aasness	Evans	Kelly	Nysether	Sherman
Ainley	Ewald	Knickerbocker	O'Connor	Sherwood
Anderson, B.	Fjoslien	Kostohryz	Ogren	Sieben, M.
Anderson, G.	Forsythe	Kvam	Olsen	Simoneau
Anderson, I.	Frerichs	Laidig	Onnen	Skoglund
Battaglia	Greenfield	Lehto	Otis	Stadum
Begich	Gruenes	Lemen	Peterson, B.	Staten
Berkelman	Gustafson	Levi	Peterson, D.	Stowell
Blatz	Halberg	Long	Piepho	Stumpf
Brandl	Hanson	Ludeman	Pogemiller	Sviggum
Brinkman	Hauge	Luknic	Redalen	Swanson
Byrne	Haukoos	Mann	Reding	Tomlinson
Carlson, D.	Heap	Marsh	Rees	Valento
Carlson, L.	Heinitz	McCarron	Reif	Vanasek
Clark, J.	Himle	McDonald	Rice	Voss
Clark, K.	Hoberg	McEachern	Rodriguez, C.	Weaver
Clawson	Hokanson	Mehrkens	Rodriguez, F.	Welch
Dean	Hokr	Metzen	Rose	Welker
Dempsey	Jacobs	Minne	Rothenberg	Wenzel
Den Ouden	Jennings	Munger	Samuelson	Wieser
Drew	Johnson, C.	Murphy	Sarna	Wigley
Eken	Johnson, D.	Nelsen, B.	Schafer	Wynia
Elioff	Jude	Nelson, K.	Schoenfeld	Zubay
Ellingson	Kahn	Niehaus	Schreiber	Spkr.Sieben,H.
Erickson	Kaley	Norton	Searles	
Esau	Kalis	Novak	Shea	

The bill was passed and its title agreed to.

H. F. No. 1732 was reported to the House.

Skoglund moved to amend H. F. No. 1732, as follows:

Delete everything after the enacting clause and insert:

"Section 1. [341.115] [PROFESSIONAL BOXING.]

Any contest, match or exhibition in which prizes or compensation worth \$5 or more is offered to any boxer shall comply with all rules of the board of boxing governing professional boxing. No boxer participating in these contests, matches, or exhibitions shall engage in consecutive contests with less than a seven day interval. No boxer shall participate in these contests, matches, or exhibitions unless the boxer has submitted an affidavit of physical fitness to the board and has been examined by a physician designated by the board. The affidavit shall state: (a) that the boxer has previously participated in ten amateur or professional matches sanctioned by the board of boxing or sanctioned by a board which regulates boxing in another jurisdiction; or (b) that the boxer has trained for at least 90 days under the supervision of a trainer licensed by the board of boxing. The examination shall include, but not be limited to, an electroencephalogram. The examination shall be performed at the expense of the promoter.

Sec. 2. [EFFECTIVE DATE.]

This act is effective the day after final enactment and applies to all contests, matches, or exhibitions held on or after that date."

Delete the title and insert:

"A bill for an act relating to boxing; establishing certain conditions for participation in professional matches; proposing new law coded in Minnesota Statutes, Chapter 341."

The motion prevailed and the amendment was adopted.

H. F. No. 1732, A bill for an act relating to boxing; establishing certain conditions for participation in professional matches; proposing new law coded in Minnesota Statutes, Chapter 341.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 119 yeas and 6 nays as follows:

Those who voted in the affirmative were:

Aasness	Esau	Kelly	Nysether	Schreiber
Ainley	Evans	Knickerbocker	O'Connor	Searles
Anderson, B.	Ewald	Kostohryz	Ogren	Shea
Anderson, G.	Fjoslien	Kvam	Olsen	Sherman
Anderson, I.	Forsythe	Laidig	Onnen	Sherwood
Battaglia	Frerichs	Lehto	Osthoff	Sieben, M.
Begich	Greenfield	Lemen	Otis	Simoneau
Berkelman	Gruenes	Levi	Peterson, B.	Skoglund
Blatz	Halberg	Long	Peterson, D.	Staten
Brandl	Hanson	Luknic	Piepho	Stowell
Brinkman	Harens	Mann	Pogemiller	Stumpf
Byrne	Haukoos	McCarron	Redalen	Sviggum
Carlson, D.	Heap	McDonald	Reding	Swanson
Carlson, L.	Heinitz	McEachern	Rees	Tomlinson
Clark, J.	Himle	Mehrkens	Reif	Vanasek
Clark, K.	Hoberg	Metzen	Rice	Voss
Clawson	Hokanson	Minne	Rodriguez, C.	Weaver
Dahlvang	Hokr	Munger	Rodriguez, F.	Welch
Dean	Jacobs	Murphy	Rose	Wenzel
Den Ouden	Johnson, C.	Nelsen, B.	Rothenberg	Wigley
Drew	Johnson, D.	Nelson, K.	Samuelson	Wynia
Eken	Jude	Niehaus	Sarna	Zubay
Elioff	Kahn	Norton	Schafer	Spkr.Sieben,H.
Ellingson	Kaley	Novak	Schoenfeld	

Those who voted in the negative were:

Dempsey	Jennings	Ludeman	Marsh	Welker
Hauge				

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

H. F. No. 1603 was reported to the House.

Den Ouden moved to amend H. F. No. 1603, the first engrossment, as follows:

Page 1, line 14, after "VISTA," delete "and" insert "or"

The motion prevailed and the amendment was adopted.

H. F. No. 1603, A bill for an act relating to education; requiring the board of teaching and the state board of education to accept completion of certain training programs in lieu of the human relations components required for licensure; amending Minnesota Statutes 1980, Section 125.05, by adding a subdivision.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 121 yeas and 1 nay as follows:

Those who voted in the affirmative were:

Aasness	Forsythe	Laidig	Onnen	Sieben, M.
Ainley	Frerichs	Lehto	Osthoff	Simoneau
Anderson, B.	Greenfield	Lemen	Otis	Skoglund
Anderson, G.	Gruenes	Levi	Peterson, B.	Stadum
Anderson, I.	Gustafson	Long	Peterson, D.	Stowell
Berkelman	Halberg	Ludeman	Piepho	Stumpf
Blatz	Hanson	Luknic	Pogemiller	Sviggum
Brandl	Hauge	Mann	Redalen	Swanson
Brinkman	Haukoos	Marsh	Reding	Tomlinson
Byrne	Heap	McCarron	Rees	Valento
Carlson, L.	Heinitz	McDonald	Reif	Vanasek
Clark, K.	Himle	McEachern	Rice	Voss
Clawson	Hoberg	Mehrkens	Rodriguez, C.	Weaver
Dahlvang	Hokanson	Metzen	Rodriguez, F.	Welch
Dean	Hokr	Minne	Rose	Welker
Dempsey	Jacobs	Munger	Rothenberg	Wenzel
Den Ouden	Jennings	Murphy	Samuelson	Wieser
Drew	Johnson, C.	Nelsen, B.	Sarna	Wigley
Eken	Johnson, D.	Niehaus	Schafer	Wynia
Elioff	Jude	Norton	Schoenfeld	Zubay
Erickson	Kahn	Novak	Schreiber	Spkr.Sieben,H.
Esau	Kaley	Nysether	Searles	
Evans	Kelly	O'Connor	Shea	
Ewald	Knickerbocker	Ogren	Sherman	
Fjoslien	Kostohryz	Olsen	Sherwood	

Those who voted in the negative were:

Kvam

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

H. F. No. 1699, A bill for an act relating to education; requiring all public elementary and secondary schools to provide in-

structional programs in chemical abuse; amending Minnesota Statutes 1980, Section 126.03; and proposing new law coded in Chapter 126.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 110 yeas and 15 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Evans	Kaley	O'Connor	Schoenfeld
Anderson, G.	Ewald	Kelly	Ogren	Schreiber
Anderson, I.	Fjoslien	Knickerbocker	Olsen	Shea
Battaglia	Forsythe	Kostohryz	Onnen	Sherman
Begich	Frerichs	Laidig	Osthoff	Sherwood
Berkelman	Greenfield	Lemen	Otis	Sieben, M.
Blatz	Gruenes	Levi	Peterson, B.	Simoneau
Brandl	Gustafson	Long	Peterson, D.	Skoglund
Brinkman	Halberg	Luknic	Piepho	Staten
Byrne	Hanson	Mann	Pogemiller	Stowell
Carlson, D.	Hauge	Marsh	Redalen	Stumpf
Carlson, L.	Haukoos	McCarron	Reding	Swanson
Clark, J.	Heap	McDonald	Rees	Tomlinson
Clark, K.	Himle	McEachern	Reif	Vanasek
Clawson	Hoberg	Metzen	Rice	Voss
Dahlvang	Hokanson	Minne	Rodriguez, C.	Weaver
Dean	Jacobs	Munger	Rodriguez, F.	Welch
Drew	Jennings	Murphy	Rose	Wenzel
Eken	Johnson, C.	Nelson, K.	Rothenberg	Wieser
Elihoff	Johnson, D.	Norton	Samuelson	Wynia
Ellingson	Jude	Novak	Sarna	Zubay
Erickson	Kahn	Nysether	Schafer	Sprk. Sieben, H.

Those who voted in the negative were:

Ainley	Esau	Kvam	Nelsen, B.	Sviggum
Dempsey	Heinitz	Ludeman	Niehaus	Welker
Den Ouden	Hokr	Mehrkens	Searles	Wigley

The bill was passed and its title agreed to.

There being no objection the order of business reverted to Reports of Standing Committees.

REPORTS OF STANDING COMMITTEES

Jude from the Committee on Judiciary to which was referred:

H. F. No. 1723, A bill for an act relating to crimes; prohibiting driving a motor vehicle when impaired by alcohol; providing prima facie evidentiary standards for determining if persons were driving while impaired or under the influence of alcohol; requiring blood, breath or urine tests of surviving drivers involved in accidents; authorizing written blood sample reports; amending Minnesota Statutes 1980, Sections 169.121, Subdivi-

sions 1, 2, 3, and 4; 169.123, Subdivisions 2, 3, 4, 6, and by adding a subdivision.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1980, Section 169.121, Subdivision 1, is amended to read:

Subdivision 1. [VIOLATION.] It is (A MISDEMEANOR) *unlawful* for any person to drive, operate or be in physical control of any motor vehicle within this state:

- (a) When the person is under the influence of alcohol;
- (b) When the person is under the influence of a controlled substance;
- (c) When the person is under the influence of a combination of any two or more of the elements named in clauses (a) and (b);
(OR)
- (d) When the person's alcohol concentration is 0.10 or more;
or
- (e) *When the person is impaired by the influence of alcohol or has an alcohol concentration of between 0.07 and 0.10.*

The provisions of this subdivision apply, but are not limited in application, to any person who drives, operates, or is in physical control of any motor vehicle in the manner prohibited by this subdivision upon the ice of any lake, stream, or river, including but not limited to the ice of any boundary water.

Sec. 2. Minnesota Statutes 1980, Section 169.121, Subdivision 2, is amended to read:

Subd. 2. [EVIDENCE.] Upon the trial of any prosecution arising out of acts alleged to have been committed by any person arrested for driving, operating, or being in physical control of a motor vehicle in violation of subdivision 1, the court may admit evidence of the amount of alcohol or a controlled substance in the person's blood, breath, or urine as shown by a medical or chemical analysis thereof, if the test is taken voluntarily or pursuant to section 169.123.

For the purposes of this subdivision:

- (a) evidence that there was at the time an alcohol concentration of 0.05 or less is *prima facie* evidence that the person was

not impaired by the influence of alcohol and not under the influence of alcohol;

(b) evidence that there was at the time an alcohol concentration of more than 0.05 (AND LESS THAN 0.10 IS RELEVANT EVIDENCE IN INDICATING WHETHER OR NOT THE PERSON WAS UNDER THE INFLUENCE OF ALCOHOL) but not more than 0.07 is prima facie evidence that the person was not under the influence of alcohol, but the evidence is relevant evidence but shall not be given prima facie effect, in determining whether the ability of the person to operate a motor vehicle was impaired by the consumption of alcohol;

(c) evidence that there was at the time an alcohol concentration of more than 0.07 but less than 0.10 is prima facie evidence that the person was not under the influence of alcohol, but the evidence shall be given prima facie effect in determining whether the ability of the person to operate a motor vehicle was impaired by the consumption of alcohol.

The foregoing provisions do not limit the introduction of any other competent evidence bearing upon the question whether or not the person was under the influence of alcohol or a controlled substance.

Sec. 3. Minnesota Statutes 1980, Section 169.121, Subdivision 3, is amended to read:

Subd. 3. [FIRST VIOLATION.] (a) Every person convicted of a violation of (THIS SECTION) subdivision 1, clauses (a) to (d) or an ordinance in conformity therewith is punishable by imprisonment of not more than 90 days, or by a fine of not more than \$500, or both, and his driver's license shall be revoked for not less than 30 days, except that every person who is convicted of a violation of this section or an ordinance in conformity therewith, when the violation is found to be the proximate cause of great bodily harm as defined in section 609.02, subdivision 8, or death to another person, shall be punished by imprisonment for not more than 90 days, or by fine of not more than \$500, or both, and his driver's license shall be revoked for not less than 90 days.

Any person who is convicted of a second violation of subdivision 1, clauses (a) to (d) or an ordinance in conformity therewith within three years shall not receive a limited license during the first 45 days of the revocation period.

Any person who is convicted of a third violation within a three-year period shall not receive a limited license during the term of the revocation.

(b) *Any person convicted of a first violation of subdivision 1, clause (e) or an ordinance in conformity therewith is punish-*

able by a fine of not more than \$250. A person charged with such a first violation is not entitled to a jury trial but shall be tried by a judge without a jury.

(c) Any person whose license has been revoked pursuant to section 169.123 is not subject to the mandatory revocation provision of this subdivision.

Sec. 4. Minnesota Statutes 1980, Section 169.121, Subdivision 4, is amended to read:

Subd. 4. [SECOND VIOLATION.] (a) Every person who is convicted of a violation of (THIS SECTION) *subdivision 1, clauses (a) to (d)* or an ordinance in conformity therewith within three years of any previous such conviction shall be punished by imprisonment for not more than 90 days, or a fine of not more than \$500, or both, and his driver's license shall be revoked for not less than 90 days.

(b) *Any person convicted of a second or subsequent violation of subdivision 1, clause (e) or an ordinance in conformity therewith within three years of a previous conviction is punishable by imprisonment for not more than 90 days, or by a fine of not more than \$500.*

Sec. 5. Minnesota Statutes 1980, Section 169.123, is amended by adding a subdivision to read:

Subd. 2b. [DEATH OR INJURY; TESTS.] Notwithstanding a refusal to submit to testing under subdivision 2, a blood, breath, or urine test shall be required of all surviving drivers involved in accidents resulting in death and may be required by the officer of all surviving drivers involved in accidents resulting in injury.

Sec. 6. Minnesota Statutes 1980, Section 169.123, Subdivision 3, is amended to read:

Subd. 3. [MANNER OF MAKING TEST; ADDITIONAL TESTS.] Only a physician, medical technician, physician's trained mobile intensive care paramedic, registered nurse, medical technologist (OR), laboratory assistant, or other person *trained in blood withdrawal techniques*, acting at the request of a peace officer may withdraw blood for the purpose of determining the presence of alcohol or controlled substance. This limitation does not apply to the taking of a breath or urine specimen. The person tested has the right to have a person of his own choosing administer a chemical test or tests in addition to any administered at the direction of a peace officer; provided, that the additional test specimen on behalf of the person is obtained at the place where the person is in custody, after the test administered at the direction of a peace officer, and at no expense to the state.

The failure or inability to obtain an additional test or tests by a person shall not preclude the admission in evidence of the test taken at the direction of a peace officer unless the additional test was prevented or denied by the peace officer. Upon the request of the person who is tested, (FULL INFORMATION CONCERNING) *the results of the test or tests taken at the direction of the peace officer shall be made available to him. The (PHYSICIAN, MEDICAL TECHNICIAN, PHYSICIAN'S TRAINED MOBILE INTENSIVE CARE PARAMEDIC, MEDICAL TECHNOLOGIST, LABORATORY ASSISTANT OR REGISTERED NURSE) qualified person drawing blood at the request of a peace officer (FOR THE PURPOSE OF DETERMINING ALCOHOL CONCENTRATION) pursuant to this section, and institutions whose facilities are used, shall in no manner be liable in any civil or criminal action except for negligence in drawing the blood. The person administering a test at the request and direction of a peace officer shall (BE FULLY TRAINED IN THE ADMINISTRATION OF THE TESTS) administer the test pursuant to standards promulgated by rule by the commissioner of public safety.*

A report of the facts of a test administration signed by the person drawing a blood sample, or administering a breath or urine test, shall be admissible as evidence at the trial of any prosecution under section 169.121 or any hearing under this section without proof of the seal, signature, or official character of the person whose name is signed to it, in any proceeding. The person tested or his attorney may request, by notifying the prosecuting attorney in writing at least ten days before the trial, that the person who administered the test be present to testify in person at the trial.

Sec. 7. Minnesota Statutes 1980, Section 169.123, Subdivision 6, is amended to read:

Subd. 6. [HEARING.] A hearing under this section shall be before a municipal or county judge, in the county where the alleged offense occurred, unless there is agreement that the hearing may be held in some other county. The hearing shall be to the court and may be conducted at the same time and in the same manner as hearings upon pre-trial motions in the criminal prosecution under section 169.121, if any. The hearing shall be recorded. The commissioner of public safety may appear through his own attorney or, by agreement with the jurisdiction involved, through the prosecuting authority for that jurisdiction.

The scope of the hearing shall cover the issues of: (1) whether the peace officer had reasonable and probable grounds to believe the person was driving, operating, or in physical control of a motor vehicle while *impaired by the influence of alcohol or under the influence of alcohol or a controlled substance*, and whether the person was lawfully placed under arrest for violation of section 169.121, or the person was involved in a motor vehicle ac-

cident or collision resulting in property damage, personal injury or death, or the person refused to take a screening test provided for by section 169.121, subdivision 6, or the screening test was administered and recorded an alcohol concentration of 0.10 or more; and (2) whether at the time of the request for the test the peace officer informed the person of his rights and the consequences of taking or refusing the test as required by subdivision 2; and (3) either (a) whether the person refused to permit the test, or (b) whether a test was taken and the test results indicated an alcohol concentration of 0.10 or more, and whether the testing method used was valid and reliable, and whether the test results were accurately evaluated.

It shall be an affirmative defense for the person to prove that his refusal to permit the test was based upon reasonable grounds.

The court shall order either that the revocation be rescinded or sustained and forward the order to the commissioner of public safety. If the revocation is sustained, the court shall also forward the person's driver's license to the commissioner of public safety for his further action if the license is not already in the commissioner's possession.

Sec. 8. Minnesota Statutes 1980, Section 169.123, Subdivision 9, is amended to read:

Subd. 9. [LIMITED LICENSE.] In any case in which a license has been revoked under this section, the commissioner may issue a limited license to the driver. The commissioner in issuing a limited license may impose the conditions and limitations which in his judgment are necessary to the interests of the public safety and welfare, including re-examination of the driver's qualifications, attendance at a driver improvement clinic, or attendance at counseling sessions. The license may be limited to the operation of particular vehicles and to particular classes and time of operation. The limited license issued by the commissioner shall clearly indicate the limitations imposed and the driver operating under a limited license shall have the license in his possession at all times when operating as a driver. In determining whether to issue a limited license, the commissioner shall consider the number and the seriousness of prior convictions and the entire driving record of the driver.

When the revocation under this section is the second such revocation within a three-year period, no limited license shall be issued until one-half of the revocation period has expired. When the revocation is the third such revocation within a three-year period, no limited license shall be issued during the term of the revocation.

Sec. 9. Minnesota Statutes 1980, Section 169.123, is amended by adding a subdivision to read:

Subd. 5c. [IMMUNITY FROM LIABILITY.] (a) Any peace officer acting in good faith and exercising due care in making an arrest for violation of section 169.121 and the state of political subdivision for which the peace officer is employed shall have immunity from any liability, civil or criminal, for the care or custody of the motor vehicle being driven by, operated by, or in the physical control of the person arrested.

(b) For purposes of this subdivision, "political subdivision" means a county, statutory or home rule charter city or town.

Sec. 10. [EFFECTIVE DATE.]

Sections 1 to 9 are effective August 1, 1982, and apply to crimes committed on or after that date."

Amend the title as follows:

Page 1, line 10, delete "2," and after "3," delete "4,"

Page 1, line 10, after "6," insert "9"

Page 1, line 11, delete "a subdivision" and insert "subdivisions"

With the recommendation that when so amended the bill pass.

The report was adopted.

Jude moved that H. F. No. 1723 be re-referred to the Committee on Criminal Justice. The motion prevailed.

CALENDAR

Eken moved that the bills on the Calendar be continued one day. The motion prevailed.

GENERAL ORDERS

Eken moved that the bills on General Orders be continued one day. The motion prevailed.

MOTIONS AND RESOLUTIONS

Pogemiller moved that the names of Clark, J., and Kelly be added as authors on H. F. No. 1882. The motion prevailed.

Brandl moved that the name of Dempsey be added as an author on H. F. No. 1904. The motion prevailed.

Skoglund moved that the name of Brandl be added as an author on H. F. No. 1542. The motion prevailed.

Piepho moved that his name be stricken as an author on H. F. No. 1105. The motion prevailed.

Dahlvang moved that his name be stricken as an author on H. F. No. 1105. The motion prevailed.

Vellenga moved that the name of Gustafson be added as an author on H. F. No. 1894. The motion prevailed.

Clark, K., moved that the name of Vellenga be added as an author on H. F. No. 1875. The motion prevailed.

Staten moved that the name of Clark, K., be added as an author on H. F. No. 1811. The motion prevailed.

Shea moved that the name of Skoglund be stricken and the name of Pogemiller be added as an author on H. F. No. 1881. The motion prevailed.

Clawson moved that the name of Welch be stricken and the name of Wynia be added as chief author on H. F. No. 1465. The motion prevailed.

Rothenberg moved that the name of Olsen be added as an author on H. F. No. 2014. The motion prevailed.

Peterson, B., moved that the name of Blatz be added as second author on H. F. No. 2030. The motion prevailed.

Rothenberg moved that the name of Olsen be added as an author on H. F. No. 2013. The motion prevailed.

Kaley moved that the name of Luknic be added as an author on H. F. No. 1977. The motion prevailed.

Blatz moved that the names of Nelson, K.; Ludeman; Kahn and Byrne be added as authors on H. F. No. 1192. The motion prevailed.

Rodriguez, F., moved that the names of Dahlvang, O'Connor, Pogemiller and Rose be added as authors on H. F. No. 2052. The motion prevailed.

McEachern moved that the name of Jude be added as an author on H. F. No. 2045. The motion prevailed.

Blatz moved that the names of Schreiber and Jacobs be added as authors on H. F. No. 2066. The motion prevailed.

Mehrkens moved that the names of Jacobs; Novak; Peterson, D., and Blatz be added as authors on H. F. No. 1788. The motion prevailed.

Novak moved that the names of Pogemiller and Metzen be added as authors on H. F. No. 1822. The motion prevailed.

McEachern moved that the name of Shea be added as an author on H. F. No. 1974. The motion prevailed.

Swanson moved that the name of Wynia be added as an author on H. F. No. 2077. The motion prevailed.

Sarna moved that the name of McEachern be added as an author on H. F. No. 2108. The motion prevailed.

Voss moved that the name of McEachern be added as an author on H. F. No. 2073. The motion prevailed.

Elioff moved that the name of Hoberg be added as an author on H. F. No. 1726. The motion prevailed.

Dahlvang moved that the names of Long, Ewald and Peterson, D., be added as authors on H. F. No. 2134. The motion prevailed.

Skoglund moved that the name of Forsythe be added as an author on H. F. No. 1542. The motion prevailed.

Reif moved that H. F. No. 1509 be recalled from the Committee on Agriculture and be re-referred to the Committee on Health and Welfare. The motion prevailed.

Dempsey moved that H. F. No. 1860 be recalled from the Committee on Agriculture and be re-referred to the Committee on Judiciary. The motion prevailed.

Aasness moved that H. F. No. 2028 be recalled from the Committee on Appropriations and be re-referred to the Committee on Agriculture. The motion prevailed.

Wenzel moved that the names of Ogren, Staten and Luknic be added as authors on H. F. No. 2084. The motion prevailed.

Anderson, G., moved that H. F. No. 1815 now on the Technical General Orders be re-referred to the Committee on Appropriations. The motion prevailed.

Wenzel, Shea, Jude, Laidig and Sherwood introduced:

House Resolution No. 22, A house resolution proclaiming March 21, 1982, as Afghanistan Day in Minnesota.

The resolution was referred to the Committee on Rules and Legislative Administration.

Levi; Laidig and Sieben, M., introduced:

House Resolution No. 23, A house resolution extending condolences to the families and friends of the volunteer firefighters who died in a fire in Stillwater and appreciation to all firefighters.

The resolution was referred to the Committee on Rules and Legislative Administration.

Fjoslien and Peterson, B., introduced:

House Resolution No. 24, A house resolution commemorating Abraham Lincoln upon the one hundred and seventy-third anniversary of his birth.

The resolution was referred to the Committee on Rules and Legislative Administration.

Kahn; Long; Peterson, D.; Minne and Byrne introduced:

House Resolution No. 25, A house resolution commemorating the life and work of Susan B. Anthony.

SUSPENSION OF RULES

Kahn moved that the Rules be so far suspended that House Resolution No. 25 be now considered and be placed upon its adoption. The motion prevailed.

HOUSE RESOLUTION NO. 25

A house resolution commemorating the life and work of Susan B. Anthony.

Whereas, February 15, 1982 is the 162nd anniversary of the birth of Susan B. Anthony, born in 1820 and died in 1906, pioneer of woman's right to vote; and,

Whereas, Susan B. Anthony's contributions to the history of this nation cannot be underestimated but have often been overlooked; and,

Whereas, Susan B. Anthony was a self-supporting school teacher beginning at age 15, earning \$2 per week and her board, at a time when female teachers were paid 30 percent of the wages paid to male teachers; and,

Whereas, Susan B. Anthony obtained 4,000 signatures on a petition in favor of women's suffrage in the State of New York

in 1852, at a time when the law required employers to pay a woman's wages to her husband and when women had no right of legal guardianship of their own children; and,

Whereas, Susan B. Anthony lectured across the country in defense of women's suffrage over a period of 53 years, though she was often ridiculed, though she noted that, "It is a terrible martyrdom for me to speak publicly," and though she was often required to travel by uncovered wagon in the winter in order to do so; and,

Whereas, Susan B. Anthony organized the National Woman Suffrage Association in 1869 and its successor, the National American Woman Suffrage Association in 1890, as well as serving as President of the latter at age 72; and,

Whereas, Susan B. Anthony voted in Rochester, New York in 1872, 48 years before women achieved the right to vote, and for this offense was arrested and tried, but not allowed to speak in her own defense; and,

Whereas, Susan B. Anthony also worked for the abolition of slavery before and during her efforts on behalf of women's suffrage, and defended the right of workers to bargain collectively; and,

Whereas, Susan B. Anthony is owed a debt of honor on the part of all citizens for her example in the tireless pursuit of justice, stating at age 85, one year before her death and 14 years before passage of the Nineteenth Amendment to the United States Constitution, that, "I have never lost my faith, not for a moment; failure is impossible"; *Now, Therefore*,

Be It Resolved by the House of Representatives of the State of Minnesota that it commemorates the life and work of Susan B. Anthony and urges all Minnesotans to hold ceremonies and celebrations to commemorate her birthday.

Kahn moved that House Resolution No. 25 be now adopted. The motion prevailed and House Resolution No. 25 was adopted.

There being no objection the order of business reverted to Introduction and First Reading of House Bills.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House File was introduced:

Anderson, I., and Jacobs introduced:

H. F. No. 2135, A resolution memorializing the President and Congress of the United States to adopt a balanced federal budget.

The bill was read for the first time and referred to the Committee on Rules and Legislative Administration.

ADJOURNMENT

Eken moved that when the House adjourns today it adjourn until 2:00 p.m., Thursday, February 18, 1982. The motion prevailed.

Eken moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 2:00 p.m., Thursday, February 18, 1982.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

STATE OF MINNESOTA

SEVENTY-SECOND SESSION - 1982

SEVENTY-SECOND DAY

SAINT PAUL, MINNESOTA, WEDNESDAY, FEBRUARY 17, 1982

The Senate met on Wednesday, February 17, 1982, which was the Seventy-second Day of the Seventy-Second Session of the Minnesota State Legislature. The House of Representatives did not meet on this date.

[The following text is extremely faint and largely illegible. It appears to be a list of names or entries, possibly organized in columns. Some words are barely discernible, such as "Mr.", "Mrs.", and various surnames.]

STATE OF MINNESOTA

SEVENTY-SECOND SESSION - 1982

SEVENTY-THIRD DAY

SAINT PAUL, MINNESOTA, THURSDAY, FEBRUARY 18, 1982

The House of Representatives convened at 2:00 p.m. and was called to order by Harry A. Sieben, Jr., Speaker of the House.

Prayer was offered by Reverend Clint Patterson, First Presbyterian Church, Lake Crystal, Minnesota.

The roll was called and the following members were present:

Aasness	Ewald	Knickerbocker	Ogren	Sieben, M.
Ainley	Fjoslien	Kostohryz	Olsen	Simoneau
Anderson, B.	Forsythe	Kvam	Onnen	Skoglund
Anderson, G.	Frerichs	Laidig	Osthoff	Stadum
Anderson, I.	Greenfield	Lehto	Otis	Staten
Battaglia	Gruenes	Lemen	Peterson, B.	Stowell
Begich	Gustafson	Levi	Peterson, D.	Stumpf
Blatz	Halberg	Long	Piepho	Sviggum
Brandl	Hanson	Ludeman	Pogemiller	Swanson
Brinkman	Harens	Luknic	Redalen	Tomlinson
Byrne	Hauge	Mann	Reding	Valento
Carlson, D.	Haukoos	Marsh	Rees	Vanasek
Carlson, L.	Heap	McCarron	Reif	Vellenga
Clark, J.	Heinitz	McDonald	Rice	Voss
Clark, K.	Himle	McEachern	Rodriguez, C.	Weaver
Clawson	Hoberg	Mehrkens	Rodriguez, F.	Welch
Dahlvang	Hokanson	Metzen	Rose	Welker
Dean	Hokr	Minne	Rothenberg	Wenzel
Dempsey	Jacobs	Munger	Samuelson	Wieser
Den Ouden	Jennings	Murphy	Sarna	Wigley
Drew	Johnson, C.	Nelsen, B.	Schafer	Wynia
Eken	Johnson, D.	Nelson, K.	Schoenfeld	Zubay
Elihoff	Jude	Niehaus	Schreiber	Spkr.Sieben,H.
Ellingson	Kahn	Norton	Searles	
Erickson	Kaley	Novak	Shea	
Esau	Kalis	Nysether	Sherman	
Evans	Kelly	O'Connor	Sherwood	

A quorum was present.

Anderson, R.; Berkelman and Valan were excused.

The Chief Clerk proceeded to read the Journals of the preceding days. Kvam moved that further reading of the Journals be

dispensed with and that the Journals be approved as corrected by the Chief Clerk. The motion prevailed.

REPORTS OF CHIEF CLERK

Pursuant to Rules of the House, printed copies of H. F. Nos. 1366, 1611, 1746, 1831, 1068, 1719, 1734, 685, 1365, 1532, 1732, 1050, 1603 and 1817 and S. F. Nos. 1088, 1539 and 378 have been placed in the members' files.

S. F. No. 1088 and H. F. No. 919, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Ellingson moved that the rules be so far suspended that S. F. No. 1088 be substituted for H. F. No. 919 and that the House File be indefinitely postponed. The motion prevailed.

PETITIONS AND COMMUNICATIONS

The following communications were received:

STATE OF MINNESOTA
OFFICE OF THE GOVERNOR
SAINT PAUL 55155

February 12, 1982

The Honorable Harry A. Sieben, Jr.
Speaker of the House
State of Minnesota

Dear Speaker Sieben:

I have the honor to inform you that I received, approved, signed and deposited in the Office of the Secretary of State the following House Files:

H. F. No. 1552, relating to insurance; extending the temporary joint underwriting association act for an additional six year period; extending the termination date of certain insurance policies;

H. F. No. 583, relating to public use of private land; clarifying and altering landowners' liability in the recreational use of their land;

Sincerely,

ALBERT H. QUIE
Governor

STATE OF MINNESOTA
OFFICE OF THE SECRETARY OF STATE
ST. PAUL 55155

February 12, 1982

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

The Honorable Jack Davies
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 1982 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:

<i>S.F. No.</i>	<i>H.F. No.</i>	<i>Session Laws Chapter No.</i>	<i>Date Approved 1982</i>	<i>Date Filed 1982</i>
	583	373	February 12	February 12
	1552	374	February 12	February 12

Sincerely,

JOAN ANDERSON GROWE
Secretary of State

REPORTS OF STANDING COMMITTEES

Norton from the Committee on Governmental Operations to which was referred:

H. F. No. 205, A bill for an act relating to retirement; extending the combined service annuity to members of the University of Minnesota faculty plan; amending Minnesota Statutes 1980, Section 356.30, Subdivision 3.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [REPAYMENT OF REFUND BY CERTAIN UNIVERSITY OF MINNESOTA, DULUTH CAMPUS, EMPLOYEES.] *Notwithstanding any provision of law to the contrary, any person who is employed on the effective date of this act or was formerly employed between January 1, 1975 and the effective date of this act by the university of Minnesota at the Duluth campus shall be entitled to repay a refund taken*

from any covered retirement fund enumerated in Minnesota Statutes, Section 356.30, Subdivision 3. The repayment of the refund shall be paid in a lump sum prior to July 1, 1983, and shall be in an amount equal to the amount of any refund taken plus compound interest at the rate of six percent per annum from the date the refund was taken to the date the refund is repaid. If the person repaying the refund is on the effective date of this act already receiving a retirement annuity from the retirement fund from which the refund was taken, the person shall be entitled to a retirement annuity recomputed based on the service credit reinstated by the repayment of the refund and based on the applicable provisions of Minnesota Statutes, Section 356.30, Subdivision 1. The recomputed annuity shall be payable on the first day of the second month following the repayment of the refund, and shall not include any retroactive amounts. If the person repaying the refund is on the effective date of this act not receiving a retirement annuity from the retirement fund from which the refund was taken, the person shall be entitled to a retirement annuity when otherwise eligible which shall be based on the applicable provisions of Minnesota Statutes, Section 356.30, Subdivision 1.

Sec. 2. [EFFECTIVE DATE.] *This act is effective on the day following final enactment."*

Delete the title and insert:

"A bill for an act relating to retirement; authorizing the repayment of a refund by certain current and former university of Minnesota, Duluth campus, employees; providing for the recomputation of certain retirement annuities."

With the recommendation that when so amended the bill pass.

The report was adopted.

Vanasek from the Committee on Criminal Justice to which was referred:

H. F. No. 492, A bill for an act relating to crimes; authorizing counties to expend money for the purpose of investigating criminal activity relating to selling or receiving stolen property; proposing new law coded in Minnesota Statutes, Chapter 299C.

Reported the same back with the recommendation that the bill pass and be placed on the Consent Calendar.

The report was adopted.

Rice from the Committee on Labor-Management Relations to which was referred:

H. F. No. 1278, A bill for an act relating to public employment labor relations; clarifying the definition of "employer"; amending Minnesota Statutes 1980, Section 179.63, Subdivision 4.

Reported the same back with the following amendments:

Page 1, line 15, delete "and" and after "487.10," insert "or other law,"

With the recommendation that when so amended the bill pass.

The report was adopted.

Vanasek from the Committee on Criminal Justice to which was referred:

H. F. No. 1374, A bill for an act relating to criminal justice; imposing a tax on alcoholic beverages sold for resale by the drink; providing for the distribution of the proceeds to local units of government to meet the costs of enforcement of laws relating to driving offenses involving alcohol or drugs; requiring payment of certain costs by persons receiving treatment for alcoholism; providing penalties; appropriating money; proposing new law coded in Minnesota Statutes, Chapters 169 and 340.

Reported the same back with the following amendments:

Page 3, delete lines 19 to 25 and insert:

"(b) There is annually appropriated from the general fund in the state treasury to the commissioner of public welfare the sum of \$ from the proceeds of the tax imposed in section 2. The commissioner shall add these funds annually to the community social service fund for distribution as provided in section 256E.06. Counties shall report by March 1, 1983 and every two years thereafter, to the commissioner, as to how their allocation was used to prevent or treat chemical dependency problems."

Page 3, after line 25, insert:

"(c) \$ is annually appropriated from the general fund in the state treasury to the commissioner of public welfare from the proceeds of the tax imposed in section 2, for the purpose of reimbursing counties for all or a portion of the costs of operating detoxification centers established pursuant to section 254A.08. The commissioner shall promulgate rules relating to the administration of this clause and to the distribution of moneys to the counties, and shall distribute grants accordingly."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Sarna from the Committee on Commerce and Economic Development to which was referred:

H. F. No. 1455, A bill for an act relating to real estate brokers and salespersons; providing for a transfer of license upon the termination or resignation of a salesperson; requiring the issuance of a temporary license under certain circumstances; amending Minnesota Statutes 1980, Section 82.20, Subdivision 9.

Reported the same back with the following amendments:

Page 1, lines 19 and 20, restore the stricken language

Page 1, line 20, after "(CHAPTER)" insert ", or"

With the recommendation that when so amended the bill pass.

The report was adopted.

Norton from the Committee on Governmental Operations to which was referred:

H. F. No. 1498, A bill for an act relating to retirement; including employees at the state ceremonial building in the unclassified employees plan; amending Minnesota Statutes 1980, Section 352D.02, Subdivision 1.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1981 Supplement, Section 352D.02, Subdivision 1, is amended to read:

Subdivision 1. The following employees in the unclassified service of the state who are eligible for coverage under the Minnesota state retirement system shall participate in the unclassified program unless such employee gives notice to the executive director of the state retirement system within one year following the commencement of his employment that he desires coverage under the regular employee plan. For the purposes of this chapter, an employee who does not file such notice with the executive director shall be deemed to have exercised his option to participate in the unclassified plan.

(1) Any employee in the office of the governor, lieutenant governor, secretary of state, state auditor, state treasurer, attorney general or the state board of investment,

(2) The head of any department, division, or agency created by statute, an acting department head subsequently appointed to the position, or any employee enumerated in sections 15A.081, subdivision 1 or 15A.083, subdivision 4,

(3) Any permanent, fulltime unclassified employee of the legislature or any commission or agency of the legislature or a temporary legislative employee having shares in the supplemental retirement fund as a result of former employment covered by this chapter, whether or not eligible for coverage under the Minnesota state retirement system,

(4) Any person employed in a position established pursuant to section 43.09, subdivision 2a or in a position authorized under a statute creating or establishing a department or agency of the state, which is at the deputy or assistant head of department or agency or director level,

(5) The chairman, chief administrator, and not to exceed nine positions at the division director or administrative deputy level of the metropolitan waste control commission as designated by the commission, and the chairman, executive director, and not to exceed nine positions at the division director or administrative deputy level of the metropolitan council as designated by the council; provided that upon initial designation of all positions provided for in this clause, no further designations or redesignations shall be made without approval of the board of directors of the Minnesota state retirement system,

(6) The executive director, associate executive director, and not to exceed nine positions of the higher education coordinating board in the unclassified service, as designated by the higher education coordinating board; provided that upon initial designation of all positions provided for in this clause, no further designations or redesignations shall be made without approval of the board of directors of the Minnesota state retirement system, (AND)

(7) The clerk of the Minnesota supreme court appointed pursuant to Article VI, Section 2, of the Constitution of the state of Minnesota, and

(8) *Any employee whose principal employment is at the state ceremonial house.*

Sec. 2. [TEMPORARY PROVISION; RETROACTIVE COVERAGE.]

The eligibility of the employees specified in clause (8) of section 1, who are employed in the positions on the effective date of this act to participate shall be retroactive to their date of appointment to that service. The moneys used to purchase shares

shall be the employee, employer and employer additional contributions made on behalf of these employees during their employment.

Sec. 3. [EFFECTIVE DATE.] *This act is effective the day following final enactment.*"

Amend the title as follows :

Page 1, line 4, delete "1980" and insert "1981 Supplement"

With the recommendation that when so amended the bill pass.

The report was adopted.

Norton from the Committee on Governmental Operations to which was referred :

H. F. No. 1566, A bill for an act relating to state and local government organization and relations; creating an advisory council on local government; prescribing its duties; proposing new law coded as Minnesota Statutes, Chapter 15B.

Reported the same back with the following amendments :

Page 1, line 9, after "create" insert "*in the legislative branch*"

Page 2, line 21, delete "23" and insert "15"

Page 2, line 22, delete "*Three representatives and three senators*" and insert "*One representative and one senator*"

Page 2, line 24, delete "Six" and insert "Three"

Page 2, after line 25, insert :

"(d) *The commissioner of revenue;*"

Page 2, line 26, delete "Four" and insert "Three"

Page 2, line 31, delete "Four" and insert "Three"

Reletter the clauses

Page 3, line 11, delete "*(d), (e), and (f)*" and insert "*(e), (f), and (g)*"

Page 5, line 11, delete "*in the unclassified service*"

Page 5, line 12, delete "*classified*" and insert "*unclassified*"

With the recommendation that when so amended the bill pass.

The report was adopted.

POINT OF ORDER

Sieben, M., raised a point of order pursuant to rule 5.7 that H. F. No. 1566 be re-referred to the Committee on Appropriations. The Speaker ruled the point of order well taken and H. F. No. 1566 was re-referred to the Committee on Appropriations.

Brinkman from the Committee on Financial Institutions and Insurance to which was referred:

H. F. No. 1576, A bill for an act relating to commerce; regulated loans; extending a prohibition on certain types of first liens taken on regulated loans to industrial loan and thrift companies and clarifying this prohibition to exclude loans used to satisfy the balance due on a contract for deed; applying the statutory provisions relating to conventional loan defaults to regulated loans; clarifying the method for the computation of interest; allowing the combination of loans of different maturities and interest rates; prohibiting attorney's fees except in connection with mortgage foreclosures; placing certain restrictions on the procurement of insurance in connection with a loan; providing miscellaneous technical and clarifying amendments; and eliminating a duplicative provision; amending Minnesota Statutes 1980, Section 53.04, Subdivision 5; and Minnesota Statutes 1981 Supplement, Sections 53.01; 53.04, Subdivision 3a; 56.12; 56.131, Subdivisions 1, 3, and 5; 56.14; 56.155; 334.02; and 334.03; proposing new law coded in Minnesota Statutes, Chapter 56.

Reported the same back with the following amendments:

Page 2, line 20, delete "*mobile*" and insert "*manufactured*" and delete "*include loans where*" and insert "*apply to a loan if*"

Page 2, line 22, before the period insert "*, provided that no interest rate may be charged greater than that authorized by section 47.20, subdivision 4a. A licensee making a loan under this chapter secured by a lien on real estate shall comply with the requirements of section 47.20, subdivision 8*"

Page 3, line 29, delete "*include loans where*" and insert "*apply to a loan if*"

Page 3, line 31, before the period insert "*, provided that no interest may be charged greater than that authorized by section 47.20, subdivision 4a*"

Page 4, line 21, delete "*loan*" and insert "*lien*"

Page 8, line 22, after "*loan*" insert a comma and reinstate the stricken language

Page 8, line 23, reinstate "(TO BECOME)" and after "(BECOME)" insert "*primarily*" and reinstate "(OBLIGATED)" and "(UNDER)"

Page 8, line 24, reinstate the stricken language and before "for" insert a comma

Pages 8, 9 and 10, delete section 9

Renumber the sections

Page 12, line 18, after the period insert "*In all cases when insurance is offered the obligor shall be informed that he has the option of providing insurance through existing policies of insurance owned or controlled by him or by procuring and furnishing the offered coverage through any insurer authorized to transact an insurance business within this state.*"

Amend the title as follows:

Page 1, line 2, delete "extending a"

Page 1, delete lines 3 to 6

Page 1, line 7, delete " for deed ;"

Page 1, line 20, delete "56.14;"

With the recommendation that when so amended the bill pass.

The report was adopted.

Norton from the Committee on Governmental Operations to which was referred:

H. F. No. 1622, A bill for an act relating to state lands; providing for the transfer of ownership to meet donors' intent.

Reported the same back with the following amendments:

Page 3, line 30, after "*appraisers*" insert "*selected by the commissioner of administration, at least one of whom shall be a resident of Blue Earth county,*"

With the recommendation that when so amended the bill pass.

The report was adopted.

Munger from the Committee on Environment and Natural Resources to which was referred:

H. F. No. 1652, A bill for an act relating to game and fish; authorizing special permits to take deer with a crossbow under

certain circumstances; amending Minnesota Statutes 1980, Sections 98.48, by adding a subdivision; and 100.29, Subdivision 7.

Reported the same back with the following amendments:

Page 1, line 15, delete "*statment*" and insert "*statement*"

Page 1, line 16, after "*disability*" insert "*, restricting the person's ability to hunt in any other manner*"

With the recommendation that when so amended the bill pass.

The report was adopted.

Norton from the Committee on Governmental Operations to which was referred:

H. F. No. 1657, A bill for an act relating to retirement; miscellaneous amendments to the public employees retirement law; amending Minnesota Statutes 1980, Sections 353.01, Subdivisions 12 and 16; 353.03, Subdivision 4; 353.27, Subdivision 12; 353.35; and 353.657, Subdivision 2a; Minnesota Statutes 1981 Supplement, Sections 353.01, Subdivisions 2a and 2b; 353.27, Subdivision 4; 353.33, Subdivision 5; 353.36, Subdivision 2; and 353.64, Subdivision 1; repealing Minnesota Statutes 1980, Sections 353.01, Subdivision 34; and 353.017, Subdivisions 4 and 5; Minnesota Statutes 1981 Supplement, Section 353.023.

Reported the same back with the following amendments:

Page 6, line 32, delete "*three*" and insert "*five*"

Page 7, delete section 5

Pages 8 and 9, delete sections 7 and 8

Page 13, line 3, delete "*Section*" and insert "*Sections*" and after the semicolon insert "*and 353.017, Subdivision 4;*"

Page 13, line 4, delete "*Sections 353.017,*"

Page 13, line 5, delete "*Subdivisions 4 and 5; and*" and insert "*Section*"

Renumber the sections

Amend the title as follows:

Page 1, line 5, delete "*353.03, Subdivision 4; 353.27, Subdivision*"

Page 1, line 6, delete "12;"

Page 1, line 8, delete "353.33,"

Page 1, line 9, delete "Subdivision 5;"

Page 1, line 11, delete everything after the semicolon

Page 1, line 12, delete everything before "Minnesota"

With the recommendation that when so amended the bill pass.

The report was adopted.

Norton from the Committee on Governmental Operations to which was referred:

H. F. No. 1698, A bill for an act relating to public welfare; delaying the duty of the commissioner of administration to sell certain land and buildings; amending Laws 1981, Chapter 360, Article I, Section 2, Subdivision 5.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Johnson, C., from the Committee on Education to which was referred:

H. F. No. 1726, A bill for an act relating to education; removing the commissioner of education from the state university board and as secretary of the board; amending Minnesota Statutes 1980, Sections 136.12, Subdivision 1; and 136.13.

Reported the same back with the following amendments:

Page 2, after line 6, insert:

"Sec. 3. Minnesota Statutes 1980, Section 136.88, Subdivision 5, is amended to read:

Subd. 5. A teacher who is reinstated to the same or similar position after an extended leave pursuant to this section shall not lose tenure or credit for previous seniority in the employing community college or state university. A teacher shall not accrue seniority credit during the time of a leave of absence pursuant to this section, *except that a teacher at a community college or state university may accrue seniority credit during the leave, consistent with the conditions of the collective bargaining agreement.*"

Amend the title as follows:

Page 1, line 4, after "board;" insert "allowing community college and state university teachers to accrue seniority credit during extended leaves of absence;"

Page 1, line 5, delete "and" and before the period insert "; and 136.88, Subdivision 5"

With the recommendation that when so amended the bill pass and be placed on the Consent Calendar.

The report was adopted.

Jude from the Committee on Judiciary to which was referred:

H. F. No. 1727, A bill for an act relating to courts; proposing an amendment to the Minnesota Constitution, Article VI, Sections 1, 2, 5 and 6; providing for a court of appeals; providing for election of judges; conferring certain powers and duties on the court of appeals; amending Minnesota Statutes 1980, Sections 2.724, Subdivision 2; 8.01; 10A.01, Subdivisions 5 and 19; 15.0416; 15.0417; 15.0424, Subdivisions 1, 2, 3 and 6; 15.0426; 45.07; 45.17, Subdivision 5; 97.481, Subdivision 2; 122.23, Subdivision 16c; 145.698, Subdivision 2; 145.838, Subdivision 4; 150A.08, Subdivision 2; 197.481, Subdivision 6; 210A.01, Subdivision 3; 237.39; 244.11; 260.291, Subdivision 2; 270.23; 290.48, Subdivision 6; 299F.25; 357.08; 363.072, Subdivisions 1 and 2; 373.11; 430.031, Subdivision 4; 480.01; 480.054; 480.055, Subdivision 1; 480.061, Subdivision 8; 480.19; 484.63; 487.39, Subdivisions 1 and 2; 488A.01, Subdivision 14; 488A.17, Subdivision 12; 488A.18, Subdivision 14; 488A.34, Subdivision 11; 501.35; 525.71; 574.18; 586.11; Minnesota Statutes 1981 Supplement, Sections 5.08, Subdivision 2; and 648.39, Subdivision 1; proposing new law coded as Minnesota Statutes, Chapter 480A; repealing Minnesota Statutes 1980, Sections 80A.24, Subdivision 3; 363.10; 473.597; and 525.74.

Reported the same back with the following amendments:

Page 2, delete lines 11 to 13

Page 2, line 14, delete to the period and insert "*The legislature shall provide by law for the organization of the court of appeals, the manner of review of its decisions by the supreme court, and the number of its judges, who shall not be judges of any other court*"

Page 3, line 12, delete "*permit the*"

Page 3, line 13, delete "*Legislature to*"

Page 3, line 19, delete "1984" and insert "1983"

Page 5, line 17, delete "The judges of"

Page 5, delete lines 18 to 28 and insert "*The chief justice of the supreme court shall designate one of the judges of the court of appeals to be chief judge for a term of three years. Vacancies in the office of chief judge shall be filled for the remainder of the unexpired term.*"

The chief judge may be reappointed. If the chief judge ceases to be a judge of the court of appeals, the office of chief judge also becomes vacant.

The chief justice may remove the chief judge for cause."

Page 6, line 11, after "Minnesota" insert "*, except that it shall not have jurisdiction of criminal appeals in cases in which the defendant has been convicted of murder in the first degree"*

Page 6, lines 16 and 17, delete "*the tax court, pursuant to section 271.10, and"*

Page 7, line 8, after "[DECISIONS.]" delete the balance of the line

Page 7, delete lines 9 to 11 and insert "*A decision shall be rendered in every case within 90 days after oral argument or after the final submission of briefs or memoranda by the parties, whichever is later. In every case, the decision of the court, including any written opinion containing a summary of the case and a statement of the reasons for its decision, shall be indexed and made readily available.*"

Page 7, line 25, delete the colon and insert a period

Page 7, delete lines 26 to 36

Page 8, delete lines 1 to 4

Page 8, line 5, delete "(c)"

Page 9, line 19, after the period insert "*The supreme court shall issue its decision whether to grant a petition for review within 60 days of the date the petition is filed.*"

Page 10, delete lines 5 to 36

Delete pages 11 to 26

Page 27, delete lines 1 to 5 and insert:

"Sec. 14. Minnesota Statutes 1981 Supplement, Section 204B.-06, Subdivision 6, is amended to read:

Subd. 6. [JUDICIAL CANDIDATES; DESIGNATION OF TERM.] An individual who files as a candidate for the office of associate justice of the supreme court, judge of the *court of appeals* or district court, or judge of county or county municipal court shall state in the affidavit of candidacy the office of the particular justice or judge for which the individual is a candidate. The individual shall be a candidate only for the office identified in the affidavit. Each justice of the supreme court and each *court of appeals* district, county or county municipal court judge is deemed to hold a separate nonpartisan office.

Sec. 15. Minnesota Statutes 1981 Supplement, Section 204B.-34, Subdivision 3, is amended to read:

Subd. 3. [JUDICIAL ELECTIONS.] When one or more justices of the supreme court or judges of *the court of appeals* or of a district, county or county municipal court are to be nominated at the same primary or elected at the same general election, the notice of election shall state the name of each justice or judge whose successor is to be nominated or elected."

Page 27, delete lines 25 to 36

Page 28, delete lines 1 to 33

Page 31, delete lines 6 to 36

Delete pages 32 to 35

Page 36, delete lines 1 to 13 and insert:

"Sec. 21. [INITIAL APPOINTMENT OF JUDGES.]

The judicial offices created in section 3, subdivision 2 shall be filled initially by appointment by the governor."

Page 36, line 17, delete "46" and insert "16"

Page 40, line 4, delete "66" and insert "25"

Page 40, delete lines 9 to 14 and insert "*(a) sections 3 to 7 of this act are effective July 1, 1983, and*"

Page 40, line 15, delete "*(d)*" and insert "*(b)*"

Renumber the sections

Delete the title and insert:

“A bill for an act relating to courts; proposing an amendment to the Minnesota Constitution, Article VI, Sections 1, 2, 5 and 6; providing for a court of appeals; providing for election of judges; conferring certain powers and duties on the court of appeals; amending Minnesota Statutes 1980, Sections 480.01; 484.63; 487.39, Subdivisions 1 and 2; 488A.01, Subdivision 14; and Minnesota Statutes 1981 Supplement, Sections 204B.06, Subdivision 6; 204B.34, Subdivision 3; proposing new law coded as Minnesota Statutes, Chapter 480A; repealing Minnesota Statutes 1980, Sections 80A.24, Subdivision 3; 363.10; 473.597; and 525.74.”

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Rules and Legislative Administration.

The report was adopted.

Sarna from the Committee on Commerce and Economic Development to which was referred:

H. F. No. 1751, A bill for an act relating to alcoholic beverages; increasing the maximum dollar value of equipment furnished to beer retailers by brewers and wholesalers; deleting obsolete language; amending Minnesota Statutes 1980, Section 340.405.

Reported the same back with the following amendments:

Page 1, after line 8, insert:

“Section 1. Minnesota Statutes 1980, Section 340.031, Subdivision 2, is amended to read:

Subd. 2. No manufacturer or wholesaler shall, directly or indirectly, or through a subsidiary or affiliate corporation, or by any officer, director, stockholder, or partner thereof, give, lend, or advance any money, credit, or other thing of value to any retailer or to any person for the benefit or relief of any retailer, nor furnish, give, lend, lease, or sell to any person any furniture, fixtures, fittings, or equipment; nor shall any manufacturer or wholesaler, directly or indirectly, have any interest in, or pay for, any retail licenses, or advance, furnish, lend, or give money for the payment of retail license fees or any expense incident to the obtaining of (SUCH) a license; nor shall any manufacturer or wholesaler become bound in any manner, directly or indirectly, for the repayment of any loan made to, or the fulfillment of any financial obligation of, any retailer; except that manufacturers or wholesalers may:

(a) furnish, lend, or rent outside signs to retailers, provided the cost of such signs, in the aggregate, furnished, lent, or rented

by any manufacturer or wholesaler to any retailer shall not exceed \$100, exclusive of erection, installation, and repair charges; (BUT NOTHING HEREIN SHALL BE CONSTRUED AS AFFECTING SIGNS OWNED AND LOCATED IN THE STATE ON APRIL 16, 1943, BY ANY SUCH MANUFACTURER OR WHOLESALER;) (b) furnish inside signs, miscellaneous advertising matter, and other items not to exceed, in the aggregate, a cost of (\$25) \$100 in any calendar year to any one retailer; (c) furnish or maintain for retailers (SUCH) equipment (AS IS) designed and intended to preserve and maintain the sanitary dispensing of non-intoxicating malt liquors, provided the expense incurred thereby does not exceed the sum of (\$25) \$100 per tap per calendar year, no part of which shall be paid in cash to any retailer (; (D) LEASE OR LEND TO THE OWNER OF THE PREMISES, OR TO ANY RETAILER NOW OR HEREAFTER OCCUPYING THE PREMISES, ANY FURNITURE, FIXTURES, FITTINGS, AND EQUIPMENT ACTUALLY LOCATED ON SAID PREMISES ON APRIL 16, 1943).

Any retailer who shall be a party to any violation of this subdivision or who shall receive the benefits thereof shall be equally guilty of a violation of the provisions thereof and shall be subject to the penalty hereinafter provided.

Any person who shall violate the provisions of this subdivision is guilty of a gross misdemeanor, and each violation shall constitute a separate offense."

Renumber the sections

Amend the title as follows:

Page 1, line 5, after "1980," insert "Sections 340.031, Subdivision 2; and"

Page 1, line 6, delete "Section"

With the recommendation that when so amended the bill pass and be placed on the Consent Calendar.

The report was adopted.

Johnson, C., from the Committee on Education to which was referred:

H. F. No. 1765, A bill for an act relating to education; providing for enrollment in a school district other than the district of residence in cases of particular hardship; amending Minnesota Statutes 1980, Section 120.0751, Subdivision 3, and by adding a subdivision.

Reported the same back with the following amendments:

Page 1, line 14, strike "particular hardship for the pupil" and insert "*serious risk or danger to a pupil due to that pupil's particular health problem*"

Page 1, delete lines 17 to 25

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

Renumber the section

Amend the title as follows:

Page 1, line 5, delete ", and by"

Page 1, line 6, delete "adding a subdivision"

With the recommendation that when so amended the bill pass.

The report was adopted.

Munger from the Committee on Environment and Natural Resources to which was referred:

H. F. No. 1779, A bill for an act relating to environment; abolishing the water planning board; transferring certain duties of the water planning board to the environmental quality board and the department of energy, planning and development; providing for board membership and staff; providing for the appointment of a chairman; amending Minnesota Statutes 1980, Sections 116C.03, Subdivision 2a, and by adding subdivisions; 116C.04, by adding a subdivision; 362.12, by adding a subdivision; Minnesota Statutes 1981 Supplement, Section 116C.03, Subdivisions 2 and 4; repealing Minnesota Statutes 1980, Sections 105.401; 116C.04, Subdivisions 8 and 9; 116C.05; 116C.07; and Minnesota Statutes 1981 Supplement, Section 116C.03, Subdivision 3.

Reported the same back with the following amendments:

Page 1, lines 25 to 26, delete the new language

Page 2, line 9, after "*The*" insert "*representative of the governor's office shall serve as*"

Page 2, line 9, delete everything after "*board*"

Page 2, line 10, delete everything before the period

Page 2, line 16, delete "*shall*" and insert "*may*"

Page 2, line 18, after "*work*" delete the comma

Page 2, line 35, after "*resolve*" insert "*water*"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Governmental Operations.

The report was adopted.

Norton from the Committee on Governmental Operations to which was referred:

H. F. No. 1796, A bill for an act relating to retirement; second class city police relief associations; eliminating a dollar amount limitation on the payment of salaries to relief association officers; amending Minnesota Statutes 1981 Supplement, Section 423.808.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Jacobs from the Committee on Regulated Industries to which was referred:

H. F. No. 1798, A bill for an act relating to energy; specifying the role of the department of energy, planning and development before the public utilities commission; clarifying certain public utilities commission responsibilities; amending Minnesota Statutes 1980, Sections 116H.02, Subdivision 5; and 216B.03; Minnesota Statutes 1981 Supplement, Sections 116H.07; 116H.11, by adding a subdivision; and 216B.241, Subdivision 2.

Reported the same back with the following amendments:

Page 4, line 8, delete "*fully*" and insert "*appropriately*"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Governmental Operations.

The report was adopted.

Vanasek from the Committee on Criminal Justice to which was referred:

H. F. No. 1803, A bill for an act relating to juveniles; providing for termination of jurisdiction over juveniles; providing for

the apprehension of juvenile absconders and escapees; amending Minnesota Statutes 1980, Sections 242.19; 260.181, Subdivision 4; and Minnesota Statutes 1981 Supplement, Section 242.44.

Reported the same back with the following amendments:

Page 3, after line 22, insert:

“Sec. 4. Minnesota Statutes 1981 Supplement, Section 4.12, is amended by adding a subdivision to read:

Subd. 9. [PURPOSE.] In order to participate in the federal programs authorized by the Juvenile Justice and Delinquency Prevention Act of 1974 (P.L. 93-415), as amended by The Fiscal Year Adjustment Act (P.L. 94-273), The Crime Control Act of 1976 (P.L. 94-503), the Juvenile Justice Amendments of 1977 (P.L. 95-115) and the Juvenile Justice Amendments of 1980 (P.L. 96-509), the state must have a planning agency and a supervisory board.

Sec. 5. Minnesota Statutes 1981 Supplement, Section 4.12, is amended by adding a subdivision to read:

Subd. 10. [PLANNING AGENCY.] The governor shall designate the department of energy, planning and development as the sole agency responsible for supervising the preparation and administration of the state plan for juvenile justice required by the Juvenile Justice and Delinquency Prevention Act of 1974, as amended.

Sec. 6. Minnesota Statutes 1981 Supplement, Section 4.12, is amended by adding a subdivision to read:

Subd. 11. [JUVENILE JUSTICE ADVISORY COMMITTEE.] The governor shall designate the Juvenile Justice Advisory Committee as the supervisory board for the department of energy, planning and development with respect to preparation and administration of the state plan and award of grants.

Sec. 7. Minnesota Statutes 1981 Supplement, Section 4.12, is amended by adding a subdivision to read:

Subd. 12. [MEMBERSHIP.] The governor shall appoint members to the Juvenile Justice Advisory Committee in accordance with the membership requirements of the Juvenile Justice and Delinquency Prevention Act of 1974, as amended.

Sec. 8. [EFFECTIVE DATE.] *Sections 4 to 7 are effective on July 1, 1982.”*

Amend the title as follows:

Page 1, line 7, delete "Section" and insert "Sections 4.12, by adding subdivisions; and"

With the recommendation that when so amended the bill pass.

The report was adopted.

Norton from the Committee on Governmental Operations to which was referred:

H. F. No. 1811, A bill for an act relating to state investment policy; prohibiting certain investments in countries not following human rights standards; proposing new law coded in Minnesota Statutes, Chapter 11A.

Reported the same back with the following amendments:

Page 3, after line 2, insert:

"The prohibitions contained in this section shall not apply to a financial institution or corporation if documentary evidence is submitted to the state board of investment which is sufficient to establish that the employment policies of the corporation comply with section 363.03, subdivision 1, clauses (2) and (4)."

With the recommendation that when so amended the bill pass.

The report was adopted.

Johnson, C., from the Committee on Education to which was referred:

H. F. No. 1819, A bill for an act relating to education; authorizing school districts to develop programs enabling secondary students to attend courses at post secondary institutions; proposing new law coded in Minnesota Statutes, Chapter 123.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [LEGISLATIVE INTENT.]

The legislature recognizes the fiscal constraints facing schools and the need to provide more cost effective delivery of educational services. At the same time, the legislature is committed to broad course offerings to meet the needs of secondary students. Therefore, the legislature encourages school districts and post-secondary institutions to participate in cooperative arrangements which will enhance curricular offerings available to secondary students.

Sec. 2. [123.3511] [AUTHORIZATION FOR AGREEMENTS.]

Notwithstanding any other law to the contrary, school districts, individually or in conjunction with other districts, may enter into agreements with post-secondary institutions to allow secondary students to enroll in courses which are not available at the secondary schools.

Sec. 3. [123.3512] [IMPLEMENTATION.]

Subdivision 1. [JOINT AGREEMENTS.] If two or more school districts enter into an agreement with post-secondary institutions pursuant to section 2, the participating school districts and administration of post-secondary institutions may appoint an advisory council to advise the school districts and administrators of post-secondary institutions on the development, implementation and management of this program. The agreement shall specify the number and manner of appointment of the council members, their terms and qualifications, provided that there is at least one representative of each participating school district and post-secondary institution.

Subd. 2. [INDIVIDUAL AGREEMENTS.] If a school district individually enters into an agreement with post-secondary institutions, the district and administration of the institutions shall not be required to appoint an advisory council but shall have the same responsibilities as the advisory council, as specified in subdivision 3.

Subd. 3. [RESPONSIBILITIES.] The advisory council's responsibilities shall include, but not be limited to:

- (a) Establishing criteria for approval of courses and credits;*
- (b) Establishing criteria for the selection of participating students; and*
- (c) Establishing necessary administrative and physical arrangements.*

Subd. 4. [CREDITS.] Post-secondary institutions shall be the institutions awarding credit for instruction offered pursuant to section 2. Notwithstanding any law to the contrary, school districts may accept the transfer of those credits toward the awarding of diplomas of participating students.

Subd. 5. [FINANCIAL ARRANGEMENTS.] Reimbursement for instruction offered by post-secondary institutions pursuant to section 2 shall be determined by participating secondary and post-secondary institutions or their governing boards or, in the case of joint agreements, by the advisory councils.

For purposes of appropriations to post-secondary institutions, student credit hours earned through programs authorized pursuant to section 2 shall not be included as regular instructional activity at participating post-secondary institutions.

State aid shall not be withheld from a school district pursuant to 124.19, subdivision 3, as a result of a school district participating in a program authorized in section 2.

Sec. 4. [EFFECTIVE DATE.]

Sections 1 to 3 are effective the day following final enactment."

With the recommendation that when so amended the bill pass.

The report was adopted.

Johnson, C., from the Committee on Education to which was referred:

H. F. No. 1848, A bill for an act relating to Independent School District No. 699; requiring certification of statutory operating debt.

Reported the same back with the recommendation that the bill pass and be placed on the Consent Calendar.

The report was adopted.

Vanasek from the Committee on Criminal Justice to which was referred:

H. F. No. 1849, A bill for an act relating to crimes; clarifying methods of and responsibility for imposing and collecting penalty assessments; amending Minnesota Statutes 1981 Supplement, Sections 609.101 and 626.861.

Reported the same back with the following amendments:

Page 1, line 24, strike "assessment or"

Page 2, line 2, delete "penalty assessments" and insert "surcharges"

Page 2, line 10, strike "assessment or"

Page 2, line 16, delete "penalty assessments" and insert "surcharges"

Pages 2, 3 and 4, delete section 2

Page 4, line 7, delete "*Sections 1 and 2 are*" and insert "*Section 1 is*"

Renumber the section

Amend the title as follows :

Page 1, line 5, delete "*Sections*" and insert "*Section*" and delete "*and 626.861*"

With the recommendation that when so amended the bill pass and be placed on the Consent Calendar.

The report was adopted.

Vanasek from the Committee on Criminal Justice to which was referred :

H. F. No. 1850, A bill for an act relating to juveniles; providing that commission of certain offenses constitutes prima facie evidence in reference for prosecution cases; amending Minnesota Statutes 1981 Supplement; Section 260.125, Subdivision 3.

Reported the same back with the following amendments :

Page 2, line 12, after "*offenses*" insert "*, not in the same behavioral incident,*"

Page 2, delete line 35 and insert "*acts of delinquency committed on or after that date, except that the history of prior acts of delinquency committed before August 1, 1982 may be considered on motions for reference for prosecution for offenses committed on or after August 1, 1982.*"

With the recommendation that when so amended the bill pass.

The report was adopted.

Nelson, K., from the Committee on Energy to which was referred :

H. F. No. 1879, A bill for an act relating to energy; transferring certain duties to the commissioner of the department of energy, planning and development; amending Minnesota Statutes 1980, Sections 16.86, Subdivisions 4 and 5; 116H.02, by adding a subdivision; 394.25, Subdivision 2; 462.357, Subdivision 1; Minnesota Statutes 1981 Supplement, Sections 116H.07; 116H.088, Subdivision 1; 116H.095, Subdivisions 4 and 5; 116H.10, Subdivision 4; 116H.11, Subdivision 1; 116H.12, Subdivision 4; 116H.128; 116H.18; proposing new law coded in Minnesota Statutes, Chapter 325E; repealing Minnesota Statutes 1980, Sections

116H.088, Subdivision 2; 116H.12, Subdivision 8; 116H.19, Subdivision 2.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1980, Section 16.86, Subdivision 4, is amended to read:

Subd. 4. The commissioner, (NOTWITHSTANDING ANY LAW TO THE CONTRARY) *except in the case of energy conservation standards promulgated or amended pursuant to section 116H.12, subdivision 4*, shall hold all state hearings and make all determinations regarding any subject matter dealt with in the code including those in which another department or agency proposes to adopt or amend rules and regulations which are incorporated by reference into the code or whenever the commissioner proposes to incorporate such regulations into the state building code. In no event shall a state agency or department subsequently authorized to adopt rules and regulations involving state building code subject matter proceed to adopt the rules and regulations without prior consultation with the commissioner.

Sec. 2. Minnesota Statutes 1980, Section 16.86, Subdivision 5, is amended to read:

Subd. 5. Under the direction and supervision of the commissioner, the provisions of the code relating to electrical installations shall be enforced by the state board of electricity, pursuant to the Minnesota electrical act, the provisions relating to plumbing shall be enforced by the state commissioner of health, the provisions relating to fire protection shall be enforced by the state fire marshal, the provisions relating to high pressure steam piping and appurtenances and elevators shall be enforced by the department of labor and industry, *the provisions of energy conservation standards promulgated pursuant to section 116H.12, subdivision 4 shall be enforced by the commissioner of the department of energy, planning and development*, and the code as applied to public school buildings shall be enforced by the state board of education. Fees for inspections conducted by the state board of electricity shall be paid in accordance with the rules and regulations of the state board of electricity.

Sec. 3. Minnesota Statutes 1980, Section 116H.02, Subdivision 5, is amended to read:

Subd. 5. "Large energy facility" means:

(a) Any electric power generating plant or combination of plants at a single site with a combined capacity of (50,000) 80,000 kilowatts or more, or any facility of 5,000 kilowatts or

more which requires oil, natural gas, or natural gas liquids as a fuel and for which an installation permit has not been applied for by May 19, 1977 pursuant to Minn. Reg. APC 3(a);

(b) Any high voltage transmission line with a capacity of 200 kilovolts or more and with more than 50 miles of its length in Minnesota; or, any high voltage transmission line with a capacity of 300 kilovolts or more with more than 25 miles of its length in Minnesota;

(c) (ANY FACILITY ON A SINGLE SITE DESIGNED FOR OR CAPABLE OF STORING MORE THAN ONE MILLION GALLONS OF CRUDE PETROLEUM OR PETROLEUM FUELS OR OIL OR THEIR DERIVATIVES, UNLESS THE FACILITY WOULD BE AT AN EXISTING PETROLEUM STORAGE SITE AND WOULD CONSTITUTE AN INCREASE OF LESS THAN 20 PERCENT IN THE STORAGE CAPACITY AT THAT SITE;)

((D)) Any pipeline greater than six inches in diameter and having more than 50 miles of its length in Minnesota used for the transportation of coal, crude petroleum or petroleum fuels or oil or their derivatives;

((E)) (d) Any pipeline for transporting natural or synthetic gas at pressures in excess of 200 pounds per square inch with more than 50 miles of its length in Minnesota;

((F)) (e) Any facility designed for or capable of storing on a single site more than 100,000 gallons of liquified natural gas or synthetic gas;

((G)) (f) Any underground gas storage facility requiring permit pursuant to section 84.57;

((H)) (g) Any facility designed or capable of transferring more than 300 tons of coal per hour or with an annual throughput of more than 500,000 tons of coal from one mode of transportation to a similar or different mode of transportation;

((I) ANY FACILITY DESIGNED FOR OR CAPABLE OF STORING MORE THAN 7,500 TONS OF COAL OR WITH AN ANNUAL THROUGHPUT OF MORE THAN 125,000 TONS OF COAL;)

((j)) (h) Any petroleum refinery;

((K)) (i) Any *energy related* nuclear fuel processing or nuclear waste storage or disposal facility; and

(L) (j) Any facility intended to convert any material into any other combustible fuel and having the capacity to process in excess of (25) 50 tons of the material per hour.

Sec. 4. Minnesota Statutes 1980, Section 116H.02, is amended by adding a subdivision to read:

Subd. 15. [DEFINITIONS.] Wind energy conversion system (WECS) means any device, such as a wind charger, windmill, or wind turbine, which converts wind energy to a form of useable energy.

Sec. 5. Minnesota Statutes 1981 Supplement, Section 116H.07, is amended to read:

116H.07 [DUTIES.]

The commissioner shall:

(a) Manage the department as the central repository within the state government for the collection of data on energy;

(b) Prepare and adopt an emergency allocation plan specifying actions to be taken in the event of an impending serious shortage of energy, or a threat to public health, safety, or welfare;

(c) Undertake a continuing assessment of trends in the consumption of all forms of energy and analyze the social, economic, and environmental consequences of these trends;

(d) Carry out energy conservation measures as specified by the legislature and recommend to the governor and the legislature additional energy policies and conservation measures as required to meet the objectives of sections 116H.01 to 116H.15;

(e) Collect and analyze data relating to present and future demands and resources for all sources of energy, and specify energy needs for the state and various service areas as a basis for planning large energy facilities;

(f) Require certificate of need for construction of large energy facilities;

(g) Evaluate policies governing the establishment of rates and prices for energy as related to energy conservation, and other goals and policies of sections 116H.01 to 116H.15, and make recommendations for changes in energy pricing policies and rate schedules;

(h) Study the impact and relationship of the state energy policies to international, national, and regional energy policies;

(i) Design *and implement* a state program for the conservation of energy; this program shall include but not be limited to, general commercial, industrial, and residential, *and transportation* areas; such program shall also provide for the evaluation of energy systems as they relate to lighting, heating, refrigeration, air conditioning, building design and operation, and appliance manufacturing and operation;

(j) Inform and educate the public about the sources and uses of energy and the ways in which persons can conserve energy;

(k) Dispense funds made available for the purpose of research studies and projects of professional and civic orientation, which are related to either energy conservation or the development of alternative energy technologies which conserve non-renewable energy resources while creating minimum environmental impact;

(l) Charge other governmental departments and agencies involved in energy related activities with specific information gathering goals and require that those goals be met.

Sec. 6. Minnesota Statutes 1981 Supplement, Section 116H.085, is amended to read:

116H.085 [ENERGY CONSERVATION INFORMATION CENTER.]

The commissioner shall establish an energy information center in the department's offices in St. Paul. The information center shall maintain a toll-free telephone information service and disseminate printed materials on energy conservation topics, including but not limited to, availability of loans and other public and private financing methods for energy conservation physical improvements, the techniques and materials used to conserve energy in buildings, including retrofitting or upgrading insulation and installing weatherstripping, the projected prices and availability of different sources of energy, (AND) alternative sources of energy, *and alcohol fuels*.

(THE ENERGY INFORMATION CENTER SHALL SERVE AS THE OFFICIAL MINNESOTA ALCOHOL FUELS INFORMATION CENTER AND SHALL DISSEMINATE INFORMATION, PRINTED, BY THE TOLL-FREE TELEPHONE INFORMATION SERVICE, OR OTHERWISE ON THE APPLICABILITY AND TECHNOLOGY OF ALCOHOL FUELS.)

The information center shall include information on the potential hazards of energy conservation techniques and improvements in the printed materials disseminated. The commissioner

shall not be liable for damages arising from the installation or operation of equipment or materials recommended by the information center.

Sec. 7. Minnesota Statutes 1981 Supplement, Section 116H.088, Subdivision 1, is amended to read:

Subdivision 1. The commissioner, in consultation with the state board of education, the higher education coordinating board, the state board for community colleges, the state university board, and the board of regents of the University of Minnesota, shall (DEVELOP A PLAN FOR) *assist in the development and implementation of adult and post-secondary energy education programs.*

Sec. 8. Minnesota Statutes 1981 Supplement, Section 116H.09, Subdivision 1, is amended to read:

Subdivision 1. The commissioner shall maintain an emergency conservation and allocation plan. The plan shall provide a variety of strategies and staged conservation measures to reduce energy use and in the event of an energy supply emergency, shall establish guidelines and criteria for allocation of (FUELS) *petroleum* to priority users. The plan shall contain alternative conservation actions and allocation plans to reasonably meet various foreseeable shortage circumstances and allow a choice of appropriate responses. The plan shall be consistent with requirements of federal emergency energy conservation and allocation laws and regulations, shall be based on reasonable energy savings or transfers from scarce energy resources and shall:

(a) Give priority to individuals, institutions, agriculture and businesses which demonstrate they have engaged in energy-saving measures and shall include provisions to insure that:

(1) Immediate allocations to individuals, institutions, agriculture and businesses be based on needs at energy conservation levels;

(2) Successive allocations to individuals, institutions, agriculture and businesses be based on needs after implementation of required action to increase energy conservation;

(3) Needs of individuals and institutions are adjusted to insure the health and welfare of the young, old and infirm;

(b) Insure maintenance of reasonable job safety conditions and avoid *severe long-term* environmental (SACRIFICES) *damage*;

(c) Establish programs, controls, standards, priorities or quotas for the allocation, conservation and consumption of energy resources; and for the suspension and modification of existing standards and the establishment of new standards affecting or affected by the use of energy resources, including those related to the type and composition of energy sources, and to the hours and days during which public buildings, commercial and industrial establishments, and other energy consuming facilities may or are required to remain open;

(d) Establish programs to control the use, sale or distribution of commodities, materials, goods or services;

(e) Establish regional programs and agreements for the purpose of coordinating the energy resources, programs and actions of the state with those of the federal government, of local governments, and of other states and localities; and

(f) Determine at what level of an energy supply emergency situation the pollution control agency shall be requested to ask the governor to petition the president for a temporary emergency suspension of air quality standards as required by the Clean Air Act, 42 U.S.C., Section 7410f;

(g) Establish procedures for fair and equitable review of complaints and requests for special exemptions regarding emergency conservation measures or allocations.

Sec. 9. Minnesota Statutes 1981 Supplement, Section 116H.-095, Subdivision 4, is amended to read:

Subd. 4. [SET-ASIDE REQUIRED.] Every prime supplier shall allocate for sale or exchange monthly upon order of the commissioner a volume of *motor* gasoline and middle distillate not exceeding the monthly set-aside amount. The amount of gasoline subject to monthly set-aside shall be an amount equal to three percent of the prime supplier's (SALES OF GASOLINE DURING THE CORRESPONDING MONTH OF 1980) *monthly supply estimate*. The amount of middle distillate subject to monthly set-aside shall be an amount equal to four percent of the prime supplier's (SALES OF MIDDLE DISTILLATE DURING THE CORRESPONDING MONTHS OF 1980) *monthly supply estimate*.

Sec. 10. Minnesota Statutes 1981 Supplement, Section 116H.-095, Subdivision 5, is amended to read:

Subd. 5. [REPORT OF ESTIMATED VOLUME.] Every prime supplier (WHO DID NOT DO BUSINESS IN THE STATE DURING THE CORRESPONDING MONTH OF 1980) shall file with the commissioner a *monthly* report of its estimated volume of gasoline and middle distillate (SALE) *deliveries*. The

report shall be in a form prescribed by the commissioner and shall be submitted by the 25th day of the month preceding the month covered by the report. Each prime supplier (SUBJECT TO THIS SUBDIVISION) shall allocate monthly for sale or exchange upon order of the commissioner three percent of estimated *motor* gasoline supplies and four percent of estimated middle distillate supplies as shown by the report.

Sec. 11. Minnesota Statutes 1981 Supplement, Section 116H.10, Subdivision 4, is amended to read:

Subd. 4. Reports issued pursuant to this section, *other than individual corporate reports classified as nonpublic data in section 15.1682*, shall be available for public inspection in the office of the department during normal business hours.

Sec. 12. Minnesota Statutes 1981 Supplement, Section 116H.11, Subdivision 1, is amended to read:

Subdivision 1. By January 1 of each even-numbered year, the commissioner shall transmit to the governor and the legislature a comprehensive report designed to identify emerging trends related to energy supply, demand, conservation, public health and safety factors, and to specify the level of statewide and (GEOGRAPHICAL) *utility service* area energy need. The report shall include, but not be limited to, all of the following:

(a) A final report on the accuracy and acceptability of the energy forecasts received under section 116H.10 and the alternatives to meeting that demand;

(b) An estimate of statewide and (GEOGRAPHICAL) *utility service* area energy need for the forthcoming (FIVE AND TEN) 20 year period which, in the judgment of the commissioner, will reasonably balance requirements of state (AND GEOGRAPHICAL AREA) *economic* growth and development, protection of public health and safety, preservation of environmental quality, and conservation of energy resources;

(c) The anticipated level of statewide (AND GEOGRAPHICAL AREA) energy demand for 20 years, which shall serve as the basis for long range action;

(d) The identification of potential adverse social, economic, or environmental effects caused by a continuation of the present energy demand trends;

(e) An assessment of the state's energy resources, including examination of the availability of commercially developable and imported fuels;

(f) The estimated reduction in annual energy consumption resulting from various energy conservation measures;

(g) The cost of energy to residential and rental consumers in relation to their socio-economic status;

(h) An assessment of the economic and employment implications of proposed state energy policies;

(i) The status of the department's ongoing studies;

(j) Recommendations to the governor and the legislature for administrative and legislative actions to accomplish the purposes of sections 116H.01 to 116H.15.

Sec. 13. Minnesota Statutes 1981 Supplement, Section 116H.12, Subdivision 4, is amended to read:

Subd. 4. In recognition of the compelling need for energy conservation in order to safeguard the public health, safety and welfare, it is necessary to provide building design and construction standards consistent with the most efficient use of energy. Therefore, the commissioner of administration, in consultation with the commissioner, shall, pursuant to chapter 15, adopt rules governing building design and construction standards regarding heat loss control, illumination and climate control. The rules shall apply to all new buildings and remodeling affecting heat loss control, illumination and climate control. The rules shall be economically feasible in that the resultant savings in energy procurement shall exceed the cost of the energy conserving requirements amortized over the life of the building. The rules (SHALL BECOME PART OF THE STATE BUILDING CODE AND BE EFFECTIVE SIX MONTHS AFTER PROMULGATION) *promulgated pursuant to this subdivision, shall be part of the state building code and shall, after July 1, 1982, be updated as appropriate by the commissioner pursuant to chapter 15. Notwithstanding the provisions of this subdivision, all applications for approval of building specifications and plans may be submitted to the state building inspector as provided in section 16.862.*

Sec. 14. Minnesota Statutes 1981 Supplement, Section 116H.128, is amended to read:

116H.128 [REVIEW OF ENERGY RESEARCH AND DEMONSTRATION PROJECTS.]

The commissioner shall continuously identify, monitor, and evaluate in terms of potential direct benefit to, and possible implementation in Minnesota, research studies and demonstration projects of alternative energy and energy conservation systems and methodologies currently performed in Minnesota and other states and countries including:

- (a) Solar energy systems for heating and cooling;
- (b) Energy systems using wind, agricultural wastes, forestry products, peat, and other nonconventional energy resources;
- (c) Devices and technologies increasing the energy efficiency of energy consuming appliances, equipment, and systems;
- (d) Hydroelectric power; and
- (e) Other projects the commissioner deems appropriate and of direct benefit to Minnesota and other states of the upper midwest.

Sec. 15. Minnesota Statutes 1981 Supplement, Section 116H.13, Subdivision 8, is amended to read:

Subd. 8. This section shall not apply to *plants or facilities for the production of ethanol or fuel alcohol nor in any case where the commissioner shall determine after being advised by the attorney general that its application has been preempted by federal law.*

Sec. 16. Minnesota Statutes 1981 Supplement, Section 116H.18, is amended to read:

116H.18 [ENERGY EFFICIENT BUILDING EDUCATION.]

The commissioner shall develop a program to provide information and training to *persons in the state who influence the energy efficiency of new buildings, including contractors, engineers and architects on techniques and standards for the design and construction of buildings which maximize energy efficiency. The program may include the production of printed materials and the development of training courses.*

Sec. 17. [325E.015] [RESIDENTIAL ENERGY SALES PRACTICES.]

Subdivision 1. [DEFINITIONS.] For purposes of this section, the following terms shall have the meanings given.

(a) *“Budget payment plan” means a billing method in which estimated annual energy consumption costs are billed to the consumer in ten or more approximately equal monthly payments.*

(b) *“Energy index” means a report designed to show the actual, and the weather-adjusted, increase or decrease in energy consumption from the current billing month or heating season to a previous billing month or heating season.*

Subd. 2. [BUDGET PAYMENT PLAN A CUSTOMER OPTION.] Not later than September 1, 1982, every supplier of electricity or space heating fuels that offers some of its residential customers a budget payment plan shall make the plan available to all residential customers who request it provided that any customer with an outstanding balance on his or her account shall be placed on a budget payment plan that includes repayment of the outstanding balance. Suppliers of fuel oil, liquified petroleum gas, firewood, and coal are exempt from the provisions of this subdivision.

Subd. 3. [ENERGY CONSUMPTION INDEX.] Every energy supplier serving 50 or more Minnesota residential customers and using a computerized billing system shall, at least annually, provide to all residential customers an energy consumption index. Suppliers of firewood, fuel oil, liquified petroleum gas, and coal are exempt from the provisions of this subdivision.

Sec. 18. Minnesota Statutes 1980, Section 394.25, Subdivision 2, is amended to read:

Subd. 2. Zoning ordinances establishing districts within which the use of land or the use of water or the surface of water pursuant to section 378.32 for agriculture, forestry, recreation, residence, industry, trade, soil conservation, water supply conservation, surface water drainage and removal, conservation of shorelands, as defined in section 105.485, and additional uses of land and of the surface of water pursuant to section 378.32, may be by official controls encouraged, regulated, or prohibited and for such purpose the board may divide the county into districts of such number, shape, and area as may be deemed best suited to carry out the comprehensive plan. Official controls may also be applied to wetlands preservation, open space, parks, sewage disposal, protection of ground water, protection of flood plains as defined in section 104.02, protection of wild, scenic or recreational rivers as defined in section 104.33, protection of slope, soils, unconsolidated materials or bedrock from potentially damaging development, preservation of forests, woodlands and essential wildlife habitat, reclamation of non-metallic mining lands; protection and encouragement of access to direct sunlight for solar energy systems as defined in section 116H.02, subdivision 11; *siting of wind energy conversion systems as defined in section 116H.02, subdivision 15*; and the preservation of agricultural lands.

Sec. 19. Minnesota Statutes 1980, Section 462.357, Subdivision 1, is amended to read:

Subdivision 1. [AUTHORITY FOR ZONING.] For the purpose of promoting the public health, safety, morals and general welfare, a municipality may by ordinance regulate the location, height, bulk, number of stories, size of buildings and

other structures, the percentage of lot which may be occupied, the size of yards and other open spaces, the density and distribution of population, the uses of buildings and structures for trade, industry, residence, recreation, public activities, or other purposes, and the uses of land for trade, industry, residence, recreation, agriculture, forestry, soil conservation, water supply conservation, conservation of shorelands, as defined in section 105.485, access to direct sunlight for solar energy systems as defined in section 116H.02, *siting of wind energy conversion systems as defined in section 116H.02*, flood control or other purposes, and may establish standards and procedures regulating such uses. No regulation may prohibit earth sheltered construction as defined in section 116H.02, subdivision 3, that complies with all other zoning ordinances promulgated pursuant to this section. The regulations may divide the municipality into districts or zones of suitable numbers, shape and area. The regulations shall be uniform for each class or kind of buildings, structures or land and for each class or kind of use throughout such district, but the regulations in one district may differ from those in other districts. The ordinance embodying these regulations shall be known as the zoning ordinance and shall consist of text and maps. A city may by ordinance extend the application of its zoning regulations to unincorporated territory located within two miles of its limits in any direction, but not in a county or town which has adopted zoning regulations; provided that where two or more noncontiguous municipalities have boundaries less than four miles apart, each is authorized to control the zoning of land on its side of a line equidistant between the two noncontiguous municipalities unless a town or county in the affected area has adopted zoning regulations. Any city may thereafter enforce such regulations in the area to the same extent as if such property were situated within its corporate limits, until the county or town board adopts a comprehensive zoning regulation which includes the area.

Sec. 20. Minnesota Statutes 1980, Section 500.30, is amended to read:

500.30 [SOLAR OR WIND EASEMENTS.]

Subdivision 1. "Solar easement" means a right, whether or not stated in the form of a restriction, easement, covenant, or condition, in any deed, will, or other instrument executed by or on behalf of any owner of land or solar skyspace for the purpose of ensuring adequate exposure of a solar energy system as defined in section 116H.02, subdivision 11, to solar energy.

Subd. 1a. "Wind easement" means a right, whether or not stated in the form of a restriction, easement, covenant, or condition, in any deed, will, or other instrument executed by or on behalf of any owner of land or air space for the purpose of ensuring adequate exposure of a wind energy conversion system to the winds.

Subd. 2. Any property owner may grant a solar or wind easement in the same manner and with the same effect as a conveyance of an interest in real property. The easements shall be created in writing and shall be filed, duly recorded, and indexed in the office of the recorder of the county in which the easement is granted. No duly recorded (SOLAR) easement shall be unenforceable on account of lack of privity of estate or privity of contract; such easements shall run with the land or lands benefited and burdened and shall constitute a perpetual easement, except that (A SOLAR) *an* easement may terminate upon the conditions stated therein or pursuant to the provisions of section 500.20.

Subd. 3. Any deed, will, or other instrument that creates a solar or wind easement shall include, but the contents are not limited to:

(a) a description of the real property subject to the (SOLAR) easement and a description of the real property benefiting from the (SOLAR) easement;

(b) a description of the vertical and horizontal angles, expressed in degrees and measured from the site of the solar energy system, at which the solar easement extends over the real property subject to the (SOLAR) easement, or any other description which defines the three dimensional space, or the place and times of day in which an obstruction to direct sunlight is prohibited or limited;

(c) a description of the vertical and horizontal angles, expressed in degrees, and distances from the site of the wind power system in which an obstruction to the winds is prohibited or limited;

(d) any terms or conditions under which the (SOLAR) easement is granted or may be terminated;

((D)) (e) any provisions for compensation of the owner of the real property benefiting from the (SOLAR) easement in the event of interference with the enjoyment of the (SOLAR) easement, or compensation of the owner of the real property subject to the (SOLAR) easement for maintaining the (SOLAR) easement;

((E)) (f) any other provisions necessary or desirable to execute the instrument.

Subd. 4. A solar or wind easement may be enforced by injunction or proceedings in equity or other civil action.

Subd. 5. Any depreciation caused by any solar or wind easement which is imposed upon designated property, but not

any appreciation caused by any (SOLAR) easement which benefits designated property, shall be included in the valuation of the property for property tax purposes.

Sec. 21. [REPEALER.]

Minnesota Statutes 1980, Sections 116H.088, Subdivision 2; 116H.12, Subdivision 8; and 116H.19, Subdivision 2; and Minnesota Statutes 1981 Supplement, Section 116H.19, Subdivision 1 are repealed."

Amend the title as follows:

Page 1, line 4, after the semicolon, insert "providing for local zoning of wind energy conversion systems; changing certain procedures; defining certain terms; regulating residential energy sales practices; authorizing wind easements for the operation of wind energy conversion systems;"

Page 1, line 5, after "116H.02," insert "Subdivision 5, and"

Page 1, line 7, after the semicolon, insert "and 500.30;"

Page 1, line 8, after the first semicolon, insert "116H.085;" and after the second semicolon, insert "116H.09, Subdivision 1;"

Page 1, line 10, after "116H.128;" insert "116H.13, Subdivision 8; and"

Page 1, line 14, before the period insert "; and Minnesota Statutes 1981 Supplement, Section 116H.19, Subdivision 1"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Governmental Operations.

The report was adopted.

Vanasek from the Committee on Criminal Justice to which was referred:

H. F. No. 1882, A bill for an act relating to corrections; creating the Minnesota board of supervised release; prescribing its powers and duties; appropriating money; amending Minnesota Statutes 1980, Sections 241.05, Subdivisions 1, 2, 3, 3a, and by adding a subdivision; 244.01, Subdivision 7, and by adding a subdivision; 244.05, Subdivisions 2, 3, and 5; 244.06; 244.065; Minnesota Statutes 1981 Supplement, Sections 241.045, Subdivision 6; and 243.05; repealing Minnesota Statutes 1980, Sections 241.045, Subdivisions 7 and 8; 243.07; 243.10; 243.12; and 244.08.

Reported the same back with the following amendments:

Page 2, delete lines 14 to 19 and insert:

"Subd. 3. [TERM OF OFFICE; REAPPOINTMENT.] *The first two members of the board appointed by the governor shall have been members of the corrections board on March 1, 1982 and shall be appointed to serve until June 30, 1983. At all times thereafter, there shall be one female board member appointed by the governor. The members next appointed to the board of supervised release by the governor shall be appointed to serve for the following terms: one member for three years and one member for six years. Thereafter, the members of the board shall serve for terms of six years. Members shall be eligible for reappointment.*"

Page 5, line 15, delete "subject to the"

Page 5, delete line 16

Page 5, line 17, delete "consistency" and insert "consistent"

Page 8, delete lines 31 to 33 and insert:

"The appropriation to the commissioner of corrections by Laws 1981, Article 1, Chapter 360, Section 4, Subdivision 2, to perform the responsibilities formerly assigned to the Minnesota corrections board is reappropriated to the commissioner for the Minnesota board of supervised release for fiscal year 1983.

Sec. 17. [APPROPRIATION.]

The sum of \$44,000 is appropriated from the general fund to the commissioner of corrections for the purpose of administering sections 1 and 2. This sum is available until June 30, 1983."

Page 9, delete lines 2 and 3 and insert:

"Sections 1 to 18 are effective July 1, 1982."

Renumber the sections

Amend the title as follows:

Page 1, line 5, after "Sections" insert "241.045, Subdivision 3;"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Nelson, K., from the Committee on Energy to which was referred:

H. F. No. 1905, A bill for an act relating to the city of Brooklyn Center; authorizing the establishment of a home energy conservation program as part of its municipal utility system and the issuance of bonds or notes for that purpose.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on Local and Urban Affairs.

The report was adopted.

Jacobs from the Committee on Regulated Industries to which was referred:

H. F. No. 1907, A bill for an act relating to public utilities; specifying the appropriate treatment of certain advertising expenses and charitable contributions; amending Minnesota Statutes 1980, Section 216B.16, Subdivisions 8 and 9.

Reported the same back with the following amendments:

Page 2, delete section 2

Renumber the section

Amend the title as follows:

Page 1, line 4, delete "and charitable contributions"

Page 1, line 5, delete "and 9"

Page 1, line 5, delete "Subdivisions" and insert "Subdivision"

With the recommendation that when so amended the bill pass.

The report was adopted.

Munger from the Committee on Environment and Natural Resources to which was referred:

H. F. No. 1915, A bill for an act relating to local government; establishing a board to implement and administer a plan for a segment of the Minnesota river in Blue Earth, Brown, Le Sueur, Nicollet, Redwood and Renville counties.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Sarna from the Committee on Commerce and Economic Development to which was referred:

H. F. No. 1937, A bill for an act relating to state departments and agencies; transferring the duties of the former department of economic development to the secretary of state; appropriating money; proposing new law coded in Minnesota Statutes, Chapter 5.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on Governmental Operations.

The report was adopted.

Mann from the Committee on Transportation to which was referred:

H. F. No. 1939, A bill for an act relating to transportation; directing the commissioner of transportation to construct a freeway along a certain route in the city of St. Paul; requiring the posting of bond in certain proceedings; amending Minnesota Statutes 1980, Section 161.1245, Subdivision 1; repealing Minnesota Statutes 1980, Section 161.1245, Subdivision 2.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1980, Section 161.12, is amended to read:

161.12 [ADDITIONAL ROUTES ADDED TO TRUNK HIGHWAY SYSTEM.]

To take advantage of federal aid made available by the United States to the state of Minnesota for highway purposes, the following trunk highway routes are added to the trunk highway system which routes form a part of the national system of interstate and defense highways and may be referred to as the interstate system:

Route No. 390. Beginning at a point on the boundary between the states of Minnesota and Iowa, southerly of Albert Lea; thence extending in a general northeasterly direction to a point in Duluth on the boundary between the states of Minnesota and Wisconsin. Route No. 390 shall not include any portion of (ROUTE NO. 382 AS DESIGNATED BY SECTION 161.117 OR ANY PORTION OF ANY ROUTE CONNECTING ROUTE NO. 382 TO ROUTE NO. 392, NOR SHALL IT INCLUDE ANY PORTION OF) trunk highway marked No. 3 from trunk high-

way marked No. 110 in Dakota county to East Seventh Street in the city of St. Paul.

Route No. 391. Beginning at a point on the boundary between the states of Minnesota and South Dakota, westerly of Luverne; thence extending in a general easterly direction to a point on the boundary between the states of Minnesota and Wisconsin, near La Crescent.

Route No. 392. Beginning at a point on the boundary between the states of Minnesota and North Dakota in or near Moorhead; thence extending in a general southeasterly direction through the city of Minneapolis; thence in a general easterly direction through the city of St. Paul to a point on the boundary between the states of Minnesota and Wisconsin in or near Lakeland.

Route No. 393. Beginning at a point on Route No. 392, easterly of the city of St. Paul; thence in a general southerly and westerly direction through the city of South St. Paul; thence in a general westerly direction to a point in Eden Prairie Township, Hennepin County; thence in a general northerly direction to a point in the city of Maple Grove, Hennepin County; thence in a general easterly direction to a point on Route 390; thence in a general easterly, southeasterly and southerly direction to the point of beginning on Route No. 392, easterly of St. Paul.

Route No. 394. Beginning at a point on Route No. 390, southerly of the Minnesota River; thence extending in a general northerly and northeasterly direction through the city of Minneapolis; thence continuing in a northeasterly direction to a point on Route No. 390, near Forest Lake and there terminating.

Route No. 395. Beginning at a point on Route No. 390 at or near the intersection of Superior Street and Nineteenth Avenue West in the city of Duluth, thence extending in a northeasterly direction to a point on Route No. 103 at or near the intersection of Superior Street and Tenth Avenue East in the city of Duluth.

Sec. 2. Minnesota Statutes 1980, Section 161.1245, Subdivision 1, is amended to read:

Subdivision 1. The commissioner of transportation is authorized to construct a four-lane parkway with limited access along the right of way of Route No. 382 in the city of St. Paul, which parkway (MAY) shall be connected with Route No. 392 by a roadway that is (NOT) a controlled access highway as defined in section 160.02. The commissioner shall not construct any highway on Route No. 382 or connection to Route No. 392 other than that described in this subdivision.

Sec. 3. [BOND REQUIRED.]

Any person initiating any administrative, judicial or quasi-judicial proceeding contesting the provisions of section 1 shall post bond for the benefit of the state conditioned upon the payment of all costs and damages caused by the proceeding that may result to the state from the possibility of exceeding the federal deadlines.

Sec. 4. [REPEALER.]

Minnesota Statutes 1980, Section 161.1245, Subdivision 2, is repealed."

Amend the title as follows :

Page 1, line 3, delete "freeway" and insert "parkway"

Page 1, line 6, delete "Section" and insert "Sections 161.12;"

With the recommendation that when so amended the bill pass.

The report was adopted.

Munger from the Committee on Environment and Natural Resources to which was referred:

H. F. No. 1961, A bill for an act relating to natural resources; authorizing the acquisition of certain state water access sites.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

POINT OF ORDER

Jude raised a point of order pursuant to rule 5.7 that H. F. No. 1961 be re-referred to the Committee on Appropriations. The Speaker ruled the point of order well taken and H. F. No. 1961 was re-referred to the Committee on Appropriations.

Vanasek from the Committee on Criminal Justice to which was referred:

H. F. No. 2050, A bill for an act relating to crimes; establishing the crime of commercial bribery; prescribing penalties; proposing new law coded in Minnesota Statutes, Chapter 609.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [609.824] [COMMERCIAL BRIBERY.]

Subdivision 1. [DEFINITION.] "Corruptly" means that the actor intends the action to injure, defraud or adversely affect:

(1) His employer or principal; or

(2) The employer or principal of the person to whom he offers, gives or agrees to give the bribe or from whom he requests, receives or agrees to receive the bribe; or

(3) Other persons by influencing the integrity of the market, industry or profession.

Subd. 2. [ACTS CONSTITUTING.] Whoever does any of the following is guilty of commercial bribery and may be sentenced as provided in subdivision 3:

(1) Corruptly offers, gives, or agrees to give, directly or indirectly, any benefit, consideration, compensation, or reward to any employee, agent or fiduciary of a person with the intent to influence his action in relation to his employer's or principal's business; or

(2) Being an employee, agent or fiduciary of a person, corruptly requests, receives or agrees to receive, directly or indirectly, from another person any benefit, consideration, compensation, or reward with the understanding or agreement that he shall be influenced in his action in relation to his employer's or principal's business.

Subd. 3. [SENTENCE.] Whoever commits commercial bribery may be sentenced as follows:

(1) To imprisonment for not more than three years or to payment of a fine of not more than \$3,000, or both, if the value of the benefit, consideration, compensation or reward is greater than \$500;

(2) In all other cases where the value of the benefit, consideration, compensation or reward is \$500 or less, to imprisonment for not more than 90 days or to payment of a fine of not more than \$500; provided, however, in any prosecution of the value of the benefit, consideration, compensation or reward received or given by the defendant within any six month period may be aggregated and the defendant charged accordingly in applying the provisions of this subdivision; provided that 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, or all of the offenses aggregated under this clause.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective August 1, 1982, and applies to crimes committed on or after that date."

With the recommendation that when so amended the bill pass.

The report was adopted.

Norton from the Committee on Governmental Operations to which was referred:

S. F. No. 786, A bill for an act relating to retirement; volunteer firefighters relief associations; authorizing relief associations to increase retirement benefit and service pension amounts without municipal ratification in certain instances; amending Minnesota Statutes 1980, Sections 69.772, Subdivision 6; 69.773, Subdivision 6; and 424A.02, Subdivision 10.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Norton from the Committee on Governmental Operations to which was referred:

S. F. No. 787, A bill for an act relating to retirement; volunteer firefighters relief associations; financing and benefit amounts; amending Minnesota Statutes 1980, Sections 69.772, Subdivision 2a; 424.01; 424.02; 424.04; 424.16; 424.17; and 424A.02, Subdivisions 3, 7 and 9.

Reported the same back with the following amendments:

Page 2, line 13, after the period, delete the remainder of the line

Page 2, delete lines 14 and 15

Pages 11 and 12, delete section 8

Renumber the sections

Amend the title as follows:

Page 1, line 6, delete ", 7"

With the recommendation that when so amended the bill pass.

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 205, 492, 1278, 1455, 1498, 1576, 1622, 1652, 1657, 1698, 1726, 1751, 1765, 1796, 1803, 1811, 1819, 1848, 1849, 1850, 1907, 1915, 1939 and 2050 were read for the second time.

SECOND READING OF SENATE BILLS

S. F. Nos. 1088, 786 and 787 were read for the second time.

INTRODUCTION AND FIRST READING
OF HOUSE BILLS

The following House Files were introduced:

Sieben, M., for the Committee on Appropriations, introduced:

H. F. No. 2136, A bill for an act relating to public improvements; authorizing the acquisition and betterment of public land and buildings and other public improvements of a capital nature with certain conditions; authorizing issuance of state bonds; fixing the boundaries of state parks and trails; appropriating money; amending Minnesota Statutes 1980, Sections 16.236; 85.015, Subdivisions 8 and 13; 86.72, Subdivision 1; 121.21, Subdivision 4a; proposing new law coded in Minnesota Statutes, Chapter 84.

The bill was read for the first time and laid over one day.

Sieben, M., introduced:

H. F. No. 2137, A bill for an act relating to governmental operations; establishing a commission to review forecasts of state revenues; proposing new law coded in Minnesota Statutes, Chapter 3.

The bill was read for the first time and referred to the Committee on Governmental Operations.

McEachern introduced:

H. F. No. 2138, A bill for an act relating to taxation; property; granting an exemption from the general levy limits for cities and counties with high population growth; proposing new law coded in Minnesota Statutes, Chapter 275.

The bill was read for the first time and referred to the Committee on Taxes.

Shea, McDonald, Stumpf, Ogren and Carlson, D., introduced:

H. F. No. 2139, A bill for an act relating to agriculture; specifying the qualifications of private grain inspectors; proposing new law coded in Minnesota Statutes, Chapter 17B.

The bill was read for the first time and referred to the Committee on Agriculture.

Blatz introduced:

H. F. No. 2140, A bill for an act relating to state finances; appropriating money for expenses incidental to a land exchange; providing for the exchange of certain land in Hennepin County on certain conditions.

The bill was read for the first time and referred to the Committee on Appropriations.

Kalis introduced:

H. F. No. 2141, A bill for an act relating to railroads; bringing Minnesota law into compliance with the Staggers Rail Act of 1980; amending Minnesota Statutes 1980, Section 218.071, Subdivision 1; Minnesota Statutes 1981 Supplement, Sections 218.031, Subdivision 1; and 218.041, Subdivision 2.

The bill was read for the first time and referred to the Committee on Regulated Industries.

Sviggum and Mehrkens introduced:

H. F. No. 2142, A bill for an act relating to housing and redevelopment; providing for the appointment of commissioners of multi-county authorities; amending Minnesota Statutes 1980, Section 462.428, Subdivision 2.

The bill was read for the first time and referred to the Committee on Local and Urban Affairs.

Sviggum introduced:

H. F. No. 2143, A bill for an act relating to public safety; emergency services; requiring local civil defense agencies to operate under a personnel merit system; amending Minnesota Statutes 1980, Sections 12.22, Subdivision 3; and 12.25, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Local and Urban Affairs.

Minne introduced:

H. F. No. 2144, A bill for an act relating to local government; permitting special charges for disposal of various classes of waste; proposing new law coded in Minnesota Statutes, Chapter 471.

The bill was read for the first time and referred to the Committee on Local and Urban Affairs.

Eken; Rodriguez, C., and Evans introduced:

H. F. No. 2145, A bill for an act relating to the department of economic security; regulating community action programs and agencies; amending Minnesota Statutes 1981 Supplement, Sections 268.52, Subdivisions 1, 2, and 4; 268.53, Subdivisions 1, 2, and by adding subdivisions; 268.54, Subdivision 2.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Welker, Ellingson and Rothenberg introduced:

H. F. No. 2146, A bill for an act relating to crimes; forfeitures of conveyances, containers, weapons used and contraband property; proposing new law coded in Minnesota Statutes, Chapter 609.

The bill was read for the first time and referred to the Committee on Criminal Justice.

Peterson, D.; Piepho; Novak; Anderson, I., and Ewald introduced:

H. F. No. 2147, A bill for an act relating to intoxicating liquor; providing an exemption for franchise fees; amending Minnesota Statutes 1980, Section 340.13, Subdivision 3.

The bill was read for the first time and referred to the Committee on Commerce and Economic Development.

Greenfield introduced:

H. F. No. 2148, A bill for an act relating to gambling; providing an exception for certain nonprofit organizations to the annual limitation on prizes awarded from the conduct of raffles; amending Minnesota Statutes 1980, Section 349.26, Subdivision 9, and by adding a subdivision; and Minnesota Statutes 1981 Supplement, Section 349.26, Subdivision 15.

The bill was read for the first time and referred to the Committee on Regulated Industries.

Lemen and Haukoos introduced :

H. F. No. 2149, A bill for an act relating to public welfare; establishing a community work experience program administered by county welfare agencies and human services boards under the direction of the department of public welfare; appropriating money; proposing new law coded in Minnesota Statutes, Chapter 256.

The bill was read for the first time and referred to the Committee on Health and Welfare.

Eken and Evans introduced :

H. F. No. 2150, A bill for an act relating to the attorney general; establishing a division of land title litigation in the office of the attorney general; proposing new law coded in Minnesota Statutes, Chapter 8.

The bill was read for the first time and referred to the Committee on Appropriations.

Peterson, B.; Marsh; Valento and Lemen introduced :

H. F. No. 2151, A bill for an act relating to crimes; providing for forfeiture of certain property; permitting an agency to retain forfeited property; conforming definitions with other statutes; amending Minnesota Statutes 1980, Section 152.19, Subdivisions 1, 2, 4, 5 and 8.

The bill was read for the first time and referred to the Committee on Criminal Justice.

Pogemiller and Voss introduced :

H. F. No. 2152, A bill for an act relating to metropolitan government; transferring appropriations from the commissioner of transportation to the legislative auditor for an evaluation of the performance of the metropolitan transit commission.

The bill was read for the first time and referred to the Committee on Local and Urban Affairs.

Ainley and Anderson, I., introduced :

H. F. No. 2153, A bill for an act relating to real estate; directing a conveyance of the state's right, title and interest in certain lands to Beltrami County.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Nysether introduced:

H. F. No. 2154, A bill for an act relating to real estate; directing a conveyance of the state's right, title and interest in certain lands to Lake of the Woods County.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Rose introduced:

H. F. No. 2155, A bill for an act relating to retirement; altering the period of prior service credit which may be purchased by certain employees or former employees of the department of employment services; amending Laws 1981, Chapter 297, Section 2, Subdivision 1.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Piepho introduced:

H. F. No. 2156, A bill for an act relating to education; authorizing the state university board to lease land on Mankato state university campus; permitting Mankato state university to lease a building; transferring title for a building to the state; proposing new law coded in Minnesota Statutes, Chapter 136.

The bill was read for the first time and referred to the Committee on Education.

Marsh introduced:

H. F. No. 2157, A bill for an act relating to education; authorizing Independent School District No. 47, Sauk Rapids, to receive replacement aid and to levy replacement amounts for certain school years.

The bill was read for the first time and referred to the Committee on Education.

Onnen, Shea, Stumpf and McEachern introduced:

H. F. No. 2158, A bill for an act relating to retirement; providing for an exemption from membership therein for managers; modifying the income taxation of deferred compensation contributions by certain municipal utility managers; amending Minnesota Statutes 1981 Supplement, Section 290.01, Subdivision 20, as amended; proposing new law coded in Minnesota Statutes, Chapter 353.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Onnen introduced:

H. F. No. 2159, A bill for an act relating to transportation; providing for the coordination and regulation of special transportation services; prescribing the powers and duties of the commissioner of health; providing for the administration of financial assistance by the commissioner of transportation; proposing new law coded in Minnesota Statutes, Chapter 144; repealing Minnesota Statutes 1980, Sections 174.29 and 174.30.

The bill was read for the first time and referred to the Committee on Transportation.

Valento introduced:

H. F. No. 2160, A bill for an act relating to occupations and professions; establishing licensing, bonding, and insurance requirements for tow truck operators; requiring the commissioner of transportation to adopt rules; providing for the revocation, suspension, and denial of a license; prohibiting local regulation; proposing new law coded in Minnesota Statutes, Chapter 221.

The bill was read for the first time and referred to the Committee on Transportation.

Simoneau; Clark, K.; Byrne; Rice and Levi introduced:

H. F. No. 2161, A bill for an act relating to government operations; creating the Minnesota loan guarantee agency; authorizing guarantees of mortgage-backed securities and of other securities backed by eligible loans; prescribing agency functions and duties; authorizing the issuance of capital certificates; appropriating money; proposing new law coded as Minnesota Statutes, Chapter 462D.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Welch introduced:

H. F. No. 2162, A bill for an act relating to education; authorizing foundation aid for summer school for handicapped pupils; authorizing a levy for summer school programs for handicapped pupils; amending Minnesota Statutes 1980, Section 275.125, by adding a subdivision; proposing new law coded in Minnesota Statutes, Chapter 124.

The bill was read for the first time and referred to the Committee on Education.

Voss introduced:

H. F. No. 2163, A bill for an act relating to taxation; imposing certain requirements and restrictions on the use of tax increment financing; amending Minnesota Statutes 1980, Sections 273.73, Subdivisions 10 and 13; 273.74, Subdivisions 1, 3 and 4, and by adding a subdivision; 273.75, Subdivisions 3, 4 and 6, and by adding a subdivision; 273.76, Subdivisions 1 and 4; and 273.77; and Minnesota Statutes 1981 Supplement, Section 273.74, Subdivision 2.

The bill was read for the first time and referred to the Committee on Local and Urban Affairs.

Sarna; McEachern; Mann; Anderson, I., and Halberg introduced:

H. F. No. 2164, A bill for an act relating to motor carriers; requiring department of transportation investigations in certain instances; amending Minnesota Statutes 1980, Section 221.031, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Transportation.

Battaglia, Begich and Elioff introduced:

H. F. No. 2165, A bill for an act relating to taxation; adjusting the distribution of the production tax to certain taxing jurisdictions; amending Minnesota Statutes 1981 Supplement, Section 298.28, Subdivision 1.

The bill was read for the first time and referred to the Committee on Taxes.

Peterson, D.; Gustafson; Kvam; Schreiber and Novak introduced:

H. F. No. 2166, A bill for an act relating to taxation; changing certain procedures concerning delinquent property taxes and tax-forfeited land sales; indexing interest rates; allowing county boards to reduce installment contract terms; providing alternate selling methods; allowing lease of certain lands without advertising for bids; simplifying distribution of tax-forfeited land proceeds; amending Minnesota Statutes 1980, Sections 278.08; 279.-37, Subdivisions 1, 2, and by adding a subdivision; 282.01, Subdivision 4, and by adding a subdivision; 282.04, by adding a subdivision; 282.08; and 282.261; Minnesota Statutes 1981 Supplement, Section 279.03.

The bill was read for the first time and referred to the Committee on Taxes.

Gruenes and Marsh introduced:

H. F. No. 2167, A bill for an act relating to courts; providing for the appointment of a court commissioner to solemnize marriages in the combined county court district of Benton and Stearns.

The bill was read for the first time and referred to the Committee on Judiciary.

Gruenes; Marsh; Elioff; Johnson, C., and Niehaus introduced:

H. F. No. 2168, A bill for an act relating to education; authorizing Independent School District No. 742 to commence AVTI construction subject to certain conditions.

The bill was read for the first time and referred to the Committee on Education.

Reif, Samuelson, Forsythe and Swanson introduced:

H. F. No. 2169, A bill for an act relating to public welfare; designating the commissioner of public welfare as the state authority for federal mental health, alcohol and drug abuse block grants; prescribing a formula for distribution of federal funds to counties and defining duties of counties in the use of the funds; amending Minnesota Statutes 1980, Sections 245.70; and 245.71; proposing new law coded in Minnesota Statutes, Chapter 245.

The bill was read for the first time and referred to the Committee on Health and Welfare.

Elioff, Battaglia, Minne and Begich introduced :

H. F. No. 2170, A bill for an act relating to state lands; authorizing sale and conveyance of a certain tract in order to correct a survey error.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Carlson, D., introduced :

H. F. No. 2171, A bill for an act relating to game and fish; allowing nonresident hunters to take deer of either sex; authorizing properly licensed hunters to take deer by firearms and by bow and arrow; amending Minnesota Statutes 1980, Section 100.272; and Minnesota Statutes 1981 Supplement, Section 98.46, Subdivision 14; repealing Minnesota Statutes 1980, Section 100.28, Subdivision 1.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

Halberg introduced :

H. F. No. 2172, A bill for an act relating to highway traffic regulations; regulating the height of vehicles; establishing a height limitation for certain buses; amending Minnesota Statutes 1980, Section 169.81, Subdivision 1.

The bill was read for the first time and referred to the Committee on Transportation.

Kaley and Zubay introduced :

H. F. No. 2173, A bill for an act relating to state lands; providing for the conveyance of a certain building and lands of Rochester state hospital to a nonprofit corporation.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Ogren, Luknic and Stumpf introduced :

H. F. No. 2174, A bill for an act relating to housing; directing the department of energy, planning and development to administer certain federal money; proposing new law coded in Minnesota Statutes, Chapter 362.

The bill was read for the first time and referred to the Committee on General Legislation and Veterans Affairs.

Vellenga, Jude, Gustafson and Schafer introduced :

H. F. No. 2175, A bill for an act relating to Minnesota Statutes, correcting erroneous, ambiguous, omitted and obsolete references and text; eliminating certain redundant, conflicting and superseded provisions; authorizing the revisor of statutes to make necessary reference changes if the administrative procedure act is recompiled as a separate chapter; amending Minnesota Statutes 1980, Sections 60C.02, Subdivision 1; 62B.04, Subdivision 1; 92.03, Subdivision 4; 106.011, Subdivision 20; 106.021, Subdivision 2; 106.081, Subdivision 1; 106.091, Subdivision 2; 120.17, Subdivisions 4a and 5; 123.21; 123.78, Subdivision 1; 123.932, Subdivision 1; 125.12, Subdivision 3; 129.121, Subdivision 1; 136.015; 145.833, Subdivisions 9, 10 and 11; 160.05, Subdivision 1; 175.35; 177.23, Subdivisions 4, 7 and 10; 177.27; 177.28; 177.29; 177.30; 177.31; 177.32; 177.33; 177.34; 177.35; 214.14, Subdivision 1; 273.11, Subdivision 5; 282.01, Subdivision 1; 290.41, Subdivision 3; 458.192, Subdivision 15; 462.415, Subdivisions 4 and 6; 462.421, Subdivisions 1, 2 and 20; 462.425, Subdivision 7; 462.426, Subdivision 1; 462.427, Subdivision 2; 462.428, Subdivision 3; 462.445, Subdivisions 1, 4 and 5; 462.451, Subdivision 2; 462.461, Subdivisions 1 and 2; 462.485; 462.511; 462.541, Subdivision 2; 462.545, Subdivisions 1, 2, 3 and 6; 462.555; 462.561; 462.571; 462.581; 462.591, Subdivision 1; 462.621, Subdivisions 1 and 3; 462.631, Subdivision 1; 462.635; 462.645, Subdivisions 1, 5 and 7; 462.665; 462.671; 462.701; 462.705; 462.712; 462.713; 473.195, Subdivision 1; 504.24, Subdivision 2; Chapter 111, by adding a section; Minnesota Statutes 1981 Supplement, Sections 11A.18, Subdivision 9; 43A.08, Subdivision 2; 43A.27, Subdivision 2; 47.20, Subdivisions 4a and 4b; 60A.11, Subdivisions 9 and 10; 69.011, Subdivision 2; 69.031, Subdivision 5; 97.488, by adding a subdivision; 116H.129, Subdivisions 1, 5 and 6; 156A.02, Subdivision 6; 168.013, Subdivision 1c; 169.825, Subdivision 10; 171.36; 176.306, Subdivision 2; 204B.31; 222.63, Subdivision 4; 273.11, Subdivision 1; 290.-077, Subdivision 4; 290.09, Subdivision 15; 299F.011, Subdivision 1; 353.01, Subdivisions 2a and 6; 355.11, Subdivision 5; 414.0325, Subdivision 5; 462.601; 462.605; 514.011, Subdivision 4a; 525.551, Subdivision 5; 525.6198; and Laws 1981, Chapter 224, Section 73; repealing Minnesota Statutes 1980, Section 60A.11, Subdivisions 5a and 5b; Minnesota Statutes 1981 Supplement, Section 290.971, Subdivision 7; Laws 1980, Chapter 587, Article I, Sections 31, 32, 33, 34, 35, 36, 37, 38 and 39; Laws 1981, Chapters 31, Section 7; 60, Section 14; 137, Section 3; 158; 178, Section 33; 205, Section 1; 224, Section 92; 255, Sections 1, 3 and 4; 356, Sections 99, 189, 190, 191, 210 and 212; and 357, Section 28.

The bill was read for the first time and referred to the Committee on Judiciary.

Rose, Weaver, Novak and Osthoff introduced :

H. F. No. 2176, A bill for an act relating to wild animals ; revising certain provisions regarding placement of boats, blinds, and decoys ; amending Minnesota Statutes 1980, Section 100.29, Subdivision 18.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

Welker introduced :

H. F. No. 2177, A bill for an act relating to Yellow Medicine County ; providing for the consolidation of the offices of county auditor and treasurer.

The bill was read for the first time and referred to the Committee on Local and Urban Affairs.

Reding introduced :

H. F. No. 2178, A bill for an act relating to retirement ; teachers' surviving dependent children benefits ; joint and survivor elections by spouse ; amending Minnesota Statutes 1981 Supplement, Section 354.46, Subdivisions 1 and 2.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Kalis, Mehrkens and Mann introduced :

H. F. No. 2179, A bill for an act relating to highway traffic regulations ; authorizing and regulating the use of liquefied petroleum gas for motor fuel in school buses ; amending Minnesota Statutes 1980, Section 169.44, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Transportation.

Evans introduced :

H. F. No. 2180, A bill for an act relating to taxation ; exempting sales of chances to use gambling devices sold by certain organizations from the sales tax ; amending Minnesota Statutes 1981 Supplement, Section 297A.25, Subdivision 1, as amended.

The bill was read for the first time and referred to the Committee on Taxes.

McEachern introduced:

H. F. No. 2181, A bill for an act relating to libraries; requiring each county to be a member of a regional public library system; making a county's decision to join a particular system subject to board of education approval; establishing conditions under which a county shall be allowed to join an existing regional public library system; proposing new law coded in Minnesota Statutes, Chapter 375.

The bill was read for the first time and referred to the Committee on Education.

Elioff introduced:

H. F. No. 2182, A bill for an act relating to retirement, Virginia police relief association; defining certain terms; providing for the governance of separate and distinct general and special funds; providing benefit improvements for certain participants and benefit recipients; validating adoption of police pension law for cities of the third class; validating past payments; repealing Laws 1935, Chapters 92 and 259; Laws 1937, Chapter 197; and Laws 1949, Chapter 235.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Brinkman introduced:

H. F. No. 2183, A bill for an act relating to commerce; uniform commercial code; extending the time period for the perfection of or priority over certain security interests; amending Minnesota Statutes 1980, Sections 336.9-301; 336.9-306; and 336.9-312.

The bill was read for the first time and referred to the Committee on Financial Institutions and Insurance.

Pogemiller introduced:

H. F. No. 2184, A bill for an act relating to elections; providing for experimental mail elections; proposing new law coded in Minnesota Statutes, Chapter 204B.

The bill was read for the first time and referred to the Committee on Reapportionment and Elections.

Johnson, C.; Carlson, L., and Welch introduced:

H. F. No. 2185, A bill for an act relating to education; establishing the basis upon which financial stipends for scholarships and grants-in-aid are determined; amending Minnesota Statutes 1980, Section 136A.121, Subdivision 7; Minnesota Statutes 1981 Supplement, Section 136A.121, Subdivisions 4 and 5.

The bill was read for the first time and referred to the Committee on Education.

Carlson, D., was excused from 2:15 p.m. until 3:15 p.m.

MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Mr. Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned:

H. F. No. 1732, A bill for an act relating to boxing; establishing certain conditions for participation in professional matches; proposing new law coded in Minnesota Statutes, Chapter 341.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce that the Senate accedes to the request of the House to return the following bill to the Conference Committee as previously constituted:

S. F. No. 818, A bill for an act relating to game and fish; increasing the amount set aside from any increased deer license fees for deer habitat improvement; restricting the taking of bear to adult bear; amending Minnesota Statutes 1980, Sections 97.49, Subdivision 1a; and 100.27, Subdivision 2.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce the adoption by the Senate of the following Senate Concurrent Resolution, herewith transmitted:

Senate Concurrent Resolution No. 10, A Concurrent Resolution relating to adjournment for more than three days.

PATRICK E. FLAHAVEN, Secretary of the Senate

SUSPENSION OF RULES

Eken moved that the Rules be so far suspended that Senate Concurrent Resolution No. 10 be now considered and be placed upon its adoption. The motion prevailed.

SENATE CONCURRENT RESOLUTION NO. 10

A senate concurrent resolution relating to adjournment for more than three days.

Be It Resolved by the Senate, the House of Representatives concurring therein:

1. Upon its adjournment on February 18, 1982, the House of Representatives may set its next day of meeting for 2:00 p.m. on February 24, 1982.

2. Upon its adjournment on February 19, 1982, the Senate may set its next day of meeting for 2:00 p.m. on February 24, 1982.

3. Pursuant to the Minnesota Constitution, Article IV, Section 12, the Senate and House of Representatives each consent to the adjournment of the other for more than three days.

Eken moved that Senate Concurrent Resolution No. 10 be now adopted. The motion prevailed and Senate Concurrent Resolution No. 10 was adopted.

Mr. Speaker:

I hereby announce the passage by the Senate of the following Senate File, herewith transmitted:

S. F. No. 1422.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce the passage by the Senate of the following Senate Files, herewith transmitted:

S. F. Nos. 709 and 1621.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker :

I hereby announce the passage by the Senate of the following Senate Files, herewith transmitted :

S. F. Nos. 1256, 1499, 1510 and 233.

PATRICK E. FLAHAVEN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 1422, A bill for an act relating to motor vehicles; allowing the registrar of motor vehicles to issue amateur radio and personalized license plates to motorcycle owners; amending Minnesota Statutes 1981 Supplement, Section 168.12, Subdivisions 2 and 2a.

The bill was read for the first time and referred to the Committee on Transportation.

S. F. No. 709, A bill for an act relating to optometrists; authorizing the use of certain topical ocular drugs; providing for education, training and testing requirements; requiring an emergency treatment plan; requiring advice to patients to seek evaluation by physician under certain conditions; providing a penalty; amending Minnesota Statutes 1980, Section 148.57, Subdivision 3; proposing new law coded in Minnesota Statutes, Chapter 148.

The bill was read for the first time.

Greenfield moved that S. F. No. 709 and H. F. No. 275, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1621, A bill for an act relating to state government; removing the geographic limitation on state and public employees' eligibility for the state employee transportation program; amending Minnesota Statutes 1981 Supplement, Section 16.756, Subdivision 1a.

The bill was read for the first time and referred to the Committee on Governmental Operations.

S. F. No. 1256, A bill for an act relating to state government; directing the commissioner of administration to obtain state office space in certain types of historically significant buildings when practical; amending Minnesota Statutes 1980, Section 16.243.

The bill was read for the first time and referred to the Committee on Governmental Operations.

S. F. No. 1499, A bill for an act relating to motor vehicles; providing for special license plates for former prisoners of war; proposing new law coded in Minnesota Statutes, Chapter 168.

The bill was read for the first time and referred to the Committee on Transportation.

S. F. No. 1510, A bill for an act relating to highway traffic regulations; removing certain requirements for bug deflectors; amending Minnesota Statutes 1980, Section 169.743.

The bill was read for the first time and referred to the Committee on Transportation.

S. F. No. 233, A bill for an act relating to retirement; authorizing the repayment of a refund by certain current and former University of Minnesota, Duluth campus, employees; providing for the recomputation of certain retirement annuities.

The bill was read for the first time.

Berkelman moved that S. F. No. 233 and H. F. No. 205, now on Technical General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

CONSENT CALENDAR

H. F. No. 1050, A bill for an act relating to insurance; authorizing the requiring of proof of motor vehicle or motorcycle insurance prior to the issuance of a parking permit by a governmental unit; proposing new law coded in Minnesota Statutes, Chapter 65B.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 123 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Aasness	Carlson, L.	Elioff	Gruenes	Hokanson
Ainley	Clark, J.	Ellingson	Halberg	Hokr
Anderson, B.	Clark, K.	Erickson	Hanson	Jacobs
Anderson, G.	Clawson	Esau	Harens	Jennings
Anderson, I.	Dahlvang	Evans	Hauge	Johnson, D.
Battaglia	Dean	Ewald	Haukoos	Jude
Begich	Dempsey	Fjoslien	Heap	Kahn
Blatz	Den Ouden	Forsythe	Heinitz	Kaley
Brinkman	Drew	Frerichs	Himle	Kalis
Byrne	Eken	Greenfield	Hoberg	Kelly

Knickerbocker	Metzen	Peterson, D.	Schreiber	Valento
Kostohryz	Minne	Piepho	Searles	Vanasek
Kvam	Munger	Pogemiller	Shea	Vellenga
Laidig	Murphy	Redalen	Sherman	Voss
Lehto	Nelsen, B.	Reding	Sherwood	Weaver
Lemen	Nelson, K.	Rees	Sieben, M.	Welch
Levi	Niehaus	Reif	Simoneau	Welker
Long	Novak	Rice	Skoglund	Wenzel
Ludeman	Nysether	Rodriguez, C.	Stadum	Wieser
Luknie	O'Connor	Rodriguez, F.	Staten	Wigley
Mann	Ogren	Rose	Stowell	Wynia
Marsh	Olsen	Rothenberg	Stumpf	Zubay
McDonald	Onnen	Sarna	Sviggum	Spkr.Sieben,H.
McEachern	Osthoff	Schafer	Swanson	
Mehrkens	Peterson, B.	Schoenfeld	Tomlinson	

The bill was passed and its title agreed to.

H. F. No. 1746 was reported to the House.

There being no objection H. F. No. 1746 was continued on the Consent Calendar for one day.

CALENDAR

S. F. No. 1538 was reported to the House and given its third reading.

UNANIMOUS CONSENT

Lehto requested unanimous consent to offer an amendment. The request was granted.

Lehto moved to amend S. F. No. 1538, as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1980, Section 367.03, Subdivision 1, is amended to read:

Subdivision 1. [OFFICERS, TERMS] Except in towns operating under option A, there shall be elected in each town three supervisors as provided in this section. Where a new town has been or may be organized and supervisors have been or may be elected for such town at a town meeting prior to the annual town meeting, such supervisors shall serve only until the next annual town meeting at which meeting three supervisors shall be elected, one for three years, one for two years, and one for one year, so that the term of one shall expire each year. The number of years for which each is elected shall be indicated on the ballot. At all other annual town meetings one supervisor shall be elected for three years to fill the place of the one whose term expires at that time. Except in towns operating under either option B or option D, or both, and except as otherwise provided in this section, there shall also be elected at each annual town meeting one town

clerk (,) and one treasurer (, THREE LAW ENFORCEMENT OFFICIALS. THE POSITIONS MAY BE FILLED BY ANY COMBINATION OF (A) PEACE OFFICERS, (B) CONSTABLES, OR (C) DEPUTY CONSTABLES. EACH OF THESE OFFICERS SHALL HOLD OFFICE FOR A TERM OF TWO YEARS AND UNTIL THEIR SUCCESSORS ARE ELECTED AND QUALIFIED).

Sec. 2. Minnesota Statutes 1980, Section 367.03, Subdivision 2, is amended to read:

Subd. 2. [VACANCIES.] When a vacancy occurs in any town office the town board shall fill the same by appointment. The person so appointed shall hold his office until the next annual town meeting and until his successor qualifies; provided, that a vacancy in the office of supervisor shall be filled by the remaining supervisors and the town clerk until the next annual town meeting, when his successor shall be elected to hold for the unexpired term. *Law enforcement vacancies shall be filled by appointment by the town board.*

Sec. 3. Minnesota Statutes 1980, Section 367.03, Subdivision 3, is amended to read:

Subd. 3. [CONSTABLES.] The town, by majority vote at its annual town meeting, may decide (THAT LESS THAN THREE LAW ENFORCEMENT OFFICIALS BE ELECTED OR THAT NO LAW ENFORCEMENT OFFICIAL BE ELECTED, EFFECTIVE AT THE NEXT SUCCEEDING TOWN ELECTION AND THEREAFTER, EXCEPT THAT ANY OFFICE SO TERMINATED MAY BE REINSTATED BY LIKE PROCEDURE) to authorize the town board to appoint three or less law enforcement officers. *The positions may be filled by any combination of (a) peace officers, (b) constables, or (c) deputy constables. The board of supervisors shall notify the board of peace officer standards and training in writing at least 14 days before the first day of employment of a peace officer, constable or deputy constable.* In the event no law enforcement official is (ELECTED) appointed, the duties of a constable described by law (RELATIVE TO ELECTION PROCEDURE) may be delegated to any person so appointed by the board of supervisors (FOR A PERIOD OF TIME NO GREATER THAN THAT TO WHICH A CONSTABLE IS ELECTED AND) setting forth such compensation as the board of supervisors shall deem reasonable.

Sec. 4. Minnesota Statutes 1980, Section 367.22, is amended to read:

367.22 [LAW ENFORCEMENT OFFICIAL'S BOND.]

Before entering upon his duties, and within ten days after he is notified of his (ELECTION OR) appointment, every law en-

forcement official shall give bond to the town, in a sum directed and with sureties approved by the chairman of the town board, conditioned for the faithful discharge of his official duties. The chairman shall endorse such approval on the bond, and cause it to be filed with the town clerk, for the benefit of any person aggrieved by the acts or omissions of the law enforcement official, and any person so aggrieved, or the town, may maintain an action thereon, in his own name, against the law enforcement official and the sureties.

Sec. 5. Minnesota Statutes 1980, Section 367.40, Subdivision 3, is amended to read:

Subd. 3. "Constable" means any individual employed (,) or appointed (OR ELECTED) by a political subdivision who is charged with the prevention and detecting of crime, the enforcement of the general criminal laws of the state, and who has full powers of arrest. The term shall apply even though the individual exercises his powers and duties on a part-time basis with or without receipt of compensation.

Sec. 6. Minnesota Statutes 1980, Section 367.40, Subdivision 4, is amended to read:

Subd. 4. "Deputy constable" means any individual employed (,) or appointed (OR ELECTED) by a political subdivision to fulfill law enforcement duties but who is prohibited from carrying a firearm while exercising his powers and duties and who has powers of arrest no greater than those of any citizen not a peace officer or constable. The term shall also include individuals voluntarily assisting local police or sheriff departments unless they qualify as constables or peace officers.

Sec. 7. Minnesota Statutes 1980, Section 367.41, is amended to read:

367.41 [CONSTABLES AND PEACE OFFICER LICENSING REQUIREMENTS; DEPUTY CONSTABLES, REQUIREMENTS.]

Subdivision 1. Notwithstanding any general or local law or charter to the contrary, any constable employed or elected on or after July 1, 1979 or appointed on or after the effective date of this act, by any political subdivision of the state of Minnesota shall not be eligible for permanent appointment without being licensed by the Minnesota board of peace officer standards and training pursuant to section 626.8463, clauses (a) to (c).

Subd. 4. Any individual seeking employment (OR ELECTION) as a deputy constable pursuant to section 367.03 shall provide evidence that the county sheriff has determined, after checking criminal records and histories through the Minnesota

crime information system, that he has not been convicted of a felony within ten years.

Subd. 5. Any individual seeking election or employment as a peace officer pursuant to section 307.03 on or after July 1, 1979 or *appointment on or after the effective date of this act* shall not be eligible for permanent appointment without being licensed by the board pursuant to rules promulgated under section 626.843.

Sec. 8. Minnesota Statutes 1981 Supplement, Section 367.42, Subdivision 1, is amended to read:

Subdivision 1. Notwithstanding any general or local law or charter to the contrary, any deputy constable employed or elected on or after July 1, 1979 or *appointed on or after the effective date of this act* by a political subdivision of the state of Minnesota shall have the following powers and duties:

- (a) To have the powers of arrest of a private person;
- (b) To perform the duties of a constable prescribed by law relative to election procedure;
- (c) To perform the following duties at the direction of the county sheriff or constable:
 - (i) To inspect communication wire and cable or records of such wire and cable pursuant to section 325E.21;
 - (ii) To conduct hotel lien sales pursuant to section 327.06; and
 - (iii) To conduct public auction sales of unclaimed property pursuant to sections 345.04 and 345.05.
- (d) To arrest any individual who, in the deputy constable's presence, commits a violation of the intoxicating liquor act, chapter 340;
- (e) To provide general administrative or clerical assistance to county sheriffs, local police departments or constables; and
- (f) To provide traffic or crowd control assistance to county sheriffs, local police departments or constables.

Sec. 9. [REPEALER.]

Minnesota Statutes 1981 Supplement, Section 382.28, is repealed.

Sec. 10. [EFFECTIVE DATE.]

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

The motion prevailed and the amendment was adopted.

S. F. No. 1538, A bill for an act relating to peace officers; providing for appointment of peace officers, constables and deputy constables in towns; requiring towns to notify the peace officers standards and training board before employing law enforcement officers; amending Minnesota Statutes 1980, Sections 367.03, Subdivisions 1, 2, and 3; 367.22; 367.40, Subdivisions 3 and 4; 367.41; Minnesota Statutes 1981 Supplement, Section 367.42, Subdivision 1; repealing Minnesota Statutes 1981 Supplement, Section 382.28.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 126 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Aasness	Fjoslien	Kvam	Onnen	Simoneau
Ainley	Forsythe	Laidig	Osthoff	Skoglund
Anderson, B.	Frerichs	Lehto	Otis	Stadum
Anderson, G.	Greenfield	Levi	Peterson, B.	Staten
Anderson, I.	Gruenes	Long	Peterson, D.	Stowell
Battaglia	Halberg	Ludeman	Piepho	Stumpf
Begich	Hanson	Luknic	Pogemiller	Sviggum
Blatz	Harens	Mann	Redalen	Swanson
Brandl	Hauge	Marsh	Reding	Tomlinson
Brinkman	Haukoos	McCarron	Rees	Valento
Byrne	Heap	McDonald	Reif	Vanasek
Carlson, L.	Heinitz	McEachern	Rice	Vellenga
Clark, J.	Himle	Mehrkens	Rodriguez, C.	Voss
Clark, K.	Hoberg	Metzen	Rodriguez, F.	Weaver
Clawson	Hokanson	Minne	Rose	Welch
Dahlvang	Hokr	Munger	Rothenberg	Welker
Dean	Jacobs	Murphy	Samuelson	Wenzel
Dempsey	Jennings	Nelsen, B.	Sarna	Wieser
Den Ouden	Johnson, D.	Nelson, K.	Schafer	Wigley
Eken	Jude	Niehaus	Schoenfeld	Wynia
Elioff	Kahn	Norton	Schreiber	Zubay
Ellingson	Kaley	Novak	Searles	Spkr.Sieben,H.
Erickson	Kalis	Nysether	Shea	
Esau	Kelly	O'Connor	Sherman	
Evans	Knickerbocker	Ogren	Sherwood	
Ewald	Kostohryz	Olsen	Sieben, M.	

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

H. F. No. 879, A bill for an act relating to juveniles; removing certain children from definition of "delinquent child"; defining "runaway," "habitual truant," "juvenile petty offender," "ju-

venile alcohol or controlled substance offender"; simplifying certain pleading and notice procedures; providing hearing rights and dispositional alternatives; amending Minnesota Statutes 1980, Sections 260.015, Subdivision 5, and by adding subdivisions; 260.111, Subdivision 1; 260.121, Subdivisions 1 and 2; 260.155, Subdivision 1; and 260.173, Subdivision 3; proposing new law coded in Minnesota Statutes, Chapter 260.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 125 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Aasness	Fjoslien	Knickerbocker	Ogren	Sherman
Ainley	Forsythe	Kostohryz	Olsen	Sherwood
Anderson, B.	Frerichs	Kvam	Onnen	Sieben, M.
Anderson, G.	Greenfield	Laidig	Osthoff	Simoneau
Anderson, I.	Gruenes	Lehto	Otis	Skoglund
Battaglia	Halberg	Levi	Peterson, B.	Stadum
Begich	Hanson	Long	Peterson, D.	Staten
Blatz	Harens	Ludeman	Piepho	Stowell
Brandl	Hauge	Luknic	Pogemiller	Stumpf
Brinkman	Haukoos	Mann	Redalen	Sviggum
Byrne	Heap	Marsh	Reding	Swanson
Carlson, L.	Heinitz	McCarron	Rees	Tomlinson
Clark, K.	Himle	McDonald	Reif	Valento
Clawson	Hoberg	McEachern	Rice	Vanasek
Dahlvang	Hokanson	Mehrkens	Rodriguez, C.	Vellenga
Dean	Hokr	Metzen	Rodriguez, F.	Voss
Dempsey	Jacobs	Minne	Rose	Weaver
Den Ouden	Jennings	Munger	Rothenberg	Welch
Eken	Johnson, C.	Murphy	Samuelson	Welker
Elioff	Johnson, D.	Nelsen, B.	Sarna	Wenzel
Ellingson	Jude	Niehaus	Schafer	Wieser
Erickson	Kahn	Norton	Schoenfeld	Wigley
Esau	Kaley	Novak	Schreiber	Wynia
Evans	Kalis	Nysether	Searles	Zubay
Ewald	Kelly	O'Connor	Shea	Spkr. Sieben, H.

The bill was passed and its title agreed to.

H. F. No. 1786, A bill for an act relating to agriculture; changing certain procedures relating to fertilizers and soil and plant amendments; imposing a penalty; amending Minnesota Statutes 1980, Sections 17.713, by adding a subdivision; 17.721, Subdivision 2; and 17.728, as amended; Minnesota Statutes 1981 Supplement, Sections 17.713, Subdivisions 8, 12, 17a, and 20; 17.714, Subdivision 2; 17.716, Subdivision 6; 17.719, Subdivision 1, and by adding a subdivision; 17.721, Subdivision 1; 17.725, Subdivision 1; and 17.726; proposing new law coded in Minnesota Statutes, Chapter 17.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 118 yeas and 4 nays as follows:

Those who voted in the affirmative were:

Aasness	Frerichs	Lehto	Onnen	Sieben, M.
Anderson, G.	Greenfield	Lemen	Osthoff	Simoneau
Anderson, I.	Gruenes	Levi	Otis	Skoglund
Battaglia	Gustafson	Long	Peterson, B.	Stadum
Begich	Halberg	Luknic	Peterson, D.	Staten
Blatz	Hauge	Mann	Piepho	Stowell
Brandl	Haukoos	Marsh	Pogemiller	Stumpf
Brinkman	Heap	McCarron	Redalen	Sviggum
Byrne	Heinitz	McDonald	Reding	Swanson
Carlson, L.	Hoberg	McEachern	Rees	Tomlinson
Clark, J.	Hokanson	Mehrkens	Reif	Valento
Clawson	Hokr	Metzen	Rice	Vanasek
Dahlvang	Jacobs	Minne	Rodriguez, C.	Vellenga
Dean	Jennings	Munger	Rodriguez, F.	Voss
Dempsey	Johnson, C.	Murphy	Rose	Weaver
Den Ouden	Johnson, D.	Nelsen, B.	Rothenberg	Welch
Eken	Jude	Nelson, K.	Samuelson	Wenzel
Elioff	Kaley	Niehaus	Sarna	Wieser
Ellingson	Kalis	Norton	Schoenfeld	Wigley
Erickson	Kelly	Novak	Schreiber	Wynia
Esau	Knickerbocker	Nysether	Searles	Zubay
Evans	Kostohryz	O'Connor	Shea	Spkr. Sieben, H.
Ewald	Kvam	Ogren	Sherman	
Fjoslien	Laidig	Olsen	Sherwood	

Those who voted in the negative were:

Ainley Anderson, B. Ludeman Welker

The bill was passed and its title agreed to.

H. F. No. 776, A bill for an act relating to insurance; requiring private passenger vehicle insurers to disclose surcharge plans; prohibiting payment of certain claims unless notice is given to the insured; proposing new law coded in Minnesota Statutes, Chapter 65B.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 109 yeas and 15 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Carlson, L.	Erickson	Hanson	Johnson, D.
Anderson, G.	Clark, J.	Esau	Hauge	Jude
Anderson, I.	Clark, K.	Evans	Haukoos	Kahn
Battaglia	Clawson	Ewald	Himle	Kaley
Begich	Dahlvang	Forsythe	Hoberg	Kalis
Blatz	Dempsey	Greenfield	Hokanson	Kelly
Brandl	Eken	Gruenes	Hokr	Knickerbocker
Brinkman	Elioff	Gustafson	Jacobs	Kostohryz
Byrne	Ellingson	Halberg	Johnson, C.	Laidig

Lehto	Murphy	Peterson, D.	Schoenfeld	Valento
Lemen	Nelsen, B.	Piepho	Schreiber	Vanasek
Levi	Nelson, K.	Pogemiller	Shea	Vellenga
Long	Niehaus	Reding	Sherman	Voss
Luknic	Norton	Rees	Sherwood	Weaver
Mann	Novak	Reif	Sieben, M.	Welch
Marsh	Nysether	Rice	Simoneau	Wenzel
McCarron	Ogren	Rodriguez, C.	Skoglund	Wieser
McDonald	Olsen	Rodriguez, F.	Staten	Wigley
McEachern	Onnen	Rose	Stowell	Wynia
Metzen	Osthoff	Rothenberg	Stumpf	Zubay
Minne	Otis	Samuelson	Swanson	Spkr. Sieben, H.
Munger	Peterson, B.	Sarna	Tomlinson	

Those who voted in the negative were:

Aasness	Den Ouden	Frerichs	Ludeman	Schafer
Ainley	Drew	Jennings	Mehrkens	Svigum
Dean	Fjoslien	Kvam	Redalen	Welker

The bill was passed and its title agreed to.

H. F. No. 1484, A bill for an act relating to highway traffic regulations; providing for administrative driving privilege revocations for failure to submit to chemical testing or exceeding prescribed alcohol concentration; authorizing revocations prior to judicial review; revising the procedure for hearings and appeals on administrative revocations; authorizing introduction into evidence certain peace officer records and reports; amending Minnesota Statutes 1980, Section 169.123, Subdivisions 5, 5a, 6, 7, and by adding subdivisions; and 171.19.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 125 yeas and 1 nay as follows:

Those who voted in the affirmative were:

Aasness	Elioff	Hoberg	Long	O'Connor
Ainley	Ellingson	Hokanson	Ludeman	Ogren
Anderson, B.	Erickson	Hokr	Luknic	Olsen
Anderson, G.	Esau	Jacobs	Mann	Onnen
Anderson, I.	Evans	Jennings	Marsh	Osthoff
Battaglia	Ewald	Johnson, C.	McCarron	Otis
Begich	Fjoslien	Johnson, D.	McDonald	Peterson, B.
Blatz	Forsythe	Jude	McEachern	Peterson, D.
Brandl	Frerichs	Kahn	Mehrkens	Pogemiller
Brinkman	Greenfield	Kaley	Metzen	Redalen
Byrne	Gruenes	Kalis	Minne	Reding
Carlson, L.	Gustafson	Kelly	Munger	Rees
Clark, J.	Halberg	Knickerbocker	Murphy	Reif
Clawson	Hanson	Kostohryz	Nelsen, B.	Rice
Dahlvang	Hauge	Kvam	Nelson, K.	Rodriguez, C.
Dean	Haukoos	Laidig	Niehaus	Rodriguez, F.
Den Ouden	Heap	Lehto	Norton	Rose
Drew	Heinitz	Lemen	Novak	Rothenberg
Eken	Himle	Levi	Nysether	Samuelson

Sarna	Sherman	Stowell	Vanasek	Wenzel
Schafer	Sherwood	Stumpf	Vellenga	Wieser
Schoenfeld	Simoneau	Sviggum	Voss	Wigley
Schreiber	Skoglund	Swanson	Weaver	Wynia
Searles	Stadum	Tomlinson	Welch	Zubay
Shea	Staten	Valento	Welker	Sprk. Sieben, H.

Those who voted in the negative were:

Sieben, M.

The bill was passed and its title agreed to.

H. F. No. 1523, A bill for an act relating to driver licensing; allowing certain reports to be made to the commissioner of public safety; proposing new law coded in Minnesota Statutes, Chapter 171.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 118 yeas and 9 nays as follows:

Those who voted in the affirmative were:

Aasness	Ewald	Kalis	Nysether	Sherman
Anderson, E.	Fjoslien	Kelly	O'Connor	Sherwood
Anderson, G.	Forsythe	Knickerbocker	Ogren	Sieben, M.
Anderson, I.	Greenfield	Kostohryz	Olsen	Simoneau
Battaglia	Gruenes	Kvam	Onnen	Skoglund
Begich	Gustafson	Laidig	Osthoff	Stadum
Blatz	Halberg	Lehto	Otis	Staten
Brandl	Hanson	Lemen	Peterson, D.	Stowell
Brinkman	Harens	Levi	Piepho	Sviggum
Byrne	Hauge	Long	Pogemiller	Swanson
Carlson, L.	Haukoos	Luknic	Redalen	Valento
Clark, J.	Heap	Mann	Reding	Vanasek
Clawson	Heinitz	Marsh	Reif	Vellenga
Dahlvang	Himle	McCarron	Rice	Voss
Dean	Hoberg	McEachern	Rodriguez, C.	Weaver
Dempsey	Hokanson	Mehrkens	Rodriguez, F.	Welch
Den Ouden	Hokr	Metzen	Rose	Wenzel
Drew	Jacobs	Minne	Rothenberg	Wieser
Eken	Jennings	Munger	Samuelson	Wigley
Elioff	Johnson, C.	Murphy	Sarna	Wynia
Ellingson	Johnson, D.	Nelson, K.	Schafer	Zubay
Erickson	Jude	Niehaus	Schoenfeld	Sprk. Sieben, H.
Esau	Kahn	Norton	Schreiber	
Evans	Kaley	Novak	Searles	

Those who voted in the negative were:

Ainley	Ludeman	Nelsen, B.	Shea	Welker
Frerichs	McDonald	Rees	Stumpf	

The bill was passed and its title agreed to.

H. F. No. 1668, A bill for an act relating to manufactured homes; requiring manufacturers and dealers of manufactured homes to be licensed and regulated by the commissioner of administration; providing for the rights and duties of owners and residents of manufactured home parks; making certain changes in the procedure for titling manufactured homes; requiring park owners to adopt storm safety plans for the protection of residents; empowering municipalities to enforce certain ordinances within manufactured home parks and recreational camping areas; clarifying the procedures to be used in the repossession of a manufactured home; clarifying certain language; prohibiting certain practices; imposing fees and penalties; providing remedies; defining terms; proposing new law coded in Minnesota Statutes, Chapter 168A; proposing new law coded as Minnesota Statutes, Chapters 327B and 327C; amending Minnesota Statutes 1980, Sections 168A.02, Subdivision 3; 327.14; 327.16, Subdivision 2; 327.20, Subdivision 1; 327.24, by adding a subdivision; 327.26; 327.27, Subdivision 2, and by adding a subdivision; 327.62, Subdivision 2; 327.63; 327.65; 327.66; 363.02, by adding a subdivision; and 566.18, Subdivisions 2, 7, and 8; repealing Minnesota Statutes 1980, Sections 327.41; 327.42; 327.43; 327.45; 327.451; 327.452; 327.46; 327.47; 327.51; 327.52; 327.53; 327.54; 327.55; 327.551; 327.552; 327.553, Subdivisions 2, 3 and 4; 327.554; 327.56; and Minnesota Statutes 1981 Supplement, Sections 327.44; 327.441; 327.55, Subdivision 1a; and 327.553, Subdivision 1.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 87 yeas and 33 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Greenfield	Lemen	Osthoff	Sieben, M.
Anderson, I.	Gustafson	Levi	Otis	Simoneau
Battaglia	Halberg	Long	Peterson, D.	Skoglund
Begich	Hanson	Luknic	Pogemiller	Staten
Blatz	Harens	Mann	Reding	Stumpf
Brandl	Hauge	Marsh	Rees	Sviggum
Brinkman	Heap	McCarron	Reif	Tomlinson
Byrne	Heinitz	McEachern	Rice	Valento
Carlson, L.	Himle	Metzen	Rodriguez, C.	Vanasek
Clark, J.	Hokanson	Minne	Rodriguez, F.	Vellenga
Clawson	Hokr	Murphy	Rose	Voss
Dahlvang	Jacobs	Nelson, K.	Rothenberg	Welch
Eken	Jude	Norton	Samuelson	Wenzel
Elioff	Kahn	Novak	Sarna	Wynia
Ellingson	Kelly	O'Connor	Schoenfeld	Spkr. Sieben, H.
Evans	Knickerbocker	Ogren	Schreiber	
Ewald	Kostohryz	Olsen	Searles	
Forsythe	Lehto	Onnen	Shea	

Those who voted in the negative were:

Aasness	Ainley	Anderson, B.	Dean	Dempsey
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Den Ouden	Hoberg	Laidig	Redalen	Welker
Drew	Jennings	Ludeman	Schafer	Wieser
Erickson	Johnson, D.	Mehrkens	Sherman	Wigley
Esau	Kaley	Nelsen, B.	Sherwood	Zubay
Fjoslien	Kalis	Niehaus	Stadum	
Frerichs	Kvam	Nysether	Stowell	

The bill was passed and its title agreed to.

Novak and Ewald were excused at 3:50 p.m. Johnson, C., was excused at 4:05 p.m. Searles was excused at 4:25 p.m. Peterson, D., was excused at 4:50 p.m.

GENERAL ORDERS

Pursuant to rules of the House, the House resolved itself into the Committee of the Whole, with Sieben, H., in the Chair, for the consideration of bills pending on General Orders of the Day. Wynia presided during a portion of the meeting of the Committee of the Whole. After some time spent therein the Committee arose.

REPORT OF COMMITTEE OF THE WHOLE

The Speaker resumed the Chair, whereupon the following proceedings of the Committee as kept by the Chief Clerk were reported to the House:

H. F. No. 1166 which it recommended to pass.

H. F. No. 451 which it recommended progress until Wednesday, February 24, 1982.

On the motion of Eken the report of the Committee of the Whole was adopted.

ROLL CALLS IN COMMITTEE OF THE WHOLE

Pursuant to rule 1.6, the following roll calls were taken in the Committee of the Whole:

Nelson, K., moved to amend H. F. No. 1166, the second engrossment, as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1980, Section 473.553, is amended to read:

473.553 [COMMISSION; MEMBERSHIP; ADMINISTRATION.]

Subdivision 1. [GENERAL.] The metropolitan sports facilities commission is established and shall be organized, structured, and administered as provided in this section and section 473.141, subdivisions 6 to 11, 13, and 14.

Subd. 2. [MEMBERSHIP.] The commission shall consist of six members, appointed by the governor during the period before (SUBSTANTIAL COMPLETION OF CONSTRUCTION OF SPORTS FACILITIES PURSUANT TO SECTIONS 473.551 TO 473.595) *October 1, 1982*, and thereafter as (HEREINAFTER) provided in *subdivision 2a*, plus a chairman appointed as provided in subdivision 3. Initial appointments of members shall be made within 30 days of May 17, 1977. One member shall be appointed from each of the following combinations of metropolitan commission precincts defined in section 473.141, subdivision 2: A and B; C and G; D and E; F and H. Two members shall be appointed from outside the metropolitan area. (UPON SUBSTANTIAL COMPLETION OF CONSTRUCTION OF THE SPORTS FACILITY)

Subd. 2a. [MEMBERSHIP.] Commencing on October 1, 1982, vacancies occurring on the commission, whether at the completion of or prior to the completion of a member's term, shall be filled (BY) as provided in this subdivision. The city council of the city in which the stadium is located shall make appointments to fill vacancies occurring in the office of two of the members appointed to terms ending January, 1983 and two of the members appointed to terms ending January, 1985. The governor shall make appointments to vacancies occurring in the office of the other two members. The members appointed by the city council shall reside in the city. One of the members appointed by the governor shall reside outside of the city within each of the following combinations of commission precincts: A, B, C, and G; and D, E, F, and H.

Subd. 3. [CHAIRMAN.] The chairman shall be appointed by the governor as the seventh voting member and shall meet all of the qualifications of a member, except the chairman need only reside outside the metropolitan area. The chairman shall preside at all meetings of the commission, if present, and shall perform all other duties and functions assigned to him by the commission or by law. The commission may appoint from among its members a vice-chairman to act for the chairman during his temporary absence or disability.

Subd. 4. [QUALIFICATIONS.] Each member appointed (PRIOR TO SUBSTANTIAL COMPLETION OF CONSTRUCTION OF A SPORTS FACILITY CONSTRUCTED PURSUANT TO SECTIONS 473.551 TO 473.595) *by the governor* shall be a resident of the precincts or area of the state for which he is appointed. A member (APPOINTED AT ANY TIME) shall not during his term of office hold the office of metropolitan council member or be a member of another metropolitan com-

mission or hold any judicial office or office of state government. *None of the members appointed by the city council may be an elected municipal official in the city in which the stadium is located.* Each member shall qualify by taking and subscribing the oath of office prescribed by the Minnesota Constitution, Article V, Section 6. The oath, duly certified by the official administering it, shall be filed with the chairman of the metropolitan council.

Subd. 5. [TERMS.] The terms of the members representing precincts A and B and C and G and the term of one of the members from outside the metropolitan area shall end the first Monday in January, 1981. The terms of the other members and the chairman shall end the first Monday in January, 1983. After the initial term provided for in this subdivision, the term of each member and the chairman shall be four years. The terms shall continue until a successor is appointed and qualified. Members and the chairman may be removed in the manner specified in chapter 351.

Sec. 2. [APPLICATION.]

This act is effective in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott and Washington."

The question was taken on the amendment and the roll was called. There were 31 yeas and 85 nays as follows:

Those who voted in the affirmative were:

Brandl	Greenfield	Nelson, K.	Sarna	Wenzel
Clark, J.	Harens	Otis	Sieben, M.	Wynia
Clark, K.	Kahn	Peterson, D.	Simoneau	Spkr. Sieben, H.
Dahlvang	Kelly	Pogemiller	Skoglund	
Dean	Laidig	Rice	Staten	
Dempsey	Long	Rodriguez, C.	Tomlinson	
Evans	McCarron	Rose	Vanasek	

Those who voted in the negative were:

Anderson, B.	Fjoslien	Kaley	O'Connor	Shea
Anderson, G.	Forsythe	Kostohryz	Olsen	Sherman
Anderson, I.	Frerichs	Kvam	Onnen	Sherwood
Battaglia	Gruenes	Lemen	Osthoff	Stadum
Begich	Halberg	Levi	Peterson, B.	Stowell
Blatz	Hanson	Ludeman	Piepho	Stumpf
Brinkman	Hauge	Luknic	Redalen	Sviggum
Byrne	Haukoos	Marsh	Reding	Swanson
Carlson, L.	Heap	McDonald	Rees	Valento
Clawson	Himle	McEachern	Reif	Vellenga
Den Ouden	Hoberg	Mehrkens	Rodriguez, F.	Voss
Drew	Hokanson	Metzen	Rothenberg	Weaver
Eken	Hokr	Minne	Samuelson	Welch
Elioff	Jacobs	Murphy	Schafer	Welker
Ellingson	Jennings	Nelsen, B.	Schoenfeld	Wieser
Erickson	Johnson, D.	Niehaus	Schreiber	Wigley
Esau	Jude	Nysether	Searles	Zubay

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

Rice moved to amend H. F. No. 1166, the second engrossment, as follows:

Strike everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1980, Section 473.553, is amended to read:

473.553 [COMMISSION; MEMBERSHIP; ADMINISTRATION.]

Subdivision 1. [GENERAL.] The metropolitan sports facilities commission is established and shall be organized, structured, and administered as provided in this section and section 473.141, subdivisions 6 to 11, 13, and 14.

Subd. 2. [MEMBERSHIP.] The commission shall consist of (SIX) *eight* members (,) appointed (BY THE GOVERNOR DURING THE PERIOD BEFORE SUBSTANTIAL COMPLETION OF CONSTRUCTION OF SPORTS FACILITIES PURSUANT TO SECTIONS 473.551 TO 473.595 AND THEREAFTER) as (HEREINAFTER) provided *in this subdivision*, plus a chairman appointed as provided in subdivision 3. *Six members shall be initially appointed by the governor. Initial appointments of these members shall be made within 30 days of May 17, 1977. Before January, 1983 one member shall be appointed by the governor from each of the following combinations of metropolitan commission precincts defined in section 473.141, subdivision 2: A and B; C and G; D and E; F and H (.), two members shall be appointed by the governor from outside the metropolitan area (. UPON SUBSTANTIAL COMPLETION OF CONSTRUCTION OF THE SPORTS FACILITY, VACANCIES OCCURRING ON THE COMMISSION, WHETHER AT THE COMPLETION OF OR PRIOR TO THE COMPLETION OF A MEMBER'S TERM, SHALL BE FILLED BY THE CITY COUNCIL OF THE CITY IN WHICH THE STADIUM IS LOCATED) and, beginning on October 1, 1982, two members shall be appointed by the city council of the city in which the stadium is located. Beginning on the first Monday in January, 1983, the governor shall appoint four members only, two of whom shall be from outside the metropolitan area and two from the metropolitan area, and the city council of the city in which the stadium is located shall appoint four members. The appointments by the city council shall not be subject to the veto of the mayor of the city.*

Subd. 3. [CHAIRMAN.] The chairman shall be appointed by the governor as the (SEVENTH) *ninth* voting member and shall meet all of the qualifications of a member, except the chairman need only reside outside the metropolitan area. The chair-

man shall preside at all meetings of the commission, if present, and shall perform all other duties and functions assigned to him by the commission or by law. The commission may appoint from among its members a vice-chairman to act for the chairman during his temporary absence or disability.

Subd. 4. [QUALIFICATIONS.] Each member (APPOINTED PRIOR TO SUBSTANTIAL COMPLETION OF CONSTRUCTION OF A SPORTS FACILITY CONSTRUCTED PURSUANT TO SECTIONS 473.551 TO 473.595) shall be (A) *subject to the geographical limitations in subdivision 3* (RESIDENT OF THE PRECINCTS OR AREA OF THE STATE FOR WHICH HE IS APPOINTED). A member (APPOINTED AT ANY TIME) shall not during his term of office hold the office of metropolitan council member or be a member of another metropolitan commission or hold any judicial office (OR OFFICE OF STATE GOVERNMENT), *or elective office with a political subdivision*. Each member shall qualify by taking and subscribing the oath of office prescribed by the Minnesota Constitution, Article V, Section 6. The oath, duly certified by the official administering it, shall be filed with the chairman of the metropolitan council.

Subd. 5. [TERMS.] The terms of the members representing precincts A and B and C and G and the term of one of the members from outside the metropolitan area shall end the first Monday in January, 1981. The terms of the (OTHER) members *representing precincts D and E and F and H, the term of the other member from outside the metropolitan area, and the term of the chairman* shall end the first Monday in January, 1983. *The terms of the two initial members appointed by the city council shall end the first Monday in January, 1985.* After the initial term provided for in this subdivision, the term of each member and the chairman shall be four years. The terms shall continue until a successor is appointed and qualified *as provided in subdivision 2*. Members and the chairman may be removed in the manner specified in chapter 351.

Sec. 2. [EFFECTIVE DATE.]

This act is effective the day after final enactment."

The question was taken on the amendment and the roll was called. There were 43 yeas and 77 nays as follows:

Those who voted in the affirmative were:

Ainley	Greenfield	Metzen	Samuelson	Stumpf
Begich	Gustafson	Nelson, K.	Sarna	Tomlinson
Brandl	Harens	Ogren	Schoenfeld	Vanasek
Clark, J.	Kahn	Otis	Shea	Vellenga
Clark, K.	Kelly	Peterson, D.	Sherman	Wenzel
Dahlvang	Laidig	Pogemiller	Sieben, M.	Wynia
Dean	Long	Rice	Simoneau	Spkr. Sieben, H.
Dempsy	Ludeman	Rodriguez, C.	Skoglund	
Eken	McCarron	Rose	Staten	

Those who voted in the negative were:

Aasness	Fjoslien	Johnson, D.	Nelsen, B.	Schreiber
Anderson, G.	Forsythe	Jude	Niehaus	Searles
Anderson, I.	Frerichs	Kalis	Nysether	Sherwood
Battaglia	Gruenes	Knickerbocker	O'Connor	Stadum
Blatz	Halberg	Kostohryz	Olsen	Stowell
Brinkman	Hanson	Kvam	Onnen	Sviggum
Byrne	Hauge	Lemen	Osthoff	Swanson
Carlson, D.	Haukoos	Levi	Peterson, B.	Valento
Carlson, L.	Heap	Luknic	Piepho	Voss
Clawson	Heinitz	Mann	Redalen	Weaver
Den Ouden	Himle	Marsh	Reding	Welker
Drew	Hoberg	McDonald	Rees	Wieser
Elioff	Hokanson	McEachern	Reif	Wigley
Ellingson	Hokr	Mehrkens	Rodriguez, F.	
Erickson	Jacobs	Minne	Rothenberg	
Esau	Jennings	Murphy	Schafer	

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

Nelson, K., moved to amend H. F. No. 1166, the second engrossment, as follows:

Page 3, after line 8, insert a section to read:

"Sec. 2. Minnesota Statutes 1980, Section 473.556, is amended by adding a subdivision to read:

Subd. 16. [DISTRIBUTION OF SEATS.] Any seat, ticket, or other privilege of admission to a professional athletic event in facilities of the commission which is now or hereafter designated, set aside, given, or otherwise reserved for the use of the members, chairman, or administrative staff of the commission, or their designees or guests, shall be given by the commission to residents of the state. Recipients shall be chosen by the drawing of names. The requirements of this subdivision apply to any privilege of admission, whether to a seat inside or outside of a suite and whether reserved by the commission itself or by another person, except an admission purchased by an individual commissioner."

Page 3, line 9, delete "2" and insert "3"

Further amend the title as follows:

Page 1, line 4, after the semicolon, insert "providing for the distribution of certain tickets;"

Page 1, line 5, before the period insert "; 473.556, by adding a subdivision"

Swanson moved to amend the Nelson, K., amendment to H. F. No. 1166, as follows:

Page 1, line 5, after "ticket," insert "parking place,"

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

The question recurred on the Nelson, K., amendment, as amended, and the roll was called. There were 54 yeas and 57 nays as follows:

Those who voted in the affirmative were:

Ainley	Esau	Marsh	Pogemiller	Skoglund
Blatz	Evans	McCarron	Reding	Staten
Brandl	Frerichs	McDonald	Rees	Svigum
Carlson, L.	Greenfield	Minne	Rice	Swanson
Clark, J.	Gustafson	Nelson, K.	Rodriguez, C.	Tomlinson
Clark, K.	Harens	Nysether	Rose	Vanasek
Clawson	Jennings	O'Connor	Sarna	Vellenga
Dahlvang	Kahn	Ogren	Schoenfeld	Wieser
Dempsey	Laidig	Olsen	Shea	Wynia
Den Ouden	Long	Otis	Sherman	Zubay
Eken	Ludeman	Peterson, D.	Simoneau	

Those who voted in the negative were:

Aasness	Fjoslien	Kaley	Niehaus	Stowell
Anderson, G.	Forsythe	Kalis	Onnen	Valento
Anderson, I.	Gruenes	Kelly	Osthoff	Voss
Battaglia	Halberg	Knickerbocker	Peterson, B.	Weaver
Begich	Hanson	Kostohryz	Piepho	Welch
Brinkman	Hauge	Kvam	Redalen	Welker
Byrne	Heap	Levi	Reif	Wenzel
Carlson, D.	Heinitz	Mann	Rodriguez, F.	Wigley
Drew	Himle	Mehrkens	Schafer	Spkr. Sieben, H.
Eloff	Hoberg	Metzen	Schreiber	
Ellingson	Jacobs	Murphy	Sieben, M.	
Erickson	Johnson, D.	Nelsen, B.	Stadum	

The motion did not prevail and the amendment, as amended, was not adopted.

Nelson, K., moved to amend H. F. No. 1166, the second engrossment, as follows:

Page 3, after line 8, insert:

"Sec. 2. Minnesota Statutes 1980, Section 473.592, is amended by adding a subdivision to read:

Subd. 3. [METROPOLITAN LIQUOR TAX; IMPOSITION; USE OF PROCEEDS.] (1) The council shall impose a tax, effective July 1, 1982, supplemental to the general sales tax imposed by chapter 297A, on all retail on-sales of intoxicating liquor and fermented malt beverages when sold at licensed on-sale liquor establishments and municipal liquor stores located within the metropolitan area: The tax shall be imposed in an amount

sufficient to produce revenues which are determined by the council from year to year to be required, together with the revenues available to the commission, to pay when due all debt service on bonds and revenue anticipation certificates issued under section 473.581, all debt service bonds referred to in section 473.564, subdivision 2, and all expenses of operation, administration, and maintenance of the sports facilities.

(2) The tax shall be reported and paid to the commissioner of revenue with and as part of the state sales and use taxes, and shall be subject to the same penalties, interest, and enforcement provisions. The collection of the tax, less refunds and a proportionate share of the costs of collection, shall be remitted at least quarterly to the council. The commissioner of revenue shall deduct from the proceeds remitted to the council an amount that equals the indirect statewide costs as well as the direct and indirect department costs necessary to administer, audit, and collect the tax. The amount deducted shall be deposited in the general fund.

(3) The proceeds of the tax remitted to the council shall be placed, together with the net revenues of the commission under section 473.595, into the debt service fund or reserve or special fund, established under section 473.581, and funds established to secure payment of operating deficits of the commission. The proceeds of the tax shall reduce the amount of the taxes required to be levied under the agreement between the municipality, the metropolitan council, and the commission entered into pursuant to subdivision 1 and may be used for the same purposes as those taxes.

(4) For purposes of this section, the term "metropolitan area" shall not include the portion of the city of New Prague that is located in Scott county and the portions of the city of Hanover and the city of Rockford that are located in Hennepin county."

Renumber the remaining section

Further amend the title as follows:

Page 1, line 4, after "commission;" insert "imposing a metropolitan on-sale liquor tax;"

Page 1, line 4, delete "Section" and insert "Sections"

Page 1, line 5, after "473.553" insert "and 473.592, by adding a subdivision"

Hanson moved to amend the Nelson, K., amendment to H. F. No. 1166, as follows:

Page 2, line 17, after "include" insert "Ramsey County,"

The question was taken on the amendment to the amendment and the roll was called. There were 29 yeas and 85 nays as follows:

Those who voted in the affirmative were:

Anderson, I.	Hanson	Metzen	Reif	Valento
Byrne	Harens	Niehaus	Rodriguez, F.	Veilenga
Dempsey	Jennings	Norton	Rose	Voss
Drew	Kelly	O'Connor	Samuelson	Wynia
Evans	Kostohryz	Osthoff	Sherman	Spkr. Sieben, H.
Gustafson	McCarron	Rees	Sviggum	

Those who voted in the negative were:

Aasness	Erickson	Johnson, D.	Mehrkens	Schoenfeld
Anderson, G.	Esau	Jude	Minne	Schreiber
Battaglia	Fjoslien	Kahn	Murphy	Shea
Begich	Forsythe	Kaley	Nelsen, B.	Sieben, M.
Blatz	Frerichs	Kalis	Nelson, K.	Simoneau
Brinkman	Greenfield	Knickerbocker	Olsen	Skoglund
Carlson, D.	Kvam	Onnen	Otis	Stadum
Carlson, L.	Halberg	Laidig	Peterson, B.	Staten
Clark, J.	Hauge	Lemen	Peterson, D.	Stumpf
Clark, K.	Haukoos	Levi	Piepho	Swanson
Clawson	Heap	Long	Pogemiller	Vanasek
Dahlvang	Heinitz	Ludeman	Redalen	Weaver
Dean	Himle	Luknic	Reding	Welker
Den Ouden	Hoberg	Mann	Rice	Wenzel
Eken	Hokanson	Marsh	Sarna	Wieser
Elioff	Hokr	McDonald	Schafer	Wigley
Ellingson	Jacobs	McEachern		Zubay

The motion did not prevail and the amendment to the amendment was not adopted.

The question recurred on the Nelson, K., amendment and the roll was called. There were 20 yeas and 99 nays as follows:

Those who voted in the affirmative were:

Brandl	Dean	Kahn	Peterson, D.	Shea
Clark, J.	Evans	Long	Pogemiller	Simoneau
Clark, K.	Greenfield	Nelson, K.	Rice	Skoglund
Dahlvang	Harens	Otis	Sarna	Staten

Those who voted in the negative were:

Aasness	Den Ouden	Hanson	Jude	Mann
Anderson, G.	Drew	Hauge	Kaley	Marsh
Anderson, I.	Eken	Haukoos	Kalis	McDonald
Battaglia	Elioff	Heap	Kelly	McEachern
Begich	Ellingson	Heinitz	Knickerbocker	Mehrkens
Blatz	Erickson	Himle	Kostohryz	Metzen
Brinkman	Esau	Hoberg	Kvam	Murphy
Byrne	Fjoslien	Hokanson	Laidig	Nelsen, B.
Carlson, D.	Forsythe	Hokr	Lemen	Niehaus
Carlson, L.	Frerichs	Jacobs	Levi	Norton
Clawson	Gruenes	Jennings	Ludeman	Nysether
Dempsey	Halberg	Johnson, D.	Luknic	O'Connor

Ogren	Rees	Schreiber	Swanson	Welker
Olsen	Reif	Sherman	Tomlinson	Wenzel
Onnen	Rodriguez, C.	Sherwood	Valento	Wieser
Osthoff	Rodriguez, F.	Sieben, M.	Vanasek	Wigley
Peterson, B.	Rose	Stadum	Vellenga	Wynia
Piepho	Samuelson	Stowell	Voss	Zubay
Redalen	Schafer	Stumpf	Weaver	Spkr. Sieben, H.
Reding	Schoenfeld	Sviggum	Welch	

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

Greenfield moved to amend H. F. No. 1166, the second engrossment, as follows:

Page 1, after line 7, insert:

"Section 1. Minnesota Statutes 1980, Section 340.14, Subdivision 3, is amended to read:

Subd. 3. [SALES; WHERE FORBIDDEN.] No intoxicating liquors shall be sold in any of the following places:

- (1) Within the capitol or upon the grounds thereof;
- (2) Upon the state fairgrounds or at any place in a city of the first class within one-half mile of such fairgrounds except as hereinafter otherwise provided by charter;
- (3) Upon the campus of the institute of agriculture of the University of Minnesota or at any place in a city of the first class within one-half mile of such campus except as hereinafter otherwise provided by charter. The city may issue one on-sale wine license to a vendor in the territory described in this clause that is not also included in the territory described in clause (2). The license is in addition to any others permitted in the city by other law or charter;
- (4) Within 1,000 feet of any state hospital, training school, reformatory, prison, or other institution under the supervision and control, in whole or in part, of the commissioner of public welfare or the commissioner of corrections. Whoever sells or otherwise disposes of intoxicating liquor at retail at a place prohibited by this clause is guilty of a gross misdemeanor;
- (5) In any town or municipality in which a majority of votes at the last election at which the question of license was voted upon shall not have been in favor of license, or within one-half mile of any such municipality, except that any intoxicating liquor, manufactured within any such district, may be sold to be consumed outside of such district;
- (6) At any place on the east side of the Mississippi River within one-tenth mile of the main building of the University of

Minnesota unless the licensed establishment is on property owned or operated by a nonprofit corporation organized prior to January 1, 1940 for and by former students of the University of Minnesota; a license may be issued under this clause notwithstanding any local law to the contrary;

(7) Within 1,500 feet of any state university, except as hereinafter provided, or, when the place of sale is not within a municipality, within 1,500 feet of any public school outside of a municipality; within 1,500 feet at St. Cloud State University except for one wine and two off-sale licenses only, and within 1,200 feet at Winona State University, and at Southwest State University. In determining the distance, the measurement shall be along the most direct line from the nearest corner of the administration building of the university to the main entrance of the licensed premises; as to Mankato State University in the city of Mankato when the place of sale is within 1,500 feet as measured from the front door of the student union of the Highland campus;

(8) At more than five places on any one side of a block within and fronting upon the patrol limits of cities of the first class;

(9) *On the premises of the property owned by the metropolitan sports facilities commission containing the multipurpose sports facility constructed pursuant to sections 473.551 to 473.597;*

((9)) (10) The restrictions imposed by this subdivision shall not apply to any manufacturer or wholesaler of intoxicating liquors or to a drug store or to any person lawfully licensed to sell intoxicating liquor immediately prior to the enactment of this subdivision."

Renumber the remaining sections

Further amend the title as follows:

Page 1, line 2, after the semicolon insert "prohibiting sale of intoxicating liquors in certain metropolitan sports facilities;"

Page 1, line 4, delete "Section" and insert "Sections 340.14, Subdivision 3; and"

The question was taken on the amendment and the roll was called. There were 35 yeas and 75 nays as follows:

Those who voted in the affirmative were:

Aasness	Carlson, D.	Clark, K.	Erickson	Evans
Brandt	Clark, J.	Drew	Esau	Greenfield

Harens	McCarron	Peterson, D.	Rose	Staten
Jude	McDonald	Piepho	Samuelson	Stumpf
Kahn	Nelson, K.	Redalen	Shea	Swanson
Lemen	Niehaus	Rice	Sherwood	Vellenga
Long	Onnen	Rodriguez, C.	Skoglund	Wieser

Those who voted in the negative were:

Ainley	Fjoslien	Knickerbocker	Norton	Sherman
Anderson, G.	Forsythe	Kostohryz	Nysether	Sieben, M.
Anderson, I.	Frerichs	Kvam	O'Connor	Stadium
Battaglia	Gustafson	Laidig	Olsen	Stowell
Begich	Halberg	Levi	Osthoff	Sviggum
Blatz	Hanson	Ludeman	Otis	Tomlinson
Brinkman	Haukoos	Luknic	Pogemiller	Valento
Carlson, L.	Heap	Mann	Reding	Vanasek
Dahlvang	Himle	Marsh	Rees	Voss
Dean	Hoberg	McEachern	Reif	Weaver
Dempsey	Hokanson	Mehrkens	Rodriguez, F.	Welker
Den Ouden	Jacobs	Metzen	Sarna	Wenzel
Eken	Johnson, D.	Minne	Schafer	Wigley
Elioff	Kalis	Murphy	Schoenfeld	Wynia
Ellingson	Kelly	Nelsen, B.	Schreiber	Spkr. Sieben, H.

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

Kahn moved to amend H. F. No. 1166, the second engrossment, as follows:

Page 3, after line 8, insert a section to read:

"Sec. 2. Minnesota Statutes 1980, Section 473.556, is amended by adding a subdivision to read:

Subd. 16. [DISTRIBUTION OF SEATS.] No seat, ticket, parking privilege or other privilege of admission to a professional athletic event in facilities of the commission may be designated, set aside, given, or otherwise reserved for the use of the members, chairman, or administrative staff of the commission, or their designees or guests."

Page 3, line 9, delete "2" and insert "3"

Further amend the title as follows:

Page 1, line 4, after the semicolon, insert "providing for the distribution of certain tickets;"

Page 1, line 5, before the period insert "; 473.556, by adding a subdivision"

The question was taken on the amendment and the roll was called. There were 54 yeas and 64 nays as follows:

Those who voted in the affirmative were:

Battaglia	Esau	Laidig	Rees	Sviggum
Begich	Evans	Long	Rice	Swanson
Blatz	Fjoslien	McCarron	Rodriguez, C.	Tomlinson
Brandl	Greenfield	McDonald	Rose	Vanasek
Carlson, L.	Hanson	Minne	Sarna	Vellenga
Clark, J.	Harens	Nelson, K.	Schoenfeld	Wenzel
Clark, K.	Hoberg	Norton	Shea	Wieser
Clawson	Jennings	O'Connor	Sherman	Wigley
Dahlvang	Jude	Olsen	Simoneau	Wynia
Den Ouden	Kahn	Otis	Skoglund	Zubay
Drew	Kostohryz	Pogemiller	Staten	

Those who voted in the negative were:

Aasness	Forsythe	Kalis	Murphy	Schafer
Ainley	Frerichs	Kelly	Nelsen, B.	Schreiber
Anderson, G.	Gruenes	Knickerbocker	Niehaus	Sherwood
Anderson, I.	Gustafson	Kvam	Ogren	Sieben, M.
Brinkman	Halberg	Lemen	Onnen	Stadum
Byrne	Hauge	Levi	Osthoff	Stowell
Carlson, D.	Haukoos	Luknic	Peterson, B.	Stumpf
Dean	Heap	Mann	Piepho	Valento
Dempsey	Himle	Marsh	Redalen	Voss
Eken	Hokanson	McEachern	Reding	Weaver
Elioff	Jacobs	Mehrkens	Reif	Welker
Ellingson	Johnson, D.	Metzen	Rodriguez, F.	Spkr. Sieben, H.
Erickson	Kaley	Munger	Samuelson	

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

The question was taken on the motion to recommend passage of H. F. No. 1166 and the roll was called. There were 82 yeas and 38 nays as follows:

Those who voted in the affirmative were:

Aasness	Esau	Knickerbocker	Onnen	Stadum
Anderson, B.	Fjoslien	Kostohryz	Osthoff	Stowell
Anderson, G.	Forsythe	Kvam	Peterson, B.	Stumpf
Anderson, I.	Frerichs	Lemen	Piepho	Sviggum
Battaglia	Gruenes	Levi	Redalen	Swanson
Begich	Halberg	Ludeman	Reding	Valento
Blatz	Hanson	Luknic	Reif	Vellenga
Brinkman	Hauge	Marsh	Rodriguez, F.	Voss
Byrne	Haukoos	Mehrkens	Rothenberg	Weaver
Carlson, D.	Heap	Minne	Samuelson	Welch
Carlson, L.	Heinitz	Murphy	Schafer	Welker
Clawson	Himle	Nelsen, B.	Schoenfeld	Wieser
Den Ouden	Hokanson	Niehaus	Schreiber	Wigley
Drew	Hokr	Nysether	Shea	Zubay
Elioff	Jude	O'Connor	Sherman	
Ellingson	Kaley	Ogren	Sherwood	
Erickson	Kalis	Olsen	Sieben, M.	

Those who voted in the negative were:

Ainley	Clark, J.	Dahlvang	Dempsey	Evans
Brandl	Clark, K.	Dean	Eken	Greenfield

Harens	Kelly	McEachern	Rice	Staten
Hoberg	Laidig	Metzen	Rodriguez, C.	Tomlinson
Jacobs	Long	Nelson, K.	Rose	Vanasek
Jennings	Mann	Otis	Sarna	Wenzel
Johnson, D.	McCarron	Pogemiller	Simoneau	
Kahn	McDonald	Rees	Skoglund	

The motion prevailed.

MOTIONS AND RESOLUTIONS

Eken moved that the order of business Motions and Resolutions be continued for one day. The motion prevailed.

ADJOURNMENT

Eken moved that when the House adjourns today it adjourn until 2:00 p.m., Wednesday, February 24, 1982. The motion prevailed.

Eken moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 2:00 p.m., Wednesday, February 24, 1982.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

STATE OF MINNESOTA

SEVENTY-SECOND SESSION - 1982

SEVENTY-FOURTH DAY

SAINT PAUL, MINNESOTA, FRIDAY, FEBRUARY 19, 1982

The Senate met on Friday, February 19, 1982, which was the Seventy-fourth Day of the Seventy-Second Session of the Minnesota State Legislature. The House of Representatives did not meet on this date.

STATE OF MINNESOTA

SEVENTY-SECOND SESSION - 1982

SEVENTY-FIFTH DAY

SAINT PAUL, MINNESOTA, WEDNESDAY, FEBRUARY 24, 1982

The House of Representatives convened at 2:00 p.m. and was called to order by Harry A. Sieben, Jr., Speaker of the House.

Prayer was offered by Sister Jane McDonald, Basilica Parish, Minneapolis, Minnesota.

The roll was called and the following members were present:

Aasness	Evans	Kostohryz	Olsen	Simoneau
Ainley	Ewald	Kvam	Onnen	Skoglund
Anderson, B.	Fjoslien	Laidig	Osthoff	Stadum
Anderson, G.	Forsythe	Lehto	Otis	Staten
Anderson, I.	Frerichs	Lemen	Peterson, B.	Stowell
Battaglia	Greenfield	Levi	Peterson, D.	Stumpf
Begich	Gruenes	Long	Piepho	Sviggum
Berkelman	Gustafson	Ludeman	Pogemiller	Swanson
Blatz	Halberg	Luknic	Redalen	Tomlinson
Brandl	Hanson	Mann	Reding	Valan
Brinkman	Hauge	Marsh	Rees	Valento
Byrne	Haukoos	McCarron	Reif	Vanasek
Carlson, D.	Heap	McDonald	Rice	Vellenga
Carlson, L.	Heinitz	McEachern	Rodriguez, C.	Voss
Clark, J.	Himle	Mehrkens	Rodriguez, F.	Weaver
Clark, K.	Hoberg	Metzen	Rose	Welch
Clawson	Hokanson	Minne	Rothenberg	Welker
Dahlvang	Hokr	Munger	Samuelson	Wenzel
Dean	Jacobs	Murphy	Sarna	Wieser
Dempsey	Jennings	Nelsen, B.	Schafer	Wigley
Den Ouden	Johnson, C.	Nelson, K.	Schoenfeld	Wynia
Drew	Johnson, D.	Niehaus	Schreiber	Zubay
Eken	Jude	Norton	Searles	Spkr. Sieben, H.
Elioff	Kahn	Novak	Shea	
Ellingson	Kaley	Nysether	Sherman	
Erickson	Kalis	O'Connor	Sherwood	
Esau	Kelly	Ogren	Sieben, M.	

A quorum was present.

Anderson, R.; Harens and Knickerbocker were excused.

The Chief Clerk proceeded to read the Journals of the preceding days. Kelly moved that further reading of the Journals

be dispensed with and that the Journals be approved as corrected by the Chief Clerk. The motion prevailed.

REPORTS OF CHIEF CLERK

Pursuant to Rules of the House, printed copies of H. F. Nos. 492, 1698, 1796, 1848, 1915, 2136, 205, 1455, 1498, 1622, 1652, 1657, 1751, 1765, 1811, 1907, 1939, 2050, 1278, 1576, 1726, 1803, 1819, 1849 and 1850 and S. F. Nos. 1422, 1256, 1499, 1510, 233, 709, 1621 and 787 have been placed in the members' files.

S. F. No. 709 and H. F. No. 275, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Greenfield moved that the rules be so far suspended that S. F. No. 709 be substituted for H. F. No. 275 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 233 and H. F. No. 205, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Berkelman moved that the rules be so far suspended that S. F. No. 233 be substituted for H. F. No. 205 and that the House File be indefinitely postponed. The motion prevailed.

REPORTS OF STANDING COMMITTEES

Jude from the Committee on Judiciary to which was referred:

H. F. No. 342, A bill for an act relating to juries; authorizing the trial court in civil actions to seat a jury of 12 persons; amending Minnesota Statutes 1980, Section 593.01, by adding a subdivision.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Jacobs from the Committee on Regulated Industries to which was referred:

H. F. No. 612, A bill for an act relating to cable communications; changing the definition of cable communications systems;

reducing the number of days available to the metropolitan council for review of cable service territory proposals; conforming the certificate of confirmation term to the franchise term; authorizing rules preventing obstruction of service to multiple unit dwellings; providing to municipalities the option concerning cable service rates information included in a franchise; amending Minnesota Statutes 1980, Sections 238.02, Subdivision 3; 238.05, Subdivision 7, and by adding a subdivision; 238.09, Subdivisions 6 and 7, and by adding a subdivision; 238.12, by adding a subdivision; repealing Minnesota Statutes 1980, Section 238.12, Subdivisions 1 and 2.

Reported the same back with the following amendments:

Page 1, line 30, strike "50" and insert "1,000"

Page 2, after line 5, insert:

"Sec. 2. Minnesota Statutes 1980, Section 238.03, is amended to read:

238.03 [APPLICATION.]

The provisions of sections 238.01 to 238.17 shall apply to every cable communications system and every cable communications company as defined in section 238.02, operating within the state, including a cable communications company which constructs, operates and maintains a cable communications system in whole or in part through the facilities of a person franchised to offer common or contract carrier services. Persons possessing (FRANCHIGES) *franchises* for any of the purposes contemplated by the provisions of sections 238.01 to 237.17 shall be deemed to be subject to the provisions of sections 238.01 to 238.17 although no property may have been acquired, business transacted or franchises exercised. *Provided, however, that three years after commencement of operations, the municipalities which issued the franchise may regulate the franchised systems without regard to the rules of the board and the provisions of chapter 238.*"

Page 2, line 18, after "18." delete the balance of the line

Page 2, delete lines 19 and 20 and insert "*The board shall adopt rules which would assure reasonable access by cable systems to multiple unit dwellings and to manufactured homes located in manufactured home parks as defined in section 327.14, subdivision 3.*"

Page 3, delete lines 11 to 19 and insert:

"Sec. 8. Minnesota Statutes 1980, Section 238.12, Subdivision 1, is amended to read:

"Subdivision 1. (EXCEPT AS OTHERWISE PROVIDED IN THIS SECTION,) The rates charged by a cable communications company (SHALL BE THOSE SPECIFIED IN THE FRANCHISE, WHICH MAY ESTABLISH, OR PROVIDE FOR THE ESTABLISHMENT OF REASONABLE CLASSIFICATIONS OF SERVICE AND CATEGORIES OF SUBSCRIBERS, OR SPECIFY DIFFERENT RATES FOR DIFFERING SERVICES OR FOR SUBSCRIBERS IN DIFFERENT CATEGORIES) *may be established in the franchise by the municipality.*"

Page 3, delete lines 20 to 22 and insert :

"Sec. 9. Minnesota Statutes 1980, Section 238.12, Subdivision 2, is amended to read :

"Subd. 2. (SUCH RATES MAY NOT BE CHANGED EXCEPT AS PROVIDED FOR IN THE APPROVED FRANCHISE) *Procedures for rate changes may be established in the approved franchise by the municipality.*"

Renumber the sections

Amend the title as follows :

Page 1, line 12, after "Subdivision 3;" insert "238.03;"

Page 1, line 14, after the semicolon delete the balance of the line

Page 1, delete line 15

With the recommendation that when so amended the bill pass.

Osthoff moved that the House refuse to adopt the committee report on H. F. No. 612 and that it be returned to the Committee on Regulated Industries.

A roll call was requested and properly seconded.

The question was taken on the Osthoff motion and the roll was called. There were 19 yeas and 88 nays as follows :

Those who voted in the affirmative were :

Byrne	Kaley	McCarron	Osthoff	Swanson
Dean	Kalis	Metzen	Reif	Valan
Haukoos	Laidig	O'Connor	Rose	Wenzel
Heinitz	Levi	Olsen	Stadum	

Those who voted in the negative were:

Aasness	Ellingson	Johnson, D.	Ogren	Skoglund
Ainley	Erickson	Jude	Onnen	Staten
Anderson, B.	Esau	Kelly	Otis	Stowell
Anderson, G.	Evans	Kvam	Peterson, B.	Stumpf
Anderson, I.	Fjoslien	Lehto	Piepho	Sviggum
Berkelman	Forsythe	Lemen	Redalen	Tomlinson
Blatz	Frerichs	Ludeman	Rees	Valento
Brandl	Gruenes	Luknic	Rodriguez, F.	Vanasek
Brinkman	Halberg	Mann	Rothenberg	Vellenga
Carlson, D.	Hauge	McDonald	Samuelson	Weaver
Carlson, L.	Heap	McEachern	Sarna	Welch
Clark, K.	Himle	Minne	Schoenfeld	Welker
Clawson	Hoberg	Munger	Schreiber	Wieser
Dahlvang	Hokanson	Murphy	Shea	Wigley
Dempsey	Hokr	Nelsen, B.	Sherman	Zubay
Den Ouden	Jacobs	Niehaus	Sherwood	Spkr. Sieben, H.
Eken	Jennings	Norton	Sieben, M.	
Elioff	Johnson, C.	Novak	Simoneau	

The motion did not prevail.

The committee report on H. F. No. 612 was adopted.

Brinkman from the Committee on Financial Institutions and Insurance to which was referred:

H. F. No. 716, A bill for an act relating to insurance; regulating policies of automobile insurance providing comprehensive coverage; requiring full coverage of windshield glass damage; proposing new law coded in Minnesota Statutes, Chapter 65B.

Reported the same back with the following amendments:

Page 1, line 14, after "provide" insert "the insured with the option to purchase"

Amend the title as follows:

Page 1, line 4, after "requiring" insert "an option to purchase"

With the recommendation that when so amended the bill pass.

The report was adopted.

Jude from the Committee on Judiciary to which was referred:

H. F. No. 773, A bill for an act relating to marriage dissolution; adopting the revised uniform reciprocal enforcement of support act; proposing new law coded as Minnesota Statutes, Chapter 518C; repealing Minnesota Statutes 1980, Sections 518.41 to 518.53.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Jude from the Committee on Judiciary to which was referred:

H. F. No. 950, A bill for an act relating to minors; permitting blood donation by minors; providing circumstances under which minors are emancipated; providing procedures for a declaration of emancipation; amending Minnesota Statutes 1980, Section 145.41; and proposing new law coded in Minnesota Statutes, Chapter 260.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1980, Section 145.41, is amended to read:

145.41 [BLOOD DONATIONS, AGE OF DONOR.]

(ANY PERSON OF THE AGE OF 17 YEARS OR OVER SHALL BE ELIGIBLE TO DONATE BLOOD IN ANY VOLUNTARY AND NONCOMPENSATORY BLOOD PROGRAM WITHOUT THE NECESSITY OF OBTAINING PARENTAL PERMISSION OR AUTHORIZATION.) *A minor aged 15 or 16 years with parental consent or aged 17 years without parental consent may donate blood in any voluntary and noncompensatory blood program. The minor's consent shall not be subject to disaffirmance on grounds of minority.*

Sec. 2. Minnesota Statutes 1980, Section 260.015, is amended by adding a subdivision to read:

Subd. 19. “Designated county agency” is the agency designated by the county board pursuant to section 256E.08, subdivision 3 to provide social services.

Sec. 3. Minnesota Statutes 1981 Supplement, Section 260.111, Subdivision 2, is amended to read:

Subd. 2. [JURISDICTION OVER OTHER MATTERS RELATING TO CHILDREN.] Except as provided in clause (d), the juvenile court has original and exclusive jurisdiction in proceedings concerning:

(a) The termination of parental rights to a child in accordance with the provisions of sections 260.221 to 260.245.

(b) The appointment and removal of a juvenile court guardian of the person for a child, where parental rights have been terminated under the provisions of sections 260.221 to 260.245.

(c) Judicial consent to the marriage of a child when required by law.

(d) Adoptions. The juvenile court in those counties in which the judge of the probate-juvenile court has been admitted to the practice of law in this state shall proceed under the laws relating to adoptions in all adoption matters. In those counties in which the judge of the probate-juvenile court has not been admitted to the practice of law in this state the district court shall proceed under the laws relating to adoptions in all adoption matters.

(e) The review of the foster care status of a child who has been placed in a residential facility, as defined in section 257.071, subdivision 1, pursuant to a voluntary release by his parent or parents.

(f) Petitions for emancipation and for the rescission of emancipation.

Sec. 4. Minnesota Statutes 1980, Section 260.131, Subdivision 2, is amended to read:

Subd. 2. The petition shall be verified by the person having knowledge of the facts and may be on information and belief. Unless otherwise provided by rule or order of the court, *and except in the case of petitions for emancipation or rescission of emancipation*, the county attorney shall draft the petition upon the showing of reasonable grounds to support the petition.

Sec. 5. Minnesota Statutes 1980, Section 260.135, Subdivision 3, is amended to read:

Subd. 3. If a petition alleging neglect, or dependency, or a petition to terminate parental rights is initiated by a person other than a representative of the department of public welfare or *the designated county (WELFARE BOARD) agency, or if a petition for emancipation or rescission of emancipation is filed*, the clerk of the court shall notify the *designated county (WELFARE BOARD) agency* of the pendency of the case and of the time and place appointed.

Sec. 6. Minnesota Statutes 1980, Section 260.141, Subdivision 1, is amended to read:

Subdivision 1. (a) Service of summons or notice required by section 260.135 shall be made upon the following persons in

the same manner in which personal service of summons in civil actions is made:

(1) in all delinquency matters, upon the person having custody or control of the child and upon the child; and

(2) in all other matters, upon the person having custody or control of the child, and upon the child if he is more than 12 years of age. *In a proceeding for emancipation or rescission of emancipation involving a minor who is an Indian under the Indian Child Welfare Act of 1978, service also shall be made upon the minor's tribe, which shall be a party to the proceeding. In a proceeding for emancipation or rescission of emancipation involving a minor who is under the supervision of a probation officer or social worker, service shall be made on the probation officer or social worker, and the department or agency employing the probation officer or social worker shall be a party. In all proceedings for emancipation or rescission of emancipation service shall be made on the minor's parents or guardian.*

Personal service shall be effected at least 24 hours before the time of the hearing; however, it shall be sufficient to confer jurisdiction if service is made at any time before the day fixed in the summons or notice for the hearing, except that the court, if so requested, shall not proceed with the hearing earlier than the second day after the service. If personal service cannot well be made within the state, a copy of the summons or notice may be served on the person to whom it is directed by delivering a copy (THEREOF) to (SUCH) *the* person personally outside the state. (SUCH) Service if made personally outside the state shall be sufficient to confer jurisdiction; providing however it be made at least five days before the date fixed for hearing in (SUCH) *the* summons or notice.

(b) If the court is satisfied that personal service of the summons or notice cannot well be made, it shall make an order providing for the service of summons or notice by certified mail addressed to the last known addresses of (SUCH) *the* persons, and by one weeks published notice as provided in section 645.11. A copy of the notice shall be sent by certified mail at least five days before the time of the hearing or 14 days if mailed to addresses outside the state.

(c) Notification to the *designated county (WELFARE BOARD) agency* required by section 260.135, subdivision 3, shall be in such manner as the court may direct. *The designated county agency shall be a party to any emancipation proceeding in which it has reasonable cause to believe that child abuse or neglect has occurred.*

Sec. 7. Minnesota Statutes 1980, Section 260.155, Subdivision 3, is amended to read:

Subd. 3. [COUNTY ATTORNEY.] Except in adoption *and emancipation or rescission of emancipation proceedings*, the county attorney shall present the evidence upon request of the court.

Sec. 8. Minnesota Statutes 1980, Section 260.185, Subdivision 1, is amended to read:

Subdivision 1. If the court finds that the child is delinquent, it shall enter an order making any of the following dispositions of the case which are deemed necessary to the rehabilitation of the child:

(a) Counsel the child or his parents, guardian, or custodian;

(b) Place the child under the supervision of a probation officer or other suitable person in his own home under conditions prescribed by the court including reasonable rules for his conduct and the conduct of his parents, guardian, or custodian, designed for the physical, mental, and moral well-being and behavior of the child, or with the consent of the commissioner of corrections, in a group foster care facility which is under the management and supervision of (SAID) *the* commissioner;

(c) Subject to the supervision of the court, transfer legal custody of the child to one of the following:

(1) A child placing agency; or

(2) The *designated* county (WELFARE BOARD) *agency*;
or

(3) A reputable individual of good moral character. No person may receive custody of two or more unrelated children unless he is licensed as a residential facility pursuant to sections 245.781 to 245.813; or

(4) Except for children found to be delinquent as defined in section 260.015, subdivision 5, clauses (c) and (d), a county home school, if the county maintains a home school or enters into an agreement with a county home school; or

(5) A county probation officer for placement in a group foster home established under the direction of the juvenile court and licensed pursuant to section 241.021;

(d) Except for children found to be delinquent as defined in section 260.015, subdivision 5, clauses (c) and (d), transfer legal custody by commitment to the commissioner of corrections;

(e) If the child is found to have violated a state or local law or ordinance which has resulted in damage to the property of

another, the court may order the child to make reasonable restitution for (SUCH) *the* damage;

(f) Require the child to pay a fine of up to \$500; the court shall order payment of the fine in accordance with a time payment schedule which shall not impose an undue financial hardship on the child;

(g) If the child is in need of special treatment and care for his physical or mental health, the court may order the child's parent, guardian, or custodian to provide it. If the parent, guardian, or custodian fails to provide this treatment or care, the court may order it provided;

(h) If the court believes that it is in the best interests of the child and of public safety that the driver's license of the child be cancelled until his 18th birthday, the court may recommend to the commissioner of transportation the cancellation of the child's license for any period up to the child's 18th birthday, and the commissioner is hereby authorized to cancel (SUCH) *the* license without a hearing. At any time before the termination of the period of cancellation, the court may, for good cause, recommend to the commissioner of transportation that the child be authorized to apply for a new license, and the commissioner may so authorize;

(i) *Issue the minor a declaration of emancipation pursuant to sections 11 to 14.*

Any order for a disposition authorized under this section shall contain written findings of fact to support the disposition ordered, and shall also set forth in writing the following information:

(a) Why the best interests of the child are served by the disposition ordered; and

(b) What alternative dispositions were considered by the court and why such dispositions were not appropriate in the instant case.

This subdivision applies to dispositions of juveniles found to be delinquent as defined in section 260.015, subdivision 5, clause (c) or (d) made prior to, on, or after January 1, 1978.

Sec. 9. Minnesota Statutes 1980, Section 260.191, Subdivision 1, is amended to read:

Subdivision 1. If the court finds that the child is neglected, dependent, or neglected and in foster care, it shall enter an order making any of the following dispositions of the case:

(a) Place the child under the protective supervision of the *designated* county (WELFARE BOARD OR CHILD PLACING) agency in his own home under conditions prescribed by the court directed to the correction of the neglect or dependency of the child;

(b) Transfer legal custody to one of the following:

(1) A child placing agency; or

(2) The *designated* county (WELFARE BOARD) agency;

(c) If the child is in need of special treatment and care for his physical or mental health, the court may order the child's parent, guardian, or custodian to provide it. If the parent, guardian, or custodian fails to provide this treatment or care, the court may order it provided;

(d) *Issue the minor a declaration of emancipation pursuant to sections 11 to 14.*

Any order for a disposition authorized under this section shall contain written findings of fact to support the disposition ordered, and shall also set forth in writing the following information:

(a) Why the best interests of the child are served by the disposition ordered; and

(b) What alternative dispositions were considered by the court and why such dispositions were not appropriate in the instant case.

Sec. 10. Minnesota Statutes 1980, Section 260.191, Subdivision 2, is amended to read:

Subd. 2. All orders under this section shall be for a specified length of time set by the court not to exceed one year, *except that a declaration of emancipation shall be final unless rescinded pursuant to section 14.* However, before the order has expired and upon its own motion or that of any interested party, the court has continuing jurisdiction to renew the order or, after notice to the parties and a hearing, make some other disposition of the case, until the individual is no longer a minor. Any person to whom legal custody is transferred shall report to the court in writing at such periods as the court may direct.

Sec. 11. [260.47] [EMANCIPATED MINOR DEFINED.]

An individual under the age of 18 years is an emancipated minor if the individual:

(a) *has entered into a valid marriage, whether or not the marriage is terminated by dissolution before the individual reaches the age of 18;*

(b) *is or has been on active duty with any branch of the armed forces of the United States; or*

(c) *has received a declaration of emancipation pursuant to section 13.*

Sec. 12. [260.471] [EFFECT OF EMANCIPATION.]

An emancipated minor shall be treated as an adult for the purposes specified in this section. He shall have the same capacity as an adult

(a) *to consent to or withhold consent from medical, dental, mental, or other health services;*

(b) *to enter a binding contract;*

(c) *to buy or sell real or personal property;*

(d) *to sue or be sued in his own name;*

(e) *to establish a residence; and*

(f) *to participate in evaluation, testing, enrollment or certification for any educational program.*

To the same extent as an adult, he shall be free from parental control of his person and earnings and shall have no right to receive parental support, except child support awarded pursuant to a marriage dissolution or child custody order while the child pursues a course of education.

He shall not be subject to the jurisdiction of the juvenile court based on allegations that he is delinquent, as defined by section 260.015, subdivision 5, clauses (c) and (d), dependent as defined by section 260.015, subdivision 6, or neglected as defined by section 260.015, subdivision 10. Outstanding court orders issued pursuant to any of these provisions shall terminate upon emancipation of the minor.

The parents of an emancipated minor shall have no liability for his torts, except that a parent shall still be subject to liability arising from an agency relationship.

Sec. 13. [260.472] [DECLARATION OF EMANCIPATION.]

Subdivision 1. [PETITION.] A minor who is 16 or more years of age may petition the juvenile court in the county where he resides for a declaration of emancipation. The petition shall state in addition to the requirements of section 260.131, subdivision 3:

- (a) the minor's age;*
- (b) that the minor has an acceptable plan for independent or partially independent living apart from his parents or guardian;*
- (c) that the minor is managing his own financial affairs or that the parents or guardian are not supporting the minor, unless the minor is in a partially independent living situation in which his financial needs will be adequately provided for;*
- (d) that the parents or guardian consent to emancipation or, if not, what reasons justify award of the declaration without the parents' or guardian's consent; or that the parents are incompetent or there is no parent or guardian;*
- (e) the source of the minor's income; and*
- (f) that the minor understands the consequences of being free from parental control and protection.*

Subd. 2. [GROUNDS FOR DECLARATION.] The court shall grant a petition for emancipation if it finds that

- (a) the provisions of subdivision 1, clauses (b) and (c) are met;*
- (b) the minor's income is not derived from any activity prohibited by state or federal law; and*
- (c) the minor is sufficiently mature to assume responsibility for his own care and that it is in the minor's best interest to do so. The parents' or guardian's consent or lack of consent shall not be conclusive on the question of the minor's best interests.*

Before granting a petition for emancipation the court shall determine that the minor has a plan for room, board, health care, and education, vocational training, or employment. The plan shall identify community resources and agencies necessary to assist in the minor's plan and shall demonstrate that the resources and agencies have agreed to provide support.

If the court grants the petition it shall issue the minor a declaration of emancipation. A copy of the declaration shall be filed with the clerk of court.

Subd. 3. [PARTIAL EMANCIPATION.] The court may grant in part and deny in part a petition for emancipation if it finds that it is in the minor's best interests to withhold one or more of the legal rights or responsibilities enumerated in section 12 from the minor. The court shall state in its declaration of emancipation the rights or responsibilities enumerated in section 12 which it is granting to the minor and which rights and responsibilities the court is withholding from the minor. The court shall issue findings of fact and conclusions of law showing its reasons for denying full emancipation to the minor.

Subd. 4. [EMANCIPATION WITHOUT PETITION.] The court may grant full or partial emancipation to a minor who has not filed a petition for emancipation if the minor is before the court.

Sec. 14. [260.473] [RESCISSION OF DECLARATION.]

A minor or the parents or guardian of a minor emancipated pursuant to section 13 may petition the court to rescind the declaration if the minor is in circumstances which present an immediate danger to physical or mental health and which may not be remedied by revision of the minor's plan. Service shall be made in the manner and on the parties provided by section 6; provided that if the minor files the petition service also shall be made on the parents or most recent previous guardian, who shall be parties. If the court sustains the petition it shall issue an order rescinding the declaration. A copy of the rescission order shall be filed with the clerk of court.

Sec. 15. Minnesota Statutes 1981 Supplement, Section 525.6192, is amended to read:

525.6192 [TERMINATION OF APPOINTMENT OF GUARDIAN; GENERAL.]

A guardian's authority and responsibility terminates upon the death, resignation or removal of the guardian or upon the minor's death, adoption, marriage (OR), attainment of majority or emancipation pursuant to sections 11 to 14, but termination does not affect his liability for prior acts, nor his obligation to account for funds and assets of his ward. A guardian may be discharged without notice or hearing on petition and acceptance of the guardian's accounts by the ward after the ward marries or attains majority, or, in the case of the ward's death, by the personal representative of the ward's estate. In other cases the court may discharge the guardian upon approval of his accounts after notice and a hearing. Resignation of a guardian does not terminate the guardianship until it has been approved by the court. A testamentary appointment under an informally probated will terminates if the will is later denied probate in a formal proceeding."

Delete the title and insert:

"A bill for an act relating to minors; permitting blood donation by minors; providing circumstances under which minors are emancipated; providing procedures for a declaration of emancipation; amending Minnesota Statutes 1980, Sections 145.41; 260.015, by adding a subdivision; 260.131, Subdivision 2; 260.135, Subdivision 3; 260.141, Subdivision 1; 260.155, Subdivision 3; 260.185, Subdivision 1; 260.191, Subdivisions 1 and 2; Minnesota Statutes 1981 Supplement, Sections 260.111, Subdivision 2; and 525.6192; and proposing new law coded in Minnesota Statutes, Chapter 260."

With the recommendation that when so amended the bill pass.

The report was adopted.

Munger from the Committee on Environment and Natural Resources to which was referred:

H. F. No. 1176, A bill for an act relating to the environment; establishing an environmental response, compensation and compliance fund to pay for removal and remedial action associated with certain hazardous substances released into the environment and for other purposes; providing for liability for cleanup costs, personal injury and economic loss resulting from releases of hazardous substances; imposing taxes, fees, and penalties; appropriating money; amending Minnesota Statutes 1980, Sections 466.01, by adding a subdivision; and 466.04, Subdivision 1; proposing new law coded as Minnesota Statutes, Chapter 115B.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [115B.01] [CITATION.]

Sections 1 to 22 may be cited as the Environmental Response and Liability Act.

Sec. 2. [115B.02] [DEFINITIONS.]

Subdivision 1. [APPLICATION.] For the purposes of sections 1 to 22, the following terms have the meanings given them.

Subd. 2. [ACT OF GOD.] "Act of God" means an unanticipated grave natural disaster or other natural phenomenon of an exceptional, inevitable, and irresistible character, the effects of which could not have been prevented or avoided by the exercise of due care or foresight.

Subd. 3. [AGENCY.] "Agency" means the pollution control agency.

Subd. 4. [DAMAGES.] "Damages" means damages for economic loss or personal injury or the loss of natural resources as specified in section 3.

Subd. 5. [DIRECTOR.] "Director" means the director of the pollution control agency.

Subd. 6. [FACILITY.] "Facility" means:

(a) Any building, structure, installation, equipment, pipe or pipeline (including any pipe into a sewer or publicly owned treatment works), well, pit, pond, lagoon, impoundment, ditch, landfill, storage container, motor vehicle, rolling stock, or aircraft;

(b) Any watercraft of any description, or other artificial contrivance used or capable of being used as a means of transportation on water; or

(c) Any site or area where a hazardous substance has been deposited, stored, disposed of, or placed, or otherwise come to be located.

"Facility" does not include any consumer product in consumer use.

Subd. 7. [FEDERAL SUPERFUND ACT.] "Federal Superfund Act" means the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. Section 9601 et seq.

Subd. 8. [FUND.] "Fund" means the environmental response, compensation and compliance fund established under section 16.

Subd. 9. [HAZARDOUS SUBSTANCE.] "Hazardous substance" means:

(a) Any substance designated pursuant to the Federal Water Pollution Control Act, under 33 U.S.C. Section 1321(b)(2)(A);

(b) Any element, compound, mixture, solution, or substance designated pursuant to the Federal Superfund Act, under 42 U.S.C. Section 9602;

(c) Any toxic pollutant listed pursuant to the Federal Water Pollution Control Act, under 33 U.S.C. Section 1317(a);

(d) Any hazardous air pollutant listed pursuant to the Clean Air Act, under 42 U.S.C. Section 7412;

(e) Any imminently hazardous chemical substance or mixture with respect to which the administrator of the federal environmental protection agency has taken action pursuant to the Toxic Substances Control Act, under 15 U.S.C. Section 2606;

(f) Any hazardous waste; and

(g) Any PCB as defined in section 116.36.

Subd. 10. [HAZARDOUS WASTE.] "Hazardous waste" means:

(a) Hazardous waste as defined in section 116.06, subdivision 13, and those substances identified as hazardous wastes pursuant to rules adopted by the agency under section 116.07; and

(b) Any hazardous waste as defined in the Resource Conservation and Recovery Act, under 42 U.S.C. Section 6903, which is listed or has the characteristics identified under 42 U.S.C. Section 6921, not including any hazardous waste the regulation of which has been suspended by act of congress.

Subd. 11. [NATURAL RESOURCES.] "Natural resources" has the meaning given it in section 116B.02, subdivision 4.

Subd. 12. [RELEASE.] "Release" means any spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, or disposing into the environment which occurred at a point in time or which continues to occur.

"Release" does not include:

(a) Emissions from the engine exhaust of a motor vehicle, rolling stock, aircraft, watercraft, or pipeline pumping station engine;

(b) Release of source, byproduct, or special nuclear material from a nuclear incident, as those terms are defined in the Atomic Energy Act of 1954, under 42 U.S.C. Section 2014, if the release is subject to requirements with respect to financial protection established by the federal nuclear regulatory commission under 42 U.S.C. Section 2210;

(c) Release of source, byproduct or special nuclear material from any processing site designated pursuant to the Uranium Mill Tailings Radiation Control Act of 1978, under 42 U.S.C. Section 7912(a)(1) or 7942(a); or

(d) *The normal application of fertilizer or normal application of recommended levels of approved agricultural chemicals.*

Subd. 13. [REMEDY OR REMEDIAL ACTION.] *“Remedy” or “remedial action” means those actions consistent with permanent remedy taken instead of or in addition to removal actions in the event of a release or threatened release of a hazardous substance into the environment, to prevent, minimize or eliminate the release of hazardous substances to protect the public health or welfare or the environment.*

“Remedy” or “remedial action” includes, but is not limited to:

(a) *Actions at the location of the release such as storage, confinement, perimeter protection using dikes, trenches, or ditches, clay cover, neutralization, cleanup of released hazardous substances or contaminated materials, recycling or reuse, diversion, destruction, segregation of reactive wastes, dredging or excavations, repair or replacement of leaking containers, collection of leachate and runoff, onsite treatment or incineration, provision of alternative water supplies, and any monitoring and maintenance reasonably required to assure that these actions protect the public health and welfare and the environment; and*

(b) *The costs of permanent relocation of residents and businesses and community facilities when the agency determines that, alone or in combination with other measures, relocation is more cost effective than and environmentally preferable to the transportation, storage, treatment, destruction, or secure disposition offsite of hazardous substances, or may otherwise be necessary to protect the public health or welfare.*

“Remedy” or “remedial action” does not include offsite transport of hazardous substances, or the storage, treatment, destruction, or secure disposition offsite of hazardous substances or contaminated materials unless the agency determines that these actions:

(1) *Are more cost effective than other remedial actions;*

(2) *Will create new capacity to manage hazardous substances in addition to those located at the affected facility, in compliance with section 116.07 and subtitle C of the Solid Waste Disposal Act, 42 U.S.C. Section 6921 et seq.; or*

(3) *Are necessary to protect public health or welfare or the environment from a present or potential risk which may be created by further exposure to the continued presence of the substances or materials.*

Subd. 14. [REMOVE OR REMOVAL.] *“Remove” or “removal” means:*

(a) *The cleanup or removal of released hazardous substances from the environment;*

(b) *Necessary actions taken in the event of a threatened release of hazardous substances into the environment;*

(c) *Actions necessary to monitor, assess, and evaluate a release or threatened release of hazardous substances;*

(d) *Disposal or processing of removed material; or*

(e) *Other actions necessary to prevent, minimize, or mitigate damage to the public health or welfare or to the environment, which may otherwise result from a release or threatened release.*

“Remove” or “removal” includes, but is not limited to, security fencing or other measures to limit access, provision of alternative water supplies, temporary evacuation and housing of threatened individuals not otherwise provided for, action taken pursuant to the Federal Superfund Act, under 42 U.S.C. Section 9604(b), and any emergency assistance which may be provided under the Disaster Relief Act of 1974, 42 U.S.C. Section 5121 et seq.

Subd. 15. [RESPOND OR RESPONSE.] “Respond” or “response” means remove, removal, remedy, and remedial action.

Subd. 16. [WATER.] “Water” has the meaning given to the term “waters of the state” in section 115.01, subdivision 9.

Sec. 3. [115B.03] [LIABILITY FOR RESPONSE COSTS AND DAMAGES.]

Subdivision 1. [GENERAL RULE.] Except as otherwise provided in subdivisions 3 to 9 and section 4, and notwithstanding any other provision or rule of law, any person who is responsible for a release or threatened release of a hazardous substance from a facility shall be strictly liable, jointly and severally, for:

(a) *All reasonable and necessary costs of removal, or remedial action incurred by the state, a political subdivision of the state or the United States;*

(b) *Any other reasonable and necessary costs or expenses incurred by any person to remove a hazardous substance; and*

(c) *All damages for economic loss or loss due to personal injury or disease or loss of natural resources resulting from such a release including:*

(1) *Any injury to, destruction of, or loss of any real or personal property, including relocation costs;*

(2) *Any loss of use of real or personal property;*

(3) *Any injury to, destruction of, or loss of natural resources, including the reasonable costs of assessing such injury, destruction, or loss;*

(4) *Any loss of income or profits or impairment of earning capacity resulting from personal injury or disease or from injury to or destruction of real or personal property or natural resources without regard to the ownership of such property or resources; and*

(5) *All medical expenses, rehabilitation costs or burial expenses due to personal injury or disease.*

Subd. 2. [RESPONSIBLE PERSON.] *For the purpose of subdivision 1, a person is responsible for a release or threatened release of a hazardous substance from a facility if the person:*

(a) *Owned or operated the facility at the time the hazardous substance was placed or came to be located in or on the facility, during the time of the release or threatened release, or at any time between those occurrences;*

(b) *Owned or possessed the hazardous substance and arranged, by contract, agreement or otherwise, for the disposal, treatment or transport for disposal or treatment of the hazardous substance; or*

(c) *Accepted the hazardous substance for transport to a disposal or treatment facility and either selected the facility to which it was transported or disposed of the substance in a manner contrary to law.*

Subd. 3. [DEFENSES AVAILABLE TO RESPONSIBLE PERSONS.] *There shall be no liability under subdivision 1 for any person otherwise liable if the person establishes by a preponderance of the evidence that the release or threatened release was caused solely by:*

(a) *An act of God;*

(b) *An act of war; or*

(c) *An act or omission of a third party.*

“Third party” for the purposes of clause (c) does not include an employee or agent of the defendant, or a person whose act or omission occurs in connection with a contractual relationship, existing directly or indirectly, with the defendant.

The defense provided in clause (c) applies only if the defendant establishes by a preponderance of the evidence that he exercised due care with respect to the hazardous substance concerned, taking into consideration the characteristics of the hazardous substance in light of all relevant facts and circumstances which he knew or should have known, and that he took precautions against foreseeable acts or omissions of a third party and the consequences that could foreseeably result from those acts or omissions.

Subd. 4. [DEFENSE AVAILABLE TO OWNER OF REAL PROPERTY.] *An owner of real property is not liable for damages under subdivision 1, clause (c), if he:*

(a) Shows by a preponderance of the evidence that he neither knew nor reasonably should have known that any hazardous substance was present on the property before the release or threatened release; and

(b) Notifies the agency of the release or threatened release as soon as practicable after he knows about it.

Subd. 5. [CERTAIN EMPLOYEE CLAIMS NOT COVERED.] *Except for a third party who is subject to liability under section 176.061, subdivision 5, there is no liability under subdivision 1 for personal injury or disease of employees arising out of and in the course of employment which is compensable under chapter 176.*

Subd. 6. [NATURAL RESOURCES.] *No liability with respect to natural resources shall be imposed when the defendant has demonstrated that:*

(a) The damages to natural resources complained of were specifically identified as an irreversible and irretrievable commitment of natural resources in an approved final state or federal environmental impact statement, or other comparable approved final environmental analysis; and

(b) The facility or project was operating within the terms of its permit or license.

Subd. 7. [LIABILITY FOR A THREATENED RELEASE.] *Liability for a threatened release of a hazardous substance is limited to the recovery by the agency of reasonable and necessary response costs pursuant to section 14, subdivision 7.*

Subd. 8. [LIABILITY OF POLITICAL SUBDIVISIONS.] *The liability of a political subdivision under this section is subject to the limits imposed under section 466.04, subdivision 1.*

Subd. 9. [ACTS OF EMPLOYEES.] When a person who is responsible for a release or threatened release as provided in subdivision 2 is an employee who is acting in the scope of his employment:

(a) The employee is liable under subdivision 1 only if he failed to exercise due care with respect to the hazardous substance; and

(b) His employer shall be considered a person responsible for the release or threatened release and shall be liable under subdivision 1 regardless of the degree of care exercised by the employee.

Subd. 10. [AWARD OF COSTS.] Upon motion of a party prevailing in an action under sections 1 to 11 the court may award costs, disbursements and reasonable attorney fees and witness fees to that party.

Sec. 4. [115B.04] [EXEMPTION FROM LIABILITY.]

A person shall not be liable under sections 1 to 12:

(a) For damages as a result of acts taken or omitted in preparation for, or in the course of rendering care, assistance, or advice to the director or agency pursuant to section 14 or in accordance with the national hazardous substance response plan pursuant to the Federal Superfund Act, under 42 U.S.C. Section 9605, or at the direction of an on-scene coordinator appointed under that plan, with respect to an incident creating a danger to public health or welfare or the environment as a result of any release or threatened release of a hazardous substance;

(b) For damages or response costs as a result of the release or threatened release of a hazardous substance from a hazardous waste facility as defined under section 115A.03, for which a permit has been issued pursuant to section 116.07 or pursuant to subtitle C of the Solid Waste Disposal Act, 42 U.S.C. Section 6921 et seq., if the hazardous substance is specifically identified in the permit and the release is within the limits allowed in the permit for release of that substance;

(c) For damage or response costs as a result of the release of a hazardous substance: (1) if the hazardous substance is specifically identified in a federal or state permit held by the person and the release is within the limits allowed therein, (2) if the release results from circumstances identified and reviewed and made a part of the public record of a federal or state agency with respect to a permit held by the person, and the permit was issued or modified under federal or state law, and the release was subject to a condition of the permit, (3) if the release is any emission into the air subject to a permit held by the person or is in

compliance with control rules or regulations adopted pursuant to state or federal law, or (4) if the release is the introduction of any pollutant into a publicly owned treatment works when the pollutant is specified in, and is in compliance with, applicable pretreatment standards under state or federal law; or

(d) If his liability has been transferred to and assumed by the federal post-closure liability fund pursuant to the Federal Superfund Act, under 42 U.S.C. Section 9607(k).

Sec. 5. [115B.05] [PROVING CAUSATION OF PERSONAL INJURY OR DISEASE.]

Subdivision 1. [RELEVANT EVIDENCE.] *In adjudicating under sections 1 to 12 the question of whether a plaintiff's personal injury or disease was caused by the release of a hazardous substance, any evidence having a tendency to make it more probable or less probable that the hazardous substance causes, contributes to or increases the risk of injury or disease of the sort suffered by the plaintiff is relevant evidence on the issue of causation including:*

(a) *Evidence concerning the incidence of that sort of injury or disease in the population exposed to the release of that substance;*

(b) *Evidence of epidemiological studies;*

(c) *Evidence of animal studies;*

(d) *Evidence of tissue culture studies; and*

(e) *Evidence of laboratory or toxicologic studies.*

Subd. 2. [BURDEN OF PRODUCING EVIDENCE.] *In adjudicating under sections 1 to 12 the question of whether a plaintiff's personal injury or disease was caused by the release of a hazardous substance, the burden of producing evidence related to causation shifts to the defendant and the question shall be submitted to the trier of fact if the plaintiff shows evidence sufficient to enable the trier of fact to find that:*

(a) *There is a reasonable likelihood that the plaintiff was exposed to the hazardous substance found in the release;*

(b) *There is a reasonable likelihood that exposure to the hazardous substance causes or significantly contributes to injury or disease of the sort suffered by the plaintiff; and*

(c) *There is a reasonable likelihood that the quantity or duration of the plaintiff's exposure to the hazardous substance*

is sufficient to cause or significantly contribute to injury or disease of the sort suffered by the plaintiff.

Nothing in this subdivision affects the burden of persuasion on the question of whether the release of a hazardous substance caused a personal injury or disease. That burden remains with the plaintiff.

Sec. 6. [115B.06] [APPORTIONMENT OF LIABILITY; LIMITATION; CONTRIBUTION.]

Subdivision 1. [APPORTIONMENT FACTORS.] For the purposes of subdivisions 2 and 3, any person held jointly and severally liable under section 3 may seek an apportionment of the common liability. In apportioning the liability of any party under this section, the trier of fact shall consider the following:

(a) The ability of the party to demonstrate that his contribution to a release of a hazardous substance can be distinguished;

(b) The amount of hazardous substance involved;

(c) The degree of toxicity of the hazardous substance involved;

(d) The degree of involvement and care exercised in manufacturing, treating, transporting, and disposing of the hazardous substance;

(e) The degree of cooperation with federal, state, or local officials to prevent any harm to the public health or the environment; and

(f) Knowledge of the hazardous nature of the substance.

Subd. 2. [LIMITATION OF LIABILITY.] If a person who is held jointly and severally liable under section 3 is able to demonstrate by a preponderance of evidence that his share of the common liability can be apportioned and that his actions were not a significant factor in causing or contributing to the release or the damages resulting from it, then the liability of that person shall be limited to his proportionate share of the common liability.

Subd. 3. [CONTRIBUTION.] Any person held jointly and severally liable under section 3 who is required to pay more than that person's proportionate share of the common liability is entitled to seek contribution from any other person liable for the damages to the extent of their proportionate liability.

Sec. 7. [115B.07] [CIVIL PENALTIES; FAILURE TO TAKE REQUESTED ACTIONS.]

Any person responsible for a release or threatened release of a hazardous substance, pollutant, or contaminant from a facility shall forfeit and pay to the state a penalty in an amount to be determined by the court of not more than \$10,000 per day for each day that the person fails to take response actions or to make reasonable progress in completing response actions requested as provided in this section. A request for emergency removal action shall be made by the director. Other requests for response actions shall be made by the agency. The request shall be in writing, shall state the action requested, the reasons for the action, and a reasonable time by which the action must be begun and completed taking into account the urgency of the action for protection of the public health, welfare, and environment.

The penalty provided under this section may be recovered by an action brought by the attorney general in the name of the state in connection with an action to recover expenses of the agency under section 14, subdivision 7, or by a separate action in the district court of Ramsey County. All penalties recovered under this section shall be deposited in the fund.

Sec. 8. [115B.08] [AGREEMENTS TO TRANSFER LIABILITY; INSURANCE AND SUBROGATION.]

No indemnification, hold harmless, conveyance, or similar agreement shall be effective to transfer the liability imposed under section 3 from the owner or operator of a facility or from any person who may be liable under section 3 to any other person. Nothing in this section shall be construed:

(a) To prohibit any party who may be liable under section 3 from entering an agreement by which that party is insured, held harmless or indemnified for part or all of that liability;

(b) To prohibit the enforcement of any insurance, hold harmless or indemnification agreement; or

(c) To bar any cause of action brought by a party who may be liable under section 3 or by an insurer or guarantor, whether by right of subrogation or otherwise.

Sec. 9. [115B.09] [STATUTE OF LIMITATIONS.]

No person may recover for any injury or loss pursuant to sections 3 to 11 unless the action is commenced within six years from the date of discovery of the injury or loss.

Sec. 10. [115B.10] [OTHER REMEDIES PRESERVED.]

Nothing in sections 1 to 12 shall affect the right of any person to bring a legal action or use any remedy available under any other provision of state or federal law, including common law,

to recover for injury, disease or economic loss resulting from a release of any hazardous substance, or for removal or the costs of removal of that hazardous substance.

Sec. 11. [115B.11] [DOUBLE RECOVERY PROHIBITED.]

A person who recovers response costs or damages pursuant to sections 1 to 12 may not recover the same costs or damages pursuant to any other law. A person who recovers response costs or damages pursuant to any other state or federal law may not recover for the same costs or damages pursuant to sections 1 to 12.

Sec. 12. [115B.12] [APPLICATION OF SECTIONS 1 TO 11.]

Sections 1 to 11 apply to any release or threatened release of a hazardous substance occurring on or after July 1, 1982, including any release which began before July 1, 1982 and continued after that date. Sections 1 to 11 do not apply to a release or threatened release which occurred wholly before July 1, 1982, regardless of the date of discovery of any injury or loss caused by the release or threatened release.

Sec. 13. [115B.13] [DISPOSITION OF FACILITIES.]

Subdivision 1. [CLOSED DISPOSAL FACILITIES; USE OF PROPERTY.] *No person shall use any property on or in which hazardous waste remains after closure of a disposal facility as defined in section 115A.03, subdivision 10, in any way that disturbs the integrity of the final cover, liners, or any other components of any containment system, or the function of the disposal facility's monitoring systems, unless the agency finds that the disturbance:*

(a) Is necessary to the proposed use of the property, and will not increase the potential hazard to human health or the environment; or

(b) Is necessary to reduce a threat to human health or the environment.

Subd. 2. [RECORDING OF AFFIDAVIT AND NOTATION.] *Before any transfer of ownership of any property on which the owner knew or should have known that a hazardous substance was disposed of or which the owner knew or should have known was contaminated by release of a hazardous substance, the owner shall record with the county recorder of the county in which the property is located an affidavit that discloses to any potential transferee:*

(a) That the land has been used to dispose of hazardous waste or that the land has been contaminated by a release of a hazardous substance;

(b) The identity, quantity, location, condition and circumstances of the disposal or contamination to the full extent known or ascertainable; and

(c) That the use of the property may be restricted as provided in subdivision 1.

An owner must also file an affidavit within 60 days after any material change in any matter required to be disclosed under clauses (a) to (c) with respect to property for which an affidavit has already been recorded.

When an affidavit is recorded, the owner shall record with the county recorder a notation on the deed to the property which states the existence of a hazardous substance on the property and the place where the recorded affidavit may be found.

If the owner or any subsequent owner of the property removes the hazardous substance, together with any residues, liner, and contaminated underlying and surrounding soil, that owner may record a notation to the deed indicating the removal of the hazardous substance.

Failure to record an affidavit or notation as provided in this subdivision does not affect or prevent any transfer of ownership of the property.

Subd. 3. [DUTY OF COUNTY RECORDER.] The county recorder shall record all affidavits and notations presented to him in accordance with subdivision 2. The affidavits shall be recorded in a manner which will assure their disclosure in the ordinary course of a title search of the subject property.

Subd. 4. [PENALTIES.] (a) Any person who knowingly violates the provisions of subdivision 1 is subject to a civil fine of not more than \$100,000, and shall be liable under section 3 for any release or threatened release of any hazardous substance resulting from the violation.

(b) Any person who knowingly fails to record an affidavit or notation as required by subdivision 2 shall be liable under section 3 for any release or threatened release of any hazardous substance from a facility located on that property.

(c) A civil fine may be imposed and recovered by an action brought by a county attorney or by the attorney general in the district court of the county in which the property is located.

(d) Any civil fines recovered under this subdivision shall be deposited in the fund.

Sec. 14. [115B.14] [STATE RESPONSE TO RELEASES OF HAZARDOUS SUBSTANCES.]

Subdivision 1. [REMOVAL AND REMEDIAL ACTION.] Whenever there is a release or substantial threat of release from a facility into the environment of any pollutant or contaminant which presents an imminent and substantial danger to the public health or welfare, or whenever a hazardous substance is released or there is a threatened release of a hazardous substance into the environment from a facility:

(a) The agency may take any removal or remedial action relating to the hazardous substance, pollutant, or contaminant which the agency deems necessary to protect the public health or welfare or the environment. Before taking any action the agency shall:

(1) Request any responsible party known to the agency to take actions which the agency deems reasonable and necessary to protect the public health, welfare or the environment, stating the reasons for the actions, a reasonable time for beginning and completing the actions taking into account the urgency of the actions for protecting the public health, welfare and environment, and the intention of the agency to take action if the requested actions are not taken as requested; and

(2) Determine that the actions requested by the agency will not be taken by any known responsible party in the manner and within the time requested.

(b) The director may take removal action which he deems necessary to protect the public health, welfare or the environment if the director determines that the release or threatened release constitutes an emergency requiring immediate action to prevent, minimize or mitigate damage to the public health, welfare or the environment. Before taking any action the director shall make reasonable efforts in light of the urgency of the action to follow the procedure provided in clause (a).

No removal action taken by any person shall be construed as an admission of liability for a release or threatened release.

Subd. 2. [POLLUTANT OR CONTAMINANT.] For the purposes of this section and section 7, "pollutant" or "contaminant" includes, but is not limited to, any element, substance, compound, or mixture, including disease-causing agents, which after release from a facility into the environment and upon exposure, ingestion, inhalation, or assimilation into any organism, either directly from the environment or indirectly by inges-

tion through food chains, will or may reasonably be anticipated to cause death, disease, behavioral abnormalities, cancer, genetic mutation, physiological malfunctions (including malfunctions in reproduction) or physical deformations, in the organisms or their offspring.

Subd. 3. [OTHER ACTIONS.] Whenever the agency or director is authorized to act pursuant to subdivision 1 or whenever the agency or director has reason to believe that a release of a hazardous substance, pollutant or contaminant has occurred or is about to occur, or that illness, disease, or complaints thereof may be attributable to exposure to a hazardous substance, pollutant, or contaminant, the agency or director may undertake investigations, monitoring, surveys, testing, and other information gathering necessary or appropriate to identify the existence and extent of the release or threat thereof, the source and nature of the hazardous substances, pollutants or contaminants involved, and the extent of danger to the public health or welfare or to the environment. In addition, the agency may undertake planning, legal, fiscal, economic, engineering, architectural, and other studies or investigations necessary or appropriate to plan and direct a response action, to recover the costs of the response action, and to enforce the provisions of sections 1 to 14.

Subd. 4. [DUTY TO PROVIDE INFORMATION.] Any person who is responsible for a release or threatened release as provided in section 3, subdivision 2, including a release or threatened release of a pollutant or contaminant, when requested by the agency, or any member, employee or agent thereof who is authorized by the agency, shall furnish to the agency any information which he may have or may reasonably obtain which is relevant to the release or threatened release.

Subd. 5. [ACCESS TO INFORMATION AND PROPERTY.] The agency or any member, employee or agent thereof authorized by the agency, upon presentation of credentials, may:

(a) Examine and copy any books, papers, records, memoranda or data of any person who the agency has reason to believe is responsible for a release or threatened release as provided in section 3, subdivision 2, including a release of a pollutant or contaminant; and

(b) Enter upon any property, public or private, for the purpose of taking any action authorized by this section including obtaining information, examining records, conducting surveys or investigations, and taking removal or remedial action.

Subd. 6. [CLASSIFICATION OF DATA.] Except as otherwise provided in this subdivision, data obtained from any person pursuant to subdivision 4 or 5 is public data as defined in section 15.162. Upon certification by the subject of the data that the data relates to sales figures, processes or methods of produc-

tion unique to that person, or information which would tend to affect adversely the competitive position of that person, the director shall classify the data as private or nonpublic data as defined in section 15.162. Notwithstanding any other law to the contrary, data classified as private or nonpublic under this subdivision may be disclosed when relevant in any proceeding under sections 1 to 14, or to other public agencies concerned with the implementation of sections 1 to 14.

Subd. 7. [RECOVERY OF EXPENSES.] *Any reasonable and necessary expenses incurred by the agency or director pursuant to this section including administrative and legal expenses may be recovered in a civil action brought by the attorney general under sections 1 to 12 or under any other law. The agency's certification of expenses shall be prima facie evidence that the expenses are reasonable and necessary. Any expenses incurred pursuant to this section which are recovered by the attorney general pursuant to sections 3 to 11 or any other law shall be deposited in the fund and may be appropriated only for additional response actions as provided in section 16, subdivision 2, clause (b) or (c).*

Subd. 8. [ACTIONS RELATING TO NATURAL RESOURCES.] *For the purpose of this subdivision, the state is the trustee of the air, water and wildlife of the state. An action pursuant to sections 1 to 12 for damages with respect to air, water or wildlife may be brought by the attorney general in the name of the state as trustee for those natural resources. Any damages recovered by the attorney general pursuant to sections 1 to 12 or any other law for injury to, or loss of natural resources resulting from the release of a hazardous substance shall be deposited in the fund and may be appropriated only for rehabilitation or restoration of natural resources as provided in section 16, subdivision 2, clause (e).*

Subd. 9. [ACTIONS RELATING TO PESTICIDES.] *When the commissioner of agriculture has reported an incident involving the release of pesticides under the provisions of section 18A.37, and the agency determines that the incident constitutes a release of a hazardous substance, pollutant or contaminant, the agency shall authorize the commissioner, subject to the provisions of subdivision 13, to take any action which the agency would be authorized to take under subdivisions 1 to 5. Subject to the provisions of section 16, subdivision 3, the agency shall reimburse the commissioner from the fund for the reasonable and necessary expenses incurred in taking those actions and may recover any amount spent from the fund under subdivision 7.*

Subd. 10. [ACTIONS RELATING TO OCCUPATIONAL SAFETY AND HEALTH.] *The agency, director and the commissioner of labor and industry shall make reasonable efforts to coordinate any actions taken under this section and under*

sections 182.65 to 182.674 to avoid duplication or conflict of actions or requirements with respect to a release or threatened release affecting the safety of any conditions or place of employment.

Subd. 11. [ACTIONS RELATING TO HEALTH.] The agency and director shall make reasonable efforts to coordinate and consult with the commissioner of health in planning and directing response actions with respect to a release or threatened release affecting the public health. If the commissioner of health, upon the request of the agency, takes any actions authorized under this section, the agency shall reimburse the commissioner from the fund for the reasonable and necessary expenses incurred in taking those actions and may recover any amount spent from the fund under subdivision 7.

Subd. 12. [LIMIT ON ACTIONS BY POLITICAL SUBDIVISIONS.] When the agency or director has requested a person who is responsible for a release or threatened release to take any response action under subdivision 1, no political subdivision shall request or order that person to take any action which conflicts with the action requested by the agency or director.

Subd. 13. [PRIORITIES; RULES.] By August 1, 1982, the agency shall establish a temporary list of priorities among releases or threatened releases for the purpose of taking remedial action and, to the extent practicable consistent with the urgency of the action, for taking removal action under this section. The temporary list, with any necessary modifications, shall remain in effect until nine months after criteria for determining priorities are published in the national contingency plan pursuant to the Federal Superfund Act, under 42 U.S.C. Section 9605. By that date, the agency shall adopt rules establishing state criteria for determining priorities among releases and threatened releases. After rules are adopted, a permanent priority list shall be established, and may be modified from time to time, according to the criteria set forth in the rules. Before any list is established under this subdivision the agency shall publish the list in the state register and allow 30 days for comments on the list by the public.

The temporary list and the rules required by this subdivision shall be based upon the relative risk or danger to public health or welfare or the environment, taking into account to the extent possible the population at risk, the hazardous potential of the hazardous substances at the facilities, the potential for contamination of drinking water supplies, the potential for direct human contact, the potential for destruction of sensitive ecosystems, the administrative and financial capabilities of the agency, and other appropriate factors.

Subd. 14. [REWARDS FOR INFORMATION.] The agency may, subject to the availability of legislative appropriation, es-

establish an informer fund for the purpose of rewarding persons furnishing information regarding violations of sections 1 to 14, which information leads to the arrest and conviction of a violator or the imposition of a civil fine or punitive damages pursuant to sections 1 to 14. No official or employee of the agency shall be entitled to a reward pursuant to this subdivision. The agency shall maintain confidential the identity of the informant in all instances wherein disclosure is not essential to prosecution of the violation or recovery of civil penalties.

Sec. 15. [PURPOSES OF FUND, TAXES AND FEES.]

In establishing the environmental response, compensation and compliance fund and imposing the taxes in sections 18 and 19, it is the purpose of the legislature to:

(a) Encourage treatment and disposal of hazardous waste in a manner that adequately protects the public health and welfare and the environment;

(b) Encourage responsible parties to provide the response actions necessary to protect the public and the environment from the effects of the release of hazardous substances;

(c) Encourage the use of alternatives to land disposal of solid and hazardous waste including resource recovery, recycling, neutralization and reduction;

(d) Provide state agencies with the financial resources needed to prepare and implement an effective and timely state response to the release of hazardous substances, including investigation, planning, removal and remedial action;

(e) Compensate local units of government for increased governmental expenses and loss of revenue and to provide other appropriate assistance to mitigate any adverse impact on communities in which commercial hazardous waste processing or disposal facilities are located under the siting process provided in chapter 115A; and

(f) Recognize the environmental and public health costs of land disposal of solid waste and of the use and disposal of hazardous substances and to place the burden of financing state waste management activities on those whose products and services contribute to waste management problems and increase the risks of harm to the public and the environment.

Sec. 16. [ENVIRONMENTAL RESPONSE, COMPENSATION AND COMPLIANCE FUND.]

Subdivision 1. [ESTABLISHMENT.] The environmental response, compensation and compliance fund is created as an ac-

count in the state treasury and may be spent only for the purposes provided in subdivision 2.

Subd. 2. [PURPOSES FOR WHICH MONEY MAY BE SPENT.] Subject to appropriation by the legislature the money in the fund may be spent for any of the following purposes:

(a) Preparation by the agency for taking removal or remedial action under section 14, including investigation, monitoring and testing activities, enforcement and compliance efforts relating to the release of hazardous substances, pollutants or contaminants;

(b) Removal and remedial actions taken or authorized by the agency or director under section 14 and payment of the state share of the cost of remedial action which may be carried out under a cooperative agreement with the federal government pursuant to the Federal Superfund Act, under 42 U.S.C. Section 9604(c)(3) for actions related to facilities other than those located under the siting authority of chapter 115A;

(c) Removal and remedial actions taken or authorized by the agency or director under section 14 and payment of the state share of the cost of remedial action which may be carried out under a cooperative agreement with the federal government pursuant to the Federal Superfund Act, under 42 U.S.C. Section 9604(c)(3) for actions related to commercial hazardous waste facilities located under the siting authority of chapter 115A;

(d) Compensation to local units of government as provided by law, after submission by the waste management board of the report required under section 115A.08, subdivision 5, to mitigate any adverse impact of the location of commercial hazardous waste processing or disposal facilities located pursuant to the siting authority of chapter 115A;

(e) Planning and implementation by the commissioner of natural resources of the rehabilitation, restoration or acquisition of natural resources to remedy injuries or losses to natural resources resulting from the release of a hazardous substance;

(f) Inspection and monitoring by the agency, or by local units of government with agency approval, of commercial hazardous waste facilities located under the siting authority of chapter 115A;

(g) Grants by the agency or the waste management board to demonstrate alternatives to land disposal of solid and hazardous waste including reduction, separation, pretreatment, processing and resource recovery, for education of persons involved in regulating and handling solid and hazardous waste, and to as-

sist counties to develop comprehensive waste management plans; and

(h) Intervention and environmental mediation by the legislative commission on waste management under chapter 115A.

Subd. 3. [LIMIT ON CERTAIN EXPENDITURES.] *The director or agency may not spend any money under subdivision 2, clause (b) or (c) for removal or remedial actions to the extent that the costs of those actions may be compensated from any fund established under the Federal Superfund Act, 42 U.S.C. Section 9600 et seq. The director or agency shall determine the extent to which any of the costs of those actions may be compensated under the federal act based on the likelihood that the compensation will be available in a timely fashion taking into account:*

(a) The urgency of the removal or remedial actions and the priority assigned under the Federal Superfund Act to the release which necessitates those actions;

(b) The availability of money in the funds established under the Federal Superfund Act; and

(c) The consistency of any compensation for the cost of the proposed actions under the Federal Superfund Act with the national contingency plan, if such a plan has been adopted under that act.

Subd. 4. [REVENUE SOURCES.] *Revenue from the following sources shall be deposited in the environmental response, compensation and compliance fund:*

(a) The proceeds of the taxes imposed pursuant to sections 18 and 19, including interest and penalties;

(b) All money recovered by the state under section 14, subdivisions 7 and 8;

(c) All money paid to the agency in matters relating to the enforcement of sections 1 to 13 or any other statute or rule related to the regulation of hazardous waste or hazardous substances, including civil penalties and money paid under any agreement, stipulation or settlement;

(d) All interest attributable to investment of money deposited in the fund; and

(e) All money received in the form of gifts, grants, reimbursement or appropriation from any source for any of the purposes provided in subdivision 2, except federal grants.

Subd. 5. [RECOMMENDATION BY LCWM.] The legislative commission on waste management shall make recommendations on appropriations from the fund to the standing legislative committees on finance and appropriations.

Subd. 6. [REPORT TO LEGISLATURE.] At the end of each fiscal year, the agency shall submit to the senate finance committee, the house appropriations committee and the legislative commission on waste management a report detailing the activities for which money from the environmental response, compensation and compliance fund has been spent during that year.

Sec. 17. [TAXES AND FEES; DEFINITIONS.]

Subdivision 1. [APPLICATION.] The definitions provided in this section apply to sections 17 to 22.

Subd. 2. [COMMISSIONER.] "Commissioner" means the commissioner of revenue.

Subd. 3. [MIXED MUNICIPAL SOLID WASTE.] "Mixed municipal solid waste" means the waste defined in section 115A.02, subdivision 21.

Subd. 4. [SOLID WASTE DISPOSAL FACILITY.] "Solid waste disposal facility" means real or personal property which is primarily used for the land disposal of mixed municipal solid waste.

Subd. 5. [GENERATOR.] "Generator" means a person who generates hazardous waste and who is required to disclose the generation of hazardous waste under the hazardous waste rules of the agency adopted under section 116.07.

Subd. 6. [OPERATOR.] "Operator" means the permittee, owner, or other person in control of the facility under a lease, contract, or other arrangement.

Sec. 18. [SOLID WASTE DISPOSAL TAX.]

Subdivision 1. [AMOUNT OF TAX; APPLICATION.] The operator of any solid waste disposal facility shall pay a tax on solid waste accepted at the facility as follows:

(a) A solid waste disposal facility that weighs the waste which it accepts shall pay a tax of \$2 per ton of solid waste accepted;

(b) A solid waste disposal facility which does not weigh the waste which it accepts but which measures the volume of

the waste shall pay a tax of 80 cents per cubic yard of waste accepted;

(c) A solid waste disposal facility which does not measure the weight or volume of waste accepted shall pay an annual tax of \$1.80 per capita based on the population served by the facility.

The tax imposed under clause (a), (b), or (c) may be reduced by the amount of tax which is attributable to waste accepted by the facility which is separated for recycling or re-use and is not land disposed.

The tax imposed under clause (a), (b), or (c) applies to a solid waste disposal facility operated by a political subdivision only if the political subdivision imposes a charge for the use of the facility on or after January 1, 1982.

Subd. 2. [CONSOLIDATED HEARING ON POPULATION OF SERVICE AREAS.] The tax imposed under subdivision 1, clause (c) shall be based on the population of the area served by a solid waste facility as determined by the agency under this subdivision. By July 1, 1982, the agency shall publish in the state register a list showing each facility subject to tax under subdivision 1, clause (c), and the population of its service area as determined by the agency. By July 1 in each succeeding even-numbered year the agency shall publish a list of those facilities subject to tax under subdivision 1, clause (c) for which the agency has determined a new population figure. For a facility which receives a modified landfill permit under the rules of the agency adopted pursuant to section 116.07, the population shall not be less than the number determined in the permitting process.

The list shall be published with a notice of the right of any operator of a facility subject to tax under subdivision 1, clause (c) to challenge the population determination upon which its tax will be based. A copy of the list and notice shall be sent to each operator subject to tax under subdivision 1, clause (c).

An operator who wishes to challenge the determination of the agency shall notify the agency of his intention and shall provide written evidence to the agency to support his challenge within 30 days of receipt of notice. The agency shall hold a single contested case hearing as necessary to determine any and all challenges to its determination under this subdivision. The hearing shall be completed and the decision of the agency shall be rendered not later than December 1 after the list and notice are published.

The population of a service area as determined under this subdivision shall be conclusive for the purpose of the tax imposed under subdivision 1, clause (c).

Subd. 3. [DISPOSITION OF PROCEEDS.] The proceeds of the tax imposed under this section including any interest and penalties, less the commissioner's costs of administration, shall be deposited in the fund.

Sec. 19. [HAZARDOUS WASTE GENERATOR TAX.]

Subdivision 1. [TAX IMPOSED; EXCLUSIONS.] Each generator of hazardous waste shall pay the tax imposed by this section based upon the volume and destination of the hazardous wastes generated. The generator disclosure forms, annual reports, and hazardous waste management plans required under rules of the agency adopted pursuant to section 116.07 shall be prima facie evidence of the volume and destination of hazardous wastes generated. The tax imposed by this section does not apply to hazardous wastes destined for recycling and reuse or to waste oil.

Subd. 2. [LONG TERM CONTAINMENT WITHOUT TREATMENT.] Hazardous waste destined for long term containment without treatment, including land disposal and long term storage, shall be taxed at the rate of five cents per gallon of liquid or \$5 per cubic yard of solid.

Subd. 3. [LONG TERM CONTAINMENT AFTER TREATMENT.] Hazardous waste destined for long term containment after treatment shall be taxed at the rate of four cents per gallon of liquid or \$4 per cubic yard of solid.

Subd. 4. [OTHER TREATMENT.] Hazardous waste destined for chemical treatment to produce a material which is not hazardous or which is destined for destructive treatment by incineration or other means shall be taxed at the rate of two cents per gallon of liquid or \$2 per cubic yard of solid.

Subd. 5. [ON-SITE TREATMENT; REDUCED TAX.] Hazardous wastes which are treated in a manner provided in subdivision 3 or 4 before the wastes are transported along any public street or highway as defined in section 169.01, subdivision 29, shall be taxed at one-half the rate at which they would otherwise be taxed.

Subd. 6. [DISPOSITION OF PROCEEDS.] The proceeds of the tax imposed under this section including any interest and penalties, less the commissioner's costs of administration, shall be deposited in the fund and may be appropriated for any purpose provided in section 16, subdivision 2, except the purposes provided in clauses (b) and (c) of that subdivision.

Subd. 7. [PAYMENT BY OUT OF STATE GENERATORS.] A generator of any hazardous waste which is generated outside of this state and is transported into this state for

long term containment or treatment as described in subdivisions 2 to 4 shall pay the tax imposed by this section at the first point at which the hazardous wastes are received by a person in this state for storage, treatment or long term containment. The tax shall be paid to the person who first receives the wastes in this state at the time the waste is received and shall be remitted by that person to the commissioner of revenue quarterly in the form and manner provided by the commissioner.

Sec. 20. [SEVERABILITY.]

If any tax imposed under section 18 or 19 is found to be invalid because of the purpose for which the proceeds were appropriated or made available under section 16, subdivision 2, the proceeds of that tax shall not be appropriated or available for the objectionable purposes, but the tax shall continue to be imposed and the proceeds shall be appropriated and made available for other purposes provided in section 16, subdivision 2.

Sec. 21. [TAX ADMINISTRATION AND ENFORCEMENT.]

Subdivision 1. [REQUIREMENT OF DECLARATIONS OF ESTIMATED TAX.] Except as provided in subdivision 7, any person required to pay a tax under section 18 or 19 shall file with the commissioner of revenue a declaration of his estimated tax for the calendar year. For the purpose of this section, "estimated tax" means the amount which the person estimates as the sum of the taxes imposed on him by section 18 or 19 for the calendar year. The declaration shall be in the form and contain the information required by the commissioner of revenue.

Subd. 2. [DATES OF DECLARATIONS.] Declarations of estimated tax required by subdivision 1 shall be filed by April 15 each year, except that if the person initially accrues a tax liability under section 18 or 19

(a) After April 1 and before June 2, the declaration shall be filed by June 15, or

(b) After June 1 and before September 2, the declaration shall be filed by September 15, or

(c) After September 1, the declaration shall be filed by January 15 of the succeeding year.

An individual may make amendments of a declaration filed during the taxable year, under regulations prescribed by the commissioner of revenue.

The commissioner may grant a reasonable extension of time for filing the declaration and paying the estimated tax, but for no more than six months.

Subd. 3. [DATES OF PAYMENTS.] (1) The amount of estimated tax with respect to which a declaration is required by subdivision 1 shall be paid as follows:

(a) If the declaration is filed on or before April 15, it shall be paid in four equal installments. The first installment shall be paid at the time of the filing of the declaration, the second and third on June 15 and September 15, respectively, of the year during which the liability accrues, and the fourth on January 15 of the succeeding year.

(b) If the declaration is filed after April 15 and not after June 15, and is not required by subdivision 2 to be filed on or before April 15, the estimated tax shall be paid in three equal installments. The first installment shall be paid at the time of the filing of the declaration, the second on September 15, and the third on January 15 of the succeeding year.

(c) If the declaration is filed after June 15 and not after September 15, and is not required by subdivision 2 to be filed on or before June 15, the estimated tax shall be paid in two equal installments. The first installment shall be paid at the time of the filing of the declaration, and the second on January 15 of the succeeding year.

(d) If the declaration is filed after September 15, and is not required by subdivision 2 to be filed on or before September 15, the estimated tax shall be paid in full at the time of the filing of the declaration.

(e) If the declaration is filed after the time prescribed in subdivision 2 including cases in which an extension of time for filing the declaration has been granted, subparagraphs (b), (c), and (d) of this paragraph shall not apply, and there shall be paid at the time of the filing all installments of estimated tax which would have been payable on or before that time if the declaration had been filed within the time prescribed in subdivision 2, and the remaining installments shall be paid at the times at which, and in the amounts in which, they would have been payable if the declaration had been so filed.

(2) If any amendment of a declaration is filed, the remaining installments, if any, shall be ratably increased or decreased to reflect the increase or decrease in the estimated tax under amendment, and if the amendment is made after September 15, any increase in the estimated tax by reason thereof shall be paid at the time of making the amendment.

(3) *At the election of the taxpayer any installment of the estimated tax may be paid prior to the date prescribed for its payment.*

(4) *Payment of the estimated tax, or any installment thereof, shall be considered payment on account of the taxes imposed upon the person by section 18 or 19, for the year.*

Subd. 4. [OVERPAYMENT OF ESTIMATED TAX.] If the amount of an installment payment of estimated tax exceeds the amount determined to be the correct amount of the installment payment, the overpayment shall be credited against the unpaid installments, if any. If the total amount of the estimated tax payments exceeds by \$1 or more the taxes, and any penalties and interest, reported in the return of the taxpayer or imposed upon him by section 18 or 19, the amount of the excess shall be refunded to the taxpayer. If the amount of the excess is less than \$1 the commissioner shall not be required to refund that amount. If the amount of the excess to be refunded exceeds \$10, it shall bear interest at the rate of six percent per annum, computed from 90 days after (a) the due date of the return of the taxpayer or (b) the date on which his return is filed, whichever is later, until the date the refund is paid to the taxpayer. The provisions of section 270.10, shall not be applicable.

Any action of the commissioner in refunding the amount of the excess shall not constitute a determination of the correctness of the return of the taxpayer.

The commissioner of finance shall cause any refund of tax and interest to be paid out of the fund established in section 16, and so much of that fund as may be necessary is hereby appropriated for that purpose.

Subd. 5. [UNDERPAYMENT OF ESTIMATED TAX.] (1) In the case of any underpayment of estimated tax, except as provided in paragraph (4), there may be added to and become a part of the taxes imposed by section 18 or 19, for the year an amount determined at the rate specified in section 270.75 upon the amount of the underpayment for the period of the underpayment.

(2) *For purposes of the preceding paragraph, the amount of underpayment shall be the excess of*

(a) *The amount of the installment which would be required to be paid if the estimated tax were equal to 80 percent of the taxes shown on the return for the year or the taxes for the year if no return was filed, over*

(b) *The amount, if any, of the installment paid on or before the last day prescribed for payment.*

(3) *The period of the underpayment shall run from the date the installment was required to be paid to whichever of the following dates is the earlier:*

(a) *April 15; or*

(b) *With respect to any portion of the underpayment, the date on which the portion is paid. For purposes of this subparagraph, a payment of estimated tax on any installment date shall be considered a payment of any previous underpayment only to the extent the payment exceeds the amount of the installment determined under paragraph (2) (a) for the installment date.*

(4) *The addition to the tax shall not be imposed if the total amount of all payments of estimated tax made on or before the last date prescribed for the payment of the installment equals or exceeds the amount which would have been required to be paid on or before that date if the estimated tax were whichever of the following is the lesser:*

(a) *The total tax liability shown on the return of the person for the preceding year, if a return showing a liability for taxes was filed by the person for the preceding year; or*

(b) *An amount equal to 80 percent of the tax for the tax liability computed by placing on an annualized basis the tax liability for the months in the year ending before the month in which the installment is required to be paid. For purposes of this subparagraph, the tax liability shall be placed on an annualized basis by:*

(i) *Multiplying by 12 (or in the case of a taxable year when a tax liability accrued during a period shorter than 12 months, the number of months in the period when the liability accrued) the tax liability computed for the months in the year ending before the month in which the installment is required to be paid; and*

(ii) *Dividing the resulting amount by the number of months in the year ending before the month in which the installment date falls.*

Subd. 6. [FAILURE TO PAY.] *Any person required under this section to pay an estimated tax, who wilfully fails to pay the estimated tax at the time required by law or regulations, shall, in addition to other penalties provided by law, be guilty of a gross misdemeanor.*

Subd. 7. [DUTIES OF THE AGENCY.] *The agency shall provide to the commissioner the names and addresses of all persons known to the agency who are subject to tax under section 18 or 19, together with any information which the agency possesses concerning the amount of solid waste accepted or hazard-*

ous waste generated and disposed of by those persons. The agency shall notify the commissioner of any suspected inaccurate or fraudulent declaration or return and may audit any person subject to tax under section 18 or 19 when requested by the commissioner.

Subd. 8. [PENALTIES; ENFORCEMENT.] The audit, penalty and enforcement provisions applicable to taxes imposed under chapter 290 apply to the taxes imposed under sections 18 and 19 and those provisions shall be administered by the commissioner.

Subd. 9. [RULES.] The commissioner may adopt temporary and permanent rules necessary to implement the provisions of this section. The agency may adopt temporary and permanent rules necessary to implement the provisions of sections 18 and 19.

Sec. 22. [SOLID AND HAZARDOUS WASTE ADMINISTRATION FEES.]

Subdivision 1. [FEE SCHEDULES.] The agency shall establish the fees provided in subdivisions 2 and 3 in the manner provided in section 16A.128 in order to raise an amount of fees sufficient to cover the non-federally funded portion of the amount appropriated to the agency for that year for permitting, inspection, monitoring and enforcement expenses of the solid and hazardous waste division of the agency, excluding any amount appropriated under section 16, subdivision 2, clauses (a) and (f). Fees collected from solid waste and hazardous waste activities shall approximate the expenses of the agency for regulation of solid waste and hazardous waste respectively. The legislature may appropriate additional amounts which need not be raised by fees or may provide that the fees shall cover a proportion of the appropriation for the division in order to assure adequate funding for the regulatory and enforcement functions of the division. All fees collected by the agency under this section shall be deposited in the general fund.

Subd. 2. [HAZARDOUS WASTE GENERATOR FEE.] Each generator of hazardous waste shall pay a fee on the hazardous waste which he generates. The agency shall compute the amount of the fee due based on the hazardous waste disclosures submitted by the generators and other information available to the agency. The agency shall annually prepare a statement of the amount of the fee due from each generator. The fee shall be paid quarterly commencing with the first day of the calendar quarter after the date of the statement.

The agency may exempt generators of small quantities of hazardous wastes otherwise subject to the fee if it finds that the cost of administering a fee on those generators is excessive relative to the proceeds of the fee. The fee shall consist of a

minimum fee for each generator not exempted by the agency and an additional fee which generally reflects the quantity of wastes generated by the generator.

If any metropolitan counties recover the costs of administering county hazardous waste regulations by charging fees, the fees charged by the agency outside of those counties shall not exceed the fees charged by those counties. The agency shall not charge a fee in any metropolitan county which charges such a fee. The agency shall impose a surcharge on the fees charged by the metropolitan counties and by the agency to reflect the agency's expenses in carrying out its statewide hazardous waste regulatory responsibilities. The surcharge imposed on the fees charged by the metropolitan counties shall be collected by the metropolitan counties in the form and manner in which the counties collect their generator fees. Metropolitan counties shall remit the proceeds of the surcharge to the agency by the last day of the month following the month in which they were collected.

Subd. 3. [FACILITY FEES.] The agency shall charge an original permit fee, a reissuance fee and an annual operator's fee for any solid waste or hazardous waste facility permitted by the agency. The agency may include reasonable and necessary costs of any environmental review required under chapter 116D in the original permit fee for any solid waste or hazardous waste facility.

Sec. 23. Minnesota Statutes 1980, Section 116.03, Subdivision 3, is amended to read:

Subd. 3. The director of the pollution control agency is the state agent to apply for, receive, and disburse federal funds made available to the state by federal law or rules and regulations promulgated thereunder for any purpose related to the powers and duties of the pollution control agency or the director. He shall comply with any and all requirements of such federal law or such rules and regulations promulgated thereunder to enable him to apply for, receive, and disburse such funds. All such moneys received by the director shall be deposited in the state treasury and are hereby annually appropriated to him for the purposes for which they are received. None of such moneys in the state treasury shall cancel and they shall be available for expenditure in accordance with the requirements of federal law.

(NO APPLICATION FOR FEDERAL FUNDS UNDER THIS SUBDIVISION SHALL BE SUBMITTED TO FEDERAL AUTHORITIES FOR APPROVAL UNLESS THE PROPOSED BUDGET FOR THE EXPENDITURE OF FEDERAL FUNDS IS APPROVED BY THE GOVERNOR AND REPORTED TO THE LEGISLATIVE COMMITTEES DESIGNATED IN SECTION 16.165 AND, WHEN THE LEGISLATURE IS NOT IN SESSION, REPORTED TO THE STANDING COMMITTEE

ON FINANCE OF THE SENATE AND THE STANDING
COMMITTEE ON APPROPRIATIONS OF THE HOUSE OF
REPRESENTATIVES.)

The provisions of section 3.3005 shall not apply to emergency response moneys available without requirement of a state match under the federal Comprehensive Environmental Response, Compensation, and Liability Act of 1980, 42 U.S.C., Sections 9601 to 9657. The receipt of the moneys shall be reported to the legislative advisory commission.

Sec. 24. [116.102] [PIPELINE TESTING.]

Subdivision 1. [TEST REQUIRED.] Any pipeline from which a release occurs or has occurred after January 1, 1981, shall be tested for integrity and shall be operated at no more than 90 percent of maximum operating pressure until integrity is certified.

Subd. 2. [DETAILS; REPORTS; CERTIFICATION.] Testing shall be conducted within the section of the pipeline from which the release occurred and shall conform with the requirements of the United States Department of Transportation Regulations for Transportation of Liquids by Pipeline, Code of Federal Regulations, title 42, part 195, subpart E—Hydrostatic Testing, except that only water shall be used as a test medium and the test pressure shall be maintained for at least three hours throughout the part of the system being tested. Appropriation and disposal of the test medium shall conform with the requirements of applicable law. Any pipeline failures occurring during testing shall be reported immediately to the agency. In addition, a written report containing all relevant information regarding the extent of any pollution of land or water resulting from a failure during testing as well as information regarding recovery of the material lost during testing and reclamation of the affected area shall be submitted to the agency within a reasonable period.

Certification of integrity as demonstrated by successful testing, including a written report containing all pertinent data from the test, shall be submitted to the agency within eight months after the discovery of the release or within eight months after the effective date of this section, whichever occurs later.

Subd. 3. [ADDITIONAL TESTING.] In addition to any tests required under subdivisions 2 and 3, the agency may require testing of any pipeline on the basis of relevant factors including but not limited to age of the pipe, measures taken to protect the pipe, location, potential effect of a release on health or welfare or the environment, and past incidence of releases.

Subd. 4. [DEFINITIONS.] As used in this section, the following term has the meaning given:

“Maximum operating pressure” means the maximum operating pressure allowable under the United States Department of Transportation Regulations for Transportation of Liquids by Pipeline, Code of Federal Regulations, title 42, part 195, subpart F—Operation and Maintenance.

Sec. 25. Minnesota Statutes 1980, Section 466.01, is amended by adding a subdivision to read:

Subd. 3. For the purposes of sections 466.01 to 466.15, “release” and “hazardous substance” have the meanings given in section 2.

Sec. 26. Minnesota Statutes 1980, Section 466.04, Subdivision 1, is amended to read:

Subdivision 1. [LIMITS; PUNITIVE DAMAGES.] Liability of any municipality on any claim within the scope of sections 466.01 to 466.15 shall not exceed

(a) \$100,000 when the claim is one for death by wrongful act or omission and \$100,000 to any claimant in any other case;

(b) \$300,000 for any number of claims arising out of a single occurrence;

(c) *Twice the limits provided in clauses (a) and (b) when the claim arises out of the release or threatened release of a hazardous substance, whether the claim is brought under sections 1 to 12 or under any other law.*

No award for damages on any such claim shall include punitive damages.

Sec. 27. [APPROPRIATION.]

Subdivision 1. [FUND.] The appropriations in this section are from the environmental response, compensation and compliance fund, and are available until July 1, 1983.

Subd. 2. [RESPONSE ACTIONS.] All revenues deposited in the fund before July 1, 1983, except the proceeds of the tax imposed under section 19 and any money recovered under section 14, subdivision 8, are appropriated to the agency for actions under section 16, subdivision 2, clause (b).

Subd. 3. [PREPARATION FOR RESPONSE.] All revenues deposited in the fund before July 1, 1983 as proceeds of the tax imposed under section 19 are appropriated to the agency for the purposes of section 16, subdivision 2, clause (a).

Sec. 28. [EFFECTIVE DATE.]

Sections 18 to 21 and 23 and 24 are effective the day following final enactment except that the taxes imposed by sections 18 and 19 are effective January 1, 1983. Section 22 is effective July 1, 1983. The remaining sections of this act are effective July 1, 1982."

Amend the title as follows :

Page 1, line 9, after the first semicolon insert "authorizing rewards for information on violations; providing for pipeline testing;"

Page 1, line 11, after "Sections" insert "116.03, Subdivision 3;"

Page 1, line 13, before the period insert "; proposing new law coded in Minnesota Statutes, Chapter 116"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Taxes.

The report was adopted.

Halberg moved that H. F. No. 1176 be recalled from the Committee on Taxes and be re-referred to the Committee on Judiciary.

A roll call was requested and properly seconded.

The question was taken on the Halberg motion and the roll was called. There were 60 yeas and 66 nays as follows:

Those who voted in the affirmative were:

Aasness	Fjoslien	Johnson, D.	Metzen	Sherman
Ainley	Forsythe	Jude	Nelsen, B.	Sherwood
Blatz	Frerichs	Kaley	Niehaus	Stadum
Brinkman	Halberg	Kvam	Nysether	Stowell
Carlson, D.	Haukoos	Lemen	Onnen	Sviggum
Dahlvang	Heap	Levi	Peterson, B.	Valan
Dempsey	Heinitz	Ludeman	Piepho	Valento
Den Ouden	Himle	Luknic	Rodalen	Weaver
Erickson	Hoberg	Mann	Reif	Welker
Esau	Hokr	McDonald	Samuelson	Wieser
Evans	Jennings	McEachern	Schreiber	Wigley
Ewald	Johnson, C.	Mehrkens	Searles	Zubay

Those who voted in the negative were:

Anderson, B.	Elioff	Lehto	Pogemiller	Stumpf
Anderson, G.	Ellingson	Long	Reding	Swanson
Battaglia	Greenfield	McCarron	Rice	Tomlinson
Begich	Gruenes	Minne	Rodriguez, C.	Vanasek
Berkelman	Gustafson	Munger	Rodriguez, F.	Vellenga
Brandl	Hanson	Murphy	Rose	Voss
Byrne	Hauge	Nelson, K.	Rothenberg	Welch
Carlson, L.	Hokanson	Norton	Sarna	Wenzel
Clark, J.	Jacobs	Novak	Schoenfeld	Wynia
Clark, K.	Kahn	O'Connor	Shea	Spkr. Sieben, H.
Clawson	Kalis	Ogren	Sieben, M.	
Dean	Kelly	Olsen	Simoneau	
Drew	Kostohryz	Otis	Skoglund	
Eken	Laidig	Peterson, D.	Staten	

The motion did not prevail.

Norton from the Committee on Governmental Operations to which was referred:

H. F. No. 1220, A bill for an act relating to unemployment compensation; clarifying that quitting work due to sexual harassment does not result in benefit disqualification; amending Minnesota Statutes 1980, Section 268.09, Subdivision 1.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1980, Section 268.09, Subdivision 1, is amended to read:

Subdivision 1. [DISQUALIFYING CONDITIONS.] An individual shall be disqualified for waiting week credit and benefits for the duration of his unemployment and until he has earned four times his weekly benefit amount in insured work if he is separated from employment under any of the following conditions:

(1) [VOLUNTARY LEAVE.] The individual voluntarily and without good cause attributable to the employer discontinued his employment with such employer. For the purpose of this clause, a separation from employment by reason of its temporary nature or for inability to pass a test or for inability to meet performance standards necessary for continuation of employment shall not be deemed voluntary.

A separation shall be for good cause attributable to the employer if it occurs as a consequence of sexual harassment. Sexual harassment means unwelcome sexual advances, requests for sexual favors, sexually motivated physical contact or other conduct or communication of a sexual nature when: (1) the employee's submission to such conduct or communication is made

a term or condition of the employment, (2) the employee's submission to or rejection of such conduct or communication is the basis for decisions affecting employment, or (3) such conduct or communication has the purpose or effect of substantially interfering with an individual's work performance or creating an intimidating, hostile, or offensive working environment and the employer knows or should know of the existence of the harassment and fails to take timely and appropriate action.

(2) [DISCHARGE FOR MISCONDUCT.] The individual was discharged for misconduct, not amounting to gross misconduct connected with his work or for misconduct which interferes with and adversely affects his employment.

An individual shall not be disqualified under clauses (1) and (2) of this subdivision under any of the following conditions:

(a) The individual voluntarily discontinued his employment to accept work offering substantially better conditions of work or substantially higher wages or both;

(b) The individual is separated from employment due to his own serious illness provided that such individual has made reasonable efforts to retain his employment;

An individual who is separated from his employment due to his illness of chemical dependency which has been professionally diagnosed or for which he has voluntarily submitted to treatment and who fails to make consistent efforts to maintain the treatment he knows or has been professionally advised is necessary to control that illness has not made reasonable efforts to retain his employment.

(c) The individual accepts work from a base period employer which involves a change in his location of work so that said work would not have been deemed to be suitable work under the provisions of subdivision 2 and within a period of 13 weeks from the commencement of said work voluntarily discontinues his employment due to reasons which would have caused the work to be unsuitable under the provision of said subdivision 2;

(d) The individual left employment because he had reached mandatory retirement age and was 65 years of age or older; or

(e) The individual is terminated by his employer because he gave notice of intention to terminate employment within 30 days. This exception shall be effective only through the calendar week which includes the date of intended termination, provided that this exception shall not result in the payment of benefits for any week for which he receives his normal wage or salary which is equal to or greater than his weekly benefit amount;

(f) The individual is separated from employment due to the completion of an apprenticeship program, or segment thereof, approved pursuant to chapter 178.

(3) [DISCHARGE FOR GROSS MISCONDUCT.] The individual was discharged for gross misconduct connected with his work or gross misconduct which interferes with and adversely affects his employment and provided further that the commissioner is empowered to impose a total disqualification for the benefit year and to cancel part or all of the wage credits from the last employer from whom he was discharged for gross misconduct connected with his work.

For the purpose of this clause "gross misconduct" shall be defined as misconduct involving assault and battery or the malicious destruction of property or the theft of money or property of a value of \$100 or more or arson or sabotage or embezzlement. However, no person shall be deemed to have been discharged for gross misconduct for purposes of this chapter unless (1) the person makes an admission to the conduct in writing or under oath, or (2) the person is found to have engaged in such conduct by an appeals tribunal established pursuant to section 268.10, or (3) the person has been convicted by a court of competent jurisdiction of acts constituting gross misconduct.

(4) [LIMITED OR NO CHARGE OF BENEFITS.] Benefits paid subsequent to an individual's separation under any of the foregoing clauses, excepting clauses (2)(c) and (2)(e), shall not be used as a factor in determining the future contribution rate of the employer from whose employment such individual separated.

Benefits paid subsequent to an individual's failure, without good cause, to accept an offer of suitable re-employment shall not be used as a factor in determining the future contribution rate of the employer whose offer of re-employment he failed to accept or whose offer of re-employment was refused solely due to the distance of the available work from his residence, the individual's own serious illness or his other employment at the time of the offer.

(5) An individual who was employed by an employer shall not be disqualified for benefits under this subdivision for any acts or omissions occurring after his separation from employment with the employer.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective the day following final enactment and applies to any separation from employment occurring thereafter."

With the recommendation that when so amended the bill pass.

The report was adopted.

Norton from the Committee on Governmental Operations to which was referred:

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

Reported the same back with the following amendments:

Page 1, line 10, delete "*Notwithstanding*"

Page 1, line 11, delete "*section 179.63, subdivision 18,*"

With the recommendation that when so amended the bill pass.

The report was adopted.

Wenzel from the Committee on Agriculture to which was referred:

H. F. No. 1428, A bill for an act relating to agriculture; regulating commerce in seed; establishing fees; providing penalties; appropriating money; amending Minnesota Statutes 1980, Sections 21.47; 21.48; 21.49; 21.50; 21.51; 21.52; 21.53; 21.54, Subdivision 3; 21.55; 21.58; and proposing new law coded in Minnesota Statutes, Chapter 21.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [PURPOSE.]

It is the policy of the legislature that consumers should be able to purchase truthfully and adequately labeled seeds for planting. Sections 2 to 14 establish a uniform labeling system for agricultural, vegetable, flower, tree or shrub seeds whereby consumers can be protected from inadequately or illegally labeled seed and also whereby fair competition can be achieved.

Sec. 2. [21.80] [MINNESOTA SEED LAW.]

Sections 2 to 14 may be cited as the Minnesota seed law.

Sec. 3. [21.81] [DEFINITIONS.]

Subdivision 1. [APPLICABILITY.] For the purposes of sections 2 to 14 the terms defined in this section have the meanings given them.

Subd. 2. [ADVERTISEMENT.] "Advertisement" means any representation, other than on a label, disseminated in any manner or by any means, relating to seed within the scope of sections 2 to 14.

Subd. 3. [AGRICULTURAL SEEDS.] "Agricultural seeds" includes the seeds of grass, forage, cereal, oil, fiber crops, seeds of vegetables grown for processing and any other kinds of seeds commonly recognized within this state as agricultural or field seeds, lawn seeds or mixtures of those seeds, including noxious weed seed when the commissioner determines that the seed is being used as agricultural seed.

Subd. 4. [BLEND.] "Blend" means seed consisting of more than one variety of seed of a kind, each in excess of five percent of the whole.

Subd. 5. [CERTIFIED SEED.] "Certified seed" means certified, registered or foundation seed, or any other seed treated in a similar fashion that has been produced, conditioned and labeled in accordance with the procedures and in compliance with the rules of an officially recognized seed certification agency.

Subd. 6. [COMMISSIONER.] "Commissioner" means the commissioner of agriculture or his authorized agent, including a county agricultural inspector.

Subd. 7. [CONDITIONING.] "Conditioning" means cleaning to remove chaff, sterile florets, immature seeds, weed seeds, inert matter and other crop seeds, scarifying, blending to obtain uniform quality or any other operation which would change the purity or germination of the seed and require retesting to determine the quality of the seed. Conditioning does not include such operations as packaging, labeling, blending uniform lots of the same kind or variety without cleaning or preparing a mixture without cleaning, if it would not require retesting to determine the quality of the seed.

Subd. 8. [FLOWER SEEDS.] "Flower seeds" includes seeds of herbaceous plants grown for their blooms, ornamental foliage or other ornamental parts, and commonly known and sold under the name of flower seeds in this state.

Subd. 9. [GENUINE GROWER'S DECLARATION.] A "genuine grower's declaration" is a statement signed by the grower which gives for a lot of agricultural seed, the lot number, kind, variety, origin, weight, year of production, date of shipment and to whom it was sold, shipped or delivered.

Subd. 10. [GERMINATION.] "Germination" means the percentage of seeds other than hard seeds which are capable of producing normal seedlings under favorable growing conditions. Broken, weak, diseased, malformed or abnormal seedlings shall not be considered as having germinated.

Subd. 11. [HYBRID.] "Hybrid" when applied to kinds or varieties of seed means the first generation seed of a cross produced by controlling the pollination and by combining (a) two or more inbred lines; (b) one inbred or a single cross with an open pollinated variety; or (c) two selected clones, seed lines, varieties or species. "Controlling the pollination" means to use a method of hybridization which will produce pure seed which is at least 75 percent hybrid seed. The second generation or subsequent generations from these crosses are not hybrids. Hybrid designations shall be treated as variety names.

Subd. 12. [KIND.] "Kind" means one or more related species or subspecies which singly or collectively is known by one common name, such as wheat, oats or sweet clover.

Subd. 13. [LABEL.] "Label" includes tag or other device attached to or written, stamped or printed on any container or accompanying any lot of bulk seeds purporting to set forth the kind of seeds therein contained, or any other information in relation to a lot of bulk seeds and includes invoices under which any seed is imported into the state.

Subd. 14. [LOT.] "Lot" means a definite quantity of seed identified by a lot number or other mark, every portion or bag of which is uniform within recognized tolerances for the factors which appear in the labeling.

Subd. 15. [MIXTURE.] "Mixture" means seeds consisting of more than one kind or variety, each in excess of five percent of the whole.

Subd. 16. [NOXIOUS WEED SEEDS.] "Noxious weed seeds" includes prohibited noxious weed seeds and restricted noxious weed seeds.

Subd. 17. [PERSON.] "Person" means an individual, partnership, corporation, company, society, association or firm.

Subd. 18. [PROHIBITED NOXIOUS WEED SEEDS.] "Prohibited noxious weed seeds" are those weed seeds which are prohibited from being present in any agricultural, vegetable, flower, tree or shrub seed. They are the seeds of weeds which are highly destructive and difficult to control by good cultural practices or by the use of herbicides and which not only reproduce by seed, but also may spread by underground reproductive parts such as roots and rootstocks, and above ground reproductive parts such as runners and stolons.

Subd. 19. [PURE LIVE SEED.] "Pure live seed" means the product of the percent germination multiplied by the percent pure seed divided by 100 percent.

Subd. 20. [PURE SEED.] "Pure seed" means seed exclusive of inert matter and all other seeds not of the kind of seed being considered as defined by the rules for testing seeds of the association of official seed analysts.

Subd. 21. [RECORD.] "Record" includes all information relating to seed shipments and includes a file sample of each lot of seed. For tree and shrub seed, the record includes all documents regarding statement of origin and elevation where the seed originated.

Subd. 22. [RESTRICTED NOXIOUS WEED SEEDS.] "Restricted noxious weed seeds" are those weed seeds which, if present in agricultural, vegetable, flower, tree or shrub seed, shall be named on the label together with the number per pound of seed specified and which shall not exceed the legal limit. They are seeds of weeds which are objectionable in fields, lawns and gardens of this state, and can be controlled by good cultural practice and use of herbicides.

Subd. 23. [SCREENINGS.] "Screenings" means chaff, sterile florets, immature seed, weed seeds, inert matter and other material removed from seed in any kind of conditioning and which contains less than 25 percent by weight of live agricultural or vegetable seed.

Subd. 24. [SEIZURE.] "Seizure" means a legal process carried out by a court order against a definite amount of seed.

Subd. 25. [SELL.] "Sell," when applying to agricultural, vegetable, flower, tree or shrub seed and seed samples, includes:

- (a) selling or transferring ownership;*
- (b) offering and exposing for sale, exchange, distribution, giving away and transportation in or into this state;*
- (c) having in possession with intent to sell, exchange, distribute, give away or transport in or into this state;*
- (d) storing, carrying and handling in aid of traffic in seeds, whether done in person or through an agent, employee or other person; and*
- (e) receiving, accepting and holding on consignment for sale.*

Subd. 26. [STOP SALE.] "Stop sale" means an administrative order, restraining the sale, use, disposition and movement of a definite amount of seed.

Subd. 27. [TREATED.] "Treated" means that the seed has received an application of a substance, or that it has been subjected to a conditioning procedure for which a claim is made.

Subd. 28. [TREE AND SHRUB SEEDS.] "Tree and shrub seeds" includes seeds of woody plants commonly known and sold as tree and shrub seeds in this state.

Subd. 29. [TREE SEED COLLECTOR'S DECLARATION.] A "tree seed collector's declaration" is a statement signed by a grower or person having knowledge of the place of collection which gives for a lot of seed: the lot number, common or scientific name of the species, subspecies if appropriate, origin, elevation and quantity of tree and shrub seed.

Subd. 30. [TYPE.] "Type" means a group of varieties so nearly similar that individual varieties cannot be clearly differentiated except under special conditions.

Subd. 31. [VEGETABLE SEEDS.] "Vegetable seeds" includes the seeds of those crops which are grown in gardens and on truck farms that are generally known and sold under the name of vegetable or herb seeds in this state.

Subd. 32. [VARIETY.] "Variety" means a subdivision of a kind characterized by growth, yield, plant, fruit, seed or other characteristics by which it can be differentiated from other plants of the same kind.

Subd. 33. [WEED SEEDS.] "Weed seeds" includes the seeds of all plants generally recognized as weeds within this state, including noxious weed seeds.

Sec. 4. [21.82] [LABEL REQUIREMENTS; AGRICULTURAL, VEGETABLE OR FLOWER SEEDS.]

Subdivision 1. [FORM.] Each container of agricultural, vegetable or flower seed which is offered for sale for sowing purposes shall bear or have attached in a conspicuous place a plainly written or printed label or tag in the English language, giving the information required by this section. This statement shall not be modified or denied in the labeling or on another label attached to the container.

Subd. 2. [CONTENT.] For agricultural, vegetable or flower seeds, except as otherwise provided in subdivisions 3 to 8, the label shall contain:

(a) *The name of the kind or kind and variety for each agricultural or vegetable seed component in excess of five percent of the whole and the percentage by weight of each in order of its predominance. If the variety of those kinds generally labeled as to variety is not stated, the label shall show the name of the kind and the words: "Variety not stated."*

(1) *The percentage that is hybrid shall be at least 95 percent of the percentage of pure seed shown unless the percentage of pure seed which is hybrid seed is shown separately. If two or more kinds or varieties are present in excess of five percent and are named on the label, each that is hybrid shall be designated as hybrid on the label. Any one kind or kind and variety that has pure seed which is less than 95 percent by more than 75 percent hybrid seed as a result of incompletely controlled pollination in a cross shall be labeled to show the percentage of pure seed that is hybrid seed. No one kind or variety of seed shall be labeled as hybrid if the pure seed contains less than 75 percent hybrid seed. The word hybrid shall be shown on the label in conjunction with the kind designation.*

(2) *Blends shall be listed on the label, using the term "blend" in conjunction with other identifying terms in the variety designation.*

(3) *Mixtures shall be listed on the label, using the term "mixture," "mix" or "mixed" in conjunction with the kind designation.*

(4) *Seed of a certified class shall be specified on the label in conjunction with and preceding the name of the variety.*

(b) *Lot number or other lot identification.*

(c) *Origin, if known, of alfalfa, red clover, white clover, grass seed and field corn. If the origin is unknown, that fact shall be stated.*

(d) *Percentage by weight of all weed seeds present in agricultural, vegetable or flower seed. This percentage may not exceed one percent. If weed seeds are not present in vegetable or flower seeds, the heading "weed seeds" may be omitted from the label.*

(e) *Name and rate of occurrence per pound of each kind of restricted noxious weeds seeds present. They shall be listed under the heading "noxious weed seeds." If noxious weed seeds are not present in vegetable or flower seeds, the heading "noxious weed seeds" may be omitted from the label.*

(f) *Percentage by weight of agricultural or vegetable seeds which may be described as "crop seeds," other than those required to be named on the label.*

(g) *Percentage by weight of inert matter.*

(h) *Net weight of contents, to appear on either the container or the label, except that in the case of vegetable or flower seed containers with contents of 200 seeds or less, a statement indicating the minimum number of seeds in the container may be listed along with or in lieu of the net weight of contents.*

(i) *For each named agricultural or vegetable seed:*

(1) *Percentage of germination, exclusive of hard seed;*

(2) *Percentage of hard seed, if present; and*

(3) *The calendar month and year the percentages were determined by test.*

(j) *Name and address of the person who labeled the seed or who sells the seed within this state, or a code number which has been registered with the commissioner.*

Subd. 3. [TREATED SEED.] For all named agricultural, vegetable or flower seeds which are treated, for which a separate label may be used, the label shall contain:

(a) *A word or statement indicating that the seed has been treated;*

(b) *The commonly accepted, coined, chemical or abbreviated chemical (generic) name of the applied substance or description of the conditioning procedure used;*

(c) *If the substance in the amount present with the seed is harmful to human or other vertebrate animals, a caution statement such as "do not use for food or feed or oil purposes." The caution for mercurials and similarly toxic substances shall be a poison statement and symbol; and*

(d) *If the seed is treated with an inoculant, the date from which the inoculant is considered ineffective. It shall be listed on the label as "inoculant: expires (month and year)."*

Subd. 4. [HYBRID SEED CORN.] For hybrid seed corn purposes a label shall contain:

(a) *A statement indicating the minimum number of seeds in the container listed along with or in lieu of the net weight of contents;*

(b) *The state in which it was grown; and*

(c) *For each grain variety of hybrid seed field corn, the zone and day classification as determined by the originator or owner. The day classification shall approximate the number of days of growing season necessary from emergence of the corn plant above ground to maturity and shall conform to the day classification established by the director of the Minnesota agricultural experiment station for the designated zone. If recommended for other than grain production, the tag or label shall state "for forage" and carry the approximate zone classification. For the purposes of this section, silage blends shall be considered for grain production.*

Subd. 5. [GRASS SEED.] For grass seed and mixtures of grass seeds intended for lawn and turf purposes the label shall contain:

(a) *Percentage by weight of each kind or kind and variety named on the label in the order of their predominance;*

(b) *Percentage by weight of agricultural seeds other than those required to be named on the label which shall be described as "crop seed." If the mixture contains no crop seed, the following statement may be used and may be flagged: "contains no other crop seed"; and*

(c) *Percentage by weight of inert matter, up to ten percent by weight. The percentage by weight of foreign material not common to grass seed shall be listed as a separate item in close association with the inert matter percentage.*

The labeling requirements for grass seed and mixtures of grass seeds intended for lawn or turf purposes which are sold outside their original containers shall be deemed to have been met if the seed is weighed from a properly labeled container in the presence of the purchaser.

Subd. 6. [COATED AGRICULTURAL SEEDS.] For coated agricultural seeds the label shall contain:

(a) *Percentage by weight of pure seeds with coating material removed;*

(b) *Percentage by weight of coating material shown as a separate item in close association with the percentage of inert matter; and*

(c) *Percentage of germination determined on 400 pellets with or without seeds.*

Subd. 7. [VEGETABLE SEEDS.] For vegetable seeds prepared for use in home gardens or household plantings the label shall contain:

(a) The year for which the seed was packed for sale listed as "packed for (year)," or the percentage of germination and the calendar month and year that the percentages were determined by test; and

(b) For vegetable seeds which germinate less than the standard last established by the commissioner:

(1) Percentage of germination, exclusive of hard seed;

(2) Percentage of hard seed, if present; and

(3) The words "below standard" in not less than eight point type and the month and year these percentages were determined by test.

The labeling requirements for vegetable seeds sold outside of the original container are met if the seed is weighed from a properly labeled container in the presence of the purchaser.

Subd. 8. [FLOWER SEEDS.] All flower seed labels shall contain:

(a) The name of the kind and variety or a statement of type and performance characteristics as prescribed by rules;

(b) The year for which the seed was packed for sale listed as "packed for (year)," or the percentage of germination and the calendar month and year that the percentage was determined by test; and

(c) For seeds of those kinds for which standard testing procedures are described and which germinate less than the germination standard last established, the percentage of germination exclusive of hard seed, and the words "below standard" in not less than eight point type and the month and year this was determined by test.

Sec. 5. [21.83] [LABEL REQUIREMENTS; TREE OR SHRUB SEEDS.]

Subdivision 1. [FORM.] Each container of tree or shrub seed which is offered for sale for sowing purposes shall bear or have attached in a conspicuous place a plainly written or printed label or tag in the English language, giving the information required by this section. This label statement shall not be modified or denied in the labeling or on another label at-

tached to the container, except that labeling of seed supplied under a contractual agreement may be modified or denied by invoice accompanying the shipment or by an analysis tag attached to the invoice if each bag or other container is clearly identified by a lot number stenciled on the container or if the seed is in bulk. Each bag or container that is not so stenciled must carry complete labeling.

Subd. 2. [LABEL CONTENT.] For all tree or shrub seed subject to this section the label shall contain:

(a) The common name of the species, and the subspecies if appropriate;

(b) The scientific name of the genus and species, and the subspecies if appropriate;

(c) The lot number or other lot identification;

(d) For seed collected from a predominantly indigenous stand, the area of collection given by latitude and longitude, or geographic description, or political subdivision such as state or county;

(e) For seed collected from a predominantly non-indigenous stand, the identity of the area of collection and the origin of the stand or state along with the words "origin not indigenous";

(f) The elevation or the upper and lower limits of elevation within which the seed was collected;

(g) The percentage of pure seed by weight;

(h) For those kinds of seed for which standard testing procedures are prescribed:

(1) The percentage of germination exclusive of hard seed;

(2) The percentage of hard seed, if present; and

(3) The calendar month and year seed percentages were determined by test.

In lieu of the requirements of clauses (h)(1) to (3), the seed may be labeled "test is in process, results will be supplied upon request."

(i) For those species for which standard germination testing procedures have not been prescribed by the commissioner, the calendar year in which the seed was collected; and

(j) *The name and address of the person who labeled the seed or who sells the seed within this state.*

Subd. 3. [TREATED SEED.] For all treated tree and shrub seeds for which a separate label may be used the label shall contain:

(a) *A word or statement indicating that the seed has been treated;*

(b) *The generic or commonly accepted, coined, chemical or abbreviated chemical name of the applied substance or a description of the conditioning procedure used;*

(c) *If the substance in the amount present with the seed is harmful to human or other vertebrate animals, a caution statement such as "do not use for food, feed or oil purposes." The caution for mercurials and similarly toxic substances shall be a poison statement and symbol; and*

(d) *If the seed has been treated with an inoculant, the date from which the inoculant is considered ineffective. It shall be listed on the label as "inoculant: expires (month and year)."*

Sec. 6. [21.84] [RECORDS.]

Each person whose name appears on the label of agricultural, vegetable, flower, tree or shrub seeds subject to section 4 or 5 shall keep for three years complete records of each lot of agricultural, vegetable, flower, tree or shrub seed sold in this state, and shall keep for one year a file sample of each lot of seed after disposition of the lot. In addition, the grower shall have as a part of the record a "genuine grower's declaration" or a "tree seed collector's declaration." All records and samples pertaining to the shipment involved shall be accessible for inspection by the commissioner during customary business hours.

Sec. 7. [21.85] [DUTIES OF THE COMMISSIONER.]

Subdivision 1. [ENFORCEMENT.] The commissioner shall administer and enforce sections 2 to 14.

Subd. 2. [SEED LABORATORY.] The commissioner shall establish and maintain a seed laboratory for seed testing, employing necessary agents and assistants to administer and enforce sections 2 to 14, none of whom, except those who are employed on a regular full time basis, shall come within or be governed by chapter 43. The compensation for the unclassified employees shall be on the basis of a rating and salary scale determined by the director of civil service.

Subd. 3. [ENTRY UPON PREMISES.] For the purpose of administering and enforcing sections 2 to 14 the commissioner may enter upon any public or private premises during regular business hours in order to have access to seeds and the records concerning the seeds that are subject to sections 2 to 14, and to enter any truck or other conveyer by land, water or air at any time when the conveyer is accessible, for the same purpose.

Subd. 4. [INSPECTION AND SAMPLING.] The commissioner shall sample, inspect, make analysis of and test seeds subject to sections 2 to 14 that are offered for sale for sowing purposes at the time and place and to the extent necessary to determine whether the seeds are in compliance with sections 2 to 14.

Subd. 5. [NOTICE OF VIOLATION.] The commissioner shall promptly notify the person who sold, labeled or transported seed that has been:

- (1) found to be in violation of sections 2 to 14;*
- (2) placed under a stop sale order; or*
- (3) seized on complaint of the commissioner to a court of competent jurisdiction.*

Subd. 6. [STOP SALE ORDERS.] The commissioner may issue and enforce a written or printed "stop sale" order to the owner or custodian of any lot of seed which he finds to be in violation of sections 2 to 14. The order shall prohibit further sale, conditioning and movement of the seed, except on approval of the enforcing officer, until the officer has evidence that the law has been complied with and has issued a release from the "stop sale" order. With respect to seed which has been denied sale, conditioning or movement, the owner or custodian of the seed may appeal from the order to a court where the seeds are found, for the discharge of the seeds from the order prohibiting the sale, processing or movement in accordance with the findings of the court. This subdivision does not limit the right of the enforcement officer to proceed in a different fashion.

Subd. 7. [SEIZURE.] Any lot of seed not in compliance with sections 2 to 14 is subject to seizure on complaint of the commissioner to a court of competent jurisdiction in the locality where the seed is located. If the court finds the seed to be in violation and orders the condemnation of the seed, it shall be denatured, destroyed, relabeled or otherwise disposed of in compliance with law. In no instance shall the court order dispose of the seed without first giving the claimant an opportunity to apply to the court for the release of the seed or permission to condition or relabel it into compliance.

Subd. 8. [INJUNCTION.] *When the commissioner applies to any court for a temporary or permanent injunction restraining any person from violating or continuing to violate sections 2 to 14, the injunction shall be issued without requiring a bond.*

Subd. 9. [PROSECUTIONS.] *When the commissioner finds that a person has violated sections 2 to 14 he may institute proceedings in the locality in which the violation occurred. No prosecution shall be instituted without a person having an opportunity to appear in person or by a representative before the commissioner to provide evidence. Either a county attorney or the attorney general may prosecute actions under sections 2 to 14.*

Subd. 10. [COMMISSIONER MAY ALTER REQUIREMENTS IN EMERGENCIES.] *In the event of acute shortages of any seed or seeds, or the occurrence of other conditions which, in the opinion of the commissioner, create an emergency which would make impractical the enforcement of any requirement of sections 2 to 14 relating to the percentage of purity and weed seed content of any seed or seeds, the commissioner may temporarily change and alter any requirement relating to percentage of purity and weed seed content for the duration of the emergency.*

Subd. 11. [RULES.] *The commissioner may make necessary rules for the proper enforcement of sections 2 to 14.*

Subd. 12. [SERVICE TESTING AND IDENTIFICATION.] *The commissioner shall provide for purity and germination tests of seeds and identification of seeds and plants for farmers, dealers and others. He may establish and collect fees for testing and identification in excess of the number of free tests and identifications allowed. Every resident of this state is entitled to six free tests and identifications each year. No free tests and identifications are allowed between March 15 and June 30 of each year.*

Subd. 13. [SAMPLING EXPORT SEED.] *The commissioner may sample agricultural, vegetable, flower, tree or shrub seeds which are destined for export to other countries. He may establish and collect suitable fees from the exporter for this service.*

Subd. 14. [COOPERATION WITH UNITED STATES DEPARTMENT OF AGRICULTURE.] *The commissioner shall cooperate with the United States department of agriculture in seed law enforcement.*

Sec. 8. [21.86] [UNLAWFUL ACTS.]

Subdivision 1. [PROHIBITIONS.] *A person may not sell any agricultural, vegetable, flower or tree and shrub seed if:*

(a) A test to determine the percentage of germination required by sections 4 and 5 has not been completed within a nine-month period, exclusive of the calendar month in which the test was completed, immediately prior to the sale, exposure for sale or offering for sale or transportation of the seed. This prohibition does not apply to tree, shrub, agricultural or vegetable seeds packaged in hermetically sealed containers. Agricultural or vegetable seeds packaged in hermetically sealed containers under the conditions defined by rule may be offered for sale for a period of 36 months after the last day of the month that the seeds were tested for germination prior to packaging. If seeds in hermetically sealed containers are offered for sale more than 36 months after the last day of the month in which they were tested prior to packaging, they must be retested within a nine-month period, exclusive of the calendar month in which the retest was completed, immediately prior to the sale, exposure for sale or offering for sale or transportation of the seed;

(b) It is not labeled in accordance with sections 4 and 5 or has false or misleading labeling;

(c) False or misleading advertisement has been used in respect to its sale;

(d) It contains prohibited noxious weed seeds;

(e) It consists of or contains restricted noxious weed seeds in excess of 25 seeds per pound, or in excess of the number declared on the label attached to the container of the seed or associated with the seed;

(f) It contains more than one percent by weight of all weed seeds;

(g) It contains less than the stated net weight of contents;

(h) It contains less than the stated minimum number of seeds in the container;

(i) It contains any labeling, advertising or other representation subject to sections 4 and 5 representing the seed to be certified unless:

(1) It has been determined by a seed certifying agency that the seed conformed to standards of purity and identity as to kind, species, subspecies, if appropriate, or variety, and also that tree seed was found to be of the origin and elevation claimed, in compliance with the rules pertaining to the seed;

(2) The seed bears an official label issued for it by a seed certifying agency certifying that the seed is of a specified class

and a specified kind, species, subspecies, if appropriate, and variety; and

(3) It is labeled with a variety name but not certified by an official seed certifying agency when it is a variety for which a United States certificate of plant variety protection under United States Code, title 7, sections 2481 to 2486, specifying sale by variety name only as a class of certified seed. Seed from a certified lot may be labeled as to variety name when used in a blend or mixture by or with approval of the owner of the variety; or

(j) The person whose name appears on the label does not have complete records including a file sample of each lot of agricultural, vegetable, flower, tree or shrub seed sold in this state as required in section 6.

Subd. 2. [MISCELLANEOUS VIOLATIONS.] No person may:

(a) Detach, alter, deface or destroy any label required in sections 4 and 5, or alter or substitute seed in a manner that may defeat the purposes of sections 4 and 5;

(b) Disseminate any false or misleading advertisement concerning seed subject to sections 4 and 5 in any manner or by any means;

(c) Hinder or obstruct in any way any authorized person in the performance of duties under sections 2 to 14;

(d) Fail to comply with a "stop sale" order or to move or otherwise handle or dispose of any lot of seed held under a stop sale order or attached tags, except with express permission of the enforcing officer for the purpose specified;

(e) Use the word "type" in any labeling in connection with the name of any agricultural seed variety;

(f) Use the word "trace" as a substitute for any statement which is required; or

(g) Plant any agricultural seed which the person knows contains weed seeds and noxious weed seeds in excess of the limits for that seed.

Sec. 9. [21.87] [EXEMPTION.]

Sections 4 and 5 do not apply:

(a) To seed or grain not intended for sowing purposes;

(b) *To seed in storage in or being transported or consigned to a seed cleaning or conditioning establishment for cleaning or conditioning, provided that the invoice or label accompanying any shipment of the seeds bears the statement "seeds for conditioning," and provided that any labeling or other representation which may be made with respect to the uncleaned or unconditioned seed is subject to the provisions of sections 4 and 5; or*

(c) *To any carrier with respect to seed transported or delivered for transportation in the ordinary course of its business as a carrier, provided that the carrier is not engaged in producing, conditioning or marketing seeds subject to sections 4 and 5.*

Sec. 10. [21.88] [PENALTIES.]

Subdivision 1. [MISDEMEANOR.] A violation of sections 2 to 14 is a misdemeanor. Each additional day of violation is a separate offense.

Subd. 2. [PENALTIES NOT TO APPLY.] (a) A person is not subject to the penalties in subdivision 2 for having sold seeds which were incorrectly labeled or represented as to kind, species, subspecies, if appropriate, variety, type, origin and year, elevation or place of collection if required, if the seeds cannot be identified by examination thereof, unless he has failed to obtain an invoice or genuine grower's or tree seed collector's declaration or other labeling information and to take other reasonable precautions to insure the identity is as stated. A genuine grower's declaration shall affirm that the grower holds records of proof concerning parent seed, such as invoices and labels.

Sec. 11. [21.89] [SEED TAX PERMITS.]

Subdivision 1. [SEED FEE.] In order to pay for administering and enforcing sections 2 to 14, the commissioner shall set by rule the fees charged for various seeds and shall collect the fees on all seeds covered by sections 2 to 14.

Subd. 2. [PERMITS; ISSUANCE, REVOCATION.] The commissioner shall issue a permit to any person who labels for sale in Minnesota agricultural, vegetable, flower, tree or shrub seeds which conform to and are labeled under sections 2 to 14. The person shall furnish to the commissioner semiannual statements of all seeds sold in Minnesota for the periods ending June 30 and December 31 of each year. A statement must be itemized to show the number of each class of seeds referred to in subdivision 4, and shall be delivered, along with the payment of the fee, to the commissioner no later than 30 days after the end of each semiannual period. Any person holding a permit shall show as

part of the analysis labels or invoices on all agricultural, vegetable, flower, tree or shrub seeds all information the commissioner requires. The commissioner may revoke any permit in the event of failure to comply with applicable laws and rules. The commissioner may at all reasonable times examine the records of applicants to verify the correctness of their statements.

Subd. 3. [PENALTY.] A penalty of \$10 shall be assessed any permit holder who fails to submit a semiannual statement and pay the fee due within the 30 days following the end of each semiannual period.

Subd. 4. [ANNUAL APPROPRIATION.] There is annually appropriated to the commissioner \$10,000 to audit the records of permit holders in order to verify the correctness of their statements. Unused portions of this appropriation shall be returned to the general fund at the end of each fiscal year.

Subd. 5. [EXEMPTIONS.] A person who labels for sale agricultural, vegetable, flower, tree or shrub seeds must have a seed fee permit unless:

(a) The person labels and sells less than 50,000 pounds of agricultural seed in Minnesota each calendar year. If more than 50,000 pounds are labeled and sold in Minnesota by any person, the person must have a seed fee permit and pay fees on all seed sold. A person who labels and sells grass seeds and mixtures of grass seeds intended for lawn or turf purposes is not exempted from having a permit and paying seed fees on all seeds in this category sold in Minnesota; or

(b) The agricultural, vegetable, flower, tree or shrub seeds are of the breeder or foundation seed classes of varieties developed by publicly financed research agencies intended for the purpose of increasing the quantity of seed available.

Sec. 12. [21.90] [HYBRID SEED FIELD CORN VARIETY REGISTRATION.]

Subdivision 1. [GROWING ZONES.] The director of the agricultural experiment station at the University of Minnesota shall determine, establish and number or otherwise identify corn growing zones of the state and determine and publish a list of day classifications for each zone which will approximate the number of days growing season necessary for corn from emergence of the corn plants above ground after planting to maturity.

Subd. 2. [FEES.] A record of each hybrid seed field corn grain variety to be sold in Minnesota shall be registered with the commissioner by February 1 of each year by the originator or owner. The annual fee for registration is \$22.50 per variety. The record shall include the permanent designation of the

hybrid as well as the day classification and zone of adaptation, as determined under subdivision 1, which the originator or owner declares to be the zone in which the variety is adapted. In addition, at the time of the first registration of a hybrid seed field corn grain variety, the originator or owner shall include a sworn statement that his declaration of the zone of adaptation was based on actual field trials in that zone and that the field trials substantiate his declaration as to the day and zone classifications to which the variety is adapted. The name or number used to designate a hybrid seed field corn variety in the registration is the only name of all seed corn covered by or sold under that registration.

Subd. 3. [TESTS OF VARIETIES.] If the commissioner needs to verify that a hybrid seed field corn grain variety is adapted to the corn growing zone declared by the originator or owner, it must, when grown in several official comparative trials by the director of the Minnesota agricultural experiment station in the declared zone of adaptation, have an average kernel moisture at normal harvest time which does not differ from the average kernel moisture content of three or more selected standard varieties adapted for grain production in that particular growing zone by more than four percentage points. If a new variety when tested has more than six percentage points of moisture over the standard variety, it must have the maturity increased by five days in the correct zone of adaptation before it can be sold the second year. If it does not exceed the standard varieties by more than five percentage points of moisture the second year tested, it can be sold the third year with the same maturity. If upon being tested the third year the moisture percentage points are found to be over the four percentage points allowed, the variety then must have the maturity increased by five days in the correct zone. The varieties to be used as standard varieties for determining adaptability to a zone shall be selected for each zone by the director of the Minnesota agricultural experiment station with the advice and consent of the commissioner of agriculture. Should a person, firm, originator or owner of a hybrid seed field corn grain variety wish to offer hybrid seed for sale or distribution in this state, the person, firm, originator or owner not having distributed any products in Minnesota during the past ten years, or not having any record of testing by an agency acceptable to the commissioner, then after registration of the variety the commissioner is required to have the variety tested for one year by the director of the Minnesota experiment station before it may be distributed in Minnesota. Should any person, firm, originator, or owner of a seed field corn grain variety be guilty of two successive violations with respect to the declaration of maturity date and zone number, then the violator must commence a program of pretesting for varieties as determined by the commissioner. The list of varieties to be used as standards in each growing zone shall be sent by the commissioner not later than February 1 of each year to each seed firm registering hybrid varieties with the commissioner as of the previous April 1. To assist in defraying the expenses of the Minnesota agricultural

experiment station in carrying out the provisions of this section, there shall be transferred annually from the seed law account to the agricultural experiment station the sum of \$35,000.

Sec. 13. [21.91] [SEED CERTIFICATION AGENCIES.]

Subdivision 1. [MINNESOTA.] The official seed certification agency for Minnesota shall be determined by the commissioner of agriculture and the director of the Minnesota agricultural experiment station.

Subd. 2. [OTHER JURISDICTIONS.] The official seed certification agency for other jurisdictions shall be determined and the identity filed as a public record in the office of the commissioner of agriculture. The determination shall be made by the commissioner of agriculture and the director of the Minnesota agricultural experiment station.

Sec. 14. [21.92] [SEED LAW ACCOUNT.]

There is established in the state treasury a seed law account. Fees and penalties collected by the commissioner under sections 2 to 14 shall be paid into the seed law account. Money in the seed law account, including interest earned and any appropriations made by the legislature for the purposes of sections 2 to 14, is annually appropriated to the commissioner for the administration and enforcement of sections 2 to 14. If, at any time after June 30, 1983, the seed law account contains more than \$200,000 at the end of a fiscal year, the amount in excess of \$200,000 shall be paid into the general fund.

Sec. 15. [APPROPRIATION.]

There is appropriated from the general fund in the state treasury to the commissioner of agriculture \$150,000, for the fiscal year ending July 1, 1983, for the purpose of establishing the seed law account pursuant to section 14.

Sec. 16. [REPEALER.]

Minnesota Statutes 1980, Sections 21.47; 21.48; 21.49; 21.50; 21.502; 21.503; 21.51; 21.52; 21.53; 21.54; 21.55; 21.56; 21.57; and 21.58, are repealed.

Sec. 17. [EFFECTIVE DATE.]

Sections 1 to 16 are effective July 1, 1982."

Delete the title and insert:

"A bill for an act relating to agriculture; regulating commerce in seeds; establishing a seed laboratory for the regulatory and

service testing of seeds; appropriating money; providing penalties; proposing new law coded in Minnesota Statutes, Chapter 21; repealing Minnesota Statutes 1980, Sections 21.47 to 21.58.”

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Jude from the Committee on Judiciary to which was referred:

H. F. No. 1456, A bill for an act relating to probate; changing certain records-keeping requirements; amending Minnesota Statutes 1980, Section 525.03.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1980, Section 525.03, is amended to read:

525.03 [(BOOKS OF RECORD) *RECORDS.*]

The court shall keep the following (BOOKS OF RECORD) *records*:

(1) An index (IN WHICH FILES PERTAINING TO ESTATES OF DECEASED PERSONS SHALL BE INDEXED) *to the court records, in which all proceedings shall be entered in alphabetical order under the name of the (DECEDENT, THOSE PERTAINING TO GUARDIANSHIPS UNDER THE NAME OF THE WARD, THOSE PERTAINING TO A MENTALLY ILL, INEBRIATE, MENTALLY DEFICIENT, OR EPILEPTIC PERSON UNDER THE NAME OF SUCH PERSON, THOSE PERTAINING TO WILLS DEPOSITED PURSUANT TO SECTION 525.22, UNDER THE NAME OF THE TESTATOR; AFTER THE NAME OF EACH FILE SHALL BE SHOWN THE FILE NUMBER AND, IF ORDERED BY THE COURT, THE BOOK AND PAGE OF THE REGISTER IN WHICH THE DOCUMENTS PERTAINING TO SUCH FILE ARE LISTED,)* *subject person, together with the case number and the date of the filing of the first document;*

(2) A register, (PROPERLY INDEXED, IN WHICH SHALL BE LISTED UNDER THE NAME OF THE DECEDENT, WARD, MENTALLY ILL, INEBRIATE, MENTALLY DEFICIENT, OR EPILEPTIC PERSON, OR TESTATOR, ALL) *in which shall be entered the title of each proceeding, the case number and a listing of each (DOCUMENT) documents, filed (PERTAINING THERETO AND IN THE ORDER*

FILED; SUCH LIST SHALL SHOW THE NAME OF THE DOCUMENT,) *with* the date of the filing (THEREOF, AND SHALL GIVE A REFERENCE TO THE VOLUME AND PAGE OF ANY OTHER BOOK IN WHICH ANY RECORD SHALL HAVE BEEN MADE OF SUCH DOCUMENT;)

((3) A RECORD OF WILLS, PROPERLY INDEXED, IN WHICH SHALL BE RECORDED ALL PROBATED WILLS WITH THE ORDER OF PROBATE THEREOF;)

((4) A RECORD OF BONDS, IF ORDERED BY THE COURT, PROPERLY INDEXED, IN WHICH MAY BE RECORDED SUCH BONDS AS MAY BE ORDERED BY THE COURT TO BE RECORDED;)

((5) A RECORD OF LETTERS, PROPERLY INDEXED, IN WHICH SHALL BE ENTERED ALL LETTERS TESTAMENTARY, OF ADMINISTRATION, AND OF CONSERVATORSHIP OR GUARDIANSHIP ISSUED;)

((6) A RECORD OF ORDERS, PROPERLY INDEXED, IN WHICH SHALL BE RECORDED ALL ORDERS AUTHORIZING, OR REFUSING TO AUTHORIZE, THE SALE, MORTGAGE, OR LEASE OF REAL ESTATE, OR CONFIRMING, OR REFUSING TO CONFIRM, THE SALE OR LEASE OF REAL ESTATE; ALL ORDERS DIRECTING, OR REFUSING TO DIRECT, A CONVEYANCE OR LEASE OF REAL ESTATE UNDER CONTRACT; ALL ORDERS VACATING A PREVIOUS APPEALABLE ORDER, JUDGMENT, OR DECREE; ALL ORDERS REFUSING TO VACATE A PREVIOUS APPEALABLE ORDER, JUDGMENT, OR DECREE ALLEGED TO HAVE BEEN PROCURED BY FRAUD OR MISREPRESENTATION, OR THROUGH SURPRISE OR EXCUSABLE INADVERTENCE OR NEGLIGENCE; ALL JUDGMENTS OR DECREES OF PARTIAL OR FINAL DISTRIBUTION; ALL ORDERS OF DISTRIBUTION AND GENERAL PROTECTION; AND ALL ORDERS GRANTING OR DENYING RESTORATION TO CAPACITY).

Sec. 2. Laws 1979, Chapter 303, Article III, Section 43, is amended to read:

Sec. 43. [EFFECTIVE DATE.]

The provisions of section 5 which relate to payments for military service while the decedent was missing in action shall be effective for estates of decedents declared dead after January 1, 1975. The provisions of section 26 shall be effective the day following final enactment and shall relate to returns filed pursuant to chapters 291 and 292 prior to and after the effective date of this article. *The provisions of section 32 shall be effective for estates of decedents dying after January 1, 1975.* The

remainder of this article is effective for estates of decedents dying after December 31, 1979 and gifts made after December 31, 1979.

Sec. 3. [EFFECTIVE DATE.]

Section 2 is effective the day following final enactment."

Amend the title as follows:

Page 1, line 4, before the period insert "; Laws 1979, Chapter 303, Article III, Section 43"

With the recommendation that when so amended the bill pass and be placed on the Consent Calendar.

The report was adopted.

Johnson, C., from the Committee on Education to which was referred:

H. F. No. 1459, A bill for an act relating to education; requiring schools to offer certain subjects; exempting nonpublic schools from the requirement of offering certain subjects; requiring classroom teachers in nonpublic schools to be licensed; excluding licensed nonpublic school teachers from certain duties and benefits; requiring nonpublic schools to report certain information to school district superintendents; providing additional remedies to enforce the compulsory attendance laws; prohibiting the state board of education from promulgating rules pursuant to this act; amending Minnesota Statutes 1980, Sections 120.10, Subdivision 2; 120.12, Subdivisions 2 and 3; 125.03, Subdivision 1, and by adding a subdivision; and 125.04; proposing new law coded in Minnesota Statutes, Chapter 120.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1980, Section 120.10, Subdivision 2, is amended to read:

Subd. 2. [SCHOOL.] A school, to satisfy the requirements of compulsory attendance, must (BE ONE) *meet all of the following requirements:*

(a) Programs are offered which allow development of basic skills in the following areas: language arts, including reading, for elementary pupils; mathematics; and social studies, including citizenship.

(b) *Courses are taught in the English language from learning materials in the English language.*

(c) *The courses supporting the programs required in clause (a) are taught by teachers whose qualifications are essentially equivalent to the minimum standards for public school teachers of the same grades or subjects.*

(d) *School is in session each school year for at least 175 days or the equivalent.*

(e) *Information required to be reported according to section 2 or 3 is submitted.*

((1) IN WHICH ALL THE COMMON BRANCHES ARE TAUGHT IN THE ENGLISH LANGUAGE, FROM TEXTBOOKS WRITTEN IN THE ENGLISH LANGUAGE, AND TAUGHT BY TEACHERS WHOSE QUALIFICATIONS ARE ESSENTIALLY EQUIVALENT TO THE MINIMUM STANDARDS FOR PUBLIC SCHOOL TEACHERS OF THE SAME GRADES OR SUBJECTS AND ((2) WHICH IS IN SESSION EACH SCHOOL YEAR FOR AT LEAST 175 DAYS OR THEIR EQUIVALENT; PROVIDED THAT IN) A school may offer a program of instruction for children of limited English proficiency (.). Instruction and textbooks may be in the primary language of the children of limited English proficiency (ENROLLED THEREIN). Any other language may be taught as provided in section 126.07. As used in this subdivision, the terms "children of limited English proficiency" and "primary language" shall have the meanings ascribed to them in section 126.262.

Sec. 2. Minnesota Statutes 1980, Section 120.12, Subdivision 2, is amended to read:

Subd. 2. [(PRIVATE SCHOOLS) PARENT OR GUARDIAN NONPUBLIC SCHOOL REPORT.] (IT SHALL BE THE DUTY OF) The (PRINCIPAL, TEACHER, OR OTHER PERSON) *parent or guardian of a pupil enrolled in (CHARGE OF ANY PRIVATE) a nonpublic school (TO MAKE REPORTS AT SUCH TIMES AND CONTAINING SUCH INFORMATION AS IS HEREIN REQUIRED RESPECTING PUBLIC SCHOOLS. SUCH) shall annually report (SHALL BE MADE) to the (DISTRICT) superintendent (IN WHOSE) of the district (SUCH PRIVATE SCHOOL IS LOCATED) in which the pupil resides all of the following information:*

(a) *the name and date of birth of each child of that parent or guardian enrolled in a nonpublic school;*

(b) *the name and address of the parent or guardian;*

(c) *the name and address of each nonpublic school attended by each child;*

(d) *the name of the person in charge of the school; and*

(e) *a certification that the school is in session 175 days or the equivalent.*

Sec. 3. Minnesota Statutes 1980, Section 120.12, is amended by adding a subdivision to read:

Subd. 2a. [NONPUBLIC SCHOOL REPORT.] The provisions of this subdivision shall apply to schools which agree to provide the information required by section 1, clause (e) for the parents or guardians. The person in charge of a nonpublic school shall annually report to the superintendent of the district in which the pupil resides all of the following information:

(a) *the name and date of birth of each pupil from that district enrolled in the nonpublic school;*

(b) *the name and address of the parent or guardian;*

(c) *the name and address of the nonpublic school;*

(d) *the name of the person in charge of the nonpublic school; and*

(e) *a certification that the school is in session 175 days or the equivalent.*

Sec. 4. Minnesota Statutes 1980, Section 120.12, Subdivision 3, is amended to read:

Subd. 3. [(CRIMINAL COMPLAINT;) PROSECUTION; ACTIONS.] *The (DISTRICT) superintendent of the district in which the pupil resides shall (MAKE AND) file a (CRIMINAL COMPLAINT AGAINST PERSONS NEGLECTING OR REFUSING TO COMPLY WITH THE PROVISIONS OF LAW RELATING TO THE SENDING OF CHILDREN TO SCHOOL, IN ANY COURT IN THE COUNTY EXERCISING CRIMINAL JURISDICTION AND, UPON THE MAKING OF SUCH COMPLAINT, A WARRANT SHALL BE ISSUED AND PROCEEDINGS AND TRIAL BE HAD AS PROVIDED BY LAW IN CASES OF MISDEMEANOR AND SHALL BE PROSECUTED BY THE COUNTY ATTORNEY OF THE COUNTY WHEREIN THE OFFENSE IS COMMITTED) notice with the county attorney of the names of parents or guardians neglecting or refusing to comply with the provisions of section 120.10. If the county attorney of the county in which the notice is filed determines that a violation of section 120.10 has occurred, the county attorney may bring a civil action to require the parent or guard-*

ian to send the child to a school which meets the requirements of section 120.10. In all such actions, the defendant shall have the right to trial by jury on the question of whether a violation of section 120.10 has occurred. In the alternative a county attorney may commence an action pursuant to section 127.20."

Delete the title and insert:

"A bill for an act relating to education; requiring schools to offer certain subjects; requiring nonpublic schools or parents or guardians to report certain information to school superintendents; changing proceedings against parents or guardians who neglect or refuse to comply with the provisions of law governing schools and compulsory attendance; amending Minnesota Statutes 1980, Sections 120.10, Subdivision 2; 120.12, Subdivisions 2, 3, and by adding a subdivision."

With the recommendation that when so amended the bill pass.

The report was adopted.

Sarna from the Committee on Commerce and Economic Development to which was referred:

H. F. No. 1469, A bill for an act relating to commerce; revising and modernizing laws relating to hotels; providing for the rights and duties of innkeepers and their guests; prohibiting certain practices; imposing penalties; amending Minnesota Statutes 1980, Section 363.03, by adding a subdivision; proposing new law coded in Minnesota Statutes, Chapter 327; repealing Minnesota Statutes 1980, Sections 327.01 to 327.095.

Reported the same back with the following amendments:

Page 1, line 20, after "motel," insert "resort,"

Page 2, line 17, delete ", printed in at least ten point type,"

Page 2, line 27, delete "\$3,000" and insert "\$1,000"

Page 2, line 29, delete "\$3,000" and insert "\$1,000"

Page 3, line 4, delete "\$1,500" and insert "\$1,000"

Page 3, line 18, delete "\$2,000" and insert "\$1,000"

Page 3, line 22, delete "room" and insert "bedroom"

Page 3, line 22, delete "assigned" and insert "registered"

Page 4, line 1, before the period insert "*and upon payment of the costs of storage. The innkeeper may also dispose of abandoned, unclaimed property in the manner provided in sections 345.01 to 345.07*"

Page 4, line 20, after "guest" insert "*or other person*"

Page 5, line 13, delete "*printed in at least ten point type*"

Page 6, lines 2 and 3, delete "*Except as provided in subdivision 2,*"

Page 6, line 14, delete "3" and insert "2"

Page 6, line 15, delete "4" and insert "3"

Page 6, delete lines 16 to 19

Page 6, line 20, delete "3" and insert "2"

Page 7, line 7, delete "4" and insert "3"

With the recommendation that when so amended the bill pass.

The report was adopted.

Munger from the Committee on Environment and Natural Resources to which was referred:

H. F. No. 1477, A bill for an act relating to snowmobiles; increasing the registration fee and appropriating the proceeds thereof for stated purposes; amending Minnesota Statutes 1980, Sections 84.82, Subdivision 3; and 84.83.

Reported the same back with the following amendments:

Page 1, after line 22, insert:

"Sec. 2. Minnesota Statutes 1980, Section 84.82, is amended by adding a subdivision to read:

Subd. 9. [COLLECTORS' SNOWMOBILES.] Any snowmobile that is at least 15 model years old and originally licensed as a separate identifiable make as designated by the manufacturer, and owned and operated solely as a collector's snowmobile, shall be listed for registration as follows: An affidavit shall be executed stating the make of the snowmobile, year and number of the model, the manufacturer's identification number and that the vehicle is owned and operated solely as a collector's item and not for general transportation purposes. If the registrar is satisfied that the affidavit is true and correct and the owner

pays a one-time fee of \$25, in lieu of the fees required by subdivision 3, the registrar shall list such vehicle. The registration number so issued shall bear the most recent applied registration number. These numbers are valid without renewal as long as the vehicle is in existence and shall be issued for the applicant's use only for such vehicle. The registrar has the power to revoke such registration for failure to comply with this subdivision. The provisions of sections 84.84 to 84.90 shall apply to snowmobiles registered pursuant to this subdivision."

Page 2, delete the new language in lines 3 to 11 and insert "*shall be expended only as may be authorized by law for a grants-in-aid program to counties and municipalities for construction and maintenance of snowmobile trails and administration and enforcement of sections 84.81 to 84.90, including but not limited to the following:*

(a) *snowmobile safety programs and enforcement of winter recreational laws;*

(b) *snowmobile registration administrative expenses.*

The department of natural resources shall study the means of determining a more accurate accounting for the gasoline used in motorboats and snowmobiles in this state and shall report to the legislature by January 1, 1983, with a proposed revision of section 296.16 to reflect the results of this study

Page 2, after line 11, insert:

"*Sec. 5. [APPROPRIATION.] There is appropriated from the general fund \$400,000 to the department of natural resources for the purposes of section 3."*

Renumber the section

Amend the title as follows:

Page 1, line 4, after the semicolon insert "*registration of collectors' snowmobiles; requiring a study; appropriating money;*"

Page 1, line 5, after "Subdivision 3" insert "*, and by adding a subdivision"*

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Munger from the Committee on Environment and Natural Resources to which was referred:

H. F. No. 1492, A bill for an act relating to natural resources; authorizing an addition to Split Rock Creek Recreation Area and authorizing land acquisition in relation thereto.

Reported the same back with the following amendments:

Page 1, line 12, delete "*commissioner of administration for the*"

Page 2, after line 12, insert:

"That part of the Northwest Quarter of Section 15, Township 105 North, Range 46 West, being a strip of land 100 feet in width lying northeasterly of, parallel with, adjacent and contiguous to the following described line: Commencing at a point on the east-west quarter line of said Section 15 distance 2120 feet east of the west line of said Section 15; thence north parallel to said west line 1097.25 feet; thence west parallel to the north line of said Section 15, a distance of 267 feet to the point of beginning of the line to be described; thence northwesterly, a distance of 877.55 feet and there terminating, along a line which runs to a point which is 92 feet south and 33 feet east of the northwest corner of said Section 15.

That part of the Northeast Quarter of the Southwest Quarter of Section 15, Township 105 North, Range 46 West, described as follows: Beginning at a point on the south line of said Northeast Quarter of the Southwest Quarter 520 feet west of the southeast corner thereof; thence northerly to a point on the north line of said Northeast Quarter of the Southwest Quarter 2120 feet east of the west line of said Section 15; thence westerly along the north line of said Northeast Quarter of the Southwest Quarter to the northwest corner thereof; thence southeasterly to the point of beginning."

With the recommendation that when so amended the bill pass.

The report was adopted.

Jude from the Committee on Judiciary to which was referred:

H. F. No. 1499, A bill for an act relating to the hospitalization and commitment of persons who are mentally ill, mentally ill and dangerous, mentally retarded, or chemically dependent; providing for informal hospitalization by consent, involuntary emergency hospitalization and for involuntary commitment by civil judicial procedures; providing for rights of persons hospitalized under voluntary, emergency or involuntary judicial procedures; requiring pre-petition screening; providing for commitment hearings and procedures in conformance with due

process; requiring a final hearing within 60 days before final determination of commitment; providing for commitment for determinate periods; providing for provisional discharge and partial hospitalization; requiring special review boards for mentally ill and dangerous and psychopathic personalities; establishing review boards for civilly committed persons; providing penalties; proposing new law coded in Minnesota Statutes, Chapter 253A; repealing Minnesota Statutes 1980, Sections 253A.01 to 253A.23.

Reported the same back with the following amendments:

Page 5, line 15, delete "*and subject to the*"

Page 5, delete lines 16 and 17

Page 5, line 18, delete "*restrictions*"

Page 7, line 36, delete "*relevant to commitment proceedings*" and insert "*of any admission to a treatment facility under this chapter or its predecessor*"

Page 10, line 23, delete "*Any*" and insert "*No*"

Page 10, line 23, after "*person*" insert "*may be*"

Page 10, line 24, delete "*may be held up to*" and insert "*longer than*"

Page 12, line 35, delete "*When requested to*"

Page 12, delete line 36

Page 13, delete line 1

Page 13, line 2, delete "*Upon completion of the investigation,*"

Page 13, delete lines 4 and 5 and insert "*investigation does not disclose evidence sufficient to support*"

Page 13, line 31, after "*contain*" insert "*only*"

Page 14, line 2, after "*opinion*" insert "*for stated reasons*"

Page 14, line 3, delete "*should*" and insert "*may*"

Page 14, line 3, delete "*committed*" and insert "*in need of commitment*"

Page 14, line 14, after the period insert "At least one of the examiners shall be a licensed physician."

Page 15, line 21, delete "PROBABLE CAUSE" and insert "PRELIMINARY"

Page 18, line 13, after "hearing" insert "pursuant to the rules of evidence"

Page 18, line 15, delete "pursuant to the rules of" and insert a period

Page 18, delete line 16

Page 19, line 6, delete "(a)" and insert "Subdivision 1. [STANDARD OF PROOF.]"

Page 19, line 9, delete "the court, after careful"

Page 19, delete lines 10 to 31 and insert "and, after careful consideration of reasonable alternative dispositions, including but not limited to, dismissal of petition, voluntary out-patient care, informal hospitalization in a private or public treatment facility, appointment of a guardian or conservator or release before commitment as provided for in section 10, finds that there is no suitable alternative to judicial commitment, the court shall commit the patient to the least restrictive available treatment facility which can meet the patient's treatment needs consistent with section 3, subdivision 6, and which, in the case of a private treatment facility, consents to receive him."

Subd. 2. [INITIAL TIME PERIOD.] For persons committed as mentally ill, mentally retarded, or chemically dependent the initial commitment shall not exceed six months. At least 60 days, but not more than 90 days, after the commencement of the initial commitment of a person as mentally ill, mentally retarded, or chemically dependent, the head of the facility shall file a written report with the committing court with a copy to the patient and his counsel. This first report shall set forth the same information as is required in section 12, subdivision 1, but no hearing shall be required at this time. If no written report is filed within the required time, or if it describes the patient as not in need of further institutional care and treatment, the proceedings shall be terminated by the committing court, and the patient shall be discharged from the treatment facility."

Page 20, line 12, after the period insert "The county attorney shall be given notice of the hearing and may represent the interests of the county."

Page 23, line 4, delete "60-day" and insert "initial commitment"

Page 23, line 12, delete "SIXTY-DAY" and insert "TREATMENT"

Page 23, delete lines 14 to 19

Page 23, line 20, delete "Within 60 days from the date of the" and insert:

"Subdivision 1. [REPORT.] Prior to the termination of the initial"

Page 23, line 21, after "a" insert "second"

Page 23, line 21, after "written" insert "report"

Page 23, line 21, before "court" insert "committing"

Page 23, line 22, delete "issuing said order, and" and insert "with"

Page 23, line 22, delete "thereof with" and insert "to"

Page 24, delete line 1

Page 24, line 2, delete "Subdivision 1." and insert "Subd. 2."

Page 24, line 3, delete "60 days" and insert "the required time"

Page 24, line 8, delete "2" and insert "3"

Page 24, line 13, delete "Subd. 3. [HEARING; STANDARD OF PROOF.]" and insert:

"Sec. 15. [253A.61] [CONTINUED COMMITMENT OF MENTALLY ILL AND CHEMICALLY DEPENDENT PERSONS.]

Subdivision 1. [HEARING.]"

Renumber the subdivisions

Page 24, line 14, after "of" insert "the need to continue"

Page 24, line 16, delete the comma

Page 24, line 17, delete "mentally retarded"

Page 25, line 2, after "Where" insert "continued"

Page 25, line 11, delete "Sec. 16. [253A.62]" and insert "Subd. 7."

Page 25, line 11, after "OF" insert "CONTINUED" and after "COMMITMENT" insert "FOR MENTALLY ILL AND CHEMICALLY DEPENDENT PERSONS"

Page 25, delete lines 12 to 36 and insert:

"If at the conclusion of a hearing held pursuant to section 15, it is found that the criteria for continued commitment have been satisfied, the court shall determine the probable length of commitment necessary. No period of commitment shall exceed this length of time or 18 months, whichever is less, unless the court determines that there is no significant probability that the person will be ready for discharge within 18 months, in which case the period of commitment shall not exceed 36 months. The court shall base its determinations of probable length of commitment upon the assumption that the treatment to be provided to the person meets the standards of section 3, subdivision 6. At the conclusion of the prescribed period, commitment may be not continued unless a new petition is filed pursuant to section 7 and hearing and determination made on it.

Sec. 16. [253A.62] [CONTINUED COMMITMENT OF MENTALLY RETARDED PERSONS.]

If the court finds upon review of the treatment report that the person continues to be mentally retarded within the meaning of section 2, it shall order commitment of the person for an indeterminate period of time, subject to the administrative review required by section 3, subdivision 5, and subject to the right of the patient to seek judicial review of continued commitment."

Page 26, delete lines 1 to 25

Page 27, delete lines 9 to 12

Renumber the clause

Page 27, delete lines 24 to 36 and insert:

"Subd. 2. [REVOCATION OF PROVISIONAL DISCHARGE.] (a) The head of the treatment facility may revoke a provisional discharge, as set forth in this subdivision.

(b) No patient's provisional discharge may be revoked unless:

(i) *The patient has violated material conditions of the provisional discharge, and the violation creates the need to return the patient to the facility; or,*

(ii) *There exists a serious likelihood that the safety of the patient or others will be jeopardized, in that either the patient's need for food, clothing, shelter, or medical care are not being met, or will not be met in the near future, or the patient has attempted or threatened to seriously physically harm himself or others.*

(c) *When the possibility of revocation becomes apparent, the designated agency shall notify the patient and all participants in the plan, and every effort shall be made to prevent revocation.*

(d) *Any interested person, including the designated agency, may request that the head of the facility revoke the patient's provisional discharge. Any person making such a request shall provide to the head of the facility a written report setting forth the specific facts, including witnesses, dates and locations, supporting a revocation, demonstrating that every effort has been made to avoid revocation and that revocation is the least restrictive alternative available.*

(e) *Revocation shall be commenced by a notice of intent to revoke provisional discharge, which shall be served upon the patient, his attorney, and the designated agency. The notice shall set forth the grounds upon which the intention to revoke is based, and shall inform the patient of his rights under this chapter.*

(f) *Any interested person, including the patient, may request review of the intended revocation by notifying the head of the facility within 14 days of service of the notice upon the patient. Upon receipt of such a request, the head of the facility shall immediately file with the committing court a petition for review of the notice of intent to revoke. Any interested person, including the patient, may file a petition. The court shall hold a hearing on the petition. The hearing shall be held within 14 days of the filing of the petition, unless the patient requests an immediate hearing, in which case it shall be held within five days of the request. At the hearing, the burden of proof shall be upon the party seeking revocation. At the conclusion of the hearing, the court shall find the facts specifically, and may order that the patient's provisional discharge should be revoked and the patient returned to the facility.*

(g) *The head of the facility may apply to the committing court for an order directing that the patient be returned to the facility. The court may order the patient returned to the facility prior to a review hearing only upon finding that immediate*

return to the facility is necessary to avoid serious, imminent harm to the patient or others.

(h) If neither the patient nor others requests a review hearing within the time specified in this subdivision, the revocation shall become final and the court, without hearing, may order the patient returned to the facility.

(i) During the first 60 days of a provisional discharge, the head of the treatment facility, upon finding that either of the conditions set forth in clause (b) exists, may revoke the provisional discharge without being subject to the provisions of clauses (f), (g) and (h) of this subdivision."

Page 28, delete lines 1 to 36

Page 29, delete lines 1 to 18 and insert:

"Subd. 3. [VOLUNTARY RETURN.] With the consent of the patient on provisional discharge and the head of the treatment facility, a patient may return to inpatient status at the treatment facility as follows:

(a) As an informal patient, in which case the patient's commitment is discharged;

(b) As a committed patient, in which case the patient's provisional discharge is voluntarily revoked; or

(c) On temporary return from provisional discharge, in which case both the commitment and the provisional discharge remain in effect.

Prior to readmission, the patient shall be informed of his status upon readmission."

Page 30, line 11, delete "16" and insert "15"

Page 32, delete lines 25 and 26

Renumber the subdivision

Page 33, line 8, before the period insert "*, subject to review as provided in this section*"

Page 33, delete lines 11 to 18 and insert:

"Subd. 3. [REVIEW.] (a) Within 60 days from the date of the commitment order, the treatment facility shall file with the court a statement as required by section 14, and a copy there-

of with the patient, the patient's attorney and the county attorney.

(b) Within 14 days after receipt by the court of the statement or within 14 days after the end of the 60 day period, whichever is earlier, the court shall hold a hearing concerning continued commitment.

(c) The patient, his counsel, the petitioner, and such other persons as the court directs shall be given at least five days notice by the court of the time and place of the hearing.

(d) A patient, after consultation with his attorney, may waive the hearing. The waiver must be submitted to the probate court and must be in writing and signed by both the patient and his attorney.

(e) The court shall appoint an examiner or examiners in accordance with provisions of section 7, subdivision 3.

(f) If the court finds by clear and convincing evidence that (1) the person continues to be mentally ill and dangerous to the public; (2) involuntary hospitalization is necessary for the protection of the patient or others; and (3) there is no less restrictive alternative to involuntary commitment, the court shall commit the person for an indeterminate period to a treatment facility.

(g) Where the court finds that the patient qualifies for commitment as mentally ill, but not as mentally ill and dangerous to the public, the court may commit the person as a mentally ill person under section 15, subdivision 3, and the person shall thereafter be deemed, for the purposes of subdivisions 5 to 10 of this section, not to have been found to be dangerous to the public.

(h) Where commitment is ordered, the findings of fact and conclusions of law shall specifically state the conduct of the proposed patient which is the basis for the final determination, that the statutory criteria of section 2 continue to be met, and that less restrictive alternatives have been considered and rejected by the court. Reasons for rejecting each alternative shall be stated. A copy of the final order for commitment shall be forwarded to the head of the treatment facility."

Page 34, line 35, delete "Persons who have been" and insert "Any person"

Page 35, line 7, delete "In those instances" and insert "If the patient is also committed"

Page 35, line 8, delete "where a commitment also exists"

Page 35, line 11, delete "*are to*" and insert "*shall*"

Page 35, line 14, after the semicolon insert "*and*"

Page 35, delete lines 15 to 18

Reletter the subclause

Page 35, line 22, delete "*Persons who have been*" and insert "*Any person*"

Page 35, line 28, delete "*is capable of*" and insert "*will be provisionally discharged under such conditions that he will not create an unreasonable risk of harm to others.*"

Page 35, delete line 29

Page 35, line 30, delete "*are to*" and insert "*shall*"

Page 35, line 32, after the colon insert "*(i) whether the patient's course of hospitalization and present mental status indicate there is no longer a need for inpatient treatment and supervision; and (ii)*"

Page 35, line 32, after "*whether*" insert "*the*"

Page 35, line 32, delete "*are such as to*" and insert "*of the provisional discharge plan will*"

Page 35, line 33, delete "*to assist*" and insert "*will enable*"

Page 35, line 34, delete "*in adjusting*" and insert "*to adjust*"

Page 35, line 34, delete everything after "*community*" and insert a period

Page 35, delete lines 35 and 36

Page 36, delete line 1

Page 36, delete lines 18 to 36 and insert:

(e) A provisional discharge under this section may be revoked if any of the following grounds exist:

(i) the patient has departed from the conditions of the provisional discharge plan;

(ii) the patient is exhibiting signs of a mental illness which may require in-hospital evaluation or treatment; or

(iii) *the patient is exhibiting behavior which may be dangerous to self or others.*

(f) *When the possibility of revocation becomes apparent, the designated agency shall notify the patient and all participants in the plan, and every effort shall be made to prevent revocation.*

(g) *Any interested person, including the designated agency, may request that the head of the facility revoke the patient's provisional discharge. Any person making such a request shall provide to the head of the facility a written report setting forth the specific facts, including witnesses, dates and locations, supporting a revocation, demonstrating that every effort has been made to avoid revocation.*

(h) *Revocation shall be commenced by a notice of intent to revoke provisional discharge, which shall be served upon the patient, his attorney, and the designated agency. The notice shall set forth the grounds upon which the intention to revoke is based, and shall inform the patient of his rights under this chapter.*

(i) *If the head of the facility determines that an emergency exists, he may, prior to receiving a written recommendation to revoke, order that the patient be immediately returned to the treatment facility. The patient must be informed of his rights under this chapter immediately upon his return to the facility. In such cases, a notice of intent to revoke provisional discharge and the written report described in clause (g) of the subdivision shall be served upon the patient, his attorney and the designated agency within 72 hours after the patient is returned to the treatment facility, exclusive of Saturdays, Sundays and holidays.*

(j) *Any interested person, including the patient, may request review of the intended revocation by notifying the head of the facility within 14 days of service of the notice upon the patient. Upon receipt of such a request, the head of the facility shall immediately file with the commissioner a petition for review of the notice of intent to revoke. The commissioner shall convene the special review board which shall hold a hearing on the petition. The hearing shall be held within 14 days of the filing of the petition. The special review board shall review the circumstances leading to the revocation and shall recommend to the commissioner whether or not the revocation shall be upheld. The special review board may also recommend a new provisional discharge at the time of a revocation hearing.*

(k) *If neither the patient nor others requests a review hearing within the time specified in clause (j) of this subdivision, the revocation shall become final and the head of the facility may order the patient returned to the facility.*

(1) *With the consent of the head of the treatment facility, a patient may voluntarily return from provisional discharge for a period of up to 30 days and be released from the treatment facility without a further review by the special review board provided that all the terms and conditions of the provisional discharge order remain unchanged.*"

Page 37, delete lines 1 to 36

Page 38, delete lines 1 and 2

Page 38, delete lines 11 to 16

Page 39, line 30, delete everything after the period

Page 39, delete line 31

Page 39, line 32, delete "*special review board.*"

Page 40, line 6, delete "*department of public welfare*" and insert "*commissioner*"

Page 42, line 13, delete "*released,*"

Page 42, line 28, after "*the*" insert "*discharge,*"

Page 42, line 28, before "*partial*" insert "*or*"

Page 42, line 29, delete "*, or release*"

Page 42, line 33, delete everything after the period

Page 42, delete lines 34 to 36

Page 43, delete lines 1 to 3

Page 43, line 5, before "*partial*" insert "*or*"

Page 43, line 5, after "*hospitalization*" delete "*, or*"

Page 43, line 6, delete "*release*"

Amend the title as follows :

Page 1, line 2, delete "*hospitalization and*"

Page 1, line 5, delete "*hospitalization*" and insert "*admissions*"

Page 1, line 6, delete "*hospitalization*" and insert "*admissions*"

Page 1, line 8, delete "hospitalized" and insert "admitted"

Page 1, line 12, delete "final"

Page 1, line 13, delete "within 60 days" and insert "and review"

With the recommendation that when so amended the bill pass.

The report was adopted.

Sarna from the Committee on Commerce and Economic Development to which was referred:

H. F. No. 1547, A bill for an act relating to intoxicating liquor; town board approval of certain county liquor licenses; amending Minnesota Statutes 1981 Supplement, Section 340.11, Subdivision 10.

Reported the same back with the following amendments:

Page 2, after line 34, insert:

"Sec. 2. Minnesota Statutes 1980, Section 340.119, is amended by adding a subdivision to read:

Subd. 10. Notwithstanding any other provision of law, the governing body of any city may issue a one-day intoxicating liquor consumption and display permit to any non-profit organization in conjunction with a social activity occurring within the city and sponsored by the organization. Not more than two such licenses shall be issued to any organization in any city in any year. The fee for the license shall not exceed \$25. The permit shall allow the consumption or display of intoxicating liquor and the serving of liquids for the purpose of mixing with intoxicating liquor, but shall not allow the sale of intoxicating liquor. The permit shall be valid only for the day indicated on it. No permit issued pursuant to this subdivision shall be valid unless first approved by the commissioner of public safety."

Renumber the section

Amend the title as follows:

Page 1, line 3, after "amending" insert "Minnesota Statutes 1980, Section 340.119, by adding a subdivision; and"

With the recommendation that when so amended the bill pass and be placed on the Consent Calendar.

The report was adopted.

Norton from the Committee on Governmental Operations to which was referred:

H. F. No. 1558, A bill for an act relating to unemployment compensation; altering provisions with respect to the advance of federal funds; altering "triggers" relating to extended benefits; altering eligibility requirements for extended benefits; altering eligibility and disqualifying provisions for individuals whose training is approved under the Federal Trade Act of 1974; amending Minnesota Statutes 1980, Sections 268.05, Subdivision 6; 268.071, Subdivisions 1, 3, 5, and 6, and by adding subdivisions; 268.08, Subdivision 1; and 269.09, by adding a subdivision.

Reported the same back with the following amendments:

Page 1, after line 14, insert sections to read:

"Section 1. Minnesota Statutes 1980, Section 268.04, Subdivision 25, is amended to read:

Subd. 25. "Wages" means all remuneration for services, including commissions and bonuses, and tips and gratuities paid to an employee by a customer of an employer and accounted for by the employee to the employer, and the cash value of all remuneration in any medium other than cash, except that such term shall not include:

(1) For the purpose of determining contributions payable under section 268.06, subdivision 2, that part of the remuneration which exceeds (\$7,000) \$9,000 during the calendar year of (1977) 1982, (\$7,500) \$10,000 during the calendar year of (1978 AND \$8,000 DURING THE CALENDAR YEAR OF 1979) 1983 and all subsequent calendar years, paid to an individual by an employer with respect to covered employment in this state, or with respect to employment under the unemployment compensation law of any other state during any calendar year paid to such individual by such covered employer or his predecessor during such calendar year; provided, that if the term "wages" as contained in the federal unemployment tax act is amended to include remuneration in excess of the amount required to be paid hereunder to an individual by an employer under the federal act for any calendar year, wages for the purposes of sections 268.03 to 268.24 shall include remuneration paid in a calendar year up to an amount equal to the dollar limitation specified in the federal unemployment tax act. For the purposes of this clause, the term "employment" shall include service constituting employment under any employment security law of another state or of the federal government;

(2) The amount of any payment made to, or on behalf of, an employee under a plan or system established by an employer

which makes provision for his employees generally or for a class or classes of his employees (including any amount paid by an employer for insurance or annuities, or into a fund, to provide for any such payment), on account of (a) retirement or (b) sickness or accident disability or (c) medical and hospitalization expenses in connection with sickness or accident disability, or (d) death, provided the employee (i) has not the option to receive, instead of provision for such death benefit, any part of such payment, or if such death benefit is insured, any part of the premium (or contributions to premiums) paid by his employer and (ii) has not the right, under the provisions of the plan or system or policy of insurance providing for such death benefit, to assign such benefit, or to receive a cash consideration in lieu of such benefit either upon his withdrawal from the plan or system providing for such benefit or upon termination of such plan or system or policy of insurance or of his employment with such employer;

(3) The payment by an employer (without deduction from the remuneration of the employee) (a) of the tax imposed upon an employee under section 3101 of the federal internal revenue code, or (b) of any payment required from an employee under a state unemployment compensation law;

(4) Any payments made to a former employee during the period of active military service in the armed forces of the United States by such employer, whether legally required or not;

(5) Any payment made to, or on behalf of, an employee or his beneficiary (a) from or to a trust described in section 401(a) of the federal internal revenue code which is exempt from tax under section 501(a) of such code at the time of such payment unless such payment is made to an employee of the trust as remuneration for services rendered as an employee and not as a beneficiary of the trust, or (b) under or to an annuity plan which, at the time of such payment is a plan described in section 403(a) of the federal internal revenue code, or (c) under or to a bond purchase plan which, at the time of such payment, is a qualified bond purchase plan described in section 405(a) of the federal internal revenue code.

Sec. 2. Minnesota Statutes 1980, Section 268.04, Subdivision 29, is amended to read:

Subd. 29. "Credit week" with respect to any claim for benefits which establishes a benefit year subsequent to July 2, 1977, is any week for which wages have been paid and wages are due and payable but not paid of (\$50) \$75 or more by or from one or more employers to an employee for insured work."

Page 1, after line 27, insert:

"Sec. 4. Minnesota Statutes 1980, Section 268.06, Subdivision 3a, is amended to read:

Subd. 3a. [RATE FOR NEW EMPLOYERS.] Notwithstanding the provisions of subdivision 2, each employer, subsequent to December 31, (1971) 1982, who becomes subject to this law, shall pay contributions at a rate (, NOT EXCEEDING TWO AND SEVEN-TENTHS PERCENT,) that is the higher of (a) one percent (AND) or (b) the (STATE'S THREE-YEAR BENEFIT COST) average rate for the 36 consecutive month period immediately preceding July 1 of (EACH) the preceding year for that employer's industry, as determined by the commissioner, provided that 36 months shall become 48 months for 1983, 60 months for 1984, and 72 months for 1985 and years thereafter. (FOR PURPOSES OF THIS SUBDIVISION, THE STATE'S THREE-YEAR BENEFIT COST RATE SHALL BE COMPUTED ANNUALLY AND SHALL BE DERIVED BY DIVIDING THE TOTAL DOLLAR AMOUNT OF BENEFITS PAID TO CLAIMANTS UNDER THIS LAW DURING THE 36 CONSECUTIVE CALENDAR MONTHS IMMEDIATELY PRECEDING JULY 1 OF EACH YEAR BY THE TOTAL DOLLAR AMOUNT OF WAGES SUBJECT TO CONTRIBUTIONS UNDER THIS LAW DURING THE SAME PERIOD. THE RATE SO DETERMINED SHALL BE APPLICABLE FOR THE CALENDAR YEAR NEXT SUCCEEDING EACH COMPUTATION DATE.) For the purposes of this subdivision "industry" shall mean (1) agriculture, forestry and fishing, (2) mining, (3) construction, (4) manufacturing, (5) transportation and public utilities, (6) trade, (7) finance, insurance and real estate, (8) services, or (9) public administration.

Sec. 5. Minnesota Statutes 1980, Section 268.06, Subdivision 6, is amended to read:

Subd. 6. [COMPUTATION OF EACH EMPLOYER'S EXPERIENCE RATIO.] The commissioner shall, for the calendar year (1966) 1982, and for each calendar year thereafter, compute an experience ratio for each employer whose account has been chargeable with benefits during the 36 consecutive calendar months immediately preceding July 1 of the preceding calendar year, provided that 36 months shall become 48 months for 1983, 60 months for 1984, and 72 months for 1985 and years thereafter; except that, for any employer who has not been subject to the Minnesota employment services law for a period of time sufficient to meet the 36 consecutive months requirement, the commissioner shall compute an experience ratio if his account has been chargeable with benefits during at least the 12 consecutive calendar months immediately preceding July 1 of the preceding calendar year. Such experience ratio shall be the quotient obtained by dividing 1 1/4 times the total benefits charged to the employer's account during the period his account has been chargeable but not less than the 12 or more than the 36, 48, 60, or 72 consecutive calendar months period provided above ending on June 30 of the preceding calendar year, by his total taxable payroll for the same period on which all contributions due have been paid to the department of economic security on or

before July 31 of the preceding calendar year. Such experience ratio shall be computed to the nearest one-tenth of a percent.

Sec. 6. Minnesota Statutes 1980, Section 268.06, Subdivision 8, is amended to read:

Subd. 8. [DETERMINATION OF CONTRIBUTION RATES.] For each calendar year the commissioner shall determine the contribution rate of each employer by adding the minimum rate to the experience ratio, except that if the ratio for the current calendar year exceeds *or falls short of* the experience ratio for the preceding calendar year by more than (ONE AND ONE-HALF) *three* percentage points, the increase *or decrease, respectively*, for the current year shall be limited to (ONE AND ONE-HALF) *three* percentage points. The minimum rate for all employers shall be one percent if the amount in the unemployment compensation fund is less than (\$80,000,000) *\$40,000,000* on (JUNE 30) *December 31* of the preceding calendar year; or nine-tenths of one percent if the fund is more than (\$80,000,000) *\$40,000,000* but less than (\$90,000,000) *\$45,000,000*; or eight-tenths of one percent if the fund is more than (\$90,000,000) *\$45,000,000* but less than (\$110,000,000) *\$55,000,000*; or seven-tenths of one percent if the fund is more than (\$110,000,000) *\$55,000,000* but less than (\$130,000,000) *\$65,000,000*; or six-tenths of one percent if the fund is more than (\$130,000,000) *\$65,000,000* but less than (\$150,000,000) *\$75,000,000*; or five-tenths of one percent if the fund is more than (\$150,000,000) *\$75,000,000* but less than (\$170,000,000) *\$85,000,000*; or three-tenths of one percent if the fund is more than (\$170,000,000) *\$85,000,000* but less than (\$200,000,000) *\$100,000,000*; or one-tenth of one percent if the fund is (\$200,000,000) *\$100,000,000* or more; provided that no employer shall have a contribution rate of more than (7.5) *nine* percent.

For the purposes of this section the unemployment compensation fund shall not include any moneys advanced from the Federal Unemployment Account in the unemployment trust fund in accordance with Title XII of the Social Security Act, as amended. No employer first assigned an experience ratio in accordance with subdivision 6, shall have his contribution rate increased *or decreased* by more than (ONE AND ONE-HALF) *three* percentage points over the contribution rate assigned for the preceding calendar year in accordance with subdivision 3a.

Sec. 7. Minnesota Statutes 1980, Section 268.07, Subdivision 2, is amended to read:

Subd. 2. [WEEKLY BENEFIT AMOUNT AND DURATION.] If the commissioner finds that an individual has earned 15, or more, credit weeks, and (\$750) *\$1,125* or more in wage credits, within the base period of employment in insured work with one or more employers, benefits shall be payable to such individual during his benefit year as follows:

(1) Weekly benefit amount shall be equal to 60 percent of the first \$85, 40 percent of the next \$85 and 50 percent of the remainder of the average weekly wage of such individual, computed to the nearest whole dollar, subject to a maximum of 62 percent of the average weekly wage paid to individuals by employers subject to the provisions of sections 268.03 to 268.24 as to claims for benefits which establish a benefit year subsequent to June 30, 1977 and prior to July 1, 1978. The maximum weekly benefit amount of claims for benefits which establish a benefit year subsequent to June 30, 1978 and prior to July 1, 1979 shall be 64 percent of said average weekly wage. The maximum weekly benefit amount of claims for benefits which establish a benefit year subsequent to July 1, 1979 shall be 66 2/3 percent of said average weekly wage.

On or before June 30 of each year the commissioner shall determine the average weekly wage paid by employers subject to sections 268.03 to 268.24 in the following manner:

(a) The sum of the total monthly employment reported for the previous calendar year shall be divided by 12 to determine the average monthly employment.

(b) The sum of the total wages reported for the previous calendar year shall be divided by the average monthly employment to determine the average annual wage.

(c) The average annual wage shall be divided by 52 to determine the average weekly wage.

The maximum weekly benefit amount as so determined computed to the nearest whole dollar shall apply to claims for benefits which establish a benefit year which begins subsequent to June 30 of each year.

(2) An individual's maximum amount of regular benefits payable in a benefit year shall not exceed the lesser of (a) 26 times his weekly benefit amount or (b) 70 percent of the number of credit weeks earned by such an individual computed to the nearest whole week times his weekly benefit amount.

(3) Each eligible individual who is unemployed in any week shall be paid with respect to such week a benefit in an amount equal to his weekly benefit amount less that part of his earnings, including holiday pay, payable to him with respect to such week which is in excess of \$25. Such benefit, if not a multiple of \$1, shall be computed to the next higher multiple of \$1.

(4) The provisions of this subdivision shall apply to claims for benefits which establish a benefit year subsequent to June 30, 1975.

Sec. 8. Minnesota Statutes 1980, Section 268.07, is amended by adding a subdivision to read:

Subd. 4a. [ADDITIONAL BENEFITS.] During periods of high unemployment, additional benefits shall be payable under the following conditions:

(1) [DEFINITIONS.] As used in this subdivision, unless the context clearly requires otherwise:

(a) "Additional benefit period" means a period which

(i) begins with the third week after any week for which the rate of insured unemployment as determined by section 268.071, subdivision 1, clause (4), equaled or exceeded 120 percent of the average of such rates for the corresponding 13 week period ending in each of the preceding two calendar years, and equaled or exceeded four percent;

(ii) ends the third week after any week for which the rate of insured unemployment as determined by section 268.071 is less than four percent provided that no additional benefit period may begin before the 13th week following the end of any prior additional benefit period.

(b) "Extended benefits" means benefits payable under the provisions of section 268.071.

(c) "Eligibility period" for an individual means the period consisting of the weeks in his benefit year which begins in an additional benefit period and if his benefit year ends within such additional benefit period, any weeks thereafter which begin in such period.

(d) "Exhaustee" means an individual who with respect to any week of employment in his eligibility period:

(i) has received prior to such week all of the regular benefits that were available to him in his current benefit year; or

(ii) his benefit year having expired prior to such week, has no or insufficient wages to establish a new benefit year that would include such week; and

(iii) has no right to benefits under any other state law, the unemployment compensation law of Canada, the Railroad Unemployment Insurance Act or the Trade Act of 1974.

(e) "Regular benefits" means benefits payable to an individual under this law or any other state law including benefits pursuant to 5 U.S.C., Chapter 85.

(f) "State law" means the unemployment insurance law of any state.

(2) [EFFECT OF STATE LAW.] *Except where the result would be inconsistent with other provisions of this act, the provisions of this chapter which apply to claims for regular benefits shall apply to claims for and the payment of additional benefits.*

(3) [ELIGIBILITY REQUIREMENTS FOR ADDITIONAL BENEFITS.]

An individual shall be eligible to receive additional benefits with respect to any week in his eligibility period only if the commissioner finds with respect to such week:

(a) *he is an exhaustee; and*

(b) *he has satisfied the requirements of this law for receipt of regular benefits including not being subject to a disqualification from the receipt of benefits; and*

(c) *he is not in an extended benefit eligibility period as defined by section 268.071.*

(4) [WEEKLY ADDITIONAL BENEFIT AMOUNT.] *The weekly additional benefit amount payable to an individual for a week of total unemployment shall equal the weekly benefit amount payable to him during his benefit year.*

(5) [TOTAL ADDITIONAL BENEFIT AMOUNT.] *The total additional benefit amount payable to any individual with respect to his applicable benefit year shall be 25 percent of the total amount of regular benefits which were payable to him in his benefit year reduced by the amount of any extended benefits paid as a result of such applicable benefit year.*

(6) [BENEFITS CHARGED.] *Additional benefits paid to an individual shall be charged against the account of his employer unless expressly removed by other provisions of this chapter."*

Page 6, line 8, after "year" insert "*reduced by the amount of any additional benefits paid as a result of such benefit year*"

Page 10, line 22, delete "1" and insert "3"

Page 10, line 23, delete "2 and 5" and insert "9 and 12"

Page 10, line 24, delete "2" and insert "9"

Page 10, line 26, delete "3" and insert "10"

Page 10, line 27, delete "4" and insert "11"

Page 10, line 28, delete "6" and insert "13"

Page 10, line 29, delete "7" and insert "14"

Page 10, line 30, delete "8 and 9" and insert "15 and 16"

Page 10, line 30, after the period insert "*Sections 1, 4, 5 and 6 are effective retroactive to January 1, 1982. Sections 1, 7 and 8 are effective the day after final enactment.*"

Renumber the sections

Amend the title as follows:

Page 1, line 9, after the semicolon insert:

"modifying employer contribution provisions; providing maximums and minimums; altering tax rates; increasing wage requirements for credit weeks; creating an additional benefit program in times of high unemployment;"

Page 1, line 9, after "sections" insert "268.04, Subdivisions 25 and 29;"

Page 1, line 10, after "6;" insert "268.06, Subdivisions 3a, 6, and 8; 268.07, Subdivision 2, and by adding a subdivision;"

With the recommendation that when so amended the bill pass.

The report was adopted.

Norton from the Committee on Governmental Operations to which was referred:

H. F. No. 1625, A bill for an act relating to retirement; public employees retirement association; changing the reduction factors for early retirement; amending Minnesota Statutes 1980, Section 353.30, Subdivisions 1 and 1a; Minnesota Statutes 1981 Supplement, Section 353.30, Subdivision 1c; repealing Minnesota Statutes 1980, Section 353.30, Subdivision 1b.

Reported the same back with the following amendments:

Page 2, line 2, delete "85" and insert "90"

With the recommendation that when so amended the bill pass.

The report was adopted.

Norton from the Committee on Governmental Operations to which was referred:

H. F. No. 1646, A bill for an act relating to retirement; Buhl school district; altering the effective date of retirement for the payment of the post-retirement increase; requiring payment of necessary reserves.

Reported the same back with the recommendation that the bill pass and be placed on the Consent Calendar.

The report was adopted.

Jude from the Committee on Judiciary to which was referred:

H. F. No. 1663, A bill for an act relating to law libraries; recodifying the laws governing county law libraries; amending Minnesota Statutes 1980, Sections 140.34; 140.35; 140.36; 140.37; 140.38; 140.39; 140.40; 140.44; 140.45; and 140.46; proposing new law coded in Minnesota Statutes 1980, Chapter 140; repealing Minnesota Statutes 1980, Sections 140.01 to 140.20; 140.212 to 140.33; 140.41 to 140.435; Minnesota Statutes 1981 Supplement, Section 140.21.

Reported the same back with the following amendments:

Page 2, line 31, after "*county,*" insert "*or such person as he or she may select,*"

Page 4, after line 32, insert:

"Provided further that in all other counties where services cannot be provided by the Minnesota state law library, the board of trustees shall have authority to contract with regional library systems for services."

Page 5, line 25, after "*district.*" insert "*All law library fees shall be published in the state register.*"

Page 8, after line 2, insert a new section to read:

"Sec. 17. Minnesota Statutes 1980, Section 480.09, Subdivision 5, is amended to read:

Subd. 5. All moneys collected shall be paid into the state treasury and shall be added to the current *biennial* appropriation for the library."

Renumber the section

Page 8, after line 10, insert a new section to read:

"Sec. 19. [EFFECTIVE DATE.]

Section 17 is effective the day following final enactment."

Amend the title as follows:

Page 1, line 5, delete "and"

Page 1, line 6, after "140.46;" insert "and 480.09, Subdivision 5;"

With the recommendation that when so amended the bill pass and be placed on the Consent Calendar.

The report was adopted.

Kostohryz from the Committee on General Legislation and Veterans Affairs to which was referred:

H. F. No. 1685, A bill for an act relating to the military; providing for the administration of oaths and acknowledgments by a member of the armed forces of the United States; amending Minnesota Statutes 1980, Sections 192.205, by adding a subdivision; and 358.32.

Reported the same back with the recommendation that the bill pass and be placed on the Consent Calendar.

The report was adopted.

Jude from the Committee on Judiciary to which was referred:

H. F. No. 1687, A bill for an act relating to crimes; defining "complainant" for purposes of criminal sexual misconduct offenses; amending Minnesota Statutes 1980, Section 609.341, Subdivision 13.

Reported the same back with the recommendation that the bill pass and be placed on the Consent Calendar.

The report was adopted.

Kostohryz from the Committee on General Legislation and Veterans Affairs to which was referred:

H. F. No. 1700, A bill for an act relating to the military; prohibiting entry to Camp Ripley without authorization of the adjutant general; imposing a penalty; amending Minnesota Statutes 1980, Sections 609.60 and 609.605.

Reported the same back with the recommendation that the bill pass and be placed on the Consent Calendar.

The report was adopted.

Norton from the Committee on Governmental Operations to which was referred:

H. F. No. 1701, A bill for an act relating to the city of Hibbing; authorizing increases in certain firefighters service pensions and survivor benefits; amending Laws 1977, Chapter 169, Section 1 and Laws 1971, Chapter 614, Section 1, Subdivision 2.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Kostohryz from the Committee on General Legislation and Veterans Affairs to which was referred:

H. F. No. 1725, A bill for an act relating to the military; increasing the minimum pay for enlisted personnel called into active service; amending Minnesota Statutes 1980, Section 192.51, Subdivision 2.

Reported the same back with the recommendation that the bill pass and be placed on the Consent Calendar.

The report was adopted.

Kostohryz from the Committee on General Legislation and Veterans Affairs to which was referred:

H. F. No. 1768, A bill for an act relating to historic sites; adding the Consumers Pure Ice and Storage Company Building in St. Cloud to the registry of state historic sites; amending Minnesota Statutes 1980, Section 138.58, by adding a subdivision.

Reported the same back with the recommendation that the bill pass and be placed on the Consent Calendar.

The report was adopted.

Norton from the Committee on Governmental Operations to which was referred:

H. F. No. 1779, A bill for an act relating to environment; abolishing the water planning board; transferring certain duties of

the water planning board to the environmental quality board and the department of energy, planning and development; providing for board membership and staff; providing for the appointment of a chairman; amending Minnesota Statutes 1980, Sections 116C.03, Subdivision 2a, and by adding subdivisions; 116C.04, by adding a subdivision; 362.12, by adding a subdivision; Minnesota Statutes 1981 Supplement, Section 116C.03, Subdivisions 2 and 4; repealing Minnesota Statutes 1980, Sections 105.401; 116C.04, Subdivisions 8 and 9; 116C.05; 116C.07; and Minnesota Statutes 1981 Supplement, Section 116C.03, Subdivision 3.

Reported the same back with the following amendments:

Page 3, line 5, delete "*department*" and insert "*board*"

Page 3, line 29, delete "*except for the position of the*"

Page 3, line 30, delete "*chairperson,*" and "*division of planning,*"

Page 3, delete line 31 and insert "*board.*"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Swanson from the Committee on Health and Welfare to which was referred:

H. F. No. 1784, A bill for an act relating to public welfare; providing for reimbursement of chiropractic services for people receiving general assistance medical care; clarifying the meaning of medically certified for purposes of eligibility for general assistance; amending Minnesota Statutes 1981 Supplement, Sections 256D.03, Subdivision 4; and 256D.05, Subdivision 1.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Norton from the Committee on Governmental Operations to which was referred:

H. F. No. 1791, A bill for an act relating to the city of Minneapolis; permitting the city to change the name of the housing and redevelopment authority; permitting the transfer of certain employees to employment of the housing and redevelopment authority; establishing terms for transfer of the employees; permitting certain employees to purchase service credit from the

Minneapolis employees retirement fund; amending Laws 1980, Chapter 595, Section 2, Subdivision 1 and Section 3, by adding a subdivision.

Reported the same back with the following amendments:

Page 3, after line 24, insert:

“Authority to make a lump sum payment or to make an agreement to make installment payments shall expire on July 1, 1983.”

Page 5, after line 20, insert:

“Sec. 3. Laws 1969, Chapter 937, Section 1, Subdivision 1, as amended by Laws 1973, Chapter 132, Section 1; Laws 1974, Chapter 105, Section 1; Laws 1978, Chapter 652, Section 1; and Laws 1980, Chapter 448, Section 1, is amended to read:

Section 1. [MINNEAPOLIS, CITY OF; PERSONNEL.] Subdivision 1. Notwithstanding any provisions of the Minneapolis city charter, veterans preference act, or civil service rule, law, or regulation to the contrary, the positions referred to in subdivisions 2 to (8) 18 of this section shall be in the unclassified service of the city of Minneapolis, and any person presently holding or who shall hereafter be appointed to any of such positions shall serve at the pleasure of the appointing authority indicated in the respective subdivision. Except as herein otherwise provided such persons shall be eligible for the same employee benefits as persons in the classified service.

Sec. 4. Laws 1969, Chapter 937, Section 1, is amended by adding subdivisions to read:

Subd. 9. The city coordinator of the city of Minneapolis may appoint a person to the following positions to perform the duties and services he may direct:

- (a) *purchasing agent;*
- (b) *management information services director;*
- (c) *director of labor relations;*
- (d) *director of affirmative action;*
- (e) *manager of auditorium;*
- (f) *director of federal programs;*
- (g) *legislative liaison;*

- (h) director of energy programs;
- (i) manager of licenses and consumer services; and
- (j) manager, finance—city council

Subd. 10. The city assessor of the city of Minneapolis may appoint a director of assessments to perform the duties and services he may direct.

Subd. 11. The city clerk of the city of Minneapolis may appoint an assistant city clerk to perform the duties and services he may direct.

Subd. 12. The civil service commission of the city of Minneapolis may appoint a civil service personnel director to perform the duties and services they may direct.

Subd. 13. The director, emergency communications, of the city of Minneapolis may appoint an assistant director, emergency communications to perform the duties and services he may direct.

Subd. 14. The city engineer of the city of Minneapolis may appoint nine public works division heads to perform the duties and services he may direct.

Subd. 15. The comptroller/treasurer of the city of Minneapolis may appoint an assistant comptroller/treasurer to perform the duties and services he may direct.

Subd. 16. The health commissioner of the city of Minneapolis may appoint seven bureau directors to perform the duties and services he may direct.

Subd. 17. The board of estimate and taxation of the city of Minneapolis may appoint an executive secretary, board of estimate and taxation to perform the duties and services they may direct.

Subd. 18. By majority vote, the city council of the city of Minneapolis may appoint a person to the following positions to perform the duties and services they may direct:

(a) Chief engineer of the fire department, and this subdivision shall only apply to a chief engineer appointed pursuant to this subdivision.

(b) Executive secretary, capital long range improvement committee."

Page 5, line 21, delete "3" and insert "5"

Page 5, line 24, after the period insert "Sections 1 and 2 of"

Amend the title as follows:

Page 1, line 9, after the semicolon, insert "providing for positions in the unclassified service;"

Page 1, line 11, after "subdivision" insert "and Laws 1969, Chapter 937, Section 1, Subdivision 1, as amended, and by adding subdivisions."

With the recommendation that when so amended the bill pass.

The report was adopted.

Voss from the Committee on Local and Urban Affairs to which was referred:

H. F. No. 1795, A bill for an act relating to the city of Minneapolis; changing limitations on housing programs in two Minneapolis development districts; amending Laws 1971, Chapter 677.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Swanson from the Committee on Health and Welfare to which was referred:

H. F. No. 1799, A bill for an act relating to health; providing for evaluation of certain changes in certificate of need review; requiring monitoring; amending the thresholds of review; providing for additional waivers; requiring reports; amending Minnesota Statutes 1980, Sections 145.833, Subdivision 5; and 145.835, Subdivisions 3 and 4; repealing Minnesota Statutes 1980, Sections 145.832 to 145.845, as amended; and Minnesota Statutes 1981 Supplement, Section 62D.22, Subdivision 6.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [PURPOSE.]

The legislature finds that Minnesota has had certificate of need review since 1971 and that there is a need to evaluate the requirements of this law, the effect of the law on the current health care delivery system, and the effect of repeal of the law

on the cost and quality of health care in Minnesota. The legislature further finds that the public may benefit from certain changes in the health care system but that supporting documentation, data, and information are lacking. It is the intent of the legislature that the Minnesota certificate of need act not be repealed prior to full consideration of the effects of such an action on the issue of cost for health care services. Alternative cost containment measures should be in place and documentation available that those measures will benefit the public interest and encourage the benefits of a price-competitive health care system for the citizens of Minnesota.

Sec. 2. [144.705] [COLLECTION, ANALYSIS AND DISSEMINATION OF DIAGNOSTIC AND PRICE INFORMATION.]

Subdivision 1. [HOSPITAL REPORTS.] The commissioner of health may periodically establish a list of illnesses, injuries and medical conditions which is representative of the diagnoses for which the citizens of the state are hospitalized. The establishment of this list shall not be subject to the provisions of sections 15.0412 to 15.0417. The commissioner may add to or delete from this list. For each of these illnesses, injuries and medical conditions, every hospital shall, within 90 days of the close of its fiscal year, report to the commissioner the following information for that fiscal year:

(a) the number of patients discharged;

(b) the shortest and longest lengths of patient stay in the hospital, the mean length of stay, and the respective lengths of stay at the 25th, 50th and 75th percentiles of the total range of lengths of stay;

(c) the lowest and highest prices for hospital services, the mean price, and the respective prices at the 25th, 50th and 75th percentiles of the total range of prices;

(d) a separation of the mean price into mean component prices for routine room and board, special care unit room and board, nursery services, delivery room use, operating room use, anesthesia services, pharmacy services, laboratory services, radiology services, supplies and other services; and

(e) any additional information influencing prices that is specified in rules promulgated by the commissioner pursuant to this section.

Subd. 2. [HEALTH PROVIDER REPORTS.] For each health profession regulated by the health-related licensing boards as defined in section 214.01, subdivision 2, or by the commissioner of health pursuant to section 214.13, the commissioner of health shall periodically establish a list of procedures and

services which are representative of the diagnoses and conditions for which citizens of the state seek treatment. The establishment of this list shall not be subject to the provisions of section 15.0412 to 15.0417. For each of these procedures and services, every regulated health care provider shall post in a public area the established prices or provide a notice of the availability of the established prices of the procedures or services.

Subd. 3. [SOURCE OF INFORMATION.] The information described in subdivisions 1 and 2 may be directly compiled and submitted to the commissioner by the hospital or regulated health care provider, or in the interests of efficiency and at the hospital's or provider's option, the information may be submitted through any entity which collects or compiles all or portions of the information for several hospitals or providers. When information is furnished through such an entity, the commissioner shall pay the entity a reasonable fee for the costs of organizing and providing the information in the form called for by this section. In both cases, the information shall be provided in such a manner as to adequately differentiate among patient characteristics which may influence the consumption of resources during treatment, such as:

- (a) the presence of secondary diagnoses;*
- (b) medical complications;*
- (c) the need for surgery;*
- (d) the age of patients; or*

(e) any additional patient characteristics which affect the consumption of resources during treatment and which are specified in rules promulgated by the commissioner pursuant to this section.

If the information described in subdivision 1 is submitted to the commissioner after having been adjusted to reflect the factors specified in clauses (a) to (e) of this subdivision, the hospital or entity furnishing this adjusted information shall simultaneously furnish both the methodology by which the adjustments have been made and the information described in subdivision 1 in its form prior to the adjustments.

Subd. 4. [SAMPLES.] The commissioner may, in the interests of efficiency, permit a hospital to submit the information described in subdivisions 1 and 2 in the form of statistically valid samples of the patients discharged from the hospital during the fiscal year.

Subd. 5. [FOSTERING PRICE COMPETITION.] The commissioner shall analyze the information provided under this section and shall disseminate the information and analyses so

as to foster the development of price competition among hospitals and regulated health care providers. Prior to dissemination of any hospital-specific information, the commissioner shall give the hospital opportunity for review and comment.

Subd. 6. [RULES.] The commissioner may promulgate such rules pursuant to chapter 15 as are necessary to implement the provisions of this section.

Sec. 3. Minnesota Statutes 1980, Section 145.833, Subdivision 5, is amended to read:

Subd. 5. "Construction or modification" means:

(a) Any erection, building, alteration, reconstruction, modernization, improvement, extension, lease or other acquisition, or any purchase, lease or other acquisition of diagnostic or therapeutic equipment, by or on behalf of a health care facility which:

(1) Requires, or would require if purchased, a total capital expenditure, *under generally accepted accounting principles*, in excess of (\$150,000 AND WHICH, UNDER GENERALLY ACCEPTED ACCOUNTING PRINCIPLES, IS NOT PROPERLY CHARGEABLE AS AN EXPENSE OF OPERATION AND MAINTENANCE) \$600,000; or

(2) Changes the bed capacity of a health care facility in a manner which increases the total number of beds, or distributes beds among various categories, or relocates beds from one physical facility or site to another, by more than ten beds or more than ten percent of the licensed bed capacity, whichever is less, over a two year period;

(b) (ANY EXPANSION OR EXTENSION OF THE SCOPE OR TYPE OF EXISTING HEALTH SERVICES RENDERED BY A HEALTH CARE FACILITY IF EXPANSIONS OR EXTENSIONS OF THE SCOPE OR TYPE OF EXISTING HEALTH SERVICES REQUIRES A CAPITAL EXPENDITURE IN EXCESS OF \$50,000 DURING ANY CONTINUOUS 12 MONTH PERIOD FOR THAT SERVICE.;

((C)) The establishment of a new health care facility or any predevelopment activity by or on behalf of a health care facility which may result in a proposal reviewable according to sections 145.832 to 145.845;

((D)) (c) Any establishment of a new institutional health service, excluding home health services, by a health care facility which is to be offered in or through a health care facility and which was not offered on a regular basis in or through that facility within the 12 month period prior to the time when that service is intended to be offered; (AND)

((E)) (d) The purchase, lease or other acquisition of diagnostic or therapeutic equipment by a licensed medical doctor, a group of licensed medical doctors, or a professional corporation of licensed medical doctors organized pursuant to chapter 319A, which requires, or would require if purchased, a capital expenditure in excess of (\$150,000) \$400,000 for any one item of equipment and is determined by the state commissioner of health to be designed to circumvent the provisions of sections 145.832 to 145.845; and

(e) *The purchase, lease or other acquisition of diagnostic or therapeutic equipment by, or on behalf of, a health care facility which requires, or would require if purchased, a total capital expenditure in excess of \$400,000 for any one item of equipment.*

Sec. 4. Minnesota Statutes 1980, Section 145.835, Subdivision 3, is amended to read:

Subd. 3. [PHYSICIANS; NOTICE OF ACQUISITION OF EQUIPMENT.] A licensed medical doctor, a group of licensed medical doctors, or a professional corporation of licensed medical doctors organized pursuant to chapter 319A, proposing to purchase, lease or otherwise acquire one or more items of diagnostic or therapeutic equipment which require a capital expenditure in excess of (\$150,000) \$400,000 shall, prior to purchasing or acquiring the equipment, notify the health systems agency and the commissioner of health of the proposed acquisition or purchase.

The commissioner of health shall within 60 days of receipt of the notice determine whether or not the proposed acquisition or purchase is designed to circumvent the provisions of sections 145.832 to 145.845. A hearing shall be held if requested by the applicant or the health systems agency. The commissioner of health shall notify the applicant and the health systems agency in writing of its determination. If the commissioner of health determines that the proposed acquisition or purchase is not designed to circumvent the provisions of sections 145.832 to 145.845, no certificate of need shall be required of the applicant. If the commissioner of health determines that the proposed acquisition or purchase is designed to circumvent the provisions of sections 145.832 to 145.845, the applicant must obtain a certificate of need.

Sec. 5. Minnesota Statutes 1980, Section 145.835, Subdivision 4, is amended to read:

Subd. 4. [WAIVERS.] A proposed construction or modification may be granted a waiver from the requirements of section 145.834 by the commissioner of health if, based on the recommendation of the health systems agency, the commissioner determines that:

(a) The proposed capital expenditure is less than three percent of the annual operating budget of the facility applying for a waiver (, AND THE EXPENDITURE IS REQUIRED SOLELY TO MEET MANDATORY FEDERAL OR STATE REQUIREMENTS OF LAW); (OR)

(b) The construction or modification is not related to direct patient care services, such as parking lots, sprinkler systems, heating or air conditioning equipment, fire doors, food service equipment, building maintenance, or other constructions or modifications of a like nature;

(c) *The construction or modification is exclusively for ambulatory care services; or*

(d) *The construction or modification is for an experimental or demonstration project.*

The commissioner of health, after consultation with the state planning agency and the health systems agencies, may by rule provide for the granting of waivers under other situations the commissioner of health deems appropriate and not inconsistent with sections 145.832 to 145.845 and 42 U.S.C., Section 300k, et seq.

Proposed criteria for waivers in clauses (c) and (d) of this section shall be published in the state register by June 1, 1982 and the public shall be given an opportunity to review and comment on the proposed criteria prior to implementation. The criteria are not subject to the requirements of sections 15.0412 to 15.0417. The criteria shall be published in the state register and implemented by August 15, 1982.

The request for a waiver shall be submitted by the applicant to the health systems agency at the same time the applicant submits a notice of intent to the health systems agency pursuant to subdivision 1. Within 30 days of the request, the health systems agency shall submit its recommendation on the issue of the waiver to the commissioner of health, but the recommendation shall not be binding on the commissioner of health. The commissioner of health shall notify the applicant and the health systems agency of the decision to grant or deny the waiver within 30 days of receipt of the recommendation from the health systems agency.

Sec. 6. [MONITORING THE EFFECTS; TRANSITIONAL PERIOD.]

Subdivision 1. [DEVELOPMENT OF PERFORMANCE INDICATORS.] The commissioner of health shall consult with the commissioner of energy, planning and development and the commissioner of public welfare and other interested persons

to define industry economic performance indicators to be used to monitor the effect of the amendments to the certificate of need act on the costs of health care.

Subd. 2. [PUBLIC REVIEW AND COMMENT.] By August 15, 1982, the commissioner of health shall publish in the state register proposed industry economic performance indicators to be used to monitor the effect of sections 3 to 5 on the health care system. These indicators shall not be subject to the requirements of sections 15.0412 to 15.0417 but the public shall be given the opportunity to review and comment on the indicators prior to their implementation. Final industry economic performance indicators shall be published in the state register and implemented by October 15, 1982.

Subd. 3. [MONITOR; REPORT.] The commissioner shall monitor the economic performance of the industry and shall provide the legislature with a report concerning the preliminary effects, especially the financial impact, on the health care system created by sections 3 to 5.

Subd. 4. [FACILITY REPORTS.] All health care facilities which commence construction or modification projects not now reviewable pursuant to sections 3 to 5, but which would have been reviewed prior to implementation of this section, shall submit to the commissioner of health at the time of project commencement the following information:

(a) an estimate of capital expenditures associated with the construction or modification; and

(b) an estimate of expenses and revenues projected to be associated with the construction or modification for a period of five years after initial operation of the project involved.

Sec. 7. Minnesota Statutes 1981 Supplement, Section 250.05, Subdivision 4, is amended to read:

Subd. 4. The Gillette hospital board, acting through its board of directors, may contract with the governing body and the owners of the Ramsey county hospital and of any other hospital or institution, for the joint maintenance and operation of the Gillette children's hospital in conjunction with existing or contemplated facilities at the Ramsey county hospital. Contracts may include agreements for the joint employment and utilization of personnel, the joint purchase of supplies and equipment, and joint construction, acquisition, or leasing of space for offices, outpatient facilities, operating rooms, and other medical facilities for use in training in the care and treatment of crippled and handicapped children, the operation of a brace shop, and the conduct of patient education programs. No contract shall however, provide for the expenditure of funds

for additional patient bed capacity. (THE GILLETTE HOSPITAL BOARD SHALL BE SUBJECT TO THE CERTIFICATE OF NEED ACT PROVIDED IN SECTIONS 145.832 TO 145.845. IN ANY CASE WHEREIN A CERTIFICATE OF NEED IS REQUIRED, THE GILLETTE HOSPITAL BOARD SHALL, AT THE TIME OF APPLICATION, NOTIFY THE HOUSE COMMITTEE ON APPROPRIATIONS AND THE SENATE FINANCE COMMITTEE, WHOSE OPINION SHALL BE ADVISORY ONLY.)

Sec. 8. Minnesota Statutes 1981 Supplement, Section 447.45, Subdivision 1, is amended to read:

Subdivision 1. Any county, city, or hospital district, except cities of the first class and counties in which are located any cities of the first class, is authorized, in addition to and not in substitution for any other power granted to it by law, to issue revenue bonds by resolution or resolutions of its governing body to finance the acquisition and betterment of hospital, nursing home and related medical facilities, or any of them, including but without limitation the payment of interest during construction and for a reasonable period thereafter and the establishment of reserves for bond payment and for working capital, and, in connection with the acquisition of any existing hospital or nursing home facilities, to retire outstanding indebtedness incurred to finance the construction of the existing facilities. (THE AUTHORITY GRANTED BY THIS SECTION SHALL NOT APPLY TO ANY FACILITY TO WHICH SECTIONS 145.832 TO 145.845 APPLY. UNLESS A CERTIFICATE OF NEED HAS BEEN ISSUED.)

Sec. 9. Minnesota Statutes 1981 Supplement, Section 474.03, is amended to read:

474.03 [POWERS.]

Any municipality or redevelopment agency, in addition to the powers prescribed elsewhere by the laws of this state, shall have the power to:

(1) Acquire, construct, and hold any lands, buildings, easements, water and air rights, improvements to lands and buildings, and capital equipment to be located permanently or used exclusively on a designated site and solid waste disposal and pollution control equipment, and alternative energy equipment and inventory, regardless of where located, which are deemed necessary in connection with a project to be situated within the state, whether wholly or partially within or without the municipality or redevelopment agency, and construct, reconstruct, improve, better, and extend such project;

(2) Issue revenue bonds, in anticipation of the collection of revenues of such project, to finance, in whole or in part, the cost

of the acquisition, construction, reconstruction, improvement, betterment, or extension thereof and, in the case of an alternative energy project, in addition to the other powers granted by this chapter, to finance the acquisition and leasing or sale of equipment and products to others;

(3) Issue revenue bonds to pay, purchase or discharge all or any part of the outstanding indebtedness of a contracting party engaged primarily in the operation of one or more non-profit hospitals or nursing homes, theretofore incurred in the acquisition or betterment of its existing hospital or nursing home facilities, including, to the extent deemed necessary by the governing body of the municipality or redevelopment agency, any unpaid interest on such indebtedness accrued or to accrue to the date on which such indebtedness is finally paid; and any premium the governing body of the municipality or redevelopment agency determines to be necessary to be paid to pay, purchase or defease such outstanding indebtedness; if revenue bonds are issued for this purpose, the refinancing and the existing properties of the contracting party shall be deemed to constitute a project under section 474.02, subdivision 1c. Industrial revenue bonds shall only be available under this provision if the commissioner of securities and real estate has been shown that a reduction in debt service charges to patients and third party payors will occur. All reductions in debt service charges pursuant to this program shall be passed on to patients and third party payors. These industrial revenue bonds may not be used for any purpose not consistent with the provisions of (SECTIONS 145.832 TO 145.845 OR) chapter 256B;

Nothing in this subdivision is intended to prohibit the use of revenue bond proceeds to pay outstanding indebtedness of a contracting party to the extent now permitted by law;

(4) Enter into a revenue agreement with any person, firm, or public or private corporation or federal or state governmental subdivision or agency in such manner that payments required thereby to be made by the contracting party shall be fixed, and revised from time to time as necessary, so as to produce income and revenue sufficient to provide for the prompt payment of principal of and interest on all bonds issued hereunder when due, and the revenue agreement shall also provide that the contracting party shall be required to pay all expenses of the operation and maintenance of the project including, but without limitation, adequate insurance thereon and insurance against all liability for injury to persons or property arising from the operation thereof, and all taxes and special assessments levied upon or with respect to the project and payable during the term of the revenue agreement, during which term a tax shall be imposed and collected pursuant to the provisions of section 272.01, subdivision 2, for the privilege of using and possessing the project, in the same amount and to the same extent as though the contracting party

were the owner of all real and personal property comprising the project;

(5) Pledge and assign to the holders of such bonds or a trustee therefor all or any part of the revenues of one or more projects and define and segregate such revenues or provide for the payment thereof to a trustee, whether or not such trustee is in possession of the project under a mortgage or otherwise;

(6) Mortgage or otherwise encumber such projects in favor of the municipality or redevelopment agency, the holders of such bonds, or a trustee therefor, provided that in creating any such mortgages or encumbrances a municipality or redevelopment agency shall not have the power to obligate itself except with respect to the project;

(7) Make all contracts, execute all instruments, and do all things necessary or convenient in the exercise of the powers herein granted, or in the performance of its covenants or duties, or in order to secure the payment of its bonds; including, but without limitation, a contract entered into prior to the construction of the project authorizing the contracting party, subject to such terms and conditions as the municipality or redevelopment agency shall find necessary or desirable and proper, to provide for the construction, acquisition, and installation of the buildings, improvements, and equipment to be included in the project by any means available to the contracting party and in the manner determined by the contracting party and without advertisement for bids as may be required for the construction or acquisition of other municipal facilities;

(8) Enter into and perform such contracts and agreements with other municipalities, political subdivisions, and state agencies, authorities, and institutions as the respective governing bodies of the same may deem proper and feasible for or concerning the planning, construction, lease, purchase, mortgaging or other acquisition, and the financing of a project, and the maintenance thereof, including an agreement whereby one municipality issues its revenue bonds in behalf of one or more other municipalities pursuant to revenue agreements with the same or different contracting parties, which contracts and agreements may establish a board, commission, or such other body as may be deemed proper for the supervision and general management of the facilities of the project; provided, no municipality or redevelopment agency shall enter into or perform any contract or agreement with any school district under which the municipality or redevelopment agency issues its revenue bonds or otherwise provides for the construction of school facilities and the school leases or otherwise acquires these facilities;

(9) Accept from any authorized agency of the federal government loans or grants for the planning, construction, acquisition, leasing, purchase, or other provision of any project, and

enter into agreements with such agency respecting such loans or grants;

(10) Sell and convey all properties acquired in connection with such projects, including without limitation the sale and conveyance thereof subject to such mortgage as herein provided, and the sale and conveyance thereof under an option granted to the lessee of the project, for such price, and at such time as the governing body of the municipality or redevelopment agency may determine, provided, however, that no sale or conveyance of such properties shall ever be made in such manner as to impair the rights or interests of the holder, or holders, of any bonds issued under the authority of this chapter;

(11) Issue revenue bonds to refund, in whole or in part, bonds previously issued by such municipality or redevelopment agency under authority of this chapter;

(12) If so provided in the revenue agreement, terminate the agreement and re-enter or repossess the project upon the default of the contracting party, and operate, lease, or sell the project in such manner as may be authorized or required by the provisions of the revenue agreement or of the resolution or indenture securing the bonds issued for the project; any revenue agreement which includes provision for a conveyance of real estate to the contracting party may be terminated in accordance with the revenue agreement, notwithstanding that such revenue agreement may constitute an equitable mortgage provided that no municipality or redevelopment agency shall have power otherwise to operate any project referred to in this chapter as a business or in any manner whatsoever, and nothing herein authorizes any municipality or redevelopment agency to expend any funds on any project herein described, other than the revenues of such projects, or the proceeds of revenue bonds and notes issued hereunder, or other funds granted to the municipality or redevelopment agency for the purposes herein contemplated, except as may be otherwise permitted by law and except to enforce any right or remedy under any revenue agreement or related agreement for the benefit of the bondholders or for the protection of any security given in connection with a revenue agreement, provided that the public cost of redevelopment of land paid by a city or its redevelopment agency shall not be deemed part of the cost of any project situated on such land;

(13) Invest or deposit, or authorize a trustee to invest or deposit, any money on hand in funds or accounts established in connection with a project or payment of bonds issued therefor, to the extent they are not presently needed for the purposes for which such funds or accounts were created, in accordance with section 471.56, as amended; and

(14) Waive or require the furnishing of a contractors payment and performance bond of the kind described in section 574.-

26 and if such bond shall be required, then the provisions of chapter 514 relating to liens for labor and materials, shall not be applicable in respect of any work done or labor or materials supplied for the project, and if such bond be waived then the said provisions of chapter 514 shall apply in respect of work done or labor or materials supplied for the project.

Sec. 10. [REGIONAL HEALTH PLANNING REPORT.]

The commissioner of energy, planning and development shall address the discontinuance of health systems agencies due to the elimination of federal funds and prepare recommendations to the legislature by January 2, 1983 concerning alternative organizational arrangements and funding sources which could maintain statewide or statewide and regional participation in a state health planning system.

Sec. 11. [REPEALER.]

Minnesota Statutes 1980, Sections 145.832; 145.833; 145.835, as amended by Laws 1981, Chapter 356, Section 172; 145.836, as amended by Laws 1981, Chapter 356, Section 173; 145.837, as amended by Laws 1981, Chapter 356, Section 174; 145.838, as amended by Laws 1981, First Special Session, Chapter 4, Article I, Section 80; 145.839; 145.84; 145.841; 145.842; 145.843; 145.844; Minnesota Statutes 1981 Supplement, Sections 62D.22, Subdivision 6; 145.834; and 145.845, are repealed.

Sec. 12. [EFFECTIVE DATE.]

Sections 1, 3 to 6 and 10 are effective the day following enactment. Section 2 shall become effective for a specified provider group 60 days after the commissioner of health certifies to the health and welfare committees of the house and senate that the voluntary efforts by the provider group to promote price competition and to implement the reporting requirements of section 2 have not made satisfactory progress. This certification shall take the form of a written report delivered to the chairmen of the house and senate committees by January 2, 1983. Notice of the date of the delivery shall be published in the state register. Sections 7 to 9 and 11 are effective March 15, 1984."

Amend the title as follows:

Page 1, line 3, after the semicolon insert "requiring certain price information to be reported and disseminated;"

Page 1, line 7, delete "and"

Page 1, line 8, after the semi-colon insert "Minnesota Statutes 1981 Supplement, Sections 250.05, Subdivision 4; 447.45, Subdivi-

sion 1; and 474.03; proposing new law coded in Minnesota Statutes, Chapter 144;”

Page 1, line 10, after “Subdivision 6” insert “; 145.834; and 145.845”

Page 1, line 10, delete “Section” and insert “Sections”

With the recommendation that when so amended the bill pass.

The report was adopted.

Kostohryz from the Committee on General Legislation and Veterans Affairs to which was referred:

H. F. No. 1812, A bill for an act relating to state historic sites; the Old Federal Courts building; amending Minnesota Statutes 1980, Section 138.56, Subdivision 7.

Reported the same back with the recommendation that the bill pass and be placed on the Consent Calendar.

The report was adopted.

Sarna from the Committee on Commerce and Economic Development to which was referred:

H. F. No. 1830, A bill for an act relating to securities; removing the exemption from filing fees for an agent who is a primary officer, partner, or director of a licensed broker-dealer; amending Minnesota Statutes 1981 Supplement, Section 80A.28, Subdivision 2.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Norton from the Committee on Governmental Operations to which was referred:

H. F. No. 1832, A bill for an act relating to the operation of state government; authorizing the legislative auditor to approve contracts for auditing state agencies; modifying authority of the housing finance agency and certain other agencies to contract for audits without approval; amending Minnesota Statutes 1980, Sections 3.972; and 462A.22, Subdivision 10.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Swanson from the Committee on Health and Welfare to which was referred:

H. F. No. 1840, A bill for an act relating to public welfare; allowing payment of claims for medical assistance to be made against homestead property which is part of an estate; amending Minnesota Statutes 1980, Sections 510.05; 524.3-805; and Minnesota Statutes 1981 Supplement, Section 525.145.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Norton from the Committee on Governmental Operations to which was referred:

H. F. No. 1852, A bill for an act relating to waters; making the water well contractors and exploratory borers advisory council permanent; amending Minnesota Statutes 1980, Section 156A.06, Subdivision 1.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Brinkman from the Committee on Financial Institutions and Insurance to which was referred:

H. F. No. 1863, A bill for an act relating to credit unions; providing for approval of amendments to certificates of organization and bylaws; authorizing the board of directors to appoint a credit committee or a credit manager; prescribing the powers of a credit committee and credit manager; amending Minnesota Statutes 1980, Sections 52.02; 52.08; 52.09, Subdivision 2; and 52.10.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1980, Section 52.02, is amended to read:

52.02 [BYLAWS AND AMENDMENTS, APPROVAL.]

Subdivision 1. [AMENDMENTS BY MEMBERS.] To amend the certificate of organization or bylaws, proposed amendments shall be set forth as follows:

((A)) (1) if balloting by mail has not been authorized by the board of directors, then the proposed amendments shall be set forth in the notice of the meeting; or

((B)) (2) if balloting by mail has been authorized by the board of directors as either the exclusive means of voting or in conjunction with voting in person, the proposed amendments shall be set forth in a notice mailed to all members eligible to vote at least ten days prior to the close of balloting by mail. Any amendments to the certificate of organization or bylaws shall be approved by two-thirds vote of the members actually voting, (PROVIDED) if the members actually voting constitute a quorum.

Subd. 2. [BYLAW AMENDMENTS BY DIRECTORS.] The members may, pursuant to subdivision 1, provide for the bylaws to be amended by the board of directors. If the bylaws permit amendment by the directors, any amendments shall be approved by a two-thirds vote of the total number of directors authorized. The board of directors shall not adopt, amend, or repeal a bylaw fixing a quorum for meetings of members, prescribing procedures for removing directors or filling vacancies in the board, or fixing the number of directors or their classifications, qualifications, or terms of office, but may adopt or amend a bylaw to increase the number of directors. If three percent or more of all members propose a resolution for action by the members to adopt, amend, or repeal bylaws adopted, amended, or repealed by the board and the resolution sets forth the provisions proposed for adoption, amendment, or repeal, the resolution shall be submitted to the members for a vote as provided in subdivision 1.

Subd. 3. [APPROVAL.] (ANY AND ALL) Amendments to the certificate of organization or bylaws must be approved by the commissioner of banks before they become operative. The commissioner shall not unreasonably withhold (SUCH) approval if (SUCH) the amendments do not violate any provision of this chapter or other state law. In any event, the commissioner shall approve or disapprove the proposed amendment within (90) 60 days of the date the proposed amendment is submitted to (HIM) the commissioner by the credit union. In case of disapproval the credit union shall have the right to appeal to a court of competent jurisdiction within the time limits (AS) stated in (CLAUSE (5) OF) section 52.01, clause (5). In case (THE) any amendment to the certificate of organization is adopted, the resolution, containing a full text (THERE-OF) of the amendment and verified by its president and treasurer and approved by the commissioner of banks, shall be recorded in the office of the county recorder in the county in which the credit union is located. If the amendment proposes to change the place of business from one county to another, it shall be recorded in the office of the county recorder of the county of the place of business immediately prior to the amendment and a

certified copy of the original certificate of organization and all amendments (THERETO) to it shall be recorded in the office of the county recorder in the county in which the credit union desires to do business.

Sec. 2. Minnesota Statutes 1980, Section 52.08, is amended to read:

52.08 [ANNUAL MEETING.]

At the annual meeting ((THE ORGANIZATION MEETING SHALL BE THE FIRST ANNUAL MEETING)) the credit union shall elect a board of directors of not less than five members, (A CREDIT COMMITTEE OF NOT LESS THAN THREE MEMBERS, AND) a supervisory committee of *three members, and may elect a credit committee of not less than three members,* all to hold office for (SUCH) *the* terms (, RESPECTIVELY, AS) *provided in* the bylaws (PROVIDE) and until successors qualify. Some or all of (SUCH) *the* terms of office may be staggered, as *provided in* the bylaws (PROVIDE). A record of the names and addresses of the members of the board and committees and the officers shall be filed with the commissioner of banks within ten days of their election. No full time manager of a credit union shall be a director of (SUCH) a credit union operating under this chapter.

The organization meeting shall be the first annual meeting.

Sec. 3. Minnesota Statutes 1980, Section 52.09, Subdivision 2, is amended to read:

Subd. 2. [PARTICULAR DUTIES.] It shall be the duty of the directors to have general management of the affairs of the credit union, particularly:

(1) to act on applications for membership (, PROVIDED THAT). This power may be delegated to a membership chairman who (SHALL SERVE) *serves* at the pleasure of the board of directors and *is* subject to its rules (, HOWEVER SUCH). *The* application shall contain a certification signed by the membership chairman or a member of the board showing the basis of membership;

(2) to determine interest rates on loans and on deposits. The interest period on deposits may be on a daily, monthly, quarterly, semi-annual or annual basis, and may be paid on all deposits whether or not (SAID) *the* deposits have been withdrawn during the interest period. Interest may be computed on a daily basis. At the discretion of the board of directors interest may not be paid on deposit accounts of less than \$10;

(3) to fix the amount of the surety bond which shall be required of all officers and employees handling money;

(4) to declare dividends, and to transmit to the members, recommended amendments to the bylaws;

(5) to fill vacancies in the board and in the credit committee until successors are chosen and qualify at the next annual meeting;

(6) to limit the number of shares and deposits which may be owned by a member, not to exceed (10) *ten* percent of the outstanding shares and deposits, or \$2,000, whichever is larger, and the maximum individual loan which can be made with and without security, including liability indirectly as a co-maker, guarantor, or endorser to (10) *ten* percent of outstanding shares and deposits (; PROVIDED, HOWEVER, THAT). The (10) *ten* percent share and deposit limitation shall not be applicable to the Minnesota Central Credit Union, or to credit unions insured by the National Credit Union Administration;

(7) to have charge of investments (OTHER THAN) *including* loans to members, *unless a credit committee is established pursuant to section 52.08 or clause (13)*;

(8) to fix the salaries of the treasurer and other employees, which shall be on a fixed monthly or annual basis, in dollars (not percentage);

(9) to designate the bank or banks in which the funds of the credit union shall be deposited;

(10) to authorize the officers of the credit union to borrow money from any source, as provided in section 52.15;

(11) with the permission of the commissioner of banks to suspend any member (OR MEMBERS) of the credit committee or supervisory committee if it deems (SUCH) *this* action to be necessary to the proper conduct of the credit union, and to call the members together to act on the suspension within a reasonable time after the suspension. The members at the meeting may, by majority vote of those present, sustain the suspension and remove the committee members permanently or may reinstate the committee members; (AND)

(12) to provide financial assistance to the supervisory committee in carrying out its audit responsibilities; *and*

(13) *if the bylaws so provide and no credit committee has been elected pursuant to section 52.08, to appoint a credit manager or a credit committee of not less than three members.*

Sec. 4. Minnesota Statutes 1980, Section 52.09, Subdivision 3, is amended to read:

Subd. 3. [OFFICERS, BYLAWS; COMPENSATION.] The duties of the officers shall be as determined in the bylaws, except that the treasurer may be the general manager. No member of the board (OR OF EITHER), *the supervisory committee or an elected credit committee* shall receive a salary as such, but may be compensated for time actually spent in his official duties at an hourly rate as determined by the annual meeting of members.

Sec. 5. Minnesota Statutes 1980, Section 52.10, is amended to read:

52.10 [CREDIT COMMITTEE; CREDIT MANAGER; POWERS.]

Subdivision 1. [AUTHORITY OF CREDIT COMMITTEE.] The credit committee shall have the general supervision of all loans to members as provided herein. Applications for loans shall be on a form prepared by the credit committee, shall set forth the purpose for which the loan is desired, the security, if any, offered and such other data as may be required. Within the meaning of this section, an assignment of shares or deposits or the endorsement of a note may be deemed security. Except where the credit committee approves the extension of a self-replenishing line of credit pursuant to section 52.16, subdivision 2, at least a majority of the members of the credit committee shall pass on all loans and approval must be in writing and by unanimous vote of the members present. The credit committee shall meet as often as may be necessary after due notice to each member (THEREOF) *of the committee.* (PROVIDED, HOWEVER,) In the case of any credit union having total assets in excess of \$10,000, the board of directors may authorize the credit committee to appoint one or more loan officers. Loan officers, subject to the supervision of the committee, may be delegated authority by the credit committee (,) to act on all or some applications for loans and to approve them, reporting thereon to the credit committee at their next meeting or within 15 days. The credit committee and the board of directors, meeting jointly and acting collectively as a whole, shall have the general supervision of all loans to a member who is a director, officer, or a member of the credit or supervisory committee whenever the application exceeds the amount of the member's holdings in shares and deposits. Application for these loans shall be in similar form as may be required to be furnished to the credit committee for a loan in the case of any other member. At least a majority of the members of the credit committee and of the board of directors at a joint meeting and acting collectively as a whole, shall pass on all such loans in the absence of the applicant, and the approval of the loan must be in writing and by unanimous vote of all members present. The credit committee and the board of directors shall meet for this purpose as often as may be necessary after due notice to each member (THEREOF) *of the board and credit committee.*

Subd. 2. [AUTHORITY OF CREDIT MANAGER.] If a credit manager is appointed, the board shall have the powers and responsibilities described in subdivision 1 for a credit committee. The board may delegate in writing any or all of these powers and responsibilities to a credit manager.

Sec. 6. Minnesota Statutes 1980, Section 52.135, is amended to read:

52.135 [INDIVIDUAL RETIREMENT ACCOUNTS.]

A credit union, upon approval of the commissioner of banks of an application in the prescribed form filed with him together with a filing fee of \$100, may act as trustee or custodian within the contemplation of the federal self-employed individuals tax retirement act of 1962, as amended and may act as trustee or custodian within the contemplation of the federal employee retirement income security act of 1974, as amended, to establish an individual retirement account. The funds shall be invested only in savings, or time deposits, except that this restriction shall not prevent a credit union from accepting and retaining, as a deposit, property or investments derived from any qualified plan from which the applicant desires to transfer the property.

Funds held in the fiduciary capacity may be commingled for purposes of investment or for other purposes approved by the commissioner of banks, but individual records shall be maintained by the fiduciary for each participant and show in detail all transactions engaged in under authority of this section. In passing upon applications the commissioner shall take into consideration all pertinent facts that relate to a credit union's financial responsibility and may grant or refuse the application accordingly.

Notwithstanding the provisions of sections 52.04, subdivision 1, clause (1), and 52.05, a credit union may receive payment as deposits to establish an individual retirement account for the spouse of a blood or adoptive relative of a regularly qualified member if the blood or adoptive relative is a member of the credit union."

Delete the title and insert:

"A bill for an act relating to credit unions; providing for approval of amendments to certificates of organization and bylaws; authorizing the board of directors to appoint a credit committee or a credit manager; prescribing the powers of a credit committee and credit manager; allowing certain non-members to establish individual retirement accounts; amending Minnesota Statutes 1980, Sections 52.02; 52.08; 52.09, Subdivisions 2 and 3; 52.10; and 52.135."

With the recommendation that when so amended the bill pass.

The report was adopted.

Sarna from the Committee on Commerce and Economic Development to which was referred :

H. F. No. 1902, A bill for an act relating to Ramsey County; permitting the county to establish a small business set-aside program.

Reported the same back with the recommendation that the bill pass and be placed on the Consent Calendar.

The report was adopted.

Norton from the Committee on Governmental Operations to which was referred :

H. F. No. 1909, A bill for an act relating to the legislature; repealing the reduction in membership of the council on the economic status of women; amending Minnesota Statutes 1981 Supplement, Section 3.9222, Subdivision 2, as amended; repealing Laws 1981, Third Special Session Chapter 2, Article I, Section 8.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Sarna from the Committee on Commerce and Economic Development to which was referred :

H. F. No. 1920, A bill for an act relating to economic development; excepting motor carriers from the definition of "business license;" amending Minnesota Statutes 1981 Supplement, Section 362.452, Subdivision 2a.

Reported the same back with the recommendation that the bill pass and be placed on the Consent Calendar.

The report was adopted.

Wenzel from the Committee on Agriculture to which was referred :

H. F. No. 1941, A bill for an act relating to agriculture; setting a standard of proof and procedures for decision and appeal for claims of damage to livestock by endangered species; amending Minnesota Statutes 1980, Section 3.737, by adding a subdivision.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Norton from the Committee on Governmental Operations to which was referred:

H. F. No. 1946, A bill for an act relating to administrative procedures; providing for notice of temporary rulemaking; amending Minnesota Statutes 1981 Supplement, Section 15.0412, Subdivision 5.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Norton from the Committee on Governmental Operations to which was referred:

H. F. No. 1948, A bill for an act relating to retirement; Richfield firefighters relief association; eliminating various obsolete special law provisions; validating certain prior payments or actions; amending Extra Session Laws 1961, Chapter 28, Section 14; repealing Extra Session Laws 1961, Chapter 28, Sections 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12 and 13; and Laws 1963, Chapter 464.

Reported the same back with the recommendation that the bill pass and be placed on the Consent Calendar.

The report was adopted.

Norton from the Committee on Governmental Operations to which was referred:

H. F. No. 1967, A bill for an act relating to state government; improving the state's personnel management functions; amending Minnesota Statutes 1980, Sections 6.582; 11A.07, Subdivision 4; 12.04, Subdivision 1; 15.0575, Subdivision 3; 15.059, Subdivision 3; 15.43, Subdivision 1; 60B.09, Subdivision 2; 84.028, Subdivision 3; 84.081, Subdivision 1; 85A.03, Subdivision 2; 86.51; 124.645, Subdivision 3; 128A.02, Subdivision 3; 136A.55, Subdivision 4; 144A.52, Subdivision 2; 168.325, Subdivision 1; 171.015, Subdivision 1; 216A.04, Subdivision 3; 241.64, Subdivision 3; 241.65; 246.017, Subdivision 2; 268.14, Subdivision 6; 299E.01, Subdivision 1; 299F.01, Subdivision 2; amending Minnesota Statutes 1981 Supplement, Sections 3.855, Subdivision 3; 43A.02, Subdivision 28; 43A.04, Subdivisions 3, 4, and by adding a subdivision; 43A.08, Subdivisions 1, 3, and by adding subdivisions; 43A.11, Subdivisions 3, 4, 7 and 8; 43A.13, Subdivisions 1, 4 and 5; 43A.15, Subdivisions 6 and 10; 43A.17, Subdivision 4; 43A.18,

Subdivisions 3 and 4; 43A.19, Subdivision 1; 43A.27, Subdivision 3; 43A.33, Subdivisions 1, 3 and 4; 43A.37, Subdivision 1; 43A.-38; 43A.39; 43A.42; 43A.44, Subdivision 2; 124.41, Subdivision 3; 254A.03, Subdivision 1; Laws 1971, Extra Session, Chapter 3, Section 19, Subdivision 5; Laws 1980, Chapter 564, Article XII, Section 1, Subdivision 6; Laws 1981, Chapter 210, Section 55; repealing Minnesota Statutes 1980, Sections 12.05; 124.615, Subdivision 3; 190.081; and 190.095; and Minnesota Statutes 1981 Supplement, Section 43A.08, Subdivision 2.

Reported the same back with the following amendments:

Page 8, line 33, delete "*twice*" and insert "*by January 1 and July 1 of*"

Page 9, after line 2, insert:

"Sec. 12. Minnesota Statutes 1981 Supplement, Section 43A.-05, Subdivision 4, is amended to read:

Subd. 4. [TIME OFF IN EMERGENCIES.] The commissioner shall authorize appointing authorities to pay for time off in emergencies. (AN APPOINTING AUTHORITY) *The commissioner*, after consultation with the commissioner of public safety, may excuse employees from duty with full pay in the event of a natural or manmade emergency, if continued operation would involve a threat to the health or safety of individuals. Absence with pay shall not exceed 16 working hours at any one time unless the commissioner authorizes a longer duration."

Page 9, line 14, delete the comma

Page 11, line 3, after "*agencies;*" insert "*the state board of investment;*"

Page 11, line 22, after "*head*" insert "*, or the employing constitutional officer*"

Page 27, after line 24, insert:

Sec. 37. Minnesota Statutes 1981 Supplement, Section 43A.-41, Subdivision 4, is amended to read:

Subd. 4 [SHARED POSITION.] "Shared position" means a (CLASSIFIED) position which has been converted from a full-time position into part-time positions of equivalent class for purposes of sections 43A.40 to 43A.46."

Pages 34 and 35, delete section 51

Page 35, delete section 52

Pages 38 and 39, delete section 55

Page 39, after line 26, insert:

"Sec. 58. Minnesota Statutes 1981 Supplement, Section 352D.02, Subdivision 1, is amended to read:

Subdivision 1. The following employees, *if they are* in the unclassified service of the state (WHO) *and* are eligible for coverage under the Minnesota state retirement system, shall participate in the unclassified program unless (SUCH) *an* employee gives notice to the executive director of the state retirement system within one year following the commencement of (HIS) employment *in the unclassified service* that (HE) *the employee* desires coverage under the regular employee plan. For the purposes of this chapter, an employee who does not file (SUCH) notice with the executive director shall be deemed to have exercised (HIS) *the* option to participate in the unclassified plan.

(1) Any employee in the office of the governor, lieutenant governor, secretary of state, state auditor, state treasurer, attorney general or the state board of investment,

(2) The head of any department, division, or agency created by statute *in the unclassified service*, an acting department head subsequently appointed to the position, or any employee enumerated in sections 15A.081, subdivision 1 or 15A.083, subdivision 4,

(3) Any permanent, fulltime unclassified employee of the legislature or any commission or agency of the legislature or a temporary legislative employee having shares in the supplemental retirement fund as a result of former employment covered by this chapter, whether or not eligible for coverage under the Minnesota state retirement system,

(4) Any person employed in a position established pursuant to section (43.09) 43A.08, subdivision (2A) 1, *clause (c), or subdivision 1a*, or in a position authorized under a statute creating or establishing a department or agency of the state, which is at the deputy or assistant head of department or agency or director level,

(5) The chairman, chief administrator, and not to exceed nine positions at the division director or administrative deputy level of the metropolitan waste control commission as designated by the commission, and the chairman, executive director, and not to exceed nine positions at the division director or administrative deputy level of the metropolitan council as designated by the council; provided that upon initial designation of all positions provided for in this clause, no further designations or redesignations shall be made without approval of the board of directors of the Minnesota state retirement system,

(6) The executive director, associate executive director, and not to exceed nine positions of the higher education coordinating board in the unclassified service, as designated by the higher education coordinating board; provided that upon initial designation of all positions provided for in this clause, no further designations or redesignations shall be made without approval of the board of directors of the Minnesota state retirement system, (AND)

(7) The clerk of the Minnesota supreme court appointed pursuant to Article VI, Section 2, of the Constitution of the state of Minnesota, and

(8) *The chief executive officers of correctional facilities operated by the department of corrections and of hospitals and nursing homes operated by the department of public welfare.*

Sec. 59. Minnesota Statutes 1980, Section 352D.02, is amended by adding a subdivision to read:

Subd. 1a. Any person who on the day before the effective date of this section is a participant in the state unclassified employees retirement program, whose position is placed in the classified service pursuant to this act, may elect to maintain membership in the unclassified program as long as the person holds that position or a position in a higher class in the same agency. When an unclassified position which entitles a person to participate in the unclassified retirement program is placed in the classified service, the commissioner of employee relations shall send written notice to the incumbent of the position, and to the director of the Minnesota state retirement system. This notice shall state the incumbent's option under this subdivision. A person eligible to maintain membership in the unclassified plan shall notify the executive director of the state retirement system of the person's election to maintain membership in the unclassified plan within 60 days of the date on which the commissioner sends the notice stating that the position has been placed in the classified service. A person who does not file this notice shall be deemed to have waived the right to remain in the unclassified plan.

Sec. 60. Minnesota Statutes 1981 Supplement, Section 462A.-04, Subdivision 8, is amended to read:

Subd. 8. The agency shall be under the administrative control of an executive director which office is established. He shall be appointed by the governor under the provisions of section 15.06.

The executive director may appoint a deputy director. The executive director may further appoint such permanent and temporary employees as he deems necessary subject to the approval of the commissioner of employee relations. All permanent employees of the agency, except the executive director, deputy

director, and (FIVE) additional positions (REPORTING DIRECTLY TO THE DIRECTOR) established pursuant to section 43A.08, subdivision 1a are in the classified civil service. Notwithstanding section 16A.752 or any other provision of law to the contrary, any approved complement established by law for the agency shall not be reduced as a result of vacancies in approved positions. (THE FIVE ADDITIONAL UNCLASSIFIED POSITIONS PERMITTED BY THIS SUBDIVISION SHALL ONLY BE FILLED IN THE MANNER AND PURSUANT TO THE PROCEDURES AND CONDITIONS SPECIFIED IN SECTION 43.09, SUBDIVISION 2A; PROVIDED, THAT) No additional deputy commissioner positions may be created."

Page 41, lines 33 and 35, delete "14" and insert "15"

Page 42, after line 3, insert:

"Subd. 3. Any person who on the day prior to the effective date of sections 13 and 14 is the incumbent of a position in the classified service which pursuant to section 13 or 14 is placed or is subject to being placed in the unclassified service may elect to continue to serve in the classified service so long as the person remains in that position.

Subd. 4. The commissioner of employee relations, shall, within 30 days of the date on which the position is placed in the unclassified service pursuant to section 13 or 14, notify the incumbent of the position of his or her rights under subdivision 3. Any person who elects to remain in the classified service shall notify the commissioner in writing of this election within 60 days after the commissioner's notice is sent. A person who fails to file this notice shall be deemed to have waived any rights under subdivision 3 to remain in the classified service.

Subd. 5. An employee who, on the effective date of this section, is on authorized leave of absence from a classified assistant agency head position, shall have the right to return to the position, and to continue to serve in the classified service so long as the employee remains in the position. An employee who elects to continue in the classified service shall notify the commissioner of employee relations of this choice within 60 days of the employee's return to the position from the leave of absence."

Page 42, line 6, delete "190.081; and 190.095;"

Page 42, after line 7, insert:

"Sec. 66. [EFFECTIVE DATE.]

Section 10 is effective the day following final enactment. The remaining sections are effective June 30, 1982."

Renumber the sections

Amend the title as follows :

Page 1, line 12, delete "241.64, Subdivision 3; 241.65;"

Page 1, line 13, delete "268.14, Subdivision 6;"

Page 1, line 14, after "Subdivision 2;" insert "352D.02, by adding a subdivision;"

Page 1, line 17, after "subdivision;" insert "43A.05, Subdivision 4;"

Page 1, line 24, after "43A.39;" insert "43A.41, Subdivision 4;"

Page 1, line 25, after "1;" insert "352D.02, Subdivision 1; and 462A.04, Subdivision 8;"

Page 1, line 30, delete "190.081; and"

Page 1, line 31, delete "190.095;"

With the recommendation that when so amended the bill pass.

The report was adopted.

Sarna from the Committee on Commerce and Economic Development to which was referred :

H. F. No. 1975, A bill for an act relating to local government; permitting towns to issue off-sale liquor licenses; amending Minnesota Statutes 1980, Section 368.01, by adding a subdivision.

Reported the same back with the following amendments :

Page 1, line 7, delete "368.01" and insert "340.11"

Page 1, line 9, delete "*Subd. 31*" and insert "*Subd. 10b*"

Page 1, line 9, delete "[LIQUOR LICENSES.]" and insert "[OFF-SALE LICENSES; TOWNS.]"

Page 1, line 9, after "*board*" and insert "*of any town exercising powers pursuant to section 368.01*"

Page 1, line 10, delete "*liquor*"

Page 1, line 10, delete "*liquors*" and insert "*liquor*"

Amend the title as follows :

Page 1, line 4, delete "368.01" and insert "340.11"

With the recommendation that when so amended the bill pass.

The report was adopted.

Sarna from the Committee on Commerce and Economic Development to which was referred:

H. F. No. 1993, A bill for an act relating to intoxicating liquor; veteran's organization licenses in first class cities; amending Minnesota Statutes 1980, Section 340.11, Subdivision 11.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Brinkman from the Committee on Financial Institutions and Insurance to which was referred:

H. F. No. 1994, A bill for an act relating to financial institutions; authorizing bank or trust company investment in community welfare projects; amending Minnesota Statutes 1980, Section 48.61, by adding a subdivision.

Reported the same back with the following amendments:

Page 1, after line 7, insert:

"Section 1. Minnesota Statutes 1981 Supplement, Section 47.20, Subdivision 4b, is amended to read:

Subd. 4b. Notwithstanding any other provision of this chapter including section (47.201) *47.203*, with respect to any conventional loan pursuant to which the mortgagee or lender shall receive any share of future appreciation of the mortgaged property, the following limitations shall apply:

(1) The share of future appreciation of the mortgaged property which the lender or mortgagee may receive shall be limited to the proportionate amount produced by dividing the lesser of the acquisition cost or fair market value of the mortgaged property at the time the conventional loan is made into the original principal amount of the conventional loan; provided that in no event shall the annual rate of return obtained by the lender or mortgagee over the term of the conventional loan exceed the maximum lawful interest rate prescribed in subdivision 4a.

(2) The lender or mortgagee shall not receive any share of future appreciation of the mortgaged property except upon (a) sale or transfer of the mortgaged property or any interest therein, whether by lease, deed, contract for deed or otherwise, whether for consideration or by gift or in the event of death, or otherwise, and whether voluntarily, involuntarily, or by operation of law, provided that if the mortgagor or mortgagors own the mortgaged property as co-tenants, the transfer of the mortgaged property or any interest therein from one of such co-tenants to another co-tenant, whether by reason of death or otherwise, shall not be considered a sale or transfer, and a taking by eminent domain shall not be considered a sale or transfer unless it is a total taking for which payment is made for the full value of the mortgaged property, and a casualty loss shall not be considered a sale or transfer unless the proceeds of any insurance claim made in connection with such casualty loss are applied to prepay the principal of the conventional loan; or (b) upon the stated maturity of the loan, if the loan is made pursuant to or in connection with a specific housing program undertaken by a city, housing and rehabilitation authority, port authority, or other political subdivision or agency of the state.

(3) Before the loan is made, the lender shall disclose to the mortgagor or mortgagors the terms and conditions upon which the lender or mortgagee shall receive any share of future appreciation of the mortgaged property.

Section 47.20, Subdivision 6a shall not be construed to prohibit the lender or mortgagee from declaring the entire debt of a conventional loan subject to this subdivision due and payable upon a sale or transfer of the mortgaged property or any interest therein, as provided in clause (2).

The commissioner may from time to time make, amend and rescind rules, forms and orders necessary to carry out the provisions of this subdivision. The provisions of this subdivision shall not apply to loans made pursuant to the program authorized by Laws 1981, Chapter 97."

Renumber the section

Page 1, after line 18, insert:

"Sec. 3. [EFFECTIVE DATE.]

Sections 1 and 2 are effective the day following final enactment."

Amend the title as follows:

Page 1, line 2, after the semicolon insert "permitting certain shared appreciation mortgages; providing that the mortgage becomes due and payable upon its sale or transfer;"

Page 1, line 5, after "subdivision" insert "; and Minnesota Statutes 1981 Supplement, Section 47.20, Subdivision 4b"

With the recommendation that when so amended the bill pass.

The report was adopted.

Norton from the Committee on Governmental Operations to which was referred:

H. F. No. 2003, A bill for an act relating to state government; ratifying state employee and University of Minnesota labor agreements and compensation plans; amending Minnesota Statutes 1980, Sections 15A.081, Subdivision 7; 15A.083, Subdivisions 1 and 2; 299D.03, Subdivision 2; Minnesota Statutes 1981 Supplement, Section 15A.081, Subdivision 1; repealing Minnesota Statutes 1980, Sections 299C.041; and 299D.03, Subdivision 3.

Reported the same back with the following amendments:

Page 2, lines 22 to 25, strike the old language and delete the new

Page 5, lines 6 to 9, strike the old language and delete the new

Page 7, after line 24 insert:

"Sec. 5. Minnesota Statutes 1980, Section 15A.083, Subdivision 4, is amended to read:

Subd. 4. [RANGES FOR OTHER JUDICIAL POSITIONS.] Salaries or salary ranges are provided for the following positions in the judicial branch of government. The appointing authority of any position for which a salary range has been provided shall fix the individual salary within the prescribed range, considering the qualifications and overall performance of the employee. Appointments to fill vacancies shall not be made above the midpoint of the salary range prescribed for the position unless the state court administrator has been consulted in advance and his approval obtained. Any salary increase that would adjust an employee's rate of pay beyond the midpoint of the range prescribed for the position must be approved in advance by the state court administrator.

Salary or Range

	Effective July 1, (1979) 1981	Effective July 1, (1980) 1982
Public defender	(\$37,500) \$42,700	(\$40,000) \$45,600
District administrator	(27,000-37,500) 30,400-42,700	(28,500-40,000) 32,500-45,600
County attorneys council executive director	(22,000-32,000) 25,100-36,300	(23,500-34,000) 26,800-38,800
Board on judicial standards executive director	(36,000) 40,600	(38,000) 43,400
State court administrator ...	(44,500) 50,200	(47,000) 53,600

Sec. 6. Minnesota Statutes 1981 Supplement, Section 15A.-083, Subdivision 7, is amended to read:

Subd. 7. [WORKERS' COMPENSATION COURT OF APPEALS AND COMPENSATION JUDGES.] Salaries of judges of the workers' compensation court of appeals shall be (90 PERCENT OF) *equal to* the salary for district judges as provided in subdivision 1. Salaries of compensation judges shall be 75 percent of the salary of district court judges as provided in subdivision 1.

Sec. 7. Minnesota Statutes 1980, Section 179.66, Subdivision 7, is amended to read:

Subd. 7. The employer shall not meet and negotiate or meet and confer with any employee or group of employees who are at the time designated as a member or part of an appropriate employee unit except through the exclusive representative if one is certified for that unit or as provided for in section 179.69, subdivision 1, *provided that this subdivision shall not be deemed to prevent the communication to the employer, other than through the exclusive representative, of advice or recommenda-*

tions by professional employees, when such communication is a part of the employee's work assignment.

Sec. 8. Minnesota Statutes 1980, Section 179.72, Subdivision 7, is amended to read:

Subd. 7. The arbitration panel or arbitrator selected by the parties shall resolve the issues in dispute between the parties as submitted by the board, and the panel's decision and order shall be final and binding upon the parties. *The panel shall be restricted to selecting between the final offers on each impasse item submitted by the parties to the panel.* Provided, however, that no decision of the panel which violates any provision of the laws of Minnesota or rules or regulations promulgated thereunder or municipal charters or ordinances or resolutions enacted pursuant thereto, or which causes a penalty to be incurred thereunder, shall have any force or effect. In considering a dispute and issuing its order the panel shall give due consideration to the statutory rights and obligations of public employers to efficiently manage and conduct its operations within the legal limitations surrounding the financing of such operations. The panel's orders shall be issued by a majority vote of its members considering a given dispute. The panel shall have no jurisdiction over nor authority to entertain any matter or issue not within the definition stated in section 179.63, subdivision 18; provided, however, items not within terms and conditions of employment may be included in an arbitration decision if such items are contained in the employer's final position. Any issue or order or part thereof issued by the panel determining any matter not included under section 179.63, subdivision 18 or the employer's final position shall be void and of no effect. The panel shall render its decision within ten days from the date that all arbitration proceedings have been concluded, but in any event must issue its order by the last date the employer is required by statute, charter, ordinance or resolution to submit its tax levy or budget or certify its taxes voted to the appropriate public officer, agency, public body or office, or by November 1, whichever date is earlier. The panel's order shall be for such period as the panel shall direct, except that orders determining contracts for teacher units shall be effective to the end of the contract period as determined by section 179.70, subdivision 1."

Page 10, lines 8 to 29, delete Section 6 and insert a section to read:

"Sec. 10. Laws 1979, Chapter 332, Article I, Section 116, as amended by Laws 1980, Chapter 617, Section 44, is amended to read:

Sec. 116. [EFFECTIVE DATE.]

The effective dates for Article I are as follows: sections 2, 4, 8, 40, 45, 46, 47, 58, 61, 65, 82-91, and 113 are effective upon final enactment. Section 64, is effective June 30, 1980. Sections 3, 5, 6 and 7 are effective July 1, 1981. The remaining provisions of Article I are effective July 1, 1979. The provisions of section 47 shall apply to all disciplinary actions taken on or after the effective date of section 47. The provisions of section 63 shall expire on July 1, (1981) 1982, but shall apply to all arbitration proceedings which are to determine contractual provisions for the 1981-1983 biennium. The provisions of section 64 shall expire on July 1, (1981) 1982, but shall apply to all arbitration proceedings which are to determine contractual provisions for the next contract period. The provisions of sections 93 to 111 and 113 shall expire on July 1, 1981. The provisions of section 137.02, subdivision 4, shall not apply to sections 93 to 111."

Page 13, after line 6, insert a section to read :

"Sec. 13. [CANCELLATION OF APPROPRIATION REDUCTION.]

Notwithstanding Laws 1981, Third Special Session Chapter 2, Article I, Section 2, Subdivision 1, clause (bb), there shall be a -0- reduction in the 1983 appropriation for Mediation Services."

Page 13, after line 9, insert a section to read :

"Sec. 15. [REPEALER.]

Minnesota Statutes 1980, Section 179.72, Subdivisions 7a and 7b are repealed."

Page 13, line 11, after the period insert "*Section 15 is effective July 1, 1982.*"

Page 13, line 11, delete "9" and insert "14"

Renumber the sections

Amend the title as follows :

Page 1, line 4, after the semi-colon, insert "providing increases in statutory salaries for certain officers; clarifying meet and confer status for professional employees; providing final offer arbitration for all arbitrated public employee impasses under PELRA; cancelling an appropriation reduction;"

Page 1, line 6, delete "and 2" and insert ", 2, and 4; 179.66, Subdivision 7; 179.72, Subdivision 7"

Page 1, after line 7, insert "15A.083, Subdivision 7; Laws 1979, Chapter 332, Article I, Section 116, as amended;"

Page 1, line 8, after "Sections" insert "179.72, Subdivisions 7a and 7b;"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Norton from the Committee on Governmental Operations to which was referred:

H. F. No. 2005, A bill for an act relating to employment; providing for equitable compensation relationships among certain government employees; appropriating money; amending Minnesota Statutes 1981 Supplement, Sections 43A.01, by adding a subdivision; 43A.02, by adding subdivisions; 43A.05, by adding a subdivision; and 43A.18, Subdivision 8; proposing new law coded in Minnesota Statutes, Chapter 137.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1981 Supplement, Section 43A.01, is amended by adding a subdivision to read:

Subd. 3. [EQUITABLE COMPENSATION RELATIONSHIPS.] It is the policy of this state to establish equitable compensation relationships between female-dominated, male-dominated, and balanced classes of employees in the executive branch. Compensation relationships are equitable within the meaning of this subdivision when the primary consideration in negotiating, establishing, recommending, and approving total compensation is comparability of the value of the work in relationship to other positions in the executive branch.

Sec. 2. Minnesota Statutes 1981 Supplement, Section 43A.02, is amended by adding a subdivision to read:

Subd. 6a. [BALANCED CLASS.] "Balanced class" means any class in which no more than 80 percent of the incumbents are male and no more than 70 percent of the incumbents are female.

Sec. 3. Minnesota Statutes 1981 Supplement, Section 43A.02, is amended by adding a subdivision to read:

Subd. 14a. [COMPARABILITY OF THE VALUE OF THE WORK.] "Comparability of the value of the work" means the

value of the work measured by the composite of the skill, effort, responsibility, and working conditions normally required in the performance of the work.

Sec. 4. Minnesota Statutes 1981 Supplement, Section 43A.02, is amended by adding a subdivision to read:

Subd. 22a. [FEMALE-DOMINATED CLASS.] "Female-dominated class" means any class in which more than 70 percent of the incumbents are female.

Sec. 5. Minnesota Statutes 1981 Supplement, Section 43A.02, is amended by adding a subdivision to read:

Subd. 27a. [MALE-DOMINATED CLASS.] "Male-dominated class" means any class in which more than 80 percent of the incumbents are male.

Sec. 6. Minnesota Statutes 1981 Supplement, Section 43A.05, is amended by adding a subdivision to read:

Subd. 5. [COMPARABILITY ADJUSTMENTS.] The commissioner shall compile and submit to the legislative commission on employee relations by January 1 of each odd-numbered year a list showing, by bargaining unit, and by plan for executive branch employees covered by a plan established pursuant to section 43A.18, those female-dominated classes and those male-dominated classes in state civil service for which a compensation inequity exists based on comparability of the value of the work. The commissioner shall also submit to the legislative commission on employee relations, along with the list, an estimate of the appropriation necessary for providing comparability adjustments for classes on the list. The commission shall review and approve, disapprove, or modify, the list and proposed appropriation. The commission's action shall be submitted to the full legislature in the same manner as provided in section 3.855 and section 43A.18 or section 179.74, subdivision 5. The commission shall allocate the proposed appropriation among the bargaining units and among the plans established under 43A.18. Each bargaining unit and each plan shall be allocated that proportion of the total proposed appropriation which equals the number of positions in the unit or plan approved by the commission for comparability adjustments divided by the total number of positions on the list approved by the commission for comparability adjustments. Distribution of funds within each bargaining unit or plan shall be determined by collective bargaining agreements or by plans.

Sec. 7. Minnesota Statutes 1981 Supplement, Section 43A.18, Subdivision 8, is amended to read:

Subd. 8. [COMPENSATION RELATIONSHIPS OF POSITIONS.] In preparing management negotiating positions for

compensation which is established pursuant to subdivision 1, and in establishing, recommending and approving total compensation for any position within the plans covered in subdivisions 2, 3 and 4, the commissioner shall assure that:

(a) Compensation for positions in the classified and the unclassified service compare reasonably to one another;

(b) Compensation for state positions bears reasonable relationship to compensation for similar positions outside state service;

(c) Compensation for management positions bears reasonable relationship to compensation of represented employees managed;

(d) Compensation for positions within the classified service bears reasonable relationships among related job classes and among various levels within the same occupation; and

(e) Compensations bear reasonable relationships to one another within the meaning of this subdivision if compensation for positions which require comparable (KNOWLEDGE, ABILITIES, DUTIES, RESPONSIBILITIES AND ACCOUNTABILITIES) *skill, effort, responsibility, and working conditions* is comparable and if compensation for positions which require differing (KNOWLEDGE, ABILITIES, DUTIES, RESPONSIBILITIES AND ACCOUNTABILITIES) *skill, effort, responsibility, and working conditions* is proportional to the (KNOWLEDGE, ABILITIES, DUTIES AND RESPONSIBILITIES) *skill, effort, responsibility, and working conditions* required.

Sec. 8. [137.34] [COMPARABLE PAY.]

Subdivision 1. [POLICY.] It is the policy of this state to establish equitable compensation relationships between female-dominated, male-dominated, and balanced classes of employees at the University of Minnesota. Compensation relationships are equitable within the meaning of this subdivision when the primary consideration in negotiating, establishing, recommending, and approving total compensation is comparability of the value of the work in relationship to other positions at the University of Minnesota.

Subd. 2. [DEFINITIONS.] Unless the context clearly requires otherwise the terms used in this section shall have the meaning given them by section 43A.02.

Subd. 3. [COMPARABILITY ADJUSTMENTS.] The board of regents shall compile and submit to the legislative commission on employee relations by January 1 of each odd-numbered year, a list, by bargaining units, and by plan for unrepresented employees, showing those female-dominated classes and those male-

dominated classes at the University of Minnesota for which a compensation inequity exists based on comparability of the value of the work. The board of regents shall also submit to the legislative commission on employee relations, along with the list, an estimate of the appropriation necessary for providing comparability adjustments for those classes indicated on that list. The commission shall then review and approve, disapprove, or modify the list and proposed appropriation. This action shall be submitted to the full legislature in the same manner as provided in sections 3.855 and 179.74, subdivision 5. The commission shall allocate the proposed appropriation among the bargaining units and among the plans established by the regents. Each bargaining unit and each plan shall be allocated that proportion of the total proposed appropriation which equals the number of positions in the unit or plan on the list approved by the commissioner for comparability adjustments divided by the total number of positions on the list approved by the commission for comparability adjustments. Distribution of funds within each bargaining unit or plan shall be determined by collective bargaining agreements or by plans.

Sec. 9. [ALLOCATION.]

Subdivision 1. [STATE EMPLOYEES.] The amount approved by the legislative commission on employee relations pursuant to section 6, and approved by the full legislature, to make comparability adjustments shall be appropriated to the commissioner of finance from the various funds in the state treasury from which salaries are paid. The commissioner of finance, in consultation with the commissioner of employee relations, shall allocate these amounts to the proper accounts for distribution to incumbents of classes which have been approved for comparability adjustments.

Funds appropriated for purposes of comparability adjustments for state employees shall be distinct within the funds appropriated for salary supplements or other employee compensation. Funds not used for purposes of comparability adjustments shall revert to the appropriate fund.

Subd. 2. [UNIVERSITY EMPLOYEES.] The amount approved by the legislative commission on employee relations pursuant to section 8, and approved by the full legislature, to make comparability adjustments shall be appropriated from various funds in the state treasury from which salaries are paid. The commissioner of finance, in consultation with the board of regents, shall allocate these amounts to the proper accounts for distribution to incumbents of classes which have been approved for comparability adjustments.

Funds appropriated for purposes of comparability adjustments for University of Minnesota employees shall be distinct within the funds appropriated for salary supplements or other

employee compensation. Funds not used for purposes of comparability adjustments shall revert to the appropriate fund."

Amend the title as follows:

Page 1, line 4, delete "appropriating money;"

With the recommendation that when so amended the bill pass.

The report was adopted.

Sarna from the Committee on Commerce and Economic Development to which was referred:

H. F. No. 2011, A bill for an act relating to commerce; motor vehicle sale and distribution; providing for the termination or cancellation of franchise agreements; specifying conditions that do not establish good cause for refusal to honor a succession; limiting a manufacturer's ability to withhold consent to a proposed transfer, assignment or sale of a dealership; specifying certain circumstances establishing good cause for entering into or relocating an additional franchise for the same line make; amending Minnesota Statutes 1981 Supplement, Sections 80E.07, Subdivision 1; 80E.09, Subdivision 1; 80E.10, Subdivision 5; 80E.11, Subdivision 1; 80E.13; and 80E.14, Subdivision 2.

Reported the same back with the following amendments:

Page 1, after line 17, insert:

"Section 1. Minnesota Statutes 1981 Supplement, Section 80E.03, Subdivision 8, is amended to read:

Subd. 8. [FRANCHISE.] "Franchise" means the *written agreement or contract* between any new motor vehicle manufacturer (, WRITTEN OR OTHERWISE,) and any new motor vehicle dealer which grants to the dealer the right to market motor vehicles and which purports to fix the legal rights and liabilities of the parties to the agreement or contract."

Page 2, line 5, after "campaigns" insert "*or perform warranty service*"

Page 2, line 15, after "reasonable" insert "*capital, credit, or*"

Page 2, line 29, after "manufacturer" insert "*, as limited in clause (g)*"

Page 3, line 15, after "The" insert "*manufacturer's liability as to rent shall in no event exceed a reasonable rent based upon the fair market value of the facilities. The*"

Page 3, line 33, after the second "dealer" insert "*including transportation,*"

Page 3, line 33, after "all" insert "*new current model year motor vehicle inventory which has not been materially altered or substantially damaged, and all new motor vehicle inventory not of the current model year which has not been materially altered or substantially damaged; provided the non-current model year vehicles were acquired from the manufacturer within 120 days prior to the termination or cancellation. The manufacturer shall reimburse the dealer for*"

Page 3, line 34, delete "*new motor vehicles, including transportation and*"

Page 4, after line 3, insert:

"Sec. 4. Minnesota Statutes 1981 Supplement, Section 80E.09, Subdivision 2, is amended to read:

Subd. 2. [TIME IN WHICH PAYMENTS MUST BE MADE.] Fair and reasonable compensation shall be paid by the manufacturer when possible within 90 days of the effective date of termination or cancellation, *provided the dealer has clear title to the inventory and other items, is in a position to convey that title to the manufacturer and as long as this period will allow compliance with the notification requirements of sections 336.6-101 to 336.6-111 or any other state or federal laws relating to creditor notification.*

Sec. 5. Minnesota Statutes 1981 Supplement, Section 80E.09, Subdivision 3, is amended to read:

Subd. 3. [VOLUNTARY TERMINATIONS OR CANCELLATIONS.] For the purposes of reimbursement under this section, termination or cancellation includes a voluntary termination or cancellation by the dealer, *and the compensation provided for in section 80E.09, subdivision 1, except clauses (e) and (f) thereof, shall be paid to the dealer.*"

Page 5, after line 3, insert:

"Sec. 8. Minnesota Statutes 1981 Supplement, Section 80E.11, Subdivision 2, is amended to read:

Subd. 2. [PERSONAL AND FINANCIAL DATA.] *As soon as possible after designating a family member pursuant to this section, the dealer shall inform the manufacturer, factory branch, distributor, or importer of the designation and, upon request, shall provide personal and financial data that is reasonably necessary to determine whether the succession should be*

honored. Failure to inform the manufacturer, factory branch, distributor or importer shall not affect the right of the designee to succeed to ownership of the dealership. At the time of serving notice under subdivision 1, the designated family member shall provide, upon the request of the manufacturer, distributor, factory branch, or importer, a current update of the personal and financial data (THAT IS REASONABLY NECESSARY TO DETERMINE WHETHER THE SUCCESSION SHOULD BE HONORED) described above.

Sec. 9. Minnesota Statutes 1981 Supplement, Section 80E.11, Subdivision 6, is amended to read:

Subd. 6. [BURDEN OF PROOF.] In determining whether good cause for the refusal to honor the succession exists, the manufacturer, distributor, factory branch, or importer has the burden of proving that the successor is a person who is not of good moral character (AND) or does not meet the franchisor's existing and reasonable standards and, considering the volume of sales and service of the new motor vehicle dealer, uniformly applied minimum business experience standards in the market area."

Page 8, after line 7, insert:

"Sec. 12. [80E.18] [NO RETROACTIVE APPLICATION.]

The provisions of chapter 80E shall not apply to any action to terminate or cancel a motor vehicle franchise if the notice to terminate or cancel was given prior to May 1, 1981. Any such action to terminate or cancel shall be governed by the laws and regulations of the state of Minnesota in effect on the day notice to terminate or cancel was given.

Sec. 13. [LEGISLATIVE INTENT.]

The provisions of this act are a restatement and clarification of the legislative intent of chapter 80E and shall not be construed as a modification of existing law."

Page 8, line 9, delete "6" and insert "13"

Renumber the sections

Amend the title as follows:

Page 1, line 12, after "Sections" insert "80E.03, Subdivision 8;"

Page 1, line 13, delete "Subdivision 1" and insert "Subdivisions 1, 2 and 3;"

Page 1, line 14, delete "Subdivision 1" and insert "Subdivisions 1, 2 and 6"

Page 1, line 15, after "2" insert "; and proposing new law coded in Minnesota Statutes, Chapter 80E"

With the recommendation that when so amended the bill pass.

The report was adopted.

Wenzel from the Committee on Agriculture to which was referred:

H. F. No. 2028, A bill for an act relating to agriculture; establishing an apiary account in the state treasury; appropriating money; amending Minnesota Statutes 1980, Section 19.19, Subdivision 3.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Jude from the Committee on Judiciary to which was referred:

H. F. No. 2057, A bill for an act relating to state government; allowing for disclosures of information between the commissioner of revenue and the department of economic security; amending Minnesota Statutes 1980, Section 268.12, Subdivision 12; and Minnesota Statutes 1981 Supplement, Section 290.61.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Swanson from the Committee on Health and Welfare to which was referred:

H. F. No. 2058, A bill for an act relating to public welfare; providing for classification, access, and destruction of certain child abuse report records; clarifying the classification of reports regarding vulnerable adults; amending Minnesota Statutes 1980, Sections 626.556, Subdivisions 3, 7, and by adding a subdivision; 626.557, by adding a subdivision; and Minnesota Statutes 1981 Supplement, Section 626.556, Subdivision 11.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Voss from the Committee on Local and Urban Affairs to which was referred:

H. F. No. 2059, A bill for an act relating to real property; requiring certification by the municipality prior to transfer by the county auditor of certain unplatted properties; proposing new law coded in Minnesota Statutes, Chapter 272.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Kostohryz from the Committee on General Legislation and Veterans Affairs to which was referred:

H. F. No. 2066, A bill for an act relating to local government; providing for city facilities related to armories; authorizing issuance of bonds; proposing new law coded in Minnesota Statutes, Chapter 193.

Reported the same back with the recommendation that the bill pass and be placed on the Consent Calendar.

The report was adopted.

Sarna from the Committee on Commerce and Economic Development to which was referred:

H. F. No. 2068, A bill for an act relating to intoxicating liquor; authorizing the city of International Falls to issue one short term on-sale liquor license.

Reported the same back with the recommendation that the bill pass and be placed on the Consent Calendar.

The report was adopted.

Brinkman from the Committee on Financial Institutions and Insurance to which was referred:

H. F. No. 2077, A bill for an act relating to insurance; increasing the percentage of the state comprehensive health plan premium that may be used to pay certain fees and expenses; amending Minnesota Statutes 1980, Section 62E.11, Subdivision 3.

Reported the same back with the following amendments:

Page 1, line 10, strike "87-1/2" and insert "85"

With the recommendation that when so amended the bill pass and be placed on the Consent Calendar.

The report was adopted.

Norton from the Committee on Governmental Operations to which was referred:

H. F. No. 2078, A bill for an act relating to state government; authorizing the commissioner of the department of economic security to delegate certain powers; amending Minnesota Statutes 1980, Section 268.011, Subdivision 2.

Reported the same back with the recommendation that the bill pass and be placed on the Consent Calendar.

The report was adopted.

Norton from the Committee on Governmental Operations to which was referred:

H. F. No. 2079, A bill for an act relating to state lands; authorizing the sale of a certain lakeshore lot in Douglas County.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Sarna from the Committee on Commerce and Economic Development to which was referred:

H. F. No. 2134, A bill for an act relating to the city of Minneapolis; establishing uniformity in liquor licensing provisions applicable to nonprofit corporations within the city; amending Laws 1975, Chapter 305, Section 1.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1980, Section 340.11, Subdivision 11b, is amended to read:

Subd. 11b. [ON-SALE LICENSES TO CERTAIN NON-PROFIT CORPORATIONS.] “On-sale” licenses for the sale of intoxicating liquor may, in the discretion of the municipality, be issued in any city of the first class to any nonprofit corporation which was organized prior to January 1, 1972 to promote, stimulate, and support community education, appreciation and development of the theater and cultural arts through dramatic

performances and other means and which has operated a repertory theater in the city since at least January 1, 1972. Such licenses may be issued notwithstanding any limitations imposed by law, charter or ordinance relating to liquor patrol limits, zoning, or school or church distance limitations and such licenses shall be in excess of any limitations imposed by subdivision 6, or otherwise. All other laws, charter provisions, or ordinances relating to the licensing and regulation of on-sale liquor establishments, including the granting, renewal, suspension or revocation of licenses shall apply, *except that notwithstanding any other provision of law, the licenses shall authorize sales on all days of the week.* Any license issued pursuant to this subdivision shall authorize the sale of intoxicating liquor only to holders of tickets to dramatic performances presented by such nonprofit corporation and members of such nonprofit corporation and their guests.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to intoxicating liquor; providing that on-sale licenses issued to certain non-profit corporations shall authorize sales on all days of the week; amending Minnesota Statutes 1980, Section 340.11, Subdivision 11b."

With the recommendation that when so amended the bill pass and be placed on the Consent Calendar.

The report was adopted.

Norton from the Committee on Governmental Operations to which was referred:

H. F. No. 2170, A bill for an act relating to state lands; authorizing sale and conveyance of a certain tract in order to correct a survey error.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Jude from the Committee on Judiciary to which was referred:

H. F. No. 2175, A bill for an act relating to Minnesota Statutes, correcting erroneous, ambiguous, omitted and obsolete references and text; etc.; amending Minnesota Statutes 1980, Sections 60C.02, Subdivision 1; etc.; Minnesota Statutes 1981

Supplement, Sections 11A.18, Subdivision 9; etc.; and Laws 1981, Chapter 224, Section 73; repealing Minnesota Statutes 1980, Section 60A.11, Subdivisions 5a and 5b; Minnesota Statutes 1981 Supplement, Section 290.971, Subdivision 7; Laws 1980, Chapter 587, Article I, Sections 31, 32, 33, 34, 35, 36, 37, 38 and 39; etc.

Reported the same back with the recommendation that the bill pass and be placed on the Consent Calendar.

The report was adopted.

Johnson, C., from the Committee on Education to which was referred:

H. F. No. 1555, A bill for an act relating to education; extending the period for transferring money from operating to nonoperating funds; amending Minnesota Statutes 1980, Section 121.912, Subdivisions 2 and 3.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“ARTICLE I

FOUNDATION AID

Section 1. Minnesota Statutes 1980, Section 121.904, Subdivision 4, is amended to read:

Subd. 4. (a) All current levies of local taxes, including portions assumed by the state, shall be recognized as receivable at the beginning of the calendar year during which collection normally takes place. *Except as provided in clause (b)*, such receivables shall be reserved for use in the subsequent fiscal year. (PAYMENTS OF CURRENT)

(b) *Of the estimated collection of taxes payable in the current year which are due prior to July 1, including March personal property tax payments and portions assumed by the state, the amount of the certified levy which is attributable to authorizations of levy revenue for the current fiscal year shall be recognized as revenue and available for expenditure in the current fiscal year. This clause shall apply only to levy authorizations governed by section 275.125, subdivision 1a as added by Laws 1981, Third Special Session Chapter 2, Article IV, Section 7.*

(c) *The remaining amount of the estimated collection of taxes payable in the current year which are due prior to July 1,*

including (BUT NOT LIMITED TO) March personal property tax settlements *and portions assumed by the state*, (RECEIVED PRIOR TO JULY 1,) shall be recorded as revenue to be earned as of July 1 with appropriate adjustments to the receivables and the reserves for such taxes. (ALL CURRENT TAXES RECEIVED PRIOR TO JULY 1) *This amount* plus the balance of the reserves shall be recognized as revenue on July 1.

Sec. 2. Minnesota Statutes 1981 Supplement, Section 122.-751, Subdivision 6, is amended to read:

Subd. 6. [AID DEDUCTIONS.] (1) For purposes of determining deductions from basic foundation, grandfather, replacement, and discretionary aid pursuant to section 124.2128, subdivision 1, of a district newly created through consolidation or enlarged through the dissolution of a district and its attachment to one or more other districts, in the school year when the consolidation or dissolution and attachment becomes effective, (THERE SHALL BE USED IN LIEU OF THE RATIO OF THE DISTRICT'S ACTUAL LEVY TO ITS PERMITTED LEVY IN THE APPLICABLE YEAR, THE QUOTIENT OBTAINED BY DIVIDING) *the following quantities shall be used as specified:*

(a) *In lieu of the district's actual certified levy designated for use in that school year pursuant to section 1 of this article, there shall be used the amount actually certified by the district pursuant to the applicable subdivision for use in that school year plus the sum of the products derived for each component district by multiplying the amount of the component district's (ACTUAL) certified levy in the applicable year pursuant to the applicable subdivision which is attributable to the authorization of levy revenue for that school year, times the ratio of the amount of the adjusted assessed valuation of the property from the component district which is included in the new district to the total amount of the adjusted assessed valuation of the new district; (BY) and*

(b) *In lieu of the district's permitted levy for that school year, there shall be used the amount of the district's permitted levy which is attributable to the levy revenue authorization for that school year pursuant to the applicable subdivision, plus the sum of the products derived for each component district by multiplying the amount of component district's permitted levy in the applicable year pursuant to the applicable subdivision which is attributable to the levy revenue authorization for that school year, times the ratio of the amount of the adjusted assessed valuation of the property from the component district which is included in the new district to the total amount of the adjusted assessed valuation of the new district.*

Sec. 3. Minnesota Statutes 1981 Supplement, Section 124.-2121, Subdivision 2, is amended to read:

Subd. 2. [ADJUSTED ASSESSED VALUATION.] "Adjusted assessed valuation" or "EARC valuation" means the assessed valuation of the taxable property notwithstanding the provisions of section 275.49 of the school district as adjusted by the equalization aid review committee. The adjusted assessed valuation for any given calendar year shall be used to compute *authorized* levy (LIMITATIONS FOR LEVIES CERTIFIED IN THE SUCCEEDING CALENDAR YEAR) *revenue* and aid for the school year beginning in the second succeeding calendar year.

Sec. 4. Minnesota Statutes 1981 Supplement, Section 124.2121, Subdivision 4, as amended by Laws 1981, Third Special Session Chapter 2, Article II, Section 4, is amended to read:

Subd. 4. [EQUALIZING FACTOR.] "Equalizing factor" means a number equal to the minimum EARC valuation per actual and AFDC pupil unit which disqualifies a district from earning any basic foundation aid. The equalizing factor for each school year and for (LEVIES FOR USE IN) *the computation of authorized levy revenue* for that school year equals the ratio, rounded to the nearest dollar, of the foundation aid formula allowance for that school year to the basic maintenance mill rate for that school year. However, the equalizing factor for discretionary and replacement aids for the 1982-1983 school year shall be \$61,565.

Sec. 5. Minnesota Statutes 1981 Supplement, Section 124.2121, Subdivision 5, as amended by Laws 1981, Third Special Session Chapter 2, Article IV, Section 4, is amended to read:

Subd. 5. [LEVY USE.] (A LEVY "FOR USE IN A PARTICULAR SCHOOL YEAR," "ATTRIBUTABLE TO A PARTICULAR SCHOOL YEAR," OR "RECOGNIZED AS REVENUE IN A PARTICULAR SCHOOL YEAR," MEANS LEVY AS RECOGNIZED PURSUANT TO SECTION 121.904) "*Authorized levy revenue*" for a particular school year means the amount of property taxes, including portions assumed by the state, which a district is permitted to levy for use in that school year.

Sec. 6. Minnesota Statutes 1981 Supplement, Section 124.2122, Subdivision 1, as amended by Laws 1981, Third Special Session Chapter 2, Article II, Section 5, is amended to read:

Subdivision 1. [FORMULA ALLOWANCE.] "Foundation aid formula allowance" or "formula allowance" means the amount of revenue per pupil unit used in the computation of foundation aid for a particular school year and in the computation of (PERMISSIBLE LEVIES) *authorized levy revenue* for (USE IN) that school year. The formula allowance shall be \$1,333 for foundation aid for the 1981-1982 school year. The formula allowance shall be \$1,346 for 1981 payable 1982 levies and for foundation aid for the 1982-1983 school year. *The formula*

allowance shall be \$1,515 for levy revenue and foundation aid for the 1983-1984 school year.

Sec. 7. Minnesota Statutes 1981 Supplement, Section 124.-2122, Subdivision 2, as amended by Laws 1981, Third Special Session Chapter 2, Article II, Section 6, is amended to read:

Subd. 2. [BASIC MAINTENANCE MILL RATE.] "Basic maintenance mill rate" means the mill rate applicable to the adjusted assessed valuation of a district, used in the computation of basic foundation aid for a particular school year and of (THE) *authorized* basic maintenance levy revenue for (USE IN) that school year. (THE BASIC MAINTENANCE MILL RATE SHALL BE .021 FOR THE 1980 PAYABLE 1981 LEVY AND FOR FOUNDATION AID FOR THE 1981-1982 SCHOOL YEAR.) The basic maintenance mill rate shall be .024 for (1981 PAYABLE 1982 LEVIES) *levy revenue* and (FOR) foundation aid for the 1982-1983 school year. *The basic maintenance mill rate shall be .023 for levy revenue and foundation aid for the 1983-1984 school year.*

Sec. 8. Minnesota Statutes 1981 Supplement, Section 124.-2123, Subdivision 1, is amended to read:

Subdivision 1. [GRANDFATHER GUARANTEE AND ALLOWANCE.] (a) A district's "basic grandfather amount" shall equal the amount per pupil unit which the district was permitted to levy in 1978 pursuant to Minnesota Statutes 1978, Section 275.125, Subdivisions 6 and 7.

(b) A district's "grandfather guarantee" shall equal its basic grandfather amount times its 1979-1980 actual, declining enrollment and growing enrollment pupil units.

(c) A district's "grandfather allowance" shall equal its grandfather guarantee divided by its 1979-1980 actual pupil units.

(d) A district's "*authorized* grandfather levy (LIMITATION) *revenue*" means its *authorized* levy (LIMITATION COMPUTED) *revenue* pursuant to section 275.125, subdivision 6b.

Sec. 9. Minnesota Statutes 1981 Supplement, Section 124.-2123, Subdivision 3, is amended to read:

Subd. 3. [GRANDFATHER AID.] A district's grandfather aid for any school year shall equal its grandfather revenue for that school year minus its *authorized* grandfather levy (LIMITATION FOR THE LEVY) *revenue* for (USE IN) that school year.

Sec. 10. Minnesota Statutes 1981 Supplement, Section 124.-2123 is amended by adding a subdivision to read:

Subd. 4. [SPECIAL GRANDFATHER ALLOWANCE.] (1) Each year in a district where the net unappropriated fund balance in all operating funds as of June 30 is less than \$316 per actual pupil unit, the grandfather allowance shall be increased and the grandfather revenue computed as provided in this subdivision.

(2) The amount added to the grandfather allowance shall be the lesser of

(a) \$54; or

(b) the difference between

(i) \$316, and

(ii) the district's net unappropriated fund balance in all operating funds per actual pupil unit as of June 30 in the year the levy is certified.

(3) The computation of the increase provided in this subdivision shall be performed each year. However, the increase in the grandfather allowance shall not be cumulative.

(4) In a district which qualifies for an increase in the grandfather allowance under this subdivision, the district's grandfather revenue for any school year shall equal the greater of

(a) the sum of

(i) the increase in its grandfather allowance authorized in this subdivision, times the number of actual pupil units in the district in the preceding school year, and

(ii) the district's grandfather guarantee; or

(b) the district's grandfather allowance as increased by this subdivision, times the number of actual pupil units in the district in the preceding school year.

Sec. 11. Minnesota Statutes 1981 Supplement, Section 124.-2124, Subdivision 1, as amended by Laws 1981, Third Special Session Article II, Section 7, is amended to read:

Subdivision 1. [REPLACEMENT COMPONENTS.] (a) A district's "fluctuating enrollment replacement component" shall equal the amount of additional foundation aid or basic maintenance levy revenue the district would have received for

the 1980-1981 school year if declining or growing enrollment pupil units had been used in the computation of basic foundation aid for 1980-1981 pursuant to Minnesota Statutes 1980, Section 124.212, Subdivision 7c, Clause (1) or of the 1979 basic maintenance levy limitation pursuant to Minnesota Statutes, 1979 Supplement, Section 275.125, Subdivision 2b or 2c.

(b) A district's "sparsity replacement component" shall equal the amount of additional aid the district would have received for the 1980-1981 school year if Minnesota Statutes, 1979 Supplement, Section 124.224 had been effective for 1980-1981.

(c) A district's "basic replacement entitlement" shall equal the sum of its fluctuating enrollment replacement component and its sparsity replacement component, divided by its total pupil units in 1980-1981.

(d) "Replacement inflator" for any school year means the ratio of the foundation aid formula allowance for that school year to \$1,265. However for the 1981-1982 school year, the replacement inflator shall equal 107 percent, and for the 1982-1983 school year the replacement inflator shall equal 112 percent.

(e) A district's "replacement allowance" for each school year shall equal its basic replacement entitlement times the replacement inflator for that school year.

(f) A district's "*authorized replacement levy (LIMITATION) revenue*" means its *authorized levy (LIMITATION COMPUTED) revenue* pursuant to section 275.125, subdivision 6c.

Sec. 12. Minnesota Statutes 1981 Supplement, Section 124.-2124, Subdivision 3, is amended to read:

Subd. 3. [REPLACEMENT AID.] A district's replacement aid for any school year shall equal its replacement revenue for that school year minus its *authorized replacement levy (LIMITATION FOR THE LEVY) revenue* for (USE IN) that school year.

Sec. 13. Minnesota Statutes 1981 Supplement, Section 124.-2125, Subdivision 1, as amended by Laws 1981, Third Special Session Article II, Section 8, is amended to read:

Subdivision 1. [DISCRETIONARY ALLOWANCE; DEFINITION.] "Discretionary allowance" means the amount of revenue per pupil unit used to compute discretionary aid for a particular school year and (THE) *authorized discretionary levy revenue* for (USE IN) that school year. The discretionary allowance shall equal the formula allowance for the school year

times the ratio of the discretionary mill rate to the basic maintenance mill rate for (LEVIES) *authorized levy revenue* for (USE IN THAT) school year, rounded to the nearest cent. However, the discretionary allowance for the (1981-1982 SCHOOL YEAR SHALL EQUAL \$64.48, AND THE DISCRETIONARY ALLOWANCE FOR THE) 1982-1983 school year shall (EQUAL \$138.52) *be computed as though the formula allowance were \$1,416.*

Sec. 14. Minnesota Statutes 1981 Supplement, Section 124.2125, Subdivision 2, is amended to read:

Subd. 2. [DISCRETIONARY MILL RATE.] "Discretionary mill rate" means the mill rate used to compute the discretionary levy, the discretionary allowance, and discretionary aid for use in a particular school year. The discretionary mill rate shall equal .001 for 1981-1982 aid. For the 1981 payable 1982 levy and 1982-1983 aid, and for the levy and aid for succeeding years, the discretionary mill rate shall (EQUAL) *not exceed .00225* in districts which levy pursuant to section 275.125, subdivision 7a, clause (2), and .001 in districts which levy pursuant to section 275.125, subdivision 7a, clause (3). *For aid and levies for the 1983-84 school year and succeeding years, the discretionary mill rate shall not exceed .00275 in districts which levy pursuant to section 275.125, subdivision 7a, clause (2), and .001 in districts which levy pursuant to section 275.125, subdivision 7a, clause (3).*

Sec. 15. Minnesota Statutes 1981 Supplement, Section 124.2126, Subdivision 3, is amended to read:

Subd. 3. [MINIMUM AID.] A qualifying district's minimum aid for each school year shall equal its minimum guarantee for that school year, minus the sum of:

(1) The amount of the district's state school agricultural tax credit aid for that school year;

(2) The amount by which property taxes of the district for use in that school year are reduced by the homestead credit provisions in section 273.13, subdivisions 6, 7, and 14a;

(3) The amount by which property taxes of the district for use in that school year are reduced by the taconite homestead credit provisions in section 273.135; (AND)

(4) The amount by which property taxes of the district for use in that school year are reduced by the attached machinery provisions in section 273.138, subdivision 6;

(5) *The amount by which property taxes of the district for use in that school year are reduced by the state paid wetlands credit provisions in section 273.115;*

(6) *The amount by which property taxes of the district for use in that school year are reduced by the state paid native prairie credit provisions in section 273.116; and*

(7) *The amount by which property taxes of the district for use in that school year are reduced by the credit for reduced assessment provisions in section 273.139.*

The amount of property taxes for use in any school year shall equal the amount designated for use in that school year by section 1 of this article.

Sec. 16. Minnesota Statutes 1981 Supplement, Section 124.2128, Subdivision 1, is amended to read:

Subdivision 1. [UNDERLEVIES.] A district's basic foundation, grandfather, replacement or discretionary aid, as applicable, for any school year when the actual amount of the corresponding (LEVY) *certified levies designated by section 1 of this article*, for use in that year is less than the permitted amount, shall be reduced by a percentage equal to the difference between the actual amount and the permitted amount, divided by the permitted amount. This provision shall apply to basic foundation aid only for a school year when the actual amount of (THE) *certified basic maintenance (LEVY) levies designated by section 1 of this article*, for use in that year is less than 95 percent of the permitted amount.

Sec. 17. Minnesota Statutes 1981 Supplement, Section 124.2128, Subdivision 5, is amended to read:

Subd. 5. [TACONITE DEDUCTIONS.] (1) Notwithstanding any provisions of any other law to the contrary, the adjusted assessed valuation used in calculating foundation aid shall include only that property which is currently taxable in the district.

(2) For districts which received payments under sections 294.21 to 294.26; 298.23 to 298.28; 298.34 to 298.39; 298.391 to 298.396; 298.405; 298.51 to 298.67; any law imposing a tax upon severed mineral values, or under any other law distributing proceeds in lieu of ad valorem tax assessments on copper or nickel properties or recognized revenue pursuant to section 477A.15; the foundation aid shall be reduced in the October adjustment payment by the difference between the dollar amount of the payments received pursuant to those sections, or revenue recognized pursuant to section 477A.15 (IN) for the fiscal year to which the October adjustment is attributable and the amount which was calculated, pursuant to section 275.125, subdivision 9, as a reduction of the levy (ATTRIBUTABLE TO THE FISCAL YEAR TO WHICH THE OCTOBER ADJUSTMENT IS ATTRIBUTABLE) *collected in the calendar year ending in that*

fiscal year. If the October adjustment of a district's foundation aid for a fiscal year is a negative amount because of this clause, the next fiscal year's foundation aid to that district shall be reduced by this negative amount in the following manner: there shall be withheld from each monthly scheduled foundation aid payment due the district in such fiscal year, 15 percent of the total negative amount, until the total negative amount has been withheld. The amount reduced from foundation aid pursuant to this clause shall be recognized as revenue in the fiscal year to which the October adjustment payment is attributable.

Sec. 18. Minnesota Statutes 1981 Supplement, Section 124.2129, is amended by adding a subdivision to read:

Subd. 5. [TEMPORARY PLACEMENTS OF NON-HANDICAPPED PUPILS.] The responsibility for special instruction and services for a non-handicapped child temporarily placed in another district for care and treatment shall be determined in the following manner:

(a) The school district of residence of the child shall be the district in which his parent resides, if living, or his guardian, or the district designated by the commissioner of education if neither parent nor guardian is living within the state.

(b) Prior to the placement of a child in another district for care and treatment, the district of residence shall be notified and provided an opportunity to participate in the placement decision. When an immediate emergency placement is necessary and time does not permit resident district participation in the placement decision, the district in which the child is temporarily placed shall notify the district of residence of the emergency placement within 15 days of the placement.

(c) When a non-handicapped child is temporarily placed for care and treatment in a day program located in another district and the child continues to live within the district of residence during the care and treatment, the district of residence is responsible for providing transportation and an appropriate educational program for the child. The district may provide the educational program at a school within the district of residence, at the child's residence, or in the district in which the day treatment center is located by paying tuition to that district.

(d) When a non-handicapped child is temporarily placed in a residential program for care and treatment, the nonresident district in which the child is placed is responsible for providing an appropriate educational program for the child and necessary transportation within the district while the child is attending the educational program, and shall bill the district of the child's residence for the actual cost of providing the program, excluding transportation costs.

(e) *The district of residence shall pay tuition and other program costs, excluding transportation costs, to the district providing the instruction and services. Transportation costs shall be paid by the district responsible for providing the transportation and the state shall pay transportation aid to that district within the limits provided by law. For purposes of computing state transportation aid, pupils governed by this subdivision shall be considered to be handicapped, as defined in section 120.03.*

Sec. 19. Minnesota Statutes 1981 Supplement, Section 124.213, Subdivision 2, is amended to read:

Subd. 2. [STATE AID.] A school district's state school agriculture tax credit aid for each school year shall equal the amount by which the *district's certified* property taxes (CERTIFIED IN THE DISTRICT FOR COLLECTION IN THE CALENDAR YEAR ENDING) *designated by section 1 of this article, for use in that school year* are reduced pursuant to subdivision 1.

Sec. 20. Minnesota Statutes 1980, Section 275.125, Subdivision 1a, as added by Laws 1981, Third Special Session Chapter 2, Article IV, Section 7, is amended to read:

Subdivision 1a. [(CERTIFIED) PROPERTY TAX SHIFT; LEVY LIMITATIONS.] (a) Beginning with taxes (ASSESSED) *certified in (1983) 1982, payable in (1984) 1983, the (CERTIFIED) levy limitation for each (CALENDAR YEAR) levy authorization governed by this subdivision shall equal one-sixth of the (LOCAL) levy revenue (TO BE COLLECTED) authorized for the (CURRENT) fiscal year in which the levy is certified plus five-sixths of the (LOCAL) levy revenue (TO BE COLLECTED) authorized for the following fiscal year. (THE TOTAL CERTIFIED LEVY SHALL BE COMPUTED AS PROVIDED IN THIS SECTION.)*

(b) *The levy authorizations in subdivisions 2a, 2d, 2e, 6b, 6c, 7a, 8, 11a, and 11b shall be governed by this subdivision. Of the levy authorizations in subdivision 4, only the amounts authorized by section 122.531 shall be governed by this subdivision. The levy authorization in subdivision 5, excluding the bus purchase levy authorization, shall also be governed by this subdivision.*

(c) *For purposes of computing authorized levy revenue for any school year pursuant to levy authorizations governed by this subdivision, the "applicable" adjusted assessed valuation shall be the adjusted assessed valuation for the calendar year second preceding the calendar year in which that school year begins.*

Sec. 21. Minnesota Statutes 1981 Supplement, Section 275.-125, Subdivision 2a, is amended to read:

Subd. 2a. [BASIC MAINTENANCE LEVY.] (1) *For each school year, a school district may levy for all general and special school purposes, an amount of revenue not to exceed the amount raised by the basic maintenance mill rate times the applicable adjusted assessed valuation of the district (FOR THE PRECEDING YEAR).*

(2) For purposes of this subdivision, the term "basic maintenance mill rate" shall have the meaning given it in section 124.2122.

Sec. 22. Minnesota Statutes 1981 Supplement, Section 275.-125, Subdivision 2d, is amended to read:

Subd. 2d. [REFERENDUM LEVY.] (1) The levy authorized by subdivision 2a may be increased in any amount which is approved by the voters of the district at a referendum called for the purpose. Such a referendum may be called by the school board or shall be called by the school board upon written petition of qualified voters of the district. The referendum shall be held on a date set by the school board. (ONLY ONE SUCH ELECTION MAY BE HELD TO APPROVE A LEVY INCREASE WHICH WILL COMMENCE IN A SPECIFIC SCHOOL YEAR.) The question on the ballot shall state the maximum amount of the increased levy in mills, the amount of revenue that will be raised by that millage (IN) for the first school year it is (TO BE LEVIED) available, and that the millage shall be used to finance school operations. The question may designate a specific number of school years for which the referendum authorization shall apply. If approved, the school board may levy for each school year, the amount of revenue provided by the approved millage applied to (EACH YEAR'S) the district's taxable valuation (SHALL BE AUTHORIZED FOR CERTIFICATION) for the calendar year preceding the calendar year when that school year begins for the number of school years approved, if applicable, or until revoked or reduced by the voters of the district at a subsequent referendum. For any district where an increased levy was approved before July 1, 1982, the department shall convert the authorized certification amount to an authorized amount of revenue per school year; provided, any district where the increase was limited to a specific number of certification years may levy the entire increased amount of revenue for the school year beginning in the calendar year succeeding the last calendar year when the ballot question authorized certification of the increase.

(2) A referendum on the question of revoking or reducing the increased levy amount authorized pursuant to clause (1) of this subdivision may be called by the school board and shall be

called by the school board upon the written petition of qualified voters of the district. A levy approved by the voters of the district pursuant to clause (1) of this subdivision must be made for at least (ONCE) *one school year* before it is subject to a referendum on its revocation or reduction for subsequent school years. Only one such revocation or reduction election may be held to revoke or reduce a levy for any specific school year and for school years thereafter.

(3) A petition authorized by (CLAUSES) *clause (1) (OR (2))* shall be effective if signed by a number of qualified voters in excess of 15 percent, or ten percent if the school board election is held in conjunction with a general election, of the average number of voters at the two most recent district wide school elections. A referendum invoked by petition shall be held within three months of submission of the petition to the school board.

(4) *A petition authorized by clause (2) shall be effective if signed by a number of qualified voters in excess of five percent of the residents of the school district as determined by the most recent census. A revocation or reduction referendum invoked by petition shall be held within three months of submission of the petition to the school board.*

(5) Notwithstanding any law to the contrary, the approval of 50 percent plus one of those voting on the question is required to pass a referendum.

((5)) (6) Within 30 days after the district holds a referendum pursuant to this clause, the district shall notify the commissioner of education of the results of the referendum.

Sec. 23. Minnesota Statutes 1981 Supplement, Section 275.125, Subdivision 2e, is amended to read:

Subd. 2e. [BASIC MAINTENANCE LEVY; DISTRICTS OFF THE FORMULA.] (1) (IN ANY YEAR WHEN) *If the amount of (THE MAXIMUM) levy (LIMITATION) revenue authorized under subdivision 2a for any school year for any district, exceeds the product of the (DISTRICT'S) foundation aid formula allowance for (THE) that school year (IN WHICH THE LEVY IS RECOGNIZED AS REVENUE) times the estimated number of actual and AFDC pupil units for that district for that school year, the levy (LIMITATION) revenue for that district under subdivision 2a for that school year shall be limited to the greater of the dollar amount of the levy the district certified in 1977 under Minnesota Statutes 1978, Section 275.125, subdivision 2a, clause (1), or the following difference but not to exceed the levy (LIMITATION) revenue authorized under subdivision 2a:*

(a) the product of the district's foundation aid formula allowance for (THE) *that* school year (IN WHICH THE LEVY IS RECOGNIZED AS REVENUE), times the estimated number of actual and AFDC pupil units for that district for that school year, less

(b) the estimated amount of any payments which would reduce the district's foundation aid entitlement as provided in section 124.2128, subdivision 4 in (THE) *that* school year (IN WHICH THE LEVY IS RECOGNIZED AS REVENUE).

(2) A levy made by a district pursuant to this subdivision shall be construed to be the levy made by that district pursuant to subdivision 2a, for purposes of statutory cross-reference.

Sec. 24. Minnesota Statutes 1980, Section 275.125, is amended by adding a subdivision to read:

Subd. 2g. [SUMMER SCHOOL LEVY.] Each year a district may levy for summer school programs an amount not to exceed one-half the sum of (a) foundation aid the district received in fiscal year 1982 for summer school, and (b) the amount levied in 1981, payable in 1982, by the district for summer school programs. This levy shall be used for summer school programs offered in the year following the year the levy is certified.

Sec. 25. Minnesota Statutes 1981 Supplement, Section 275.125, Subdivision 6b, is amended to read:

Subd. 6b. [GRANDFATHER LEVY.] (1) For purposes of this subdivision, the (TERMS) term "grandfather (GUARANTEED) revenue" (AND "GRANDFATHER ALLOWANCE") shall have the (MEANINGS) meaning given (THEM) in section 124.2123.

(2) *For each school year, any district which (QUALIFIED IN 1979 FOR) qualifies to certify an excess levy under this subdivision, shall be allowed to levy an amount of revenue equal to the product obtained by multiplying*

(a) the lesser of

(i) one or

(ii) the ratio of the district's *applicable* adjusted assessed valuation (IN THE PRECEDING YEAR) per actual and AFDC pupil unit in the *preceding* school year (WHEN THE LEVY IS CERTIFIED), to the *applicable* state average adjusted assessed valuation (IN THE PRECEDING YEAR) per actual and AFDC pupil unit in the *preceding* school year (WHEN THE LEVY IS CERTIFIED), times

(b) (THE GREATER OF)

((I)) the district's grandfather (GUARANTEE, OR) *revenue*

((II)) THE PRODUCT OBTAINED BY MULTIPLYING)

((A) THE NUMBER OF ACTUAL PUPIL UNITS IN THE DISTRICT IN THE SCHOOL YEAR WHEN THE LEVY IS CERTIFIED, TIMES)

((B) THE DISTRICT'S GRANDFATHER ALLOWANCE.)

(3) For purposes of computing *authorized* levy (LIMITATIONS) *revenue* pursuant to this subdivision and the matching grandfather aid *for any school year*, the department shall use and shall not be required to subsequently adjust the state average adjusted assessed valuation per pupil unit determined as of (THE) September 1 (BEFORE THE LEVY IS CERTIFIED) *of the preceding school year*.

Sec. 26. Minnesota Statutes 1981 Supplement, Section 275.-125, Subdivision 6c, is amended to read:

Subd. 6c. [REPLACEMENT LEVY.] (1) For purposes of this subdivision, the term "replacement revenue" shall have the meaning given it in section 124.2124.

(2) *For each school year*, any district which qualified (FOR) *to certify* a levy under this subdivision in 1979 may levy an amount *of revenue* equal to

(a) the product obtained by multiplying

(i) the district's replacement revenue for (THE) *that* school year (TO WHICH THE LEVY IS ATTRIBUTABLE), times

(ii) the lesser of

(A) one or

(B) the ratio of the district's *applicable* adjusted assessed valuation (FOR THE PRECEDING YEAR) per actual and AFDC pupil unit in (THE) *that* school year (TO WHICH THE LEVY IS ATTRIBUTABLE), to the equalizing factor for (THE) *that* school year (TO WHICH THE LEVY IS ATTRIBUTABLE).

Sec. 27. Minnesota Statutes 1981 Supplement, Section 275.-125, Subdivision 7a, is amended to read:

Subd. 7a. [DISCRETIONARY LEVY.] (1) For purposes of this subdivision, the terms "discretionary allowance" and "discretionary mill rate" shall have the meanings given them in section 124.2125.

(2) (IN 1981 AND) *For each school year (THEREAFTER), a district which levies the maximum permissible amount of revenue for that school year pursuant to subdivision 2a and subdivision 6b may levy an additional amount of revenue which shall not exceed the lesser of (a) an amount equal to the discretionary mill rate times the district's applicable adjusted assessed valuation (FOR THE PRECEDING YEAR) or (b) the product obtained by multiplying the (APPLICABLE) discretionary allowance for that school year times the actual and AFDC pupil units in the district in the preceding school year (WHEN THE LEVY IS CERTIFIED).*

(3) (IN 1981 AND) *For each school year (THEREAFTER), a district which levies the maximum permissible amount of revenue for that school year pursuant to subdivision 2a and subdivision 6b, and where the net unappropriated balance in all operating funds as of (THE PRECEDING) June 30 of the second preceding school year is less than \$165 per actual and AFDC pupil unit in the district in the preceding school year (WHEN THE LEVY IS CERTIFIED), may levy an amount of revenue which shall not exceed the lesser of (a) one mill times the district's applicable adjusted assessed valuation (FOR THE PRECEDING YEAR) or (b) the product obtained by multiplying the (APPLICABLE) discretionary allowance for that school year times the total number of pupil units in the district in the preceding school year (WHEN THE LEVY IS CERTIFIED), without holding a public hearing or conducting a referendum pursuant to clause (5).*

(4) The board is not required to hold a public hearing or conduct a referendum on the levy authorized by this subdivision (IN) *for any school year (WHEN IT LEVIES) for which it is authorized to levy pursuant to clause (3) or (WHEN) for which the board proposes to levy an amount of revenue not to exceed an amount equal to the (PRECEDING YEAR'S) applicable adjusted assessed valuation times the largest number of EARC mills the district was previously (LEVIED BY THE DISTRICT) authorized to levy for any school year pursuant to this subdivision.*

(5) (a) Except as provided in clause (3), the provisions of clause (5) shall apply to the levy authorization in this subdivision (IN) *for any school year (WHEN) for which the board either proposes to levy pursuant to this subdivision for the first time or proposes to increase the number of mills which it levies against its adjusted assessed valuation pursuant to this subdivision to a number of mills greater than the largest num-*

ber of mills previously levied against its adjusted assessed valuation for any school year pursuant to this subdivision.

(b) By the July 15 (IN) preceding any school year (WHEN) to which clause (5) applies, the board of the district shall hold a public hearing on the need for the proposed levy or increase. At least three weeks published notice of the hearing in 10 point type or 5.0 agate type, with a larger headline, shall be given in the legal newspaper with the largest circulation in the district. The notice shall state the amount of revenue the proposed levy or increase (IN DOLLARS) would provide for that school year, the amount of the property levy or increase in EARC mills (AND) per school year, the estimated tax impact of the proposed levy or increase in the next two years in auditor's mills, and the estimated net unappropriated fund balance in the district's operating funds as of the June 30 (BEFORE THE LEVY OR INCREASE IS CERTIFIED) second preceding that school year.

(c) At the hearing on a proposed levy or increase for any school year, the district shall present its proposed revenue and expenditure budgets for (THE NEXT TWO SCHOOL YEARS) that school year and the school year preceding it, the estimated net unappropriated fund balances in all district funds as of the June 30 (BEFORE THE LEVY OR INCREASE IS CERTIFIED) second preceding that school year, and the estimated amount in dollars (,) and in EARC mills for that school year, and in auditor's mills in the next two years, of any reduction of the proposed levy revenue for that school year which may be required by subdivision 7c. At the hearing, the board shall also hear all parties requesting to give testimony for and against the proposed levy or increase. Upon receipt of a petition within 30 days after the hearing, the board shall call a referendum on the proposed levy or increase. A petition shall be effective if signed by a number of qualified voters in excess of three percent of the residents of the district (EQUAL TO THE GREATER OF 50 VOTERS OR 15 PERCENT OF THE NUMBER OF VOTERS WHO VOTED IN THE DISTRICT AT THE MOST RECENT REGULAR SCHOOL BOARD ELECTION) as determined by the most recent census.

(d) The referendum shall be held on a date set by the school board, but no later than the September 20 (BEFORE THE LEVY IS CERTIFIED) preceding the school year for which the levy or increase is proposed.

The ballot shall state substantially the following, as appropriate:

The board of School District No. has proposed (a discretionary levy in a maximum amount of EARC mills which would raise) (to increase a discretionary levy from EARC mills to

EARC mills. This increase would provide an additional) \$ (IN) for the first school year for which it is levied.

Shall the (increase in the) discretionary levy proposed by the Board of Yes School District No. be approved? No

(e) The approval of a majority of those voting on the question is required to pass the referendum.

(f) If a petition is not received or if the proposed levy or increase is approved at a referendum, the district may levy the amount of revenue provided by the number of mills proposed by the school board, (IN) for the school year (WHEN) for which the hearing or referendum is held and (IN) for succeeding school years. If a proposed first time levy is not approved, except as provided in clause (3), the district may not levy pursuant to this subdivision (IN) for the school year (WHEN) for which the referendum is held and shall be required to comply with the provisions of clause (5) before levying pursuant to this subdivision (IN) for a subsequent school year. If a proposed increase is not approved, the district may levy an amount of revenue not to exceed the amount provided by the largest number of EARC mills the district was previously (LEVIED BY THE DISTRICT) authorized to levy for any school year pursuant to this subdivision, applied to the (PRECEDING YEAR'S) applicable adjusted assessed valuation.

Sec. 28. Minnesota Statutes 1981 Supplement, Section 275.-125, Subdivision 7c, is amended to read:

Subd. 7c. [DISCRETIONARY LEVY FUND BALANCE PROVISION.] (BEGINNING WITH THE 1981 LEVY,) For a district where the net unappropriated operating fund balance as of the June 30 (BEFORE THE LEVY IS CERTIFIED) second preceding any school year for which the district proposes to levy pursuant to subdivision 7a, exceeds \$500 per actual and AFDC pupil unit in the school year preceding that school year (WHEN THE LEVY IS CERTIFIED), the authorized discretionary levy (LIMITATION) revenue shall be reduced by the amount of the excess times the lesser of one or the ratio of the district's applicable EARC valuation (FOR THE PRECEDING YEAR) per actual and AFDC pupil unit in the school year (WHEN THE LEVY IS CERTIFIED) preceding that school year, to the equalizing factor. (BEGINNING WITH THE 1982-1983 SCHOOL YEAR,) The discretionary aid for (THE) that school year (WHEN THAT LEVY IS USED) shall be reduced by any amount of the excess which is not subtracted from the authorized levy revenue.

Sec. 29. Minnesota Statutes 1981 Supplement, Section 275.-125, Subdivision 9, is amended to read:

Subd. 9. [LEVY REDUCTIONS; TACONITE.] (1) Reductions in levies pursuant to subdivision 10 of this section, and section 273.138, shall be made prior to the reductions in clause (2).

(2) Notwithstanding any other law to the contrary, districts which received payments pursuant to sections 294.21 to 294.26; 298.23 to 298.28; 298.34 to 298.39; 298.391 to 298.396; 298.405; 298.51 to 298.67; 477A.15; and any law imposing a tax upon severed mineral values, or under any other law distributing proceeds in lieu of ad valorem tax assessments on copper or nickel properties, or recognized revenue pursuant to section 477A.15; shall not include a portion of these aids in their permissible levies pursuant to those sections, but instead shall reduce the permissible levies authorized by this section by the greater of the following:

(a) an amount equal to 50 percent of the total dollar amount of the payments received pursuant to those sections or revenue recognized pursuant to section 477A.15 in the previous fiscal year; or

(b) an amount equal to the total dollar amount of the payments received pursuant to those sections or revenue recognized pursuant to section 477A.15 in the previous fiscal year less the product of the same dollar amount of payments or revenue times the ratio of the maximum levy allowed the district under subdivision 2a, to the total levy allowed the district under this section in the year in which the levy is certified.

(3) No reduction pursuant to this subdivision shall reduce the levy made by the district pursuant to subdivision 2a, to an amount less than the amount raised by a levy of ten mills times the adjusted assessed valuation of that district for the preceding year as determined by the equalization aid review committee. The amount of any increased levy authorized by referendum pursuant to subdivision 2d shall not be reduced pursuant to this subdivision. The amount of any levy authorized by subdivision 4, to make payments for bonds issued and for interest thereon, shall not be reduced pursuant to this subdivision. The amount of any levy authorized by subdivision 7a shall not be reduced pursuant to this subdivision.

(4) Before computing the reduction pursuant to this subdivision of the capital expenditure levy authorized by subdivision 11a, and the community service levy authorized by subdivision 8, the commissioner shall ascertain from each affected school district the amount it proposes to levy for capital expenditures pursuant to subdivision 11a and for community services pursuant to subdivision 8. The reduction of the capital expenditure levy and the community services levy shall be computed on the basis of the amount so ascertained.

(5) Notwithstanding any law to the contrary, any amounts received by districts in any fiscal year pursuant to sections 294.21 to 294.26; 298.23 to 298.28; 298.34 to 298.39; 298.391 to 298.396; 298.405; 298.51 to 298.67; or any law imposing a tax on severed mineral values, or under any other law distributing proceeds in lieu of ad valorem tax assessments on copper or nickel properties; and not deducted from foundation aid pursuant to section 124.2128, subdivision 5, clause (2), and not applied to reduce levies pursuant to this subdivision shall be paid by the district to the commissioner of finance in the following amount on the designated date: on or before March 15 of each year, 100 percent of the amount required to be subtracted from the previous fiscal year's foundation aid pursuant to section 124.2128, subdivision 5, which is in excess of the foundation aid earned for that fiscal year. The commissioner of finance shall deposit any amounts received pursuant to this clause in the taconite property tax relief fund in the state treasury, established pursuant to section 16A.70 for purposes of paying the taconite homestead credit as provided in section 273.135.

(6) In determining levy reductions for levy authorizations governed by subdivision 1a as added by Laws 1981, Third Special Session Chapter 2, Article IV, Section 7, the department shall apply this subdivision after it applies the provisions of subdivision 1a, as added by Laws 1981, Third Special Session, Chapter 2, Article IV, Section 7. For purposes of computing the ratio in clause (2)(b) and applying the ten mill minimum in clause (3), the levy allowed the district and the levy made by the district under subdivision 2a shall be determined after the application of subdivision 1a, as added by Laws 1981, Third Special Session, Chapter 2, Article IV, Section 7.

Sec. 30. Minnesota Statutes 1981 Supplement, Section 275.125, Subdivision 19, is amended to read:

Subd. 19. [LEVY REDUCTION; MINIMUM AID.] Any district which it is estimated will receive an amount of minimum foundation aid pursuant to section 124.2126 or its successor provision in (THE) *any school year (TO WHICH THE LEVY IS ATTRIBUTABLE)*, shall reduce its *authorized levy (LIMITATION) revenue for that school year* pursuant to subdivision 2a by the amount of minimum foundation aid which it is estimated that the district will receive in (THE) *that school year (TO WHICH THE LEVY IS ATTRIBUTABLE)*.

Sec. 31. Minnesota Statutes 1981 Supplement, Section 275.125, Subdivision 20, is amended to read:

Subd. 20. [ESTIMATES.] The computation of levy limitations pursuant to this section shall be based on estimates where necessary. If as a result of using estimates for these computations the amount of any levy is different from the amount which could actually have been levied if actual data had been available,

levy limitations in the first year when the actual data is known shall be adjusted to reflect for this difference. The amount of any adjustment to levy limitations pursuant to this subdivision shall be recognized as revenue in the school year *beginning in the calendar year* when the levy for which the levy limitation is so adjusted is (RECOGNIZED AS REVENUE) *collected*.

Sec. 32. Minnesota Statutes 1981 Supplement, Section 298.28, Subdivision 1, is amended to read:

Subdivision 1. The proceeds of the taxes collected under section 298.24, except the tax collected under section 298.24, subdivision 2, shall, upon certificate of the commissioner of revenue to the general fund of the state, be paid by the commissioner of revenue as follows:

(1) 2.5 cents per gross ton of merchantable iron ore concentrate, hereinafter referred to as "taxable ton", to the city or town in which the lands from which taconite was mined or quarried were located or within which the concentrate was produced. If the mining, quarrying, and concentration, or different steps in either thereof are carried on in more than one taxing district, the commissioner shall apportion equitably the proceeds of the part of the tax going to cities and towns among such subdivisions upon the basis of attributing 40 percent of the proceeds of the tax to the operation of mining or quarrying the taconite, and the remainder to the concentrating plant and to the processes of concentration, and with respect to each thereof giving due consideration to the relative extent of such operations performed in each such taxing district. His order making such apportionment shall be subject to review by the tax court at the instance of any of the interested taxing districts, in the same manner as other orders of the commissioner.

(2) 12.5 cents per taxable ton, less any amount distributed under clause (8), to the taconite municipal aid account in the apportionment fund of the state treasury, to be distributed as provided in section 298.282.

(3) 29 cents per taxable ton plus the increase provided in paragraph (c) to qualifying school districts to be distributed as follows:

(a) Six cents per taxable ton to the school districts in which the lands from which taconite was mined or quarried were located or within which the concentrate was produced. The commissioner shall follow the apportionment formula prescribed in clause (1).

(b) 23 cents per taxable ton, less any amount distributed under part (d), shall be distributed to a group of school districts comprised of those school districts wherein the taconite

was mined or quarried or the concentrate produced or in which there is a qualifying municipality as defined by section 273.124 in direct proportion to school district tax levies as follows: each district shall receive that portion of the total distribution which its (PERMITTED) *certified* levy for the prior year, computed pursuant to section 275.125, comprises of the sum of (PERMITTED) *certified* levies for the prior year for all qualifying districts, computed pursuant to section 275.125. For purposes of distributions pursuant to this part, (PERMITTED) *certified* levies for the prior year computed pursuant to section 275.125 shall not include the amount of any increased levy authorized by referendum pursuant to section 275.125, subdivision 2d.

(c) On July 15, 1982 and on July 15 in subsequent years, an amount equal to the increase derived by increasing the amount determined by clause (3) (b) in the same proportion as the increase in the steel mill products index over the base year of 1977 as provided in section 298.24, subdivision 1, clause (a), shall be distributed to any school district described in clause (3) (b) where a levy increase pursuant to section 275.125, subdivision 2d, is authorized by referendum, according to the following formula. Each district shall receive the product of:

(i) \$150 times the pupil units identified in section 124.17, subdivision 1, clauses (1) and (2), enrolled in the previous school year, less the product of two mills times the district's taxable valuation in the second previous year; times

(ii) the lesser of:

(A) one, or

(B) the ratio of the amount certified pursuant to section 275.125, subdivision 2d, in the previous year, to the product of two mills times the district's taxable valuation in the second previous year.

If the total amount provided by clause (3) (c) is insufficient to make the payments herein required then the entitlement of \$150 per pupil unit shall be reduced uniformly so as not to exceed the funds available. Any amounts received by a qualifying school district in any fiscal year pursuant to clause (3) (c) shall not be applied to reduce foundation aids which the district is entitled to receive pursuant to section 124.212 or the permissible levies of the district. Any amount remaining after the payments provided in this paragraph shall be paid to the commissioner of finance who shall deposit the same in the taconite environmental protection fund and the northeast Minnesota economic protection fund as provided in section 298.28, subdivision 1, clause 10.

(d) There shall be distributed to any school district the amount which the school district was entitled to receive under section 298.32 in 1975.

(4) 19.5 cents per taxable ton to counties to be distributed as follows:

(a) 15.5 cents per taxable ton shall be distributed to the county in which the taconite is mined or quarried or in which the concentrate is produced, less any amount which is to be distributed pursuant to part (b). The commissioner shall follow the apportionment formula prescribed in clause (1).

(b) If an electric power plant owned by and providing the primary source of power for a taxpayer mining and concentrating taconite is located in a county other than the county in which the mining and the concentrating processes are conducted, one cent per taxable ton of the tax distributed to the counties pursuant to part (a) and imposed on and collected from such taxpayer shall be distributed by the commissioner of revenue to the county in which the power plant is located.

(c) Four cents per taxable ton shall be paid to the county from which the taconite was mined, quarried or concentrated to be deposited in the county road and bridge fund. If the mining, quarrying and concentrating, or separate steps in any of those processes are carried on in more than one county, the commissioner shall follow the apportionment formula prescribed in clause (1).

(5) (a) 25.75 cents per taxable ton, less any amount required to be distributed under part (b), to the taconite property tax relief account in the apportionment fund in the state treasury, to be distributed as provided in sections 273.134 to 273.136.

(b) If an electric power plant owned by and providing the primary source of power for a taxpayer mining and concentrating taconite is located in a county other than the county in which the mining and the concentrating processes are conducted, .75 cent per taxable ton of the tax imposed and collected from such taxpayer shall be distributed by the commissioner of revenue to the county and school district in which the power plant is located as follows: 25 percent to the county and 75 percent to the school district.

(6) One cent per taxable ton to the state for the cost of administering the tax imposed by section 298.24.

(7) Three cents per taxable ton shall be deposited in the state treasury to the credit of the iron range resources and rehabilitation board account in the special revenue fund for the purposes of section 298.22. The amount determined in this clause shall be

increased in 1981 and subsequent years in the same proportion as the increase in the steel mill products index as provided in section 298.24, subdivision 1. The amount distributed pursuant to this clause shall be expended within or for the benefit of a tax relief area defined in section 273.134. No part of the fund provided in this clause may be used to provide loans for the operation of private business unless the loan is approved by the governor and the legislative advisory commission.

(8) .20 cent per taxable ton shall be paid in 1979 and each year thereafter, to the range association of municipalities and schools, for the purpose of providing an area wide approach to problems which demand coordinated and cooperative actions and which are common to those areas of northeast Minnesota affected by operations involved in mining iron ore and taconite and producing concentrate therefrom, and for the purpose of promoting the general welfare and economic development of the cities, towns and school districts within the iron range area of northeast Minnesota.

(9) the amounts determined under clauses (4)(a), (4)(c), and (5) shall be increased in 1979 and subsequent years in the same proportion as the increase in the steel mill products index as provided in section 298.24, subdivision 1.

(10) the proceeds of the tax imposed by section 298.24 which remain after the distributions in clauses (1) to (9) and parts (a) and (b) of this clause have been made shall be divided between the taconite environmental protection fund created in section 298.223 and the northeast Minnesota economic protection fund created in section 298.292 as follows: In 1981 and each year thereafter, two-thirds to the taconite environmental protection fund and one-third to the northeast Minnesota economic protection fund. The proceeds shall be placed in the respective special accounts in the general fund.

(a) In 1978 and each year thereafter, there shall be distributed to each city, town, school district, and county the amount that they received under section 294.26 in calendar year 1977.

(b) In 1978 and each year thereafter, there shall be distributed to the iron range resources and rehabilitation board the amounts it received in 1977 under section 298.22.

On or before October 10 of each calendar year each producer of taconite or iron sulphides subject to taxation under section 298.24 (hereinafter called "taxpayer") shall file with the commissioner of revenue and with the county auditor of each county in which such taxpayer operates, and with the chief clerical officer of each school district, city or town which is entitled to participate in the distribution of the tax, an estimate of the amount of tax which would be payable by such taxpayer under said law for such calendar year; provided such estimate shall be in an

amount not less than the amount due on the mining and production of concentrates up to September 30 of said year plus the amount becoming due because of probable production between September 30 and December 31 of said year, less any credit allowable as hereinafter provided. Such estimate shall list the taxing districts entitled to participate in the distribution of such tax, and the amount of the estimated tax which would be distributable to each such district in the next ensuing calendar year on the basis of the last percentage distribution certified by the commissioner of revenue. If there be no such prior certification, the taxpayer shall set forth its estimate of the proper distribution of such tax under the law, which estimate may be corrected by the commissioner if he deems it improper, notice of such correction being given by him to the taxpayer and the public officers receiving such estimate. The officers with whom such report is so filed shall use the amount so indicated as being distributable to each taxing district in computing the permissible tax levy of such county, city or school district in the year in which such estimate is made, and payable in the next ensuing calendar year, except that in 1978 and 1979 two cents per taxable ton, and in 1980 and thereafter, one cent per taxable ton of the amount distributed under clause (4) (c) shall not be deducted in calculating the permissible levy. Such taxpayer shall then pay, at the times payments are required to be made pursuant to section 298.27, as the amount of tax payable under section 298.24, the greater of (a) the amount shown by such estimate, or (b) the amount due under said section as finally determined by the commissioner of revenue pursuant to law. If, as a result of the payment of the amount of such estimate, the taxpayer has paid in any calendar year an amount of tax in excess of the amount due in such year under section 298.24, after application of credits for any excess payments made in previous years, all as determined by the commissioner of revenue, the taxpayer shall be given credit for such excess amount against any taxes which, under said section, may become due from the taxpayer in subsequent years. In any calendar year in which a general property tax levy subject to sections 275.125 or 275.50 to 275.59 has been made, if the taxes distributable to any such county, city or school district are greater than the amount estimated to be paid to any such county, city or school district in such year, the excess of such distribution shall be held in a special fund by the county, city or school district and shall not be expended until the succeeding calendar year, and shall be included in computing the permissible levies under section 275.125 or 275.50 to 275.59, of such county, city or school district payable in such year. If the amounts distributable to any such county, city or school district, after final determination by the commissioner of revenue under this section are less than the amounts indicated by such estimates, such county, city or school district may issue certificates of indebtedness in the amount of the shortage, and may include in its next tax levy, in excess of the limitations of sections 275.125 or 275.50 to 275.59 an amount sufficient to pay such certificates of indebtedness and interest thereon, or, if no certificates were issued, an amount equal to such shortage.

There is hereby annually appropriated to such taxing districts as are stated herein, to the taconite property tax relief account and to the taconite municipal aid account in the apportionment fund in the state treasury, to the department of revenue, to the iron range resources and rehabilitation board, to the range association of municipalities and schools, to the taconite environmental protection fund, and to the northeast Minnesota economic protection fund, from any fund or account in the state treasury to which the money was credited, an amount sufficient to make the payment or transfer. The payment of the amount appropriated to such taxing districts shall be made by the commissioner of revenue on or before May 15 annually.

Sec. 33. Laws 1981, Third Special Session Chapter 2, Article IV, Section 3, Subdivision 2, is amended to read:

Subd. 2. [AMOUNT OF REDUCTION.] State aid due any school district in fiscal year 1983 for the 1982-1983 school year under the provisions enumerated in subdivision 3 shall be reduced by the amount the district levied for taxes (ASSESSED) *certified* in 1982, payable in 1983, which is to be recognized as revenue in fiscal year 1983 (PURSUANT TO) *because of section 1, clause (b), of this article.* The district levy (AGAINST WHICH THE REDUCTION IS APPLIED) *for this purpose* shall (NOT) include (ANY) levy portions that are assumed by the state. For purposes of computing this state aid reduction, the amount levied by the district shall not include the (AMOUNTS LEVIED TO MAKE PAYMENTS FOR BONDS ISSUED AND FOR INTEREST THEREON; THE AMOUNTS LEVIED FOR REPAYMENT OF DEBT SERVICE LOANS AND CAPITAL LOANS; THE AMOUNTS LEVIED TO PAY THE DISTRICT'S OBLIGATIONS UNDER SECTION 268.06, SUBDIVISION 25; AND AMOUNTS) *amount* levied pursuant to section 275.125, (SUBDIVISIONS) *subdivision 2d (, 6A, 9A, 14A, AND 20).*

Sec. 34. Laws 1981, Third Special Session Chapter 2, Article IV, Section 3, Subdivision 3, is amended to read:

Subd. 3. [SUBTRACTION FROM AIDS.] The amount specified in subdivision 2 shall be subtracted from the following state aid payments in the order listed in fiscal year 1983; *provided, any portion of the amount specified in subdivision 2 which is paid by the state shall be subtracted only from the corresponding state payment in the year specified:*

(a) Foundation aid as authorized in section 124.212, subdivision 1; *provided, any portion of the amount specified in subdivision 2 which is attributable to the agricultural tax credit shall be subtracted from the state agricultural tax credit aid portion of foundation aid for fiscal year 1983;*

- (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) Gifted and talented aid authorized in section 124.247;
- (f) Aid for pupils of limited English proficiency authorized in section 124.273;
- (g) Aid for improved learning programs authorized in section 124.251;
- (h) Aid for chemical use programs authorized in section 124.246;
- (i) Transportation aid authorized in section 124.225;
- (j) School lunch aid authorized in section 124.646;
- (k) Community education programs aid authorized in section 124.271;
- (l) Adult education aid authorized in section 124.26;
- (m) Capital expenditure equalization aid authorized in section 124.245;
- (n) Homestead credit payments authorized in section 273.13, (SUBDIVISIONS 6, 7, AND 14A) *subdivision 15a, for calendar year 1983*;
- (o) (TACONITE HOMESTEAD CREDIT) Payments for the reduced assessments on housing for the elderly authorized in section (273.135) *273.139 for calendar year 1983*;
- (p) Wetlands credit payments for calendar year 1983 authorized in section 273.115;
- (q) Native prairie credit payments for calendar year 1983 authorized in section 273.116; and
- (r) Attached machinery aid for calendar year 1983 authorized in section 273.138, subdivision 3.

The commissioner of education shall schedule the timing of the reductions from state aid payments specified in subdivision 2 in such a manner that will minimize the impact of this article on the cash flow needs of the school districts.

Sec. 35. Laws 1981, Third Special Session Chapter 2, Article IV, Section 5, Subdivision 3, is amended to read:

Subd. 3. [APPROPRIATION.] There is appropriated from the general fund to the department of education for the cash flow loan fund the sum of (\$15,000,000) \$35,000,000. This sum shall be transferred to the cash flow loan fund as needed.

Sec. 36. Laws 1981, Third Special Session Chapter 2, Article IV, Section 5, is amended by adding a subdivision to read:

Subd. 4. [CANCELLATION.] *The cash flow loan fund shall expire on June 29, 1983, and the entire balance in the fund, including any loan amounts that have been repaid by school districts, shall revert to the general fund on that date. Any delinquent loan payments received after June 29, 1983, shall be placed in the general fund.*

Sec. 37. [ADDITIONAL SUMMER SCHOOL LEVY, 1982.]

In addition to the levy authorized in section 23 of this article, in 1982 a district may levy for 1982 summer school programs an amount not to exceed one-half the sum of (a) foundation aid the district received in fiscal year 1982 for summer school, and (b) the amount levied in 1981, payable in 1982, by the district for summer school programs.

Sec. 38. [LEVY ADJUSTMENTS.]

In 1982, the maximum levy limitation under Minnesota Statutes, Section 275.125, Subdivision 2a or 2e, as applicable, shall be reduced by any difference between the amount of the basic maintenance levy certified by the district in 1981 and the amount of the 1981 basic maintenance levy limitation which would have been computed for the district using a formula allowance for the 1982-1983 school year of \$1,346.

Sec. 39. [BASIC MAINTENANCE UNDERLEVIES.]

In fiscal year 1983, the deduction from basic foundation aid pursuant to Minnesota Statutes 1981 Supplement, Section 124.2128, Subdivision 1, shall be computed as though the basic maintenance mill rate for tax levies attributable to that school year were .023, and without regard to whether a district levied an additional amount for basic maintenance as authorized by Laws 1981, Third Special Session Chapter 2, Article II, Section 12.

Sec. 40. [STATUTORY OPERATING DEBT EXCEPTION, 1983.]

Notwithstanding Minnesota Statutes 1980, Sections 121.914, Subdivision 2, and 121.917, for the purpose of determining school

district expenditure limitations for fiscal year 1983, statutory operating debt shall be defined as operating debt that exceeds ten percent of the district's expenditure amount for fiscal year 1983 for the funds considered under Minnesota Statutes 1980, Section 121.914, Subdivision 1. A district in which the net negative unappropriated fund balance in the operating funds, exclusive of the statutory operating debt account, as of June 30, 1983 is less than ten percent of the district's unappropriated operating fund expenditures for fiscal year 1983 shall not be considered to have exceeded its expenditure limits and shall not be required to submit the special operating plan required by Minnesota Statutes 1980, Section 121.917, Subdivision 4. This section shall not be construed as altering statutory operating debt for fiscal years other than fiscal year 1983, or as altering the computation of the levies authorized in Minnesota Statutes 1980, Section 275.125, Subdivision 9a, or Laws 1976, Chapter 20, Subdivision 4.

Sec. 41. [REPEALER.]

Minnesota Statutes 1980, Section 121.904, Subdivisions 4a and 4b, as added by Laws 1981, Third Special Session Chapter 2, Article IV, Sections 1 and 2, are repealed.

Sec. 42. [EFFECTIVE DATE.]

Section 1 of this article shall be effective beginning with taxes certified in 1982, payable in 1983.

ARTICLE II

TRANSPORTATION AID

Section 1. Minnesota Statutes 1980, Section 123.78, Subdivision 1, is amended to read:

Subdivision 1. (THE SCHOOL BOARD OF ANY) A district (WHICH IS NOW OR HEREAFTER) eligible to receive state aid for transportation under (CHAPTERS 123 AND) chapter 124, shall provide equal transportation within the district for all school children to any school when transportation is deemed necessary by (ANY) the school board (BY REASON) because of distance or traffic condition in like manner and form as provided in sections (123.16, SUBDIVISIONS 3 AND 4; 123.18; 123.37, SUBDIVISIONS 3 AND 4;) 123.39 (;) and 124.223, when applicable.

Sec. 2. Minnesota Statutes 1981 Supplement, Section 124.223, is amended to read:

124.223 [TRANSPORTATION AID AUTHORIZATION.]

School transportation and related services for which state transportation aid is authorized are:

(1) [TO AND FROM SCHOOL; BETWEEN SCHOOLS.] ((A) THROUGH THE 1981-1982 SCHOOL YEAR, TRANSPORTATION OR BOARD OF RESIDENT PUPILS WHO RESIDE ONE MILE OR MORE FROM THE PUBLIC SCHOOLS WHICH THEY COULD ATTEND, OR TRANSPORTATION TO, FROM, OR BETWEEN THE SCHOOLS THEY ATTEND PURSUANT TO A PROGRAM APPROVED BY THE COMMISSIONER OF EDUCATION, OR WHO RESIDE ONE MILE OR MORE FROM A NONPUBLIC SCHOOL ACTUALLY ATTENDED, BUT ONLY TO THE EXTENT PERMITTED BY SECTIONS 123.76 TO 123.79 WITH RESPECT TO NONPUBLIC SCHOOL PUPILS;)

((B) BEGINNING IN THE 1982-1983 SCHOOL YEAR,) Transportation or board of resident elementary pupils who reside one mile or more from the public schools which they could attend; transportation or board of resident secondary pupils who reside two miles or more from the public schools which they could attend; transportation to, from, or between the schools the resident pupils attend pursuant to a program approved by the commissioner of education; transportation of resident elementary pupils who reside one mile or more from a nonpublic school actually attended; transportation of resident secondary pupils who reside two miles or more from a nonpublic school actually attended; but with respect to transportation of pupils to nonpublic schools actually attended, only to the extent permitted by sections 123.76 to 123.79;

(2) [OUTSIDE DISTRICT.] Transportation to and from or board and lodging in another district, of resident pupils of a district without a secondary school; the pupils may attend a classified secondary school in another district and shall receive board and lodging in or transportation to and from a district having a classified secondary school at the expense of the district of the pupil's residence;

(3) [SECONDARY VOCATIONAL CENTERS.] Transportation to and from a state board approved secondary vocational center for secondary vocational classes for resident pupils of any of the districts who are members of or participating in programs at that center;

(4) [HANDICAPPED.] Transportation or board and lodging of a handicapped pupil when that pupil cannot be transported on a regular school bus, the conveying of handicapped pupils between home and school and within the school plant, necessary transportation of handicapped pupils from home or from school to other buildings, including hospitals and treatment centers where special instruction or services required by section

120.17 are provided, within or outside the district where services are provided, and necessary transportation for resident handicapped pupils required by section 120.17, subdivision 4a. Transportation of handicapped pupils between home and school shall not be subject to the requirement in clause (1) that (THE PUPIL) *elementary pupils* reside at least one mile from school and *secondary pupils* reside at least two miles from school in order for the transportation to qualify for aid;

(5) [BOARD AND LODGING; NONRESIDENT HANDICAPPED.] When necessary, board and lodging for nonresident handicapped pupils in a district maintaining special classes;

(6) [SHARED TIME.] Transportation from one educational facility to another within the district for resident pupils enrolled on a shared time basis in educational programs approved by the commissioner of education, and necessary transportation required by section 120.17, subdivision 9 for resident handicapped pupils who are provided special instruction and services on a shared time basis;

(7) [FARIBAULT STATE SCHOOLS.] Transportation for residents to and from the Minnesota school for the deaf or the Minnesota braille and sight-saving school;

(8) [SUMMER SCHOOL.] Services described in clauses (1) to (7) and clauses (9) and (10) when provided in conjunction with a state board approved summer school program;

(9) [COOPERATIVE ACADEMIC AND VOCATIONAL.] Transportation to, from or between educational facilities located in any of two or more school districts jointly offering academic classes approved by the commissioner or secondary vocational classes not provided at a secondary vocational center which are approved by the commissioner for resident pupils of any of these districts; and

(10) [NONPUBLIC SUPPORT SERVICES.] Necessary transportation within district boundaries between a nonpublic school and a public school or a neutral site for nonpublic school pupils who are provided pupil support services pursuant to section 123.935.

Sec. 3. Minnesota Statutes 1980, Section 124.225, as amended by Laws 1981, Chapters 356, Section 167; 358, Article II, Sections 3 to 14, First Special Session, Chapter 2, Section 8; and Third Special Session Chapter 2, Article II, Section 9, is amended to read:

124.225 [TRANSPORTATION AID ENTITLEMENT.]

Subdivision 1. [DEFINITIONS.] For purposes of this section, the terms defined in this subdivision have the meanings given to them.

(a) "FTE" means a transported full time equivalent pupil whose transportation is authorized for aid purposes by section 124.223.

((B) "REGION" MEANS DEVELOPMENT REGION AS DEFINED IN SECTION 462.384, SUBDIVISION 5, EXCEPT THAT FOR PURPOSES OF THIS SECTION, DEVELOPMENT REGIONS 1 AND 2 ARE ONE REGION, DEVELOPMENT REGIONS 4 AND 5 ARE ONE REGION, DEVELOPMENT REGIONS 6E AND 6W ARE ONE REGION, AND DEVELOPMENT REGIONS 7E AND 7W ARE ONE REGION.)

((C)) (b) "(TOTAL) Authorized cost for regular transportation" (OR "TOTAL AUTHORIZED EXPENDITURE") means the sum of:

((I)) (1) all expenditures for transportation in the regular category, as defined in clause (e)(1), for which aid is authorized in section 124.223, plus

((II)) (2) an amount equal to one year's depreciation on the district's school bus fleet and mobile units computed on a straight line basis at the rate of 12-1/2 percent per year of the cost of the fleet, plus

((III)) (3) an amount equal to one year's depreciation on district school buses reconditioned by the department of corrections computed on a straight line basis at the rate of 33-1/3 percent per year of the cost to the district of the reconditioning.

((D)) (c) "Total authorized predicted cost" means the total authorized cost predicted by a multiple regression formula determined by the department of education.

(d) "Aid entitlement per FTE" means the adjusted total authorized predicted cost per FTE, inflated pursuant to subdivision 7b.

(e) "Transportation category" means a category of transportation service provided to pupils. Each category includes transportation provided during the regular school year and in conjunction with a state board approved summer school program. For purposes of this section, transportation categories are as follows:

((I)) (1) Regular transportation is transportation services provided under section 124.223, clauses (1) and (2), excluding transportation between schools under section 124.223, clause (1);

((II)) (2) (SECONDARY VOCATIONAL CENTER) *During-day* transportation is transportation services *between schools* provided under section 124.223, clause ((3)) (1), and transportation services provided under section 124.223, clauses (3) and (9), and transportation services provided under section 124.223, clause (6), excluding transportation provided for pupils attending shared time special education classes;

((III)) (3) Handicapped transportation is *transportation services for pupils attending shared time special education classes* provided under section 124.223, clause (6) and transportation services provided under section 124.223, clause (4), excluding board and lodging and excluding transportation to and from board and lodging facilities;

((IV)) (4) board and lodging is services provided, in lieu of transportation, under section 124.223, clauses (4) and (5);

((V) BETWEEN SCHOOLS TRANSPORTATION IS TRANSPORTATION SERVICES BETWEEN SCHOOLS PROVIDED UNDER SECTION 124.223, CLAUSE (1);)

((VI) SHARED TIME REGULAR TRANSPORTATION IS TRANSPORTATION SERVICES PROVIDED UNDER SECTION 124.223, CLAUSE (6), EXCLUDING TRANSPORTATION PROVIDED FOR PUPILS ATTENDING SHARED TIME SPECIAL EDUCATION CLASSES;)

((VII) SHARED TIME SPECIAL EDUCATION TRANSPORTATION IS TRANSPORTATION SERVICES FOR PUPILS ATTENDING SHARED TIME SPECIAL EDUCATION CLASSES PROVIDED UNDER SECTION 124.223, CLAUSE (6);)

((VIII)) (5) To and from board and lodging facility transportation is transportation services to and from board and lodging facilities provided under section 124.223, clauses (4) and (7);

((IX) COOPERATIVE ACADEMIC AND VOCATIONAL TRANSPORTATION IS TRANSPORTATION SERVICES PROVIDED UNDER SECTION 124.223, CLAUSE (9);)

((X)) (6) Nonpublic health, guidance and counseling transportation is transportation services provided under section 124.223, clause (10) (;).

(f) "Pupil weighting factor" means the ratio of the actual (REGIONAL) *district* average cost per FTE in a particular

transportation category to the actual (REGIONAL) *district* average cost per FTE in the regular transportation category.

(g) "Weighted FTE's" means the number of FTE's in each transportation category multiplied by the pupil weighting factor for that category.

(h) "Mobile unit" means a vehicle or trailer designed to provide facilities for educational programs and services, including diagnostic testing, guidance and counseling services and health services. A mobile unit located off nonpublic school premises is a neutral site as defined in section 123.932, subdivision 9.

(i) "*Percent excess handicapped FTE's transported*" means the result of the following computation for the current year:

one, minus the product of

(1) *the ratio of the number of FTE pupils transported in the handicapped category in the state to the number of FTE pupils transported in the handicapped category in the district; times*

(2) *the ratio of the number of FTE pupils transported in the regular category in the district to the number of FTE pupils transported in the regular category in the state.*

(j) "*Current year*" means the school year for which aid will be paid.

(k) "*Base year*" means the second school year preceding the school year for which aid will be paid.

(l) "*Base cost*" means the authorized regular transportation cost per FTE in the base year in the regular transportation category, excluding summer school transportation.

Subd. 1a. [WEIGHTING FACTORS.] For each school year, in computing transportation aid, the department of education shall establish *as needed* the pupil weighting factors for each transportation category for each (REGION) *district* using transportation cost data for the second prior school year. The department shall use the statewide pupil weighting factor for any transportation category for which a (REGION) *district* had no experience during the second prior school year.

Subd. 3. [FORMULA.] For each school year, the state shall pay to each school district for all pupil transportation and related services for which the district is authorized by law to receive state aid an amount determined according to this section. (A MULTIPLE REGRESSION FORMULA SHALL BE DETERMINED THROUGH STEPWISE) *The department of education shall conduct multiple regression analysis (FOR EACH REGION*

BY THE DEPARTMENT OF EDUCATION,) using the terms specified in subdivision 4a, to (MAXIMIZE THE AMOUNT OF VARIANCE ACCOUNTED FOR BETWEEN THE TOTAL ACTUAL AUTHORIZED COST PER WEIGHTED FTE FOR THE SECOND PRECEDING SCHOOL YEAR AND THE TOTAL AUTHORIZED PREDICTED COST PER WEIGHTED FTE FOR THE SECOND PRECEDING SCHOOL YEAR. THE) *adjust the base cost for each district. A formula shall be derived based upon the regression analysis, but excluding the factors described in clauses (8), (9), and (10) of subdivision 4a, except that in the 1982-1983 school year, these clauses shall not be excluded. This formula (DETERMINED FOR EACH REGION) shall be used to determine a (TOTAL AUTHORIZED) predicted base cost (PER WEIGHTED FTE FOR THE SECOND PRECEDING SCHOOL YEAR) for each district in the (REGION) state. The amount determined for each district shall be adjusted according to the provisions of subdivisions (6) 7a and (7A) 7b.*

Subd. 4a. [FORMULA TERMS.] To predict the (TOTAL AUTHORIZED) base cost (PER WEIGHTED FTE) for each district pursuant to subdivision 3, (EACH REGIONAL) *the multiple regression formula shall use the following terms (AND THEIR SQUARES) for each district in the (REGION) state:*

(1) (THE AREA OF THE DISTRICT MEASURED IN SQUARE MILES;)

((2)) The district's average daily membership;

(2) *The reciprocal of the district's average daily membership;*

((3)) THE TOTAL NUMBER OF AUTHORIZED FTE'S TRANSPORTED BY THE DISTRICT;)

((4)) THE TOTAL NUMBER OF AUTHORIZED FTE'S TRANSPORTED BY THE DISTRICT IN THE HANDICAPPED, SHARED TIME SPECIAL EDUCATION, AND TO AND FROM BOARD AND LODGING FACILITY TRANSPORTATION CATEGORIES AS A PERCENTAGE OF THE TOTAL NUMBER OF AUTHORIZED FTE'S TRANSPORTED BY THE DISTRICT;)

((5)) THE NUMBER OF AUTHORIZED FTE'S TRANSPORTED BY THE DISTRICT IN THE BOARD AND LODGING TRANSPORTATION CATEGORY AS A PERCENTAGE OF THE TOTAL NUMBER OF AUTHORIZED FTE'S TRANSPORTED BY THE DISTRICT;)

((6)) THE NUMBER OF AUTHORIZED FTE'S TRANSPORTED BY THE DISTRICT IN THE BETWEEN SCHOOLS

TRANSPORTATION CATEGORY AS A PERCENTAGE OF THE TOTAL NUMBER OF AUTHORIZED FTE'S TRANSPORTED BY THE DISTRICT;)

((7) THE NUMBER OF AUTHORIZED FTE'S TRANSPORTED BY THE DISTRICT IN THE SHARED TIME REGULAR TRANSPORTATION CATEGORY AS A PERCENTAGE OF THE TOTAL NUMBER OF AUTHORIZED FTE'S TRANSPORTED BY THE DISTRICT;)

((8) THE NUMBER OF AUTHORIZED FTE'S TRANSPORTED BY THE DISTRICT IN THE SECONDARY VOCATIONAL CENTER TRANSPORTATION CATEGORY AS A PERCENTAGE OF THE TOTAL NUMBER OF AUTHORIZED FTE'S TRANSPORTED BY THE DISTRICT;)

((9)) (3) The *logarithm* of the number of authorized FTE's per square mile transported by the district in the regular transportation category;

((10) THE NUMBER OF AUTHORIZED FTE'S PER SQUARE MILE TRANSPORTED BY THE DISTRICT IN THE HANDICAPPED TRANSPORTATION CATEGORY;)

((11) THE NUMBER OF AUTHORIZED FTE'S TRANSPORTED BY THE DISTRICT IN THE REGULAR TRANSPORTATION CATEGORY AS A PERCENTAGE OF THE DISTRICT'S AVERAGE DAILY MEMBERSHIP;)

((12) AN INDEX OF THE DISTRICT'S SHAPE COMPUTED BY THE DEPARTMENT OF EDUCATION BASED ON A COMPARISON OF THE PERIMETER OF THE DISTRICT TO THE PERIMETER OF A CIRCLE WITH THE SAME SQUARE MILE AREA AS THE DISTRICT;)

((13)) (4) The percentage of the district's square mile area which is classified by the commissioner of energy, planning and development as water-covered, (OR) marshland, *or extractive*;

((14) THE NUMBER OF 40 ACRE PARCELS OF LAND IN THE DISTRICT WHICH ARE CONTIGUOUS TO OR INTERSECTED BY UNPAVED ROADS, AS A PERCENTAGE OF THE NUMBER OF 40 ACRE PARCELS OF LAND IN THE DISTRICT WHICH ARE CONTIGUOUS TO OR INTERSECTED BY ANY ROADS, PAVED OR UNPAVED. THE NUMBER OF 40 ACRE PARCELS OF EACH TYPE SHALL BE OBTAINED FROM THE COMMISSIONER OF ENERGY, PLANNING AND DEVELOPMENT;)

((15) THE PERCENTAGE OF THE DISTRICT'S SQUARE MILE AREA WHICH IS CLASSIFIED BY THE

STATE PLANNING AGENCY AS HAVING A SLOPE OF LAND EXCEEDING SIX PERCENT;)

((16) THE NUMBER OF AUTHORIZED FTE'S TRANSPORTED TO NONPUBLIC SCHOOLS BY THE DISTRICT IN THE REGULAR TRANSPORTATION CATEGORY AS A PERCENTAGE OF THE TOTAL NUMBER OF AUTHORIZED FTE'S TRANSPORTED BY THE DISTRICT IN THE REGULAR TRANSPORTATION CATEGORY;)

((17) THE PERCENTAGE OF THE DISTRICT'S SQUARE MILE AREA WHICH IS CLASSIFIED BY THE STATE PLANNING AGENCY AS EXTRACTIVE.)

(5) *The district's administrative overhead per authorized FTE transported in the regular transportation category;*

(6) *The number of schools to which pupils in the regular category are transported, either within or outside the district, divided by the number of authorized FTE's transported in the regular transportation category;*

(7) *Whether the district is non-rural, based upon criteria established by the department of education;*

(8) *Whether the district contracts for bus service, or transports pupils only on district-owned buses;*

(9) *The percentage of all regular transportation category bus routes using buses that are not owned by the district, if that percentage is not 100 percent;*

(10) *Whether the district operates a special bus to transport from school to home those pupils who are involved in after-school activities.*

(SUBD. 6 [INFLATION FACTORS.] THE TOTAL AUTHORIZED PREDICTED COST PER WEIGHTED FTE DETERMINED FOR A DISTRICT UNDER SUBDIVISION 3 FOR 1979-1980 SHALL BE INCREASED BY 26 PERCENT. THE TOTAL AUTHORIZED PREDICTED COST PER WEIGHTED FTE DETERMINED FOR A DISTRICT UNDER SUBDIVISION 3 FOR 1980-1981 SHALL BE INCREASED BY 22 PERCENT.)

Subd. 7a. [BASE YEAR SOFTENING FORMULA.] (1) Each district's (ADJUSTED TOTAL AUTHORIZED) predicted base cost (PER WEIGHTED FTE) determined for each school year according to subdivision (6) § shall be (COMPARED TO) averaged with the (TOTAL ACTUAL EXPENDITURE PER WEIGHTED FTE FOR AUTHORIZED TRANSPORTATION) base cost for that district for that year to determine the district's

(AID ENTITLEMENT) *adjusted total authorized predicted cost per weighted FTE for that year. (IF THE ADJUSTED TOTAL AUTHORIZED PREDICTED COST PER WEIGHTED FTE IS GREATER THAN THE DISTRICT'S ACTUAL AUTHORIZED EXPENDITURE PER WEIGHTED FTE, ITS AID ENTITLEMENT PER WEIGHTED FTE SHALL EQUAL THE ADJUSTED PREDICTED COST PER WEIGHTED FTE MINUS 20 PERCENT OF THE FIRST \$10 OF DIFFERENCE BETWEEN THE ADJUSTED TOTAL AUTHORIZED PREDICTED COST PER WEIGHTED FTE AND THE ACTUAL EXPENDITURE PER WEIGHTED FTE; MINUS 40 PERCENT OF THE NEXT \$10; 60 PERCENT OF THE NEXT \$10; MINUS 75 PERCENT OF THE DIFFERENCE WHICH EXCEEDS \$30.)*

(3) *IF THE ADJUSTED TOTAL AUTHORIZED PREDICTED COST PER WEIGHTED FTE IS LESS THAN THE DISTRICT'S ACTUAL AUTHORIZED EXPENDITURE PER WEIGHTED FTE, ITS AID ENTITLEMENT PER WEIGHTED FTE SHALL EQUAL THE ADJUSTED TOTAL AUTHORIZED PREDICTED COST PER WEIGHTED FTE PLUS 20 PERCENT OF THE FIRST \$10 OF DIFFERENCE BETWEEN THE ADJUSTED PREDICTED COST PER WEIGHTED FTE AND THE ACTUAL EXPENDITURE PER WEIGHTED FTE; PLUS 40 PERCENT OF THE NEXT \$10; PLUS 60 PERCENT OF THE NEXT \$10; PLUS 75 PERCENT OF THE DIFFERENCE WHICH EXCEEDS \$30.)*

(2) *Notwithstanding clause (1), in fiscal year 1983, predicted base cost shall be adjusted as provided in this clause to determine adjusted total authorized predicted cost per weighted FTE for the 1982-1983 school year.*

(a) *If the predicted base cost exceeds the base cost, the predicted base cost shall be decreased by 50 percent of the first \$40 of difference between the base cost and the predicted base cost; 70 percent of the next \$40 of difference; and 90 percent of any difference which exceeds \$80, to determine the adjusted total authorized predicted cost per weighted FTE.*

(b) *If the predicted base cost is less than the base cost, the predicted base cost shall be increased by 50 percent of the first \$40 of difference between the base cost and the predicted base cost; 70 percent of the next \$40 of difference; and 90 percent of any difference which exceeds \$80, to determine the adjusted total authorized predicted cost per weighted FTE.*

Subd. 7b. [INFLATION FACTORS.] *The adjusted total authorized predicted cost per FTE determined for a district under subdivision 7a for the 1980-1981 school year shall be increased by 22 percent to determine the district's aid entitlement per FTE for the 1982-1983 school year.*

Subd. 8a. [AID.] A district's transportation aid shall be equal to the sum of its basic transportation aid pursuant to subdivision 8b, its excess handicapped transportation aid pursuant to subdivision 8c, its handicapped board and lodging aid pursuant to subdivision 8d, its to and from board and lodging aid pursuant to subdivision 8e, its nonpublic support services transportation aid pursuant to subdivision 8f, and its during-day transportation aid pursuant to subdivision 8g, minus the amount raised by two mills times the adjusted assessed valuation which is used to compute the authorized transportation levy revenue for that school year. If the total appropriation for transportation aid in any fiscal year is insufficient to pay all districts the full amount of aid earned, the department of education shall reduce each district's aid entitlement in proportion to the number of resident pupils in average daily membership in the district compared to the state total, and shall reduce the aid entitlement of off-formula districts in the same proportion. Aid for the 1982-1983 and 1983-1984 school years shall be reduced by the following amount: the product of

(a) the number of nonhandicapped secondary pupils in the current school year who live between one and two miles from the public school which they could attend or the nonpublic school actually attended and who would have been transported in the current year under the district's eligibility rules in the base year, times

(b) 1.5, divided by the average distance to school for all FTE's transported in the district in the regular transportation category in the second preceding year, times

(c) the district's aid entitlement per FTE determined according to subdivision 7b.

Subd. (8A) 8b. [BASIC AID COMPUTATION.] (BEGINNING WITH THE 1982-1983 SCHOOL YEAR) *In fiscal years 1983 and 1984, a district's basic transportation aid pursuant to this section for each (SCHOOL) year shall equal the district's aid entitlement per (WEIGHTED) FTE determined according to subdivision (7A) 7b times the sum of: (1) the total number of authorized (WEIGHTED) FTE's transported in the regular and handicapped transportation categories in the district in (THAT) the current school year, (MINUS THE AMOUNT RAISED BY TWO MILLS TIMES THE ADJUSTED ASSESSED VALUATION WHICH IS USED TO COMPUTE THE TRANSPORTATION LEVY LIMITATION FOR THE LEVY ATTRIBUTABLE TO THAT SCHOOL YEAR) plus (2) the number of nonhandicapped secondary pupils who live between one and two miles from the public school which they could attend or the nonpublic school actually attended and who would have been transported in the current year under the district's eligibility rules in the base year.*

In fiscal year 1985 and thereafter, a district's basic transportation aid pursuant to this section for each year shall equal the district's aid entitlement per FTE determined according to subdivision 7b times the total number of authorized FTE's transported in the regular and handicapped categories in the district in the current school year.

Subd. (8B) 8c. [EXCESS HANDICAPPED AID.] (a) (IN ADDITION TO THE AMOUNT AUTHORIZED IN SUBDIVISION 8A,) For each school year, the state shall pay aid for the excess costs of providing transportation for handicapped students as provided in this subdivision to a district where (:), *in the current school year,*

((1) THE AVERAGE DAILY MEMBERSHIP IN THAT YEAR IS 2,500 OR FEWER PUPILS,)

((2) THE TOTAL ACTUAL AUTHORIZED EXPENDITURES EXCEED THE AID ENTITLEMENT, AND)

((3) THE ACTUAL AUTHORIZED EXPENDITURE PER WEIGHTED FTE IN THE HANDICAPPED AND BOARD AND LODGING CATEGORIES EXCEEDS 140 PERCENT OF THE AID ENTITLEMENT PER WEIGHTED HANDICAPPED AND BOARD AND LODGING FTE) *the ratio of FTE's transported in the handicapped category to the total number of FTE's transported in the regular transportation category exceeds the same ratio for the state as a whole.*

(b) This aid shall equal (80 PERCENT OF THE DIFFERENCE BETWEEN):

((1) THE DISTRICT'S ACTUAL AUTHORIZED EXPENDITURES FOR TRANSPORTING HANDICAPPED AND BOARD AND LODGING FTE'S AND)

((2) 140 PERCENT OF THE DISTRICT'S AID ENTITLEMENT FOR TRANSPORTATION OF HANDICAPPED AND BOARD AND LODGING FTE'S.)

((3) FOR PURPOSES OF THE COMPUTATION OF AID PURSUANT TO THIS SUBDIVISION, THE AMOUNTS OF THE ACTUAL AUTHORIZED EXPENDITURE AND THE AID ENTITLEMENT SHALL EXCLUDE AMOUNTS ATTRIBUTABLE TO DEPRECIATION. AID PURSUANT TO THIS SUBDIVISION SHALL NOT EXCEED THE DIFFERENCE BETWEEN THE DISTRICT'S TOTAL ACTUAL AUTHORIZED EXPENDITURES AND ITS TOTAL AID ENTITLEMENT.)

the product of the percent excess handicapped FTE's transported, times the difference between

(1) *the district's actual cost for transportation of all pupils in the handicapped category in the current year, and*

(2) *the product of*

(i) *the district's aid entitlement per FTE determined according to subdivision 7b, times*

(ii) *the number of FTE's transported in the handicapped category in the district in the current year.*

Subd. 8d. [HANDICAPPED BOARD AND LODGING AID.] For board and lodging of handicapped pupils, each district shall receive aid equal to the product of the number of FTE pupils boarded and lodged in the current year in the district in this transportation category, times the average of

(a) *the state average board and lodging cost per FTE pupil boarded and lodged in the second preceding year, times the inflation factor for that year prescribed in subdivision 7b; and*

(b) *the district's actual cost per FTE pupil boarded and lodged.*

Subd. 8e. [TO AND FROM BOARD AND LODGING.] For transportation of handicapped pupils to and from board and lodging facilities, the state shall pay aid for each year equal to the lesser of

(a) *for all pupils transported in this category 36 times the distance in miles from each pupil's home to the board and lodging facility, times the official mileage rate at which state employees are compensated for travel, or*

(b) *the average of the amount in (a) and the district's actual cost for all transportation in this category.*

Subd. 8f. [NONPUBLIC SUPPORT SERVICES AID.] For each school year, a district's nonpublic support services transportation aid shall equal the district's aid entitlement per FTE determined according to subdivision 7b, times its pupil weighting factor for the nonpublic support services transportation category, times the number of FTE's transported in that category in the current year.

Subd. 8g. [DURING-DAY TRANSPORTATION AID.] For each school year, a district's during-day transportation aid shall equal the district's aid entitlement per FTE determined according to subdivision 7b, times its pupil weighting factor for the during-day transportation category, times the number of FTE's transported in the during-day transportation category in the current year.

Subd. 9. [DISTRICT REPORTS.] Each district shall report *data* to the department (BEFORE JULY 1 OF EACH YEAR AN ESTIMATE FOR THE NEXT SCHOOL YEAR OF THE TOTAL NUMBER OF FTE'S TRANSPORTED BY TRANSPORTATION CATEGORY AND AN ESTIMATE OF THE DISTRICT'S TOTAL ACTUAL AUTHORIZED TRANSPORTATION EXPENDITURE BY TRANSPORTATION CATEGORY) *as required by the department to implement the transportation aid formula.* (THE DISTRICT'S AID SHALL BE DETERMINED FOR PURPOSES OF THE FIRST THREE TRANSPORTATION AID PAYMENTS FOR THE SCHOOL YEAR USING THESE ESTIMATES. BEFORE AUGUST 15 EACH YEAR, EACH DISTRICT SHALL PROVIDE THE DEPARTMENT WITH THE INFORMATION FOR THE PRECEDING SCHOOL YEAR WHICH THE DEPARTMENT DETERMINES IS NECESSARY TO COMPUTE THE DISTRICT'S ACTUAL AUTHORIZED EXPENDITURE PER WEIGHTED FTE FOR PURPOSES OF THE COMPUTATION IN SUBDIVISION 7A AND THE DISTRICT'S ACTUAL TOTAL NUMBER OF WEIGHTED FTE'S TRANSPORTED FOR PURPOSES OF THE AID COMPUTATION IN SUBDIVISION 8A. THE DISTRICT'S FINAL TRANSPORTATION AID PAYMENT FOR THE SCHOOL YEAR SHALL BE BASED ON THESE COMPUTATIONS.) *If a district's final transportation aid payment is adjusted after December 31 of the fiscal year in which the final aid payment is made, the adjustment shall be made by increasing or decreasing the district's aid for the next fiscal year.*

Subd. 10. Any school district which owns school buses or mobile units shall transfer annually from the unappropriated fund balance account in its transportation fund to the appropriated fund balance account for bus purchases in its transportation fund at least an amount equal to 12-1/2 percent of the original cost of each bus or mobile unit until the original cost of each bus or mobile unit is fully amortized, plus 33-1/3 percent of the cost to the district as of July 1 of each year for school bus reconditioning done by the department of corrections until the cost of the reconditioning is fully amortized; *provided, if the district's transportation aid is reduced pursuant to subdivision 8a because the appropriation for that year is insufficient, this amount shall be reduced in proportion to the reduction pursuant to subdivision 8a as a percentage of the sum of*

(1) *the district's total transportation aid received pursuant to subdivision 8a, plus*

(2) *an amount equal to two mills times the adjusted assessed valuation of the district.* Any school district may transfer any amount from the unappropriated fund balance account in its transportation fund to any other operating fund or to the appropriated fund balance account for bus purchases in its transportation fund.

Subd. 11. [PAYMENT SCHEDULE THROUGH 1982.] Except as may be otherwise authorized by the commissioner to accommodate a flexible school year program, for fiscal years through 1982, the state shall pay to each school district 30 percent of its estimated school transportation aid (ENTITLEMENT) for the fiscal year on or before each of the following dates: August 31, December 31, and March 31. The final aid distribution to each district shall be made on or before October 31 of the following fiscal year.

Subd. 12. [PAYMENT SCHEDULE.] Except as may be otherwise authorized by the commissioner to accommodate a flexible school year program, starting in fiscal year 1983, the state shall pay each school district its estimated school transportation aid (ENTITLEMENT) for the fiscal year according to the following schedule: 30 percent by August 31; 30 percent by December 31; and 25 percent by March 31. The final aid distribution to each district shall be made by October 31 of the following fiscal year.

Sec. 4. Minnesota Statutes 1981 Supplement, Section 275.125, Subdivision 1 is amended to read:

Subdivision 1. [DEFINITIONS.] Except as may otherwise be provided in this section, the words and phrases defined in sections 124.01, 124.212, (124.20 AND) *Article III, Section 7, 124.2121 to 124.2125 and 124.225* when used in this section shall have the meanings ascribed to them in those sections.

Sec. 5. Minnesota Statutes 1980, Section 275.125, Subdivision 5, as amended by Laws 1981, Third Special Session Chapter 2, Article II, Section 10, is amended to read:

Subd. 5. For school transportation services, a school district may levy *for each school year* an amount not to exceed the amount raised by a levy of two mills times the *applicable* adjusted assessed valuation of the taxable property of the district (FOR THE PRECEDING YEAR). A district may also levy under this subdivision for the amount necessary to eliminate any projected deficit in the appropriated fund balance account for bus purchases in its transportation fund as of June 30 in (THE) *that* school year (WHEN THE LEVY IS RECOGNIZED AS REVENUE). A *district which contracts for pupil transportation services may also levy for each school year an amount of revenue equal to \$18 times the number of FTE pupils transported on contracted school buses in the preceding school year in the regular transportation category, which shall be placed in the transportation fund and used for any lawful purpose. A district may also levy for each school year an amount of revenue equal to the estimated cost in the next school year of transporting secondary pupils to and from school who live more than one mile, but less than two miles from the public school which they could attend or from a nonpublic school actually attended. A* district may also levy for transportation costs or other related

services which are (APPROVED BY THE COMMISSIONER AS) necessary because of extraordinary traffic hazards for the (CURRENT FISCAL) next school year. Levies authorized by this subdivision shall be computed according to procedures established by the commissioner.

Sec. 6. Minnesota Statutes 1980, Section 275.125, is amended by adding a subdivision to read:

Subd. 5b. [TRANSPORTATION LEVY OFF-FORMULA ADJUSTMENT.] In any fiscal year in which the transportation levy in a district attributable to that fiscal year of two mills times the adjusted assessed valuation of the district exceeds the sum of the transportation aid entitlement per FTE times the total number of authorized FTE pupils transported, plus the transportation aid computation under section 124.225, subdivisions 8c, 8d, 8e, 8f, and 8g, the district's transportation levy limitation shall be adjusted as provided in this subdivision. In the year following that fiscal year, the district's transportation levy shall be reduced by an amount equal to the difference between (1) two mills times the adjusted assessed valuation of the district, and (2) the sum of the district's transportation aid computation pursuant to section 124.225, subdivisions 8b, 8c, 8d, 8e, 8f, and 8g, minus the following amount:

the product of

(a) the number of nonhandicapped secondary pupils in the current school year who live between one and two miles from the public school which they could attend or the non-public school actually attended and who would have been transported in the current year under the district's eligibility rules in the base year, times

(b) 1.5, divided by the average distance to school for all FTE's transported in the district in the regular transportation category in the second preceding year, times

(c) the district's aid entitlement per FTE determined according to section 124.225, subdivision 7b.

Sec. 7. [ADDITIONAL TRANSPORTATION LEVY, 1982.]

In 1982 only, a district may levy for transportation costs or other related services which are necessary because of extraordinary traffic hazards for the 1982-1983 school year, and may levy an amount equal to the cost of transporting secondary pupils to and from school in the 1982-1983 school year who live more than one mile, but less than two miles from the public school which they could attend or from a nonpublic school actually attended. Levies authorized by this section shall be computed according to procedures established by the commissioner.

Sec. 8. Laws 1981, Chapter 358, Article II, Section 15, Subdivision 3 is amended to read:

Subd. 3. [CANCELLATION.] Any unexpended balance remaining from the appropriation in this section for 1982 shall cancel and shall not be available for the second year of the biennium. None of the amounts appropriated in this section shall be expended for a purpose other than the purpose indicated. If the appropriation amount attributable to (EITHER) *the 1981-1982 school year* for any purposes indicated is insufficient, the aid entitlement for that year shall be prorated among all qualifying districts, and aid reduced accordingly. *If the appropriation amount attributable to the 1982-1983 school year or following school years is insufficient, the aid for all districts shall be reduced as provided in Minnesota Statutes, Section 124.223, Subdivision 8a, as amended by this article.* The state shall not be obligated for any amounts in excess of the total appropriations in this section.

Sec. 9. [REPEALER.]

Minnesota Statutes 1980, Section 121.96, is repealed.

Sec. 10. [EFFECTIVE DATE.]

Subdivision 1. Section 8 and the amendment made in section 3 to Minnesota Statutes 1981 Supplement, Section 124.223, Subdivision 9, are effective the day following enactment.

Subd. 2. The remainder of this article is effective July 1, 1982, for aid paid for fiscal year 1983 and thereafter, and for levies made in 1982, payable in 1983, and thereafter.

ARTICLE III

SPECIAL EDUCATION

Section 1. Minnesota Statutes 1980, Section 120.17, Subdivision 4a, is amended to read:

Subd. 4a. [ATTENDANCE IN ANOTHER DISTRICT.] No resident of a district who is eligible for special instruction and services pursuant to this section shall be denied provision of this instruction and service because he attends a public school in another school district pursuant to section 123.39, subdivision 5, if his attendance is not subject to section (120.065) 120.075, 120.-0751, or (123.39, SUBDIVISION 5A) 120.0752. If the pupil attends a public school located in a contiguous district and the district of attendance does not provide special instruction and services, the district of residence shall provide necessary transportation for the pupil between the boundary of the district of residence and the educational facility where special instruction and services are provided within the district of residence. The district of residence may provide necessary transportation for the pupil between its boundary and the school attended in the

contiguous district, but shall not pay the cost of transportation provided outside the boundary of the district of residence.

Sec. 2. Minnesota Statutes 1981 Supplement, Section 120.17, Subdivision 5a, is amended to read:

Subd. 5a. [SUMMER PROGRAMS.] A district may provide summer programs for handicapped children living within the district and nonresident children temporarily placed in the district pursuant to subdivisions 6 or 7. Prior to March 31 or 30 days after the handicapped child is placed in the district, which ever is later, the providing district shall give notice to the district of residence of any nonresident children temporarily placed in the district pursuant to subdivisions 6 or 7, of its intention to provide these programs. Notwithstanding any contrary provisions in subdivisions 6 and 7, the school district providing the special instruction and services shall apply for special education aid for the summer program. For the purposes of computing the summer school revenue allowance as provided in section (124.20) *7 of this article*, pupils enrolled in these programs shall be counted by the district of residence and not by the district providing the programs. The unreimbursed actual cost of providing the program for nonresident handicapped children, including the cost of board and lodging, may be billed to the district of the child's residence and shall be paid by the resident district. Transportation costs shall be paid by the district responsible for providing transportation pursuant to subdivision 6 or 7 and transportation aid shall be paid to that district.

Sec. 3. Minnesota Statutes 1981 Supplement, Section 120.17, Subdivision 6, is amended to read:

Subd. 6. [PLACEMENT IN ANOTHER DISTRICT; RESPONSIBILITY.] The responsibility for special instruction and services for a handicapped child temporarily placed in another district for care and treatment shall be determined in the following manner:

(a) The school district of residence of a child shall be the district in which his parent resides, if living, or his guardian, or the district designated by the commissioner of education if neither parent nor guardian is living within the state.

(b) When a child is temporarily placed for care and treatment in a day program located in another district and the child continues to live within the district of residence during the care and treatment, the district of residence is responsible for providing transportation and an appropriate educational program for the child. The district may provide the educational program at a school within the district of residence, at the child's residence, or in the district in which the day treatment center is located by paying tuition to that district.

(c) When a child is temporarily placed in a residential program for care and treatment, the nonresident district in which the child is placed is responsible for providing (TRANSPORTATION AND) an appropriate educational program for the child *and necessary transportation within the district while the child is attending the educational program*; and shall bill the district of the child's residence for the actual cost of providing the program, as outlined in subdivision 4, except that the board, lodging, and treatment costs incurred in behalf of a handicapped child placed outside of the school district of his residence by the commissioner of public welfare or the commissioner of corrections or their agents, for reasons other than for making provision for his special educational needs shall not become the responsibility of either the district providing the instruction or the district of the child's residence.

(d) The district of residence shall pay tuition and other program costs, not including transportation costs, to the district providing the instruction and services. The district of residence may claim foundation aid for the child as provided by law. Transportation costs shall be paid by the district responsible for providing the transportation and the state shall pay transportation aid to that district.

Sec. 4. Minnesota Statutes 1981 Supplement, Section 121.904, Subdivision 7, is amended to read:

Subd. 7. Summer school aids and the proceeds of the summer school levy for any summer school session shall be recognized as revenues and recorded as receivables in proportion to the total number of summer school days in each fiscal year in which the summer school session occurs; provided that nothing in this subdivision shall be construed to provide for a different rate of aid than that provided in section (124.20) 7 of this article.

Sec. 5. Minnesota Statutes 1981 Supplement, Section 124.01, Subdivision 1, is amended to read:

Subdivision 1. For purposes of this chapter, the words defined in section 120.02 have the same meaning and the terms defined in sections (124.20 AND) 124.2121 to 124.2125 *and section 7 of this article* have the meanings attributed to them in those sections.

Sec. 6. Minnesota Statutes 1981 Supplement, Section 124.17, Subdivision 2, is amended to read:

Subd. 2. Membership for pupils in grades kindergarten through twelve and for handicapped pre-kindergarten pupils shall mean the number of pupils on the current roll of the school, counted from the date of entry until withdrawal. The date of withdrawal shall mean the day the pupil permanently leaves the school or the date it is officially known that the

pupil has left or has been legally excused. However, a pupil, regardless of age, who has been absent from school for 15 consecutive school days during the regular school year or for five consecutive school days during summer school or inter-session classes of flexible school year programs without receiving instruction in the home or hospital shall be dropped from the roll and classified as withdrawn. Nothing in this section shall be construed as waiving the compulsory attendance provisions cited in section 120.10. Average daily membership shall equal the sum for all pupils of the number of days of the school year each pupil is enrolled in the district's schools divided by the number of days the schools are in session. *Days of summer school or inter-session classes of flexible school year programs shall only be included in the computation of membership for handicapped pupils appropriately served at levels 4, 5, or 6 of the continuum of placement model described in 5 MCAR S 1.0120 B.11.*

Sec. 7. [124.201] [FOUNDATION AID FOR SPECIAL EDUCATION SUMMER SCHOOL.]

Subdivision 1. [PROGRAMS.] Foundation aid for handicapped pupils enrolled in (1) summer school classes which are not a part of the regular school term in hospitals, sanatoriums, and home instruction programs, (2) inter-session classes of flexible school year programs, (3) summer school classes in elementary and secondary schools, and (4) summer school instruction in teachers college laboratory schools or in the university laboratory school, shall be paid under the provisions of this section.

Subd. 2. [DEFINITIONS.] For the purposes of computing foundation aid for handicapped pupils enrolled in summer school and inter-session classes of flexible school year programs, the following phrases shall have the meanings given them.

(1) "Summer school pupil units" means full-time equivalent pupil units for summer school classes and inter-session classes of flexible school year programs computed under the provisions of section 124.17. Only pupils who are handicapped and who are appropriately served at levels 4, 5, or 6 of the continuum of placement model described in 5 MCAR S 1.0120 B.11. shall be included in the computation of summer school pupil units.

(2) "Summer school revenue allowance" means an amount equal to the product of the number of summer school pupil units in a district, times the foundation aid formula allowance as defined in section 124.2122 for the preceding regular school year.

(3) "Summer school aid" means aid for summer school and inter-session classes of flexible school year programs.

Subd. 3. [SUMMER SCHOOL AID.] Each year a district shall receive summer school aid equal to the difference between

(1) the product of

(a) the ratio of the district's actual levy to its permitted levy pursuant to section 19 certified in the calendar year when the summer school program is offered; times

(b) the district's summer school revenue allowance; and

(2) the levy certified by the district pursuant to section 19 of this article in the calendar year when the summer school program is offered.

Sec. 8. Minnesota Statutes 1981 Supplement, Section 124.2129, Subdivision 3, is amended to read:

Subd. 3. [NOTIFICATION OF RESIDENT DISTRICT.] Any (SCHOOL) district educating (CHILDREN) a *pupil* who (ARE RESIDENTS) is a *resident* of another (SCHOOL) district shall notify the district of residence within 60 days of the date the (CHILD) *pupil* is determined by the district to be a non-resident, but not later than (OCTOBER 1) *August 1* following the end of the school year in which the (CHILD) *pupil* is educated. If the district of residence does not receive a notification from the providing district pursuant to this subdivision, it shall not be liable to that district for any tuition billing received after (OCTOBER 1) *August 1* of the next school year.

Sec. 9. Minnesota Statutes 1981 Supplement, Section 124.32, Subdivision 1, is amended to read:

Subdivision 1. ((A)) (1) For the (1981-1982 AND) 1982-1983 school (YEARS) *year*, the state shall pay to any district for the employment in its educational program for handicapped children 68.8 percent of the salary of essential *instructional and service* personnel for the normal school year for each full time person employed, (OR A PRO RATA AMOUNT FOR A) part time person or a person employed for a limited time, whether the essential personnel are employed by a district alone or jointly with another district.

((B)) (2) Beginning in the 1983-1984 school year and each year thereafter, the state shall pay to any district for the employment in its educational program for handicapped children 70 percent of the salary of essential *instructional and service* personnel for the normal school year for each full time person employed, (OR A PRO RATA AMOUNT FOR A) part time person or a person employed for a limited time, whether the essential personnel are employed by a district alone or jointly with another district.

(3) *The state shall pay to any district for the employment in its educational program for handicapped children:*

(a) *For the 1982-1983 school year, 68.8 percent of the salary of licensed administrative and other similar personnel, as defined in the rules of the state board of education; and*

(b) *For the 1983-1984 school year and each year thereafter, 70 percent of the salary of licensed administrative and other similar personnel, as defined in the rules of the state board of education;*

Provided, however, the amount which a district receives pursuant to this clause, except as provided in clause (4), shall not exceed 7.25 percent of the sum of the aid the district receives according to the provisions of clause (1) or (2), subdivisions 1b, 2, 6, and 10 plus federal entitlement funds which a district receives under the Education for All Handicapped Children Act.

(4) *If a special station or facility, which is exclusively for handicapped children and at which there are at least ten FTE professional personnel employed, is maintained by a district, the limitation in clause (3) shall not apply to aid for the administrative and other similar personnel employed in the special station or facility.*

(5) *When aid pursuant to this subdivision is insufficient to employ a full-time administrator for a district's educational program for handicapped children, the district is encouraged to cooperate with other districts to provide administrative services.*

Sec. 10. Minnesota Statutes 1981 Supplement, Section 124.32, Subdivision 1a, is amended to read:

Subd. 1a. [FOUNDATION AID FORMULA ALLOWANCE.] For purposes of this section, "foundation aid formula allowance" shall have the meaning attributed to it in section 124.2122, subdivision 1, and "summer school revenue allowance" shall have the meaning attributed to it in section (124.20) 7 of this article. For the purposes of computing foundation aid formula allowances pursuant to this section, each handicapped child shall be counted as prescribed in section 124.17, subdivision 1, clause (1) or (2).

Sec. 11. Minnesota Statutes 1981 Supplement, Section 124.32, Subdivision 1b, is amended to read:

Subd. 1b. [CONTRACT SERVICES.] (1) For special instruction or training and services provided for any pupil pursuant to section 120.17, subdivision 2, clause (h), by contract with public, private or voluntary agencies other than Minnesota school districts, the state shall pay each district 60 percent of

the difference between the amount of the contract and the foundation aid formula allowance of the district for that pupil or a pro rata portion of the foundation aid formula allowance for pupils who receive services by contract on less than a full time basis.

(2) For special instruction or training and services provided for a pupil by such a contract as part of a summer school program, the state shall pay each district 60 percent of the difference between the amount of the contract and the summer school revenue allowance of the district attributable to that pupil, *if any*.

Sec. 12. Minnesota Statutes 1981 Supplement, Section 124.-32, Subdivision 5, is amended to read:

Subd. 5. When a handicapped child is placed in a residential facility approved by the commissioner and established primarily to serve handicapped children and when the child's educational program is approved by the commissioner, the state shall pay aid to the resident district under the provisions of this subdivision. For the regular school year, the aid shall be an amount not to exceed 60 percent of the difference between the instructional costs charged to the resident district and the foundation aid formula allowance, for each handicapped child placed in a residential facility. For summer school programs, the aid for each handicapped child placed in a residential facility shall be an amount not to exceed 60 percent of the difference between the instructional costs charged to the resident district and the summer school revenue allowance in the resident district attributable to that child, *if any*. No aid shall be paid pursuant to this subdivision for tuition charged a resident district pursuant to section 120.17, subdivision 7a, for a child placed at the Minnesota school for the deaf or the Minnesota braille and sight-saving school.

The following types of facilities may be approved by the commissioner:

(a) A residential facility operated by the state or public school district and designed to serve the low incidence handicapped, the multiple handicapped, or the most severely handicapped children within the state.

(b) A private, nonsectarian residential facility designed to provide educational services for handicapped children within the state.

(c) A state hospital or private nonsectarian residential center designed to provide care and treatment for handicapped children.

Sec. 13. Minnesota Statutes 1980, Section 124.32, Subdivision 7, is amended to read:

Subd. 7. [PROGRAM AND AID APPROVAL.] Before (MAY 1) *June 1* of each year, each district providing special instruction and services to handicapped children shall submit to the commissioner an application for approval of these programs and their budgets for the next school year. The application shall include an enumeration of the costs proposed as eligible for state aid pursuant to this section and of the estimated number and grade level of handicapped children in the district who will receive special instruction and services during the next school year. The application shall also include any other information deemed necessary by the commissioner for the calculation of state aid and for the evaluation of the necessity of the program, the necessity of the personnel to be employed in the program, the amount which the program will receive from grants from federal funds, or special grants from other state sources, and the program's compliance with the rules and standards of the state board. The commissioner shall review each application (IN ORDER) to determine whether the program and the personnel to be employed in the program are actually necessary and essential to meet the district's obligation to provide special instruction and services to handicapped children pursuant to section 120.17. The commissioner shall not approve aid pursuant to this section for any program or for the salary of any personnel he determines to be unnecessary or unessential on the basis of this review. The commissioner may also withhold all or any portion of the aid for programs which receive grants from federal funds, or special grants from other state sources. (ON OR BEFORE JULY 1 OF EACH YEAR) *By August 31, when the first aid payment is made,* the commissioner shall approve, disapprove or modify each application, and notify each applying district of (HIS) *the* action and of the estimated amount of aid for the programs. The commissioner shall provide procedures for districts to submit additional applications for program and budget approval during the school year, for programs needed to meet any substantial changes in the needs of handicapped children in the district. Notwithstanding the provisions of section 124.15, the commissioner may modify or withdraw (HIS) *the* program or aid approval and withhold aid pursuant to this section without proceeding according to section 124.15 at any time (WHEN HE) *the commissioner* determines that the program does not comply with (THE) rules (AND STANDARDS) of the state board or that any facts concerning the program or its budget differ from the facts (PRESENTED) in the district's approved application.

Sec. 14. Minnesota Statutes 1980, Section 124.32, Subdivision 10, is amended to read:

Subd. 10. [SUMMER SCHOOL.] The state shall pay aid for summer school programs for handicapped children on the basis

of the sections of Minnesota Statutes providing aid for handicapped children for the preceding school year. (ON OR BEFORE) *By* March 15 of each year, districts shall submit separate applications for program and budget approval for summer school programs. The review of these applications shall be as provided in subdivision 7. By May 1 of each year, the commissioner shall approve, disapprove or modify the applications and notify the districts of (HIS) *the* action and of the estimated amount of aid for the summer school programs. Aid for these programs shall be paid (ON OR BEFORE THE OCTOBER 1) *by November 15* after the summer when the programs are conducted.

Sec. 15. Minnesota Statutes 1980, Section 126.262, Subdivision 1, is amended to read:

Subdivision 1. For purposes of sections *124.273 and 126.261* to 126.269, the terms defined in this section shall have the meanings given them.

Sec. 16. Minnesota Statutes 1980, Section 126.264, Subdivision 3, is amended to read:

Subd. 3. A district which receives moneys pursuant to section (126.263) *124.273* shall encourage involvement of parents of pupils enrolled in the educational program for limited English proficient students in this program. The district shall solicit the views of parents about the program and its effects upon their children.

Sec. 17. Minnesota Statutes 1980, Section 126.265, is amended to read:

126.265 [GENERAL REQUIREMENTS FOR PROGRAMS.]

A district which receives aid pursuant to section (126.263) *124.273* shall comply with the following program requirements:

(a) To the extent possible, the district shall avoid isolating children of limited English proficiency for a substantial part of the school day; and

(b) In predominantly nonverbal subjects, such as art, music, and physical education, pupils of limited English proficiency shall be permitted to participate fully and on an equal basis with their contemporaries in public school classes provided for these subjects. To the extent possible, the school district shall assure to pupils enrolled in a program for limited English proficient students an equal and meaningful opportunity to participate fully with other pupils in all extracurricular activities.

Sec. 18. Minnesota Statutes 1980, Section 126.267, is amended to read:

126.267 [TECHNICAL ASSISTANCE.]

The state board of education shall provide technical assistance to school districts receiving aid pursuant to section (126.263) 124.273 and to post-secondary institutions for preservice and inservice training for bilingual education teachers and English as a second language teachers employed in educational programs for limited English proficient students, teaching methods, curriculum development, testing and testing mechanisms, and the development of instructional materials for these educational programs.

Sec. 19. Minnesota Statutes 1980, Section 275.125, is amended by adding a subdivision to read:

Subd. 2h. [HANDICAPPED SUMMER SCHOOL LEVY.] A district may levy for summer school programs for handicapped pupils an amount equal to the following product:

(1) The district's summer school revenue allowance as defined in section 7, clause (2) for the calendar year when the levy is certified, times

(2) the lesser of:

(a) one, or

(b) the ratio of

(i) the quotient derived by dividing the adjusted assessed valuation of the district in the third preceding year by the total pupil units in the district in the preceding regular school year, to

(ii) the equalizing factor for the preceding regular school year.

Sec. 20. [EXCEPTION FOR INDEPENDENT SCHOOL DISTRICT NO. 166.]

Notwithstanding any law to the contrary, Independent School District No. 166 shall receive aid for at least one half-time administrative position. It shall not be subject to the limitation in section 9, clause (3) of this article.

Sec. 21. [RULE SUSPENSION; TRANSITION PROVISIONS.]

The provisions of 5 MCAR S 1.0122 D. are suspended from the effective date of temporary rules adopted pursuant to section 22 of this article until August 15, 1983. The state board of education shall amend existing rules or adopt new rules pursuant to

Minnesota Statutes, Section 120.17, Subdivision 3, for the 1983-1984 school year and thereafter to implement the provisions of this article.

Sec. 22. [ADOPTION OF TEMPORARY RULES.]

The state board of education shall adopt temporary rules pursuant to Minnesota Statutes, Section 15.0412, Subdivision 5. Notwithstanding any provisions to the contrary, the temporary rules may be effective until August 15, 1983, may be amended, and may be replaced with subsequent temporary rules effective until August 15, 1983. The temporary rules shall clarify the duties and functions of administrative and other similar personnel who are subject to the limitation in section 9, clause (3), and shall clarify the meaning of special station and facility.

Sec. 23. [STUDENT TO STAFF RATIOS; 1982-1983 SCHOOL YEAR.]

For the 1982-1983 school year, the student to staff ratios established pursuant to 5 MCAR S 1.0122 C. may be increased by an amount not to exceed 20 percent.

Sec. 24. [ADOPTION OF NEW STAFF TO STUDENT RATIO RULES.]

By July 1, 1983, the state board of education shall amend existing rules or adopt new rules on staff to student ratios which shall result in greater flexibility for the school districts and which shall have cost containment features, including incentives for cooperation among school districts. The rules are subject to the provisions in the administrative procedure act of sections 15.041 to 15.052.

Sec. 25. [REPORT TO LEGISLATURE.]

By February 1, 1983, the department of education shall report to the education committees of the legislature on the department's progress in developing rules relating to special education supervisory personnel and staff to student ratios, and the feasibility of establishing entrance and exit criteria.

Sec. 26. [APPROPRIATION REDUCTION; SPECIAL EDUCATION SUMMER SCHOOL.]

The general fund appropriation for fiscal year 1983 for summer school special education aid in Laws 1981, Chapter 358, Article III, Section 21, Subdivision 3, as amended by Laws 1981, Third Special Session Chapter 2, Article II, Section 2, is further reduced by \$631,000. The remaining amount of the appropriation for summer school special education aid for 1983 shall not be used to reimburse school districts for summer school

special education programs for pupils who are appropriately served at levels 2 or 3 of the continuum of placement model described in 5 MCAR S 1.0120 B.11.

Sec. 27. [APPROPRIATION.]

There is appropriated from the general fund to the department of education for the year ending June 30, 1983, the sum of \$1,047,000. This amount is for foundation aid for summer school programs for handicapped pupils. If this amount is not sufficient to meet all obligations, the department of education shall proportionately reduce the summer school revenue allowance and allocate the aid accordingly.

Sec. 28. [REPEALER.]

The provisions of 5 MCAR S 1.0122 C. shall be repealed on June 30, 1983.

Sec. 29. [EFFECTIVE DATE.]

Sections 2, 4, 5, 6, 7, 8, 10, 11, 12, 13, 19, 21 and 22 are effective the day following final enactment.

ARTICLE IV

OTHER AIDS AND LEVIES

Section 1. Minnesota Statutes 1981 Supplement, Section 122.-542, Subdivision 3, is amended to read:

Subd. 3. [ALTERNATIVE EDUCATIONAL DELIVERY SYSTEM GRANTS.] (a) The council on quality education shall make a grant to Independent School District No. 362, Littlefork, to serve as a demonstration model in the development and implementation of an alternative educational delivery system. The council shall provide supervision and coordination in the development and implementation of the demonstration model and in disseminating information about the model to other districts. Application for a grant pursuant to this subdivision shall be made in a manner prescribed by the council.

(b) Alternative educational delivery systems shall include but are not limited to:

- (1) computer-assisted instruction;
- (2) extension courses offered by correspondence;
- (3) videotape courses; and

(4) audiovisual courses.

(c) The goals of alternative educational delivery systems shall include but not be limited to:

(1) expansion of curriculum in areas not otherwise available;

(2) elimination of traditional classes of uneconomic or insufficient size without a reduction of learning opportunities;

(3) provision of remedial instruction in basic skills.

(d) A grant made pursuant to this subdivision is to be used solely for development, implementation, and evaluation of the model, and to disseminate information about the model to other school districts in the state. The legislature does not intend that this grant is to be used for start-up costs of alternative educational delivery systems in other districts, nor does it intend to fund such start-up costs in the future. *However, the council on quality education may use a portion of the moneys appropriated for this grant to provide in-service training to other school districts for the purpose of replicating the demonstration model.*

Sec. 2. Minnesota Statutes 1981 Supplement, Section 122.542, Subdivision 4, is amended to read:

Subd. 4. [LOW-POWER TELEVISION SYSTEM GRANT.]

(a) The council on quality education shall make a grant to Independent School District No. 790, Eagle Bend, to serve as a demonstration model in the development and implementation of a two-way, low-power television transmission system. The council shall provide supervision and coordination in the development, implementation, and evaluation of the model and in disseminating information about the model to other districts. Applications for this grant shall be made in a manner prescribed by this council.

(b) This grant is to be used solely for the development, implementation, and evaluation of the model and for disseminating information about the model to other school districts in the state. The legislature does not intend that this grant is to be used for start-up costs of two-way, low-power television transmission systems in other school districts nor does the legislature intend to fund such start-up costs in the future. *However, the council on quality education may use a portion of the moneys appropriated for this grant to provide in-service training to other school districts for the purpose of replicating the demonstration model.*

Sec. 3. Minnesota Statutes 1981 Supplement, Section 124.245, Subdivision 1, is amended to read:

Subdivision 1. [(BASIC) *CAPITAL EXPENDITURE COMPUTATION.*] (a) In the 1981-1982 school year and each year thereafter, the state shall pay a school district the difference by which an amount equal to \$90 per pupil unit in that school year or, in districts where the actual number of pupil units identified in section 124.17, subdivision 1, clauses (1) and (2), has increased from the prior year, \$95 per pupil unit in that school year, exceeds the amount raised by seven mills times the adjusted assessed valuation of the taxable property in the district for the *calendar year second preceding the calendar year in which that school year begins.* In order to qualify for aid pursuant to this subdivision in any school year, a district must (HAVE LEVIED THE FULL SEVEN EARC MILLS FOR USE) *levy the maximum amount of revenue authorized for capital expenditures (IN) for that school year pursuant to section 275.125, subdivision 11a.*

(b) In the 1982-1983 school year and each year thereafter, the aid under clause (a) for any district which operates an approved secondary vocational education program or an approved senior secondary industrial arts program shall be computed using a dollar amount per pupil unit which is \$5 higher than the amount specified in clause (a).

(c) If the sum of a district's capital expenditure levy *revenue* under section 275.125, subdivision 11a, (ATTRIBUTABLE TO) for any school year starting in 1982-1983 and its capital expenditure equalization aid, if any, under this subdivision for that school year exceeds \$90 per pupil unit or, in districts where the actual number of pupil units identified in section 124.17, subdivision 1, clauses (1) and (2), has increased from the prior year, \$95 per pupil unit, the amount of the excess may be expended only for the purpose of capital expenditures for equipment for secondary vocational education programs or senior secondary industrial arts programs.

Sec. 4. Minnesota Statutes 1981 Supplement, Section 124.245, Subdivision 1a, is amended to read:

Subd. 1a. [SPECIAL PURPOSE COMPUTATION.] In the 1982-1983 school year and each year thereafter, the state shall pay a school district the difference by which an amount equal to \$25 per pupil unit exceeds the amount raised by two mills times the adjusted assessed valuation of the taxable property in the district for the *calendar year second preceding the calendar year in which that school year begins.* In order to qualify for aid pursuant to this subdivision in any school year, a district must levy the maximum (PERMISSIBLE) amount of *revenue authorized* pursuant to section 275.125, subdivision 11b for (USE IN) that *school year.* Aid paid pursuant to this subdivision may be used only for the purposes for which the proceeds of the levy authorized in section 275.125, subdivision 11b may be used.

Sec. 5. Minnesota Statutes 1981 Supplement, Section 124.251, is amended to read:

124.251 [STATE AID; IMPROVED LEARNING PROGRAMS.]

A district which establishes, pursuant to sections 121.501 to 121.507, a principal-teacher, counselor-teacher or career teacher component of an improved learning program approved by the state board of education, shall receive state aid for the purpose of this program in an amount equal to the salary and fringe benefits for the number of days each principal-teacher, counselor-teacher or career teacher works beyond the regular contract period. The daily rate paid shall be the contract rate including fringe benefits earned by the principal-teacher, counselor-teacher or career teacher during the year in which the application is submitted. The state board shall not approve applications or pay aids in excess of the state appropriation for this program. In addition, the board shall make an effort to distribute aid as equally as possible between rural, suburban and urban districts. In addition to other aids or moneys, a school district may use summer school (FOUNDATION) revenue to fund an improved learning program.

Sec. 6. Minnesota Statutes 1981 Supplement, Section 124.271, Subdivision 2a, is amended to read:

Subd. 2a. [COMMUNITY EDUCATION COMPUTATION.] Beginning in fiscal year 1984, each district which is operating a community education program in compliance with the rules promulgated by the state board and which has levied pursuant to section 275.125, subdivision 8, shall receive in state aid the greater of the following:

(a) \$5 per capita minus the amount raised by .9 mill times the adjusted assessed valuation used to compute (THE) *authorized* community education levy (LIMITATION FOR THE LEVY ATTRIBUTABLE) *revenue for* to that school year; or

(b) 75 cents per capita; or

(c) \$7,000.

However the amount of aid shall not exceed the amount of *levy revenue* certified for the school year pursuant to section 275.125, subdivision 8. For purposes of computing the aid limitation pursuant to this subdivision, the amount certified pursuant to section 275.125, subdivision 8, shall not reflect reductions pursuant to section 275.125, subdivision 9.

Sec. 7. Minnesota Statutes 1980, Section 134.34, is amended by adding a subdivision to read:

Subd. 5. [MAINTENANCE OF EFFORT; EXCEPTION.] Notwithstanding subdivision 4, a regional library system support grant may be made in fiscal year 1983 to a regional public library system for a participating city or county which decreases the dollar amount provided by it for operating purposes of public library service below the amount provided by it for 1981, if the amount provided by the city or county in 1982 is not less than the amount provided by it in 1980. A regional library system support grant may be made in fiscal year 1984 to a regional public library system for a participating city or county which decreases the dollar amount provided by it for operating purposes of public library service below the amount provided by it for 1982, if the amount provided by the city or county in 1983 is not less than the amount provided by it in 1981. This subdivision shall not affect the eligibility of cities or counties to declare all or part of their library levies as special levies under the provisions of section 275.50, subdivision 5, clause (c).

Sec. 8. Minnesota Statutes 1981 Supplement, Section 275.125, Subdivision 8, is amended to read:

Subd. 8. [COMMUNITY EDUCATION LEVY.] (1) (IN 1981 A DISTRICT WHICH HAS ESTABLISHED A COMMUNITY EDUCATION ADVISORY COUNCIL PURSUANT TO SECTION 121.88, MAY LEVY AN AMOUNT OF MONEY RAISED BY THE GREATER OF (A) \$3.40 PER CAPITA, OR (B) 110 PERCENT OF THE AMOUNT CERTIFIED PURSUANT TO THIS SUBDIVISION IN 1980. THESE LEVIES SHALL BE USED FOR COMMUNITY SERVICES INCLUDING NONVOCATIONAL ADULT PROGRAMS, RECREATION AND LEISURE TIME ACTIVITY PROGRAMS, AND PROGRAMS CONTEMPLATED BY SECTIONS 121.85 TO 121.88. FOR PURPOSES OF COMPUTING THE LEVY LIMITATION PURSUANT TO THIS SUBDIVISION, THE AMOUNT CERTIFIED PURSUANT TO THIS SUBDIVISION IN 1980 SHALL NOT REFLECT REDUCTIONS PURSUANT TO SUBDIVISION 9.)

((2)) Except as provided in clauses ((3)) (2) and ((4)) (3), (IN 1982) a district which has established a community education advisory council pursuant to section 121.88, may levy for the 1983-1984 school year, and for each school year thereafter, an amount of revenue equal to the amount raised by .9 mill times the (MOST RECENT) applicable adjusted assessed valuation of the district, but no more than \$5 times the population of the district. This amount shall be reduced to \$4.25 per capita for districts which will qualify for aid in fiscal year 1984 equal to 75 cents per capita pursuant to section 124.271, subdivision 2a, clause (b).

((3)) (2) Districts which received total revenue in fiscal year 1983 from community education aid and levy in excess of \$5 times the population of the district, may levy (THE) an

amount of *revenue equal to* the fiscal year 1983 revenue less \$5 times the population of the district in addition to the amount in clause ((2)) (1).

((4)) (3) Districts which will qualify for aid pursuant to section 124.271, subdivision 2a, clause (c) may levy the amount of their fiscal year 1983 revenue from community education aid and levy minus \$7,000.

((5)) (4) A school district may levy pursuant to this subdivision only after it has filed a certificate of compliance with the commissioner of education. The certificate of compliance shall certify that the governing boards of the county, municipality and township in which the school district or any part thereof is located have been sent 15 working days written notice of a meeting and that a meeting has been held to discuss methods of increasing mutual cooperation between such bodies and the school board. The failure of a governing board of a county, municipality or township to attend the meeting shall not affect the authority of the school district to levy pursuant to this subdivision.

((6)) (5) The population of the district for purposes of this subdivision is the population determined as provided in section 275.14 or as certified by the department of education from the most recent federal census.

Sec. 9. Minnesota Statutes 1981 Supplement, Section 275.125, Subdivision 11a, is amended to read:

Subd. 11a. [CAPITAL EXPENDITURE LEVY.] (a) *For each school year* a school district may levy an amount of *revenue* not to exceed the amount equal to \$90 per pupil unit, or \$95 per pupil unit in districts where the actual number of pupil units identified in section 124.17, subdivision 1, clauses (1) and (2), (HAS) increased from the (PRIOR) *second preceding school year to the preceding school year*. No levy under this clause shall exceed seven mills times the *applicable* adjusted assessed valuation of the taxable property in the district (FOR THE PRECEDING YEAR).

(b) The proceeds of the tax may be used only to acquire land, to equip and re-equip buildings and permanent attached fixtures, *to rent or lease buildings for school purposes*, to pay leasing fees for computer systems hardware and related proprietary software, and to pay leasing fees for photocopy machines and telecommunications equipment. The proceeds of the tax may also be used for capital improvement and repair of school sites, buildings and permanent attached fixtures, energy assessments as required pursuant to section 116H.126, and for the payment of any special assessments levied against the property of the district authorized pursuant to section 435.19 or any other law or charter provision authorizing assessments against publicly owned prop-

erty; provided that a district may not levy amounts to pay assessments for service charges, (INCLUDING BUT NOT LIMITED TO) *such as* those described in section 429.101, whether levied pursuant to that section or pursuant to any other law or home rule provision. The proceeds of the tax may also be used for capital expenditures (FOR THE PURPOSE OF REDUCING) *to reduce* or (ELIMINATING) *eliminate* barriers to or (INCREASING) *increase* access to school facilities by handicapped individuals. The proceeds of the tax may also be used to make capital improvements to schoolhouses to be leased pursuant to section 123.36, subdivision 10. *The proceeds of the tax may also be used to pay fees for capital outlay expenditures assessed and certified to each participating school district by the educational cooperative service unit board of directors.*

(c) Subject to the commissioner's approval, the tax proceeds may also be used to (RENT OR LEASE BUILDINGS FOR SCHOOL PURPOSES AND TO) acquire or construct buildings. The state board shall promulgate rules establishing the criteria to be used by the commissioner in approving and disapproving district applications requesting the use of capital expenditure tax proceeds for the (RENTING OR LEASING OF BUILDINGS FOR SCHOOL PURPOSES AND THE) acquisition or construction of buildings. The approval criteria for purposes of building acquisition and construction shall include: the appropriateness of the proposal (WITH RESPECT TO) *for* the district's long term needs; the availability of adequate existing facilities; and the economic feasibility of bonding because of the proposed building's size or cost.

(d) The board shall establish a fund in which the proceeds of this tax shall be accumulated until expended.

(e) The proceeds of the tax shall not be used for custodial or other maintenance services.

(f) *For each school year, subject to the seven mill limitation of clause (a) of this subdivision, a school district which operates an approved secondary vocational education program or an approved senior secondary industrial arts program may levy an additional amount of revenue equal to \$5 per pupil unit for capital expenditures for equipment for these programs.*

(g) For purposes of computing allowable levies under this subdivision and subdivision 11b, pupil units shall include those units identified in section 124.17, subdivision 1, clauses (1) and (2), and 98.5 percent of the units identified in Minnesota Statutes 1980, Section 124.17, Subdivision 1, Clauses (4) and (5) for 1980-1981.

Sec. 10. Minnesota Statutes 1981 Supplement, Section 275.-125, Subdivision 11b, is amended to read:

Subd. 11b. [SPECIAL PURPOSE CAPITAL EXPENDITURE LEVY.] (IN 1981 AND) *For each school year (THEREAFTER), in addition to the levy revenue authorized in subdivision 11a, a school district may levy an amount of revenue not to exceed the amount equal to \$25 per pupil unit. No levy under this clause shall exceed two mills times the applicable adjusted assessed valuation of the property in the district (FOR THE PRECEDING YEAR). The proceeds of the tax shall be placed in the district's capital expenditure fund and may be used only for the following:*

(a) for energy audits on district owned buildings conducted pursuant to chapter 116H, and for funding those energy conservation and renewable energy measures which the energy audits indicate will reduce the use of nonrenewable sources of energy to the extent that the projected energy cost savings will amortize the cost of the conservation measures within a period of ten years or less;

(b) for capital expenditures for the purpose of reducing or eliminating barriers to or increasing access to school facilities by handicapped persons;

(c) for capital expenditures to bring district facilities into compliance with the uniform fire code adopted pursuant to chapter 299F.

Sec. 11. Minnesota Statutes 1980, Section 275.48, is amended to read:

275.48 [ADDITIONAL TAX LEVIES IN CERTAIN MUNICIPALITIES.]

(WHENEVER) *When by virtue of chapter 278, sections 270.07, 375.192, or otherwise, the assessed valuation of (ANY) a city, township or school district for (ANY) a taxable year is reduced after the taxes for (SUCH) the year have been spread by the county auditor, and (WHENEVER) when the mill rate (AS) determined by the county auditor based (UPON) on the original assessed valuation is applied (UPON SUCH) on the reduced (VALUATIONS) valuation and does not produce the full amount of taxes (AS) actually levied and certified for (SUCH) that taxable year (UPON) on the original assessed (VALUATIONS) valuation, (SUCH) the city, township or school district may include an additional amount in its tax levy made following final determination and notice of (SUCH) the reduction in assessed valuation (, AN). The amount shall equal (TO) the difference between the total amount of taxes actually levied and certified for (SUCH) that taxable year upon the original assessed valuation, not exceeding the maximum amount which could be raised (UPON SUCH) on the assessed valuation as reduced, within existing mill limitations, if any, and the amount of taxes collected for (SUCH) that taxable year (UPON SUCH)*

on the reduced (VALUATIONS) valuation. The total tax levy authorized for a school district by this section shall be reduced by the total amount of any abatement adjustments received by the district pursuant to section 124.214, subdivision 2, in the same calendar year in which the levy is certified. (PRIOR TO SEPTEMBER 15 OF EACH YEAR, THE COMMISSIONER OF EDUCATION SHALL CERTIFY TO EACH COUNTY AUDITOR THE AMOUNT OF ANY ABATEMENT ADJUSTMENTS PAID IN THAT YEAR TO EACH SCHOOL DISTRICT IN THAT COUNTY.) As part of the certification required by section 275.125, subdivision 10, the commissioner of education shall certify the amount of the abatement levy limitation adjustment for each school district headquartered in that county.

Except for school districts, the amount of taxes so included shall be levied separately and shall be levied in addition to all limitations imposed by law; and further shall not result in any penalty in the nature of a reduction in state aid of any kind.

Sec. 12. [REPEALER.]

Minnesota Statutes 1980, Section 123.37, Subdivisions 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13 and 14, are repealed.

Sec. 13. [EFFECTIVE DATE.]

Section 7 of this article is effective the day following enactment.

ARTICLE V

VOCATIONAL EDUCATION

Section 1. Minnesota Statutes 1981 Supplement, Section 124.5624, Subdivision 3, is amended to read:

Subd. 3. [EQUIPMENT AID.] "Post-secondary vocational equipment aid" means state funds, exclusive of post-secondary vocational instructional aid, supply aid, support services aid, debt service aid, and repair and betterment aid apportioned by the state board for vocational education to local school districts, as necessary for the conduct of post-secondary vocational-technical training, for the purpose of:

- (a) acquisition or purchase of equipment or machinery;
- (b) betterment, as defined in section 475.51, of equipment or machinery; (AND)

(c) paying leasing fees for computer systems hardware and related proprietary software, photocopy machines and telecommunications equipment (,) ; and

(d) *renting or leasing buildings for school purposes*

(AS NECESSARY FOR THE CONDUCT OF POST-SECONDARY VOCATIONAL-TECHNICAL TRAINING).

Post-secondary vocational equipment aid shall be utilized solely for the purposes enumerated in this section.

Sec. 2. Minnesota Statutes 1981 Supplement, Section 124.5624, Subdivision 4, is amended to read:

Subd. 4. [BUDGETS; EQUIPMENT AID ALLOCATION.] Each AVTI shall submit a budget before (JANUARY 1, 1982, AND BEFORE) January 1 of each year (THEREAFTER) detailing estimated costs for the following fiscal year in each applicable component activity of the AVTI's operations for each of the following expenditure categories: acquisition of equipment or machinery, betterment of equipment or machinery and (RENTS AND LEASES) *renting or leasing buildings for school purposes*, for all instructional programs and support services, including special needs programs and related instruction. Each budget shall also include anticipated revenues from the sale of equipment and other capital goods. A budget submitted pursuant to this section shall not include any revenues or expenditures which are included in the computation of an AVTI's instructional program cost or in the AVTI's budgets for post-secondary vocational support services aid, supply aid, or repair and betterment aid. The department of education shall recommend an allocation of equipment aid in each applicable component activity of the AVTI's operations for each of the expenditure categories and a total allocation of equipment aid for each AVTI, after a review of each AVTI budget. The state board shall review the recommendations of the department, authorize an allocation of equipment aid for each AVTI, and detail recommended levels of spending in each component activity for each expenditure category, through the consolidated public hearing process prescribed in section 124.561, subdivision 3a.

Sec. 3. Minnesota Statutes 1981 Supplement, Section 124.5627, Subdivision 3, is amended to read:

Subd. 3. [REPAIR AND BETTERMENT AID.] (a) [DEFINITION.] "Post-secondary vocational repair and betterment aid" means state funds, exclusive of post-secondary vocational instructional aid, supply aid, support services aid, debt service aid, and equipment aid, apportioned by the state board for vocational education to local school districts for the purpose of reconstruction, improvement, remodeling and repair of the existing AVTI buildings and grounds, (AND RENTING OR

LEASING BUILDINGS FOR SCHOOL PURPOSES,) as necessary for the conduct of post-secondary vocational-technical training.

(b) [PROHIBITION.] Post-secondary vocational repair and betterment aid shall be utilized solely for the purposes enumerated in this section. The use of post-secondary vocational repair and betterment aid shall be governed by the provisions of section 121.21, subdivision 4a. Post-secondary vocational repair and betterment aid shall not be utilized for the acquisition or betterment of equipment or machinery.

Sec. 4. Minnesota Statutes 1981 Supplement, Section 124.5627, Subdivision 4, is amended to read:

Subd. 4. [BUDGETS; AID ALLOCATION.] Each AVTI shall submit a budget before (JANUARY 1, 1982 AND BEFORE) January 1 of each (SUBSEQUENT) year detailing estimated costs for the following fiscal year (FOR RENTS AND LEASES AND) for each repair and betterment project proposed by the AVTI. A budget submitted pursuant to this section shall not include any revenues or expenditures which are included in the computation of an AVTI's instructional program cost or in the AVTI's budgets for post-secondary vocational support services aid, supply aid, or equipment aid. The department of education shall recommend an allocation of repair and betterment aid (FOR RENTS AND LEASES AND) for each project proposed by the AVTI as well as a total allocation of repair and betterment aid for each AVTI, after a review of each AVTI budget. The state board shall review the recommendations of the department, authorize an allocation of repair and betterment aid for each AVTI, and detail recommended levels of spending (FOR RENTS AND LEASES AND) for each project proposed by the AVTI, through the consolidated public hearing process prescribed in section 124.561, subdivision 3a. The amount of each AVTI's estimated net positive unappropriated capital fund balance, as of June 30 of the fiscal year during which allocations are made, shall be taken into account by the state board in making these allocations. The allocation of post-secondary vocational repair and betterment aid by the state board shall not constitute approval of a project by the state board for the purposes of section 121.21, subdivision 4a.

Sec. 5. Minnesota Statutes 1981 Supplement, Section 124.5627, Subdivision 5, is amended to read:

Subd. 5. [REPORT.] Before (AUGUST 1, 1982 AND BEFORE) August 1 of each (SUBSEQUENT) year, the commissioner shall issue a report on the repair and betterment aid allocation to each AVTI. This report shall include recommended aid allocations (FOR RENTS AND LEASES AND) for each repair and betterment project proposed by an AVTI and an explanation comparing the amount of the authorized repair

and betterment aid allocation to the budget submitted for each AVTI. The fund balances used by the state board in determining the repair and betterment aid allocation shall be included.

These reports shall be transmitted to the education committees of the legislature and to the directors of the AVTI's.

Sec. 6. [EFFECTIVE DATE.]

Sections 1 to 5 of this article are effective the day following final enactment.

ARTICLE VI
MISCELLANEOUS

Section 1. [120.84] [PERMANENT SCHOOL FUND ADVISORY COMMITTEE.]

A state permanent school fund advisory committee is established to advise the department of natural resources on the management of permanent school fund land, which is held in trust for the school districts of the state. The advisory committee shall consist of the following persons or their designees: the chairpersons of the education committees of the legislature, the commissioner of education, one superintendent from a non-metropolitan district, and one superintendent from a metropolitan area district. The school district superintendents shall be appointed by the commissioner of education.

The advisory committee shall review the department of natural resources policies on management of school trust fund lands and shall recommend necessary changes in policy and implementation in order to ensure provident utilization of the permanent school fund lands.

Sec. 2. Minnesota Statutes 1980, Section 121.11, Subdivision 12, is amended to read:

Subd. 12. [ADMINISTRATIVE (REGULATIONS) RULES.] The state board shall (HAVE POWER FROM TIME TO TIME TO MAKE) *adopt* and enforce (SUCH) rules (AND REGULATIONS), consistent with this code, (AS MAY BE) appropriate for the administration and enforcement thereof. *Notwithstanding the provisions of section 15.0412, subdivision 1a, the state board may grant a variance to its rules upon application by a school district for purposes of implementing experimental programs in learning or school management which attempt to make better use of community resources or available technology.*

Sec. 3. Minnesota Statutes 1980, Section 121.908, Subdivision 3, is amended to read:

Subd. 3. Prior to June 30 of the calendar year following the submission of the unaudited financial statement, the school district shall provide to the commissioner and state auditor an audited financial statement prepared in a form which will allow comparison with and correction of *material differences in the unaudited statement.*

Sec. 4. Minnesota Statutes 1980, Section 121.912, Subdivision 2, is amended to read:

Subd. 2. As used in this section, "operating fund" and "non-operating fund" shall have the meanings specified in the uniform financial accounting and reporting standards for Minnesota school districts. Any transfer for a period in excess of (ONE YEAR) *two years* shall be deemed to be a permanent transfer.

Sec. 5. Minnesota Statutes 1980, Section 121.912, Subdivision 3, is amended to read:

Subd. 3. For the purposes of this section, a permanent transfer includes creating a deficit in a nonoperating fund *which is covered by moneys in an operating fund for a period of time past the end of the (CURRENT) fiscal year following the fiscal year (WHICH IS COVERED BY MONEYS IN AN OPERATING FUND) in which the deficit is created.*

Sec. 6. Minnesota Statutes 1980, Section 122.90, Subdivision 1, is amended to read:

Subdivision 1. After July 1, 1977, no referendum for bonds or solicitation of bids for construction of (AN) *(a) a post-secondary vocational educational facility which requires a capital expenditure in excess of \$400,000, or (b) an educational facility to be financed with a capital loan pursuant to sections 124.36 to 124.47,* shall be initiated prior to review and comment by the commissioner. No school board shall separate portions of a single project into components in order to evade the cost limitation of this section. (ANY CONSTRUCTION PROJECT FOR WHICH BONDS HAVE BEEN AUTHORIZED BY REFERENDUM OR LEGISLATIVE ACT OR FOR WHICH BIDS HAVE BEEN SOLICITED PRIOR TO JULY 1, 1977, SHALL BE CONSIDERED TO HAVE BEEN INITIATED PRIOR TO JULY 1, 1977 FOR PURPOSES OF THIS SECTION.)

Sec. 7. Minnesota Statutes 1980, Section 123.37, Subdivision 1b, is amended to read:

Subd. 1b. Notwithstanding the provisions of subdivision 1 or section 471.345, a contract for the transportation of school children, *or for the purchase of petroleum heating fuel or fuel for district owned vehicles* may be made by direct negotiation, by obtaining two or more written quotations for the service when

possible, or upon sealed bids. At least 30 days before awarding a directly negotiated contract, the school district shall, by published notice, request quotations for the service to be provided. All quotations obtained shall be kept on file for a period of at least one year after receipt thereof. If a contract is made by direct negotiation, negotiations shall be open to the public. If a contract is made upon sealed bids, the procedure for advertising and awarding bids shall conform to the provisions of subdivision 1 except as otherwise provided in this subdivision.

Notwithstanding the provisions of subdivision 1 or section 574.26, a performance bond shall be required of a contractor on a contract for the transportation of school children only when and in the amount deemed necessary by and at the discretion of the school board.

Sec. 8. Minnesota Statutes 1981 Supplement, Section 123.35, is amended by adding a subdivision to read:

Subd. 9a. [SUMMER SCHOOL CLASSES.] The board may establish and maintain summer school programs and inter-session classes of flexible school year programs.

Sec. 9. Minnesota Statutes 1981 Supplement, Section 123.702, Subdivision 1, is amended to read:

Subdivision 1. (EVERY) A school board (SHALL) *may* provide for a voluntary health and developmental screening program for children once before entering kindergarten. This screening program (SHALL) *may* be established either by one board, by two or more boards acting in cooperation, by educational cooperative service units, by early childhood and family education programs, or by other existing programs. *To qualify for aid pursuant to section 123.705, the screening program shall comply with the requirement of sections 123.701 to 123.704.* No school board may make this screening examination a mandatory prerequisite to enroll a student.

Sec. 10. Minnesota Statutes 1981 Supplement, Section 123.702, Subdivision 1a, is amended to read:

Subd. 1a. (THE) A screening (PROGRAMS) *program* shall include at least the following components to the extent the school board determines they are financially feasible: developmental assessments, hearing and vision screening, *and* the review of health history and immunization status (AND NUTRITIONAL AND PHYSICAL ASSESSMENTS. THE SCHOOL BOARD MAY ALSO PROVIDE ADDITIONAL COMPONENTS, INCLUDING LABORATORY TESTS OR DENTAL ASSESSMENTS, IN THE SCREENING PROGRAM). All screening components shall be consistent with the standards of the state commissioner of health for early and periodic screening pro-

grams. No child shall be required to submit to any component of this screening program to be eligible for any other component. No screening program shall provide (LABORATORY TESTS,) a health history (OR A PHYSICAL EXAMINATION) to any child who has been provided (WITH THOSE LABORATORY TESTS OR) a health history (OR PHYSICAL EXAMINATION) within the previous 12 months. The school district shall request the results of any (LABORATORY TEST,) health history (OR PHYSICAL EXAMINATION) within the 12 months preceding a scheduled screening clinic.

Sec. 11. Minnesota Statutes 1981 Supplement, Section 123.705, is amended to read:

123.705 [STATE AID.]

The department of education shall pay each school district for the cost of screening services provided pursuant to sections 123.701 to 123.705. The payment shall not exceed \$28 per child screened in fiscal year 1982 and (\$29) \$15 per child screened in fiscal year 1983. Any district may request and receive an advance payment equal to 50 percent of its estimated payment for screening eligible children.

Sec. 12. Minnesota Statutes 1980, Section 123.741, Subdivision 1, is amended to read:

Subdivision 1. The school board of each school district in the state shall develop and adopt a written educational policy which establishes educational goals for the district, a process for achieving these goals, and procedures for evaluating and reporting progress toward the goals. The school board shall review this policy (EACH) *every third year* and adopt revisions which it deems desirable. School boards are encouraged to develop this school district policy and any revisions after consultation with the staff of each school building. In formulating the policy, the school board of a district is encouraged to consider: (a) the number of dropouts of school age in the district and the reasons for the dropouts; (b) existing programs within the district for dropouts and potential dropouts and (c) program needs of dropouts and potential dropouts.

Sec. 13. Minnesota Statutes 1980, Section 124.19, Subdivision 1, is amended to read:

Subdivision 1. Every district which receives special state aid shall maintain school *in session* or provide instruction in other districts, in state university laboratory school or in the university laboratory school, *for at least* (A MINIMUM TERM AS DEFINED BY THE STATE BOARD. THE NORMAL SCHOOL YEAR WHEN SCHOOL IS IN SESSION SHALL BE NOT LESS THAN) 175 days, *not including summer school,* or (THEIR) *the equivalent* in a district operating a flexible

school year program. A district which holds school for (THAT PERIOD) *the required minimum number of days* and is otherwise qualified is entitled to special state aid as *provided* by law (PROVIDED). If school is *not* held (A LESS PERIOD SUCH SPECIAL) *for the required minimum number of days, special* state aid shall be reduced by the ratio that the difference between 175 days and the number of days school is held bears to 175 days, multiplied by 60 percent of the product of the (DISTRICT'S) foundation aid formula allowance times its pupil units for that year (; BUT). *However*, districts maintaining (LESS) *school for fewer* than the required minimum number of days (OF SCHOOL IN SESSION) do not lose special state aid, if the circumstances causing (SUCH) loss of school (TIME) *days* below the required minimum number of days (WERE) *are* beyond the control of the board and (PROVIDED), *if* proper evidence (HAS BEEN) *is* submitted and a good faith attempt made to make up time lost on account of these circumstances. *The loss of school days resulting from a lawful employee strike shall not be considered a circumstance beyond the control of the board.* Days devoted to teachers' institutes or other meetings authorized or called by the commissioner may not be included as part of the required minimum number of days of school (IN SESSION). (EFFECTIVE THE 1979-1980 SCHOOL YEAR,) Not more than five days may be devoted to parent-teacher conferences or teachers' workshops as part of the required minimum number of days (SCHOOL IS IN SESSION), except that, for kindergarten classes, not more than ten days may be devoted to parent-teacher conferences or teachers' workshops as part of the required minimum number of days (SCHOOL IS IN SESSION).

Sec. 14. Minnesota Statutes 1980, Section 124.19, is amended by adding a subdivision to read:

Subd. 5. (a) It is the intention of the legislature to encourage efficient and effective use of staff and facilities by school districts. School districts are encouraged to consider both cost and energy saving measures.

(b) Notwithstanding the provisions of subdivision 1 or 4, any district, including a district operating a program pursuant to sections 120.59 to 120.68, may adjust the annual school schedule throughout the calendar year so long as the number of instructional hours in the year is not less than the numbers specified in the rules of the state board.

Sec. 15. Minnesota Statutes 1981 Supplement, Section 124.38, Subdivision 7, is amended to read:

Subd. 7. "Maximum effort debt service levy" means the lesser of:

(1) A levy in whichever of the following amounts is applicable:

(a) In any school district granted a debt service loan after July 31, 1981 or granted a capital loan which is approved after July 31, 1981, a levy in a total dollar amount computed as 16 mills on the adjusted assessed value;

(b) In any school district granted a debt service loan before August 1, 1981 or granted a capital loan which was approved before August 1, 1981, a levy in a total dollar amount computed as 15 mills on the adjusted assessed value, until and unless the district receives an additional loan; or

(2) A levy in whichever of the following amounts is applicable:

(a) In any school district which received a debt service or capital loan from the state before January 1, 1965, a levy in a total dollar amount computed as 4.10 mills on the market value in each year, unless the district applies or has applied for an additional loan subsequent to January 1, 1965, or issues or has issued bonds on the public market, other than bonds refunding state loans, subsequent to January 1, 1967;

(b) In any school district granted a debt service or capital loan between January 1, 1965, and July 1, 1969, a levy in a total dollar amount computed as 5-1/2 mills on the market value in each year, until and unless the district receives an additional loan;

(c) In any school district granted a debt service or capital loan between July 1, 1969 and July 1, 1975, a levy in a total dollar amount computed as 6.3 mills on market value in each year until and unless the district has received an additional loan;

(d) In any school district (GRANTED) *in which* a capital loan (BETWEEN JULY 1, 1977 AND JUNE 2, 1981) *was approved prior to August 1, 1981*, a levy in a total dollar amount equal to the sum of the amount of the required debt service levy and an amount which when levied annually will in the opinion of the commissioner be sufficient to retire the remaining interest and principal on any outstanding loans from the state within 30 years of the original date when the capital loan was granted; provided, that the school board in any district affected by the provisions of clause (2) (d) may elect instead to determine the amount of its levy according to the provisions of clause (1); provided further that if a district's capital loan is not paid within 30 years because it elects to determine the amount of its levy according to the provisions of clause (2) (d), the liability of the district for the amount of the difference between the amount it levied under clause (2) (d) and the amount it would have levied under clause (1), and for interest on the amount of that difference, shall not be satisfied and discharged pursuant to section 124.43, subdivision 4.

Sec. 16. Minnesota Statutes 1981 Supplement, Section 125.-611, Subdivision 5, is amended to read:

Subd. 5. [SCHOOL BOARD APPLICATION; LIMIT.] If the school board approves the teacher's application, the board shall apply to the commissioner of education for authorization to enter into a contract with the teacher for termination of his services and payment of an early retirement incentive. The school board's application shall be submitted on the form required by the commissioner and must be received by the commissioner by the March 15 immediately following the school board's approval of the teacher's application. The commissioner of education shall establish procedures for applications pursuant to this subdivision and shall approve or disapprove applications pursuant to this subdivision within the limits of the appropriation for the purposes of this section. The commissioner shall approve no more than 500 applications for early retirement incentives for teachers retiring at the end of each school year.

If more applications are received than can be approved within this limit, the commissioner may decide which applications to approve according to the order of receipt, a method ensuring participation by teachers from the maximum possible number of districts, random allotment or any combination of these methods. *If the number of applications submitted by February 1 and approved by the commissioner is less than 500 and is within the limits of the appropriation, additional applications submitted after February 1 may be considered for approval by the school board and commissioner according to the order of receipt.*

Applications pursuant to this subdivision shall include the annual salaries which would be paid to the teachers for whom the applications are made if they did not retire and any other information required by the commissioner of education.

Sec. 17. Minnesota Statutes 1981 Supplement, Section 136A.-81, Subdivision 1, is amended to read:

Subdivision 1. [FEES AND TUITION.] Except for an administration fee of \$6 a credit hour, to be collected only when a course is taken for credit, a senior citizen who is a legal resident of Minnesota is entitled without payment of tuition or activity fees to attend courses offered for credit (OR), audit any courses offered for credit, *or enroll in any noncredit adult vocational education courses* in any state supported institution of higher education in Minnesota when space is available after all tuition-paying students have been accommodated. *For the purposes of sections 136A.80 and 136A.81, the term "noncredit adult vocational education courses" shall not include those adult vocational education courses designed and offered specifically and exclusively for senior citizens.* Senior citizens enrolled under the provisions of sections 136A.80 and 136A.81 shall not be included by such institutions in their computation of full time equivalent

students when requesting staff or appropriations. The enrollee shall pay laboratory or material fees.

Sec. 18. Minnesota Statutes 1980, Section 475.61, Subdivision 4, is amended to read:

Subd. 4. All such taxes shall be collected and remitted to the municipality by the county treasurer as other taxes are collected and remitted, and shall be used only for payment of the obligations on account of which levied or to repay advances from other funds used for such payments, except that any surplus remaining in the debt service fund when the obligations and interest thereon are paid may be appropriated to any other general purpose by the municipality. However, the amount of any surplus remaining in the debt service fund of a school district when the obligations and interest thereon are paid shall be used to reduce the maintenance levy authorized pursuant to section 275.125, subdivision 2a *except that from the effective date of this section of this article to June 30, 1983, a school district which has discontinued its levy for debt service may transfer to its general fund the amount of any surplus remaining in its debt service fund when the obligations and interest thereon are paid or when an escrow account for defeasance of the entire amount of the obligations and interest thereon has been established.*

Sec. 19. Laws 1981, Chapter 358, Article 7, Section 29, as amended by Laws 1981, Third Special Session Chapter 1, Article I, Section 10, is amended to read:

Sec. 29. [EXEMPTION FROM PUBLIC SALE.]

Notwithstanding Minnesota Statutes, Section 124.76, from June 1, 1981 until June 30, 1983, the requirements as to public sale of tax and aid anticipation certificates of indebtedness shall not apply to certificates which mature no later than (SIX) 12 months after their date of issue. The interest rate on these certificates may be determined by direct negotiation.

Sec. 20. Laws 1981, Third Special Session Chapter 2, Article II, Section 1, is amended to read:

Section 1. [EDUCATION AID REDUCTIONS; SUMMARY.]

The sums set forth in the columns designated "APPROPRIATION REDUCTIONS" are reduced from the general fund appropriations to the department of education. The figures "1982" and "1983" when used in (SECTION 2 OF THIS ARTICLE) *Laws 1981, Third Special Session Chapter 2, Article II, Section 2*, mean that the appropriation reductions listed are from the appropriations for the fiscal years ending June 30, 1982 or June 30, 1983, respectively.

Sec. 21. [DEPARTMENT OF NATURAL RESOURCES;
LEASING POLICY.]

By February 1, 1983, the department of natural resources shall submit a report to the education committees of the legislature on its policy for the leasing of permanent school fund land.

SUMMARY OF REDUCTIONS

	1982	1983
EDUCATION AIDS	((-0-)	(\$160,900,000))
	(\$22,500)	(\$160,877,500)

APPROPRIATION REDUCTIONS

	1982	1983
Sec. 22. Laws 1981, Third Special Session Chapter 2, Article II, Section 2, is amended to read:		

Sec. 2. [APPROPRIATION REDUCTIONS.]

The general fund appropriations in Laws 1981, Chapter 358, as amended by Laws 1981, First Special Session, Chapter 2, are reduced by the listed amounts. The appropriation reductions in this section are from the portion of the appropriation provided for the current year and not from the portion of the appropriation provided for the prior year.

(a) Foundation Aid	(-0-)	(\$68,481,500)
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The appropriation reduction in paragraph (a) represents four and nine-tenths percent of the formula allowance for foundation aid for fiscal year 1983 payable in fiscal year 1983, plus a reduction due to the one mill levy increase authorized by this article.

(b) Summer School	(-0-)	(12,066,400)
(c) Transportation Aid	(-0-)	((34,655,400))
		(32,930,400)

The appropriation reduction in paragraph (c) represents: (1) *the product of: (i) the sum of the appropriation provided for fiscal year*

	1982	1983
	\$	\$
<p>1983 payable in fiscal year 1983 in Laws 1981, Chapter 358, Article II, Section 15, Subdivision 2, as amended by Laws 1981, First Special Session, Chapter 2, Section 9, Subdivision 2; plus ((2)) the proceeds of the (TWO-MILL) <i>one-mill</i> levy authorized by (THIS ARTICLE) <i>section 275.125, subdivision 5</i>; times ((3)) <i>(ii) seven and one-half percent plus (2) a reduction due to the one-mill levy increase authorized by Laws 1981, Third Special Session Chapter 2, Article IV, Section 12, Subdivision 3.</i></p>		
(d) Special Education Aid	(-0-)	(7,076,000)
<p>The appropriation reductions in paragraphs (d) to (k) represent seven and one-half percent of the appropriations provided for fiscal year 1983 payable in fiscal year 1983 in Laws 1981, Chapter 358, as amended by Laws 1981, First Special Session, Chapter 2.</p>		
(e) Summer School Special Education Aid	(-0-)	(366,500)
(f) Handicapped Pupils Placed in Residential Facilities	(-0-)	(47,300)
(g) Limited English Proficiency Pupils Program Aid	(-0-)	(251,600)
(h) American Indian Language and Culture Program	(-0-)	(33,500)
(i) Hearing Impaired Support Services Aid	(-0-)	(3,000)
(j) Adult Education Aid	(-0-)	(84,600)
(k) Community Education Aid	(-0-)	(240,000)
(l) Post-Secondary Vocational Instructional Aids	(-0-)	(3,949,900)

	1982	1983
	\$	\$
<p>The appropriation reductions in paragraphs (l) to (p) represent eight percent of the appropriations provided for fiscal year 1983 payable in fiscal year 1983 in Laws 1981, Chapter 358.</p>		
(m) Post-Secondary Vocational Supply Aid	(-0-)	(1,186,300)
(n) Post-Secondary Vocational Support Services Aid	(-0-)	(1,215,300)
(o) Post-Secondary Vocational Equipment Aid	(-0-)	(729,600)
(p) Post-Secondary Vocational Repair and Betterment Aid	(-0-)	(95,200)
(q) Adult Vocational Education Aid	(-0-)	(481,400)

The appropriation reductions in paragraphs (q) to (ll) represent a reduction of seven and one-half percent of the appropriations provided for fiscal year 1983 payable in fiscal year 1983 in Laws 1981, Chapter 358.

(r) Adult Vocational Programs in Energy Management for Building Operators	(-0-)	(3,300)
(s) Veteran Farmers Cooperative Training Programs	(-0-)	(44,200)
(t) Secondary Vocational Education Aid	(-0-)	(1,348,300)
(u) Secondary Vocational Programs for Handicapped Children	(-0-)	(159,700)
(v) Health and Developmental Screening Programs	(-0-)	(80,600)
(w) Abatement Aid	(-0-)	(224,100)
(x) Capital Expenditure Equalization Aid	(-0-)	(28,200)

	1982	1983
	\$	\$
(y) Special Purpose Capital Expenditure Equalization Aid	(-0-)	(4,400)
(z) Educational Cooperative Service Units	(-0-)	(57,700)
(aa) Gifted and Talented Students	(-0-)	(40,800)
(bb) Alternative Grants	(-0-)	(11,300)
(cc) Council on Quality Education Venture Fund Grants ...	(-0-)	(38,300)
(dd) Early Childhood and Family Education Programs	(-0-)	(95,600)
(ee) Basic Support Grants for Library Services	(-0-)	(273,000)
(ff) Multi-County Library Systems	(-0-)	(11,600)
(gg) Nonpublic Educational Aids	(-0-)	(288,600)
(hh) Indian Education Programs	(-0-)	(11,300)
(ii) Chemical Use Programs ...	(-0-)	(62,000)
(jj) Extended Leaves of Absence	(-0-)	(118,100)
(kk) Part-time Teaching	(-0-)	(5,700)
(ll) Early Retirement Incentives	(-0-)	(135,400)
(mm) <i>Improved Learning Program</i>	(22,500)	(-0-)

The appropriation reduction in paragraph (mm) represents a reduction of seven and one-half percent of the appropriation provided for fiscal year 1982 in Laws 1981, Chapter 358, Article VI, Section 46, Subdivision 19.

	1982	1983
	\$	\$
(nn) General Reduction	(-0-)	((26,894,300))
		(28,596,800)

The commissioner of education shall apportion the reduction in paragraph ((MM)) (nn) among school districts, public library systems, multi-type library systems, and educational cooperative service units (, AND REGIONAL MANAGEMENT INFORMATION SYSTEMS) in the same manner in which he apportioned the education aid reductions made in fiscal year 1981 pursuant to Minnesota Statutes 1980, Sections 16A.15, Subdivision 1, and 124.77, because funds in the state treasury were insufficient.

Sec. 23. Laws 1981, Third Special Session Chapter 2, Article II, Section 15 is amended to read:

Sec. 15. [REPAYMENT BY END OF FISCAL YEAR.]

Notwithstanding any law to the contrary, by June 30, 1982, the commissioner of finance shall draw warrants in favor of school districts, public library systems, multi-type library systems, educational cooperative service units or regional management information systems for any of the state aids, payments, reimbursements and fund transfers that were suspended by the commissioner of education pursuant to section 13. *In the event moneys become available for partial repayment of suspended aid payments, reimbursements, and fund transfers before June 30, 1982, the commissioner may consider the cash flow needs of the individual recipients in determining which suspended amounts shall be repaid before June 30, 1982.*

Sec. 24. Laws 1981, Third Special Session Chapter 2, Article II, Section 20, is amended to read:

Sec. 20. [EFFECTIVE DATE.]

Sections 1 to 9 and 11 to 19 are effective the day following final enactment. Section 10 is effective (FOR LEVIES CERTIFIED IN 1982 PAYABLE 1983) *on July 1, 1982.*

Sec. 25. [PAYMENT OF INTEREST.]

The state shall pay interest on any state aids, payments, reimbursements or fund transfers suspended pursuant to Laws 1981, Third Special Session Chapter 2, Article II, Section 13 and which have not been repaid by April 15, 1982. Interest shall begin to accrue on April 15, 1982 and shall be calculated on a daily basis as simple interest on any balance remaining unpaid at a rate equal to the rate of interest on the most recent sale of certificates of indebtedness by the commissioner of finance prior to April 15, 1982, pursuant to Minnesota Statutes 1981 Supplement, Section 16A.671.

Sec. 26. [FINDINGS.]

The legislature finds that many school districts are or will be experiencing financial difficulties during this biennium because of reductions in state aids, suspensions in state aid payment and the change in tax revenue recognition. The legislature further finds that many school districts have moneys in their capital expenditure funds in excess of their reasonably anticipated needs. It is the desire of the legislature to provide increased flexibility to the school districts to alleviate the impact of the present financial difficulties.

Sec. 27. [TRANSFER FROM CAPITAL EXPENDITURE FUND.]

Notwithstanding the provisions of section 275.125, subdivision 11a or any other law to the contrary, a school district may permanently transfer an amount not to exceed \$50 per pupil unit from the capital expenditure fund to the general fund of the district. The transfer shall be made before June 30, 1983.

Sec. 28. [APPROPRIATION REDUCTION; PRE-SCHOOL SCREENING.]

The general fund appropriation for fiscal year 1983 for health and developmental screening programs in Laws 1981, Chapter 358, Article VI, Section 46, Subdivision 2, as reduced by Laws 1981, Third Special Session Chapter 2, Article II, Section 2, is further reduced by \$416,000.

Sec. 29. [REPEALER.]

Minnesota Statutes 1980, Section 128.05; Laws 1967, Chapters 251 and 253; and Laws 1976, Chapter 20, Section 8, are repealed.

Sec. 30. [EFFECTIVE DATE.]

Sections 4, 7, 14, 17, 21, 22, 23, 24, 25 and 29 are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to education; providing for aids to education, tax levies, and the distribution of tax revenues; governing the recognition of school district property tax revenues and the computation of levies; granting certain powers and duties to school districts, the state board of education, and others; altering the method of distribution of transportation aid; altering aids for summer school; repealing certain administrative rules; reducing certain appropriations; appropriating money; amending Minnesota Statutes 1980, Sections 120.17, Subdivision 4a; 121.11, Subdivision 12; 121.908, Subdivision 3; 121.912, Subdivisions 2 and 3; 122.90, Subdivision 1; 123.37, Subdivision 1b; 123.741, Subdivision 1; 123.78, Subdivision 1; 124.19, Subdivision 1, and by adding a subdivision; 124.213, Subdivision 2; 124.32, Subdivisions 7 and 10; 126.262, Subdivision 1; 126.264, Subdivision 3; 126.265; 126.267; 134.34, by adding a subdivision; 275.125, Subdivision 1a, as added; 275.125, Subdivisions 2a, 2d, 2e, 5, as amended, 6b, 6c, 7a, 7c, 9, 19, 20, and by adding subdivisions; 275.48; 298.28, Subdivision 1; 475.-61, Subdivision 4; Minnesota Statutes 1981 Supplement, Sections 120.17, Subdivisions 5a and 6; 121.904, Subdivisions 4 and 7; 122.531, Subdivision 6; 122.542, Subdivisions 3 and 4; 123.35, by adding a subdivision; 123.702, Subdivisions 1 and 1a; 123.-705; 124.01, Subdivision 1; 124.17, Subdivision 2; 124.2121, Subdivisions 2, 4, and 5, as amended; 124.2122, Subdivisions 1, and 2, as amended; 124.2123, Subdivisions 1, 3, and by adding a subdivision; 124.2124, Subdivisions 1, as amended, and 3; 124.2125, Subdivision 1, as amended; 124.2126, Subdivision 3; 124.2128, Subdivisions 1 and 5; 124.2129, Subdivision 3, and by adding a subdivision; 124.213, Subdivision 2; 124.223; 124.-225, as amended; 124.245, Subdivisions 1 and 1a; 124.251; 124.271, Subdivision 2a; 124.32, Subdivisions 1, 1a, and 5; 124.38, Subdivision 7; 124.5624, Subdivisions 3 and 4; 124.5627, Subdivisions 3, 4, and 5; 125.611, Subdivision 5; 136A.81, Subdivision 1; 275.125, Subdivisions 8 and 11b; Laws 1981, Chapter 358, Article II, Section 15, Subdivision 3; Article VII, Section 29, as amended; Third Special Session Chapter 2, Article II, Sections 1, 2, 15, and 20; Article IV, Sections 3, Subdivisions 2 and 3; 5, Subdivision 3, and by adding a subdivision; proposing new law coded in Minnesota Statutes, Chapters 120 and 124; repealing Minnesota Statutes 1980, Sections 121.904, Subdivisions 4a and 4b, as added; 121.96; 123.37, Subdivisions 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13 and 14; 128.05; Laws 1967, Chapters 251 and 253; and Laws 1976, Chapter 20, Section 8."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 2136, 342, 612, 716, 773, 950, 1220, 1234, 1456, 1459, 1469, 1492, 1499, 1547, 1558, 1625, 1646, 1663, 1685, 1687, 1700,

1701, 1725, 1768, 1791, 1795, 1799, 1812, 1830, 1832, 1852, 1863, 1902, 1920, 1941, 1948, 1967, 1975, 1993, 1994, 2005, 2011, 2057, 2058, 2059, 2066, 2068, 2077, 2078, 2079, 2134, 2170 and 2175 were read for the second time.

SECOND READING OF SENATE BILLS

S. F. Nos. 709 and 233 were read for the second time.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced :

Rees introduced :

H. F. No. 2186, A bill for an act relating to retirement; directing recalculation of certain annuities and benefits paid by the public employees retirement association; appropriating funds.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Rees introduced :

H. F. No. 2187, A bill for an act relating to economic development; transferring the duties of the securities and real estate division under the municipal industrial development act to the department of energy, planning and development; appropriating money; amending Minnesota Statutes 1980, Section 474.01, Subdivisions 7a and 7b; Minnesota Statutes 1981 Supplement, Sections 474.01, Subdivision 7; and 474.03.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Brandl, Samuelson, Wynia, Hokr and Laidig introduced :

H. F. No. 2188, A bill for an act relating to public welfare; providing for a mechanism in the program of aid to families with dependent children to minimize certain recipients' incentives to quit work; amending Minnesota Statutes 1980, Section 256.74, Subdivision 1, as amended.

The bill was read for the first time and referred to the Committee on Health and Welfare.

Metzen introduced :

H. F. No. 2189, A bill for an act relating to the city of South St. Paul; giving the city the powers of a port authority.

The bill was read for the first time and referred to the Committee on Local and Urban Affairs.

Carlson, L., introduced :

H. F. No. 2190, A bill for an act relating to education; allowing the immigration history research center to use donated services or donated property to meet its matching requirements; amending Laws 1981, Chapter 359, Section 9, Subdivision 12.

The bill was read for the first time and referred to the Committee on Appropriations.

Kelly introduced :

H. F. No. 2191, A bill for an act relating to Ramsey County; providing for the cost of water systems at the county medical facility.

The bill was read for the first time and referred to the Committee on Local and Urban Affairs.

Niehaus introduced :

H. F. No. 2192, A bill for an act relating to taxation; property; interest rates on delinquent taxes; amending Minnesota Statutes 1980, Section 278.08; and Minnesota Statutes 1981 Supplement, Sections 277.15 and 279.03.

The bill was read for the first time and referred to the Committee on Taxes.

Niehaus introduced :

H. F. No. 2193, A bill for an act relating to state lands; conveyance; authorizing the conveyance by the state of certain land in the county of Stearns.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Carlson, L., and Heap introduced :

H. F. No. 2194, A bill for an act relating to elections; fixing expenditure limits for campaigns for certain offices; amending Minnesota Statutes 1980, Section 210A.22.

The bill was read for the first time and referred to the Committee on Reapportionment and Elections.

Norton, Byrne and Hanson introduced :

H. F. No. 2195, A bill for an act relating to local government; providing for the economic development of University Avenue in the cities of Minneapolis and St. Paul; creating an authority to develop and implement transit, housing, and economic development projects; authorizing bonding; providing for a tax levy, special assessments, and eminent domain; appropriating money.

The bill was read for the first time and referred to the Committee on Local and Urban Affairs.

Stumpf, Eken, Ogren and Shea introduced :

H. F. No. 2196, A bill for an act relating to highway traffic regulations; authorizing ambulances equipped with studded tires to use the public highways between certain dates; amending Minnesota Statutes 1980, Section 169.72, Subdivision 1.

The bill was read for the first time and referred to the Committee on Transportation.

Stumpf, Ogren, Shea and Kalis introduced :

H. F. No. 2197, A bill for an act relating to taxation; reducing the rate of capitalization of rent to be applied to agricultural land; establishing a procedure for determining farm rental values; amending Minnesota Statutes 1981 Supplement, Section 273.11, Subdivision 7.

The bill was read for the first time and referred to the Committee on Taxes.

Peterson, D.; Anderson, I.; Minne; Evans and Schreiber introduced:

H. F. No. 2198, A bill for an act relating to taxation; allowing disclosure of private data to permit vendor processing of income and sales tax returns; amending Minnesota Statutes 1980, Section 297A.43; and Minnesota Statutes 1981 Supplement, Section 290.61.

The bill was read for the first time and referred to the Committee on Judiciary.

Minne; Peterson, D.; Haukoos and Osthoff introduced:

H. F. No. 2199, A bill for an act relating to elections; recodifying municipal elections law; amending Minnesota Statutes 1980, Sections 205.02; 205.07, Subdivision 1; 205.13, as amended; 205.16; 205.17, as amended; 205.20, as amended; and 205.84; Minnesota Statutes 1981 Supplement, Section 205.10; proposing new law coded in Minnesota Statutes, Chapter 205; repealing Minnesota Statutes 1980, Sections 205.021; 205.04; 205.11, Subdivisions 1, 2, 3, 4 and 5; 205.14, Subdivisions 1, 2 and 3; 205.18; and 205.19; and Minnesota Statutes 1981 Supplement, Sections 205.03; 205.10; 205.11, Subdivision 4a; 205.121; 205.14, Subdivision 4; and 205.15.

The bill was read for the first time and referred to the Committee on Reapportionment and Elections.

Kahn, Tomlinson, Himle, Hanson and Anderson, I., introduced:

H. F. No. 2200, A bill for an act relating to taxation; extending the research and development credit to certain contributions; amending Laws 1981, Third Special Session Chapter 2, Article III, Section 6, Subdivisions 1 and 2.

The bill was read for the first time and referred to the Committee on Taxes.

Erickson and Wenzel introduced:

H. F. No. 2201, A bill for an act relating to education; establishing a minimum number of hours within six years for an adult farm management program; authorizing additional instructional hours if the individual pays the cost of the instruction; amending Minnesota Statutes 1980, Section 124.572, by adding a subdivision; repealing Minnesota Statutes 1980, Section 124.572, Subdivision 9.

The bill was read for the first time and referred to the Committee on Education.

Osthoff, Kvam and Ludeman introduced:

H. F. No. 2202, A bill for an act proposing an amendment to the Minnesota Constitution Article IV, Section 23; Article V, Sections 1, 3, and 4; Article VII, Section 8; Article VIII, Section 2; Article XI, Sections 6, 7, 8, and 10; and Article XIII, Section 11; abolishing the offices of secretary of state, state treasurer and state auditor.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Weaver, Fjoslien and Heinitz introduced:

H. F. No. 2203, A bill for an act relating to waters; changing the place for filing lists and maps of wetlands; prohibiting the commissioner of natural resources from requiring certain surveys; amending Minnesota Statutes 1980, Sections 105.391, Subdivision 1; and 105.44, Subdivision 1.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

Weaver introduced:

H. F. No. 2204, A bill for an act relating to tort claims against the state; clarifying certain excluded liability; amending Minnesota Statutes 1980, Section 3.736, Subdivision 3.

The bill was read for the first time and referred to the Committee on Judiciary.

Welch; Hauge; Anderson, B., and Evans introduced:

H. F. No. 2205, A bill for an act relating to taxation; income; extending the energy credit to certain conservation expenditures; amending Minnesota Statutes 1981 Supplement, Section 290.06, Subdivision 14.

The bill was read for the first time and referred to the Committee on Taxes.

Byrne; Vanasek; Johnson, D.; Norton and Rose introduced:

H. F. No. 2206, A bill for an act relating to criminal justice; creating a criminal justice services agency in the executive branch; transferring all functions and staff of the crime control planning board, sentencing guidelines commission, peace officers standards and training board, and bureau of criminal apprehension, and certain functions and staff of the department of corrections and department of energy, planning and development, and all staff of the county attorneys council and crime victims' reparations board to the criminal justice services agency; abolishing the crime control planning board, the sentencing guidelines commission and the peace officers standards and training board; creating working groups within the criminal justice services agency; providing that the criminal justice services agency shall provide administrative support to the ombudsman for corrections; amending Minnesota Statutes 1980, Sections 241.41; 241.43, by adding a subdivision; 241.51, Subdivisions 1 and 3; 241.52; 241.55, Subdivision 2; 241.56; 241.62, Subdivisions 1, 2, 3 and 4; 241.63; 241.64, Subdivisions 1 and 3; 241.65; 241.66, Subdivisions 1 and 2; 244.09, Subdivisions 5, 6 and 7; 299B.05, Subdivision 1, and by adding a subdivision; 299B.06, Subdivision 1; 299C.01, Subdivisions 2 and 4; 299C.03; 299C.065; 299C.46, Subdivisions 1, 3 and 4; 299C.48; 299C.50; 388.20, Subdivision 3; 626.843, Subdivisions 1a and 3; 626.845, Subdivision 2; 626.846, Subdivision 3; 626.851, Subdivision 2; Minnesota Statutes 1981 Supplement, Sections 299A.04; 626.84, Subdivision 1; 626.843, Subdivision 1; 626.845, Subdivision 1; 626.846, Subdivisions 1 and 2; 626.8462; 626.8463; 626.8464; 626.8465, Subdivision 2; 626.851, Subdivision 1; 626.852; and 626.86; proposing new law coded as Minnesota Statutes, Chapter 244A; repealing Minnesota Statutes 1980, Sections 241.42, Subdivision 3; 241.53; 241.58; 244.09, Subdivisions 1, 2, 3, 4, 8, 9, 10 and 11; 299C.01, Subdivision 1; 299C.041; 299C.49; 388.20, Subdivisions 1, 2 and 4; 626.842; and 626.843, Subdivisions 2 and 4; Minnesota Statutes 1981 Supplement, Section 626.841.

The bill was read for the first time and referred to the Committee on Criminal Justice.

McDonald and Searles introduced:

H. F. No. 2207, A bill for an act relating to state government; providing incentive bonuses for certain state employees; appropriating money.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Heap; Welch; Carlson, L., and Swanson introduced:

H. F. No. 2208, A bill for an act relating to education; authorizing school boards which have a school classified as an AVTI to establish a consortium; amending Minnesota Statutes 1980, Section 179.63, Subdivision 17; proposing new law coded in Minnesota Statutes, Chapter 123.

The bill was read for the first time and referred to the Committee on Education.

Ogren introduced:

H. F. No. 2209, A bill for an act relating to taxation; income; exempting certain corporations from the requirement of combined reporting of unitary business income; amending Minnesota Statutes 1980, Section 290.34, Subdivision 2, as amended.

The bill was read for the first time and referred to the Committee on Taxes.

Staten; Nelson, K.; Greenfield; Clark, K., and Johnson, D., introduced:

H. F. No. 2210, A bill for an act relating to public improvements; authorizing the acquisition and betterment of public land and buildings and other improvements of a capital nature relating to public communications; authorizing issuance of state bonds; appropriating money.

The bill was read for the first time and referred to the Committee on Appropriations.

Battaglia and Begich introduced:

H. F. No. 2211, A bill for an act relating to Lake County; providing conditions for the issuance of bonds for a county jail.

The bill was read for the first time and referred to the Committee on Local and Urban Affairs.

Mehrkens introduced:

H. F. No. 2212, A bill for an act relating to highway traffic regulations; prohibiting the sale, possession, installation or operation of radar jamming devices with certain exceptions; providing for seizure by peace officers; prescribing a penalty; proposing new law coded in Minnesota Statutes, Chapter 169.

The bill was read for the first time and referred to the Committee on Transportation.

Tomlinson; Novak; Evans; Anderson, I., and Schreiber introduced:

H. F. No. 2213, A bill for an act relating to taxation; income; adopting certain federal definitions for purposes of the credit for research and experimental expenditures; amending Laws 1981, Third Special Session Chapter 2, Article III, Section 6.

The bill was read for the first time and referred to the Committee on Taxes.

Fjoslien introduced:

H. F. No. 2214, A bill for an act relating to counties; requiring that the county board publish its official proceedings in a newspaper of general circulation within the county; amending Minnesota Statutes 1980, Section 375.12, Subdivision 1.

The bill was read for the first time and referred to the Committee on Local and Urban Affairs.

Himle, Rees, Ogren, Gustafson and Jude introduced:

H. F. No. 2215, A bill for an act relating to taxation; exempting interest earned on all savers certificates from income tax; amending Minnesota Statutes 1981 Supplement, Sections 290.01, Subdivision 20; and 290.09, Subdivision 3.

The bill was read for the first time and referred to the Committee on Taxes.

Frerichs, Kaley, Zubay, Stowell and Redalen introduced:

H. F. No. 2216, A bill for an act relating to Olmsted County; allowing the county recorder to extend credit for the payment of charges.

The bill was read for the first time and referred to the Committee on Local and Urban Affairs.

Himle, Halberg, Gustafson, Jude and Anderson, I., introduced:

H. F. No. 2217, A bill for an act relating to taxation; providing for conformity to federal income tax treatment of contributions to individual retirement accounts and Keogh plans; amending Minnesota Statutes 1981 Supplement, Section 290.01, Subdivision 20, as amended.

The bill was read for the first time and referred to the Committee on Taxes.

Hanson introduced:

H. F. No. 2218, A bill for an act relating to taxation; expanding eligibility for property tax refunds; amending Minnesota Statutes 1981 Supplement, Section 290A.03, Subdivisions 8 and 11.

The bill was read for the first time and referred to the Committee on Taxes.

Rothenberg and Peterson, B., introduced:

H. F. No. 2219, A bill for an act relating to crimes; prescribing enhanced penalties for persons convicted of certain sexual offenses involving children; authorizing courts to impose sentences up to the statutory maximum for certain sexual offenses involving children; amending Minnesota Statutes 1980, Sections 609.322, Subdivision 1; 609.324, Subdivision 1; 617.246, Subdivisions 2, 3, 4, and by adding a subdivision.

The bill was read for the first time and referred to the Committee on Criminal Justice.

Dean, Voss, Weaver, Welch and Kahn introduced:

H. F. No. 2220, A bill for an act relating to economic development; establishing a program of challenge grants for certain University of Minnesota research centers with the ultimate purpose of aiding the state's high technology business; appropriating money.

The bill was read for the first time and referred to the Committee on Appropriations.

Metzen, Mann, Wigley, Rose and Mehrkens introduced:

H. F. No. 2221, A bill for an act relating to transportation; providing for alternate bids for pavement surfacing on trunk highway construction projects; proposing new law coded in Minnesota Statutes, Chapter 161.

The bill was read for the first time and referred to the Committee on Transportation.

Carlson, D., introduced:

H. F. No. 2222, A bill for an act relating to state lands; establishing policies and priorities governing the acquisition, management and disposal of various categories of state lands under the control of the department of natural resources; amending Minnesota Statutes 1980, Sections 84.0272; 84.029, Subdivision 2; 84.03; 84.033; 85.32, Subdivision 2; 86.03; 86.10, Subdivision 1; 86.11, Subdivision 1; 86.41; 86A.05, Subdivisions 8 and 9; 86A.07, Subdivisions 1 and 3; 86A.08, Subdivision 1; 92.06, Subdivision 1; 94.11; 97.48, Subdivisions 8, 13, and 15; 97.481, Subdivision 1; 104.37, Subdivision 2; 105.391, Subdivision 3; 282.01, Subdivision 4; 282.15; 282.222, Subdivision 4; 282.261; and 282.35, Subdivisions 2 and 3; 297.13, Subdivision 1; proposing new law coded in Minnesota Statutes, Chapter 84; repealing Minnesota Statutes 1980, Section 105.39, Subdivision 4.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

Kalis introduced:

H. F. No. 2223, A bill for an act relating to taxation; providing agricultural homestead treatment to noncontiguous residence of owner of farm; amending Minnesota Statutes 1981 Supplement, Section 273.13, Subdivision 6.

The bill was read for the first time and referred to the Committee on Taxes.

Rothenberg introduced:

H. F. No. 2224, A bill for an act relating to real property; providing for the modification and extension of contracts for deed; proposing new law coded in Minnesota Statutes, Chapter 508.

The bill was read for the first time and referred to the Committee on Judiciary.

Laidig introduced:

H. F. No. 2225, A bill for an act relating to insurance; requiring optional health and accident coverage for in vitro fertilization; proposing new law coded in Minnesota Statutes, Chapter 62A.

The bill was read for the first time and referred to the Committee on Financial Institutions and Insurance.

Gruenes, Marsh and Welch introduced:

H. F. No. 2226, A bill for an act relating to solid waste; directing a legislative study of solid waste utilization in the St. Cloud area; appropriating funds.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

Sviggum, Brandl, Forsythe, Wynia and Rose introduced:

H. F. No. 2227, A bill for an act relating to insurance; requiring the commissioner of public welfare to purchase a group medical assistance policy for eligible persons; establishing bid specifications; appropriating money; proposing new law coded in Minnesota Statutes, Chapter 62E.

The bill was read for the first time and referred to the Committee on Health and Welfare.

Ellingson, Jacobs and Schreiber introduced:

H. F. No. 2228, A bill for an act relating to the Hennepin County park reserve district; authorizing the district to participate in hydroelectric power generation with other local government units under certain conditions.

The bill was read for the first time and referred to the Committee on Energy.

Johnson, D., and Vanasek introduced:

H. F. No. 2229, A bill for an act relating to crimes; eliminating intent requirement for the offense of issuing a worthless check; amending Minnesota Statutes 1980, Section 609.535, Subdivisions 1 and 2; repealing Minnesota Statutes 1980, Section 609.535, Subdivisions 4 and 5; repealing Minnesota Statutes 1981 Supplement, Section 609.535, Subdivisions 3 and 8.

The bill was read for the first time and referred to the Committee on Criminal Justice.

HOUSE ADVISORIES

The following House Advisory was introduced:

Sviggum; Jennings; Anderson, B.; Kalis and Frerichs introduced:

H. A. No. 52, A proposal for education aid equalized according to per capita income in school districts.

The advisory was referred to the Committee on Education.

MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Mr. Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned, as amended by the Senate, in which amendment the concurrence of the House is respectfully requested:

H. F. No. 552, A bill for an act relating to commerce; prohibiting fraud in the use of recreational camping areas; providing a penalty; amending Minnesota Statutes 1980, Sections 327.07; and 327.14, Subdivision 8.

PATRICK E. FLAHAVEN, Secretary of the Senate

Clawson moved that the House concur in the Senate amendments to H. F. No. 552 and that the bill be repassed as amended by the Senate.

Halberg moved that the House refuse to concur in the Senate amendments to H. F. No. 552, that the Speaker appoint a Conference Committee of 3 members of the House, and that the House requests that a like committee be appointed by the Senate to confer on the disagreeing votes of the two Houses. The motion prevailed.

Mr. Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned, as amended by the Senate, in which amendment the concurrence of the House is respectfully requested:

H. F. No. 1612, A bill for an act memorializing the life and work of Sigurd F. Olson.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Peterson, B., moved that the House concur in the Senate amendments to H. F. No. 1612 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 1612, A resolution memorializing the life and work of Sigurd F. Olson.

The bill was read for the third time, as amended by the Senate, and placed upon its repassage.

The question was taken on the repassage of the bill and the roll was called. There were 128 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Aasness	Esau	Kalis	Olsen	Sieben, M.
Ainley	Evans	Kelly	Onnen	Simoneau
Anderson, B.	Ewald	Kostohryz	Osthoff	Skoglund
Anderson, G.	Fjoslien	Kvam	Otis	Stadum
Anderson, I.	Forsythe	Laidig	Peterson, E.	Staten
Battaglia	Frerichs	Lehto	Peterson, D.	Stowell
Begich	Greenfield	Lemen	Piepho	Stumpf
Berkelman	Gruenes	Long	Pogemiller	Sviggum
Blatz	Gustafson	Ludeman	Redalen	Swanson
Brandl	Halberg	Luknic	Reding	Tomlinson
Brinkman	Hanson	Mann	Rees	Valan
Byrne	Hauge	McCarron	Reif	Valento
Carlson, D.	Haukoos	McDonald	Rice	Vanasek
Carlson, L.	Heap	McEachern	Rodriguez, C.	Vellenga
Clark, J.	Heinitz	Mehrkens	Rodriguez, F.	Voss
Clark, K.	Himle	Metzen	Rose	Weaver
Clawson	Hoberg	Minne	Rothenberg	Welch
Dahlvang	Hokanson	Murphy	Samuelson	Welker
Dean	Hokr	Nelsen, B.	Sarna	Wenzel
Dempsey	Jacobs	Nelson, K.	Schafer	Wieser
Den Ouden	Jennings	Niehaus	Schoenfeld	Wigley
Drew	Johnson, C.	Norton	Schreiber	Wynia
Eken	Johnson, D.	Novak	Searles	Zubay
Elioff	Jude	Nysether	Shea	Spkr. Sieben, H.
Ellingson	Kahn	O'Connor	Sherman	
Erickson	Kaley	Ogren	Sherwood	

The bill was repassed, as amended by the Senate, and its title agreed to.

Mr. Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned, as amended by the Senate, in which amendment the concurrence of the House is respectfully requested:

H. F. No. 1616, A bill for an act relating to counties; fixing the maximum amount of county money that may be spent by development organizations for certain county developments; amending Minnesota Statutes 1980, Section 395.08.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Battaglia moved that the House concur in the Senate amendments to H. F. No. 1616 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 1616, A bill for an act relating to counties; permitting the counties to spend a certain sum for promotion of development; amending Minnesota Statutes 1980, Section 395.08.

The bill was read for the third time, as amended by the Senate, and placed upon its repassage.

The question was taken on the repassage of the bill and the roll was called. There were 128 yeas and 1 nay as follows :

Those who voted in the affirmative were :

Aasness	Esau	Kalis	O'Connor	Sherwood
Ainley	Evans	Kelly	Ogren	Sieben, M.
Anderson, B.	Ewald	Kostohryz	Olsen	Simoneau
Anderson, G.	Fjoslien	Kvam	Onnen	Skoglund
Anderson, I.	Forsythe	Laidig	Osthoff	Stadum
Battaglia	Frerichs	Lehto	Otis	Staten
Begich	Greenfield	Lemen	Peterson, B.	Stowell
Berkelman	Gruenes	Levi	Peterson, D.	Stumpf
Blatz	Gustafson	Long	Piepho	Sviggum
Brandl	Halberg	Ludeman	Pogemiller	Swanson
Brinkman	Hanson	Luknic	Redalen	Tomlinson
Byrne	Hauge	Mann	Reding	Valan
Carlson, D.	Haukoos	McCarron	Rees	Valento
Carlson, L.	Heap	McDonald	Reif	Vanasek
Clark, J.	Heinitz	McEachern	Rice	Voss
Clark, K.	Himle	Mehrkens	Rodriguez, C.	Weaver
Clawson	Hoberg	Metzen	Rodriguez, F.	Welch
Dahlvang	Hokanson	Minne	Rose	Welker
Dean	Hokr	Munger	Samuelson	Wenzel
Dempsey	Jacobs	Murphy	Sarna	Wieser
Den Ouden	Jennings	Nelsen, B.	Schafer	Wigley
Drew	Johnson, C.	Nelson, K.	Schoenfeld	Wynia
Eken	Johnson, D.	Niehaus	Schreiber	Zubay
Eloff	Jude	Norton	Searles	Spkr. Sieben, H.
Ellingson	Kahn	Novak	Shea	
Erickson	Kaley	Nysether	Sherman	

Those who voted in the negative were :

Rothenberg

The bill was repassed, as amended by the Senate, and its title agreed to.

Mr. Speaker :

I hereby announce the passage by the Senate of the following Senate File, herewith transmitted :

S. F. No. 744.

PATRICK E. FLAHAVEN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 744, A bill for an act relating to natural resources; changing and clarifying administrative provisions regarding watershed districts; increasing per diem for district managers; stating procedures for adopting rules by managers; requiring revision of certain plans every ten years; allowing cash bonds; clarifying emergency procedures; amending Minnesota Statutes 1980, Sections 105.71, Subdivision 1a, and by adding subdivisions; 106.271; 106.471, Subdivision 1; 112.35, Subdivision 19; 112.37, Subdivision 1; 112.39, Subdivision 1; 112.42, Subdivisions 3, 5 and 6; 112.43, Subdivisions 1, 3, and by adding a subdivision; 112.46; 112.47; 112.48, Subdivisions 1, 2, and 4; 112.49, Subdivisions 1 and 7; 112.58; 112.61, Subdivision 3; 112.62, Subdivision 1; 112.64; 112.65, Subdivision 2; and 112.801, Subdivision 8; and Minnesota Statutes 1981 Supplement, Section 112.53, Subdivision 1.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

CONSENT CALENDAR

H. F. No. 1746, A bill for an act relating to port authorities; authorizing seaway port authorities to establish a fiscal year based on the season for international shipping through the St. Lawrence Seaway; amending Minnesota Statutes 1981 Supplement, Section 458.14.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 129 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Aasness	Dempsey	Haukoos	Lehto	Novak
Ainley	Den Ouden	Heap	Lemen	Nysether
Anderson, B.	Drew	Heinitz	Levi	O'Connor
Anderson, G.	Eken	Himle	Long	Ogren
Anderson, I.	Elioff	Hoberg	Ludeman	Olsen
Battaglia	Ellingson	Hokanson	Luknic	Onnen
Begich	Erickson	Hokr	Mann	Osthoff
Berkelman	Esau	Jacobs	McCarron	Otis
Blatz	Evans	Jennings	McDonald	Peterson, B.
Brandl	Ewald	Johnson, C.	McEachern	Peterson, D.
Brinkman	Fjoslien	Johnson, D.	Mehrkens	Picpho
Byrne	Forsythe	Jude	Metzen	Pogemiller
Carlson, D.	Frerichs	Kahn	Minne	Redalen
Carlson, L.	Greenfield	Kaley	Munger	Reding
Clark, J.	Gruenes	Kalis	Murphy	Rees
Clark, K.	Gustafson	Kelly	Nelsen, B.	Reif
Clawson	Halberg	Kostohryz	Nelson, K.	Rice
Dahlvang	Hanson	Kvam	Niehaus	Rodriguez, C.
Dean	Hauge	Laidig	Norton	Rodriguez, F.

Rose	Searles	Stadum	Valan	Wenzel
Rothenberg	Shea	Staten	Valento	Wieser
Samuelson	Sherman	Stowell	Vanasek	Wigley
Sarna	Sherwood	Stumpf	Vellenga	Wynia
Schafer	Sieben, M.	Sviggum	Voss	Zubay
Schoenfeld	Simoneau	Swanson	Weaver	Spkr. Sieben, H.
Schreiber	Skoglund	Tomlinson	Welch	

The bill was passed and its title agreed to.

H. F. No. 492, A bill for an act relating to crimes; authorizing counties to expend money for the purpose of investigating criminal activity relating to selling or receiving stolen property; proposing new law coded in Minnesota Statutes, Chapter 299C.

The bill was read for the third time and placed upon its final passage:

The question was taken on the passage of the bill and the roll was called. There were 128 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Aasness	Evans	Kelly	Ogren	Sieben, M.
Ainley	Ewald	Kostohryz	Olsen	Simoneau
Anderson, B.	Fjoslien	Kvam	Onnen	Skoglund
Anderson, G.	Forsythe	Laidig	Osthoff	Stadum
Anderson, I.	Frerichs	Lehto	Otis	Staten
Battaglia	Greenfield	Lemen	Peterson, B.	Stowell
Begich	Gruenes	Levi	Peterson, D.	Stumpf
Berkelman	Gustafson	Long	Piepho	Sviggum
Blatz	Halberg	Ludeman	Pogemiller	Swanson
Brandl	Hanson	Luknic	Redalen	Tomlinson
Brinkman	Hauge	Mann	Reding	Valan
Byrne	Haukoos	McCarron	Rees	Valento
Carlson, D.	Heap	McDonald	Reif	Vanasek
Carlson, L.	Heinitz	McEachern	Rodriguez, C.	Vellenga
Clark, J.	Himle	Mehrkens	Rodriguez, F.	Voss
Clawson	Hoberg	Metzen	Rose	Weaver
Dahlvang	Hokanson	Minne	Rothenberg	Welch
Dean	Hokr	Munger	Samuelson	Welker
Dempsey	Jacobs	Murphy	Sarna	Wenzel
Den Ouden	Jennings	Nelsen, B.	Schafer	Wieser
Drew	Johnson, C.	Nelson, K.	Schoenfeld	Wigley
Eken	Johnson, D.	Niehaus	Schreiber	Wynia
Elioff	Jude	Norton	Searles	Zubay
Ellingson	Kahn	Novak	Shea	Spkr. Sieben, H.
Erickson	Kaley	Nysether	Sherman	
Esau	Kalis	O'Connor	Sherwood	

The bill was passed and its title agreed to.

H. F. No. 1726, A bill for an act relating to education; removing the commissioner of education from the state university board and as secretary of the board; allowing community college and state university teachers to accrue seniority credit during extended leaves of absence; amending Minnesota Statutes 1980, Sections 136.12, Subdivision 1; 136.13; and 136.88, Subdivision 5.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 110 yeas and 14 nays as follows:

Those who voted in the affirmative were:

Ainley	Ewald	Kelly	Ogren	Searles
Anderson, B.	Fjoslien	Kostohryz	Olsen	Shea
Anderson, G.	Forsythe	Laidig	Osthoff	Sherman
Anderson, I.	Frerichs	Lehto	Otis	Sherwood
Battaglia	Greenfield	Levi	Peterson, B.	Sieben, M.
Begich	Gruenes	Long	Peterson, D.	Simoneau
Berkelman	Gustafson	Ludeman	Piepho	Skoglund
Blatz	Hanson	Luknic	Pogemiller	Stadum
Brandl	Hauge	Mann	Redalen	Staten
Brinkman	Haukoos	McCarron	Reding	Stumpf
Byrne	Heap	McDonald	Rees	Sviggum
Carlson, D.	Heinitz	McEachern	Reif	Swanson
Carlson, L.	Himle	Mehrkens	Rice	Valan
Clark, J.	Hoberg	Metzen	Rodriguez, C.	Vanasek
Clark, K.	Hokanson	Minne	Rodriguez, F.	Vellenga
Clawson	Jacobs	Munger	Rose	Voss
Dahlvang	Johnson, C.	Murphy	Rothenberg	Weaver
Drew	Johnson, D.	Nelsen, B.	Samuelson	Welch
Eken	Jude	Nelson, K.	Sarna	Wenzel
Elioff	Kahn	Norton	Schafer	Wigley
Ellingson	Kaley	Novak	Schoenfeld	Zubay
Evans	Kalis	O'Connor	Schreiber	Spkr. Sieben, H.

Those who voted in the negative were:

Aasness	Erickson	Jennings	Onnen	Welker
Dempsey	Esau	Kvam	Tomlinson	Wieser
Den Ouden	Hokr	Niehaus	Valento	

The bill was passed and its title agreed to.

H. F. No. 1751, A bill for an act relating to alcoholic beverages; increasing the maximum dollar value of equipment furnished to beer retailers by brewers and wholesalers; deleting obsolete language; amending Minnesota Statutes 1980, Sections 340.031, Subdivision 2; and 340.405.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 127 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Aasness	Anderson, I.	Blatz	Carlson, D.	Clawson
Ainley	Battaglia	Brandl	Carlson, L.	Dahlvang
Anderson, B.	Begich	Brinkman	Clark, J.	Dean
Anderson, G.	Berkelman	Byrne	Clark, K.	Dempsey

Den Ouden	Hoberg	McDonald	Redalen	Stowell
Drew	Hokanson	McEachern	Reding	Stumpf
Eken	Hokr	Mehrkens	Rees	Sviggum
Elioff	Jacobs	Metzen	Reif	Swanson
Ellingson	Jennings	Munger	Rice	Tomlinson
Erickson	Johnson, C.	Murphy	Rodriguez, C.	Valan
Esau	Johnson, D.	Nelsen, B.	Rodriguez, F.	Valento
Evans	Jude	Nelson, K.	Rose	Vanasek
Ewald	Kahn	Niehaus	Rothenberg	Vellenga
Fjoslien	Kaley	Norton	Samuelson	Voss
Forsythe	Kalis	Novak	Sarna	Weaver
Frerichs	Kelly	Nysether	Schafer	Welch
Greenfield	Kostohryz	O'Connor	Schoenfeld	Welker
Gruenes	Kvam	Ogren	Schreiber	Wenzel
Gustafson	Laidig	Olsen	Searles	Wieser
Halberg	Lemen	Onnen	Sherman	Wigley
Hanson	Levi	Osthoff	Sherwood	Wynia
Hauge	Long	Otis	Sieben, M.	Zubay
Haukoos	Ludeman	Peterson, B.	Simoneau	Spkr. Sieben, H.
Heap	Luknic	Peterson, D.	Skoglund	
Heinitz	Mann	Piepho	Stadum	
Himle	McCarron	Pogemiller	Staten	

The bill was passed and its title agreed to.

H. F. No. 1848, A bill for an act relating to Independent School District No. 699; requiring certification of statutory operating debt.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 127 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Aasness	Esau	Kalis	O'Connor	Sieben, M.
Ainley	Evans	Kelly	Ogren	Simoneau
Anderson, B.	Ewald	Kostohryz	Olsen	Skoglund
Anderson, G.	Fjoslien	Kvam	Onnen	Stadum
Anderson, I.	Forsythe	Laidig	Osthoff	Staten
Battaglia	Frerichs	Lehto	Otis	Stowell
Begich	Greenfield	Lemen	Peterson, B.	Stumpf
Berkelman	Gruenes	Levi	Peterson, D.	Swanson
Blatz	Gustafson	Long	Piepho	Tomlinson
Brandl	Halberg	Ludeman	Pogemiller	Valan
Brinkman	Hanson	Luknic	Redalen	Valento
Byrne	Hauge	Mann	Reding	Vanasek
Carlson, D.	Haukoos	McCarron	Rees	Vellenga
Carlson, L.	Heap	McDonald	Reif	Voss
Clark, J.	Heinitz	McEachern	Rodriguez, C.	Weaver
Clark, K.	Himle	Mehrkens	Rodriguez, F.	Welch
Clawson	Hoberg	Metzen	Rose	Welker
Dahlvang	Hokanson	Minne	Rothenberg	Wenzel
Dean	Hokr	Munger	Sarna	Wieser
Dempsey	Jacobs	Murphy	Schafer	Wigley
Den Ouden	Jennings	Nelsen, B.	Schoenfeld	Wynia
Drew	Johnson, C.	Nelson, K.	Schreiber	Zubay
Eken	Johnson, D.	Niehaus	Searles	Spkr. Sieben, H.
Elioff	Jude	Norton	Shea	
Ellingson	Kahn	Novak	Sherman	
Erickson	Kaley	Nysether	Sherwood	

The bill was passed and its title agreed to.

H. F. No. 1849, A bill for an act relating to crimes; clarifying methods of and responsibility for imposing and collecting penalty assessments; amending Minnesota Statutes 1981 Supplement, Section 609.101.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 128 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Aasness	Evans	Kelly	Ogren	Sherwood
Ainley	Ewald	Kostohryz	Olsen	Sieben, M.
Anderson, B.	Fjoslien	Kvam	Onnen	Simoneau
Anderson, G.	Forsythe	Laidig	Osthoff	Skoglund
Anderson, I.	Frerichs	Lehto	Otis	Stadum
Battaglia	Greenfield	Lemen	Peterson, B.	Staten
Begich	Gruenes	Levi	Peterson, D.	Stowell
Berkelman	Gustafson	Long	Piepho	Stumpf
Blatz	Halberg	Ludeman	Pogemiller	Swanson
Brandl	Hanson	Luknic	Redalen	Tomlinson
Brinkman	Hauge	Mann	Reding	Valan
Byrne	Haukoos	McCarron	Rees	Valento
Carlson, D.	Heap	McDonald	Reif	Vanasek
Carlson, L.	Heinitz	McEachern	Rice	Vellenga
Clark, J.	Himle	Mehrkens	Rodriguez, C.	Voss
Clark, K.	Hoberg	Metzen	Rodriguez, F.	Weaver
Clawson	Hokanson	Minne	Rose	Welch
Dahlvang	Hokr	Munger	Rothenberg	Welker
Dempsey	Jacobs	Murphy	Samuelson	Wenzel
Den Ouden	Jennings	Nelsen, B.	Sarna	Wieser
Drew	Johnson, C.	Nelson, K.	Schafer	Wigley
Eken	Johnson, D.	Niehaus	Schoenfeld	Wynia
Elihoff	Jude	Norton	Schreiber	Zubay
Ellingson	Kahn	Novak	Searles	Spkr. Sieben, H.
Erickson	Kaley	Nysether	Shea	
Esau	Kalis	O'Connor	Sherman	

The bill was passed and its title agreed to.

CONSIDERATION UNDER RULE 1.10

Pursuant to rule 1.10, Sieben, M., requested immediate consideration of H. F. No. 2136.

H. F. No. 2136 was reported to the House.

SUSPENSION OF RULES

Pursuant to Article IV, Section 19, of the Constitution of the state of Minnesota, Sieben, M., moved that the rule therein be suspended and an urgency be declared so that H. F. No. 2136

be given its third reading and be placed upon its final passage. The motion prevailed.

Sieben, M., moved that the rules of the House be so far suspended that H. F. No. 2136 be given its third reading and be placed upon its final passage. The motion prevailed.

Fjoslien moved to amend H. F. No. 2136, as follows:

Page 3, delete lines 2 to 9.

Further amend the title as follows:

Page 1, line 8, delete "16.286" and insert "16.826"

A roll call was requested and properly seconded.

The question was taken on the amendment and the roll was called. There were 81 yeas and 31 nays as follows:

Those who voted in the affirmative were:

Ainley	Frerichs	Lemen	Onnen	Stadum
Anderson, B.	Gruenes	Levi	Peterson, B.	Stowell
Berkelman	Halberg	Long	Piepho	Swiggum
Blatz	Hauge	Ludeman	Redalen	Swanson
Brinkman	Haukoos	Luknic	Reding	Valan
Carlson, D.	Heinitz	Mann	Rees	Valento
Clark, J.	Himle	McDonald	Reif	Vanasek
Dean	Hoberg	McEachern	Rose	Voss
Dempsey	Hokr	Mehrkens	Rothenberg	Weaver
Den Ouden	Jacobs	Munger	Schafer	Welker
Drew	Jennings	Nelsen, B.	Schoenfeld	Wieser
Erickson	Johnson, C.	Nelson, K.	Schreiber	Wigley
Esau	Johnson, D.	Niehaus	Searles	Zubay
Evans	Jude	Novak	Shea	
Ewald	Kalis	Nysether	Sherman	
Fjoslien	Kostohryz	Ogren	Sherwood	
Forsythe	Kvam	Olsen	Skoglund	

Those who voted in the negative were:

Anderson, G.	Elioff	Lehto	Peterson, D.	Tomlinson
Anderson, I.	Ellingson	McCarron	Pogemiller	Wenzel
Battaglia	Greenfield	Metzen	Rodriguez, F.	Spkr. Sieben, H.
Begich	Gustafson	Minne	Samuelson	
Carlson, L.	Hanson	Murphy	Sarna	
Clawson	Kahn	Norton	Sieben, M.	
Eken	Laidig	Otis	Simoneau	

The motion prevailed and the amendment was adopted.

Rees moved to amend H. F. No. 2136, as amended, as follows:

Page 2, line 2, delete "500,000" and insert "14,500,000"

Page 2, line 6, delete "5,350,000" and insert "19,350,000"

Page 5, delete lines 37 to 60 and insert the following:

“To the commissioner of administration for the purposes more specifically described in the subdivisions of this section 14,304,000

Subdivision 1. Construction of a new women’s correctional facility on or near the site of the present women’s correctional facility at Shakopee 14,000,000

Subdivision 2. Roof repair and renovations of a critical nature; health and life safety measures; boiler repair; sewage system renovations; and other repairs of an emergency nature 304,000

The commissioner of corrections shall report specific expenditure plans to the house appropriations committee and the senate finance committee prior to encumbrance of any moneys appropriated in this section. If bonds are not sold for the building of a women’s prison \$200,000 for planning is appropriated through bonding.”

Page 6, line 5, delete “6,000” and insert “20,000”

Page 6, line 10, delete “\$5,350,000” and insert “\$19,104,000”

Further, amend the title as necessary.

A roll call was requested and properly seconded.

The question was taken on the amendment and the roll was called. There were 12 yeas and 114 nays as follows:

Those who voted in the affirmative were:

Forsythe	Lehto	Olsen	Rice	Vellenga
Gustafson	Long	Rees	Vanasek	Voss
Laidig	McDonald			

Those who voted in the negative were:

Aasness	Carlson, D.	Ellingson	Heap	Kalis
Ainley	Carlson, L.	Erickson	Heinitz	Kelly
Anderson, B.	Clark, J.	Esau	Himle	Kostohryz
Anderson, G.	Clark, K.	Evans	Hoberg	Kvam
Anderson, I.	Clawson	Ewald	Hokanson	Lemen
Battaglia	Dahlvang	Fjoslien	Jacobs	Ludeman
Begich	Dean	Frerichs	Jennings	Luknic
Berkelman	Dempsey	Greenfield	Johnson, C.	Mann
Blatz	Den Ouden	Gruenes	Johnson, D.	McCarron
Brandl	Drew	Halberg	Jude	McEachern
Brinkman	Eken	Hanson	Kahn	Mehrkens
Byrne	Elioff	Haukoos	Kaley	Metzen

Minne	Onnen	Rose	Sieben, M.	Valento
Munger	Osthoff	Rothenberg	Simoneau	Weaver
Murphy	Otis	Samuelson	Skoglund	Welch
Nelsen, B.	Peterson, D.	Sarna	Stadum	Welker
Nelson, K.	Piepho	Schafer	Staten	Wenzel
Niehaus	Pogemiller	Schoenfeld	Stowell	Wieser
Norton	Redalen	Schreiber	Stumpf	Wigley
Novak	Reding	Searles	Sviggum	Wynia
Nysether	Reif	Shea	Swanson	Zubay
O'Connor	Rodriguez, C.	Sherman	Tomlinson	Spkr. Sieben, H.
Ogren	Rodriguez, F.	Sherwood	Valan	

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

Carlson, D., moved to amend H. F. No. 2136, as amended, as follows:

Page 5, after line 60, insert the following:

"The direction by Laws 1981, Chapter 360, Article I, Section 4, Subdivision 5, to the commissioner of corrections to phase down the farm machinery industry and redirect the industry program into light industry operations is withdrawn. The direction to make part of an appropriation available for that purpose is also withdrawn."

A roll call was requested and properly seconded.

POINT OF ORDER

Sieben, M., raised a point of order pursuant to rule 3.9 that the amendment was not in order. The Speaker ruled the point of order not well taken and the amendment in order.

The question recurred on the Carlson, D., amendment and the roll was called. There were 52 yeas and 66 nays as follows:

Those who voted in the affirmative were:

Aasness	Ewald	Johnson, D.	Onnen	Sherwood
Ainley	Fjoslien	Kvam	Piepho	Sviggum
Anderson, B.	Frerichs	Laidig	Redalen	Valan
Blatz	Gruenes	Levi	Reding	Valento
Carlson, D.	Halberg	Ludeman	Rees	Welker
Dean	Haukoos	Luknic	Rose	Wieser
Dempsey	Heap	McDonald	Rothenberg	Wigley
Drew	Heinitz	Nelsen, B.	Schafer	Zubay
Erickson	Himle	Niehaus	Schoenfeld	
Esau	Hoberg	Nysether	Searles	
Evans	Jennings	Olsen	Sherman	

Those who voted in the negative were:

Anderson, G.	Begich	Brinkman	Clark, J.	Den Ouden
Anderson, I.	Berkelman	Byrne	Clawson	Eken
Battaglia	Brandl	Carlson, L.	Dahlvang	Elioff

Ellingson	Kaley	Norton	Samuelson	Vellenga
Forsythe	Kalis	Novak	Shea	Voss
Greenfield	Kelly	O'Connor	Sieben, M.	Weaver
Gustafson	Long	Ogren	Simoneau	Welch
Hanson	Mann	Osthoff	Skoglund	Wenzel
Hauge	McCarron	Otis	Staten	Wynia
Hokanson	Mehrkens	Peterson, D.	Stowell	Spkr. Sieben, H.
Jacobs	Metzen	Pogemiller	Stumpf	
Johnson, C.	Minne	Reif	Swanson	
Jude	Murphy	Rodriguez, C.	Tomlinson	
Kahn	Nelson, K.	Rodriguez, F.	Vanasek	

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

Ludeman and McDonald moved to amend H. F. No. 2136, as amended, as follows:

Page 6, delete lines 21 to 30, Section 14 from the bill

A roll call was requested and properly seconded.

The question was taken on the amendment and the roll was called. There were 60 yeas and 68 nays as follows:

Those who voted in the affirmative were:

Aasness	Gruenes	Kaley	Onnen	Sherwood
Ainley	Halberg	Kvam	Peterson, B.	Stadum
Anderson, B.	Haukoos	Levi	Piepho	Stowell
Blatz	Heap	Ludeman	Redalen	Stiggum
Carlson, D.	Heinitz	McCarron	Rees	Valan
Clawson	Himle	McDonald	Rodriguez, C.	Vellenga
Dempsey	Hoberg	McEachern	Rothenberg	Weaver
Den Ouden	Hokr	Nelsen, B.	Schafer	Welch
Erickson	Jacobs	Niehaus	Schoenfeld	Welker
Esau	Jennings	Norton	Searles	Wieser
Fjoslien	Johnson, D.	Nysether	Shea	Wigley
Frerichs	Jude	Olsen	Sherman	Zubay

Those who voted in the negative were:

Anderson, G.	Eken	Kelly	O'Connor	Sieben, M.
Anderson, I.	Elioff	Kostohryz	Ogren	Simoneau
Battaglia	Ellingson	Laidig	Osthoff	Skoglund
Begich	Evans	Lehto	Otis	Staten
Berkelman	Ewald	Long	Peterson, D.	Stumpf
Brandl	Forsythe	Luknic	Pogemiller	Swanson
Brinkman	Greenfield	Mann	Reding	Tomlinson
Byrne	Gustafson	Mehrkens	Reif	Vanasek
Carlson, L.	Hanson	Metzen	Rice	Voss
Clark, J.	Hauge	Minne	Rodriguez, F.	Wenzel
Clark, K.	Hokanson	Munger	Rose	Wynia
Dahlvang	Johnson, C.	Murphy	Samuelson	Spkr. Sieben, H.
Dean	Kahn	Nelson, K.	Sarna	
Drew	Kalis	Novak	Schreiber	

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

Den Ouden moved to amend H. F. No. 2136, as amended, as follows:

Page 12, line 11, delete section 25

A roll call was requested and properly seconded.

The question was taken on the amendment and the roll was called. There were 52 yeas and 68 nays as follows:

Those who voted in the affirmative were:

Aasness	Fjoslien	Kalis	Piepho	Stowell
Ainley	Frerichs	Kvam	Redalen	Sviggum
Anderson, B.	Halberg	Levi	Rees	Valan
Anderson, G.	Haukoos	Ludeman	Rothenberg	Valento
Blatz	Heap	Luknic	Schafer	Weaver
Carlson, D.	Heinitz	McDonald	Schoenfeld	Welker
Dempsey	Hoberg	Mehrkens	Schreiber	Wigley
Den Ouden	Hokr	Niehaus	Searles	Zubay
Erickson	Jennings	Nysether	Sherman	
Esau	Johnson, D.	Olsen	Sherwood	
Ewald	Kaley	Onnen	Stadum	

Those who voted in the negative were:

Anderson, I.	Elioff	Lehto	Otis	Staten
Battaglia	Ellingson	Long	Peterson, B.	Stumpf
Begich	Evans	McCarron	Peterson, D.	Swanson
Berkelman	Greenfield	Metzen	Pogemiller	Tomlinson
Brandl	Gruenes	Minne	Reding	Vanasek
Byrne	Hanson	Munger	Reif	Vellenga
Carlson, L.	Hauge	Murphy	Rice	Voss
Clark, J.	Hokanson	Nelsen, B.	Rodriguez, C.	Welch
Clark, K.	Jacobs	Nelson, K.	Rodriguez, F.	Wenzel
Clawson	Johnson, C.	Norton	Rose	Wieser
Dahlvang	Jude	Novak	Samuelson	Wynia
Dean	Kahn	O'Connor	Sieben, M.	Spkr. Sieben, H.
Drew	Kelly	Ogren	Simoneau	
Eken	Laidig	Osthoff	Skoglund	

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

H. F. No. 2136, A bill for an act relating to public improvements; authorizing the acquisition and betterment of public land and buildings and other public improvements of a capital nature with certain conditions; authorizing issuance of state bonds; fixing the boundaries of state parks and trails; appropriating money; amending Minnesota Statutes 1980, Sections 16.826; 85.015, Subdivisions 8 and 13; 86.72, Subdivision 1; 121.21, Subdivision 4a; proposing new law coded in Minnesota Statutes, Chapter 84.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 99 yeas and 29 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Ellingson	Kalis	Osthoff	Simoneau
Anderson, G.	Erickson	Kelly	Otis	Skoglund
Anderson, I.	Evans	Laidig	Peterson, B.	Stadum
Battaglia	Ewald	Lehto	Peterson, D.	Staten
Begich	Forsythe	Lemen	Piepho	Stowell
Berkelman	Greenfield	Long	Pogemiller	Stumpf
Blatz	Gruenes	Luknic	Redalen	Swanson
Brandl	Halberg	Mann	Reding	Tomlinson
Brinkman	Hanson	McEachern	Reif	Valan
Byrne	Hauge	Mehrkens	Rice	Vanasek
Carlson, D.	Haukoos	Metzen	Rodriguez, C.	Vellenga
Carlson, L.	Heap	Minne	Rodriguez, F.	Voss
Clark, J.	Himle	Munger	Rose	Weaver
Clark, K.	Hoberg	Murphy	Samuelson	Welch
Clawson	Hokanson	Nelsen, B.	Sarna	Wenzel
Dahlvang	Jacobs	Nelson, K.	Schoenfeld	Wieser
Dean	Johnson, C.	Norton	Schreiber	Wynia
Drew	Johnson, D.	Novak	Shea	Zubay
Eken	Kahn	O'Connor	Sherman	Spkr. Sieben, H.
Elioff	Kaley	Ogren	Sieben, M.	

Those who voted in the negative were:

Aasness	Frerichs	Levi	Olsen	Sherwood
Ainley	Heinitz	Ludeman	Onnen	Svigum
Dempsey	Hokr	McCarron	Rees	Valento
Den Ouden	Jennings	McDonald	Rothenberg	Welker
Esau	Jude	Niehaus	Schafer	Wigley
Fjoslien	Kvam	Nysether	Searles	

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

CALENDAR

H. F. No. 1166, A bill for an act relating to metropolitan government; providing for membership on the metropolitan sports facilities commission; amending Minnesota Statutes 1980, Section 473.553.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 82 yeas and 36 nays as follows:

Those who voted in the affirmative were:

Aasness	Berkelman	Clawson	Erickson	Frerichs
Anderson, B.	Blatz	Dempsey	Esau	Gruenes
Anderson, G.	Brinkman	Den Ouden	Evans	Halberg
Anderson, I.	Byrne	Drew	Ewald	Hanson
Battaglia	Carlson, D.	Elioff	Fjoslien	Hauge
Begich	Carlson, L.	Ellingson	Forsythe	Haukoos

Heap	Luknie	Onnen	Schreiber	Vellenga
Heimitz	Metzen	Peterson, B.	Searles	Voss
Himle	Minne	Piepho	Sherman	Weaver
Hokanson	Munger	Redalen	Sherwood	Welch
Hokr	Murphy	Reding	Sieben, M.	Welker
Jude	Nelsen, B.	Reif	Stadum	Wieser
Kaley	Niehaus	Rodriguez, F.	Stowell	Wigley
Kalis	Nysether	Rothenberg	Sviggum	Zubay
Kvam	O'Connor	Samuelson	Swanson	
Lemen	Ogren	Schafer	Valan	
Levi	Olsen	Schoenfeld	Valento	

Those who voted in the negative were:

Ainley	Jacobs	McEachern	Rice	Vanasek
Brandl	Jennings	Nelson, K.	Rodriguez, C.	Wenzel
Clark, J.	Kahn	Norton	Rose	Wynia
Clark, K.	Kelly	Novak	Sarna	Spkr. Sieben, H.
Dahlvang	Laidig	Otis	Simoneau	
Dean	Long	Peterson, D.	Skoglund	
Eken	Ludeman	Pogemiller	Staten	
Greenfield	McDonald	Rees	Tomlinson	

The bill was passed and its title agreed to.

GENERAL ORDERS

Pursuant to rules of the House, the House resolved itself into the Committee of the Whole, with Sieben, H., in the Chair, for the consideration of bills pending on General Orders of the Day. Wynia presided during a portion of the meeting of the Committee of the Whole. After some time spent therein the Committee arose.

REPORT OF COMMITTEE OF THE WHOLE

The Speaker resumed the Chair, whereupon the following proceedings of the Committee as kept by the Chief Clerk were reported to the House:

H. F. No. 451 which it recommended to pass.

On the motion of Eken the report of the Committee of the Whole was adopted.

ROLL CALLS IN COMMITTEE OF THE WHOLE

Pursuant to rule 1.6, the following roll call was taken in the Committee of the Whole:

Hauge moved to amend H. F. No. 451, the first engrossment, as follows:

Page 2, delete lines 19 and 20

Page 2, delete lines 29 and 30

The question was taken on the amendment and the roll was called. There were 28 yeas and 90 nays as follows:

Those who voted in the affirmative were:

Brandl	Gustafson	Long	Otis	Stumpf
Byrne	Hauge	McCarron	Peterson, D.	Tomlinson
Clark, J.	Kahn	Minne	Pogemiller	Vellenga
Clark, K.	Kelly	Nelson, K.	Reding	Wynia
Ellingson	Kostohryz	Norton	Rice	
Greenfield	Lehto	O'Connor	Skoglund	

Those who voted in the negative were:

Aasness	Erickson	Johnson, C.	Nysether	Sherman
Ainley	Esau	Johnson, D.	Olsen	Sherwood
Anderson, B.	Ewald	Jude	Onnen	Stadum
Anderson, G.	Fjoslien	Kaley	Osthoff	Stowell
Anderson, I.	Forsythe	Kalis	Peterson, B.	Sviggum
Battaglia	Frerichs	Laidig	Piepho	Swanson
Begich	Gruenes	Lemen	Redalen	Valan
Berkelman	Halberg	Levi	Rees	Valento
Blatz	Hanson	Ludeman	Reif	Vanasek
Carlson, D.	Haukoos	Mann	Rodriguez, C.	Voss
Carlson, L.	Heap	McDonald	Rodriguez, F.	Weaver
Clawson	Heinitz	McEachern	Rothenberg	Welch
Dahlvang	Himle	Mehrkens	Sarna	Welker
Dean	Hoberg	Metzen	Schafer	Wenzel
Dempsey	Hokanson	Munger	Schoenfeld	Wieser
Den Ouden	Hokr	Murphy	Schreiber	Wigley
Drew	Jacobs	Nelsen, B.	Searles	Zubay
Eken	Jennings	Niehaus	Shea	Spkr. Sieben, H.

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

Brandl was excused at 5:30 p.m.

MOTIONS AND RESOLUTIONS

Mann moved that the names of Dempsey; Anderson, I.; Mehrkens, and Kostohryz be added as authors on H. F. No. 1452. The motion prevailed.

Halberg moved that his name be stricken as an author on H. F. No. 1978. The motion prevailed.

Rothenberg moved that his name be stricken as an author on H. F. No. 1978. The motion prevailed.

Rodriguez, C., moved that her name be stricken as an author on H. F. No. 1909. The motion prevailed.

Otis moved that his name be stricken as an author on H. F. No. 1909. The motion prevailed.

Kalis moved that the name of Lehto be added as second author on H. F. No. 2141. The motion prevailed.

Dempsey moved that the name of McDonald be added as an author on H. F. No. 1840. The motion prevailed.

Ogren moved that the names of Stowell and Sherman be added as authors on H. F. No. 2174. The motion prevailed.

Jacobs moved that the name of Weaver be added as an author on H. F. No. 2059. The motion prevailed.

Voss moved that the name of McEachern be added as an author on H. F. No. 2073. The motion prevailed.

Wenzel moved that the name of McEachern be added as an author on H. F. No. 2084. The motion prevailed.

Nysether moved that the name of Anderson, I., be added as an author on H. F. No. 1343. The motion prevailed.

Clark, J., moved that the name of Byrne be added as an author on H. F. No. 1307. The motion prevailed.

Onnen moved that the names of Mehrkens and Kalis be added as authors on H. F. No. 2159. The motion prevailed.

Rodriguez, C., moved that the name of Sviggum be stricken and the name of Drew be added as an author on H. F. No. 1939. The motion prevailed.

Brandl moved that the name of Heinitz be stricken and the name of Reif be added as an author on H. F. No. 2123. The motion prevailed.

Clark, K., moved that the name of Blatz be added as an author on H. F. No. 2065. The motion prevailed.

McEachern moved that the name of Jude be added as an author on H. F. No. 1975. The motion prevailed.

Laidig moved that the names of Heinitz and Swanson be added as authors on H. F. No. 2062. The motion prevailed.

Drew moved that the name of Reding be shown as chief author and the name of Drew be shown as second author on H. F. No. 1074. The motion prevailed.

Dahlvang moved that the name of Piepho be added as an author on H. F. No. 1886. The motion prevailed.

Hanson moved that the name of Wynia be added as an author on H. F. No. 2218. The motion prevailed.

Long moved that her name be stricken as an author on H. F. No. 1795. The motion prevailed.

Gruenes moved that the name of Jude be added as an author on H. F. No. 2226. The motion prevailed.

Norton moved that H. F. No. 542 be recalled from the Committee on Governmental Operations and be re-referred to the Committee on Labor-Management Relations.

A roll call was requested and properly seconded.

The question was taken on the motion and the roll was called. There were 64 yeas and 61 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Ellingson	Lehto	Ogren	Sieben, M.
Anderson, I.	Greenfield	Long	Osthoff	Simoneau
Battaglia	Gustafson	Mann	Otis	Skoglund
Begich	Hanson	McCarron	Peterson, D.	Staten
Berkelman	Hauge	McEachern	Pogemiller	Swanson
Byrne	Hokanson	Metzen	Reding	Tomlinson
Carlson, L.	Jacobs	Minne	Rice	Vanasek
Clark, J.	Johnson, C.	Munger	Rodriguez, C.	Vellenga
Clark, K.	Jude	Murphy	Rodriguez, F.	Welch
Clawson	Kahn	Nelson, K.	Samuelson	Wenzel
Dahlvang	Kallis	Norton	Sarna	Wynia
Eken	Kelly	Novak	Schoenfeld	Spkr. Sieben, H.
Elioff	Kostohryz	O'Connor	Shea	

Those who voted in the negative were:

Aasness	Forsythe	Kvam	Peterson, B.	Stumpf
Ainley	Frerichs	Laidig	Piepho	Sviggum
Blatz	Gruenes	Lemen	Reif	Valan
Carlson, D.	Halberg	Levi	Rees	Valento
Dean	Haukoos	Ludeman	Rose	Weaver
Dempsey	Heap	Luknic	Rothenberg	Welker
Den Ouden	Heinitz	McDonald	Schafer	Wieser
Drew	Himle	Mehrrens	Schreiber	Wigley
Erickson	Hoberg	Nelsen, B.	Searles	Zubay
Esau	Hokr	Niehaus	Sherman	
Evans	Jennings	Nysether	Sherwood	
Ewald	Johnson, D.	Olsen	Stadum	
Fjoslien	Kaley	Onnen	Stowell	

The motion did not prevail.

Peterson, D., moved that H. F. No. 2133 be recalled from the Committee on General Legislation and Veterans Affairs and be re-referred to the Committee on Taxes. The motion prevailed.

Rice moved that H. F. No. 2081 be recalled from the Committee on Commerce and Economic Development and be re-referred to the Committee on Labor-Management Relations. The motion prevailed.

Kostohryz moved that H. F. No. 1938 be recalled from the Committee on General Legislation and Veterans Affairs and be re-referred to the Committee on Agriculture. The motion prevailed.

Piepho moved that H. F. No. 2156 be recalled from the Committee on Education and be re-referred to the Committee on Appropriations. The motion prevailed.

Simoneau moved that H. F. No. 2005, now on the Technical General Orders, be re-referred to the Committee on Appropriations. The motion prevailed.

Kostohryz moved that H. F. Nos. 495, 566, 1728 and 1926 be recalled from the Committee on General Legislation and Veterans Affairs and be re-referred to the Committee on Rules and Legislative Administration. The motion prevailed.

Sviggum moved that H. F. No. 290 be returned to its author. The motion prevailed.

Rose moved that H. F. No. 1778 be returned to its author. The motion prevailed.

Drew; Peterson, B., and Rice introduced:

House Resolution No. 26, A house resolution commemorating the life and work of Brother James A. Miller.

The resolution was referred to the Committee on Rules and Legislative Administration.

ANNOUNCEMENT BY THE SPEAKER

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 552:

Clawson, Rice and Halberg.

ADJOURNMENT

Eken moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 2:00 p.m., Thursday, February 25, 1982.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

STATE OF MINNESOTA

SEVENTY-SECOND SESSION - 1982

SEVENTY-SIXTH DAY

SAINT PAUL, MINNESOTA, THURSDAY, FEBRUARY 25, 1982

The House of Representatives convened at 2:00 p.m. and was called to order by Harry A. Sieben, Jr., Speaker of the House.

Prayer was offered by Father John G. Donahue, Maternity of Mary Catholic Church, St. Paul, Minnesota.

The roll was called and the following members were present:

Aasness	Evans	Kostohryz	Olsen	Simoneau
Ainley	Ewald	Kvam	Onnen	Skoglund
Anderson, B.	Fjoslien	Laidig	Osthoff	Stadum
Anderson, G.	Forsythe	Lehto	Otis	Staten
Anderson, I.	Frerichs	Lemen	Peterson, B.	Stowell
Battaglia	Greenfield	Levi	Peterson, D.	Stumpf
Begich	Gruenes	Long	Piepho	Svigum
Berkelman	Gustafson	Ludeman	Pogemiller	Swanson
Blatz	Halberg	Luknic	Redalen	Tomlinson
Brandl	Hanson	Mann	Reding	Valan
Brinkman	Harens	Marsh	Rees	Valento
Byrne	Hauge	McCarron	Reif	Vanasek
Carlson, D.	Haukoos	McDonald	Rice	Vellenga
Carlson, L.	Heap	McEachern	Rodriguez, C.	Voss
Clark, J.	Heinitz	Mehrkens	Rodriguez, F.	Weaver
Clark, K.	Himle	Metzen	Rose	Welch
Clawson	Hoberg	Minne	Rothenberg	Welker
Dahlvang	Hokanson	Munger	Samuelson	Wenzel
Dean	Hokr	Murphy	Sarna	Wieser
Dempsey	Jacobs	Nelsen, B.	Schafer	Wigley
Den Ouden	Jennings	Nelson, K.	Schoenfeld	Wynia
Drew	Johnson, C.	Niehaus	Schreiber	Zubay
Eken	Jude	Norton	Searles	Spkr. Sieben, H.
Elioff	Kahn	Novak	Shea	
Ellingson	Kaley	Nysether	Sherman	
Erickson	Kelly	O'Connor	Sherwood	
Esau	Knickerbocker	Ogren	Sieben, M.	

A quorum was present.

Anderson, R., and Johnson, D., were excused.

Kalis was excused until 5:00 p.m.

The Chief Clerk proceeded to read the Journal of the preceding day. Kelly moved that further reading of the Journal be

dispensed with and that the Journal be approved as corrected by the Chief Clerk. The motion prevailed.

REPORTS OF CHIEF CLERK

Pursuant to Rules of the House, printed copies of H. F. Nos. 1685, 1700, 1725, 1768, 1795, 1812, 1830, 1902, 1920, 1941, 1993, 2058, 2059, 2066, 2068, 342, 773, 1646, 1687, 1701, 1832, 1852, 1948, 2057, 2078, 2079, 2170, 2175, 2186, 1220, 1456, 1663, 1975, 2134, 716, 1459, 1469, 1492, 1499, 1994, 612, 950, 1234, 1547, 1625, 1791, 2077, 1863, 2011, 1558, 1799 and 1967 and S. F. No. 744 have been placed in the members' files.

PETITIONS AND COMMUNICATIONS

The following communications were received:

STATE OF MINNESOTA
OFFICE OF THE GOVERNOR
SAINT PAUL 55155

February 19, 1982

The Honorable Harry A. Sieben, Jr.
Speaker of the House
State of Minnesota

Dear Speaker Sieben:

I have the honor to inform you that I received, approved, signed and deposited in the Office of the Secretary of State the following House File:

H. F. No. 1732, relating to boxing; establishing certain conditions for participation in professional matches; proposing new law coded in Minnesota Statutes, Chapter 341.

Sincerely,

ALBERT H. QUIE
Governor

STATE OF MINNESOTA
OFFICE OF THE SECRETARY OF STATE
ST. PAUL 55155

February 19, 1982

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

The Honorable Jack Davies
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 1982 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:

<i>S.F. No.</i>	<i>H.F. No.</i>	<i>Session Laws Chapter No.</i>	<i>Date Approved 1982</i>	<i>Date Filed 1982</i>
	1732	375	February 19	February 19
699		376	February 19	February 19
1151		377	February 19	February 19
1408		378	February 19	February 19

Sincerely,

JOAN ANDERSON GROWE
Secretary of State

REPORTS OF STANDING COMMITTEES

Swanson from the Committee on Health and Welfare to which was referred:

H. F. No. 1033, A bill for an act relating to public welfare; modifying the liability of counties for reimbursement to the state of the costs of certain state hospital patients; authorizing the commissioner to allow state hospitals to retain charges collected for certain services; amending Minnesota Statutes 1980, Sections 246.54; and 246.57.

Reported the same back with the following amendments:

Pages 1 and 2, delete section 1

Page 2, line 26, delete "*at the direction of the governor after*" and insert a period

Page 2, delete line 27

Page 3, line 2, after the first "*the*" insert "*appropriate fiscal and policy committees of the*"

Page 3, line 6, delete "*1981*" and insert "*1982*"

Renumber the sections

Amend the title as follows:

Page 1, line 2, delete "modifying the liability of"

Page 1, delete line 3

Page 1, line 4, delete "of certain state hospital patients;"

Page 1, line 7, delete "Sections 246.54; and" and insert "Section"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Swanson from the Committee on Health and Welfare to which was referred:

H. F. No. 1307, A bill for an act relating to public welfare; requiring licensure for adult day care facilities; amending Minnesota Statutes 1980, Sections 245.782, Subdivision 2; 245.791; 256B.02, Subdivisions 7 and 8.

Reported the same back with the following amendments:

Page 1, line 13 delete everything after "adult"

Page 1, line 14, delete the new language and insert "*who is experiencing difficulty living independently and is unable to provide for his or her needs*"

Page 1, after line 14, insert:

"Sec. 2. Minnesota Statutes 1980, Section 245.783, is amended by adding a subdivision to read:

Subd. 1a. [ADULT DAY CARE CENTERS.] The commissioner shall establish licensure requirements for adult day care centers and shall license each center that applies for a license and meets those requirements."

Page 2, line 8, after "persons" insert "*or adults who are experiencing difficulty living independently and are unable to provide for their own needs*"

Page 2, line 13, after "adults" insert "*who are not experiencing difficulty living independently or who are able to provide for their own needs*"

Pages 3 to 5, delete section 4 and insert:

"Sec. 5. Minnesota Statutes 1981 Supplement, Section 256B.-02, Subdivision 8, as amended by Laws 1981, Third Special Session Chapter 2, Article I, Section 31, is amended to read:

Subd. 8. "Medical assistance" or "medical care" means payment of part or all of the cost of the following care and services for eligible individuals whose income and resources are insufficient to meet all of such cost:

- (1) Inpatient hospital services.
- (2) Skilled nursing home services and services of intermediate care facilities.
- (3) Physicians' services.
- (4) Outpatient hospital or clinic services.
- (5) Home health care services.
- (6) Private duty nursing services.
- (7) Physical therapy and related services.
- (8) Dental services, excluding cast metal restorations.
- (9) Laboratory and x-ray services.
- (10) The following if prescribed by a licensed practitioner: drugs, eyeglasses, dentures, and prosthetic devices. The commissioner shall designate a formulary committee which shall advise the commissioner on the names of drugs for which payment shall be made, recommend a system for reimbursing providers on a set fee or charge basis rather than the present system, and develop methods encouraging use of generic drugs when they are less expensive and equally effective as trademark drugs. The commissioner shall appoint the formulary committee members no later than 30 days following July 1, 1981. The formulary committee shall consist of nine members, four of whom shall be physicians who are not employed by the department of public welfare, and a majority of whose practice is for persons paying privately or through health insurance, three of whom shall be pharmacists who are not employed by the department of public welfare, and a majority of whose practice is for persons paying privately or through health insurance, a consumer representative, and a nursing home representative. Committee members shall serve two year terms and shall serve without compensation. The commissioner may establish a drug formulary. Its establishment and publication shall not be subject to the requirements of the administrative procedure act. The formulary shall not in-

clude: drugs for which there is no federal funding; over the counter drugs, except for antacids, acetaminophen, family planning products, aspirin, insulin, prenatal vitamins, and vitamins for children under the age of seven; nutritional products; anorectics; and drugs for which medical value has not been established. Payment to drug vendors shall not be modified before the formulary is established. The commissioner may promulgate conditions for prohibiting payment for specific drugs after considering the formulary committee's recommendations.

The basis for determining the amount of payment shall be the actual acquisition cost of the drug plus a fixed dispensing fee established by the commissioner. Actual acquisition cost includes quantity and other special discounts except time and cash discounts. Establishment of this fee shall not be subject to the requirements of the administrative procedure act. Whenever a generically equivalent product is available, payment shall be on the basis of the actual acquisition cost of the generic drug, unless the prescriber specifically indicates "dispense as written" on the prescription as required by section 151.21, subdivision 2.

(11) Diagnostic, screening, and preventive services.

(12) Health care pre-payment plan premiums and insurance premiums if paid directly to a vendor and supplementary medical insurance benefits under Title XVIII of the Social Security Act.

(13) Abortion services, but only if one of the following conditions is met:

(a) The abortion is a medical necessity. "Medical necessity" means (1) the signed written statement of two physicians indicating the abortion is medically necessary to prevent the death of the mother, and (2) the patient has given her consent to the abortion in writing unless the patient is physically or legally incapable of providing informed consent to the procedure, in which case consent will be given as otherwise provided by law;

(b) The pregnancy is the result of criminal sexual conduct as defined in section 609.342, clauses (c), (d), (e) (i), and (f), and the incident is reported within 48 hours after the incident occurs to a valid law enforcement agency for investigation, unless the victim is physically unable to report the criminal sexual conduct, in which case the report shall be made within 48 hours after the victim becomes physically able to report the criminal sexual conduct; or

(c) The pregnancy is the result of incest, but only if the incident and relative are reported to a valid law enforcement agency for investigation prior to the abortion.

(14) Transportation costs incurred solely for obtaining emergency medical care or transportation costs incurred by non-

ambulatory persons in obtaining emergency or non-emergency medical care when paid directly to an ambulance company, common carrier, or other recognized providers of transportation services. For the purpose of this clause, a person who is incapable of transport by taxicab or bus shall be considered to be non-ambulatory.

(15) To the extent authorized by rule of the state agency, costs of bus or taxicab transportation incurred by any ambulatory eligible person for obtaining non-emergency medical care.

(16) *Adult day care services provided by licensed facilities, when ordered by a screening team upon completion of pre-admission screening under section 256B.091 for an adult who would be admitted to a nursing home if adult day care services were not available to that person. Payment for adult day care services is available only through the appropriation available for alternative care under section 256B.091, subdivision 8, and shall not be made if that appropriation has been exhausted.*

(17) Any other medical or remedial care licensed and recognized under state law unless otherwise prohibited by law.

Sec. 6. [RULES.]

The commissioner may promulgate temporary and permanent rules to implement the provisions of sections 1 to 6. The commissioner of health shall assist the commissioner of public welfare in determining appropriate license requirements."

Page 5, line 4, delete "5" and insert "7"

Page 5, line 5, delete "4" and insert "6"

Renumber the sections

Amend the title as follows :

Page 1, line 4, after "2;" insert "245.783, by adding a subdivision;"

Page 1, line 5, delete "Subdivisions 7 and 8" and insert "Subdivision 7; and Minnesota Statutes 1981 Supplement, Section 256B.02, Subdivision 8, as amended"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Mann from the Committee on Transportation to which was referred :

H. F. No. 1452, A bill for an act relating to transportation; creating the Minnesota state highway improvement fund; appropriating money from the fund for improvements to the state trunk highway system; authorizing the issuance of state bonds for the fund pursuant to Article XI of the constitution; appropriating money; proposing new law coded in Minnesota Statutes, Chapter 174.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [TRUNK HIGHWAY BONDS.]

The commissioner of finance is authorized and directed, upon request of the commissioner of transportation, to issue and sell Minnesota trunk highway bonds under the provisions of Minnesota Statutes, Sections 167.50, to 167.52 and of the Minnesota Constitution, Article XI, Sections 4 to 6, and Article XIV, Section 11, at such time and in such amounts as may be requested by the commissioner of transportation. Bonds issued pursuant to this section are authorized in an aggregate principal amount of \$350,000,000. The proceeds of such bonds shall be deposited in a special highway improvement account in the trunk highway fund.

Sec. 2. [APPROPRIATION.]

Subdivision 1. The sum of \$350,000,000 or so much thereof as is determined to be needed, is appropriated from the special highway improvement account in the trunk highway fund to the department of transportation and shall be used to match funds made available to the state by the United States department of transportation for major construction and improvement of the state trunk highway enumerated in subdivision 2.

Subd. 2. Funds appropriated by subdivision 1 shall be expended only upon the following trunk highway segments:

(a) Marked trunk highway no. 53 between the cities of International Falls and Virginia;

(b) Marked trunk highway no. 2 between the cities of Deer River and Cohasset, and between the cities of Bemidji and Cass Lake, and bypassing the city of Crookston;

(c) Marked trunk highway no. 169, between the cities of Milaca and Onamia and between its intersection with St. Louis, county highway 25 and the city of Chisholm, and bypassing the cities of Milaca and Shakopee;

(d) *Marked trunk highway no. 27, between its intersection with marked interstate highway no. 94 and the city of Herman;*

(e) *Marked trunk highway no. 212 between the cities of Montevideo and Granite Falls, and between its intersection with marked interstate highway no. 494 and the city of Norwood;*

(f) *Marked trunk highway no. 60 between the cities of Worthington and St. James;*

(g) *Marked trunk highway no. 61 between the cities of Red Wing and Hastings;*

(h) *Marked trunk highway no. 15 between the cities of New Ulm and Winthrop;*

(i) *Marked trunk highway no. 12 between its intersection with marked trunk highway no. 59 and the city of Ortonville;*

(j) *Marked trunk highway no. 61 in the city of Cottage Grove;*

(k) *Marked trunk highway no. 610 in Hennepin county;*

(l) *Marked trunk highway no. 10 between the cities of Cushing and Bluffton.*

Sec. 3. Minnesota Statutes 1980, Section 167.50, Subdivision 2, is amended to read:

Subd. 2. The bonds shall be issued and sold upon sealed bids after two weeks' published notice. They shall mature serially over a term not exceeding 20 years from their respective dates of issue (, and shall not be sold for less than par and accrued interest (, AND SHALL NOT BEAR INTEREST AT A GREATER RATE THAN FIVE PERCENT PER ANNUM). Subject to the foregoing limitations, and subject to any other limitations stated in the acts authorizing the bonds and appropriating the proceeds thereof, but not subject to the provisions of sections 15.0411 to 15.0422, the bonds shall be issued and sold in the number of series, at times, in the form and denominations, bearing interest at the rate or rates, maturing on dates, either without option of prior redemption or subject to prepayment upon notice and at the times and prices, payable at the bank or banks, within or without the state, with provisions for registration, conversion, and exchange and for the issuance of notes in anticipation of the sale and delivery of definitive bonds, and in accordance with such further regulations, as the commissioner of finance may determine. The bonds shall be executed by the commissioner of finance and attested by the state treasurer under their official seals. The signature of one of these officers on the face of any bond, and their seals, and the signatures of

both officers on the interest coupons appurtenant to any bond, may be printed, lithographed, stamped, or engraved thereon.

Sec. 4. [EFFECTIVE DATE.]

Sections 1 to 3 are effective the day following the effective date of a constitutional amendment amending Article XIV, Section 11 of the Minnesota Constitution to remove limits on the interest rate and outstanding value of trunk highway bonds."

Delete the title and insert:

"A bill for an act relating to transportation; authorizing the issuance of \$350,000,000 in trunk highway bonds, contingent upon the removal of certain constitutional restrictions specifying the purposes for which the bond proceeds may be expended; removing the statutory limit on interest rates on trunk highway bonds; appropriating money; amending Minnesota Statutes 1980, Section 167.50, Subdivision 2."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Swanson from the Committee on Health and Welfare to which was referred:

H. F. No. 1572, A bill for an act relating to health; establishing the right to complete information on all alternative treatments for patients with breast cancer; amending Minnesota Statutes 1980, Section 144.651.

Reported the same back with the following amendments:

Page 4, line 35, delete "and"

Page 4, delete line 36 and insert:

"(22) Every patient and resident shall be fully informed of the risks associated with each potential course of treatment for his or her medical problems; and

(23) Every patient and resident suffering from any form of"

Page 5, line 2, delete "treatments" and insert "effective methods of treatment of which the treating physician is knowledgeable, including surgical, radiological, or chemotherapeutic treatments or combinations of treatments."

Page 5, delete line 3

Amend the title as follows:

Page 1, line 4, after "cancer" insert "and the right of all patients to be informed of the risks of treatment"

With the recommendation that when so amended the bill pass.

The report was adopted.

Kostohryz from the Committee on General Legislation and Veterans Affairs to which was referred:

H. F. No. 1669, A bill for an act relating to veterans; establishing information and referral assistance programs; authorizing limited studies; mandating annual reports; establishing an Agent Orange information and assistance section in the department of veterans affairs; providing Agent Orange information to health professionals; providing genetic information and counseling; classifying certain information as confidential; authorizing certain class actions; appropriating money; proposing new law coded in Minnesota Statutes, Chapter 196.

Reported the same back with the following amendments:

Page 2, line 3, delete "*August 5, 1964*"

Page 2, line 4, delete "*to May 7, 1975*"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Kostohryz from the Committee on General Legislation and Veterans Affairs to which was referred:

H. F. No. 1684, A bill for an act relating to gambling; increasing the amount of compensation for assistants at a bingo occasion; amending Minnesota Statutes 1980, Section 349.17, Subdivision 1.

Reported the same back with the following amendments:

Page 1, line 22, after "Compensation" insert "*for bingo occasion assistants*" and reinstate the stricken language and delete the new language

Page 1, line 23, after the period insert "*A bingo security worker shall not be deemed a bingo occasion assistant. Compensation for bingo security workers may be set by local ordinance.*"

Amend the title as follows:

Page 1, line 2, delete "increasing the amount of"

Page 1, delete line 3 and insert "permitting local governments to fix the compensation of bingo security workers by ordinance;"

With the recommendation that when so amended the bill pass.

The report was adopted.

Mann from the Committee on Transportation to which was referred:

H. F. No. 1686, A bill for an act relating to motor vehicles; providing for special license plates for former prisoners of war; prescribing penalties; proposing new law coded in Minnesota Statutes, Chapter 168.

Reported the same back with the following amendments:

Page 1, line 21, after the period, delete the balance of the line

Page 1, delete line 22

Page 1, line 23, delete "be collected for issuance of the special license plates" and insert "The applicant shall pay in addition to the registration tax required by law, a fee of \$ for the special license plates issued pursuant to this section. The additional fee is only payable when the plates are issued, and no additional fee is payable in any year in which the tabs or stickers are issued in lieu of number plates"

Page 2, after line 2, insert:

"Subd. 2. [SPECIAL PLATE; FORMER PRISONER OF WAR AND HANDICAPPED INSIGNIA.] Any person entitled to the special license plate provided for in this section and who is entitled to special license plates for the physically handicapped pursuant to section 168.021, shall, upon compliance with the procedures required by both sections, be issued license plates bearing both the "EX-POW" and handicapped insignia, of a design and size to be determined by the commissioner."

Renumber the subdivisions

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Norton from the Committee on Governmental Operations to which was referred:

H. F. No. 1697, A bill for an act relating to retirement; validating a certain post retirement adjustment granted by the Virginia firefighters relief association.

Reported the same back with the following amendments:

Page 1, delete everything after line 14 and insert:

"Sec. 2. [EVELETH POLICE AND FIREFIGHTERS; BENEFIT INCREASE.]

Notwithstanding any general or special law to the contrary, in addition to any other benefits payable, retirement benefits payable to retired police officers and firefighters and the surviving spouses thereof by the Eveleth police and fire trust fund may be increased by \$55 per month. Increases may be made retroactive to January 1, 1982.

Sec. 3. [VIRGINIA POLICE RELIEF ASSOCIATION; DEFINITIONS.]

Subdivision 1. [TERMS DEFINED.] Notwithstanding sections 423.37 to 423.392, the following definitions apply to the Virginia police relief association.

Subd. 2. [ADMINISTRATOR.] "Administrator" means the person who is elected by the participants to manage the affairs of the special fund, who serves as an ex officio trustee of the special fund, and who performs the duties of the secretary and the treasurer for the purposes of sections 423.37 to 423.392.

Subd. 3. [BOARD OF DIRECTORS.] "Board of directors" means the members elected to manage the property, affairs and business of the general fund of the association.

Subd. 4. [BOARD OF TRUSTEES.] "Board of trustees" means the participants elected by participants of the association to manage the property, affairs and business of the special fund of the association.

Subd. 5. [CHILD OR CHILDREN.] "Child or children" means the issue of a member born of lawful wedlock or legally adopted by the member during the member's lifetime.

Subd. 6. [INTEGRATION OF BENEFITS.] "Integration of benefits" means the reduction or offset to the amount of disability pension paid, following the exhaustion of sick leave, by benefits received under the workers' compensation law or

received under any disability program provided by the city of Virginia.

Subd. 7. [MEMBER.] "Member" means any person employed as a police officer by the city of Virginia.

Subd. 8. [PARTICIPANT.] "Participant" means a member who was employed on or before June 15, 1980, and who does not contribute to the public employees police and fire fund.

Subd. 9. [PREVAILING PAY.] "Prevailing pay" means the monthly basic salary and the maximum holiday pay, multiplied by the maximum percentage of longevity. Monthly basic salary, maximum holiday pay, and the percentage of longevity are determined in accordance with the unit employment contract of the police department in effect from time to time.

Subd. 10. [SURVIVING SPOUSE.] "Surviving spouse" means the legal spouse of a member at any time prior to termination as a police officer due to retirement or disability, and who was the legal spouse of the member at the time of the member's death.

Sec. 4. [GOVERNANCE OF SEPARATE GENERAL AND SPECIAL FUNDS OF VIRGINIA POLICE RELIEF ASSOCIATION.]

The members of the Virginia police relief association are authorized to maintain a separate general fund to be governed by a board of directors for the benefit of all members and a separate special fund to be governed by a board of trustees and administered by an administrator for the benefit of participants and their survivors.

Sec. 5. [VIRGINIA POLICE; BENEFIT CHANGES FOR PARTICIPANTS.]

If the bylaws so authorize, the following changes shall be effective:

(a) The service pension payable to persons who retired from the police department on or before January 12, 1966, shall be supplemented by \$50 per month.

(b) For any participant who terminated employment after 20 or more years of service, the amount of the monthly service pension payable after the participant has attained the age of at least 50 years shall be equal to one-half of the prevailing pay of a police officer of the rank and position held by the participant for a period of at least six months prior to termination of service, or to the rank and position most analogous thereto,

payable by the police department in each month during which the retired participant receives a service pension.

(c) The amount of a monthly disability pension shall be equal to one-half of the prevailing pay of a police officer of the rank and position held by the participant for a period of at least six months prior to his or her disability or the rank and position most analogous thereto, payable by the police department in each month during the period of the participant's disability, subject to any integration of benefits.

(d) The benefit paid to the surviving spouse of a participant who died on or before January 11, 1967, shall be increased by \$25 per month, until the surviving spouse's death or remarriage.

(e) The benefit paid to a surviving child shall be increased to \$50 per child per month, subject to any limitation placed on the total amount of survivor's benefits.

Sec. 6. [VIRGINIA POLICE; VALIDATION OF ADOPTION OF PENSION PROVISIONS; VALIDATION OF PAST PAYMENTS.]

Notwithstanding the failure of the Virginia police relief association to comply fully with the requirements of Laws 1947, Chapter 625, the election of the Virginia police relief association to come under the provisions of sections 423.37 to 423.392 is hereby validated. Any payments made pursuant to the provisions of sections 423.37 to 423.392 are hereby validated.

Sec. 7. [CLARIFICATION OF INTERPRETATION ON AUTHORITY TO APPROVE ALTERNATIVE BENEFIT INCREASE.]

No provision of section 645.021 or Laws 1980, Chapter 607, Article XV, Section 7 or 25, shall be construed as authorizing any municipality which approved an alternative benefit increase for a local police or salaried firefighters relief association located in the municipality and which complied with section 645.021, subdivision 3, from amending, modifying or revoking that approval or substituting a different alternative benefit increase for the alternative benefit increase which was previously approved.

Sec. 8. [VIRGINIA POLICE; REPEALER.]

Laws 1935, Chapters 92 and 259; Laws 1937, Chapter 197; and Laws 1949, Chapter 235, are repealed.

Sec. 9. [EFFECTIVE DATES.]

The provisions of sections 1, 6, 7 and 8 are effective the day following final enactment. The provisions of section 2 are effective upon approval by the city council of Eveleth and upon compliance with section 645.021. The provisions of sections 3, 4 and 5 are effective upon approval by the city council of Virginia and upon compliance with section 645.021."

Amend the title as follows:

Page 1, line 4, before the period insert "; authorizing increases in benefits payable by the Eveleth police and fire trust fund; defining certain terms, providing for the governance of separate and distinct general and special funds, providing benefit improvements for certain participants and benefit recipients, validating adoption of third class city police law, and validating past payments by the Virginia police relief association; clarifying the authority to approve alternative benefit increases; repealing Laws 1935, Chapters 92 and 259; Laws 1937, Chapter 197; and Laws 1949, Chapter 235"

With the recommendation that when so amended the bill pass and be placed on the Consent Calendar.

The report was adopted.

Swanson from the Committee on Health and Welfare to which was referred:

H. F. No. 1702, A bill for an act relating to veterans; providing for the furnishing of chiropractic care to residents of the Minnesota veterans home; appropriating money; proposing new law coded in Minnesota Statutes, Chapter 198.

Reported the same back with the following amendments:

Page 1, line 10, delete "home" and insert "homes"

Page 1, line 11, delete "spinal care"

Page 1, delete section 2

Amend the title as follows:

Page 1, line 4, delete "appropriating money;"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Mann from the Committee on Transportation to which was referred:

H. F. No. 1707, A bill for an act relating to transportation; allowing certain vehicles to cross certain railroad crossings without stopping; removing the requirement for designated routes for certain buses; modifying the public transit capital grant assistance program; providing for public transit contract procedures; amending Minnesota Statutes 1980, Sections 169.28; 169.29; 169.80, Subdivisions 2 and 2a; 174.245; Laws 1981, Chapter 363, Section 55, Subdivision 1, as amended; repealing Minnesota Statutes 1980, Section 219.21.

Reported the same back with the following amendments:

Page 2, line 2, after "crossing" insert "*on a rail line on which service has been abandoned and*"

Page 2, line 32, after "crossing" insert "*on a rail line on which service has been abandoned and*"

With the recommendation that when so amended the bill pass.

The report was adopted.

Voss from the Committee on Local and Urban Affairs to which was referred:

H. F. No. 1713, A bill for an act relating to St. Louis county; providing for the calculation of vacation and sick leave allowances of certain employees.

Reported the same back with the following amendments:

Page 1, delete lines 16 to 18 and insert:

"This act is effective the day after compliance with Minnesota Statutes, Section 645.021, Subdivision 3, by the county board of St. Louis county."

With the recommendation that when so amended the bill pass and be placed on the Consent Calendar.

The report was adopted.

Voss from the Committee on Local and Urban Affairs to which was referred:

H. F. No. 1736, A bill for an act relating to Hennepin County; providing for the interest on and name of certain debt; regulating personnel provisions; clarifying self insurance authority;

amending Laws 1965, Chapter 855, Section 4, Subdivision 1, as amended, and Section 7, Subdivisions 3, as amended, and 4, as amended; Laws 1979, Chapter 55, Section 1; and Laws 1979, Chapter 198, Article II, Section 7, Subdivisions 1 and 2.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Laws 1965, Chapter 855, Section 4, Subdivision 1, as amended by Laws 1980, Chapter 573, Section 4, is amended to read:

Sec. 4. [DUTIES OF THE PERSONNEL BOARD.]

Subdivision 1. [BOARD PROCEEDINGS.] When any member of the board is not present at the time a matter is submitted to the board such matter shall be deemed submitted to each member of the board with like effect as though each member of the board had been present at the time of submission of such matter. Whenever during the consideration of a matter which is before the board, there is a change in the personnel of the board, the matter shall be deemed submitted to the new member, or members, as though said new member, or members, had been a member of the board at the time of the submission of the matter.

No meetings of the board shall be held unless at least (THREE) *four* members are present. A majority vote of all members shall constitute the decision of the board. The board shall keep records and minutes of its business and official actions which shall be open to public inspection subject to such reasonable rules as to time and place of inspection as the board may establish.

Sec. 2. Laws 1965, Chapter 855, Section 7, Subdivision 3, as amended by Laws 1980, Chapter 573, Section 7, is amended to read:

Subd. 3. [UNCLASSIFIED SERVICE, COMPENSATION.] The director shall establish a compensation plan in accordance with section 6, clause (e) for those employees in the unclassified service identified in subdivision 2, clauses (c), (d), (f), (h), (i), (j), (k), (l), (m), (n), (o), (r) and (s).

Sec. 3. Laws 1965, Chapter 855, Section 7, Subdivision 4, as amended by Laws 1980, Chapter 573, Section 7, is amended to read:

Subd. 4. [UNCLASSIFIED SERVICE, TENURE, BENEFITS.] The positions in the unclassified service enumerated in subdivision 2, clauses (c), (d), (h), (i), (j), (k), (l), (m), (n),

(o), (q), (r) and (s) shall not have permanent tenure but shall have all other benefits provided for in this act. The term of office of any position established by another statute shall be as provided in it.

Sec. 4. Laws 1979, Chapter 55, Section 1, is amended to read:

Section 1. [COUNTY BOARD; SELF INSURANCE.]

Notwithstanding any contrary provision of other law, the board of commissioners of Hennepin county may insure the county against any claim of liability or loss using funds of the county, without procuring insurance from any private insurance company when the county board considers it to be in the best interests of the county. This provision shall not be construed as an increase of the liability limitations or as a waiver of defenses allowable in any action pursuant to Minnesota Statutes, Chapter 466. The board may transfer amounts of money from funds of the county to the funds the county may establish for the above purposes in accord with generally accepted accounting principles. The term "liability" shall extend to all liability or loss that may be covered by any form of insurance, including but not limited to malpractice, general liability, or workers' compensation. (THIS ACT SHALL NOT AUTHORIZE SELF INSURANCE AGAINST RISKS AS DEFINED IN MINNESOTA STATUTES, SECTION 60A.06, SUBDIVISION 1, CLAUSES (4) AND (5)(A).) *Minnesota Statutes, Section 471.617 applies to Hennepin County.*

Sec. 5. Laws 1979, Chapter 198, Article II, Section 7, Subdivision 1, is amended to read:

Sec. 7. [CERTIFICATES OF INDEBTEDNESS.]

Subdivision 1. [TAX ANTICIPATION CERTIFICATES.] At any time after the first day of the year following the making of an annual tax levy, the county board may, by resolution and without public referendum, issue certificates of indebtedness in anticipation of the collection of taxes levied for any fund and not yet collected. The total of all certificates issued against any fund for any year with interest thereon until maturity, together with all orders outstanding against the fund, shall not exceed the total current taxes for the fund uncollected at the time of issuance plus the cash currently in the fund. If certificates are issued against the anticipated tax levy for any fund, any unpaid orders outstanding against the fund shall be redeemed from the proceeds of the certificates. All tax anticipation certificates shall be negotiable and shall be payable to the order of the payee and shall have a definite due date but may be payable on or before that date. No certificate shall be issued to become due and payable later than the first day of April of the year following the year of issuance. Certificates shall be sold for not less than par and accrued interest and shall bear interest at a rate (NOT TO

EXCEED SEVEN PERCENT PER ANNUM) *that conforms to Minnesota Statutes, Section 475.55, payable at maturity or at such earlier times as the board may determine. Each certificate shall state upon its face the fund for which the proceeds of the certificate shall be used, the total amount of the certificates so issued against the fund and the total amount embraced in the tax levy for that fund. They shall otherwise be issued on terms and conditions as the board may determine. The proceeds of the taxes assessed on account of the fund against which tax anticipation certificates are issued and the full faith and credit of the county shall be irrevocably pledged for the redemption of the certificate in the order of issuance against the fund.*

Sec. 6. Laws 1979, Chapter 198, Article II, Section 7, Subdivision 2, is amended to read:

Subd. 2. [EQUIPMENT ACQUISITION; CAPITAL NOTES.] The board may, by resolution and without public referendum, issue (CERTIFICATES OF INDEBTEDNESS) *capital notes* within existing debt limits for the purpose of purchasing ambulance and other medical equipment, road construction or maintenance equipment, public safety equipment and other capital equipment having an expected useful life at least equal to the term of the (CERTIFICATES) *notes* issued. The (CERTIFICATES) *notes* shall be payable in not more than five years and shall be issued on terms and in a manner as the board determines. The total principal amount of the (CERTIFICATES OF INDEBTEDNESS) *notes* issued for any fiscal year shall not exceed one percent of the total annual budget for that year and shall be issued solely for the purchases authorized in this subdivision. A tax levy shall be made for the payment of the principal and interest on such (CERTIFICATES) *notes* as in the case of bonds.

Sec. 7. [AUTOMOBILE ALLOWANCE; COUNTY BOARD.]

The Hennepin County board of commissioners may by resolution provide that each county board member shall be paid as compensation or reimbursement for the use by that board member of his own automobile in the performance of his official duties a monthly or periodic allowance in lieu of mileage in an amount to be determined by the board.

Sec. 8. Minnesota Statutes 1981 Supplement, Section 375.055, Subdivision 1, is amended to read:

Subdivision 1. [FIXED BY COUNTY BOARD.] The county commissioners in all counties of the state, except (HENNEPIN AND) Ramsey (COUNTIES) *county*, shall receive as compensation for services rendered by them for their respective counties, annual salaries and in addition may receive per diem payments and reimbursement for necessary expenses in performing the duties of the office as set by resolution of the county

board, provided that the salary and schedule of per diem payments shall not become effective until January 1 of the next year. The resolution shall contain a statement of the new salary to be established set forth on an annual basis. The board may establish a schedule of per diem payments for service by individual county commissioners on any board, committee, or commission of county government including committees of the board, or for the performance of services by individual county commissioners when required by law; *provided that no more than one per diem payment may be collected for any calendar day.* In addition to its publication in the official newspaper of the county as part of the proceedings of the meeting of the county board, the resolution setting the salary and schedule of per diem payments shall be published in one other newspaper of the county, if there be one located in a different municipality in the county than the official newspaper. The salary of a county commissioner or the schedule of per diem payments shall not change except in accordance with the provisions of this subdivision.

Sec. 9. [REGIONAL RECREATIONAL OPEN SPACE.]

The housing outparcel on Nicollet Island referred to by Laws 1981, Chapter 304, Section 2, is more particularly described as follows:

A parcel bounded on the north by Hennepin Avenue, on the south by Merriam Street, on the west by Wilder Street, and on the east by East Island Avenue, as said streets are presently located;

Together with a parcel bounded on the north by the Burlington Northern Railroad right-of-way, on the south by Hennepin Avenue, on the east by East Island Avenue, and on the west by West Island Avenue;

Together with a parcel bounded on the north by Maple Place, on the south by the Burlington Northern Railroad right-of-way, on the east by Nicollet Street, and on the west by West Island Avenue;

Together with lots 7, 8, and 9, and the west 60 feet of lot 10, block 1, Nicollet Island;

Together with lots 6 and 7, and lots 10 to 16, inclusive, block 3, Nicollet Island.

Sec. 10. [LOCAL APPROVAL.]

Sections 1 to 8 are effective the day after compliance with Minnesota Statutes, Section 645.021, Subdivision 3, by the Hennepin County board. Section 9 is effective in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott and Washington the day after final enactment."

Delete the title and insert:

“A bill for an act relating to local government; regulating duties in Hennepin County; providing for the interest on and name of certain debt; regulating personnel provisions; clarifying self insurance authority; providing for the county board automobile allowance; describing land to be acquired for open space purposes; amending Minnesota Statutes 1981 Supplement, Section 375.055, Subdivision 1; Laws 1965, Chapter 855, Section 4, Subdivision 1, as amended; and Section 7, Subdivisions 3, as amended, and 4, as amended; Laws 1979, Chapter 55, Section 1; and Laws 1979, Chapter 198, Article II, Section 7, Subdivisions 1 and 2.”

With the recommendation that when so amended the bill pass.

The report was adopted.

Voss from the Committee on Local and Urban Affairs to which was referred:

H. F. No. 1747, A bill for an act relating to the city of Minneapolis; providing for the security for certain rehabilitation loans; amending Laws 1977, Chapter 138, Section 2.

Reported the same back with the recommendation that the bill pass and be placed on the Consent Calendar.

The report was adopted.

Voss from the Committee on Local and Urban Affairs to which was referred:

H. F. No. 1748, A bill for an act relating to Ramsey county; providing for the organization, powers and duties of the Saint Paul-Ramsey Medical Center commission; permitting the issuance of revenue bonds; amending Laws 1974, Chapter 435, Section 3.14, as amended.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. Laws 1974, Chapter 435, Section 3.14, as amended by Laws 1978, Chapter 545, Section 1, is amended to read:

Sec. 3.14 [SAINT PAUL-RAMSEY MEDICAL CENTER.]

Subdivision 1. [SAINT PAUL-RAMSEY MEDICAL CENTER COMMISSION.] (a) [NAME OF COMMISSION.] There is created a commission to be known as the “Saint Paul-

Ramsey Medical Center commission", whose duty is the operation, administration and management of the Saint Paul-Ramsey Medical Center facilities.

(b) [MEMBERSHIP.] The Saint Paul-Ramsey Medical Center commission shall consist of 13 members appointed as follows:

(1) Four members from the board of Ramsey county commissioners, including one residing outside the city of Saint Paul, and

(2) Nine citizen members, each of whom must be a resident of Ramsey county, all of whom shall be appointed by the board of county commissioners and there shall be one resident of each of the following Minnesota senate districts, as defined for the 1972 general election, appointed as a citizen member of the commission: Districts 48, 49 and 46 considered for the purposes of this section as one district, 50, 62, 63, 64, 65, 66 and 67. The state senator and representatives whose constituency resides within one of those senate districts shall nominate for commission membership up to three persons residing within such district and Ramsey county and shall submit such nominations to the Ramsey county board of commissioners. The Ramsey county board may appoint citizen members to the commission from the nominations received by senators and representatives, and in any event shall make all initial appointments. The same procedure shall be followed upon expiration of a citizen member's term. Vacancies shall be filled by the appointing authority in the same manner as regular appointments are made, within 30 days after the office is vacated. Nominations by legislators shall be submitted to the county board within 30 days after the office is vacated.

(c) [TERM.] The four members appointed from the membership of the Ramsey county board of commissioners each serve for a term coinciding with his term as a county commissioner. Each of the other nine members hold office for three years and until his successor is appointed, except that for the first appointments, members appointed from senate districts 48, 62 and 65 shall hold office for one year. Members appointed from senate districts 49 and 46 combined, 63 and 66, shall hold office for two years and members appointed from senate districts 50, 64 and 67 shall hold office for three years. Vacancies on the board are filled by appointment in accordance with the provisions of clause (b) (2) for the unexpired term of the position which is being filled. A member of the commission whose term expires, may be reappointed to the board if otherwise qualified. Citizen members may be compensated at the rate of \$35 per day for services actually and necessarily rendered not to exceed \$1,000 per year and all members shall be compensated for expenses incurred in the performance of their duties.

Subd. 2. [PROCEDURE AND ORGANIZATION.] The commission may adopt bylaws. All meetings of the commission are meetings of a public body and open to the public; the minutes thereof are a matter of public record. The commission shall elect from its membership, for one year terms, a chairman, a vice-chairman and a secretary, and other officers as they deem necessary, who have the usual and customary duties, obligations and responsibilities of these offices, and who are required to be bonded at the discretion of the commission as the occasion requires. (A MAJORITY OF THE VOTING) *Seven* members of the commission constitute a quorum.

Subd. 3. [POWERS AND DUTIES OF COMMISSION.]
(a) (THE COMMISSION SHALL EXERCISE THE POWERS AND DUTIES OF A COUNTY SANITARIUM COMMISSION UNDER MINNESOTA STATUTES, SECTION 251.02.)

((B)) The commission is responsible for the operation, administration, management and control of the Saint Paul-Ramsey Medical Center, may carry malpractice insurance for the (HOSPITAL) *medical center medical and nonmedical* staff and pay the premiums therefor (AND). *The commission* may appoint and, at its pleasure, remove a chief executive officer of the (HOSPITAL) *medical center* and seven principal assistants. *The commission may employ other personnel it determines are necessary for the performance of its duties. The commission's employees are subject to the Ramsey county civil service law and the rules related to it.* The commission shall reimburse the county civil service department for its services for (OTHER) *the commission's classified* employees and the reimbursement is to be credited to the civil service department budget.

((C)) (b) The commission shall submit annually to the Ramsey county board of commissioners for approval of that body a budget that shows the estimated amount of money required for the operation and conduct of the affairs of the public (HOSPITAL) *medical center* and sanitarium under control of the commission during the next ensuing year. The budget shall be submitted not later than November 1 of each year and shall include all money needed for the next ensuing year except funds for the construction of additional facilities. The budget, as submitted and approved or as revised by the Ramsey county board of commissioners and approved, is the budget of the commission for the next ensuing year. The Ramsey county board of commissioners shall consult with the commission before approval. When funds for the construction of additional facilities are needed, the commission shall make requests for funds to the city of Saint Paul and county of Ramsey jointly. The commission is to receive and be responsible for all funds from whatever source derived, and these funds are public funds.

((D)) (c) The commission has jurisdiction over its accounts and payrolls and shall establish and maintain a public depository

(UNDER MINNESOTA STATUTES, SECTION 118.01). *The depository shall be subject to Minnesota Statutes, Chapter 118, except that the commission shall determine the appropriate security.*

((C)) (d) It shall establish and maintain all necessary accounts. The commission may establish reserve accounts, depreciation accounts and working capital funds in order to operate on an accrual basis.

((F)) (e) The commission may, with the prior approval of the Ramsey county board of commissioners, obtain (WORKING CAPITAL) funds *necessary* for the operation and maintenance of (A FACILITY) *the medical center* under its jurisdiction by borrowing from funds under the jurisdiction of the Ramsey county board of commissioners or from a lending agency chartered by the United States or a state and authorized to do business in Minnesota. The contract may provide for the borrowing of money in an amount not to exceed a total at any one time outstanding of (\$2,000,000) *\$4,000,000*. The commission shall determine the terms and conditions of the borrowing that are in the best interests of the commission and the county. The contract (SHALL) *may* provide that the security for the loan (WILL) *may* be evidenced by the notes of the commission and the accounts receivable, or any part thereof, available to the commission from the operation of the (HOSPITAL) *medical center*.

((G)) Neither the (HOSPITAL) *medical center* nor any physical asset thereof, nor the full faith and credit of Ramsey county, may be pledged or available as security for its borrowing. (A CONTRACT ENTERED INTO PURSUANT HERETO SHALL NOT EXTEND FOR A TERM OF MORE THAN TWO YEARS FROM THE DATE THEREOF AND IS SUBJECT IN ALL PARTICULARS TO THE APPROVAL OF THE RAMSEY COUNTY BOARD OF COMMISSIONERS.)

((H)) (f) *The Ramsey county board of commissioners upon request of the commission may issue and sell revenue bonds to finance betterment of the medical center and acquisition and betterment of additional facilities for it located within or without Ramsey county, including without limitation payment of principal and interest on the revenue bonds during construction and for a reasonable period thereafter and establishment of reserves for them. The revenue bonds shall be payable solely from all or a portion of the revenues of the commission and may be secured by a mortgage of the site and facilities, or any part of it, financed by the revenue bonds. The revenue bonds shall be in an amount and shall mature as provided by resolution of the county board and approved by the commission and may be issued in one or more series and shall bear a date or dates, bear interest at a rate or rates, be in a denomination or denominations, be in the form either coupon or registered, carry the conversion or registra-*

tion privileges, have rank or priority, be executed in the manner, be payable in medium of payment at the place or places, and be subject to the terms of redemption with or without premium, as the resolution may provide. The revenue bonds may be sold at public or private sale at a price or prices determined by the resolution. Notwithstanding any law to the contrary, the revenue bonds shall be fully negotiable. The commission may enter into the covenants the county board and commission by resolution shall deem necessary and proper to secure payment of the revenue bonds, except that neither the medical center nor any physical assets of it other than the site and facilities being financed may be pledged or available as security for any revenue bonds issued under this paragraph. The revenue bonds, and they shall so state on their face, shall not be payable from nor be a charge upon any funds other than the revenues and property pledged or mortgaged for their payment, nor shall the county board or commission be subject to any liability on them or have the power to obligate themselves to pay or pay the revenue bonds from funds other than the revenues and property pledged and mortgaged and no holder or holders of the revenue bonds shall ever have the right to compel any exercise of any taxing power of Ramsey county or any other public body to pay the principal of or interest on any of them, nor to enforce payment of them against any property of Ramsey county, the commission, or any other public body other than that expressly pledged or mortgaged for their payment.

(THE COMMISSION SHALL PROVIDE HOSPITAL AND MEDICAL SERVICES FOR THE GENERAL PUBLIC, INCLUDING THE INDIGENT, THE CONTAGIOUSLY ILL, CATASTROPHICALLY INJURED, AND CITY AND COUNTY PRISONERS, AND SHALL MAINTAIN THE HOSPITAL AS A RESEARCH AND TEACHING INSTITUTION.)

(g) The commission shall provide hospital and medical services for the indigent of Ramsey county, the contagiously ill, and catastrophically injured and city and county prisoners and maintain the hospital as a research and teaching institution. It may provide hospital and medical services for the general public. To those ends (IT MAY MAKE AFFILIATION AGREEMENTS WITH THE RAMSEY COUNTY NURSING HOME, EDUCATIONAL INSTITUTIONS, POLITICAL SUBDIVISIONS OF THE STATE OF MINNESOTA OR OTHER STATES, BOARDS, COMMISSIONS AND NONPROFIT ORGANIZATIONS CREATED PURSUANT TO STATE STATUTE FOR SIMILAR PURPOSES) and to effectuate its authority to operate, administer, manage, and control the medical center, the commission may enter into the agreements it determines necessary.

The commission shall have all the powers necessary and convenient for the operation, administration, management and control of the medical center. The enumeration of specific powers

in this law is not intended to restrict the power of the commission to take any action which in the exercise of its discretion is necessary or convenient for the furtherance of the purpose for which the commission exists, and which is not otherwise prohibited by law, whether or not the power to take the action is necessarily implied from any of the powers expressly granted.

Subd. 4. [PURCHASING.] Notwithstanding any law to the contrary, the Saint Paul-Ramsey Medical Center commission may purchase directly or utilize the services of a nonprofit cooperative hospital service organization, the city of Saint Paul, the state, the university of Minnesota, or any other political subdivision or agency of the state in the purchase of all goods, materials and services that the commission may require. These purchases shall be made in compliance with laws of the state, except that purchase through a nonprofit cooperative hospital service organization is not subject to Minnesota Statutes, (SECTION) Sections 471.345 to 471.37.

Subd. 5. [COUNTY ATTORNEY.] *The commission may sue and be sued.* The Ramsey county attorney is the attorney and legal advisor of the commission. The commission shall reimburse Ramsey county for his services and the reimbursement is to be credited to the budget of the Ramsey county attorney.

Subd. 6. [CERTAIN AGREEMENTS PROHIBITED.] Notwithstanding any law to the contrary, the commission may not enter into an exclusive agreement with a medical school which would preclude the use of Saint Paul-Ramsey Medical Center in the training of medical students of another medical school. Notwithstanding any law to the contrary, the commission may not enter into an agreement with another hospital which would relieve the other hospital of responsibility to a patient of the other hospital for the furnishing of hospital services obtainable at that hospital.

Subd. 7. [FINANCING.] (a) Indebtedness for construction of existing facilities is to be retired as provided in Laws 1957, Chapter 938, and to be jointly financed by the city of Saint Paul and Ramsey county in accordance with the applicable provisions of law. If the hospital revenues justify they shall be applied to the retirement of the indebtedness.

(b) The commission may accept from the United States, the state of Minnesota or another agency or local subdivision of government and from private sources land, money or other assistance for the purposes of carrying out the provisions of this section. *The commission may purchase, hold and convey personal property and hold and convey real property in its own name. With the prior approval of the Ramsey county board of commissioners, the commission may purchase real property in its own name.*

Subd. 8. [TRANSFER OF CONTROL.] (a) The operation, management and control of the Saint Paul-Ramsey Medical Center and the Ramsey county tuberculosis sanitarium are transferred from the county welfare board of the city of Saint Paul and county of Ramsey to the Saint Paul-Ramsey Medical Center commission.

(b) All the powers and duties concerning institutional care of the sick or injured indigent, the contagiously ill, the catastrophically injured, and the city and county prisoners at Saint Paul-Ramsey Medical Center and the Ramsey county sanitarium vested in or imposed upon the Ramsey county welfare board of the city of Saint Paul and county of Ramsey and the Ramsey county sanitarium commission are transferred to, vested in, and imposed upon the Saint Paul-Ramsey Medical Center commission.

(c) This section supersedes all laws inconsistent herewith.

Subd. 9. [CONSTRUCTION OF SAINT PAUL-RAMSEY MEDICAL CENTER.] (a) [AUTHORIZATION.] Ramsey county and the city of Saint Paul may acquire land for, erect, equip and furnish a hospital and nurses' home.

(b) [DIVISION OF COSTS BETWEEN COUNTY AND CITY.] The cost and expense of acquiring land for, erecting, equipping and furnishing the hospital and nurses' home is to be borne by the county and city in the following proportion: the county shall pay 72-1/2 percent of the cost and expense, and the city shall pay 27-1/2 percent of the cost and expense.

(c) [BONDS, ISSUANCE BY COUNTY.] The county may borrow a sum not to exceed \$11,600,000, or so much thereof as the board of county commissioners of Ramsey county considers necessary, to defray the county's share of the cost and expense of the acquisition of land for, the erection, equipping and furnishing of the hospital and nurses' home. The board of county commissioners may issue and sell, from time to time, and without submitting the question of the issuance of the bonds to a vote of the people, the bonds of the county in the sum and amount of \$11,600,000, or the part thereof that the county board considers necessary, the proceeds of the sale of the bonds to be used for the purposes specified herein, and may secure the payment of the bonds by pledging the full faith and credit of the county therefor. The bonds shall be in the form and bear interest at the rate that the county may prescribe and the county through its board of county commissioners shall sell them to the highest bidder therefor, after notice of the time and the place for the receiving of the bids is published according to law. The bonds are to be issued to mature serially, the first installment of which becoming due and payable in not more than three years and the last of which becoming due and payable in not more

than 30 years from their date. The county shall deposit the proceeds received from the sale of the bonds in a fund to be designated as hospital facility fund; the money shall be disbursed therefrom in the same manner as other funds of the county are disbursed, but only for the purposes herein expressed, and according to such other procedural requirements in reference thereto as are set out specifically in this subdivision.

(d) [BONDS, ISSUANCE BY CITY.] The city of Saint Paul may borrow a sum not to exceed \$4,400,000, or so much thereof as the governing body of the city considers necessary, to defray its share of the expense of the acquisition of land, the erection, equipping and furnishing of the hospital and nurses' home. The governing body of the city may issue and sell, from time to time and without submitting the question of the issuance of the bonds to a vote of the people, the bonds of the city in the sum and amount of \$4,400,000 or the part thereof that the city council considers necessary, the proceeds of the sale of the bonds to be used for the purposes specified herein, and may secure the payment of the bonds by pledging the full faith and credit of the city therefor. The bonds shall be in the form and bear interest at the rate as the city prescribes and the city through its governing body shall sell them to the highest bidder therefor, after notice of the time and the place for the receiving of the bids is published according to law. The bonds are issued to mature serially, the first installment of which becoming due and payable in not more than three years and the last of which becoming due and payable in not more than 30 years from their date. The city shall deposit the proceeds received from the sale of the bonds in a fund to be designated as hospital facility fund, and the moneys shall be disbursed therefrom in the same manner as other funds of the city are disbursed, but only for the purposes herein expressed, and according to such other procedural requirements in reference thereto as are set out specifically in this subdivision. These bids shall not be included in computing the net indebtedness of the city under an applicable law or charter.

(e) [TAX LEVY BY CITY FOR PAYMENT OF BONDS.] The city may levy annually upon the taxable property in the city, without limitation as to rate or amount, the ad valorem tax that is necessary to pay for the interest on the bonds as it accrues and to pay for the principal thereof in full at maturity. The levy of the tax for this purpose is granted to the city to levy taxes for the payment of the principal and interest of the bonds in addition to all other taxing powers of the city, and exists independently of any restrictions upon the power of the city to levy taxes for other purposes.

(f) [COUNTY AUDITOR, DUTIES.] If the board of county commissioners or the governing body of the city fails to make provision in their annual tax levies for the payment and redemption of the bonds with the interest thereon as they become

due and payable, the county auditor of Ramsey county shall add to the amount of taxes to be raised by the county or city an amount sufficient to provide for the payment and redemption of the bonds with interest due thereon.

(g) [BONDS; CHAPTER 475, APPLICABLE.] Except as otherwise provided in this subdivision, the issuance of the bonds herein authorized by the city or county shall be governed by the provisions of Minnesota Statutes, Chapter 475.

Sec. 2. [EFFECTIVE DATE.]

This act is effective the day after compliance with Minnesota Statutes, Section 645.021, Subdivision 3, by the Ramsey county board of commissioners."

With the recommendation that when so amended the bill pass.

The report was adopted.

Swanson from the Committee on Health and Welfare to which was referred:

H. F. No. 1783, A bill for an act relating to public welfare; changing liquid asset limits for medical assistance eligibility; amending Minnesota Statutes 1981 Supplement, Section 256B.06, Subdivision 1, as amended by a law passed in the 1981 third special session styled as House File No. 2, Article I, Section 32.

Reported the same back with the following amendments:

Page 4, after line 14, insert:

"Sec. 2. [LIMITATION.]

If the provision of the state medical assistance plan incorporating the amendment made by section 1 regarding the \$10,000 resource limit for designated persons is disapproved by the secretary of health and human services, in a final action, after an administrative appeal, then section 1 is repealed."

Renumber the section

Amend the title as follows:

Page 1, line 3, after the semicolon insert "establishing limitations;"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Appropriations

The report was adopted.

Swanson from the Committee on Health and Welfare to which was referred:

H. F. No. 1794, A bill for an act relating to health; providing for grants to certain maternal and child health care programs; proposing new law coded in Minnesota Statutes, Chapter 144.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [145.88] [PURPOSE.]

The legislature finds that it is in the public interest to assure:

(a) Statewide planning and coordination of maternal and child health services through the acquisition and analysis of population-based health data, provision of technical support and training, and coordination of the various public and private maternal and child health efforts; and

(b) Support for targeted maternal and child health services in communities with significant populations of high risk, low income families through a grants process.

Federal money received by the Minnesota department of health, pursuant to United States Code, Title 42, Sections 701 to 709, shall be expended to:

(1) assure access to quality maternal and child health services for mothers and children, especially those of low income and with limited availability to health services;

(2) reduce infant mortality and the incidence of preventable diseases and handicapping conditions among children;

(3) reduce the need for inpatient and long-term care services and to otherwise promote the health of mothers and children, especially by providing preventive and primary care services for low income mothers and children and prenatal, delivery and postpartum care for low income mothers;

(4) provide rehabilitative services for blind and disabled children under age 16 receiving benefits under Title XVI of the Social Security Act; and

(5) provide and locate medical, surgical, corrective and other service for children who are crippled or who are suffering from conditions that lead to crippling.

Sec. 2. [MATERNAL AND CHILD HEALTH ADVISORY TASK FORCE.]

Subdivision 1. [COMPOSITION OF TASK FORCE.] The commissioner shall establish and appoint a maternal and child health advisory task force consisting of 15 members who will provide equal representation from:

(1) professionals with expertise in maternal and child health services;

(2) representatives of local health boards as defined in section 145.913; and

(3) consumer representatives interested in the health of mothers and children.

No members shall be employees of the state department of health. Task force members shall be appointed and removed and terms shall expire as provided in section 15.059, subdivision 6.

Subd. 2. [DUTIES.] The advisory task force shall meet on a regular basis to perform the following duties:

(a) Review and report on the health care needs of mothers and children throughout the state of Minnesota;

(b) Review and report on the type, frequency and impact of maternal and child health care services provided to mothers and children under existing maternal and child health care programs, including programs administered by the commissioner of health;

(c) Establish, review, and report to the commissioner a list of program guidelines and criteria which the advisory task force considers essential to providing an effective maternal and child health care program to low income, high risk patients and fulfilling the purposes defined in section 1;

(d) Review staff recommendations of the department of health regarding maternal and child health grant awards before the awards are made;

(e) Make recommendations to the commissioner for the use of other federal and state funds available to meet maternal and child health needs;

(f) Make recommendations to the commissioner of health on priorities for funding the following maternal and child health services: (1) prenatal, delivery and postpartum care, (2) comprehensive health care for children, especially from birth through five years of age, (3) adolescent health services, (4) family planning services, (5) preventive dental care, (6) special services for chronically ill and handicapped children and (7) any

other services which promote the health of mothers and children; and

(g) Make recommendations to the commissioner of health on a process to distribute, award and administer the maternal and child health block grant funds after July 1, 1983 that will fulfill the purposes of section 1.

Sec. 3. [MATERNAL AND CHILD HEALTH BLOCK GRANT DISTRIBUTION.]

The maternal and child health care block grant shall be distributed to the same recipients that received funds during the previous year until July 1, 1983. A reduction in federal funding shall be distributed to reflect a proportional reduction for each recipient.

Sec. 4. [EFFECTIVE DATE.]

Sections 1 to 3 are effective the day following final enactment."

Amend the title as follows :

Page 1, lines 2 and 3, delete "providing for grants to certain maternal and child health care programs" and insert "providing for an advisory task force to make recommendations on the distribution of funds for maternal and child health care needs"

Page 1, line 4, delete "144" and insert "145"

With the recommendation that when so amended the bill pass.

The report was adopted.

Vanasek from the Committee on Criminal Justice to which was referred:

H. F. No. 1809, A bill for an act relating to crimes; prohibiting the selling of children; prescribing penalties; proposing new law coded in Minnesota Statutes, Chapter 609.

Reported the same back with the following amendments:

Page 2, after line 1, insert:

"Subd. 4. [EXCEPTION FROM LIABILITY.] A person who pays, offers, or attempts to pay for a child is guilty of a misdemeanor.

Subd. 5. [BUYER'S LIABILITY.] A person who buys or attempts to buy a child, with intent to transfer the child, is punishable as provided in subdivision 1."

With the recommendation that when so amended the bill pass.

The report was adopted.

Voss from the Committee on Local and Urban Affairs to which was referred:

H. F. No. 1842, A bill for an act relating to the city of Saint Paul; authorizing the issuance of bonds to provide funds to repair, remodel, construct or reconstruct the civic center facilities.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on Taxes.

The report was adopted.

Brinkman from the Committee on Financial Institutions and Insurance to which was referred:

H. F. No. 1867, A bill for an act relating to insurance; eliminating certain mandatory filings with the commissioner of insurance; repealing Minnesota Statutes 1980, Section 72A.062.

Reported the same back with the following amendments:

Page 1, after line 6, insert:

"Section 1. Minnesota Statutes 1981 Supplement, Section 60A.17, Subdivision 13, is amended to read:

Subd. 13. [AGENTS; VARIABLE CONTRACTS.] ((A)) (1) [LICENSE REQUIRED.] No person shall sell or offer for sale a contract on a variable basis unless prior to making any solicitation or sale the person has obtained from the commissioner a license therefor. The license shall only be granted, upon the written requisition of an insurer, to a qualified person who holds a current license authorizing the person to solicit and sell life insurance and annuity contracts in this state. To become qualified, a person shall complete a written application on a form prescribed by the commissioner and shall take and pass an examination prescribed by the commissioner. Prior to the taking of the examination, or upon re-examination, the applicant shall transmit to the commissioner, by money order or cashiers check payable to the state treasurer, an examination fee of \$10.

((B)) (2) [EXCEPTIONS.] ((1) ANY OFFICER OF A LICENSED INSURER MAY, WITHOUT LICENSE OR

OTHER QUALIFICATION, ACT IN ITS BEHALF IN THE NEGOTIATION AND CONSUMMATION OF CONTRACTS ON A VARIABLE BASIS.) (a) *Any regular salaried officer or employee of a licensed insurer, without license or other qualification, may act on behalf of that licensed insurer in the negotiation of a contract on a variable basis, provided that a licensed agent must participate in the sale of any such contract.*

((2)) (b) Any person who, on July 1, 1969, holds a valid license authorizing the person to solicit and sell life insurance and annuity contracts and who also holds a valid license issued by the securities and real estate division of the department of commerce authorizing the person to sell or offer for sale contracts on a variable basis shall be issued a license by the commissioner of insurance upon application therefor and payment of a \$2 fee, which license shall expire on May 31, 1970, unless renewed by an insurer as provided in paragraph ((A)) (1).

((3)) (c) Any person who holds a valid license to solicit and sell life insurance and annuity contracts may solicit and sell contracts on a variable basis without acquiring a license under this subdivision if the contract is based on an account which is excluded from the definition of investment company under the Investment Company Act of 1940, 15 U.S.C. 80a-3(11).

((C)) (3) [RULES.] The commissioner may by rules waive or modify any of the foregoing requirements or prescribe additional requirements deemed necessary for the proper sale and solicitation of contracts on a variable basis.

Sec. 2. [APPLICABILITY.]

Section 1 applies to contracts on a variable basis delivered, issued for delivery, renewed or amended on or after August 1, 1982."

Renumber the section

Amend the title as follows:

Page 1, line 3, after the semicolon insert "providing certain exceptions to variable contract license requirements; amending Minnesota Statutes 1981 Supplement, Section 60A.17, Subdivision 13;"

With the recommendation that when so amended the bill pass.

The report was adopted.

Voss from the Committee on Local and Urban Affairs to which was referred:

H. F. No. 1868, A bill for an act relating to local government aid; requiring a portion of sales tax collections to be distributed for local government aid; providing for payment of local government aid; requiring the commissioner of revenue to estimate payments; appropriating money; amending Minnesota Statutes 1981 Supplement, Sections 477A.014, Subdivision 1; 477A.015; and 477A.03.

Reported the same back with the recommendation that the bill be re-referred to the Committee on Taxes.

The report was adopted.

Voss from the Committee on Local and Urban Affairs to which was referred:

H. F. No. 1869, A bill for an act relating to local government aid; requiring a portion of the state general fund to be distributed for local government aid; providing for payment of local government aid; requiring the commissioner of revenue to estimate payments; authorizing the delay of 1982 aid payments; appropriating money; amending Minnesota Statutes 1981 Supplement, Sections 477A.014, Subdivision 1; 477A.015; and 477A.03.

Reported the same back with the recommendation that the bill be re-referred to the Committee on Taxes.

The report was adopted.

Johnson, C., from the Committee on Education to which was referred:

H. F. No. 1871, A bill for an act relating to education and public data on individuals; requiring the disclosure of names, addresses, telephone numbers and dates of birth of students in secondary schools to recruiting officers for any branch of the United States armed forces unless the parents request in writing that the information not be released; requiring certain procedures to be followed prior to release; restricting the dissemination of disclosed information; amending Minnesota Statutes 1980, Section 15.1693, Subdivision 2, and by adding a subdivision.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1980, Section 15.1693, Subdivision 2, is amended to read:

Subd. 2. Except as provided in (SUBDIVISION) *subdivisions 4 and 5*, educational data is private data on individuals and shall not be disclosed except as follows:

- (a) Pursuant to section 15.163;
- (b) Pursuant to a valid court order;
- (c) Pursuant to a statute specifically authorizing access to the private data;
- (d) To disclose information in health and safety emergencies pursuant to the provisions of 20 U.S.C., Section 1232g(b)(1)(I) and 45 C.F.R., Section 99.36 which are in effect on July 1, 1979;
- (e) Pursuant to the provisions of 20 U.S.C., Sections 1232g(b)(1), (b)(4)(A), (b)(4)(B), (b)(1)(B), (b)(3) and 45 C.F.R., Sections 99.31, 99.32, 99.33, 99.34 and 99.35 which are in effect on July 1, 1979; or
- (f) To appropriate health authorities but only to the extent necessary to administer immunization programs.

Sec. 2. Minnesota Statutes 1980, Section 15.1693, is amended by adding a subdivision to read:

Subd. 5. [RELEASE TO ARMED FORCES RECRUITERS.]

(a) The responsible authority shall release the names, addresses, telephone numbers and dates of birth of students attending secondary school to a recruiting officer for any branch of the United States armed forces who requests the information.

(b) Prior to the release of the information in clause (a), the school board shall give, by mailing to the parent or the student who is over 18 years of age, notice of the categories of personally identifiable information which is to be released, including the right of the parent or the student who is over 18 years of age to refuse to permit the release, and the period of time within which a parent or a student who is over 18 years of age must inform the responsible authority in writing that the information is not to be released with respect to that student.

(c) The responsible authority may require the recruiting officer to pay the cost of mailing the notice required in clause (b) and to pay the actual cost of making and compiling the information in clause (a).

(d) The recruiting officer shall use the information in clause (a) to provide information regarding military service to students and shall not use it for any other purpose or release the informa-

tion to any person or organization other than individuals within the recruiting services of the United States armed forces.

(e) Release of information under this subdivision shall not require the responsible authority to release the information to any other person or organization.

Sec. 3. [EFFECTIVE DATE.]

Sections 1 and 2 are effective the day following final enactment."

With the recommendation that when so amended the bill pass.

The report was adopted.

Swanson from the Committee on Health and Welfare to which was referred:

H. F. No. 1885, A bill for an act relating to public welfare; providing for approval of mental health clinics and centers pending promulgation of permanent rules.

Reported the same back with the following amendments:

Page 1, line 9, delete "adopted" and insert "in effect"

With the recommendation that when so amended the bill pass and be placed on the Consent Calendar.

The report was adopted.

Kostohryz from the Committee on General Legislation and Veterans Affairs to which was referred:

H. F. No. 1890, A bill for an act relating to the city of Brooklyn Center; authorizing the Brooklyn Center housing and redevelopment authority to carry out a housing interest buy-down program.

Reported the same back with the following amendments:

Page 2, line 31, before the period insert "; provided, however, that the regulations shall incorporate the gross income and purchase price limitations established in section 462C.03, subdivisions 2 and 3"

With the recommendation that when so amended the bill pass.

The report was adopted.

Kostohryz from the Committee on General Legislation and Veterans Affairs to which was referred:

H. F. No. 1897, A bill for an act relating to the state agricultural society; updating and clarifying certain powers and duties of the society; amending Minnesota Statutes 1980, Sections 37.01; 37.04, Subdivision 3; 37.05; 37.06; 37.17, subdivisions 1, 2, and by adding a subdivision; 37.18; 37.19; 37.20; 37.21; and 37.22; repealing Minnesota Statutes 1980, Section 37.23; Minnesota Statutes 1981 Supplement, Sections 37.17, Subdivision 3; and 37.27.

Reported the same back with the following amendments:

Page 7, line 20, delete "Ramsey" and insert "any"

Page 7, line 20, after "or" delete "any"

With the recommendation that when so amended the bill pass.

The report was adopted.

Voss from the Committee on Local and Urban Affairs to which was referred:

H. F. No. 1904, A bill for an act relating to local government; permitting the establishment of special service districts; providing taxing and other financial authority; proposing new law coded as Minnesota Statutes, Chapter 429A.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [429A.01] [DEFINITIONS.]

Subdivision 1. For the purpose of this act the terms defined in this section have the following meanings.

Subd. 2. "Municipality" means any city however organized.

Subd. 3. "Special services" means all services rendered or contracted for by a municipality which directly or indirectly benefit the property subject to a tax or service charge pursuant to section 3 or 7. Special services shall specifically include, but not be limited to, (a) the repair, maintenance, operation and construction of any improvements authorized by section 429.021; (b) parking services rendered or contracted for by a municipality; (c) services promoting or advertising commercial activity

within a special service district, and (d) any other service provided to the public by a municipality authorized by any law or charter provision to provide the service, if the governing body of the municipality determines provision of the services to be in the public interest. Special services shall not include services which are ordinarily provided throughout the municipality from general fund revenues of the municipality unless the service is provided in the special service district in an increased level in comparison with the remainder of the municipality.

Subd. 4. "Special service district" means a defined area within a municipality in which special services are rendered and the costs of the special services are paid from revenues collected from taxes and service charges imposed within that area. The boundaries of a special service district may not be contiguous with the boundaries of the municipality.

Sec. 2. [429A.02] [ESTABLISHMENT OF SPECIAL SERVICE DISTRICT.]

Subdivision 1. [ORDINANCE.] The governing body of a municipality may adopt an ordinance establishing a special service district. The ordinance shall describe with particularity the area within the municipality to be included in the district and the special services to be furnished within the district. The ordinance may not be adopted nor taxes levied or service charges imposed pursuant to section 3 or 7 until after a public hearing has been held on the question.

Subd. 2. [CONTENTS OF NOTICE.] (1) Notice of the hearing shall include:

(a) The time and place of hearing;

(b) A map showing the boundaries of the area;

(c) A statement that all persons owning property in the proposed special service district will be given opportunity to be heard at the hearing; and

(d) The nature and character of the special services to be rendered in the special service district.

(2) In the case of a notice of hearing to levy a tax or impose service charges, the notice shall additionally include:

(a) That ad valorem taxes are proposed to be levied or other taxes or service charges imposed;

(b) The maximum rate of taxes to be extended or the maximum service charge to be imposed; and

(c) *The estimated cost of improvements to be paid for in whole or in part by taxes or service charges imposed pursuant to this section or section 7, the estimated cost of operating and maintaining the improvements during the first year after completion of the improvements, and the proposed method and source of financing the improvements and the annual cost of operating and maintaining the improvements.*

Subd. 3. [NOTICE.] Notice of the hearing shall be given by publication in two issues of the official newspaper of the municipality. The two publications shall be a week apart and the hearing shall be held at least three days after the last publication. Not less than ten days before the hearing, notice shall also be mailed to the owner of each parcel within the area proposed to be included in the special service district. For the purpose of giving mailed notice, owners shall be those shown on the records of the county auditor or, in any county where tax statements are mailed by the county treasurer, on the records of the county treasurer. Other records may be used to supply the necessary information. For properties which are tax exempt or subject to taxation on a gross earnings basis in lieu of property tax and are not listed on the records of the county auditor or the county treasurer, the owners shall be ascertained by any practicable means and mailed notice given them. At the public hearing any person affected by the proposed special services district may be heard orally in respect to any issues embodied in the notice. The hearing may be adjourned from time to time and the ordinance establishing the special services district may be adopted at any time within six months after the date of the conclusion of the hearing by a vote of the majority of the governing body of the municipality.

Sec. 3. [429A.03] [RATE OF TAX; NOTICE AND HEARING REQUIREMENTS.]

Subdivision 1. [TAXES; HEARING.] Ad valorem taxes may be levied on taxable property or service charges may be imposed by the municipality within the special service district at a rate or amount sufficient to produce revenues required to provide special services within the district. For purposes of determining the appropriate mill rate, taxable property or value shall be determined without regard to captured or original assessed value under section 273.76 or to the distribution or contribution value under section 473F.08. Prior to the levy of taxes or imposition of service charges in a special services district, for each calendar year notice shall be given and hearing shall be held pursuant to section 2. Provided that in the case of ad valorem taxes or service charges, if the municipality does not increase the amount levied or assessed from the preceding year, notice of the hearing need not be mailed to property owners.

Within six months of the public hearing, the municipality may adopt a resolution levying an ad valorem tax or imposing a

service charge within the special services district at a rate not exceeding the maximum rate expressed in the notice issued pursuant to this section.

Subd. 2. [EXEMPTION OF CERTAIN PROPERTIES FROM TAXES.] *Property exempted from taxation by section 272.02, shall be exempted from any ad valorem taxes imposed pursuant to this act.*

Subd. 3. [EXCLUSION FROM HOMESTEAD CREDIT.] *Taxes levied under this section shall not be reduced pursuant to section 273.13, subdivisions 6, 7, 7d, or 14a. State reimbursement pursuant to section 273.139 shall not apply to any taxes levied pursuant to this chapter.*

Sec. 4. [429A.04] [ENLARGEMENT OF SPECIAL SERVICE DISTRICTS.]

Boundaries of a special service area may be enlarged only after hearing and notice as provided in sections 2 and 3. Notice shall be served in the original special service district and in the area proposed to be added to the special service district. Property added to the district shall be subject to all ad valorem taxes levied and service charges imposed within the district after the property becomes a part of the district.

Sec. 5. [429A.05] [COLLECTION OF TAXES.]

Ad valorem taxes levied within a special service district shall be collected and paid over as other taxes, but shall be spread only upon the property described in the ordinance. Service charges imposed shall be collected as provided by ordinance. Ad valorem taxes levied pursuant to this chapter shall be remitted directly to the municipality notwithstanding section 273.76 and chapter 473F.

Sec. 6. [429A.06] [BONDS.]

At any time after a contract for the construction of all or part of an improvement authorized pursuant to this chapter has been entered into or the work has been ordered done by day labor, the governing body may issue obligations in the amount it deems necessary to defray in whole or in part the expense incurred and estimated to be incurred in making the improvement, including every item of cost from inception to completion and all fees and expenses incurred in connection with the improvement or its financing. The obligations shall be payable primarily out of the proceeds of the tax levied pursuant to section 3. The governing body may also pledge to the payment of the bonds all or a specified portion of the revenues derived from any tax levied pursuant to section 7. The governing body may, by resolution adopted prior to the sale of obligations, pledge the full faith, credit and taxing power of the

municipality to assure payment of the principal and interest if the proceeds of the tax levy in the district are insufficient to pay the principal and interest. Obligations shall be issued in accordance with chapter 475, except that the amount of the obligations shall not be included in determining the net indebtedness of the municipality under the provisions of any law or charter limiting indebtedness.

Sec. 7. [429A.07] [OTHER TAXES.]

Notwithstanding chapter 477A or any other law and in addition to the taxes and service charges authorized by section 3, the governing body of a municipality may by ordinance impose taxes on the gross receipts from the sale of intoxicating liquors and fermented malt beverages, on the gross receipts of restaurants which serve food and liquor and on gross receipts from the furnishing for consideration of transient lodging, parking, admissions, or amusements within a special service district established under section 2. Notice and hearing on an ordinance imposing taxes authorized by this section shall be held pursuant to section 3. Taxes imposed pursuant to this section on gross receipts which are also subject to the state general sales tax imposed by chapter 297A, shall be collected by the commissioner of revenue along with the state general sales tax imposed by chapter 297A, at the same time, in the same manner, and subject to the same rules and the same interests and penalties for non-payment. The commissioner shall adopt rules as necessary to make practicable the collection and disbursement of the tax imposed pursuant to this section with the state sales tax. The state shall, after deducting the costs of collection, distribute the net amount of each tax to the city in which the special service district is located. The governing body may by ordinance provide for the collection of service charges and taxes, other than taxes on gross receipts subject to the state general sales tax, imposed by this section. The proceeds of any taxes levied pursuant to this section may only be used to provide special services in the special service district. No tax may be imposed by a municipality pursuant to this section on admissions which are taxed by the metropolitan sports facilities commission.

Sec. 8. [429A.08] [LEVY LIMIT EXCEPTION.]

Taxes and service charges imposed pursuant to this act shall not be included in the calculation of levies or limits on levies provided by other law or home rule charter provision.

Sec. 9. [429A.09] [ADVISORY BOARD.]

The governing body of a municipality may create and appoint an advisory board for each special service district in the municipality to advise the governing body in connection with the construction, maintenance and operation of improvements and the furnishing of special services in a special service district.

The advisory board shall make recommendations to the governing body on the requests and complaints of owners, occupants and users of property within the special service district and members of the public. Prior to the adoption of any proposal by the governing body to provide services or impose taxes or service charges within the special service district, the advisory board of the special service district shall review and comment upon such proposal. Each advisory board shall be appointed at least 30 days prior to the date of a public hearing on the ordinance proposing the establishment of the special service district. Seventy-five percent of the members of each advisory board shall be owners or occupants of property located in the special service district or their representatives. If, following the adoption of the special service district boundaries, the advisory board does not contain at least 75 percent members who are owners or occupants of property located in the district or their representatives, the governing body shall dismiss or appoint advisory board members as necessary to assure 75 percent representation of owners or occupants of district properties. Each advisory board may elect an executive secretary, who need not be a member of the board, to keep its minutes, records and correspondence and to communicate with the governing body and other officials and with the owners, occupants and users of property located within the special service district.

Sec. 10. [METROPOLITAN SPORTS FACILITIES COMMISSION LIMITATION.]

A municipality shall not impose taxes or service charges or use the proceeds of taxes or service charges imposed pursuant to section 3 or 7 to pay the metropolitan sports facilities commission any amount due the commission under contract existing on the effective date of this act."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Taxes.

The report was adopted.

Norton from the Committee on Governmental Operations to which was referred:

H. F. No. 1937, A bill for an act relating to state departments and agencies; transferring the duties of the former department of economic development to the secretary of state; appropriating money; proposing new law coded in Minnesota Statutes, Chapter 5.

Reported the same back with the following amendments:

Page 1, after line 15, insert:

“Sec. 2. [ACCOMPLISHMENT DATE.]

The secretary of state shall report to the governmental operations committees of the senate and house of representatives on the reorganization required by section 1, by February 1, 1983 with the actual transfer of authority to be accomplished on March 1, 1983.”

Renumber the section

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Vanasek from the Committee on Criminal Justice to which was referred:

H. F. No. 1954, A bill for an act relating to corrections; authorizing the appointment of internal security investigators for adult correctional facilities in the unclassified civil service; clarifying the “good time” and solitary confinement provisions relating to county jails; amending Minnesota Statutes 1980, Sections 241.01, Subdivision 3a; 641.09; and 643.29, Subdivision 1.

Reported the same back with the following amendments:

Page 1, line 23, after the period insert: *“Inmates shall not exercise custodial functions over other inmates or serve on the board of directors or hold any executive or administrative position in any private industry or educational program located on the grounds of or conducted within a state correctional facility without the approval of the chief executive officer of the facility.”*

Amend the title as follows:

Page 1, line 2, after the semicolon insert: “limiting certain inmate functions;”

With the recommendation that when so amended the bill pass.

The report was adopted.

Voss from the Committee on Local and Urban Affairs to which was referred:

H. F. No. 1955, A bill for an act relating to the city of Waconia; authorizing the sale of certain revenue bonds at a price less than par value.

Reported the same back with the following amendments:

Page 1, line 8, after "sections" insert "475.54,"

Page 1, line 12, after "value" insert "*and such bonds may mature in years and amounts as determined by resolution of the municipality*"

Amend the title as follows:

Page 1, line 4, after "value" insert "and authorizing the maturity schedule to be determined by municipal resolution"

With the recommendation that when so amended the bill pass and be placed on the Consent Calendar.

The report was adopted.

Voss from the Committee on Local and Urban Affairs to which was referred:

H. F. No. 2015, A bill for an act relating to housing and redevelopment authorities; amending the method of determining a quorum when a conflict of interest exists; amending Minnesota Statutes 1981 Supplement, Section 462.432, Subdivision 2.

Reported the same back with the following amendments:

Page 1, after line 8, insert:

"Section 1. Minnesota Statutes 1981 Supplement, Section 462.432, Subdivision 1, is amended to read:

Subdivision 1. [DISCLOSURE.] Before taking an action or making a decision which could substantially affect his financial interests or those of an organization with which he is associated, a commissioner or employee of an authority shall: (a) prepare a written statement describing the matter requiring action or decision and the nature of the potential conflict of interest; and (b) submit the statement to the board of commissioners of the authority, whereupon the disclosure shall be entered upon the minutes of the authority at its next meeting. The disclosure statement shall be submitted no later than one week after the employee or commissioner becomes aware of the potential conflict of interest. However, no disclosure statement shall be required if the effect on the commissioner or employee of the relevant decision or act will be no greater than on other members of his business, profession or occupation or if the effect on the organization with which he is affiliated is indirect, remote and insubstantial. A potential conflict of interest is present if the commissioner or employee knows or has reason to know that the organization with which the commis-

sioner or employee is affiliated is or is reasonably likely to become a participant in a project or development which will be affected by the relevant action or decision. Any individual who knowingly fails to submit a statement required by this subdivision or submits a statement which he knows contains false information or which he knows omits required information is guilty of a gross misdemeanor."

Page 1, line 15, after "interest" insert "*shall not attempt to influence an employee in any matter related to the action or decision in question,*"

Page 1, line 16, strike "in question" and insert a comma

Page 1, lines 17 and 18, delete "*when the authority is*" and insert "*in which the*"

Page 1, line 18, strike "considering such" and before the period insert "*is to be considered. Any individual who knowingly violates this subdivision is guilty of a gross misdemeanor*"

Page 1, after line 18, insert:

"Sec. 3. Minnesota Statutes 1980, Section 462.445, is amended by adding a subdivision to read:

Subd. 10. [AUTHORITIES CREATED PURSUANT TO SPECIAL LAW.] Except as expressly limited by the special law establishing the authority, an authority created pursuant to special law shall have all powers granted by any statute to an authority created pursuant to chapter 462."

Renumber the sections

Amend the title as follows:

Page 1, after line 2, insert "clarifying the need for a conflict of interest disclosure statement;"

Page 1, line 4, after the semicolon insert "providing penalties; granting powers to authorities created pursuant to special laws;"

Page 1, line 4, after "amending" insert "Minnesota Statutes 1980, Section 462.445, by adding a subdivision; and"

Page 1, line 5, delete "Subdivision" and insert "Subdivisions 1 and"

With the recommendation that when so amended the bill pass.

The report was adopted.

Swanson from the Committee on Health and Welfare to which was referred :

H. F. No. 2063, A bill for an act relating to public welfare; requiring preadmission screening for patients entering nursing homes from hospitals; requiring hospital discharge planners to attend certain preadmission screening assessments; allowing recipient choice between long term care and alternative care; modifying cost limits for alternative care; amending Minnesota Statutes 1980, Section 256B.091, Subdivisions 2, 4, and 6; and Minnesota Statutes 1981 Supplement, Section 256B.091, Subdivision 8.

Reported the same back with the following amendments :

Page 2, line 6, delete "shall" and insert "may" and after "present" insert "*at the facility's request, participate*"

Page 2, line 9, before "Other" insert "*If the assessment procedure or screening team recommendation results in a delay of the individual's discharge from the acute care facility, the facility shall not be denied reimbursement or incur any other financial or regulatory penalty caused by the individual's extended length of stay.*"

Page 2, line 29, strike "TEAM"

Page 4, line 26, after "exceed" insert "75 percent of"

Amend the title as follows :

Page 1, line 4, delete "requiring" and insert "allowing"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Swanson from the Committee on Health and Welfare to which was referred :

H. F. No. 2065, A bill for an act relating to public welfare; providing for regulation of aversive or deprivation procedures for behavior modification of mentally retarded, mentally ill, or chemically dependent individuals in order that the procedures are appropriately selected, planned, and implemented with due regard for human rights and needs; establishing a penalty; proposing new law coded in Minnesota Statutes, Chapter 245.

Reported the same back with the following amendments :

Page 2, line 1, delete “, mentally ill, or chemically dependent”

Page 2, line 21, after the period insert “No provision of these rules shall encourage or require the use of aversive and deprivation procedures.”

Page 2, after line 21, insert:

“(a) May designate public facilities under control of the commissioner as regional centers for the treatment of severe behavior problems that may include aversive, deprivation or related procedures on consumers;

(b) Shall prohibit the application of any aversive or deprivation procedures in private facilities except as authorized and monitored by the designated regional review committees under control of the commissioner;

(c) Shall authorize designated public regional facilities: (1) to provide consultation to private facilities, (2) to approve and monitor the provision of aversive or deprivation procedures listed in subdivision 4(e);”

Reletter remaining clauses

Page 2, line 36, before the semicolon insert “. Where the facility has an operative interdisciplinary team, that team shall be involved in the system for monitoring and approval of aversive and deprivation procedures”

Page 3, line 12, delete “includes, but is not limited to,” and insert “should include treatment measures involving”

Page 3, line 13, before the period insert “and other appropriate psychological procedures. Aversive and deprivation procedures may be used only when positive procedures are not effective”

Page 4, line 21, delete “central review”

Page 4, delete lines 22 to 26

Page 4, line 27, delete “knowledgeable in consumers’ rights.” and insert “regional review committee. The commissioner shall appoint all members of the committee, which shall include two persons qualified to design and administer the procedures specified in this clause, and shall include two consumers or former consumers and an attorney knowledgeable in protection of consumer rights.”

Amend the title as follows:

Page 1, line 4, delete “, mentally ill, or”

Page 1, line 5, delete "chemically dependent"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Swanson from the Committee on Health and Welfare to which was referred:

H. F. No. 2074, A bill for an act relating to health; adding a factor for determining whether to regulate a human services occupation; requiring a surcharge on health related licensing board licenses; changing health related licensing board rule review authority; allowing certain practices under rule authority; changing the composition of the human services occupations advisory council; appropriating money; amending Minnesota Statutes 1980, Sections 214.001, Subdivision 2; 214.13, Subdivisions 2 and 3; 214.14, Subdivision 1; and Minnesota Statutes 1981 Supplement, Section 214.06, Subdivision 1.

Reported the same back with the following amendments:

Page 2, line 20, after the period insert "*The fee will not exceed \$2 or ten percent of the license fee in any fiscal year.*"

Page 3, line 8, reinstate the stricken language

Page 3, line 9, delete "*comment*"

Page 3, line 10, after the period insert "*If the rules have not been approved by that agency within six months of the proposed rules or if the agency disapproved the rules, the commissioner may promulgate the rules without agency approval.*"

Page 3, line 12, delete the new language

Page 3, delete line 13

Page 3, line 22, delete the new language

Page 3, line 23, delete "*contrary,*"

Page 3, line 27, after "*rules*" insert "*provided the person's practice or conduct is authorized by the rules promulgated by the commissioner*"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Voss from the Committee on Local and Urban Affairs to which was referred:

H. F. No. 2116, A bill for an act relating to Blue Earth County; permitting county board members to serve on the county housing and redevelopment authority.

Reported the same back with the recommendation that the bill pass and be placed on the Consent Calendar.

The report was adopted.

Swanson from the Committee on Health and Welfare to which was referred:

H. F. No. 2123, A bill for an act relating to public welfare; modifying certain provisions relating to medical assistance; providing for a case management system and competitive bidding procedures; allowing a cause of action against responsible relatives; providing for payments to health maintenance organizations; allowing certain claims against the homesteads of recipients; altering eligibility standards related to income and liquid assets; amending Minnesota Statutes 1980, Sections 256B.-01; 256B.04, by adding a subdivision; 256B.05, Subdivision 2; 256B.06, Subdivision 3; 256B.14; 256B.19, Subdivision 1; 256B.-27, Subdivision 3; 510.05; 524.3-805; 525.16; Minnesota Statutes 1981 Supplement, Sections 256.966; 256B.06, Subdivision 1, as amended; 256B.15; and 525.145.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1980, Section 256B.04, is amended by adding a subdivision to read:

Subd. 14. [COMPETITIVE BIDDING.] The commissioner shall utilize volume purchase through competitive bidding under the provisions of chapter 16, to provide the following items:

- (1) *Eyeglasses;*
- (2) *Hearing aids and supplies; and*
- (3) *Durable medical equipment, including but not limited to:*
 - (a) *hospital beds;*
 - (b) *commodes;*

- (c) *glide-about chairs;*
- (d) *patient lift apparatus;*
- (e) *wheelchairs and accessories;*
- (f) *oxygen;*
- (g) *oxygen administration equipment;*
- (h) *respiratory therapy equipment; and*
- (i) *electronic diagnostic, therapeutic and life support systems.*

Sec. 2. Minnesota Statutes 1980, Section 256B.05, Subdivision 2, is amended to read:

Subd. 2. In administering the medical assistance program, no county welfare department shall pay a fee or charge for medical, dental, surgical, hospital, nursing, licensed nursing home care, medicine, or medical supplies in excess of the schedules of maximum fees and charges as established by the state agency. (THE MAXIMUM FEE SCHEDULE FOR PHYSICIANS SHALL BE THE USUAL AND CUSTOMARY FEE.)

Sec. 3. Minnesota Statutes 1980, Section 256B.06, Subdivision 3, is amended to read:

Subd. 3. Notwithstanding any law to the contrary, a migrant (AGRICULTURAL) worker who meets all of the eligibility requirements of this section other than that he has a permanent place of abode in another state, shall be eligible for medical assistance and shall have his medical needs met by the county in which he resides at the time of making application.

Sec. 4. Minnesota Statutes 1980, Section 256B.14, is amended to read:

256B.14 [RELATIVE'S RESPONSIBILITY.]

Subdivision 1. [IN GENERAL.] Subject to the provisions of section 256B.06, (THE FINANCIAL RESPONSIBILITY OF A RELATIVE FOR AN APPLICANT OR RECIPIENT OF MEDICAL ASSISTANCE SHALL NOT EXTEND BEYOND THE RELATIONSHIP OF A SPOUSE, OR A PARENT OF AN APPLICANT WHO IS UNDER 18 YEARS OF AGE) responsible relative means the spouse or parent of a recipient of medical assistance, if the recipient is less than 18 years old.

Subd. 2. [ACTIONS TO OBTAIN PAYMENT.] The state agency shall promulgate rules to determine the ability of responsible relatives to contribute partial or complete repayment of medical assistance furnished to recipients for whom they are responsible. These rules shall not require repayment when payment would cause undue hardship to the responsible relative or his or her immediate family. The county agency shall give the responsible relative notice of the amount of such repayment. If the state agency or county agency finds that notice of the payment obligation was given to the responsible relative, but that such relative failed or refused to pay, there shall exist a cause of action against the responsible relative for that portion of medical assistance granted after notice was given to the responsible relative, which the relative was determined able to pay.

The action may be brought by the state agency or the county agency in the county where assistance was granted, for the assistance, together with the costs of disbursements of the action.

In addition to granting the county or state agency a money judgment, the court may, upon a motion or order to show cause, order continuing contributions by a responsible relative found able to repay the county or state agency. The order shall be effective only for the period of time during which the recipient receives medical assistance from the county or state agency.

Sec. 5. Minnesota Statutes 1980, Section 256B.19, Subdivision 1, is amended to read:

Subdivision 1. The cost of medical assistance paid by each county of financial responsibility shall be borne as follows: Payments shall be made by the state to the county for that portion of medical assistance paid by the federal government and the state on or before the 20th day of each month for the succeeding month upon requisition from the county showing the amount required for the succeeding month. Ninety percent of the expense of assistance not paid by federal funds available for that purpose shall be paid by the state and ten percent shall be paid by the county of financial responsibility.

For counties where health maintenance organizations are under contract to the state to provide services to medical assistance recipients, the division of the nonfederal share of medical assistance expenses for payments made to health maintenance organizations in the form of prepaid capitation payments shall be 95 percent by the state and five percent by the county of financial responsibility.

State contracts with health maintenance organizations shall assure medical assistance recipients of at least the comprehensive health maintenance services defined in section 62D.02, subdivision 7. Such contracts shall require health maintenance

organizations to provide information concerning the number of people receiving services, the number of encounters, the type of services received, evidence of an operational quality assurance program pursuant to section 62D.04 and information about utilization. Persons who become eligible for medical assistance after July 1, 1982 and who choose to receive services from a health maintenance organization under contract to the state pursuant to this section shall be guaranteed six months medical assistance eligibility.

The commissioner of public welfare shall seek a waiver to charge a coinsurance fee to recipients of medical assistance who become eligible for medical assistance benefits after July 1, 1982 and who choose not to receive the benefits of a health maintenance organization contracted for by the state pursuant to this section. The coinsurance fee shall be limited to the maximum monthly charge allowed by 42 CFR, sections 447.50 to 447.59, as amended through December 31, 1981.

Sec. 6. Minnesota Statutes 1980, Section 256B.27, Subdivision 3, is amended to read:

Subd. 3. The commissioner of public welfare, with the written consent of the recipient, shall be allowed access to all personal medical records of medical assistance recipients solely for the purposes of investigating whether or not: (a) a vendor of medical care has submitted a claim for reimbursement, a cost report or a rate application which the vendor knows to be false in whole or in part; or (b) the medical care was medically necessary. The vendor of medical care shall receive notification from the commissioner at least 24 hours before the commissioner gains access to such records. (TO THE EXTENT FEASIBLE, THE COMMISSIONER SHALL CONTRACT WITH A REVIEW ORGANIZATION, AS DEFINED IN SECTION 145.61, IN DETERMINING WHETHER OR NOT THE MEDICAL CARE PROVIDED WAS MEDICALLY NECESSARY) *The determination of abuse or provision of services not medically necessary shall be made by the commissioner in consultation with a review organization as determined in section 145.61 or other advisory committees of vendors as appointed by the commissioner on the recommendation of appropriate professional organizations.* Notwithstanding any other law to the contrary, a vendor of medical care shall not be subject to any civil or criminal liability for providing access to medical records to the commissioner of public welfare pursuant to this section.

Sec. 7. Minnesota Statutes 1981 Supplement, Section 256.966, is amended to read:

256.966 [MEDICAL CARE PAYMENTS; ALLOWABLE INCREASE IN COST PER SERVICE UNIT.]

Subdivision 1. [IN GENERAL.] For the biennium ending June 30, 1983, the annual increase in the cost per service unit paid to any vendor under medical assistance and general assistance medical care shall not exceed eight percent. The period for measuring growth shall be the state fiscal year.

Subd. 2. [HEALTH MAINTENANCE ORGANIZATIONS.] Notwithstanding the provisions of subdivision 1, rates paid to health maintenance organizations may increase beyond eight percent. The actual rate paid per month to health maintenance organizations shall not exceed 85 percent of the average monthly per capita fee for service payments made on behalf of eligible recipients who qualify to be members of the health maintenance organization who choose not to be members. Rates shall be calculated by the department of public welfare.

Sec. 8. [APPROPRIATION; REPORT.]

The sum of \$25,000 is appropriated from the general fund to the commissioner of public welfare for the biennium ending July 1, 1983 to implement and coordinate the state, county, and health maintenance organization administrative arrangements required in section 6 and to prepare a report to the legislature by January 15, 1984 on the cost effectiveness of the program.

Sec. 9. [EFFECTIVE DATE.]

Sections 2, 6, and 7, are effective the day following final enactment. Sections 3, 5, 8 and 9 are effective July 1, 1982.

Amend the title as follows:

Page 1, line 4, delete "a case management system and"

Page 1, line 7, delete "allowing certain" and insert "appropriating money;"

Page 1, delete lines 8 and 9

Page 1, line 10, delete "assets;"

Page 1, line 11, delete "256B.01;"

Page 1, line 13, delete "510.05;" and insert "and"

Page 1, line 14, delete "524.3-805; 525.16;"

Page 1, line 15, delete "Sections" and insert "Section"

Page 1, line 15, delete "; 256B.06 Subdivision 1, as amended"

Page 1, line 16, delete "256B.15; and 525.145"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Mann from the Committee on Transportation to which was referred:

H. F. No. 2130, A bill for an act relating to transportation; establishing a highway maintenance cost containment council.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Voss from the Committee on Local and Urban Affairs to which was referred:

H. F. No. 2177, A bill for an act relating to Yellow Medicine County; providing for the consolidation of the offices of county auditor and treasurer.

Reported the same back with the recommendation that the bill pass and be placed on the Consent Calendar.

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 1572, 1684, 1697, 1707, 1713, 1736, 1747, 1748, 1794, 1809, 1867, 1871, 1885, 1890, 1897, 1954, 1955, 2015, 2116, 2130 and 2177 were read for the second time.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Lehto and Munger introduced:

H. F. No. 2230, A bill for an act relating to the city of Duluth; authorizing the sale of bonds to finance the purchase of certain equipment without an election.

The bill was read for the first time and referred to the Committee on Local and Urban Affairs.

Greenfield and Staten introduced:

H. F. No. 2231, A bill for an act relating to public welfare; providing for the establishment of a state foster care advisory council and local review boards under the jurisdiction of juvenile judges; prescribing conditions of membership and duties of board members; requiring agency cooperation; providing for the adoption of supreme court rules; setting limitations; appropriating money; proposing new law coded in Minnesota Statutes, Chapter 260.

The bill was read for the first time and referred to the Committee on Health and Welfare.

McDonald introduced:

H. F. No. 2232, A bill for an act relating to boxing; regulating certain boxing contests; amending Laws 1982, Chapter 375, Section 2.

The bill was read for the first time.

SUSPENSION OF RULES

Pursuant to Article IV, Section 19, of the Constitution of the state of Minnesota, McDonald moved that the rule therein be suspended and an urgency be declared so that H. F. No. 2232 be given its second and third readings and be placed upon its final passage.

A roll call was requested and properly seconded.

The question was taken on the motion and the roll was called. There were 42 yeas and 70 nays as follows:

Those who voted in the affirmative were:

Aasness	Frerichs	Ludeman	Piepho	Sviggum
Ainley	Halberg	Luknic	Redalen	Valan
Dempsey	Heinitz	McDonald	Rothenberg	Valento
Drew	Hokr	Mehrkens	Schafer	Welker
Erickson	Jennings	Nelsen, B.	Schreiber	Wieser
Esau	Kaley	Niehaus	Searles	Wigley
Ewald	Laidig	Nysether	Sherman	
Fjoslien	Lemen	Olsen	Sherwood	
Forsythe	Levi	Peterson, B.	Stowell	

Those who voted in the negative were:

Anderson, B.	Berkelman	Carlson, L.	Eken	Gruenes
Anderson, G.	Blatz	Clark, J.	Elioff	Hanson
Anderson, I.	Brandl	Clawson	Ellingson	Harens
Rattaglia	Brinkman	Dahlvang	Evans	Hauge
Begich	Byrne	Den Ouden	Greenfield	Himle

Hokanson	McEachern	Osthoff	Sarna	Tomlinson
Jacobs	Metzen	Otis	Schoenfeld	Vanasek
Johnson, C.	Minne	Peterson, D.	Shea	Vellenga
Jude	Munger	Pogemiller	Sieben, M.	Voss
Kelly	Murphy	Reding	Simoneau	Weaver
Lehto	Norton	Rees	Skoglund	Welch
Long	Novak	Rodriguez, C.	Staten	Wynia
Mann	O'Connor	Rodriguez, F.	Stumpf	Zubay
McCarron	Onnen	Samuelson	Swanson	Spkr. Sieben, H.

The motion did not prevail.

H. F. No. 2232 was referred to the Committee on Regulated Industries.

INTRODUCTION AND FIRST READING OF HOUSE BILLS, Continued

Clawson; Anderson, I.; Brandl; Anderson, B., and Vanasek introduced:

H. F. No. 2233, A bill for an act relating to taxation; imposing an excise tax on the extraction of oil; proposing new law coded in Minnesota Statutes, Chapter 298.

The bill was read for the first time and referred to the Committee on Taxes.

Elioff; Begich; Battaglia; Anderson, I., and Minne introduced:

H. F. No. 2234, A bill for an act relating to taxation; providing for the rate and disposition of certain taconite credits; providing for school bonds and related taxation in certain school districts; appropriating money; amending Minnesota Statutes 1981 Supplement, Sections 298.225; and 298.24, Subdivision 3.

The bill was read for the first time and referred to the Committee on Taxes.

Piepho, Reding, Wigley, Esau and Dempsey introduced:

H. F. No. 2235, A bill for an act relating to regional development; abolishing regional development commissions; repealing Minnesota Statutes 1980, Sections 462.381; 462.382; 462.383; 462.384, as amended; 462.385, as amended; 462.386, as amended; 462.387, as amended; 462.388; 462.389; 462.39, as amended; 462.391, as amended; 462.392; 462.393; 462.394; 462.395, as amended; 462.396, as amended; 462.397; and 462.398, as amended.

The bill was read for the first time and referred to the Committee on Local and Urban Affairs.

Murphy introduced:

H. F. No. 2236, A bill for an act relating to game and fish; authorizing non-tribal member residents of the Fond du Lac Indian reservation to hunt within the reservation; amending Minnesota Statutes 1980, Section 98.45, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

Gruenes and Marsh introduced:

H. F. No. 2237, A bill for an act relating to retirement; St. Cloud firefighters relief association; clarifying and resolving an inconsistency in prior enactments concerning medical and health insurance coverage for certain relief association members; amending Laws 1974, Chapter 382, Sections 4, Subdivision 3, as amended; and 6, Subdivision 4.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Kalis introduced:

H. F. No. 2238, A bill for an act relating to rural development; changing the purposes of rural development financing authorities; amending Minnesota Statutes 1980, Section 362A.01, Subdivision 2.

The bill was read for the first time and referred to the Committee on Agriculture.

Swanson, Welch, Heinitz, Kaley and Carlson, L., introduced:

H. F. No. 2239, A bill for an act relating to crimes; prohibiting false representation as a licensed health care professional; prescribing penalties; proposing new law coded in Minnesota Statutes, Chapter 609.

The bill was read for the first time and referred to the Committee on Health and Welfare.

Dahlvang, Simoneau and Norton introduced:

H. F. No. 2240, A bill for an act relating to state government; providing for chiropractic positions in state government civil service; providing for the provision of chiropractic services; proposing new law coded in Minnesota Statutes, Chapters 43A and 148.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Otis introduced :

H. F. No. 2241, A bill for an act relating to taxation ; requiring assessors to consider certain factors in the valuation of property ; amending Minnesota Statutes 1981 Supplement, Section 273.11, Subdivision 1.

The bill was read for the first time and referred to the Committee on Taxes.

Wenzel and Samuelson introduced :

H. F. No. 2242, A bill for an act relating to taxation ; providing for reimbursement to local units of government for certain tax-exempt lands ; appropriating money ; amending Minnesota Statutes 1980, Sections 477A.11, by adding a subdivision ; 477A.12 ; and 477A.14.

The bill was read for the first time and referred to the Committee on Taxes.

Stumpf ; Eken ; Anderson, G. ; Anderson, B., and Stadum introduced :

H. F. No. 2243, A bill for an act relating to economic development ; recognizing the problems of distressed border cities ; directing the department of energy, planning and development to identify border city equalization zones and disparity relief measures.

The bill was read for the first time and referred to the Committee on Commerce and Economic Development.

Welch ; Clawson ; Carlson, D., and McEachern introduced :

H. F. No. 2244, A bill for an act relating to real property ; changing certain restrictions on corporate ownership of agricultural land ; amending Minnesota Statutes 1981 Supplement, Section 500.24, Subdivision 3.

The bill was read for the first time and referred to the Committee on Agriculture.

Jude introduced:

H. F. No. 2245, A bill for an act relating to real property; providing that covenants, conditions, restrictions or extensions thereof annexed to a grant, devise or conveyance of land that are or become nominal shall not operate as a basis of forfeiture; removing a time limitation on the duration of covenants, conditions and restrictions; amending Minnesota Statutes 1980, Section 500.20, Subdivision 1; repealing Minnesota Statutes 1980, Section 500.20, Subdivision 2.

The bill was read for the first time and referred to the Committee on Judiciary.

Staten, Rose, O'Connor, Laidig and Clark, J., introduced:

H. F. No. 2246, A bill for an act relating to corrections; providing for chiropractic services to persons confined in correctional institutions; amending Minnesota Statutes 1981 Supplement, Section 241.021, Subdivision 4.

The bill was read for the first time and referred to the Committee on Criminal Justice.

Peterson, D.; Hokanson; Pogemiller; Forsythe and Olsen introduced:

H. F. No. 2247, A bill for an act relating to family; authorizing release of information for location of certain parents of deserted children; amending Minnesota Statutes 1980, Section 256.978.

The bill was read for the first time and referred to the Committee on Judiciary.

Jude introduced:

H. F. No. 2248, A bill for an act relating to legislative enactments; correcting erroneous, ambiguous, omitted and obsolete references and text; correcting miscellaneous oversights, inconsistencies, ambiguities, unintended results and errors of a noncontroversial nature in the 1982 regular session and the third special session of 1981; amending Minnesota Statutes 1981 Supplement, Section 290.09, Subdivision 7, as amended.

The bill was read for the first time and referred to the Committee on Rules and Legislative Administration.

Kostohryz and Peterson, D., introduced:

H. F. No. 2249, A bill for an act relating to appropriations; appropriating money to the housing development fund for certain purposes.

The bill was read for the first time and referred to the Committee on Appropriations.

Kostohryz, Evans, Reding, Redalen and Anderson, I., introduced:

H. F. No. 2250, A bill for an act relating to commerce; establishing a Minnesota racing commission; legalizing the parimutuel system of wagering; authorizing the racing commission to issue a parimutuel track license and parimutuel racing license; providing supervision; prescribing penalties; establishing a certain tax; proposing new law coded as Minnesota Statutes, Chapter 325H.

The bill was read for the first time and referred to the Committee on Taxes.

HOUSE ADVISORIES

The following House Advisories were introduced:

Greenfield; Swanson; Clark, J., and Byrne introduced:

H. A. No. 53, A proposal to study the impact of cutbacks in general assistance and general assistance medical care.

The advisory was referred to the Committee on Health and Welfare.

Hoberg, Valan, Stadum, Eken and Stumpf introduced:

H. A. No. 54, A proposal relating to the distressed and border cities; to identify border city equalization zones and appropriate disparity relief measures.

The advisory was referred to the Committee on Local and Urban Affairs.

Lehto, Munger, Berkelman, Gustafson and Rees introduced:

H. A. No. 55, A proposal to require the Appropriations Committee to examine the feasibility of the Duluth Air Force Facility for a women's correctional facility.

The advisory was referred to the Committee on Appropriations.

MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Mr. Speaker:

I hereby announce the passage by the Senate of the following House Files, herewith returned:

H. F. No. 749, A bill for an act relating to real property; providing a fee for issuing noncertified copies of instruments or parts of instruments on file in the office of the registrar of titles; amending Minnesota Statutes 1980, Section 508.82.

H. F. No. 1574, A bill for an act relating to Independent School District No. 084, Sleepy Eye; requiring revision of its certified statutory operating debt.

H. F. No. 1614, A bill for an act relating to Independent School District No. 708; requiring certification of statutory operating debt.

H. F. No. 1724, A bill for an act relating to Independent School District No. 507, Nicollet; authorizing a transfer of funds collected by referendum levy to reduce statutory operating debt.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned:

H. F. No. 1637, A bill for an act relating to the standard of time; providing that the Minnesota standard of time conform to the federal standard of time; amending Minnesota Statutes 1980, Section 645.071.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce that the Senate accedes to the request of the House for the appointment of a new Conference Committee on the amendments adopted by the Senate to the following House File:

H. F. No. 678, A bill for an act relating to elections; changing certain election procedures, requirements and time limits; amending Minnesota Statutes 1980, Sections 201.071, Subdivision 1; 202A.26, Subdivision 1; 203A.22, Subdivision 4; 203A.31,

Subdivisions 1 and 3; 203A.32; 204A.04, Subdivision 1; 204A.13, Subdivision 1; 204A.17, Subdivision 1; 204A.53, Subdivision 2; 204A.54, Subdivision 1; 205.03, Subdivisions 1 and 3; 207.03, Subdivision 1; 207.04, Subdivision 1; and 207.20, Subdivision 1; repealing Minnesota Statutes 1980, Sections 201.091, Subdivision 5; and 202A.54.

The Senate has appointed as such committee Messrs. Schmitz, Stumpf and Pillsbury.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce that the Senate accedes to the request of the House for the appointment of a Conference Committee on the amendments adopted by the Senate to the following House File:

H. F. No. 1139, A bill for an act relating to courts; providing for certain reorganization in the court system in the state; providing that the second and fourth judicial district courts shall also be probate courts; creating certain judicial positions to be filled by election; raising the jurisdictional limit in county and county municipal court; providing the county and county municipal court with gross misdemeanor jurisdiction; abolishing the office of referee; providing for continuance of certain referee positions for a limited time; providing for continuance of certain judicial officer positions for a limited time; authorizing the judges of the courts within each judicial district to elect to form one unified court; creating an appellate division of the district court; appropriating money; amending Minnesota Statutes 1980, Sections 2.722, Subdivision 1, and by adding a subdivision; 260.031, Subdivision 1; 484.01; 484.70, Subdivision 1, and by adding subdivisions; 487.08, Subdivisions 2 and 3; 487.15; 487.16; 487.18; 488A.01, Subdivisions 4, 6 and 8; 488A.18, Subdivisions 4, 7, 9 and 13; 488A.27, Subdivision 11; 525.10; proposing new law coded in Minnesota Statutes, Chapter 484; proposing new law coded as Minnesota Statutes, Chapter 484A; repealing Minnesota Statutes 1980, Sections 484.67; 484.70, Subdivisions 2, 3, 4 and 5; 487.08, Subdivision 4; 487.09; 525.04; and Laws 1978, Chapter 750, Section 6.

The Senate has appointed as such committee Messrs. Tennesen; Peterson, D. L.; Peterson, R. W.; Davies and Sikorski.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce that the Senate accedes to the request of the House for the appointment of a new Conference Committee on the amendments adopted by the Senate to the following House File:

H. F. No. 353, A bill for an act relating to agriculture; protecting agricultural operations from nuisance suits under certain circumstances; proposing new law coded in Minnesota Statutes, Chapter 561.

The Senate has appointed as such committee Messrs. Menning, Penny, Luther, Sieloff and Renneke.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce that the Senate refuses to concur in the House amendment to:

S. F. No. 1538, A bill for an act relating to peace officers; providing for appointment of peace officers, constables and deputy constables in towns; requiring towns to notify the peace officers standards and training board before employing law enforcement officers; amending Minnesota Statutes 1980, Sections 367.03, Subdivisions 1, 2, and 3; 367.22; 367.40, Subdivisions 3 and 4; 367.41; Minnesota Statutes 1981 Supplement, Section 367.42, Subdivision 1; repealing Minnesota Statutes 1981 Supplement, Section 382.28.

And the Senate respectfully requests that a Conference Committee be appointed thereon. The Senate has appointed as such committee Messrs. Wegener, Rued and Lessard.

Said Senate File is herewith transmitted to the House with the request that the House appoint a like committee.

PATRICK E. FLAHAVEN, Secretary of the Senate

Lehto moved that the House accede to the request of the Senate and that the Speaker appoint a Conference Committee of 3 members of the House to meet with a like committee appointed by the Senate on the disagreeing votes of the two Houses on S. F. No. 1538. The motion prevailed.

Mr. Speaker:

I hereby announce the passage by the Senate of the following Senate Files, herewith transmitted:

S. F. Nos. 1424, 1582, 1695, 1756 and 1721.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce the passage by the Senate of the following Senate File, herewith transmitted:

S. F. No. 1567.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce the passage by the Senate of the following Senate Files, herewith transmitted:

S. F. Nos. 1521, 1644, 1648, 1878, 2095 and 2126.

PATRICK E. FLAHAVEN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 1424, A bill for an act relating to insurance; regulating minimum nonforfeiture benefits and reserves of life insurance policies and annuity contracts; modifying the definitions of "insolvent insurer" and "covered claim" for purposes of the insurance guaranty association act; amending Minnesota Statutes 1980, Sections 61A.24, Subdivisions 2, 4, 6, 9, 10, 11, 12, 13, 14, and by adding subdivisions; 61A.25, Subdivisions 3, 3a, 4, 5, 7, and by adding subdivisions; Minnesota Statutes 1981 Supplement, Sections 60C.03, Subdivision 8; and 60C.09, Subdivision 1.

The bill was read for the first time and referred to the Committee on Financial Institutions and Insurance.

S. F. No. 1567, A bill for an act relating to judicial procedures; providing an alternative time for a guardian or conservator to file an annual report; amending Minnesota Statutes 1981 Supplement, Section 525.58, Subdivision 1.

The bill was read for the first time and referred to the Committee on Judiciary.

S. F. No. 1582, A bill for an act relating to port authorities; authorizing seaway port authorities to establish a fiscal year based on the season for international shipping through the St. Lawrence Seaway; amending Minnesota Statutes 1981 Supplement, Section 458.14.

The bill was read for the first time.

SUSPENSION OF RULES

Pursuant to Article IV, Section 19, of the Constitution of the state of Minnesota, Berkelman moved that the rule therein be suspended and an urgency be declared so that S. F. No. 1582 be given its second and third readings and be placed upon its final passage. The motion prevailed.

Berkelman moved that the rules of the House be so far suspended that S. F. No. 1582 be given its second and third readings and be placed upon its final passage. The motion prevailed.

S. F. No. 1582 was read for the second time.

S. F. No. 1582, A bill for an act relating to port authorities; authorizing seaway port authorities to establish a fiscal year based on the season for international shipping through the St. Lawrence Seaway; amending Minnesota Statutes 1981 Supplement, Section 458.14.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 120 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Ainley	Evans	Kvam	O'Connor	Sherman
Anderson, B.	Ewald	Laidig	Ogren	Sherwood
Anderson, G.	Fjoslien	Lehto	Olsen	Sieben, M.
Anderson, I.	Forsythe	Lemen	Onnen	Simoneau
Battaglia	Frerichs	Levi	Otis	Skoglund
Begich	Greenfield	Long	Peterson, B.	Staten
Berkelman	Gruenes	Ludeman	Peterson, D.	Stowell
Blatz	Gustafson	Luknic	Piepho	Stumpf
Brandl	Halberg	Mann	Pogemiller	Sviggum
Brinkman	Hanson	Marsh	Redalin	Swanson
Byrne	Harens	McCarron	Reding	Tomlinson
Carlson, D.	Hauge	McDonald	Rees	Valan
Carlson, L.	Haukoos	McEachern	Reif	Valento
Clark, J.	Heinitz	Mehrrens	Rice	Vanasek
Clawson	Himle	Metzen	Rodriguez, C.	Vellenga
Dahlvang	Hoberg	Minne	Rodriguez, F.	Voss
Dempsey	Hokanson	Munger	Rothenberg	Weaver
Den Ouden	Jacobs	Murphy	Samuelson	Welch
Drew	Jennings	Nelsen, B.	Sarna	Welker
Eken	Johnson, C.	Nelson, K.	Schafer	Wenzel
Elioff	Jude	Niehaus	Schoenfeld	Wigley
Ellingson	Kaley	Norton	Schreiber	Wynia
Erickson	Kelly	Novak	Searles	Zubay
Esau	Knickerbocker	Nysether	Shea	Spkr. Sieben, H.

The bill was passed and its title agreed to.

FIRST READING OF SENATE BILLS, Continued

S. F. No. 1756, A bill for an act relating to Independent School District No. 699; requiring certification of statutory operating debt.

The bill was read for the first time.

SUSPENSION OF RULES

Pursuant to Article IV, Section 19, of the Constitution of the state of Minnesota, Elioff moved that the rule therein be suspended and an urgency be declared so that S. F. No. 1756 be given its second and third readings and be placed upon its final passage. The motion prevailed.

Elioff moved that the rules of the House be so far suspended that S. F. No. 1756 be given its second and third readings and be placed upon its final passage. The motion prevailed.

S. F. No. 1756 was read for the second time.

S. F. No. 1756, A bill for an act relating to Independent School District No. 699; requiring certification of statutory operating debt.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 124 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Ainley	Eken	Heinitz	Mann	Onnen
Anderson, B.	Elioff	Himle	Marsh	Osthoff
Anderson, G.	Ellingson	Hoberg	McCarron	Otis
Anderson, I.	Erickson	Hokanson	McDonald	Peterson, B.
Battaglia	Esau	Jacobs	McEachern	Peterson, D.
Begich	Evans	Jennings	Mehrkens	Piepho
Berkelman	Ewald	Johnson, C.	Metzen	Pogemiller
Blatz	Fjoslien	Jude	Minne	Redalen
Brandl	Forsythe	Kaley	Munger	Reding
Brinkman	Frerichs	Kelly	Murphy	Rees
Byrne	Greenfield	Knickerbocker	Nelsen, B.	Reif
Carlson, D.	Gruenes	Kostohryz	Nelson, K.	Rice
Carlson, L.	Gustafson	Kvam	Niehaus	Rodriguez, C.
Clark, J.	Halberg	Laidig	Norton	Rodriguez, F.
Clawson	Hanson	Lehto	Novak	Rose
Dahlvang	Harens	Levi	Nysether	Rothenberg
Dempsey	Hauge	Long	O'Connor	Samuelson
Den Ouden	Haukoos	Ludeman	Ogren	Sarna
Drew	Heap	Luknic	Olsen	Schafer

Schoenfeld	Sieben, M.	Sviggum	Vellenga	Wieser
Schreiber	Simoneau	Swanson	Voss	Wigley
Searles	Skoglund	Tomlinson	Weaver	Wynia
Shea	Staten	Valan	Welch	Zubay
Sherman	Stowell	Valento	Welker	Spkr. Sieben, H.
Sherwood	Stumpf	Vanasek	Wenzel	

The bill was passed and its title agreed to.

FIRST READING OF SENATE BILLS, Continued

S. F. No. 1521, A bill for an act relating to crimes; defining "complainant" for purposes of criminal sexual misconduct offenses; amending Minnesota Statutes 1980, Section 609.341, Subdivision 13.

The bill was read for the first time.

Dempsey moved that S. F. No. 1521 and H. F. No. 1687, now on the Technical Consent Calendar, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1644, A bill for an act relating to securities; removing the exemption from filing fees for an agent who is a primary officer, partner, or director of a licensed broker-dealer; amending Minnesota Statutes 1981 Supplement, Section 80A.28, Subdivision 2.

The bill was read for the first time.

Heap moved that S. F. No. 1644 and H. F. No. 1830, now on Technical General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1648, A bill for an act relating to nonprofit corporations; providing an internal reference correction; providing for the conduct of meetings by telephone; amending Minnesota Statutes 1980, Sections 317.16, Subdivision 2; 317.20, Subdivision 8; and 317.22, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Judiciary.

S. F. No. 1878, A bill for an act relating to state historic sites; the Old Federal Courts building; amending Minnesota Statutes 1980, Section 138.56, Subdivision 7.

The bill was read for the first time.

Kelly moved that S. F. No. 1878 and H. F. No. 1812, now on the Technical Consent Calendar, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1695, A bill for an act relating to historic sites; adding the Consumers Pure Ice and Storage Company Building

in St. Cloud to the registry of state historic sites; amending Minnesota Statutes 1980, Section 138.58, by adding a subdivision.

The bill was read for the first time.

Marsh moved that S. F. No. 1695 and H. F. No. 1768, now on the Technical Consent Calendar, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1721, A bill for an act relating to education; changing certain notification dates for school districts that educate non-resident pupils; providing that districts of residence are not liable for any billings if notification is received after a certain date; amending Minnesota Statutes 1981 Supplement, Section 124.2129, Subdivision 3.

The bill was read for the first time and referred to the Committee on Education.

S. F. No. 2095, A bill for an act relating to state government; implementing the provisions of certain reorganization orders issued by the commissioner of administration; amending Minnesota Statutes 1980, Sections 176.281; and 474.01, Subdivisions 7a and 7b; and Minnesota Statutes 1981 Supplement, Section 474.03.

The bill was read for the first time and referred to the Committee on Governmental Operations.

S. F. No. 2126, A bill for an act relating to the attorney general; establishing a division of land title litigation in the office of the attorney general; proposing new law coded in Minnesota Statutes, Chapter 8.

The bill was read for the first time and referred to the Committee on Appropriations.

CALENDAR

H. F. No. 451, A bill for an act relating to energy; modifying certain need certification criteria; amending Minnesota Statutes 1981 Supplement, Section 116H.13, Subdivision 3, and by adding a subdivision.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 58 yeas and 64 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Ellingson	Kelly	Ogren	Skoglund
Anderson, G.	Evans	Kostohryz	Otis	Staten
Battaglia	Fjoslien	Lehto	Peterson, D.	Stumpf
Begich	Greenfield	Long	Pogemiller	Tomlinson
Berkelman	Gustafson	Luknic	Reding	Vanasek
Brandl	Hanson	Minne	Rice	Vellenga
Byrne	Harens	Munger	Rodriguez, C.	Voss
Carlson, L.	Hokanson	Murphy	Rodriguez, F.	Welch
Clark, J.	Jacobs	Nelson, K.	Rose	Wynia
Clawson	Johnson, C.	Norton	Shea	Spkr. Sieben, H.
Dean	Jude	Novak	Sieben, M.	
Eken	Kahn	O'Connor	Simoneau	

Those who voted in the negative were:

Ainley	Frerichs	Levi	Peterson, B.	Stadum
Anderson, I.	Gruenes	Ludeman	Piepho	Stowell
Blatz	Halberg	Mann	Redalen	Swigum
Brinkman	Haukoos	Marsh	Rees	Swanson
Carlson, D.	Heap	McDonald	Reif	Valan
Dahlvang	Heinitz	McEachern	Rothenberg	Valento
Dempsey	Himle	Mehrkens	Samuelson	Weaver
Den Ouden	Hokr	Nelsen, B.	Sarna	Welker
Drew	Jennings	Niehaus	Schafer	Wenzel
Erickson	Kaley	Nysether	Schreiber	Wieser
Esau	Knickerbocker	Olsen	Searles	Wigley
Ewald	Kvam	Onnen	Sherman	Zubay
Forsythe	Laidig	Osthoff	Sherwood	

The bill was not passed.

Ewald was excused at 2:50 p.m. Hanson was excused at 3:30 p.m. Metzen was excused at 4:00 p.m. Heinitz was excused at 4:30 p.m. Novak, Kvam and Wigley were excused at 4:45 p.m. Byrne was excused at 5:00 p.m.

GENERAL ORDERS

Pursuant to rules of the House, the House resolved itself into the Committee of the Whole, with Sieben, H., in the Chair, for the consideration of bills pending on General Orders of the Day. Wynia presided during a portion of the meeting of the Committee of the Whole. After some time spent therein the Committee arose.

REPORT OF COMMITTEE OF THE WHOLE

The Speaker resumed the Chair, whereupon the following proceedings of the Committee as kept by the Chief Clerk were reported to the House:

H. F. Nos. 1262, 1442, 685, 1068, 1366, 1611 and 1734 which it recommended to pass.

S. F. Nos. 709 and 1088 which it recommended to pass.

H. F. No. 1365 which it recommended progress.

S. F. No. 16 which it recommended progress.

H. F. No. 1589 which it recommended to pass with the following amendment offered by Stowell:

Page 1, line 13, delete "WHEELCHAIRS AND MOTORIZED"

Page 1, line 14, delete "*wheelchairs and motorized*"

Page 1, line 17, delete "WHEELCHAIRS, MOTORIZED"

Page 1, line 21, delete "*motorized wheelchairs and*"

Page 1, line 24, delete "*wheelchair or motorized*"

Page 2, line 8, delete "*motorized wheelchair or*"

Page 2, line 12, delete "*motorized wheelchair or*"

Page 2, line 14, delete "*Motorized wheelchairs and*"

Page 2, line 22, delete "*wheelchairs and motorized*"

Page 2, line 26, delete "*wheelchair or motorized*"

Page 2, line 29, delete "*wheelchair or motorized*"

Page 2, line 33, delete "*wheelchairs*"

Page 2, line 34, delete "*and motorized*"

Page 3, line 2, delete "*wheelchairs and motorized*"

Page 3, line 7, delete "*wheelchairs and motorized*"

Page 3, line 13, delete "*wheelchairs and motorized*"

Page 4, line 9, delete "*wheelchairs and motorized*"

Amend the title as follows:

Page 1, line 3, delete "motorized wheelchairs and"

H. F. No. 1712 which it recommended to pass with the following amendment offered by Kaley and McCarron:

Page 4, line 30, strike "eliminate" and insert "amend"

Page 4, line 30, strike "revise" and insert "repeal"

Page 4, line 35, delete "When the"

Page 4, delete line 36

Page 5, delete lines 1 and 2

Page 5, line 3, delete everything up to and including the period

Page 5, line 5, delete "eliminating" and insert "amending"

Page 5, line 5, delete "revising" and insert "repealing"

Page 5, line 5, before the semicolon, insert "*However, when the commissioner proposes to amend or repeal any rule under the authority granted by this clause, notice shall be provided by publication in the state register. When the commissioner proposes to amend a rule, the notice shall include that portion of the existing rule necessary to provide adequate notice of the nature of the proposed change. When the commissioner proposes to repeal an entire rule, he need only publish that fact, giving the exact citation to the rule to be repealed. In all cases, the notice shall contain a statement indicating that interested persons may submit comment on the proposed repeal or amendment for a period of 30 days after publication of the notice. The commissioner shall take no final action until after the close of the comment period. The commissioner's actions shall not be effective until five days after the commissioner publishes notice of adoption in the state register. If the final action is the same as the action originally proposed, publication may be made by notice in the state register that the amendment and repeals have been adopted as proposed, and by citing the prior publication. If the final action differs from the action as previously proposed in the state register, the text which differs from the original proposal shall be included in the notice of adoption together with a citation to the prior state register publication. The commissioner shall provide to all county boards separate notice of all final actions which become effective under this clause, advising the boards with respect to services or programs which have now become optional, to be provided at county discretion*"

Amend the title as follows:

Page 1, line 7, after the semicolon insert:

"providing for notice and comment procedures with respect to proposals to amend or repeal certain rules;"

H. F. No. 1532 which it recommended to pass with the following amendment offered by Sieben, M.:

Page 1, line 22, after "based" insert "*on the failure of a contraceptive method or sterilization procedure or*"

H. F. No. 1719 which it recommended to pass with the following amendment offered by Mehrkens:

Page 1, line 13, after "Steele county" insert ", Goodhue county"

Amend the title as follows:

Page 1, line 4, after "Steele," insert "Goodhue"

On the motion of Eken the report of the Committee of the Whole was adopted.

ROLL CALLS IN COMMITTEE OF THE WHOLE

Pursuant to rule 1.6, the following roll calls were taken in the Committee of the Whole:

Stowell moved to amend H. F. No. 1589, the second engrossment, as follows:

Page 1, line 13, delete "WHEELCHAIRS AND MOTORIZED"

Page 1, line 14, delete "*wheelchairs and motorized*"

Page 1, line 17, delete "WHEELCHAIRS, MOTORIZED"

Page 1, line 21, delete "*motorized wheelchairs and*"

Page 1, line 24, delete "*wheelchair or motorized*"

Page 2, line 8, delete "*motorized wheelchair or*"

Page 2, line 12, delete "*motorized wheelchair or*"

Page 2, line 14, delete "*Motorized wheelchairs and*"

Page 2, line 22, delete "*wheelchairs and motorized*"

Page 2, line 26, delete "*wheelchair or motorized*"

Page 2, line 29, delete "*wheelchair or motorized*"

Page 2, line 33, delete "*wheelchairs*"

Page 2, line 34, delete "*and motorized*"

Page 3, line 2, delete "*wheelchairs and motorized*"

Page 3, line 7, delete "*wheelchairs and motorized*"

Page 3, line 13, delete "*wheelchairs and motorized*"

Page 4, line 9, delete "*wheelchairs and motorized*"

Amend the title as follows:

Page 1, line 3, delete "motorized wheelchairs and"

The question was taken on the amendment and the roll was called. There were 77 yeas and 36 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Ellingson	Jude	Ogren	Simoneau
Anderson, I.	Erickson	Kahn	Olsen	Skoglund
Battaglia	Fjoslien	Kelly	Osthoff	Stadum
Begich	Forsythe	Kostohryz	Otis	Staten
Berkelman	Greenfield	Lehto	Peterson, D.	Swanson
Blatz	Gruenes	Lemen	Pogemiller	Valan
Brandl	Gustafson	Long	Reding	Vanasek
Brinkman	Hanson	Mann	Rees	Vellenga
Byrne	Harens	McEachern	Reif	Voss
Carlson, L.	Hauge	Metzen	Rice	Weaver
Clark, J.	Haukoos	Minne	Rodriguez, F.	Welch
Clark, K.	Heap	Murphy	Rose	Wynia
Clawson	Himle	Nelson, K.	Rothenberg	Spkr. Sieben, H.
Dahlvang	Hokanson	Niehaus	Sarna	
Eken	Jacobs	Norton	Schoenfeld	
Elioff	Johnson, C.	Novak	Sieben, M.	

Those who voted in the negative were:

Aasness	Evans	Laidig	Redalen	Welker
Ainley	Frerichs	Ludeman	Rodriguez, C.	Wenzel
Anderson, G.	Halberg	Luknic	Schafer	Wieser
Carlson, D.	Heinitz	Mehrkens	Schreiber	Zubay
Dempsey	Hoberg	Nelsen, B.	Searles	
Den Ouden	Jennings	Onnen	Sherwood	
Drew	Kaley	Peterson, B.	Sviggum	
Esau	Kvam	Piepho	Valento	

The motion prevailed and the amendment was adopted.

Sherwood moved to amend H. F. No. 1532, the first engrossment, as amended by the Sieben, M., and O'Connor amendments, as follows:

Page 1, delete lines 19 to 22

The question was taken on the amendment and the roll was called. There were 32 yeas and 80 nays as follows:

Those who voted in the affirmative were:

Aasness	Haukoos	Nysether	Schafer	Valento
Den Ouden	Hokr	Onnen	Schoenfeld	Welker
Drew	Jennings	Peterson, B.	Schreiber	Wieser
Erickson	Kvam	Redalen	Sherman	Wigley
Esau	Laidig	Reding	Sherwood	
Fjoslien	McDonald	Rees	Stadum	
Halberg	Nelsen, B.	Rodriguez, F.	Stowell	

Those who voted in the negative were:

Ainley	Blatz	Clark, K.	Ellingson	Harens
Anderson, G.	Brandl	Clawson	Forsythe	Hauge
Anderson, I.	Brinkman	Dahlvang	Frerichs	Heap
Battaglia	Byrne	Dean	Greenfield	Himle
Begich	Carlson, L.	Eken	Gruenes	Hokanson
Berkelman	Clark, J.	Elioff	Gustafson	Jacobs

Johnson, C.	Marsh	Ogren	Samuelson	Valan
Jude	McCarron	Olsen	Shea	Vanasek
Kahn	Mehrkens	Osthoff	Sieben, M.	Vellenga
Kostohryz	Minne	Otis	Simoneau	Voss
Lehto	Munger	Peterson, D.	Skoglund	Weaver
Lemen	Murphy	Piepho	Staten	Welch
Long	Nelson, K.	Pogemiller	Stumpf	Wenzel
Ludeman	Niehaus	Rice	Sviggum	Wynia
Luknic	Norton	Rodriguez, C.	Swanson	Zubay
Mann	Novak	Rothenberg	Tomlinson	Spkr. Sieben, H.

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

Sherwood moved to amend H. F. No. 1532, the first engrossment, as amended by the Sieben, M., and O'Connor amendments, as follows:

Reinstate the language deleted by the O'Connor amendment as follows:

Page 1, line 22, after "tort" insert "based on the failure of a contraceptive method or sterilization procedure or on a claim that, but for the negligent conduct of another, tests or treatment would have been provided or would have been provided properly which would have made possible the prevention, cure, or amelioration of any disease, defect, deficiency, or handicap; provided, however, that abortion shall not have been deemed to prevent, cure, or ameliorate any disease, defect, deficiency, or handicap. The failure or refusal of any person to perform or have an abortion shall not be a defense in any action, nor shall that failure or refusal be considered in awarding damages or in imposing a penalty in any action"

The question was taken on the amendment and the roll was called. There were 65 yeas and 59 nays as follows:

Those who voted in the affirmative were:

Aasness	Erickson	Jennings	Olsen	Sherman
Ainley	Esau	Jude	Omnen	Sherwood
Anderson, B.	Fjoslien	Kalis	Peterson, B.	Stadum
Anderson, I.	Forsythe	Laidig	Piepho	Stowell
Battaglia	Frerichs	Lemen	Redalen	Sviggum
Begich	Gruenes	Luknic	Rees	Valan
Blatz	Halberg	Mann	Reif	Valento
Brinkman	Harens	Marsh	Rothenberg	Weaver
Carlson, D.	Haukoos	McDonald	Samuelson	Welker
Dempsey	Heap	McEachern	Sarna	Wenzel
Den Ouden	Hoberg	Nelsen, B.	Schafer	Wieser
Drew	Hokr	Niehaus	Schoenfeld	Wigley
Elioff	Jacobs	Nysether	Schreiber	Zubay

Those who voted in the negative were:

Anderson, G.	Byrne	Clark, K.	Dean	Greenfield
Berkelman	Carlson, L.	Clawson	Eken	Gustafson
Brandl	Clark, J.	Dahlvang	Ellingson	Hauge

Heinitz	Levi	Norton	Rice	Stumpf
Himle	Long	Novak	Rodriguez, C.	Swanson
Hokanson	Ludeman	O'Connor	Rodriguez, F.	Tomlinson
Johnson, C.	McCarron	Ogren	Searles	Vanasek
Kahn	Mehrkens	Osthoff	Shea	Vellenga
Kaley	Minne	Otis	Sieben, M.	Voss
Kelly	Munger	Peterson, D.	Simoneau	Wynia
Kvam	Murphy	Pogemiller	Skoglund	Spkr. Sieben, H.
Lehto	Nelson, K.	Reding	Staten	

The motion prevailed and the amendment was adopted.

Long moved to amend H. F. No. 1532, the first engrossment, as amended, as follows:

Delete everything after the enacting clause and insert the following:

“Subdivision 1. [WRONGFUL LIFE ACTION PROHIBITED.] No person shall maintain a cause of action on behalf of himself or on behalf of another person and no court shall award damages to that person because that person was born.”

The question was taken on the amendment and the roll was called. There were 41 yeas and 79 nays as follows:

Those who voted in the affirmative were:

Brandl	Gustafson	Minne	Simoneau	Vellenga
Byrne	Hauge	Nelson, K.	Skoglund	Voss
Carlson, L.	Heinitz	Norton	Staten	Wieser
Clark, J.	Himle	Novak	Stowell	Wynia
Clark, K.	Kahn	Ogren	Stumpf	Zubay
Clawson	Kaley	Otis	Sviggum	
Dean	Lehto	Peterson, D.	Swanson	
Ellingson	Long	Pogemiller	Tomlinson	
Greenfield	McCarron	Rodriguez, C.	Vanasek	

Those who voted in the negative were:

Aasness	Evans	Kelly	Nysether	Schafer
Anderson, G.	Fjoslien	Kostohryz	O'Connor	Schoenfeld
Anderson, I.	Forsythe	Kvam	Olsen	Schreiber
Battaglia	Frerichs	Laidig	Onnen	Sherman
Begich	Gruenes	Lemen	Osthoff	Sherwood
Berkelman	Halberg	Levi	Peterson, B.	Sieben, M.
Blatz	Harens	Ludeman	Piepho	Stadum
Brinkman	Haukoos	Luknic	Redalen	Valan
Dahlvang	Heap	Mann	Reding	Valento
Dempsey	Hoberg	Marsh	Rees	Weaver
Den Ouden	Hokanson	McDonald	Reif	Welch
Drew	Hokr	McEachern	Rodriguez, F.	Welker
Eken	Jacobs	Mehrkens	Rose	Wenzel
Elioff	Jennings	Murphy	Rothenberg	Wigley
Erickson	Jude	Nelsen, B.	Samuelson	Spkr. Sieben, H.
Esau	Kalis	Niehaus	Sarna	

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

The question was taken on the motion to recommend passage of H. F. No. 1532, as amended, and the roll was called. There were 99 yeas and 22 nays as follows:

Those who voted in the affirmative were:

Aasness	Ellingson	Kvam	Olsen	Sherman
Ainley	Erickson	Laidig	Onnen	Sherwood
Anderson, B.	Esau	Lemen	Osthoff	Sieben, M.
Anderson, G.	Evans	Levi	Otis	Stadum
Anderson, I.	Fjoslien	Ludeman	Peterson, B.	Stowell
Battaglia	Forsythe	Luknic	Piepho	Stumpf
Begich	Frerichs	Mann	Redalen	Swiggum
Berkelman	Gruenes	Marsh	Reding	Swanson
Blatz	Halberg	McCarron	Rees	Valan
Brandl	Haukoos	McDonald	Reif	Valento
Brinkman	Heap	McEachern	Rice	Voss
Byrne	Hoberg	Mehrkens	Rodriguez, F.	Weaver
Carlson, D.	Hokanson	Murphy	Rose	Welch
Clawson	Hokr	Nelsen, B.	Rothenberg	Welker
Dahlvang	Jacobs	Nelson, K.	Samuelson	Wenzel
Dempsey	Jennings	Niehaus	Sarna	Wieser
Den Ouden	Jude	Novak	Schafer	Wigley
Drew	Kalis	Nysether	Schoenfeld	Zubay
Eken	Kelly	O'Connor	Schreiber	Spkr. Sieben, H.
Elioff	Kostohryz	Ogren	Searles	

Those who voted in the negative were:

Carlson, L.	Gustafson	Long	Pogemiller	Vellenga
Clark, J.	Hauge	Minne	Rodriguez, C.	Wynia
Clark, K.	Kahn	Munger	Shea	
Dean	Kaley	Norton	Staten	
Greenfield	Lehto	Peterson, D.	Tomlinson	

The motion prevailed.

Norton moved to amend H. F. No. 1611 as follows:

Page 2, line 3, after the period insert "A processing transaction shall include any written response the garnishee is required by law to mail or deliver for purposes of administering the garnishment of an employee's wages, however, the mailing or delivery of the non-exempt portion of an employee judgment debtor's wages to the judgment creditor shall not be deemed a processing transaction for purposes of this section."

The question was taken on the amendment and the roll was called. There were 22 yeas and 76 nays as follows:

Those who voted in the affirmative were:

Brandl	Kahn	Murphy	Sieben, M.	Voss
Byrne	Kelly	Nelson, K.	Skoglund	Wynia
Ellingson	Lehto	Norton	Staten	
Greenfield	Long	Otis	Tomlinson	
Hokanson	Munger	Sarna	Vanasek	

Those who voted in the negative were :

Aasness	Esau	Kalis	Peterson, B.	Stowell
Ainley	Evans	Knickerbocker	Piepho	Stumpf
Anderson, B.	Fjoslien	Laidig	Reding	Sviggum
Anderson, I.	Forsythe	Lemen	Rees	Swanson
Battaglia	Frerichs	Levi	Reif	Valento
Begich	Gruenes	Ludeman	Rice	Weaver
Blatz	Halberg	Luknic	Rodriguez, F.	Welch
Brinkman	Haukoos	Mann	Rose	Welker
Carlson, L.	Heap	Marsh	Rothenberg	Wenzel
Dahlvang	Himle	McDonald	Schafer	Wieser
Dean	Hoberg	Mehrkens	Schoenfeld	Wigley
Dempsey	Hokr	Minne	Schreiber	Zubay
Den Ouden	Jacobs	Nelsen, B.	Searles	
Drew	Jennings	Niehaus	Shea	
Elihoff	Jude	Olsen	Sherman	
Erickson	Kaley	Onnen	Stadum	

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

Norton moved to amend H. F. No. 1611 as follows :

Page 2, line 4, before the period insert "*to the extent that the amount charged to the employee judgment debtor does not exceed \$8 in any 30 day period*"

The question was taken on the amendment and the roll was called. There were 48 yeas and 66 nays as follows :

Those who voted in the affirmative were :

Anderson, G.	Eken	Kostohryz	Otis	Swanson
Anderson, I.	Elihoff	Lehto	Peterson, D.	Tomlinson
Battaglia	Ellingson	Long	Pogemiller	Vanasek
Begich	Greenfield	McCarron	Rice	Voss
Brandl	Gustafson	Minne	Rodriguez, F.	Welch
Byrne	Hauge	Munger	Sarna	Wenzel
Carlson, L.	Hokanson	Murphy	Sieben, M.	Wynia
Clark, J.	Johnson, C.	Nelson, K.	Simoneau	Spkr. Sieben, H.
Clark, K.	Jude	Norton	Skoglund	
Dahlvang	Kahn	Ogren	Staten	

Those who voted in the negative were :

Aasness	Gruenes	Lemen	Peterson, B.	Sherwood
Ainley	Halberg	Levi	Piepho	Stadum
Anderson, B.	Haukoos	Ludeman	Redalen	Stowell
Blatz	Heap	Luknic	Reding	Stumpf
Brinkman	Himle	Mann	Rees	Sviggum
Dean	Hoberg	Marsh	Reif	Valento
Dempsey	Hokr	McDonald	Rodriguez, C.	Weaver
Den Ouden	Jacobs	McEachern	Rose	Welker
Drew	Jennings	Mehrkens	Rothenberg	Wieser
Erickson	Kaley	Nelsen, B.	Schafer	Zubay
Esau	Kalis	Niehaus	Schreiber	
Evans	Kelly	Nysether	Searles	
Forsythe	Knickerbocker	Olsen	Shea	
Frerichs	Laidig	Onnen	Sherman	

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

MOTIONS AND RESOLUTIONS

Johnson, C., moved that his name be stricken as an author on H. F. No. 1765. The motion prevailed.

Ogren moved that his name be stricken as an author on H. F. No. 1717. The motion prevailed.

Norton moved that the name of Hanson be stricken as an author on H. F. No. 2195. The motion prevailed.

Ewald moved that his name be stricken as an author on H. F. No. 2147. The motion prevailed.

Dempsey moved that S. F. No. 1499 be recalled from the Committee on Transportation and be re-referred to the Committee on Appropriations. The motion prevailed.

Pogemiller moved that H. F. No. 2130, now on the Technical General Orders, be re-referred to the Committee on Appropriations. The motion prevailed.

Anderson, B., moved that H. F. No. 967 be returned to its author. The motion prevailed.

McDonald moved that H. F. No. 2232 be returned to its author. The motion prevailed.

ANNOUNCEMENT BY THE SPEAKER

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 1538:

Lehto, Vanasek and Jennings.

ADJOURNMENT

Eken moved that when the House adjourns today it adjourn until 12:00 noon, Friday, February 26, 1982. The motion prevailed.

Eken moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 12:00 noon, Friday, February 26, 1982.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

STATE OF MINNESOTA

SEVENTY-SECOND SESSION - 1982

SEVENTY-SEVENTH DAY

SAINT PAUL, MINNESOTA, FRIDAY, FEBRUARY 26, 1982

The House of Representatives convened at 12:00 noon and was called to order by Harry A. Sieben, Jr., Speaker of the House.

Prayer was offered by Reverend Stanley O. Hanks, Messiah United Methodist Church, Plymouth, Minnesota.

The roll was called and the following members were present:

Aasness	Erickson	Kalis	Nysether	Sherwood
Ainley	Esau	Kelly	O'Connor	Sieben, M.
Anderson, B.	Evans	Kostohryz	Ogren	Simoneau
Anderson, G.	Fjoslien	Kvam	Onnen	Skoglund
Anderson, I.	Forsythe	Laidig	Osthoff	Stadum
Battaglia	Frerichs	Lehto	Otis	Staten
Begich	Greenfield	Lemen	Peterson, B.	Stowell
Berkelman	Gruenes	Levi	Peterson, D.	Stumpf
Blatz	Gustafson	Long	Piepho	Svigum
Brandl	Halberg	Ludeman	Pogemiller	Swanson
Brinkman	Harens	Luknic	Redalen	Tomlinson
Byrne	Hauge	Mann	Reding	Valan
Carlson, D.	Haukoos	Marsh	Rees	Valento
Carlson, L.	Heap	McCarron	Reif	Vanasek
Clark, J.	Heinitz	McDonald	Rice	Vellenga
Clark, K.	Himle	McEachern	Rodriguez, C.	Voss
Clawson	Hoberg	Mehrrens	Rodriguez, F.	Weaver
Dahlvang	Hokanson	Minne	Rose	Welch
Dean	Hokr	Munger	Rothenberg	Welker
Dempsey	Jacobs	Murphy	Samuelson	Wenzel
Den Ouden	Jennings	Nelsen, B.	Sarna	Wieser
Drew	Johnson, C.	Nelson, K.	Schafer	Wigley
Eken	Jude	Niehaus	Schoenfeld	Wynia
Elioff	Kahn	Norton	Schreiber	Zubay
Ellingson	Kaley	Novak	Sherman	Spkr. Sieben, H.

A quorum was present.

Anderson, R.; Hanson; Johnson, D.; Knickerbocker; Metzen and Searles were excused.

Olsen was excused until 1:00 p.m. Ewald was excused until 1:30 p.m. Shea was excused until 1:45 p.m.

The Chief Clerk proceeded to read the Journal of the preceding day. Niehaus moved that further reading of the Journal be dispensed with and that the Journal be approved as corrected by the Chief Clerk. The motion prevailed.

REPORTS OF CHIEF CLERK

Pursuant to Rules of the House, printed copies of H. F. Nos. 1747, 2116, 2130, 2177, 1736, 1748, 1794, 1809, 1867, 1871, 1885, 1897, 1954, 2015, 2059, 2066, 1890, 1955, 1532, 1589, 1572, 1684, 1697, 1707, 1712, 1713 and 1719 and S. F. Nos. 1107, 1424, 1582, 1695, 1756, 1721, 1567, 1521, 1644, 1648, 1878, 2095 and 2126 have been placed in the members' files.

S. F. No. 1878 and H. F. No. 1812, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Kelly moved that S. F. No. 1878 be substituted for H. F. No. 1812 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1521 and H. F. No. 1687, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Dempsey moved that S. F. No. 1521 be substituted for H. F. No. 1687 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1644 and H. F. No. 1830, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Heap moved that S. F. No. 1644 be substituted for H. F. No. 1830 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1695 and H. F. No. 1768, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Marsh moved that S. F. No. 1695 be substituted for H. F. No. 1768 and that the House File be indefinitely postponed. The motion prevailed.

REPORTS OF STANDING COMMITTEES

Norton from the Committee on Governmental Operations to which was referred:

H. F. No. 917, A bill for an act relating to retirement; authorizing special coverage for members of the Minnesota state retirement system prohibited from performing specified duties after age 60; proposing new law coded in Minnesota Statutes, Chapter 352.

Reported the same back with the following amendments:

Page 1, after line 8, insert:

“Section 1. Minnesota Statutes 1980, Section 352.85, Subdivision 1, is amended to read:

Subdivision 1. [ELIGIBILITY; RETIREMENT ANNUITY.] (AN EMPLOYEE OF) *Any person who is employed by the department of military affairs who is covered by the general employee retirement plan of the Minnesota state retirement system as provided in section 352.01, subdivision 23, who is ordered to active duty pursuant to section 190.08, subdivision 3, (AND) who elects this special retirement coverage pursuant to subdivision 4, who is required to retire from federal military status at the age of 60 years by applicable federal laws or regulations and who terminates employment as a state employee upon attaining that age shall be entitled upon application, to a retirement annuity (COMMENCING AT THE AGE OF 60) computed in accordance with section 352.115, subdivisions 2 and 3, without any reduction for early retirement pursuant to section 352.116, subdivision 1.*

Sec. 2. Minnesota Statutes 1980, Section 352.85, Subdivision 3, is amended to read:

Subd. 3. [ADDITIONAL CONTRIBUTIONS.] *The special retirement annuities and disability benefits authorized by this section shall be financed by an employee contribution from the covered department of military affairs of (ONE) 1.6 percent and an employer contribution from the department of military affairs of (ONE) 1.6 percent, which contributions shall be in addition to the contributions required by section 352.04, subdivisions 2 and 3, and shall be made in the manner provided for in section 352.04, subdivisions 4, 5 and 6.”*

Page 1, line 11, delete “An” and insert “Any person who is employed by”

Page 1, line 12, delete “employee of” and delete “job” and insert “civil service employment”

Page 1, line 13, delete “a member” and insert “covered by”

Page 1, line 14, delete “of” and after “the” insert “general employee retirement plan of the” and delete “and” and insert

"pursuant to section 352.01, subdivision 23, who elects this special retirement coverage pursuant to subdivision 3,"

Page 1, line 15, after "of" insert "aircraft"

Page 1, line 16, after "by" insert "a"

Page 1, line 17, after "administration" insert "adopted by the department of transportation and who terminates employment as a state employee upon attaining that age"

Page 1, line 18, delete "commencing at the age of 60"

Page 1, line 19, after "without" insert "any"

Page 1, line 20, after "reduction" insert "for early retirement"

Page 1, line 22, delete "annuities" and insert "annuity"

Page 1, line 23, after "contribution" insert "from the covered aircraft pilot or chief pilot" and delete "one" and insert "1.6"

Page 1, line 24, after "contribution" insert "from the department of transportation" and delete "one" and insert "1.6"

Page 2, line 5, delete "1981" and insert "1982"

Page 2, line 6, delete "1981" and insert "1982" and delete "30" and insert "90"

Page 2, line 10, after "covered" insert "by this special plan"

Page 2, after line 11, insert:

"Subd. 4. [ACTUARIAL VALUATION EXHIBIT.] In each valuation of the Minnesota state retirement system prepared pursuant to section 356.215, an exhibit pertaining to this special retirement program shall be included which shall contain for the special program those actuarial valuation content items specified in section 356.215, subdivision 4, which the executive director deems are necessary to adequately disclose the actuarial condition of the special program."

Page 2, line 13, delete "This act" and insert "Section 3" and delete "July 1, 1981" and insert "June 30, 1982. Section 1 is effective retroactively to July 1, 1980. Section 2 is effective on the first day of the full pay period next following the day following final enactment"

Renumber the sections

Amend the title as follows:

Page 1, line 5, after "60;" insert "clarifying various aspects of the special retirement program for certain employees of the department of military affairs; amending Minnesota Statutes 1980, Section 352.85, Subdivisions 1 and 3;"

With the recommendation that when so amended the bill pass.

The report was adopted.

Norton from the Committee on Governmental Operations to which was referred:

H. F. No. 1028, A bill for an act relating to the legislature; creating a legislative fiscal office; requiring fiscal notes to accompany certain bills and administrative rules; appropriating money; amending Minnesota Statutes 1980, Sections 3.98, Subdivision 1; 15.0412, Subdivision 7; proposing new law coded in Minnesota Statutes, Chapter 3; repealing Minnesota Statutes 1980, Section 3.98.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [3.9795] [LEGISLATIVE FISCAL OFFICE.]

Subdivision 1. [ESTABLISHED.] A legislative fiscal office is established under the jurisdiction of the legislative coordinating commission.

Subd. 2. [DUTIES.] The office shall prepare fiscal notes as required by section 2.

Subd. 3. [STAFF.] The legislative coordinating commission shall employ and shall fix the compensation of a director of the legislative fiscal office and other professional, clerical and technical assistants necessary for the legislative fiscal office to perform its duties. The director and all employees of the legislative fiscal office are employees of the legislature in the unclassified service of the state.

Subd. 4. [AUTHORITY.] The legislative fiscal office may call upon any department or agency of the state or any political subdivision for data as may be available to assist it in the preparation of fiscal notes. The department, agency or political subdivision shall cooperate with the office to the fullest extent possible.

Sec. 2. [3.9796] [FISCAL NOTES ON BILLS AFFECTING CERTAIN POLITICAL SUBDIVISIONS.]

Subdivision 1. [FISCAL NOTE REQUEST.] The chairman of the senate or house standing committee, other than the senate finance or house appropriations committees, to which a bill is originally referred shall, at least five working days before the bill is heard in committee, request the appropriate office or agency to prepare a fiscal note for any bill on which a fiscal note is required. A fiscal note is required (1) on any bill mandating an expenditure of public funds by affecting the credit rating of, or otherwise having a fiscal impact upon, a county, town, school district, home rule charter city or statutory city; and (2) on a bill which requires an expenditure of public funds by a department or agency of state government.

Subd. 2. [FISCAL NOTE PREPARATION.] The legislative fiscal office shall prepare the fiscal note for bills relating to units of local government. The head of each affected state agency or department shall prepare a fiscal note for bills relating to state government.

Subd. 3. [CONTENTS OF FISCAL NOTE.] The fiscal note, where possible, shall state:

(a) the estimated total cost to each state agency or to all counties, towns, school districts, statutory cities or home rule charter cities of implementing or complying with the proposed law for the two years immediately following the effective date;

(b) the estimated revenue that the law would generate in the two years immediately following the effective date;

(c) the long range fiscal implications, if any;

(d) whether the levy limits established pursuant to sections 275.50 to 275.59 apply to the required expenditure; and

(e) the statutory sections affected.

The fiscal note may comment upon the technical or mechanical defects of the bill but shall not express any opinion concerning the merits of the proposal.

Subd. 4. [TIME FOR PREPARATION.] The legislative fiscal office or the appropriate state department or agency shall prepare and return the fiscal note to the chairman within five working days after the request. An extension of five working days may be granted upon approval of the committee chairman and the author of the bill.

Subd. 5. [NEW FISCAL NOTE.] Any committee which amends a bill so as to change its fiscal impact and which recommends the bill to pass may, by vote of the committee, request that a new fiscal note be prepared. The author of a bill may request

at any time that a new fiscal note be prepared. The legislative fiscal office or the appropriate state department or agency shall prepare the new note and return it to the chairman of the requesting committee within three days of the request. A fiscal note is not otherwise subject to amendment by the house, the senate, or any committee of either body.

Subd. 6. [COMMITTEE REPORT.] If a committee requests a new fiscal note, the committee shall not report the bill until the new fiscal note has been prepared. The most recent fiscal note shall be included as part of the committee report.

Subd. 7. [PRINTING OF FISCAL NOTE.] The most recent fiscal note shall be printed at the end of each bill as part of an engrossment of the bill after it is reported by each standing committee to which it is assigned. However, a fiscal note shall not be printed as part of an enrolled bill, nor shall a fiscal note be printed in the Laws of Minnesota or in Minnesota Statutes.

Sec. 3. [TRANSITION.]

Prior to January 1, 1983, the legislative coordinating commission, in consultation with the chief clerk of the house, the secretary of the senate, the commissioner of finance or his designee, the Minnesota association of township officers, the association of Minnesota counties, the league of Minnesota cities, and the Minnesota school boards association shall:

(a) develop a manual regarding form and procedures for preparation of fiscal notes;

(b) suggest changes in senate rules, house rules and joint rules needed to accommodate the fiscal note process; and

(c) make further recommendations regarding the preparation and use of fiscal notes.

Sec. 4. [APPROPRIATION.]

The sum of \$69,732 is appropriated from the general fund to the legislative fiscal office for the purpose of preparing fiscal notes on bills affecting counties, towns, school districts, statutory city or home rule charter city. The sum is available until June 30, 1983. The committee on rules and legislative administration of the house of representatives and the committee on rules and administration of the senate shall reassign portions of unspent funds from legislative committee budgets to meet the expenses of the legislative fiscal office until June 30, 1983.

Sec. 5. [REPEALER.]

Minnesota Statutes 1980, Section 3.98, is repealed January 1, 1983. Section 3 is repealed June 30, 1984.

Sec. 6. [EFFECTIVE DATE.]

Sections 1, 3, and 4 are effective the day following final enactment. Sections 2 and 5 are effective January 1, 1983."

Amend the title as follows:

Page 1, line 4, delete "and administrative rules"

Page 1, line 5, delete everything after "money;"

Page 1, line 6, delete everything before "proposing"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Voss from the Committee on Local and Urban Affairs to which was referred:

H. F. No. 1115, A bill for an act relating to transportation; establishing subsidy limits for transit grant recipients; defining terms; amending Minnesota Statutes 1980, Sections 174.22, Subdivision 5, and by adding subdivisions; 174.23, Subdivision 6; 174.24, Subdivision 3, and by adding subdivisions; repealing Minnesota Statutes 1980, Section 174.26.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1980, Section 174.21, is amended to read:

174.21 [PUBLIC TRANSIT ASSISTANCE AND TRANSPORTATION MANAGEMENT; PURPOSE.]

It is the purpose of sections 174.21 to 174.27:

((A) TO INCREASE VEHICLE OCCUPANCY, TO REDUCE THE USE OF VEHICLES OCCUPIED BY ONLY ONE PERSON AND THE CONGESTION, POLLUTION, ENERGY CONSUMPTION, HIGHWAY DAMAGE, AND OTHER COSTS ASSOCIATED WITH SUCH USE;)

((B) TO ASSURE THAT THOSE CITIZENS OF THIS STATE WHO ARE UNABLE BY REASON OF AGE OR IN-

CAPACITY TO USE REGULAR MEANS OF PRIVATE OR PUBLIC TRANSPORTATION SHALL HAVE REASONABLE ACCESS TO TRANSPORTATION SERVICE NECESSARY TO PERMIT THEM TO BE ACTIVE, PRODUCTIVE, SELF-SUPPORTING AND HEALTHY CITIZENS; AND)

((C) TO INCREASE THE EFFICIENCY AND PRODUCTIVITY OF AND BENEFIT FROM PUBLIC INVESTMENTS IN ROAD SPACE AND TRANSPORTATION AND TRANSIT FACILITIES AND SYSTEMS IN THE STATE.)

(a) *to provide access to transit for persons who have no alternative mode of transit available;*

(b) *to increase the efficiency and productivity of public transit systems;*

(c) *where such activities are cost-effective, to alleviate problems of automobile congestion and energy consumption and to promote desirable land use;*

(d) *to maintain a state commitment to public transportation; and*

(e) *consistent with the above objectives, to meet the needs of individual transit systems.*

Sec. 2. Minnesota Statutes 1980, Section 174.22, is amended by adding subdivisions to read:

Subd. 9. "Large urbanized area service" means the non-elderly and handicapped service as defined in subdivision 13 of this section provided by the Duluth transit authority.

Subd. 10. "Urbanized area service" means a nonelderly and handicapped service as defined in subdivision 13 of this section operating in an urban area of more than 50,000 persons except for services operated by the metropolitan transit commission as defined in section 174.22 and service operating in a large urbanized area.

Subd. 11. "Small urban area service" means a service operating in an area with a population between 2,500 and 50,000.

Subd. 12. "Rural area service" means a service primarily operated in an area having population centers of less than 2,500 persons.

Subd. 13. "Elderly and handicapped service" means service provided on a regular basis in urbanized areas, except for metro mobility service established under section 174.31, and designed

exclusively or primarily to serve individuals who are elderly or handicapped and unable to use regular means of public transportation.

Sec. 3. Minnesota Statutes 1980, Section 174.23, is amended by adding a subdivision to read:

Subd. 7. The commissioner shall by rule define "total operating cost" as the term is used in carrying out the purposes of section 174.24. The commissioner shall consult with eligible recipients to the maximum extent feasible in formulating these rules and develop necessary and reasonable changes in cost allowability provisions and financial examination procedures where possible. The rules are subject to the provisions in the administrative procedure act of sections 15.041 to 15.052.

Sec. 4. Minnesota Statutes 1980, Section 174.24, Subdivision 1, is amended to read:

Subdivision 1. [ESTABLISHMENT; PURPOSE.] A public transit (SUBSIDY) *participation* program is established to (PROVIDE) *carry out the objectives stated in section 174.21 by providing* financial assistance from the state to eligible recipients. (THE PURPOSE OF THE PUBLIC TRANSIT SUBSIDY PROGRAM SHALL BE TO SUPPLEMENT LOCAL EFFORT IN FINANCING PUBLIC TRANSIT SYSTEMS IN ORDER TO PRESERVE AND DEVELOP PUBLIC TRANSIT AND A BALANCED TRANSPORTATION SYSTEM IN THE STATE.)

Sec. 5. Minnesota Statutes 1981 Supplement, Section 174.24, Subdivision 3, is amended to read:

Subd. 3. [FINANCIAL ASSISTANCE.] Payment of financial assistance shall be by contract between the commissioner and an eligible recipient. The commissioner shall determine the (OPERATING DEFICIT) *total operating cost* of any public transit system receiving or applying for assistance in accordance with generally accepted accounting principles (, PROVIDED THAT ANY FINANCIAL ASSISTANCE RECEIVED FROM ANY AGENCY OF THE FEDERAL GOVERNMENT FOR THE OPERATION OF A PUBLIC TRANSIT SYSTEM SHALL BE TREATED AS REVENUE FOR THE PURPOSES OF DETERMINING THE OPERATING DEFICIT). To be eligible for financial assistance an applicant or recipient shall provide to the commissioner all financial records and other information and shall permit any inspection reasonably necessary to determine the amount of assistance which may be paid to the applicant or recipient. Where more than one county or municipality contributes assistance to the operation of a public transit system the commissioner shall identify one as lead agency for

the purpose of receiving moneys under this section. (THE COMMISSIONER MAY ADOPT RULES ESTABLISHING PERFORMANCE STANDARDS FOR PUBLIC TRANSIT SYSTEMS FOR USE IN DETERMINING THE AMOUNT OF ASSISTANCE WHICH MAY BE PAID TO AN ELIGIBLE RECIPIENT. EXCEPT AS OTHERWISE PROVIDED IN THIS SUBDIVISION, PAYMENTS SHALL NOT EXCEED TWO-THIRDS OF THE OPERATING DEFICIT OF A PUBLIC TRANSIT SYSTEM.) The commissioner shall adopt rules establishing uniform performance standards for private operators of regular route transit systems in the transit taxing district as defined in section 473.446, subdivision 2. *The rules are subject to the provisions in the administrative procedure act of sections 15.041 to 15.052.* Payments to those private operators shall be based on the uniform performance standards and shall not exceed 100 percent of the operating deficit. *Payments shall be based on approved estimates of expenditures during the contract period and shall be subject to audit and adjustment after any payment has been made.*

Prior to distributing operating assistance to eligible recipients for any contract period, the commissioner shall place all recipients into one of the following classifications: large urbanized area service, urbanized area service, small urban area service, rural area service, and elderly and handicapped service. The commissioner shall distribute funds under this section so that the percentage of total operating cost paid by any recipient from local sources will not exceed the percentage for that recipient's classification. The percentages shall be: for large urbanized area service excluding elderly and handicapped service, 55 percent; for urbanized and small urban service, 40 percent; for rural service, 35 percent; and for elderly and handicapped service, 35 percent. The remainder of the total operating cost will be paid from state funds less any assistance received by the recipient from any federal source. For purposes of this subdivision "local sources" means all local sources of funds and includes all operating revenue, tax levies and contributions from public funds, except that the commissioner may exclude from this total contract revenues derived from operations the cost of which is excluded from the computation of total operating cost. If a recipient informs the commissioner in writing after the establishment of these percentages but prior to the distribution of financial assistance for any year that paying its designated percentage of total operating cost from local sources will cause undue hardship the commissioner may reduce the percentage to be paid from local sources by the recipient and increase the percentage to be paid from local sources for all other recipients in its classification so that the total state funds to be received by all the recipients in the classification will not be altered. If for any year the funds appropriated to the commissioner to carry out the purposes of this section are insufficient to allow the commissioner to pay the state share of total operating cost as provided in this paragraph he shall reduce the state share in each classification to the extent necessary.

Sec. 6. Minnesota Statutes 1980, Section 174.24, is amended by adding a subdivision to read:

Subd. 5. [PAYMENT.] Payments under this section to recipients other than the metropolitan transit commission and private operators within the seven-county metropolitan area whose deficits are funded 100 percent by the state shall be made in the following manner:

50 percent of the total contract amount in the first month of operation;

40 percent of the total contract amount in the seventh month of operation;

9 percent of the total contract amount in the twelfth month of operation; and

1 percent of the total contract amount after the final audit.

The method of payment under this section to private operators within the seven-county metropolitan area whose deficits are funded 100 percent by the state shall be determined by the commissioner.

Sec. 7. Minnesota Statutes 1981 Supplement, Section 174.265, Subdivision 4, is amended to read:

Subd. 4. [ASSISTANCE FOR REPLACEMENT SERVICE.] An application for financial assistance for replacement services shall: describe the existing service provided to the applicant by the metropolitan transit commission, including the estimated number of passengers carried and the routes, schedules, and fares; describe the transit service proposed for funding under the demonstration program, including the anticipated number of passengers and the routes, schedules, and fares; and indicate the total amount of available local transit funds, the portion of the available local transit funds proposed to be used to subsidize replacement services, and the amount of state assistance requested for the replacement services. Financial assistance shall (NOT) be granted under this subdivision (UNLESS) to an applicant community served by the metropolitan transit commission at the time of application only if the commissioner determines that the service proposed for funding is intended and designed to replace and substitute for (THAT) the service provided by the (METROPOLITAN TRANSIT) commission at the time of application and that the average subsidy per passenger per route for the replacement service will not exceed the (AVERAGE SUBSIDY PER PASSENGER DURING THE SIX MONTHS PRECEDING THE APPLICATION ON THE COMMISSION'S ROUTES WHICH SERVE THE APPLICANT COMMUNITIES) *subsidy per passenger per route stan-*

dard as adopted by the commission in its current transportation development program. (IF THE) Financial assistance shall be granted under this subdivision to an applicant (COMMUNITIES ARE) community not served by the commission at the time of the application (,) only if the commissioner determines that the average subsidy per passenger per trip for the (REPLACEMENT) service (SHALL) proposed for funding will not exceed the (AVERAGE SUBSIDY PER PASSENGER DURING THE SIX MONTHS PRECEDING THE APPLICATION ON ALL ROUTES OF THE COMMISSION EXTENDING INTO ZONE FOUR. AFTER THE FIRST YEAR OF REPLACEMENT SERVICE, THE MAXIMUM SUBSIDY SHALL BE ESCALATED AT A RATE EQUAL TO THE RATE OF INFLATION IN THE REVISED CONSUMER PRICE INDEX FOR ALL URBAN CONSUMERS IN THE MINNEAPOLIS-ST. PAUL METROPOLITAN AREA) subsidy per passenger per trip standard as adopted by the commission in its current transportation development program. The amount of financial assistance provided for replacement service under this subdivision shall not exceed the sum of: (a) the portion of the available local transit funds which the applicant proposes to use to subsidize the service, and (b) an amount of state assistance bearing an identical proportional relationship to the amount under (a) as the total amount of state assistance available to the metropolitan transit commission under section 174.24, subdivision 3a bears to the total amount of taxes collected by the commission under section 473.446, subdivision 1, clauses (a) to (c). The commissioner shall transfer the amounts provided to the recipient from the assistance available to the metropolitan transit commission pursuant to section 174.24, subdivision 3.

Sec. 8. [REPEALER.]

Minnesota Statutes 1980, Sections 174.25; and 174.26 are repealed.

Sec. 9. [EFFECTIVE DATE.]

Sections 1, 6, 7 and 8 are effective the day following final enactment. Sections 2, 3, 4 and 5 are effective January 1, 1984."

Delete the title and insert :

"A bill for an act relating to transportation; providing for the distribution of assistance under the public transit participation program; defining terms; changing eligibility requirements for replacement transit service; providing for public transit contract procedures; amending Minnesota Statutes 1980, Sections 174.21; 174.22, by adding subdivisions; 174.23, by adding a subdivision; 174.24, Subdivision 1, and by adding a subdivision; Minnesota Statutes 1981 Supplement, Sections 174.-24, Subdivision 3; and 174.265, Subdivision 4; repealing Minnesota Statutes 1980, Sections 174.25; and 174.26."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Swanson from the Committee on Health and Welfare to which was referred:

H. F. No. 1246, A bill for an act relating to public welfare; authorizing the commissioner of public welfare to use money in the revolving fund for vocational rehabilitation of the blind for certain purposes; removing the preference given to blind operators of vending machines who have resided in the state for a year; amending Minnesota Statutes 1980, Section 248.07, Subdivision 8.

Reported the same back with the recommendation that the bill pass and be placed on the Consent Calendar.

The report was adopted.

Norton from the Committee on Governmental Operations to which was referred:

H. F. No. 1336, A bill for an act relating to retirement; highway patrol benefits and refunds; amending Minnesota Statutes 1980, Sections 352B.08, Subdivision 2; and 352B.11, Subdivisions 1 and 2.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1981 Supplement, Section 352B.02, Subdivision 1, is amended to read:

Subdivision 1. There is hereby established a highway patrol retirement fund, the membership of which shall consist of all persons defined in section 352B.01, subdivision 2. Each member shall pay a sum equal to (SEVEN) 8.5 percent of (HIS) *the member's* monthly salary. Member contribution amounts shall be deducted monthly by the department head, who shall cause the total amount of the monthly deductions to be paid to the state treasurer, and shall cause a detailed report of all monthly deductions to be made each month to the executive director of the Minnesota state retirement system. In addition thereto, there shall be paid out of money appropriated to the departments for this purpose, monthly, by the department heads, a sum equal to 12 percent of the salary upon which deductions were made, and a sum equal to nine percent of the salaries upon which deductions were made for the purpose of amortizing the actuarial deficit of the fund. These amounts shall be credited to the high-

way patrol retirement fund. All moneys received shall be deposited by the state treasurer in the highway patrol retirement fund. Out of the fund shall be paid the administrative expenses of the retirement fund, and the benefits and annuities as hereinafter provided.

Sec. 2. Minnesota Statutes 1981 Supplement, Section 352B.08, Subdivision 2, is amended to read:

Subd. 2. The annuity shall be paid in monthly installments equal to that portion of the average monthly salary of the member multiplied by 2-1/2 percent for each year and pro rata for completed months of service not exceeding (20) 25 years and two percent for each year and pro rata for completed months of service in excess of (20) 25 years. "Average monthly salary" shall mean the average of the monthly salaries for the five highest successive years of service as a member. The monthly salary for the period prior to July 2, 1969 shall be deemed to be \$600. The term "average monthly salary" shall not include any reduced salary paid during the period the person is entitled to benefit payments from the workers' compensation court of appeals for temporary disability. In lieu of the single life annuity herein provided, the member or former member with ten years or more of service may elect a joint and survivor annuity, payable to a designated beneficiary for life, adjusted to the actuarial equivalent value of the single life annuity. The joint and survivor annuity elected by a member may also provide that the elected annuity be reinstated to the single life annuity herein provided, if after drawing the elected joint and survivor annuity, the designated beneficiary dies prior to the death of the member. This reinstatement shall not be retroactive but shall be in effect for the first full month subsequent to the death of the designated beneficiary. This additional joint and survivor option with reinstatement clause shall be adjusted to the actuarial equivalent value of a regular single life annuity.

Sec. 3. Minnesota Statutes 1980, Section 352B.11, Subdivision 1, is amended to read:

Subdivision 1. [(REFUNDMENT) REFUND OF PAYMENTS.] Should any member who does not qualify for other benefits under this chapter become separated, *either voluntarily or involuntarily*, from state service that entitled him or her to be a member of the association, (EITHER VOLUNTARILY OR INVOLUNTARILY, HE) *the member, or in the event of the member's death, the member's estate*, shall (THEREUPON) be entitled to receive a (REFUNDMENT) *refund* of all payments which have been made by salary deductions.

Sec. 4. Minnesota Statutes 1981 Supplement, Section 352B.-11, Subdivision 2, is amended to read:

Subd. 2. [DEATH; PAYMENT TO SPOUSE AND CHILDREN.] In the event any member serving actively as a member, a member receiving the disability benefit provided by section 352B.10, clause (1), or a former member (WITH 20 OR MORE YEARS OF ALLOWABLE SERVICE CREDIT) receiving a disability benefit as provided by section 352B.10, clause (3) dies from any cause, the surviving spouse and dependent child or dependent children shall be entitled to benefit payments as follows:

(a) A member with at least ten years of allowable service or a former member with at least 20 years of allowable service is deemed to have elected a 100 percent joint and survivor annuity payable to a surviving spouse only on or after the date the member or former member attained or would have attained the age of 55.

(b) The surviving spouse of a member who had credit for less than ten years of service shall receive, for life, a monthly annuity equal to 20 percent of that portion of the average monthly salary of the member from which deductions were made for retirement. If the surviving spouse remarries, the annuity shall cease as of the date of the remarriage.

(c) The surviving spouse of a member who had credit for at least ten years of service and who dies after attaining 55 years of age, may elect to receive a 100 percent joint and survivor annuity, for life, notwithstanding a subsequent remarriage, in lieu of the annuity prescribed in clause (b).

(d) The surviving spouse of any member who had credit for ten years or more and who was not 55 years of age at death, shall receive the benefit equal to 20 percent of the average monthly salary as described in clause (b) until the deceased member would have reached his or her 55th birthday, and beginning the first of the month following that date, may elect to receive the 100 percent joint and survivor annuity. If the surviving spouse remarries prior to the deceased member's 55th birthdate, all benefits or annuities shall cease as of the date of remarriage. Remarriage subsequent to the deceased member's 55th birthday shall not affect the payment of the benefit.

(e) Each dependent child shall receive a monthly annuity equal to ten percent of that portion of the average monthly salary of the former member from which deductions were made for retirement. A dependent child over the age of 18 years and under the age of 22 years also may receive the monthly benefit provided herein, if the child is continuously attending an accredited school as a full time student during the normal school year as determined by the director. If the child does not continuously attend school but separates from full time attendance during any portion of a school year, the annuity shall cease at the end of the month of separation. In addition, a payment of \$20 per month shall be prorated equally to surviving dependent children when

the former member is survived by one or more dependent children. Payments for the benefit of any qualified dependent child shall be made to the surviving spouse, or if there be none, to the legal guardian of the child. The maximum monthly benefit shall not exceed 40 percent of the average monthly salary for any number of children.

(f) If the member shall die under circumstances which entitle the surviving spouse and dependent children to receive benefits under the workers' compensation law, amounts equal to the workers' compensation benefits received by them shall not be deducted from the benefits payable pursuant to this section.

(g) (IN THE EVENT ANY FORMER MEMBER WHO HAD SEPARATED FROM SERVICE PRIOR TO HAVING COMPLETED TEN YEARS OF SERVICE, EXCEPT FORMER MEMBERS PERMANENTLY DISABLED IN PERFORMANCE OF DUTY, AND WAS NOT EMPLOYED BY THE STATE IN A CAPACITY ENTITLING THE FORMER MEMBER TO ACCUMULATE ALLOWABLE SERVICE CREDIT AT THE TIME OF DEATH, THE SURVIVING SPOUSE, OR IF NONE, THE CHILDREN OR HEIRS SHALL BE ENTITLED TO RECEIVE ANY FUNDS THE FORMER MEMBER MAY HAVE LEFT ON DEPOSIT IN THE HIGHWAY PATROL RETIREMENT FUND, BUT SHALL RECEIVE NO FURTHER BENEFITS UNDER THIS CHAPTER.) The surviving spouse of a deceased former member who had credit for ten or more years of allowable service, but excluding the spouse of a former member receiving a disability benefit under the provisions of section 352B.10, clause (3), (BASED ON LESS THAN 20 YEARS OF SERVICE,) shall be entitled to receive the 100 percent joint and survivor annuity at such time as the deceased member would have reached his or her 55th birthdate, provided the surviving spouse has not remarried prior to that date. *In the event of the death of a former member who does not qualify for other benefits under this chapter, the surviving spouse or, if none, the children or heirs shall be entitled to receive a refund of the accumulated deductions left in the fund.*

Sec. 5. [352B.265] [PRE-1973 INCREASE.]

Total benefits payable to a retiree or surviving spouse whose benefits were computed under the law in effect prior to June 1, 1973, shall be increased by six percent on July 1, 1982 and on July 1 of each year thereafter. Funds sufficient to pay the increases provided by this section are hereby appropriated annually to the executive director from the highway patrol retirement fund.

Sec. 6. [EFFECTIVE DATE.]

This act is effective July 1, 1982."

Delete the title and insert:

"A bill for an act relating to retirement; highway patrol benefits and refunds; providing annual benefit increases to pre-1973 retirees and surviving spouses; appropriating funds; amending Minnesota Statutes 1980, Section 352B.11, Subdivision 1; and Minnesota Statutes 1981 Supplement, Sections 352B.02, Subdivision 1; 352B.08, Subdivision 2; and 352B.11, Subdivision 2; proposing new law coded in Minnesota Statutes, Chapter 352B."

With the recommendation that when so amended the bill pass and be placed on the Consent Calendar.

The report was adopted.

Swanson from the Committee on Health and Welfare to which was referred:

H. F. No. 1404, A bill for an act relating to nursing homes; requiring new procedures for determining nursing home rates; amending Minnesota Statutes 1980, Sections 256B.41; 256B.47; and 256B.48; proposing new law coded in Minnesota Statutes, Chapter 256B; repealing Minnesota Statutes 1980, Sections 256B.42; 256B.43; 256B.44; 256B.45; and 256B.46.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1980, Section 256B.41, is amended to read:

256B.41 [INTENT.]

Subdivision 1. [AUTHORITY.] The (STATE AGENCY) *commissioner* shall (BY RULE) establish (A FORMULA), *by rule, procedures* for (ESTABLISHING PAYMENT) *determining equitable rates for care of residents of nursing homes which qualify as vendors of medical assistance, and for implementing the provisions of sections 256B.41, 256B.47, 256B.48 and sections 2, 3, 6, 7, and 8. The procedures shall be based on methods and standards that the commissioner finds are adequate to provide for the costs that must be incurred for the care of residents in efficiently and economically operated nursing homes and shall specify the costs that are allowable for payment through medical assistance.*

Subd. 2. [FEDERAL REQUIREMENTS.] (IT IS THE INTENT OF THE LEGISLATURE TO ESTABLISH CERTAIN LIMITATIONS ON THE STATE AGENCY IN SETTING STANDARDS FOR NURSING HOME RATE SETTING FOR THE CARE OF RECIPIENTS OF MEDICAL ASSISTANCE PURSUANT TO THIS CHAPTER. IT IS NOT THE INTENT OF THE LEGISLATURE TO REPEAL OR

CHANGE ANY EXISTING OR FUTURE RULE PROMULGATED BY THE STATE AGENCY RELATING TO THE SETTING OF RATES FOR NURSING HOMES UNLESS THE RULE IS CLEARLY IN CONFLICT WITH SECTIONS 256B.41 TO 256B.48.) If any provision of sections 256B.41 (TO), 256B.47 and 256B.48 and sections 2, 3, 6, 7, and 8 is determined by the United States government to be in conflict with existing or future requirements of the United States government with respect to federal participation in medical assistance, the federal requirements shall prevail.

Sec. 2. [256B.421] [DEFINITIONS.]

Subdivision 1. [SCOPE.] For the purposes of sections 256B.41, 256B.47, 256B.48, and sections 2, 3, 6, 7, and 8, the following terms and phrases shall have the meanings given to them.

Subd. 2. [COMMISSIONER.] "Commissioner" means the commissioner of public welfare.

Subd. 3. [NURSING HOME.] "Nursing home" means a facility licensed under chapter 144A or a boarding care facility licensed under sections 144.50 to 144.56.

Subd. 4. [OPERATING COSTS.] "Operating costs" means costs of meeting licensure and certification standards and routine service costs including nursing, dietary, and other support service costs.

Subd. 5. [PAYMENT RATE.] "Payment rate" means the prospective rate determined under section 3.

Subd. 6. [NONMEDICAL ASSISTANCE RESIDENT.] "Nonmedical assistance resident" means a nursing home resident who is not a medical assistance recipient.

Subd. 7. [RATE YEAR.] "Rate year" means the fiscal year for which a payment rate determined under section 3 is effective, from July 1 to the next June 30.

Subd. 8. [RENT.] "Rent" means the amount paid for nursing home residents' use of real estate and equipment as determined under section 3, subdivision 3.

Subd. 9. [REPORTING YEAR.] "Reporting year" means the calendar year, immediately preceding the rate year, for which the nursing home submits reports required under section 256B.48, subdivision 2.

Sec. 3. [256B.431] [RATE DETERMINATION.]

Subdivision 1. [IN GENERAL.] The commissioner shall determine prospective payment rates for resident care costs. These rates shall include items for the direct care of residents and for associated items related to the operation of the nursing home. In determining the rates, the commissioner shall recognize cost differences among nursing homes providing different levels of care and may group nursing homes according to geographic location or other justifiable differences. The commissioner may establish separate groups for determining operating costs. On or before May 15 of each year, the commissioner shall mail notices to each nursing home of the rates to be effective from July 1 of that year to June 30 of the following year. The commissioner shall limit each facility's payment rate when and as necessary to comply with specific and general legislative direction.

Subd. 2. [OPERATING COSTS.] (a) The commissioner shall establish, by rule, procedures for determining per diem reimbursement for operating costs based on actual resident days. The commissioner may establish limitations on operating costs, including separate limits on management compensation and administrative costs.

(b) The commissioner shall:

(i) provide for the analysis and evaluation of each nursing home's report of allowed operating costs incurred by the nursing home during the calendar year immediately preceding the year for which the payment rate becomes effective. The historical base for determining the prospective payment rate shall not exceed the prospective operating cost payment rate during that calendar year;

(ii) compute the average costs in each category of operating costs for each group of nursing homes;

(iii) multiply the average historical cost for each category by the appropriate economic change indicator to determine the average prospective cost change for each category; and

(iv) add the average prospective cost changes for all categories in each group of nursing homes to determine the total average dollar increase for each group.

(c) The commissioner shall also establish a composite index for each group by determining the weighted average of all economic change indicators applied to the cost categories in that group. Within each group, each nursing home shall receive an operating cost payment rate of its allowed historical operating costs plus the lesser of the average dollar change in subdivision 2, clause (b)(iv), or the percentage change resulting from application of the composite index to its historical base. Whenever the commissioner deems appropriate, the commissioner shall apply economic change indices used in hospital rate review procedures under section 144.702. The amounts calculated

in this section shall be adjusted to account for the economic changes that occur between the reporting year and the rate year.

The commissioner shall include the reported actual real estate tax liability of proprietary nursing homes as an operating cost of those nursing homes.

(d) For each facility that does not receive an exception under section 6 for a rate year, the commissioner shall allow the nursing home to keep, as an efficiency incentive, the difference between the nursing home's operating cost payment rate established for that rate year and the actual historical operation costs incurred for that rate year, if the latter amount is smaller. If an annual cost report or field audit indicates that the expenditures for direct resident care have been reduced in amounts large enough to indicate a possible detrimental effect on the quality of care, the commissioner shall notify the commissioner of health.

(e) A nursing home may apply for an exception to its operating cost payment rate under the circumstances and according to the procedures described in section 6.

Subd. 3. [PROPERTY-RELATED COST.] *(a) The commissioner shall reimburse nursing home providers who are vendors in the medical assistance program for the rental use of their property. The "rent" is the amount of periodic payment which a renter might expect to pay for the right to the agreed use of the real estate and the equipment as it exists. "Real estate" means land, land improvements, and buildings used directly for patient care. "Equipment" means the standard moveable patient care equipment and support service equipment generally used in long-term care facilities. The rent payment shall be deemed to include compensation for depreciation expense, interest expense and the owner's investment.*

(b) For the state fiscal year beginning July 1, 1983, and each year thereafter, the commissioner of revenue shall provide for the appraisal of all nursing homes by uniform standards. The appraisals shall include the real estate and the equipment. The estimated market value of each nursing home as determined by the appraisal shall be reported to the commissioner of public welfare no later than March 31 each year.

(c) The commissioner shall establish an investment per bed limitation on the value to be recognized of buildings, land improvements, land used for patient care and major movable equipment and shall annually update the limitation to reflect changes in replacement costs.

(d) The per diem rent shall be determined annually by multiplying the estimated market value of the real estate plus equipment, after applying the investment per bed limitation, by an

amount equal to the average interest rate paid by the Federal Hospital Insurance Trust Fund, during the last quarter for which data are available, divided by 96 percent of the nursing home's certified capacity days. The commissioner may limit any increase in rent payments to a fixed amount if necessary to comply with specific and general legislative direction.

(e) Rent for the state fiscal year 1984, beginning July 1, 1983, shall not exceed by more than eight percent the statewide aggregate for depreciation, interest expense and investment allowance for the most recent calendar year. Payment made pursuant to clause (f) shall be included in the eight percent limit.

(f) Facilities that on the date of enactment have principal and interest payments on the allowed value in excess of the rent shall receive reimbursement in the amount of those obligations in lieu of rent for a period of three years or until the rent exceeds the amount of those obligations, whichever occurs first.

Subd. 4. [SPECIAL RATES.] A newly constructed nursing home may, upon written application to the commissioner, receive an interim rate to be effective from the first day a medical assistance recipient resides in the home until the rate determined under subdivisions 1 to 3 becomes effective. The commissioner shall by rule establish procedures for determining payment rates for nursing homes which provide care under a lesser care level than the level for which the nursing home is certified. A small nursing home may choose to receive a flat rate rather than the rate determined under subdivisions 1 to 3. A nursing home where fewer than 20 percent of the residents are medical assistance recipients may choose to receive a flat rate. The flat rate is the average rent determined for the same level of care in the appropriate group of nursing homes; in determining the average, the commissioner shall exclude nursing homes receiving a flat rate.

Sec. 4. Minnesota Statutes 1980, Section 256B.47, is amended to read:

256B.47 [(RATE LIMITS) NONALLOWABLE COSTS; NOTICE OF INCREASES TO (PRIVATE PAYING) NON-MEDICAL ASSISTANCE RESIDENTS.]

Subdivision 1. (THE STATE AGENCY SHALL BY RULE ESTABLISH SEPARATE OVERALL LIMITATIONS ON THE COSTS FOR ITEMS WHICH DIRECTLY RELATE TO THE PROVISION OF PATIENT CARE TO RESIDENTS OF NURSING HOMES AND THOSE WHICH DO NOT DIRECTLY RELATE TO THE PROVISION OF CARE. THE STATE AGENCY MAY ALSO BY RULE, ESTABLISH LIMITATIONS FOR SPECIFIC COST CATEGORIES WHICH DO NOT DIRECTLY RELATE TO THE PROVISION OF PA-

TIENT CARE. THE STATE AGENCY SHALL REIMBURSE NURSING HOMES FOR THE COSTS OF NURSING CARE IN EXCESS OF ANY STATE AGENCY LIMITS ON HOURS OF NURSING CARE IF THE COMMISSIONER OF HEALTH ISSUES A CORRECTION ORDER PURSUANT TO SECTION 144A.10, SUBDIVISION 4, DIRECTING THE NURSING HOME TO PROVIDE THE ADDITIONAL NURSING CARE. ALL COSTS DETERMINED OTHERWISE ALLOWABLE SHALL BE SUBJECT TO THESE LIMITATIONS.)

(SUBD. 2.) [NONALLOWABLE COSTS.] The following costs shall not be recognized as allowable (TO THE EXTENT THAT THESE COSTS CANNOT BE DEMONSTRATED BY THE NURSING HOME TO THE STATE AGENCY TO BE DIRECTLY RELATED TO THE PROVISION OF PATIENT CARE): (1) political contributions; (2) salaries or expenses of a lobbyist, as defined in section 10A.01, subdivision 11, for lobbying activities; (3) advertising designed to encourage potential residents to select a particular nursing home; (4) assessments levied by the (HEALTH DEPARTMENT) *commissioner of health* for uncorrected violations; and (5) legal fees for unsuccessful challenges to decisions by state agencies; AND (6) DUES PAID TO A NURSING HOME OR HOSPITAL ASSOCIATION). (THE STATE AGENCY SHALL PROMULGATE RULES ESTABLISHING STANDARDS WHICH SHALL DISTINGUISH BETWEEN ANY PATIENT-CARE RELATED COMPONENTS AND NONPATIENT-CARE RELATED COMPONENTS OF THESE COSTS, WHERE APPLICABLE. FOR PURPOSES OF THESE RULES, THE STATE AGENCY SHALL EXERCISE EMERGENCY POWERS AND ESTABLISH EMERGENCY RULES PURSUANT TO SECTION 15.0412, SUBDIVISION 5, BEFORE SEPTEMBER 1, 1977.) The (STATE AGENCY) *commissioner* shall by rule exclude the costs of any other *similar* items (WHICH IT DETERMINES ARE) not directly related to the provision of (PATIENT) *resident* care.

(SUBD. 3. ON OR BEFORE JANUARY 1, 1977 THE STATE AGENCY SHALL BY RULE ESTABLISH A PROCEDURE AFFORDING NOTICE OF THE APPROVED RATE FOR MEDICAL ASSISTANCE RECIPIENTS TO NURSING HOMES WITHIN 120 DAYS AFTER THE CLOSE OF THE FISCAL YEAR OF THE NURSING HOME.)

Subd. (4) 2. [NOTICE TO RESIDENTS.] No increase in nursing home rates for (PRIVATE PAYING) *nonmedical assistance* residents shall be effective unless the nursing home notifies the resident or person responsible for payment of the increase in writing 30 days before the increase takes effect.

A nursing home may adjust its rates without giving the notice required by this subdivision when the purpose of the rate adjustment is to (: (A)) reflect a necessary change in the level of care

provided to a resident (; OR (B) RETROACTIVELY OR PROSPECTIVELY EQUALIZE PRIVATE PAY RATES WITH RATES CHARGED TO MEDICAL ASSISTANCE RECIPIENTS AS REQUIRED BY SECTION 256B.48, SUBDIVISION 1, CLAUSE (A) AND APPLICABLE FEDERAL LAW).

(SUBD. 5. THE COMMISSIONER SHALL PROMULGATE RULES NO LATER THAN AUGUST 1, 1980, TO AMEND THE CURRENT RULES GOVERNING NURSING HOME REIMBURSEMENT, IN ACCORDANCE WITH SECTIONS 15.0411 TO 15.052, TO ALLOW PROVIDERS TO ALLOCATE THEIR RESOURCES IN ORDER TO PROVIDE AS MANY NURSING HOURS AS NECESSARY WITHIN THE TOTAL COST LIMITATIONS OF THE PER DIEM ALREADY GRANTED.)

Sec. 5. Minnesota Statutes 1980, Section 256B.48, is amended to read:

256B.48 [CONDITIONS FOR PARTICIPATION.]

Subdivision 1. [PROHIBITED PRACTICES.] (NO) A nursing home (SHALL BE) *is not* eligible to receive medical assistance payments unless it agrees in writing that it will refrain from:

(a) (CHARGING NONMEDICAL ASSISTANCE RESIDENTS RATES FOR SIMILAR SERVICES WHICH EXCEED BY MORE THAN TEN PERCENT THOSE RATES WHICH ARE APPROVED BY THE STATE AGENCY FOR MEDICAL ASSISTANCE RECIPIENTS. FOR NURSING HOMES CHARGING NONMEDICAL ASSISTANCE RESIDENTS RATES LESS THAN TEN PERCENT MORE THAN THOSE RATES WHICH ARE APPROVED BY THE STATE AGENCY FOR MEDICAL ASSISTANCE RECIPIENTS, THE MAXIMUM DIFFERENTIAL IN RATES BETWEEN NONMEDICAL ASSISTANCE RESIDENTS AND MEDICAL ASSISTANCE RECIPIENTS SHALL NOT EXCEED THAT DIFFERENTIAL WHICH WAS IN EFFECT ON APRIL 13, 1976. IF A NURSING HOME HAS EXCEEDED THIS DIFFERENTIAL SINCE APRIL 13, 1976, IT SHALL RETURN THE AMOUNT COLLECTED IN EXCESS OF THE ALLOWABLE DIFFERENTIAL STATED BY THIS SUBDIVISION TO THE NONMEDICAL ASSISTANCE RESIDENT, OR THAT PERSON'S REPRESENTATIVE, BY JULY 1, 1977. EFFECTIVE JULY 1, 1978, NO NURSING HOME SHALL BE ELIGIBLE FOR MEDICAL ASSISTANCE IF IT CHARGES NONMEDICAL ASSISTANCE RECIPIENTS) *Charging nonmedical assistance residents rates for similar services which exceed those which are approved by the state agency for medical assistance recipients (; PROVIDED, HOWEVER, THAT) except under the following circumstances: the nursing home may (1) charge nonmedical assistance residents a higher rate for a private room, and (2) charge for special services*

which are not included in the daily rate if medical assistance (PATIENTS) residents are charged separately at the same rate for the same services in addition to the daily rate paid by the (STATE AGENCY;) commissioner. A nursing home that charges a nonmedical assistance resident a rate in violation of this clause is subject to an action by the state of Minnesota or any of its subdivisions or agencies for civil damages. A non-medical assistance resident or his legal representative has a cause of action for civil damages against a nursing home that charges him rates in violation of this clause. The damages awarded shall include three times the payments that result from the violation, together with costs and disbursements, including reasonable attorneys' fees or their equivalent. The prohibition set forth in this clause shall not apply to facilities licensed as boarding care facilities.

(b) Requiring an applicant for admission to the home, or the guardian or conservator of the applicant, as a condition of admission, to pay an admission fee in excess of \$100, loan any money to the nursing home, or promise to leave all or part of the applicant's estate to the home; and

(c) Requiring any resident of the nursing home to utilize a vendor of health care services who is a licensed physician or pharmacist chosen by the nursing home.

The prohibitions set forth in clause (b) shall not apply to a retirement home with more than 325 beds including at least 150 licensed nursing home beds and which:

(1) is owned and operated by an organization tax-exempt under section 290.05, subdivision 1, clause (i); and

(2) at the time of admission places all of the applicant's assets which are required to be assigned to the home in a trust account from which only expenses for the cost of care of the applicant may be deducted; and

(3) agrees in writing at the time of admission to the home to permit the applicant, or his guardian, or conservator, to examine the records relating to the individual's trust account upon request, and to receive an audited statement of the expenditures from his individual account upon request; and

(4) agrees in writing at the time of admission to the home to permit the applicant to withdraw from the home at any time and to receive, upon withdrawal, all of the unexpended funds remaining in his individual trust account (; AND)

((5) WAS IN COMPLIANCE WITH PROVISIONS (1) TO (4) AS OF JUNE 30, 1976).

Subd. 2. [REPORTING REQUIREMENTS.] (EFFECTIVE JULY 1, 1976, NO) A nursing home (SHALL BE) is not eligible to receive medical assistance payments unless it agrees in writing to:

(a) *No later than March 31 of each year, provide the (STATE AGENCY) commissioner with its most recent (1) balance sheet and statement of revenues and expenses, including a statement of the rate or rates charged to nonmedical assistance residents, as audited by a certified public accountant licensed by this state or by a public accountant as defined in section 412.222; (2) statement of ownership for the nursing home; and (3) a separate audited balance sheet and statement of revenues and expenses for each nursing home if more than one nursing home or other business operation is owned by the same owner; a governmentally owned nursing home may comply with the auditing requirements of this clause by submitting an audit report prepared by the state auditor's office. The commissioner shall audit cost reports as required by section 256B.27, subdivision 2a;*

(b) *No later than March 31 of each year, provide to the commissioner the information and supporting documents that the commissioner requires for determining payment rates. The commissioner shall prescribe, by rule, the information necessary for determining payment rates;*

((B)) (c) *Provide the (STATE AGENCY) commissioner with copies of leases, purchase agreements and other related documents related to the lease or purchase of the nursing home (;) and*

((C) **PROVIDE TO THE STATE AGENCY UPON REQUEST COPIES OF LEASES, PURCHASE AGREEMENTS, OR SIMILAR DOCUMENTS FOR)** *to the purchase or acquisition of equipment, goods and services which are claimed as allowable costs.*

Subd. 3. [INCOMPLETE OR INACCURATE REPORTS.] *The (STATE AGENCY MAY) commissioner shall reject any annual cost report filed by a nursing home pursuant to this chapter if (IT) the commissioner determines that the report or the information required in subdivision 2, clause (a) has been filed in a form that is incomplete or inaccurate. In the event that a report is rejected pursuant to this subdivision, the (STATE AGENCY MAY) commissioner shall make payments to a nursing home at (THE) its most recently established rate (DETERMINED FOR ITS PRIOR FISCAL YEAR, OR AT AN INTERIM RATE ESTABLISHED BY THE STATE AGENCY,) until the information is completely and accurately filed.*

Subd. 4. [EXTENSIONS; AMENDMENTS.] *Upon written request submitted to the commissioner no later than March 15, the commissioner may grant a 30-day extension of the reporting deadline to a nursing home in unusual circumstances. A nursing*

home shall submit amendments to a previously filed report when it discovers errors or omissions in the report.

Subd. 5. [FALSE REPORTS.] If a nursing home knowingly supplies inaccurate or false information in a required report that results in an overpayment, the commissioner shall: (a) immediately adjust the nursing home's payment rate to recover the entire overpayment within the rate year; or (b) terminate the commissioner's agreement with the nursing home; or (c) prosecute under applicable state or federal law; or (d) use any combination of the foregoing actions.

Sec. 6. [256B.49] [EXCEPTIONS.]

Subdivision 1. [PROGRAM CHANGES.] The commissioner shall grant an exception to an operating cost payment rate only if (a) the cost cannot be met through the payment rate determined under section 3, subdivision 1, including the efficiency incentive; and (b) the exception is related to direct resident care needs, changes in the scope of the care program offered to residents, or compliance with regulatory standards that affect direct resident care. The commissioner shall establish, by rule, procedures and standards to implement this section. The commissioner shall establish a seven-member committee to review applications for exceptions to the operating cost payment rates and make recommendations to the commissioner.

The commissioner shall appoint committee members as follows: a representative from the department of public welfare; a representative from the department of health; a representative of nursing home providers; a representative of consumers of nursing home services; two persons experienced in long-term care, at least one of whom is knowledgeable in health economics; and a representative of the county board of commissioners from the county in which the nursing home applying for an exception is located. The commissioner of health shall provide technical assistance as the committee requests.

Without requiring committee review, the commissioner shall act on a request for an exception to an operating cost payment rate for the costs of nursing care in excess of any limits on hours of nursing care if the commissioner of health issues a correction order under section 144A.10, subdivision 4, directing the nursing home to provide the additional nursing care.

Subd. 2. [APPLICATIONS.] A nursing home shall submit a written application for an exception no later than December 31 for an exception that might affect the payment rate to become effective the following July 1. A nursing home shall apply for an exception relating to a correction order as soon as possible after receiving notice of the correction order. The commissioner shall notify the nursing home within 60 days after receiving the

application of the commissioner's approval or denial of the request, including a written explanation of the decision.

Sec. 7. [256B.50] [APPEALS.]

A nursing home may appeal a decision arising from the application of standards or methods pursuant to sections 256B.41, 256B.47, 256B.48 and sections 2, 3, 6, 7, and 8 if the appeal, if successful, would result in a change to the nursing home's payment rate. An appealable decision is a decision such as an operating cost determination, rent determination, appraisal, or exception decision. To appeal, the nursing home shall submit a written appeal request within 30 days of receiving notice of the payment rate determination or decision. The request shall specify each disputed item, the reason for the dispute, an estimate of the dollar amount involved and such other information as may be required by the commissioner. The appeal shall be heard by a hearing examiner according to section 15.052. To challenge the validity of rules established by the commissioner pursuant to sections 256B.41, 256B.47, 256B.48 and sections 2, 3, 6, 7, and 8 a nursing home shall comply with section 15.0416.

Sec. 8. [256B.502] [TEMPORARY RULES.]

To implement sections 256B.41, 256B.47, 256B.48 and sections 2, 3, 6, and 7 the commissioner shall promulgate temporary rules in accordance with section 15.0412, subdivision 5.

Sec. 9. [REPEALER.]

Minnesota Statutes 1980, Sections 256B.42; 256B.43; 256B.44; 256B.45; and 256B.46 are repealed.

Sec. 10. [APPROPRIATION.]

A sum of \$265,000 is appropriated to the commissioner of public welfare to arrange for appraisals by the commissioner of revenue.

Sec. 11. [EFFECTIVE DATE.]

Sections 1 to 10 are effective July 1, 1982 for establishing procedures for determining payment rates to become effective July 1, 1983 and thereafter."

Amend the title as follows:

Page 1, line 3, after the semicolon insert "appropriating money;"

With the recommendation that when so amended the bill be re-referred to the Committee on Appropriations.

The report was adopted.

Voss from the Committee on Local and Urban Affairs to which was referred:

H. F. No. 1542, A bill for an act relating to metropolitan government; regulating the organization, duties and powers of the metropolitan mosquito control district and commission; amending Minnesota Statutes 1980, Sections 473.701, Subdivisions 1, 2 and 3; 473.702; 473.703, Subdivisions 1, 2 and by adding a subdivision; 473.704, Subdivisions 1, 5, 13, 14 and 17; 473.705; and 473.706; proposing new law coded in Minnesota Statutes, Chapter 473; repealing Minnesota Statutes 1980, Sections 473.701, Subdivisions 5 and 6; 473.703, Subdivisions 3, 4, 5, 6, 8, and 9; 473.704, Subdivisions 2, 3, 4, 6, and 15; 473.711; 473.713; 473.714; 473.715; and 473.717.

Reported the same back with the following amendments:

Page 1, line 20, strike "473.717" and insert "473.716"

Page 2, line 5, delete "473.703" and insert "473.702"

Page 2, line 8, after "AREA" insert "; GOVERNING BODY"

Page 2, line 13, after the period insert "*The metropolitan mosquito control commission is created as the governing body of the district, composed and exercising the powers as prescribed in sections 473.701 to 473.716.*"

Pages 2, 3 and 4, delete sections 5, 6, 7, 8, 9, 10, and 11

Page 4, lines 7 to 10, reinstate the stricken language and delete the new language

Page 4, lines 16 to 18, reinstate the stricken language and delete the new language

Page 4, line 21, after the period insert "*The commissioner of natural resources shall allow the commission to enter upon state property for the purposes described in this subdivision.*"

Page 4, line 21, delete "They" and insert "The commission"

Page 4, line 23, after the period, insert "*The commission shall not enter upon private property if the owner objects.*"

Page 4, delete lines 24 to 36

Pages 5 and 6, delete lines 1 to 36

Page 7, delete lines 1 to 20 and insert:

"Sec. 6. Minnesota Statutes 1980, Section 473.711, Subdivision 2, is amended to read:

Subd. 2. *The commission shall prepare an annual budget. The budget may provide for expenditures in an amount not exceeding six-tenths of one mill times the current assessed valuation of the metropolitan area. Each county in the district shall levy a special tax each year in order to defray its share of the cost of the activities of the commission (, WHICH). The share shall be (BASED ON POPULATION) per capita based upon the most recent population estimate made by the metropolitan council. (SUCH) The levy where necessary may be made separate from the general levy of the county and may be made at any time of the year (, HOWEVER,). No (PARTICIPATING) county shall levy any tax for mosquito control except under sections 473.701 to (473.717) 473.716. The levy shall be in addition to other taxes authorized by law and shall be disregarded in the calculation of limits on taxes imposed by chapter 275."*

Renumber sections

Page 7, line 23, delete everything after "6;"

Page 7, line 24, delete "Subdivisions 2, 3, 4, 6, and 15; 473.-711;" and "473.714;"

Page 7, line 25, delete "473.715;"

Amend the title as follows:

Page 1, line 4, after "commission;" insert "authorizing taxes;"

Page 1, line 6, delete "473.703,"

Page 1, delete lines 7 to 14 and insert "473.704, Subdivision 17; and 473.711, Subdivision 2; repealing Minnesota Statutes 1980, Sections 473.701, Subdivisions 5 and 6; 473.713; and 473.-717."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Taxes.

The report was adopted.

Jude from the Committee on Judiciary to which was referred:

H. F. No. 1581, A bill for an act relating to judicial procedure; providing an alternative time for a guardian or conservator to file an annual report; amending Minnesota Statutes 1981 Supplement, Section 525.58, Subdivision 1.

Reported the same back with the following amendments:

Page 1, line 11, after "waived" insert "or modified"

Page 1, lines 12 and 13, reinstate the stricken language

Page 1, lines 15 to 19, delete the new language

Page 2, after line 20, insert a new section to read:

"Sec. 2. [EFFECTIVE DATE.]

This act is effective the day following final enactment."

With the recommendation that when so amended the bill pass and be placed on the Consent Calendar.

The report was adopted.

Wenzel from the Committee on Agriculture to which was referred:

H. F. No. 1717, A bill for an act relating to agriculture; requiring the commissioner of agriculture to make certain rules relating to milk for manufacturing purposes; proposing new law coded in Minnesota Statutes, Chapter 32.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Jude from the Committee on Judiciary to which was referred:

H. F. No. 1743, A bill for an act relating to courts; authorizing courts to obtain the presence of persons confined in state institutions for court appearances; proposing new law coded in Minnesota Statutes, Chapter 589.

Reported the same back with the following amendments:

Page 1, line 15, after the period, insert "*A court requiring an appearance is liable for all transportation and other costs incurred with respect to the production of the confined person.*"

With the recommendation that when so amended the bill pass.

The report was adopted.

Norton from the Committee on Governmental Operations to which was referred:

H. F. No. 1879, A bill for an act relating to energy; transferring certain duties to the commissioner of the department

of energy, planning and development; providing for local zoning of wind energy conversion systems; changing certain procedures; defining certain terms; regulating residential energy sales practices; authorizing wind easements for the operation of wind energy conversion systems; amending Minnesota Statutes 1980, Sections 16.86, Subdivisions 4 and 5; 116H.02, Subdivision 5, and by adding a subdivision; 394.25, Subdivision 2; 462.357, Subdivision 1; and 500.30; Minnesota Statutes 1981 Supplement, Sections 116H.07; 116H.085; 116H.088, Subdivision 1; 116H.09, Subdivision 1; 116H.095, Subdivisions 4 and 5; 116H.10, Subdivision 4; 116H.11, Subdivision 1; 116H.12, Subdivision 4; 116H.128; 116H.13, Subdivision 8; and 116H.18; proposing new law coded in Minnesota Statutes, Chapter 325E; repealing Minnesota Statutes 1980, Sections 116H.088, Subdivision 2; 116H.12, Subdivision 8; 116H.19, Subdivision 2; and Minnesota Statutes 1981 Supplement, Section 116H.19, Subdivision 1.

Reported the same back with the following amendments:

Page 10, line 2, strike "of administration, in"

Page 10, line 3, strike "consultation with the commissioner,"

Page 10, line 12, delete "*promulgated*" and insert "*adopted*"

Page 10, line 14, after "*code*" insert a period and delete the balance of the line

Page 10, delete line 15

Page 11, after line 11, insert:

"Sec. 16. Minnesota Statutes 1980, Section 116H.15, Subdivision 1, is amended to read:

Subdivision 1. Any person who violates (SECTIONS 116H.01 TO 116H.15,) *any provision of this chapter or section 325F.20 (,) or 325F.21, or any rule or regulation promulgated thereunder, or knowingly submits false information in any report required by (SECTIONS 116H.01 TO 116H.15,) this chapter or section 325F.20 (,) or 325F.21 shall be guilty of a misdemeanor. Each day of violation shall constitute a separate offense.*

Sec. 17. Minnesota Statutes 1981 Supplement, Section 116H.15, Subdivision 2, is amended to read:

Subd. 2. The provisions of *this chapter and sections (116H.01 TO 116H.15,) 325F.20 (,) and 325F.21, or any rules or regulations promulgated hereunder may be enforced by injunction, action to compel performance or other appropriate action in the*

district court of the county wherein the violation takes place. The attorney general shall bring any action under this subdivision upon the request of the commissioner, and the existence of an adequate remedy at law shall not be a defense to an action brought under this subdivision.

Sec. 18. Minnesota Statutes 1980, Section 116H.15, Subdivision 3, is amended to read:

Subd. 3. When the court finds that any person has violated (SECTIONS 116H.01 TO 116H.15,) *any provision of this chapter or section 325F.20 (,) or 325F.21, or any rule or regulation thereunder, has knowingly submitted false information in any report required by (SECTIONS 116H.01 TO 116H.15,) this chapter or section 325F.20 (,) or 325F.21, or has violated any court order issued under sections (116H.01 TO 116H.15,) this chapter or section 325F.20 (,) or 325F.21, the court may impose a civil penalty of not more than \$10,000 for each violation. These penalties shall be paid to the general fund in the state treasury."*

Page 12, line 6, delete "*energy*" and insert "*natural gas*"

Page 12, lines 7 and 8, delete "*and using a computerized billing system*" and insert "*, and electrical suppliers serving cities of the first and second class,*"

Page 15, after line 35, insert a new section to read:

"Sec. 25. [EFFECTIVE DATE.]

Sections 1, 2 and 13 shall be effective the day following final enactment."

ReNUMBER the sections

Amend the title as follows:

Page 1, line 11, after the first semicolon, insert "116H.15, Subdivisions 1 and 3;"

Page 1, after line 17, after "Subdivision 8;" insert "116H.15, Subdivision 2;"

With the recommendation that when so amended the bill pass.

The report was adopted.

Voss from the Committee on Local and Urban Affairs to which was referred:

H. F. No. 1899, A bill for an act relating to local government; allowing towns and cities to set license fees for cigarette sellers; amending Minnesota Statutes 1980, Section 461.12.

Reported the same back with the following amendments:

Page 1, after line 6, insert:

“Section 1. Minnesota Statutes 1980, Section 375.12, Subdivision 1, is amended to read:

Subdivision 1. The county board shall cause the official proceedings of its sessions to be published in some qualified newspaper produced and published in its county, which publication shall be let annually by contract to the lowest bidder, at the first regular session of the board in January each year. *The board may elect to publish all or any part of the official proceedings; provided that in the case of partial publication, the published proceedings shall indicate in what respect they are incomplete.* In each county whose population exceeds 600,000, the proceedings shall be published in a daily newspaper. The board may reject any offer if, in its judgment, the public interests so require, and may thereupon designate a newspaper without regard to any rejected offer. In any county whose population exceeds 50,000, and is less than 250,000, the proceedings may be published in one daily and one weekly newspaper at their respective county seats. If the official newspaper of the county shall cease to exist for any reason, except by consolidation with another newspaper, the county board shall have authority to designate another newspaper for the remainder of the year. For the purpose of this section, a newspaper is produced and published in the county if it has in the county its known office of issue, as such term is defined in section 331.02, and if it does its typographic composition or presswork or both in the county.”

Renumber the section

Amend the title as follows:

Page 1, line 2, after the semicolon insert “authorizing county boards to publish its official proceedings completely or partially;”

Page 1, line 4, delete “Section” and insert “Sections 375.12, Subdivision 1; and”

With the recommendation that when so amended the bill pass.

The report was adopted.

Jude from the Committee on Judiciary to which was referred:

H. F. No. 1997, A bill for an act relating to bankruptcy exemptions; providing that married couples filing petitions in bankruptcy must both select either the state or the federal bankruptcy exemptions; proposing new law coded in Minnesota Statutes, Chapter 550.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [550.371] [EXEMPTIONS IN JOINT BANKRUPTCY.]

Subdivision 1. [APPLICABLE LAW.] Except as provided in this section, the exemptions set forth in subsection (d) of Section 522 of the Bankruptcy Act, 11 United States Code Section 522(d), shall be available to residents of this state.

Subd. 2. [JOINT PETITION.] When a husband and wife are joined in a petition for bankruptcy, they may jointly elect to utilize either the applicable exemption provisions pursuant to Minnesota law or pursuant to subsection (d) of Section 522 of the Bankruptcy Act, 11 United States Code Section 522(d), but not both.

Subd. 3. [INDIVIDUAL PETITION.] When a petition for bankruptcy is filed individually, and not jointly, for a husband or a wife, (a) one spouse shall not claim any exemption pursuant to Minnesota law if the other spouse has claimed any exemption under subsection (d) of Section 522 of the Bankruptcy Act, 11 United States Code Section 522(d); and (b) one spouse shall not claim any exemption pursuant to subsection (d) of Section 522 of the Bankruptcy Act, 11 United States Code Section 522(d), if the other spouse has claimed any exemption pursuant to Minnesota law.

Subd. 4. [MARITAL STATUS DETERMINED.] For the purposes of this section, persons shall be considered to be husband and wife if they are married at the time of the filing of the first individual or joint petition for bankruptcy by either of them unless a decree of separation or temporary order of separation of the parties is issued prior to the time the petition is filed.

Sec. 2. [EFFECTIVE DATE.]

This act shall be effective the day following final enactment and shall apply to bankruptcies filed on or after that date."

With the recommendation that when so amended the bill pass.

The report was adopted.

Jude from the Committee on Judiciary to which was referred:

H. F. No. 2008, A bill for an act relating to crimes; providing for the protection of the victims of criminal sexual conduct and intrafamilial sexual abuse; amending Minnesota Statutes 1981 Supplement, Section 15.791, Subdivision 9; proposing new law coded in Minnesota Statutes, Chapter 631.

Reported the same back with the following amendments:

Page 1, line 19, before the semicolon, insert "*or of a violation of 617.246, subdivision 1*"

Page 2, after line 4, insert:

"Sec. 2. [15.7915] [SEXUAL ASSAULT DATA.]

Subdivision 1. [DEFINITIONS.] (a) "Community based program" means any office, institution, or center offering assistance to victims of sexual assault and their families through crisis intervention, medical, and legal accompaniment and subsequent counseling.

(b) "Sexual assault counselor" means a person who has undergone at least 40 hours of crisis counseling training and works under the direction of a supervisor in a crisis center, whose primary purpose is the rendering of advice, counseling, or assistance to victims of sexual assault.

(c) "Victim" means a person who consults a sexual assault counselor for the purpose of securing advice, counseling, or assistance concerning a mental, physical, or emotional condition caused by a sexual assault.

(d) "Confidential communication data" means all information transmitted in confidence between a victim of sexual assault and a sexual assault counselor and all other information received by the sexual assault counselor in the course of providing assistance to the victim. The victim shall be deemed the subject of confidential communication data.

Subd. 2. [CLASSIFICATION.] All confidential communication data is classified as private data on individuals.

Sec. 3. Minnesota Statutes 1981 Supplement, Section 595.02, is amended to read:

595.02 [COMPETENCY OF WITNESSES.]

Every person of sufficient understanding, including a party, may testify in any action or proceeding, civil or criminal, in court

or before any person who has authority to receive evidence, except as follows:

(1) A husband cannot be examined for or against his wife without her consent, nor a wife for or against her husband without his consent, nor can either, during the marriage or afterwards, without the consent of the other, be examined as to any communication made by one to the other during the marriage. This exception does not apply to a civil action or proceeding by one against the other, nor to a criminal action or proceeding for a crime committed by one against the other or against a child of either, nor to a criminal action or proceeding in which one is charged with homicide or an attempt to commit homicide and the date of the marriage of the defendant is subsequent to the date of the offense, nor to an action or proceeding for non-support, neglect, dependency, or termination of parental rights;

(2) An attorney cannot, without the consent of his client, be examined as to any communication made by the client to him or his advice given thereon in the course of professional duty; nor can any employee of the attorney be examined as to the communication or advice, without the client's consent;

(3) A clergyman or other minister of any religion shall not, without the consent of the party making the confession, be allowed to disclose a confession made to him in his professional character, in the course of discipline enjoined by the rules or practice of the religious body to which he belongs; nor shall a clergyman or other minister of any religion be examined as to any communication made to him by any person seeking religious or spiritual advice, aid, or comfort or his advice given thereon in the course of his professional character, without the consent of the person;

(4) A licensed physician or surgeon, dentist, or chiropractor shall not, without the consent of his patient, be allowed to disclose any information or any opinion based thereon which he acquired in attending the patient in a professional capacity, and which was necessary to enable him to act in that capacity; after the decease of the patient, in an action to recover insurance benefits, where the insurance has been in existence two years or more, the beneficiaries shall be deemed to be the personal representatives of the deceased person for the purpose of waiving this privilege, and no oral or written waiver of the privilege shall have any binding force or effect except when made upon the trial or examination where the evidence is offered or received;

(5) A public officer shall not be allowed to disclose communications made to him in official confidence when the public interest would suffer by the disclosure;

(6) Persons of unsound mind; persons intoxicated at the time of their production for examination, and children under ten

years of age, who appear incapable of receiving just impressions of the facts respecting which they are examined, or of relating them truly, are not competent witnesses. This exception does not apply to a child under ten years of age, in a criminal proceeding for intrafamilial sexual abuse as defined in section 609.364, subdivision 10, or in a criminal proceeding under sections 609.342 clause (a), 609.343 clause (a), 609.344 clause (a), or 609.345 clause (a), who is able to describe or relate in language appropriate for a child of that age the events or facts respecting which the child is examined;

(7) A registered nurse, psychologist or consulting psychologist shall not, without the consent of his client, be allowed to disclose any information or opinion based thereon which he acquired in attending the client in a professional capacity, and which was necessary to enable him to act in that capacity;

(8) An interpreter for a person handicapped in communication shall not, without the consent of the person, be allowed to disclose any communication if the communication would, if the interpreter were not present, be privileged. For purposes of this section, a "person handicapped in communication" means a person who, because of a hearing, speech or other communication disorder, or because of the inability to speak or comprehend the English language, is unable to understand the proceedings in which he is required to participate. The presence of an interpreter as an aid to communication does not destroy an otherwise existing privilege;

(9) A parent or his minor child may not be examined as to any communication made in confidence by the minor to his parent. A communication is confidential if made out of the presence of persons not members of the child's immediate family living in the same household. This exception may be waived by express consent to disclosure by a parent entitled to claim the privilege or by the child who made the communication, or by failure of the child or parent to object when the contents of a communication are demanded. This exception does not apply to a civil action or proceeding by one spouse against the other or by a parent or child against the other, nor to a proceeding to commit either the child or parent to whom the communication was made or to place the person or property or either under the control of another because of his alleged mental or physical condition, nor to a criminal action or proceeding in which the parent is charged with a crime committed against the person or property of the communicating child, the parent's spouse, or a child of either the parent or the parent's spouse, or in which a child is charged with a crime or act of delinquency committed against the person or property of a parent or a child of a parent, nor to an action or proceeding for termination of parental rights, nor any other action or proceeding on a petition alleging child abuse, child neglect, abandonment or nonsupport by a parent;

(10) Sexual assault counselors as defined in section 1 may not be compelled to testify about any opinion or information received from or about the victim without the consent of the victim. However, a counselor may be compelled to identify or disclose information in investigations or proceedings related to neglect or termination of parental rights if the court determines good cause exists. In determining whether to compel disclosure, the court shall weigh the public interest and need for disclosure against the effect on the victim, the treatment relationship, and the treatment services if disclosure occurs."

Renumber the sections

Page 2, line 8, after "609.3644," insert "or 617.246, subdivision 1,"

Page 2, delete line 21, and insert "Sections 1, 2, and 4 are effective the day following final enactment. Section 3 is effective August 1, 1982 and applies to court proceedings commenced on and after that date."

Amend the title as follows :

Page 1, line 4, after the semi-colon, insert "classifying data; specifying the competency of witnesses;"

Page 1, line 6, after the semi-colon, insert "and 595.02;"

Page 1, line 7, delete "Chapter" and insert "Chapters 15 and"

With the recommendation that when so amended the bill pass.

The report was adopted.

Rice from the Committee on Labor-Management Relations to which was referred:

H. F. No. 2122, A bill for an act relating to the city of Roseville; providing an exception from the Roseville police civil service system for the chief and deputy chief of police.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on Rules and Legislative Administration.

The report was adopted.

Voss from the Committee on Local and Urban Affairs to which was referred:

H. F. No. 2152, A bill for an act relating to metropolitan government; transferring appropriations from the commissioner of transportation to the legislative auditor for an evaluation of the performance of the metropolitan transit commission.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. [APPROPRIATION; TRANSIT PERFORMANCE EVALUATION.]

The appropriation in Minnesota Laws 1981, Chapter 363, Section 55, Subdivision 1, Clause (a), as amended, is reduced by \$50,000; and this sum is appropriated to a special contingent account for an evaluation of the metropolitan transit commission's performance in delivering regular route transit services, including express service, in the metropolitan area. These funds shall be released to the office of the legislative auditor after submission of a plan to the chairmen of the house local and urban affairs committee and the senate transportation committee. The evaluation shall consider the quality, the efficiency, and the economy of service, in comparison with other metropolitan transit operations and industry standards, and the effectiveness of service in achieving the goals of the legislature, the metropolitan council, and the transit commission. The evaluation shall be based upon, and shall suggest, appropriate performance standards relating at least to: (a) service design and orientation, for example route layout, directness, frequency, stops, and shelters; (b) operating performance, for example operating speed, passenger loading, schedule adherence, dependability, complaints, and labor productivity; and (c) revenue to cost ratios.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective the day following final enactment.”

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Swanson from the Committee on Health and Welfare to which was referred:

H. F. No. 2169, A bill for an act relating to public welfare; designating the commissioner of public welfare as the state authority for federal mental health, alcohol and drug abuse block grants; prescribing a formula for distribution of federal funds to counties and defining duties of counties in the use of the funds; amending Minnesota Statutes 1980, Sections 245.70; and

245.71; proposing new law coded in Minnesota Statutes, Chapter 245.

Reported the same back with the following amendments:

Page 2, line 7, delete "*Public Law Number 97-35*" and insert "*United States Code, Title 42, Sections 300X to 300X-9*"

Page 5, lines 1, 13, and 36 delete "*Public Law Number 97-35*" and insert "*United States Code, Title 42, Sections 300X to 300X-9*"

Page 6, line 1, delete "*by the governor*"

Page 6, line 8, delete "*Public Law Number 97-35*" and insert "*United States Code, Title 42, Sections 300X to 300X-9*"

Page 6, line 27, delete "*other*"

Page 8, line 9, after "*funds*" insert "*pursuant to section 9*"

Page 8, after line 15, insert:

"Sec. 11. Minnesota Statutes 1981 Supplement, Section 254A.03, Subdivision 1, is amended to read:

254A.03 [STATE AUTHORITY ON ALCOHOL AND DRUG ABUSE.]

Subdivision 1. There is hereby created an alcohol and other drug abuse section in the department of public welfare. This section shall be headed by a director who shall be in the unclassified service. The section shall:

(a) conduct and foster basic research relating to the cause, prevention and methods of diagnosis, treatment and rehabilitation of alcoholic and other drug dependent persons;

(b) coordinate all activities and programs of all the various state departments as they relate to alcohol and other drug dependency and abuse problems;

(c) develop and demonstrate new methods and techniques for the prevention, treatment and rehabilitation of alcohol and other drug abuse and dependency problems;

(d) gather and disseminate facts and information about alcoholism and other drug dependency and abuse to public and private agencies and the courts so requesting such information for guidance to and assistance in prevention, treatment and rehabilitation;

(e) inform and educate the general public on alcohol and other drug dependency and abuse problems;

(f) serve as the state authority concerning alcohol and other drug dependency and abuse;

(g) establish a state plan which shall set forth goals and priorities within a comprehensive alcohol and other drug dependency and abuse program for Minnesota. All governmental units operating alcohol and other drug abuse or dependency programs or administering state or federal funds for such programs shall annually set their program goals and priorities;

(h) make contracts with and grants to public and private agencies and organizations, both profit and nonprofit, and individuals, using federal funds, and state funds as authorized to pay for costs of state administration, including evaluation, statewide programs and services, research and demonstration projects, and American Indian programs;

(i) *receive and administer monies available for alcohol and drug abuse programs under the alcohol, drug abuse, and mental health services block grant, United States Code, Title 42, Section 300X to 300X-9;*

((I)) (j) solicit and accept any gift of money or property for purposes of Laws 1973, Chapter 572, and any grant of money, services, or property from the federal government, the state, any political subdivision thereof, or any private source;

((J)) (k) with respect to alcohol and other drug abuse programs serving the American Indian community, establish guidelines for the employment of personnel with considerable practical experience in alcohol and other drug abuse problems, and understanding of social and cultural problems related to alcohol and other drug abuse, in the American Indian community.

Sec. 12. Minnesota Statutes 1980, Section 254A.16, is amended by adding subdivisions to read:

Subd. 3. The commissioner shall report to the appropriate legislative committees annually with respect to the alcohol and drug abuse provisions of the proposed plan which the state agency intends to submit to the secretary of health and human services in satisfaction of the requirements of United States Code, Title 42, Section 300X-4.

Subd. 4. The commissioner shall provide to the legislature an annual report detailing expenditures made by the state authority for alcohol and drug abuse programs from funds received pursuant to United States Code, Title 42, Sections 300X - 300X-9.

The report shall include a specific evaluation of the effectiveness of services provided in achieving the goals and priorities listed in the state plan prepared pursuant to section 254A.03. The first report shall include an assessment of expenditures made during state fiscal year 1983 and shall be presented to the legislature by January 1, 1984. Subsequent reports shall be presented annually."

Renumber the remaining section

Amend the title as follows:

Page 1, line 8, delete "and" and after "245.71;" insert "and 254A.16, by adding subdivisions; Minnesota Statutes 1981 Supplement, Section 254A.03, Subdivision 1;"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Swanson from the Committee on Health and Welfare to which was referred:

S. F. No. 272, A bill for an act relating to children; prohibiting neglect and abuse of children; amending Minnesota Statutes 1980, Sections 626.556, Subdivision 2, and by adding a subdivision; and 626.557, Subdivision 19.

Reported the same back with the following amendments:

Page 1, line 8, delete "1980" and insert "1981 Supplement"

Page 1, line 16, before the period, insert ", or sections 609.364 to 609.3644"

Page 2, after line 28, insert:

"Sec. 3. Minnesota Statutes 1980, Section 626.557, Subdivision 2, is amended to read:

Subd. 2. [DEFINITIONS.] As used in this section, the following terms have the meanings given them unless the specific context indicates otherwise.

(a) "Facility" means a hospital or other entity required to be licensed pursuant to sections 144.50 to 144.58; a nursing home required to be licensed pursuant to section 144A.02; an agency, day care facility, or residential facility required to be licensed pursuant to sections 245.781 to 245.812; a mental health program receiving funds pursuant to section 245.61; or any entity re-

quired to be certified for participation in Titles XVIII or XIX of the Social Security Act, 42 U.S.C. 1395 et seq.

(b) "Vulnerable adult" means any person 18 years of age or older:

(1) Who is a resident or patient of a facility;

(2) Who receives services at or from a facility required to be licensed pursuant to sections 245.781 to 245.812; or

(3) Who, regardless of residence, is unable or unlikely to report abuse or neglect without assistance because of impairment of mental or physical function or emotional status.

(c) "Caretaker" means an individual or facility who has responsibility for the care of a vulnerable adult as a result of family relationship, or who has assumed responsibility for all or a portion of the care of a vulnerable adult voluntarily, or by contract, or agreement.

(d) "Abuse" means:

(1) Any act which constitutes a violation of sections 609.322, 609.342, 609.343, 609.344, or 609.345; or

(2) The intentional and nontherapeutic infliction of physical pain or injury, or any persistent course of conduct intended to produce mental or emotional distress.

(e) "Neglect" means failure by a caretaker to supply the vulnerable adult with necessary food, clothing, shelter, health care or supervision.

(f) "Report" means any report received by the local welfare agency, police department, county sheriff, or licensing agency pursuant to this section.

(g) "Licensing agency" means:

(1) The commissioner of health, for facilities as defined in clause (a) which are required to be licensed or certified by the department of health;

(2) The commissioner of public welfare, for facilities required by sections 245.781 to 245.813 to be licensed;

(3) Any licensing board which regulates persons pursuant to section 214.01, *subdivision 2*; and

(4) Any agency responsible for credentialing human services occupations."

Renumber the sections

Amend the title as follows:

Page 1, delete line 2 and insert "relating to public welfare; requiring certain facilities to safeguard the well-being of persons in their care; specifying persons mandated to report; providing penalties;"

Page 1, line 3, delete "children;"

Page 1, line 4, delete "Subdivision 2, and"

Page 1, line 5, delete "and" and delete "Subdivision" and insert "Subdivisions 2 and" and before the period insert "; Minnesota Statutes 1981 Supplement, Section 626.556, Subdivision 2

With the recommendation that when so amended the bill pass and be placed on the Consent Calendar.

The report was adopted.

Jude from the Committee on Judiciary to which was referred:

S. F. No. 1015, A bill for an act relating to civil actions; limitations of actions; providing that actions for malpractice against health care professionals and veterinarians be commenced within two years; amending Minnesota Statutes 1980, Sections 145.61, Subdivision 2; and 541.07.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 917, 1246, 1336, 1581, 1743, 1879, 1899, 1997 and 2008 were read for the second time.

SECOND READING OF SENATE BILLS

S. F. Nos. 1878, 1521, 1644, 1695, 272 and 1015 were read for the second time.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Sieben, M., and Laidig introduced :

H. F. No. 2251, A bill for an act relating to public welfare; allowing the commissioner of public welfare to designate that certain license fees can be retained by counties; amending Minnesota Statutes 1980, Section 245.811.

The bill was read for the first time and referred to the Committee on Health and Welfare.

Searles introduced :

H. F. No. 2252, A bill for an act relating to local government; providing initial conditions for the establishment of charter commissions and charters; amending Minnesota Statutes 1980, Section 410.05, Subdivision 1, and by adding a subdivision.

The bill was read for the first time and referred to the Committee on Local and Urban Affairs.

Skoglund, Vanasek, Munger, Begich and Jacobs introduced :

H. F. No. 2253, A bill for an act relating to taxation; real property; granting seasonal residential recreational property classification to unimproved lakeshore and riverfront property; amending Minnesota Statutes 1981 Supplement, Section 273.13, Subdivision 4.

The bill was read for the first time and referred to the Committee on Taxes.

Piepho introduced :

H. F. No. 2254, A bill for an act relating to local government; authorizing the city of Mankato and the city of North Mankato to impose a tax on the gross receipts from the furnishing of certain lodging.

The bill was read for the first time and referred to the Committee on Local and Urban Affairs.

Ellingson introduced :

H. F. No. 2255, A bill for an act relating to nonprofit corporations; providing an internal reference correction; amending Minnesota Statutes 1980, Section 317.16, Subdivision 2.

The bill was read for the first time and referred to the Committee on Judiciary.

Wenzel, Gruenes, Osthoff, Dempsey and Brinkman introduced:

H. F. No. 2256, A bill for an act relating to health; health maintenance organizations; authorizing health maintenance organizations to exclude from coverage under health maintenance contracts health services objected to by certain parties on the grounds of conscience; amending Minnesota Statutes 1980, Section 62D.05, Subdivision 2.

The bill was read for the first time and referred to the Committee on Health and Welfare.

Simoneau introduced:

H. F. No. 2257, A bill for an act relating to state government; implementing the provisions of certain reorganization orders issued by the commissioner of administration; amending Minnesota Statutes 1980, Sections 176.281; and 474.01, Subdivisions 7a and 7b; and Minnesota Statutes 1981 Supplement, Section 474.03.

The bill was read for the first time and referred to the Committee on Governmental Operations.

HOUSE ADVISORIES

The following House Advisory was introduced:

Hauge; Tomlinson; Clark, J.; Nelson, K., and Rose introduced:

H. A. No. 56, A proposal to study economic and job impacts on Minnesota from developing domestic energy sources.

The advisory was referred to the Committee on Energy.

MESSAGES FROM THE SENATE

The following message was received from the Senate:

Mr. Speaker:

I hereby announce the passage by the Senate of the following Senate File, herewith transmitted:

S. F. No. 1107.

PATRICK E. FLAHAVEN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 1107, A bill for an act relating to public welfare; authorizing the commissioner of public welfare to use money

in the revolving fund for vocational rehabilitation of the blind for certain purposes; removing the preference given to blind operators of vending machines who have resided in the state for a year; amending Minnesota Statutes 1980, Section 248.07, Subdivision 8.

The bill was read for the first time.

Murphy moved that S. F. No. 1107 and H. F. No. 1246, now on the Technical Consent Calendar, be referred to the Chief Clerk for comparison. The motion prevailed.

CONSENT CALENDAR

H. F. No. 1456, A bill for an act relating to probate; changing certain records-keeping requirements; amending Minnesota Statutes 1980, Section 525.03; Laws 1979, Chapter 303, Article III, Section 43.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 112 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Aasness	Esau	Laidig	Onnen	Stadum
Ainley	Evans	Lehto	Osthoff	Stowell
Anderson, B.	Fjoslien	Lemen	Otis	Stumpf
Anderson, G.	Forsythe	Levi	Peterson, B.	Sviggum
Anderson, I.	Frerichs	Long	Peterson, D.	Swanson
Battaglia	Greenfield	Ludeman	Piepho	Tomlinson
Begich	Gruenes	Luknic	Pogemiller	Valan
Berkelman	Halberg	Mann	Redalen	Valento
Blatz	Hauge	Marsh	Reding	Vanasek
Brandl	Haukoos	McCarron	Rees	Vellenga
Brinkman	Heap	McDonald	Reif	Voss
Byrne	Himle	McEachern	Rodriguez, F.	Weaver
Carlson, D.	Hoberg	Mehrkens	Rose	Welch
Carlson, L.	Hokanson	Minne	Rothenberg	Welker
Clark, J.	Hokr	Munger	Sarna	Wenzel
Clawson	Jacobs	Murphy	Schafer	Wieser
Dahlvang	Jennings	Nelsen, B.	Schoenfeld	Wigley
Dempsey	Jude	Nelson, K.	Schreiber	Wynia
Den Ouden	Kahn	Niehaus	Sherman	Zubay
Drew	Kaley	Novak	Sherwood	Spkr. Sieben, H.
Eken	Kalic	Nysether	Sieben, M.	
Elioff	Kelly	O'Connor	Simoneau	
Ellingson	Kostohryz	Ogren	Skoglund	

The bill was passed and its title agreed to.

H. F. No. 1547, A bill for an act relating to intoxicating liquor; town board approval of certain county liquor licenses; amending Minnesota Statutes 1980, Section 340.119, by adding a subdivi-

sion; and Minnesota Statutes 1981 Supplement, Section 340.11, Subdivision 10.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 114 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Ainley	Evans	Laidig	Onnen	Sieben, M.
Anderson, B.	Fjoslien	Lehto	Osthoff	Simoneau
Anderson, G.	Forsythe	Levi	Otis	Skoglund
Anderson, I.	Frerichs	Long	Peterson, B.	Stadum
Battaglia	Greenfield	Ludeman	Peterson, D.	Stowell
Begich	Gruenes	Luknic	Piepho	Stumpf
Berkelman	Gustafson	Mann	Pogemiller	Sviglum
Blatz	Halberg	Marsh	Redalen	Swanson
Brandl	Hauge	McCarron	Reding	Tomlinson
Brinkman	Haukoos	McDonald	Rees	Valan
Byrne	Heap	McEachern	Reif	Valento
Carlson, D.	Himle	Mehrkens	Rice	Vanasek
Carlson, L.	Hoberg	Minne	Rodriguez, C.	Vellenga
Clark, J.	Hokanson	Munger	Rodriguez, F.	Weaver
Clawson	Hokr	Murphy	Rose	Welch
Dahlvang	Jacobs	Nelsen, B.	Rothenberg	Welker
Dempsey	Jennings	Nelson, K.	Samuelson	Wenzel
Den Ouden	Jude	Niehaus	Sarna	Wieser
Drew	Kahn	Norton	Schafer	Wigley
Eken	Kaley	Novak	Schoenfeld	Wynia
Elioff	Kalis	Nysether	Scheriber	Zubay
Ellingson	Kelly	O'Connor	Schreman	Spkr. Sieben, H.
Esau	Kostohryz	Ogren	Sherwood	

The bill was passed and its title agreed to.

H. F. No. 1646, A bill for an act relating to retirement; Buhl school district; altering the effective date of retirement for the payment of the post-retirement increase; requiring payment of necessary reserves.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 121 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Aasness	Brinkman	Dean	Esau	Halberg
Ainley	Byrne	Dempsey	Evans	Harens
Anderson, B.	Carlson, D.	Den Ouden	Fjoslien	Hauge
Anderson, G.	Carlson, L.	Drew	Forsythe	Haukoos
Anderson, I.	Clark, J.	Eken	Frerichs	Heap
Berkelman	Clark, K.	Elioff	Greenfield	Heintz
Blatz	Clawson	Ellingson	Gruenes	Himle
Brandl	Dahlvang	Erickson	Gustafson	Hoberg

Hokanson	Luknic	Ogren	Samuelson	Valento
Hokr	Mann	Onnen	Sarna	Vanasek
Jacobs	Marsh	Osthoff	Schafer	Vellenga
Jennings	McCarron	Otis	Schoenfeld	Voss
Johnson, C.	McDonald	Peterson, B.	Schreiber	Weaver
Jude	McEachern	Peterson, D.	Sherman	Welch
Kahn	Mehrkens	Piepho	Sherwood	Welker
Kaley	Minne	Pogemiller	Sieben, M.	Wenzel
Kalis	Munger	Redalen	Simoneau	Wieser
Kelly	Murphy	Reding	Skoglund	Wigley
Kvam	Nelsen, B.	Rees	Staten	Wynia
Laidig	Nelson, K.	Reif	Stowell	Zubay
Lehto	Niehaus	Rice	Stumpf	Spkr. Sieben, H.
Lemen	Norton	Rodriguez, C.	Sviggum	
Levi	Novak	Rodriguez, F.	Swanson	
Long	Nysether	Rose	Tomlinson	
Ludeman	O'Connor	Rothenberg	Valan	

The bill was passed and its title agreed to.

H. F. No. 1663 was reported to the House.

Voss moved that H. F. No. 1663 be continued until Tuesday, March 2, 1982. The motion prevailed.

H. F. No. 1685, A bill for an act relating to the military; providing for the administration of oaths and acknowledgments by a member of the armed forces of the United States; amending Minnesota Statutes 1980, Sections 192.205, by adding a subdivision; and 358.32.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 122 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Aasness	Eken	Jennings	Minne	Rodriguez, C.
Ainley	Elioff	Johnson, C.	Munger	Rodriguez, F.
Anderson, B.	Ellingson	Jude	Murphy	Rose
Anderson, G.	Erickson	Kahn	Nelsen, B.	Rothenberg
Anderson, I.	Esau	Kaley	Nelson, K.	Samuelson
Battaglia	Evans	Kalis	Niehaus	Sarna
Begich	Fjoslien	Kelly	Norton	Schafer
Berkelman	Forsythe	Kostohryz	Novak	Schoenfeld
Blatz	Frerichs	Kvam	Nysether	Schreiber
Brandl	Greenfield	Laidig	O'Connor	Sherman
Brinkman	Gruenes	Lehto	Ogren	Sherwood
Byrne	Gustafson	Lemen	Onnen	Sieben, M.
Carlson, D.	Halberg	Levi	Osthoff	Simoneau
Carlson, L.	Hauge	Long	Otis	Skoglund
Clark, J.	Haukoos	Ludeman	Peterson, B.	Stadum
Clark, K.	Heap	Luknic	Peterson, D.	Staten
Clawson	Helnitz	Mann	Piepho	Stumpf
Dahlvang	Himle	Marsh	Pogemiller	Sviggum
Dean	Hoberg	McCarron	Redalen	Swanson
Dempsey	Hokanson	McDonald	Reding	Tomlinson
Den Ouden	Hokr	McEachern	Rees	Valan
Drew	Jacobs	Mehrkens	Reif	

Valento	Voss	Welker	Wigley	Spkr. Sieben, H.
Vanasek	Weaver	Wenzel	Wynia	
Vellenga	Welch	Wieser	Zubay	

The bill was passed and its title agreed to.

H. F. No. 1700, A bill for an act relating to the military; prohibiting entry to Camp Ripley without authorization of the adjutant general; imposing a penalty; amending Minnesota Statutes 1980, Sections 609.60 and 609.605.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 122 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Aasness	Esau	Kostohryz	Ogren	Skoglund
Ainley	Evans	Kvam	Onnen	Stadum
Anderson, B.	Fjoslien	Laidig	Osthoff	Staten
Anderson, G.	Forsythe	Lehto	Otis	Stowell
Anderson, I.	Frerichs	Lemen	Peterson, B.	Stumpf
Battaglia	Greenfield	Levi	Peterson, D.	Sviggum
Begich	Gruenes	Long	Piepho	Swanson
Berkelman	Gustafson	Ludeman	Pogemiller	Tomlinson
Blatz	Halberg	Luknic	Redalen	Valan
Brandl	Hauge	Mann	Reding	Valento
Brinkman	Haukoos	Marsh	Rees	Vanasek
Byrne	Heap	McCarron	Reif	Vellenga
Carlson, D.	Heinitz	McDonald	Rodriguez, C.	Voss
Carlson, L.	Himle	McEachern	Rodriguez, F.	Weaver
Clark, J.	Hoberg	Mehrkens	Rose	Welch
Clark, K.	Hokanson	Minne	Rothenberg	Welker
Clawson	Hokr	Munger	Samuelson	Wenzel
Dahlvang	Jacobs	Murphy	Sarna	Wieser
Dean	Jennings	Nelsen, B.	Schafer	Wigley
Dempsey	Johnson, C.	Nelson, K.	Schoenfeld	Wynia
Den Ouden	Jude	Niehaus	Schreiber	Zubay
Drew	Kahn	Norton	Sherman	Spkr. Sieben, H.
Eken	Kaley	Novak	Sherwood	
Ellingson	Kalis	Nysether	Sieben, M.	
Erickson	Kelly	O'Connor	Simoneau	

The bill was passed and its title agreed to.

H. F. No. 1725, A bill for an act relating to the military; increasing the minimum pay for enlisted personnel called into active service; amending Minnesota Statutes 1980, Section 192.51, Subdivision 2.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 116 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Aasness	Erickson	Kelly	O'Connor	Skoglund
Ainley	Esau	Kostohryz	Ogren	Stadum
Anderson, B.	Evans	Kvam	Onnen	Staten
Anderson, G.	Fjoslien	Laidig	Osthoff	Stowell
Anderson, I.	Frerichs	Lehto	Otis	Stumpf
Battaglia	Greenfield	Lemen	Peterson, B.	Sviggum
Begich	Gruenes	Levi	Peterson, D.	Swanson
Berkelman	Gustafson	Long	Piepho	Tomlinson
Blatz	Halberg	Ludeman	Pogemiller	Valan
Brandl	Harens	Luknic	Redalen	Valento
Brinkman	Hauge	Mann	Reding	Vanasek
Byrne	Haukoos	Marsh	Rees	Voss
Carlson, D.	Heap	McCarron	Reif	Weaver
Carlson, L.	Heinitz	McDonald	Rice	Weiker
Clark, K.	Himle	McEachern	Rodriguez, F.	Wenzel
Clawson	Hoberg	Mehrkens	Rose	Wieser
Dahlvang	Hokanson	Minne	Rothenberg	Wigley
Dean	Hokr	Munger	Samuelson	Wynia
Dempsey	Jacobs	Murphy	Sarna	Zubay
Den Ouden	Jennings	Nelsen, B.	Schafer	Spkr. Sieben, H.
Drew	Jude	Nelson, K.	Schoenfeld	
Eken	Kahn	Niehaus	Sherman	
Elioff	Kaley	Novak	Sherwood	
Ellingson	Kalis	Nysether	Sieben, M.	

The bill was passed and its title agreed to.

H. F. No. 1902, A bill for an act relating to Ramsey County; permitting the county to establish a small business set-aside program.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 125 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Aasness	Den Ouden	Himle	Luknic	Otis
Ainley	Drew	Hoberg	Mann	Peterson, B.
Anderson, B.	Eken	Hokanson	Marsh	Peterson, D.
Anderson, G.	Elioff	Hokr	McCarron	Piepho
Anderson, I.	Ellingson	Jacobs	McDonald	Pogemiller
Battaglia	Erickson	Jennings	McEachern	Redalen
Begich	Esau	Johnson, C.	Mehrkens	Reding
Berkelman	Evans	Jude	Minne	Rees
Blatz	Fjoslien	Kahn	Munger	Reif
Brandl	Forsythe	Kaley	Murphy	Rice
Brinkman	Frerichs	Kalis	Nelsen, B.	Rodriguez, C.
Byrne	Greenfield	Kelly	Nelson, K.	Rodriguez, F.
Carlson, D.	Gruenes	Kostohryz	Niehaus	Rose
Carlson, L.	Gustafson	Kvam	Norton	Rothenberg
Clark, J.	Halberg	Laidig	Novak	Samuelson
Clark, K.	Harens	Lehto	Nysether	Sarna
Clawson	Hauge	Lemen	O'Connor	Schafer
Dahlvang	Haukoos	Levi	Ogren	Schoenfeld
Dean	Heap	Long	Onnen	Schreiber
Dempsey	Heinitz	Ludeman	Osthoff	Sherman

Sherwood	Staten	Tomlinson	Voss	Wieser
Sieben, M.	Stowell	Valan	Weaver	Wigley
Simoneau	Stumpf	Valento	Welch	Wynia
Skoglund	Sviggum	Vanasek	Welker	Zubay
Stadum	Swanson	Vellenga	Wenzel	Spkr. Sieben, H.

The bill was passed and its title agreed to.

H. F. No. 1920, A bill for an act relating to economic development; excepting motor carriers from the definition of "business license;" amending Minnesota Statutes 1981 Supplement, Section 362.452, Subdivision 2a.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 122 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Aasness	Erickson	Kelly	Ogren	Skoglund
Ainley	Esau	Kostohryz	Onnen	Stadum
Anderson, B.	Evans	Kvam	Osthoff	Staten
Anderson, G.	Fjoslien	Laidig	Otis	Stowell
Anderson, I.	Forsythe	Lehto	Peterson, B.	Stumpf
Battaglia	Frerichs	Lemen	Peterson, D.	Sviggum
Begich	Greenfield	Levi	Piepho	Swanson
Berkelman	Gruenes	Ludeman	Pogemiller	Tomlinson
Blatz	Gustafson	Luknic	Redalen	Valan
Brandl	Halberg	Mann	Reding	Valento
Brinkman	Harens	Marsh	Rees	Vanasek
Byrne	Hauge	McCarron	Reif	Vellenga
Carlson, D.	Heap	McDonald	Rice	Voss
Carlson, L.	Heinitz	McEachern	Rodriguez, C.	Weaver
Clark, J.	Himle	Mehrkens	Rose	Welch
Clark, K.	Hoberg	Minne	Rothenberg	Welker
Clawson	Hokanson	Munger	Samuelson	Wenzel
Dahlvang	Hokr	Murphy	Sarna	Wieser
Dean	Jacobs	Nelsen, B.	Schafer	Wigley
Dempsey	Jennings	Nelson, K.	Schoenfeld	Wynia
Den Ouden	Johnson, C.	Niehaus	Schreiber	Zubay
Drew	Jude	Norton	Sherman	Spkr. Sieben, H.
Eken	Kahn	Novak	Sherwood	
Elioff	Kaley	Nyschter	Sieben, M.	
Ellingson	Kalis	O'Connor	Simoneau	

The bill was passed and its title agreed to.

H. F. No. 1948, A bill for an act relating to retirement; Richfield firefighters relief association; eliminating various obsolete special law provisions; validating certain prior payments or actions; amending Extra Session Laws 1961, Chapter 28, Section 14; repealing Extra Session Laws 1961, Chapter 28, Sections 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12 and 13; and Laws 1963, Chapter 464.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 122 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Aasness	Erickson	Kostohryz	Onnen	Skoglund
Ainley	Esau	Kvam	Osthoff	Stadum
Anderson, B.	Evans	Lehto	Otis	Staten
Anderson, G.	Fjoslien	Lemen	Peterson, B.	Stowell
Anderson, I.	Forsythe	Levi	Peterson, D.	Stumpf
Battaglia	Frerichs	Long	Piepho	Svigum
Begich	Greenfield	Ludeman	Pogemiller	Swanson
Berkelman	Gruenes	Luknic	Redalen	Tomlinson
Blatz	Halberg	Mann	Reding	Valan
Brandl	Hauge	Marsh	Rees	Valento
Brinkman	Haukoos	McCarron	Reif	Vanasek
Byrne	Heap	McDonald	Rice	Vellenga
Carlson, D.	Heinitz	McEachern	Rodriguez, C.	Voss
Carlson, L.	Himle	Mehrkens	Rodriguez, F.	Weaver
Clark, J.	Hoberg	Minne	Rose	Welch
Clark, K.	Hokanson	Munger	Rothenberg	Welker
Clawson	Hokr	Murphy	Samuelson	Wenzel
Dahlvang	Jacobs	Nelsen, B.	Sarna	Wieser
Dean	Jennings	Nelson, K.	Schafer	Wigley
Dempsey	Johnson, C.	Niehaus	Schoenfeld	Wynia
Den Ouden	Jude	Norton	Schreiber	Zubay
Drew	Kahn	Novak	Sherman	Spkr. Sieben, H.
Eken	Kaley	Nysether	Sherwood	
Elioff	Kalis	O'Connor	Sieben, M.	
Ellingson	Kelly	Ogren	Simoneau	

The bill was passed and its title agreed to.

Kostohryz was excused between the hours of 12:30 p.m. and 4:00 p.m.

H. F. No. 2066, A bill for an act relating to local government; providing for city facilities related to armories; authorizing issuance of bonds; proposing new law coded in Minnesota Statutes, Chapter 193.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 120 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Aasness	Anderson, I.	Blatz	Carlson, D.	Clawson
Ainley	Battaglia	Brandl	Carlson, L.	Dahlvang
Anderson, B.	Begich	Brinkman	Clark, J.	Dean
Anderson, G.	Berkelman	Byrne	Clark, K.	Dempsey

Den Ouden	Hokr	McEachern	Redalen	Staten
Drew	Jacobs	Mehrkens	Reding	Stowell
Eken	Johnson, C.	Minne	Rees	Stumpf
Elioff	Jude	Munger	Reif	Swiggun
Ellingson	Kahn	Murphy	Rice	Swanson
Erickson	Kaley	Nelsen, B.	Rodriguez, C.	Tomlinson
Esau	Kalis	Nelson, K.	Rodriguez, F.	Valan
Evans	Kelly	Niehaus	Rose	Valento
Fjoslien	Kvam	Norton	Rothenberg	Vanasek
Forsythe	Laidig	Novak	Samuelson	Vellenga
Frerichs	Lehto	Nysether	Sarna	Voss
Greenfield	Lemen	O'Connor	Schafer	Weaver
Gruenes	Levi	Ogren	Schoenfeld	Welch
Hauge	Long	Onnen	Schreiber	Welker
Haukoos	Ludeman	Osthoff	Sherman	Wenzel
Heap	Luknic	Otis	Sherwood	Wieser
Heinitz	Mann	Peterson, B.	Sieben, M.	Wigley
Himle	Marsh	Peterson, D.	Simoneau	Wynia
Hoberg	McCarron	Piepho	Skoglund	Zubay
Hokanson	McDonald	Pogemiller	Stadum	Spkr. Sieben, H.

The bill was passed and its title agreed to.

H. F. No. 2068, A bill for an act relating to intoxicating liquor; authorizing the city of International Falls to issue one short term on-sale liquor license.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 93 yeas and 7 nays as follows:

Those who voted in the affirmative were:

Ainley	Evans	Long	Peterson, B.	Skoglund
Anderson, B.	Fjoslien	Ludeman	Peterson, D.	Staten
Anderson, G.	Greenfield	Luknic	Piepho	Stowell
Anderson, I.	Gruenes	Mann	Pogemiller	Stumpf
Battaglia	Halberg	Marsh	Redalen	Swiggun
Begich	Hauge	McCarron	Reding	Swanson
Berkelman	Heap	McDonald	Rees	Valan
Blatz	Heinitz	McEachern	Rice	Valento
Brandl	Himle	Mehrkens	Rodriguez, C.	Vanasek
Brinkman	Hokanson	Minne	Rodriguez, F.	Vellenga
Carlson, L.	Jacobs	Munger	Rose	Voss
Clark, J.	Johnson, C.	Murphy	Rothenberg	Welch
Clark, K.	Jude	Nelson, K.	Samuelson	Welker
Clawson	Kahn	Niehaus	Sarna	Wieser
Dahlvang	Kaley	Norton	Schoenfeld	Wigley
Dean	Kelly	O'Connor	Schreiber	Zubay
Drew	Laidig	Ogren	Sherman	Spkr. Sieben, H.
Eken	Lehto	Osthoff	Sieben, M.	
Ellingson	Levi	Otis	Simoneau	

Those who voted in the negative were:

Aasness	Den Ouden	Nelsen, B.	Onnen	Sherwood
Carlson, D.	Erickson			

The bill was passed and its title agreed to.

H. F. No. 2077, A bill for an act relating to insurance; increasing the percentage of the state comprehensive health plan premium that may be used to pay certain fees and expenses; amending Minnesota Statutes 1980, Section 62E.11, Subdivision 3.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 120 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Aasness	Erickson	Kalis	O'Connor	Sherwood
Ainley	Esau	Kelly	Ogren	Sieben, M.
Anderson, B.	Evans	Kvam	Onnen	Simoneau
Anderson, G.	Fjoslien	Laidig	Osthoff	Skoglund
Anderson, I.	Forsythe	Lehto	Otis	Staten
Battaglia	Frerichs	Lemen	Peterson, B.	Stowell
Begich	Greenfield	Levi	Peterson, D.	Stumpf
Berkelman	Gruenes	Long	Piepho	Sviggum
Blatz	Halberg	Ludeman	Pogemiller	Swanson
Brandl	Harens	Luknic	Redalen	Tomlinson
Brinkman	Hauge	Mann	Reding	Valan
Byrne	Haukoos	Marsh	Rees	Valento
Carlson, D.	Heap	McCarron	Reif	Vanasek
Carlson, L.	Heinitz	McDonald	Rice	Vellenga
Clark, J.	Himle	McEachern	Rodriguez, C.	Voss
Clark, K.	Hoberg	Mehrkens	Rodriguez, F.	Weaver
Clawson	Hokanson	Minne	Rose	Welch
Dahlvang	Hokr	Munger	Rothenberg	Welker
Dean	Jacobs	Murphy	Samuelson	Wenzel
Dempsey	Jennings	Nelson, K.	Sarna	Wieser
Den Ouden	Johnson, C.	Niehaus	Schafer	Wigley
Drew	Jude	Norton	Schoenfeld	Wynia
Eken	Kahn	Novak	Schreiber	Zubay
Ellingson	Kaley	Nysether	Sherman	Spkr. Sieben, H.

The bill was passed and its title agreed to.

H. F. No. 2078, A bill for an act relating to state government; authorizing the commissioner of the department of economic security to delegate certain powers; amending Minnesota Statutes 1980, Section 268.011, Subdivision 2.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 124 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Aasness	Battaglia	Brinkman	Clark, K.	Den Ouden
Ainley	Begich	Byrne	Clawson	Drew
Anderson, B.	Berkelman	Carlson, D.	Dahlvang	Eken
Anderson, G.	Blatz	Carlson, L.	Dean	Elioff
Anderson, I.	Brandl	Clark, J.	Dempsey	Ellingson

Erickson	Jennings	Mehrkens	Reding	Stowell
Esau	Johnson, C.	Minne	Rees	Stumpf
Evans	Jude	Munger	Reif	Swiggum
Fjoslien	Kahn	Murphy	Rice	Swanson
Forsythe	Kaley	Nelsen, B.	Rodriguez, C.	Tomlinson
Frerichs	Kalis	Nelson, K.	Rodriguez, F.	Valan
Greenfield	Kelly	Niehaus	Rose	Valento
Gruenes	Kvam	Norton	Rothenberg	Vanasek
Gustafson	Laidig	Novak	Samuelson	Vellenga
Halberg	Lehto	Nysether	Sarna	Voss
Harens	Lemen	O'Connor	Schafer	Weaver
Hauge	Levi	Ogren	Schoenfeld	Welch
Haukoos	Long	Onnen	Schreiber	Welker
Heap	Ludeman	Osthoff	Sherman	Wenzel
Heinitz	Luknic	Otis	Sherwood	Wieser
Himle	Mann	Peterson, B.	Sieben, M.	Wigley
Hoberg	Marsh	Peterson, D.	Simoneau	Wynia
Hokanson	McCarron	Piepho	Skoglund	Zubay
Hokr	McDonald	Pogemiller	Stadum	Spkr. Sieben, H.
Jacobs	McEachern	Redalen	Staten	

The bill was passed and its title agreed to.

H. F. No. 2134, A bill for an act relating to intoxicating liquor; providing that on-sale licenses issued to certain nonprofit corporations shall authorize sales on all days of the week; amending Minnesota Statutes 1980, Section 340.11, Subdivision 11b.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 94 yeas and 21 nays as follows:

Those who voted in the affirmative were:

Ainley	Elioff	Kaley	Osthoff	Simoneau
Anderson, G.	Ellingson	Kalis	Otis	Skoglund
Anderson, I.	Evans	Kelly	Peterson, B.	Staten
Battaglia	Greenfield	Long	Peterson, D.	Stumpf
Begich	Gruenes	Ludeman	Piepho	Swanson
Berkelman	Gustafson	Luknic	Pogemiller	Tomlinson
Blatz	Halberg	Mann	Redalen	Valan
Brandl	Harens	McCarron	Reding	Valento
Brinkman	Heap	McEachern	Rees	Vanasek
Byrne	Heinitz	Mehrkens	Rice	Vellenga
Carlson, L.	Himle	Minne	Rodriguez, C.	Voss
Clark, J.	Hoberg	Munger	Rodriguez, F.	Welker
Clark, K.	Hokanson	Murphy	Rose	Wenzel
Clawson	Hokr	Nelsen, B.	Samuelson	Wieser
Dahlvang	Jacobs	Nelson, K.	Sarna	Wigley
Dean	Jennings	Norton	Schoenfeld	Wynia
Dempsey	Johnson, C.	Novak	Schreiber	Zubay
Drew	Jude	O'Connor	Sherman	Spkr. Sieben, H.
Eken	Kahn	Ogren	Sieben, M.	

Those who voted in the negative were:

Aasness	Carlson, D.	Erickson	Fjoslien	Haukoos
Anderson, B.	Den Ouden	Esau	Hauge	Kvam

Laidig	McDonald	Rothenberg	Stowell	Weaver
Lehto	Niehaus	Schafer		
Lemen	Onnen	Sherwood		

The bill was passed and its title agreed to.

H. F. No. 2175, A bill for an act relating to Minnesota Statutes, correcting erroneous, ambiguous, omitted and obsolete references and text; eliminating certain redundant, conflicting and superseded provisions; authorizing the revisor of statutes to make necessary reference changes if the administrative procedure act is recompiled as a separate chapter; amending Minnesota Statutes 1980, Sections 60C.02, Subdivision 1; 62B.04, Subdivision 1; 92.03, Subdivision 4; 106.011, Subdivision 20; 106.021, Subdivision 2; 106.081, Subdivision 1; 106.091, Subdivision 2; 120.17, Subdivisions 4a and 5; 123.21; 123.78, Subdivision 1; 123.932, Subdivision 1a; 125.12, Subdivision 3; 129.121, Subdivision 1; 136.015; 145.833, Subdivisions 9, 10 and 11; 160.05, Subdivision 1; 175.35; 177.23, Subdivisions 4, 7 and 10; 177.27; 177.28; 177.29; 177.30; 177.31; 177.32; 177.33; 177.34; 177.35; 214.14, Subdivision 1; 273.11, Subdivision 5; 282.01, Subdivision 1; 290.41, Subdivision 3; 458.192, Subdivision 15; 462.415, Subdivisions 4 and 6; 462.421, Subdivisions 1, 2 and 20; 462.425, Subdivision 7; 462.426, Subdivision 1; 462.427, Subdivision 2; 462.428, Subdivision 3; 462.445, Subdivisions 1, 4 and 5; 462.451, Subdivision 2; 462.461, Subdivisions 1 and 2; 462.485; 462.511; 462.541, Subdivision 2; 462.545, Subdivisions 1, 2, 3 and 6; 462.555; 462.561; 462.571; 462.581; 462.591, Subdivision 1; 462.621, Subdivisions 1 and 3; 462.631, Subdivision 1; 462.635; 462.645, Subdivisions 1, 5 and 7; 462.665; 462.671; 462.701; 462.705; 462.712; 462.713; 473.195, Subdivision 1; 504.24, Subdivision 2; Chapter 111, by adding a section; Minnesota Statutes 1981 Supplement, Sections 11A.18, Subdivision 9; 43A.08, Subdivision 2; 43A.27, Subdivision 2; 47.20, Subdivisions 4a and 4b; 60A.11, Subdivisions 9 and 10; 69.011, Subdivision 2; 69.031, Subdivision 5; 97.488, by adding a subdivision; 116H.129, Subdivisions 1, 5 and 6; 156A.02, Subdivision 6; 168.013, Subdivision 1c; 169.825, Subdivision 10; 171.36; 176.306, Subdivision 2; 204B.31; 222.63, Subdivision 4; 273.11, Subdivision 1; 290.077, Subdivision 4; 290.09, Subdivision 15; 299F.011, Subdivision 1; 353.01, Subdivisions 2a and 6; 355.11, Subdivision 5; 414.0325, Subdivision 5; 462.601; 462.605; 514.011, Subdivision 4a; 525.551, Subdivision 5; 525.6198; and Laws 1981, Chapter 224, Section 73; repealing Minnesota Statutes 1980, Section 60A.11, Subdivisions 5a and 5b; Minnesota Statutes 1981 Supplement, Section 290.971, Subdivision 7; Laws 1980, Chapter 587, Article I, Sections 31, 32, 33, 34, 35, 36, 37, 38 and 39; Laws 1981, Chapters 31, Section 7; 60, Section 14; 137, Section 3; 158; 178, Section 33; 205, Section 1; 224, Section 92; 255, Sections 1, 3 and 4; 356, Sections 99, 189, 190, 191, 210 and 212; and 357, Section 28.

The bill was read for the third time and placed upon its final passage.

The question was taken and the passage of the bill and the roll was called. There were 123 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Aasness	Erickson	Kelly	Ogren	Simoneau
Ainley	Esau	Kvam	Onnen	Skoglund
Anderson, B.	Evans	Laidig	Osthoff	Stadum
Anderson, G.	Fjoslien	Lehto	Otis	Staten
Anderson, I.	Forsythe	Lemen	Peterson, B.	Stowell
Battaglia	Frerichs	Levi	Peterson, D.	Stumpf
Begich	Greenfield	Long	Piepho	Swiggum
Berkelman	Gruenes	Ludeman	Pogemiller	Swanson
Blatz	Gustafson	Luknic	Redalen	Tomlinson
Brandt	Halberg	Mann	Reding	Valan
Brinkman	Hauge	Marsh	Rees	Valento
Byrne	Haukoos	McCarron	Reif	Vanasek
Carlson, D.	Heap	McDonald	Rice	Vellenga
Carlson, L.	Heinitz	McEachern	Rodriguez, C.	Voss
Clark, J.	Himle	Mehrkens	Rodriguez, F.	Weaver
Clark, K.	Hoberg	Minne	Rose	Welch
Clawson	Hokanson	Munger	Rothenberg	Welker
Dahlvang	Hokr	Murphy	Samuelson	Wenzel
Dean	Jacobs	Nelsen, B.	Sarna	Wieser
Dempsey	Jennings	Nelson, K.	Schafer	Wigley
Den Ouden	Johnson, C.	Niehaus	Schoenfeld	Wynia
Drew	Jude	Norton	Schreiber	Zubay
Eken	Kahn	Novak	Sherman	Spkr. Sieben, H.
Elioff	Kaley	Nysether	Sherwood	
Ellingson	Kalis	O'Connor	Sieben, M.	

The bill was passed and its title agreed to.

POINT OF ORDER

Norton raised a point of order pursuant to rule 5.7 that H. F. No. 1939, now on General Orders, be re-referred to the Committee on Appropriations. The Speaker ruled the point of order well taken and H. F. No. 1939 was re-referred to the Committee on Appropriations.

Halberg appealed the decision of the Speaker.

A roll call was requested and properly seconded.

The vote was taken on the question "Shall the decision of the Speaker stand as the judgment of the House?" and the roll was called. There were 62 yeas and 53 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Clark, K.	Gruenes	Johnson, C.	Ludeman
Anderson, G.	Clawson	Gustafson	Jude	Mann
Berkelman	Dean	Harens	Kahn	McCarron
Brandt	Eken	Hauge	Kaley	McEachern
Brinkman	Elioff	Heinitz	Kalis	Minne
Carlson, L.	Ellingson	Hokanson	Lehto	Munger
Clark, J.	Greenfield	Jacobs	Long	Nelson, K.

Norton	Peterson, D.	Schoenfeld	Stumpf	Wenzel
Novak	Pogemiller	Sieben, M.	Swanson	Wynia
Nysether	Reding	Simoneau	Vanasek	Spkr. Sieben, H.
Ogren	Rice	Skoglund	Vellenga	
Olsen	Rothenberg	Staten	Voss	
Otis	Samuelson	Stowell	Welch	

Those who voted in the negative were :

Aasness	Forsythe	Lemen	Peterson, B.	Stadum
Ainley	Frerichs	Levi	Piepho	Sviggum
Blatz	Halberg	Luknic	Redalen	Valan
Byrne	Haukoos	Marsh	Rees	Valento
Dempsey	Heap	McDonald	Reif	Weaver
Den Ouden	Himle	Mehrkens	Rodriguez, C.	Welker
Drew	Hoberg	Murphy	Rodriguez, F.	Wieser
Erickson	Jennings	Nelsen, B.	Rose	Wigley
Esau	Kelly	Niehaus	Schafer	Zubay
Evans	Kvam	Onnen	Schreiber	
Fjoslien	Laidig	Osthoff	Sherman	

So it was the judgment of the House that the decision of the Speaker should stand.

CONSENT CALENDAR, Continued

There being no objection the bills on the Technical Consent Calendar were now considered.

H. F. No. 1697, A bill for an act relating to retirement; validating a certain post retirement adjustment granted by the Virginia firefighters relief association; authorizing increases in benefits payable by the Eveleth police and fire trust fund; defining certain terms, providing for the governance of separate and distinct general and special funds, providing benefit improvements for certain participants and benefit recipients, validating adoption of third class city police law, and validating past payments by the Virginia police relief association; clarifying the authority to approve alternative benefit increases; repealing Laws 1935, Chapters 92 and 259; Laws 1937, Chapter 197; and Laws 1949, Chapter 235.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 122 yeas and 0 nays as follows :

Those who voted in the affirmative were :

Aasness	Battaglia	Brinkman	Clark, K.	Drew
Ainley	Begich	Byrne	Clawson	Eken
Anderson, B.	Berkelman	Carlson, D.	Dean	Elioff
Anderson, G.	Blatz	Carlson, L.	Dempsey	Ellingson
Anderson, I.	Brandl	Clark, J.	Den Ouden	Erickson

Esau	Jude	Murphy	Reif	Sviggum
Evans	Kahn	Nelsen, B.	Rice	Swanson
Fjoslien	Kaley	Nelson, K.	Rodriguez, C.	Tomlinson
Forsythe	Kalis	Niehaus	Rodriguez, F.	Valan
Frerichs	Kelly	Norton	Rose	Valento
Greenfield	Kvam	Novak	Rothenberg	Vanasek
Gruenes	Laidig	Nysether	Samuelson	Vellenga
Gustafson	Lehto	O'Connor	Sarna	Voss
Halberg	Lemen	Ogren	Schafer	Weaver
Hauge	Levi	Olsen	Schoenfeld	Welch
Haukoos	Long	Onnen	Schreiber	Welker
Heap	Ludeman	Osthoff	Sherman	Wenzel
Heinitz	Luknic	Otis	Sherwood	Wieser
Himle	Mann	Peterson, B.	Sieben, M.	Wigley
Hoberg	Marsh	Peterson, D.	Simoneau	Wynia
Hokanson	McCarron	Piepho	Skoglund	Zubay
Hokr	McDonald	Pogemiller	Stadum	Spkr. Sieben, H.
Jacobs	McEachern	Redalen	Staten	
Jennings	Minne	Reding	Stowell	
Johnson, C.	Munger	Rees	Stumpf	

The bill was passed and its title agreed to.

The Speaker called Wynia to the chair.

H. F. No. 1713, A bill for an act relating to St. Louis county; providing for the calculation of vacation and sick leave allowances of certain employees.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 123 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Aasness	Esau	Kvam	Olsen	Simoneau
Ainley	Evans	Laidig	Onnen	Skoglund
Anderson, B.	Fjoslien	Lehto	Osthoff	Stadum
Anderson, G.	Forsythe	Lemen	Otis	Staten
Anderson, I.	Frerichs	Levi	Peterson, B.	Stowell
Battaglia	Greenfield	Long	Peterson, D.	Stumpf
Begich	Gruenes	Ludeman	Piepho	Sviggum
Berkelman	Gustafson	Luknic	Pogemiller	Swanson
Blatz	Halberg	Mann	Redalen	Tomlinson
Brandl	Harens	Marsh	Reding	Valan
Brinkman	Hauge	McCarron	Rees	Valento
Byrne	Haukoos	McDonald	Reif	Vanasek
Carlson, D.	Heap	McEachern	Rice	Vellenga
Carlson, L.	Heinitz	Mehrkens	Rodriguez, C.	Voss
Clark, J.	Himle	Minne	Rodriguez, F.	Weaver
Clark, K.	Hoberg	Munger	Rose	Welch
Clawson	Hokanson	Murphy	Rothenberg	Welker
Dahlwang	Hokr	Nelsen, B.	Samuelson	Wenzel
Dempsey	Jacobs	Nelson, K.	Sarna	Wieser
Den Ouden	Jennings	Niehaus	Schafer	Wigley
Drew	Johnson, C.	Norton	Schoenfeld	Wynia
Eken	Jude	Novak	Schreiber	Zubay
Elioff	Kaley	Nysether	Sherman	Spkr. Sieben, H.
Ellingson	Kalis	O'Connor	Sherwood	
Erickson	Kelly	Ogren	Sieben, M.	

The bill was passed and its title agreed to.

H. F. No. 1747, A bill for an act relating to the city of Minneapolis; providing for the security for certain rehabilitation loans; amending Laws 1977, Chapter 138, Section 2.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 122 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Aasness	Esau	Laidig	Onnen	Skoglund
Ainley	Evans	Lehto	Osthoff	Stadum
Anderson, B.	Fjoslien	Lemen	Otis	Staten
Anderson, G.	Forsythe	Levi	Peterson, B.	Stowell
Anderson, I.	Frerichs	Long	Peterson, D.	Stumpf
Battaglia	Greenfield	Ludeman	Piepho	Sviggum
Begich	Gruenes	Luknic	Pogemiller	Swanson
Berkelman	Ealberg	Mann	Redalen	Tomlinson
Blatz	Harens	Marsh	Reding	Valan
Brandl	Hauge	McCarron	Rees	Valento
Brinkman	Haukoos	McDonald	Reif	Vanasek
Byrne	Heap	McEachern	Rice	Vellenga
Carlson, D.	Heinitz	Mehrkens	Rodriguez, C.	Voss
Carlson, L.	Himle	Minne	Rodriguez, F.	Weaver
Clark, J.	Hoberg	Munger	Rose	Welch
Clark, K.	Hokanson	Murphy	Rothenberg	Welker
Clawson	Hokr	Nelsen, B.	Samuelson	Wenzel
Dahlvang	Jacobs	Nelson, K.	Sarna	Wieser
Dean	Jennings	Niehaus	Schafer	Wigley
Dempsey	Johnson, C.	Norton	Schoenfeld	Wynia
Drew	Jude	Novak	Schreiber	Zubay
Eken	Kaley	Nysether	Sherman	Spkr. Sieben, H.
Elioff	Kalis	O'Connor	Sherwood	
Ellingson	Kelly	Ogren	Sieben, M.	
Erickson	Kvam	Olsen	Simoneau	

The bill was passed and its title agreed to.

H. F. No. 1885, A bill for an act relating to public welfare; providing for approval of mental health clinics and centers pending promulgation of permanent rules.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 121 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Aasness	Anderson, G.	Begich	Brandl	Carlson, D.
Ainley	Anderson, I.	Berkelman	Brinkman	Carlson, L.
Anderson, B.	Battaglia	Blatz	Byrne	Clark, J.

Clawson	Heinitz	McDonald	Redalen	Stumpf
Dahlvang	Himle	McEachern	Reding	Sviggum
Dean	Hoberg	Mehrkens	Rees	Swanson
Dempsey	Hokanson	Minne	Reif	Tomlinson
Den Ouden	Hokr	Munger	Rice	Valan
Drew	Jacobs	Murphy	Rodriguez, C.	Valento
Eken	Jennings	Nelsen, B.	Rodriguez, F.	Vanasek
Elioff	Johnson, C.	Nelson, K.	Rose	Vellenga
Ellingson	Jude	Niehaus	Rothenberg	Voss
Erickson	Kaley	Norton	Samuelson	Weaver
Esau	Kalis	Novak	Sarna	Weich
Evans	Kelly	Nysether	Schafer	Welker
Fjoslien	Kvam	O'Connor	Schoenfeld	Wenzel
Forsythe	Lehto	Ogren	Schreiber	Wieser
Greenfield	Lemen	Olsen	Sherman	Wigley
Gruenes	Levi	Onnen	Sherwood	Wynia
Gustafson	Long	Osthoff	Sieben, M.	Zubay
Halberg	Ludeman	Otis	Simoneau	Spkr. Sieben, H.
Harens	Luknic	Peterson, B.	Skoglund	
Hauge	Mann	Peterson, D.	Stadum	
Haukoos	Marsh	Piepho	Staten	
Heap	McCarron	Pogemiller	Stowell	

The bill was passed and its title agreed to.

H. F. No. 1955, A bill for an act relating to the city of Waconia; authorizing the sale of certain revenue bonds at a price less than par value and authorizing the maturity schedule to be determined by municipal resolution.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 121 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Aasness	Esau	Kelly	Onnen	Stadum
Ainley	Evans	Kvam	Osthoff	Staten
Anderson, B.	Fjoslien	Lehto	Otis	Stowell
Anderson, G.	Forsythe	Lemen	Peterson, B.	Stumpf
Anderson, I.	Frerichs	Levi	Peterson, D.	Sviggum
Battaglia	Greenfield	Long	Piepho	Swanson
Begich	Gruenes	Ludeman	Pogemiller	Tomlinson
Berkelman	Gustafson	Luknic	Redalen	Valan
Blatz	Halberg	Mann	Reding	Valento
Brandl	Harens	Marsh	Rees	Vanasek
Brinkman	Hauge	McCarron	Reif	Vellenga
Byrne	Haukoos	McDonald	Rice	Voss
Carlson, D.	Heap	McEachern	Rodriguez, C.	Weaver
Carlson, L.	Heinitz	Minne	Rodriguez, F.	Welch
Clark, J.	Himle	Munger	Rose	Welker
Clawson	Hoberg	Murphy	Rothenberg	Wenzel
Dahlvang	Hokanson	Nelsen, B.	Samuelson	Wieser
Dean	Hokr	Nelson, K.	Sarna	Wigley
Dempsey	Jacobs	Niehaus	Schafer	Wynia
Den Ouden	Jennings	Norton	Schoenfeld	Zubay
Drew	Johnson, C.	Novak	Schoenfeld	Spkr. Sieben, H.
Eken	Jude	Nysether	Sherman	
Elioff	Kahn	O'Connor	Sherwood	
Ellingson	Kaley	Ogren	Sieben, M.	
Erickson	Kalis	Olsen	Skoglund	

The bill was passed and its title agreed to.

H. F. No. 2116, A bill for an act relating to Blue Earth County; permitting county board members to serve on the county housing and redevelopment authority.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 121 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Aasness	Esau	Kvam	Osthoff	Stadum
Ainley	Evans	Laidig	Otis	Staten
Anderson, B.	Fjoslien	Lehto	Peterson, B.	Stowell
Anderson, G.	Forsythe	Lemen	Peterson, D.	Stumpf
Anderson, I.	Frerichs	Levi	Piepho	Sviggum
Battaglia	Greenfield	Ludeman	Pogemiller	Swanson
Begich	Gruenes	Luknic	Redalen	Tomlinson
Berkelman	Gustafson	Mann	Reding	Valan
Blatz	Halberg	Marsh	Rees	Valento
Brandl	Harens	McCarron	Reif	Vanasek
Brinkman	Hauge	McDonald	Rice	Vellenga
Byrne	Haukoos	McEachern	Rodriguez, C.	Voss
Carlson, D.	Heap	Minne	Rodriguez, F.	Weaver
Carlson, L.	Heinitz	Munger	Rose	Welch
Clark, J.	Himle	Murphy	Rothenberg	Welker
Clawson	Hoberg	Nelsen, B.	Samuelson	Wenzel
Dahlvang	Hokanson	Nelson, K.	Sarna	Wieser
Dean	Hokr	Niehaus	Schafer	Wigley
Dempsey	Jacobs	Norton	Schoenfeld	Wynia
Den Ouden	Jennings	Novak	Schreiber	Zubay
Drew	Johnson, C.	Nysether	Sherman	Spkr. Sieben, H.
Eken	Jude	O'Connor	Sherwood	
Elioff	Kaley	Ogren	Sieben, M.	
Ellingson	Kalis	Olsen	Simoneau	
Erickson	Kelly	Onnen	Skoglund	

The bill was passed and its title agreed to.

H. F. No. 2177 was reported to the House.

Welker moved that H. F. No. 2177 be returned to its author. The motion prevailed.

There being no objection the order of business reverted to Reports of Standing Committees.

REPORTS OF STANDING COMMITTEES

Sieben, M., from the Committee on Appropriations to which was referred:

H. F. No. 1555, A bill for an act relating to education; providing for aids to education, tax levies, and the distribution of

tax revenues; governing the recognition of school district property tax revenues and the computation of levies; granting certain powers and duties to school districts, the state board of education, and others; altering the method of distribution of transportation aid; altering aids for summer school; repealing certain administrative rules; reducing certain appropriations; appropriating money; amending Minnesota Statutes 1980, Sections 120.17, Subdivision 4a; 121.11, Subdivision 12; 121.908, Subdivision 3; 121.912, Subdivisions 2 and 3; 122.90, Subdivision 1; 123.37, Subdivision 1b; 123.741, Subdivision 1; 123.78, Subdivision 1; 124.19, Subdivision 1, and by adding a subdivision; 124.213, Subdivision 2; 124.32, Subdivisions 7 and 10; 126.262, Subdivision 1; 126.264, Subdivision 3; 126.265; 126.267; 134.34, by adding a subdivision; 275.125, Subdivision 1a, as added; 275.125, Subdivisions 2a, 2d, 2e, 5, as amended, 6b, 6c, 7a, 7c, 9, 19, 20, and by adding subdivisions; 275.48; 298.28, Subdivision 1; 475.61, Subdivision 4; Minnesota Statutes 1981 Supplement, Sections 120.17, Subdivisions 5a and 6; 121.904, Subdivisions 4 and 7; 122.531, Subdivision 6; 122.542, Subdivisions 3 and 4; 123.35, by adding a subdivision; 123.702, Subdivisions 1 and 1a; 123.705; 124.01, Subdivision 1; 124.17, Subdivision 2; 124.2121, Subdivisions 2, 4, and 5, as amended; 124.2122, Subdivisions 1, and 2, as amended; 124.2123, Subdivisions 1, 3, and by adding a subdivision; 124.2124, Subdivisions 1, as amended, and 3; 124.2125, Subdivision 1, as amended; 124.2126, Subdivision 3; 124.2128, Subdivisions 1 and 5; 124.2129, Subdivision 3, and by adding a subdivision; 124.213, Subdivision 2; 124.223; 124.225, as amended; 124.245, Subdivisions 1 and 1a; 124.251; 124.271, Subdivision 2a; 124.32, Subdivisions 1, 1a, and 5; 124.38, Subdivision 7; 124.5624, Subdivisions 3 and 4; 124.5627, Subdivisions 3, 4, and 5; 125.611, Subdivision 5; 136A.81, Subdivision 1; 275.125, Subdivisions 8 and 11b; Laws 1981, Chapter 358, Article II, Section 15, Subdivision 3; Article VII, Section 29, as amended; Third Special Session Chapter 2, Article II, Sections 1, 2, 15, and 20; Article IV, Sections 3, Subdivisions 2 and 3; 5, Subdivision 3, and by adding a subdivision; proposing new law coded in Minnesota Statutes, Chapters 120 and 124; repealing Minnesota Statutes 1980, Sections 121.904, Subdivisions 4a and 4b, as added; 121.96; 123.37, Subdivisions 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13 and 14; 128.05; Laws 1967, Chapters 251 and 253; and Laws 1976, Chapter 20, Section 8.

Reported the same back with the following amendments:

Page 35, line 23, after the comma reinstate the stricken language

Page 35, lines 24 to 30, reinstate the stricken language

Page 35, line 31, strike "Transportation"

Page 35, strike lines 32 to 36

Page 36, strike lines 1 to 8

Page 45, line 32, delete everything after the period

Page 45, delete lines 33 to 36

Page 46, delete lines 1 to 8

Page 46, line 14, delete "*sum of: (1) the*"

Page 46, line 15, delete everything after "transported"

Page 46, line 16, delete "*categories*" and strike the comma

Page 46, line 19, delete "*plus*"

Page 46, delete lines 20 to 23

Page 46, line 24, delete everything before the period

Page 51, line 9, delete everything after the period

Page 51, delete lines 10 to 13

Page 51, line 14, delete everything before "A district"

Page 51, line 36, delete everything after "8g" and insert a period

Page 52, delete lines 1 to 12

Page 52, line 16, delete "*, and*"

Page 52, delete lines 17 to 20

Page 52, line 21, delete everything before the period

With the recommendation that when so amended the bill pass.

The report was adopted.

Brinkman from the Committee on Financial Institutions and Insurance to which was referred:

H. F. No. 1620, A bill for an act relating to local government; permitting towns to self insure in the same way as other political subdivisions; amending Minnesota Statutes 1980, Sections 471.-98, Subdivision 2; and 471.981, by adding a subdivision.

Reported the same back with the following amendments:

Page 1, after line 8, insert:

"Section 1. Minnesota Statutes 1980, Section 367.10, is amended to read:

367.10 [TOWN CLERK; BOND; OATH.]

Every person elected or appointed to the office of town clerk, before he enters upon the duties of his office, shall give bond to the town, with sureties approved by the town treasurer, in such penal sum as the town board directs, conditioned for the faithful discharge of his duties. The bond, with his oath of office, shall be filed with the (CLERK OF THE DISTRICT COURT) *county auditor*, and an action may be maintained thereon by the town or any person aggrieved.

Sec. 2. Minnesota Statutes 1980, Section 367.15, is amended to read:

367.15 [TOWN TREASURER; BOND.]

Every town treasurer, before he enters upon the duties of his office, shall give bond to the town in an amount to be determined by the board, conditioned for the faithful discharge of his duties as such treasurer. Within six days thereafter the chairman shall file such bond, with his approval endorsed thereon, for record with the county (RECORDER) *auditor*."

Page 1, delete section 2 and insert:

"Sec. 4. Minnesota Statutes 1981 Supplement, Section 60A.-11, Subdivision 17, is amended to read:

Subd. 17. [CORPORATE AND BUSINESS TRUST OBLIGATIONS.] Obligations issued, assumed or guaranteed by a corporation or business trust organized under the laws of the United States or any state of the United States, or the laws of Canada or any province of Canada, or obligations traded on a national securities exchange on the following conditions:

(a) A company may invest in any obligations traded on a national securities exchange;

(b) A company may also invest in any obligations which are secured by adequate security located in the United States or Canada;

(c) A company may also invest in previously outstanding or newly issued obligations not qualifying for investment under paragraphs (a) or (b) if the corporation or business trust has

qualified net earnings. If the obligations are not newly issued, neither principal nor interest payments on the obligations shall have been in arrears (1) for an aggregate of 90 days during the three year period preceding the date of investment, or (2) where the obligations have been outstanding for less than 90 days, during the period the obligations have been outstanding;

(d) A company may invest in federal farm loan bonds and may invest up to 20 percent of its total admitted assets in the obligations of farm mortgage debenture companies; and

(e) A company may not invest more than five percent of its admitted assets in the obligations of any one corporation or business trust; *provided, however, that a company may invest in the obligations of a corporation without regard to this paragraph if: (1) the company is wholly owned by the issuer and/or affiliates of the issuer of such obligations; (2) the company writes insurance policies solely for the benefit of the issuer of such obligations and its affiliates; (3) such issuer has a net worth, determined on a consolidated basis, which equals or exceeds \$50 million; and (4) each issuer and its affiliates forego any and all claims they may have against the Minnesota insurance guarantee association pursuant to chapter 60C in the event of the insolvency of the company.*"

Renumber the section

Delete the title and insert:

"A bill for an act relating to local government; changing the filing of the bond of the town clerk and the town treasurer; permitting towns to self insure in the same way as other political subdivisions; exempting captive insurers from certain investment limitations; amending Minnesota Statutes 1980, Sections 367.10; 367.15; and 471.98, Subdivision 2; and Minnesota Statutes 1981 Supplement, Section 60A.11, Subdivision 17."

With the recommendation that when so amended the bill pass.

The report was adopted.

Kostohryz from the Committee on General Legislation and Veterans Affairs to which was referred:

H. F. No. 1894, A bill for an act relating to municipal housing; authorizing the planning, implementation, and financing of rehabilitation and energy improvement loans; amending Minnesota Statutes 1980, Sections 462C.01; 462C.02, Subdivisions 3, 4 and 5, and by adding subdivisions; 462C.03, as amended; 462C.04, Subdivision 2; 462C.05, Subdivisions 2 and 5; 462C.07, Subdivision 1; Minnesota Statutes 1981 Supplement, Sections 462C.05, Subdivisions 1 and 3; repealing Minnesota Statutes 1981 Supplement, Section 462C.07, Subdivision 2.

Reported the same back with the following amendments:

Page 3, after line 32, insert:

“(b) a development district established pursuant to Laws 1971, Chapter 677 as amended,”

Reletter the clauses

Page 7, line 19, after “sale” insert “or rent”

Page 7, lines 28 to 32, delete the new language

Page 11, line 10, after the period, delete the balance of the line

Page 11, delete lines 11 to 14

Pages 12 and 13, delete section 14

Renumber the sections

Amend the title as follows:

Page 1, line 10, delete “and 462C.09;”

With the recommendation that when so amended the bill pass.

The report was adopted.

Norton from the Committee on Governmental Operations to which was referred:

H. F. No. 2083, A bill for an act relating to state government; establishing a chemical dependency board; transferring powers and duties to the new board from the alcohol and other drug abuse section; abolishing the alcohol and other drug abuse section; proposing new law coded as Minnesota Statutes, Chapter 254B; repealing Minnesota Statutes 1980, Sections 254A.01; 254A.02; 254A.03, Subdivision 2; 254A.031; 254A.04; 254A.07, Subdivision 1; 254A.08, Subdivision 2; 254A.10; 254A.12; 254A.14; 254A.15; 254A.16; Minnesota Statutes 1981 Supplement, Sections 254A.03, Subdivisions 1 and 3; 254A.05, Subdivision 1; 254A.07, Subdivision 2; 254A.08, Subdivision 1; and 254A.09.

Reported the same back with the following amendments:

Page 2, line 2, delete “14” and insert “13”

Page 2, delete lines 5 and 6 and insert:

“Subd. 3. [COMPREHENSIVE PROGRAM.] “Comprehensive program” means the range of services which are to be made available for the purpose of prevention, care, and treatment of alcohol and drug abuse.

Subd. 4. [DRUG ABUSE.] “Drug abuse or abuse of drugs” is the use of any psychoactive or mood altering chemical substance, without compelling medical reason, in such a manner as to induce mental, emotional, or physical impairment and cause socially dysfunctional or socially disordering behavior and which results in psychological or physiological dependency as a function of continued use.

Subd. 5. [DRUG DEPENDENT PERSON.] “Drug dependent person” means any inebriate person or any person incapable of managing himself or his affairs or unable to function physically or mentally in an effective manner because of the abuse of a drug, including alcohol.

Subd. 6. [INTOXICATED PERSON.] “Intoxicated person” means a person whose mental or physical functioning is substantially impaired as a result of the use of alcohol or other drugs.

Subd. 7. [OTHER DRUGS.] “Other drugs” means any psychoactive chemical other than alcohol.

Subd. 8. [AMERICAN INDIAN.] “American Indian” means a person of one-quarter or more Indian blood.

Subd. 9. [PURCHASE OF SERVICE AGREEMENT.] “Purchase of service agreement” means a contract between a contractor and service provider for the provisions of services. The agreement shall specify the services to be provided, the method of delivery, the type of staff to be employed, and a method of evaluation of the services to be provided.”

Page 2, line 16, after “district” insert “, one of whom shall represent the Minneapolis or Saint Paul urban Indian community”

Page 2, line 18, after the period, insert “One of the three members appointed at large shall be a representative of the Indian advisory council established in section 8.”

Page 2, line 25, after the period, insert “The chairperson shall be in the unclassified state civil service.”

Page 2, line 26, before “COMPENSATION” insert “TERMS OF OFFICE AND”

Page 2, line 27, delete everything after the period and delete lines 28 to 30 and insert “The term of office and compensation

of board members, and the manner of removal and filling of vacancies, shall be as provided in section 15.0575, except that the rate of compensation shall be \$50 per day spent on board activities. The chairperson shall serve at the pleasure of the governor for a term coterminous with that of the governor."

Pages 2 and 3, delete section 5

Page 3, line 4, delete "[254B.06]" and insert "[254B.05]"

Page 3, lines 6 and 11, delete "14" and insert "13"

Page 3, line 16, delete "or"

Page 3, line 17, after "or" insert "the"

Page 3, line 18, after "gifts," insert "grants,"

Page 3, line 19, after "state" insert "and its political subdivisions, or any private source"

Page 3, line 19, delete "or any person"

Page 3, line 23, after the period, insert "*The board shall make contracts with and grants to public and private agencies and organizations, both profit and nonprofit, and individuals using federal and state funds as authorized for the provision of comprehensive program services.*"

Pages 3 and 4, delete subdivision 7 and insert:

"Subd. 7. [RESEARCH.] The board shall conduct and foster basic research relating to the cause, prevention, and methods of diagnosis, treatment, and rehabilitation of drug dependent persons. The board or the chairperson acting on behalf of the board may conduct research studies and programs, collect and analyze data, prepare reports, and order all necessary hearings and investigations in connection with its work. The board shall assure confidentiality to individuals who are the subject of research, and may not be compelled in any proceeding to disclose confidential information about individuals unless the individual gives written consent to disclosure.

Subd. 8. [INFORMATION.] The board shall gather and disseminate facts and information about alcoholism and other drug dependency and abuse to public and private agencies and to any court requesting information for guidance and assistance in prevention, treatment and rehabilitation. The board is also responsible for the dissemination of information to educate the general public concerning alcohol and other drug dependency and abuse problems."

Renumber the subdivisions

Page 4, line 5, delete "engineering,"

Page 4, delete lines 15 to 22 and insert:

"Sec. 6. [254B.06] [TRANSFER OF POWERS.]

Subdivision 1. [LICENSING.] All powers, duties, and functions relating to chemical dependency programs, heretofore vested in or imposed upon the commissioner of welfare by sections 245.781 to 245.812, including the authority to develop and promulgate rules pursuant to chapter 15, regulating this licensure are transferred to, vested in, and imposed upon the chemical dependency board."

Page 4, line 30, delete "[254B.08]" and insert "[254B.07]"

Page 4, line 32, delete "board of"

Page 4, line 33, after "dependency" insert "board"

Page 4, line 36, delete "7" and insert "6"

Page 5, line 7, delete "7" and insert "6"

Page 5, line 28, delete "department" and insert "chemical dependency board"

Page 5, line 29, delete everything before the period

Page 5, line 36, after "the" insert "staff of the chemical dependency"

Page 6, delete lines 1 to 23 and insert:

"Sec. 8. [254B.08] [OTHER DUTIES.]

Subdivision 1. [BIENNIAL REPORT.] Before November 15 of each even-numbered year, the board through its chairperson shall prepare and submit to the legislative commission on chemical dependency a report of the board's operations and activities pursuant to the provisions of this law, as well as any recommendations for legislative action. This report shall include a state work plan for the following biennium, which shall set forth goals and priorities for a comprehensive alcohol and other drugs dependency and abuse program for Minnesota. All state agencies operating alcohol and other drug abuse or dependency programs or administering state or federal funds for the programs shall annually set their program goals and priorities in accordance with the comprehensive state work plan. Each state agency shall submit its plans to the board for review. The board shall certify whether proposed agency plans and services comply with the comprehensive state work plan."

Page 6, delete lines 28 to 36

Page 7, delete lines 1 to 3

Page 7, after line 10, insert:

"The chairperson of the board shall establish an American Indian advisory council to assist the board in their proposal review, policy formation, and procedures relating to programs for the abuse of alcohol and other drugs in the American Indian community. The membership of the advisory council shall be composed of not more than 17 persons, to be appointed by the chemical dependency board chairperson as follows:

(a) One member to be appointed from each federally recognized Indian reservation in Minnesota who is an enrolled member, selected by the tribal chairperson with the advice of the board chairperson; and

(b) Six members to be appointed from the following American Indian communities: one member representing International Falls northern range community, one member representing the Duluth American Indian community, two members representing the St. Paul American Indian community, and two members representing the Minneapolis American Indian community. The terms, compensation and removal of American Indian advisory council members shall be as provided for in section 15.059."

Page 7, line 20, after "programs" insert "*, in conjunction with the American Indian advisory council. The special assistant for American Indian programs shall report to the chemical dependency board annually*"

Page 7, line 21, delete "shall" and insert "may"

Page 7, line 22, delete "The" and insert "*Programs shall be designed to meet the needs identified by the American Indian community and appropriate recognition shall be given to the cultural and social needs of American Indians. The board shall enter into the agreements after consultation with the special assistant for American Indian programs and the American Indian advisory council.*"

Page 7, delete lines 23 to 30 and insert:

"Subd. 4. [PREVENTION.] The board shall maintain a position on its supporting staff for a special assistant for prevention of problems related to the use of drugs and alcohol. The special assistant for prevention shall be responsible to the chairperson of the board. The responsibilities of the special assistant shall be to:

(a) Coordinate and review all activities, planning, and programs of all the various state departments and agencies as they

relate to the prevention of chemical abuse, and to determine their compliance with the comprehensive state work plan and federal laws and regulations;

(b) Provide technical assistance, coordination, and support to governmental and non-governmental agencies, groups, and organizations, to help prevent problems related to use of alcohol and other drugs;

(c) Inform and educate the general public on the prevention of chemical use problems;

(d) Develop and distribute prevention information, training materials, and resources to state departments and agencies and to other governmental and non-governmental agencies, groups and organizations; and

(e) Report annually to the chemical dependency board."

Renumber the subdivisions

Page 7, line 31, delete "[254B.10]" and insert "[254B.09]"

Page 8, line 11, delete "[254B.11]" and insert "[254B.10]"

Page 8, line 15, after "agencies" insert "within the framework and guidelines of the comprehensive state work plan"

Page 8, delete lines 19 to 35 and insert:

"Subd. 2. [GRANTS.] The county boards may make grants for comprehensive programs for prevention, care, and treatment of alcohol and other drug abuse as developed and defined by the state comprehensive work plan and the biennial plan established in section 256E.09. Grants may be made for the cost of these comprehensive programs and services whether provided directly by county boards or by other public and private agencies and organizations, both profit and nonprofit, and individuals, pursuant to contract. Nothing herein shall prevent the chemical dependency board from entering into contracts with and making grants to other state agencies for the purpose of providing specific services and programs. With the approval of the county board, the chemical dependency board may make grants or contracts for research or demonstration projects specific to needs within that county."

Page 8, line 36, delete "[254B.12]" and insert "[254B.11]"

Page 8, line 36, delete "CENTER" and insert "SERVICES"

Page 9, lines 1 and 2, after "county" insert "board"

Page 9, line 1, delete "a"

Page 9, line 1, delete "program" and insert "services"

Page 9, line 2, after "and" insert "other"

Page 9, line 34, delete "oversee" and insert "review"

Page 9, line 11, delete "[254B.13]" and insert "[254B.12]"

Page 10, line 7, delete "and subsequent editions" and insert "edition"

Page 10, line 8, delete everything after "shall" and "insert ", in each section referred to in Column A, strike the reference referred to in Column B, and in each section referred to in Column A, insert the reference set forth in Column C.

Column A	Column B	Column C
462A.03, subdivision 18	254A.02	254B.02
462A.07, subdivision 14	254A.02	254B.02
462A.07, subdivision 15	254A.02	254B.02
256E.06, subdivision 2	254A.031	254B.08, subdivision 3
256E.03, subdivision 2	254A.07	254B.10
256E.06, subdivision 2	254A.07	254B.10
256E.03, subdivision 2	254A.08	254B.11
256E.06, subdivision 2	254A.08	254B.11"

Page 10, delete line 9

Page 10, line 18, delete "Sections 3 and 4 are" and insert "This act is"

Page 10, line 18, delete everything after the period

Page 10, delete lines 19 to 22

Renumber the sections

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Sieben, M., from the Committee on Appropriations to which was referred:

S. F. No. 1514, A bill for an act relating to public works; extending the availability of an appropriation to the city of Cloquet for the purpose of constructing a public water facility; repealing Third Special Session Laws 1981, Chapter 2, Article I, Section 76.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 1555, 1620 and 1894 were read for the second time.

SECOND READING OF SENATE BILLS

S. F. No. 1514 was read for the second time.

CALENDAR

H. F. No. 1589, A bill for an act relating to motor vehicles; authorizing the operation of motorized golf carts by certain persons on designated roadways of city streets; regulating the operation thereof; amending Minnesota Statutes 1980, Sections 168.012, by adding a subdivision; 169.522; and proposing new law coded in Minnesota Statutes, Chapter 169.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 115 yeas and 2 nays as follows:

Those who voted in the affirmative were:

Aasness	Clark, J.	Fjoslien	Hokr	Ludeman
Ainley	Clark, K.	Forsythe	Jacobs	Luknic
Anderson, B.	Clawson	Frerichs	Jennings	Mann
Anderson, G.	Dean	Greenfield	Johnson, C.	Marsh
Anderson, I.	Dempsey	Gruenes	Jude	McCarron
Battaglia	Den Ouden	Halberg	Kaley	McDonald
Berkelman	Drew	Harens	Kalis	McEachern
Blatz	Eken	Hauge	Kelly	Mehrkens
Brandl	Elioff	Haukoos	Kvam	Minne
Brinkman	Ellingson	Heap	Laidig	Munger
Byrne	Frickson	Heinitz	Lemen	Murphy
Carlson, D.	Esau	Himle	Levi	Nelsen, B.
Carlson, L.	Evans	Hokanson	Long	Nelson, K.

Niehaus	Peterson, D.	Rose	Skoglund	Vellenga
Norton	Piepho	Rothenberg	Stadum	Weaver
Novak	Pogemiller	Samuelson	Stowell	Welch
Nysether	Redalen	Sarna	Stumpf	Welker
O'Connor	Reding	Schoenfeld	Sviggum	Wenzel
Ogren	Rees	Schreiber	Swanson	Wieser
Olsen	Reif	Sherman	Tomlinson	Wigley
Onnen	Rice	Sherwood	Valan	Wynia
Otis	Rodriguez, C.	Sieben, M.	Valento	Zubay
Peterson, B.	Rodriguez, F.	Simoneau	Vanasek	Spkr. Sieben, H.

Those who voted in the negative were:

Osthoff Voss

The bill was passed and its title agreed to.

S. F. No. 709, A bill for an act relating to optometrists; authorizing the use of certain topical ocular drugs; providing for education, training and testing requirements; requiring an emergency treatment plan; requiring advice to patients to seek evaluation by physician under certain conditions; providing a penalty; amending Minnesota Statutes 1980, Section 148.57, Subdivision 3; proposing new law coded in Minnesota Statutes, Chapter 148.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 122 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Aasness	Erickson	Kelly	Ogren	Sieben, M.
Ainley	Esau	Kvam	Olsen	Skoglund
Anderson, B.	Evans	Laidig	Onnen	Stadum
Anderson, G.	Fjoslien	Lehto	Osthoff	Staten
Anderson, I.	Frerichs	Lemen	Otis	Stowell
Battaglia	Greenfield	Levi	Peterson, B.	Stumpf
Begich	Gruenes	Long	Peterson, D.	Sviggum
Berkelman	Gustafson	Ludeman	Piepho	Swanson
Elatz	Halberg	Luknic	Pogemiller	Tomlinson
Brandl	Harens	Mann	Redalen	Valento
Brinkman	Hauge	Marsh	Reding	Vanasek
Byrne	Haukoos	McCarron	Rees	Vellenga
Carlson, D.	Heap	McDonald	Reif	Voss
Carlson, L.	Heinitz	McEachern	Rice	Weaver
Clark, J.	Himle	Mehrkens	Rodriguez, C.	Welch
Clark, K.	Hoberg	Minne	Rodriguez, F.	Welker
Clawson	Hokanson	Munger	Rose	Wenzel
Dahlvang	Hokr	Murphy	Rothenberg	Wieser
Dean	Jacobs	Nelsen, B.	Samuelson	Wigley
Dempsey	Jennings	Nelson, K.	Sarna	Wynia
Den Ouden	Johnson, C.	Niehaus	Schafer	Zubay
Drew	Jude	Norton	Schoenfeld	Spkr. Sieben, H.
Eken	Kahn	Novak	Schreiber	
Elioff	Kaley	Nysether	Sherman	
Ellingson	Kalis	O'Connor	Sherwood	

The bill was passed and its title agreed to.

S. F. No. 1088, A bill for an act relating to real property; providing for the registration of certain possessory estates in real property without court proceedings; providing for a change-over from a certificate of possessory title to a certificate of title after a certain number of years; proposing new law coded as Minnesota Statutes, Chapter 508A.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 120 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Aasness	Ewald	Kelly	O'Connor	Sherwood
Ainley	Fjoslien	Kvam	Ogren	Sieben, M.
Anderson, B.	Forsythe	Laidig	Olsen	Simoneau
Anderson, G.	Frerichs	Lehto	Onnen	Skoglund
Anderson, I.	Greenfield	Lemen	Osthoff	Stadum
Battaglia	Gruenes	Levi	Peterson, B.	Stowell
Begich	Gustafson	Long	Peterson, D.	Stumpf
Berkelman	Halberg	Ludeman	Piepho	Sviggum
Blatz	Harens	Luknic	Pogemiller	Swanson
Brandl	Hauge	Mann	Redalen	Tomlinson
Brinkman	Haukoos	Marsh	Reding	Valan
Byrne	Heap	McCarron	Rees	Valento
Carlson, L.	Heinitz	McDonald	Reif	Vanasek
Clark, J.	Himle	McEachern	Rice	Vellenga
Clawson	Hoberg	Mehrkens	Rodriguez, C.	Voss
Dahlvang	Hokanson	Minne	Rodriguez, F.	Weaver
Dean	Hokr	Munger	Rose	Welch
Den Ouden	Jacobs	Murphy	Rothenberg	Welker
Drew	Jennings	Nelsen, B.	Samuelson	Wenzel
Eken	Johnson, C.	Nelson, K.	Sarna	Wieser
Elioff	Jude	Niehaus	Schafer	Wigley
Ellingson	Kahn	Norton	Schoenfeld	Wynia
Erickson	Kaley	Novak	Schreiber	Zubay
Evans	Kalis	Nysether	Sherman	Spkr. Sieben, H.

The bill was passed and its title agreed to.

H. F. No. 1262, A bill for an act relating to workers' compensation; permitting political subdivisions to provide additional benefits; amending Minnesota Statutes 1980, Section 176.021, Subdivision 5.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 121 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Aasness	Battaglia	Brinkman	Clawson	Drew
Ainley	Begich	Byrne	Dahlvang	Elioff
Anderson, B.	Berkelman	Carlson, D.	Dean	Ellingson
Anderson, G.	Blatz	Carlson, L.	Dempsey	Erickson
Anderson, I.	Brandl	Clark, J.	Den Ouden	Esau

Evans	Johnson, C.	Minne	Reding	Swanson
Ewald	Jude	Munger	Rees	Tomlinson
Fjoslien	Kahn	Murphy	Reif	Valan
Forsythe	Kaley	Nelsen, B.	Rice	Valento
Frerichs	Kalis	Nelson, K.	Rodriguez, C.	Vanasek
Greenfield	Kelly	Niehaus	Rodriguez, F.	Vellenga
Gruenes	Kvam	Norton	Rose	Voss
Gustafson	Laidig	Novak	Rothenberg	Weaver
Halberg	Lehto	Nysether	Samuelson	Welch
Harens	Lemen	O'Connor	Sarna	Welker
Hauge	Levi	Ogren	Schafer	Wenzel
Haukoos	Long	Olsen	Schoenfeld	Wieser
Heap	Ludeman	Onnen	Schreiber	Wigley
Heinitz	Luknic	Osthoff	Sherwood	Wynia
Himle	Mann	Otis	Sieben, M.	Zubay
Hoberg	Marsh	Peterson, B.	Skoglund	Spkr. Sieben, H.
Hokanson	McCarron	Peterson, D.	Staten	
Hokr	McDonald	Piepho	Stowell	
Jacobs	McEachern	Pogemiller	Stumpf	
Jennings	Mehrkens	Redalen	Sviggun	

The bill was passed and its title agreed to.

The Speaker resumed the chair.

H. F. No. 1442 was reported to the House and given its third reading.

UNANIMOUS CONSENT

Clawson requested unanimous consent to offer an amendment. The request was granted.

Clawson moved to amend H. F. No. 1442 as follows:

Page 1, line 10, strike "DEFICIENT" and insert "RETARDED"

Page 1, line 13, strike "deficient" and insert "retarded"

Page 1, line 20, delete "deficiency" and insert "retardation"

Page 1, line 22, delete "deficiency" and insert "retardation"

Further, amend the title as follows:

Page 1, line 3, delete "deficiency" and insert "retardation"

The motion prevailed and the amendment was adopted.

UNANIMOUS CONSENT

Ogren requested unanimous consent to offer an amendment. The request was granted.

Ogren moved to amend H. F. No. 1442, as amended, as follows:

Page 2, line 4, delete "1981" insert "1982"

The motion prevailed and the amendment was adopted.

Skoglund was excused for the remainder of today's session.

Clawson moved that H. F. No. 1442, as amended, be referred to the Committee on Criminal Justice.

A roll call was requested and properly seconded.

Jennings moved that the Clawson motion to re-refer be laid on the table.

A roll call was requested and properly seconded.

The question was taken on the Jennings motion and the roll was called. There were 80 yeas and 38 nays as follows:

Those who voted in the affirmative were:

Aasness	Elioff	Hokr	Nelsen, B.	Schafer
Ainley	Erickson	Jennings	Niehaus	Schreiber
Anderson, B.	Esau	Kaley	Nysether	Sherman
Anderson, I.	Evans	Kalis	O'Connor	Sherwood
Battaglia	Ewald	Kelly	Olsen	Stadum
Begich	Fjoslien	Kvam	Onnen	Staten
Berkelman	Forsythe	Laidig	Osthoff	Stowell
Blatz	Frerichs	Lemen	Peterson, B.	Sviggum
Brinkman	Gruenes	Levi	Piepho	Valan
Carlson, D.	Halberg	Ludeman	Redalen	Valento
Carlson, L.	Harens	Mann	Rees	Weaver
Dahlvang	Haukoos	Marsh	Reif	Welker
Dean	Heap	McDonald	Rodriguez, F.	Wenzel
Dempsey	Heinitz	McEachern	Rose	Wieser
Den Ouden	Himle	Mehrkens	Rothenberg	Wigley
Drew	Hoberg	Murphy	Sarna	Zubay

Those who voted in the negative were:

Anderson, G.	Hauge	Minne	Reding	Vanasek
Brandl	Hokanson	Munger	Rice	Vellenga
Byrne	Jacobs	Nelson, K.	Samuelson	Voss
Clark, J.	Johnson, C.	Novak	Schoenfeld	Welch
Clawson	Kahn	Ogren	Simoneau	Wynia
Eken	Lehto	Otis	Skoglund	Spkr. Sieben, H.
Ellingson	Long	Peterson, D.	Stumpf	
Greenfield	McCarron	Pogemiller	Tomlinson	

The motion prevailed and the Clawson motion was laid on the table.

H. F. No. 1442, A bill for an act relating to crimes; eliminating the defenses of mental illness and mental deficiency; amending Minnesota Statutes 1980, Section 611.026.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 92 yeas and 29 nays as follows:

Those who voted in the affirmative were:

Aasness	Evans	Kalis	Ogren	Sherwood
Ainley	Ewald	Kelly	Olsen	Stadum
Anderson, B.	Fjoslien	Kvam	Onnen	Staten
Anderson, G.	Forsythe	Laidig	Osthoff	Stowell
Anderson, I.	Frerichs	Lemen	Peterson, B.	Stumpf
Battaglia	Gruenes	Levi	Piepho	Sviggum
Begich	Gustafson	Ludeman	Redalen	Swanson
Berkelman	Halberg	Luknic	Rees	Valan
Blatz	Harens	Mann	Reif	Valento
Brinkman	Haukoos	Marsh	Rodriguez, F.	Weaver
Carlson, D.	Heap	McDonald	Rose	Welch
Carlson, L.	Heinitz	McEachern	Rothenberg	Welker
Dahlvang	Himle	Mehrkens	Samuelson	Wenzel
Dean	Hoberg	Minne	Sarna	Wieser
Dempsey	Hokanson	Nelsen, B.	Schafer	Wigley
Den Ouden	Hokr	Niehaus	Schoenfeld	Zubay
Eken	Jennings	Novak	Schreiber	
Erickson	Johnson, C.	Nysether	Shea	
Esau	Kaley	O'Connor	Sherman	

Those who voted in the negative were:

Brandl	Ellingson	Long	Otis	Vanasek
Byrne	Greenfield	McCarron	Peterson, D.	Vellenga
Clark, J.	Hauge	Munger	Pogemiller	Voss
Carlson	Jacobs	Murphy	Rice	Wynia
Drew	Kahn	Nelson, K.	Simoneau	Spkr. Sieben, H.
Elihoff	Lehto	Norton	Tomlinson	

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

H. F. No. 1712, A bill for an act relating to public welfare; amending the community social services act; removing certain requirements related to biennial plans and the sliding fee for child care; providing for identification of certain rules; exempting the commissioner from certain rulemaking procedures; providing for notice and comment procedures with respect to proposals to amend or repeal certain rules; providing for allocation of funds to counties; amending Minnesota Statutes 1980, Section 256E.09, Subdivision 4; Minnesota Statutes 1981 Supplement, Sections 245.84, Subdivision 2; 256E.03, Subdivision 2; 256E.05, Subdivision 3; and 256E.07, Subdivision 3; repealing Minnesota Statutes 1981 Supplement, Section 256E.07, Subdivision 2.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 121 yeas and 1 nay as follows:

Those who voted in the affirmative were:

Aasness	Esau	Laidig	Onnen	Simoneau
Ainley	Evans	Lehto	Osthoff	Stadum
Anderson, B.	Ewald	Lemen	Otis	Staten
Anderson, G.	Fjoslien	Levi	Peterson, B.	Stowell
Anderson, I.	Forsythe	Long	Peterson, D.	Stumpf
Battaglia	Frerichs	Ludeman	Piepho	Sviggum
Begich	Greenfield	Luknic	Pogemiller	Swanson
Berkelman	Gruenes	Mann	Redalen	Tomlinson
Blatz	Gustafson	Marsh	Reding	Valan
Brandl	Halberg	McCarron	Rees	Valento
Brinkman	Hauge	McDonald	Reif	Vanasek
Byrne	Haukoos	McEachern	Rice	Voss
Carlson, D.	Heap	Mehrkens	Rodriguez, C.	Weaver
Carlson, L.	Heinitz	Minne	Rodriguez, F.	Welch
Clark, J.	Himle	Munger	Rose	Weiker
Clawson	Hoberg	Murphy	Rothenberg	Wenzel
Dahlvang	Hokanson	Nelsen, B.	Samuelson	Wieser
Dean	Hokr	Nelson, K.	Sarna	Wigley
Dempsey	Jacobs	Niehaus	Schafer	Wynia
Den Ouden	Jennings	Norton	Schoenfeld	Zubay
Drew	Johnson, C.	Novak	Schreiber	Spkr. Sieben, H.
Eken	Kaley	Nysether	Shea	
Elioff	Kalis	O'Connor	Sherman	
Ellingson	Kelly	Ogren	Sherwood	
Erickson	Kvam	Olsen	Sieben, M.	

Those who voted in the negative were:

Vellenga

The bill was passed and its title agreed to.

H. F. No. 685, A bill for an act relating to crimes; providing photographic records of evidence shall be admissible as evidence; providing for the return of stolen property; proposing new law coded in Minnesota Statutes, Chapter 609.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 118 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Aasness	Carlson, L.	Ewald	Hokanson	Long
Ainley	Clark, J.	Fjoslien	Hokr	Ludeman
Anderson, B.	Clawson	Forsythe	Jacobs	Luknic
Anderson, G.	Dahlvang	Frerichs	Jennings	Mann
Anderson, I.	Dempsey	Greenfield	Johnson, C.	Marsh
Battaglia	Den Ouden	Gruenes	Kahn	McCarron
Begich	Drew	Gustafson	Kaley	McDonald
Berkelman	Eken	Hauge	Kalis	McEachern
Blatz	Elioff	Haukoos	Kelly	Mehrkens
Brandl	Ellingson	Heap	Kvam	Minne
Brinkman	Erickson	Heinitz	Laidig	Munger
Byrne	Esau	Himle	Lehto	Murphy
Carlson, D.	Evans	Hoberg	Levi	Nelsen, B.

Nelson, K.	Peterson, D.	Samuelson	Staten	Weaver
Niehaus	Piepho	Sarna	Stowell	Welch
Norton	Pogemiller	Schafer	Stumpf	Welker
Novak	Redalen	Schoenfeld	Sviggum	Wenzel
Nysether	Reding	Schreiber	Swanson	Wieser
Ogren	Rees	Shea	Tomlinson	Wigley
Olsen	Reif	Sherman	Valan	Wynia
Onnen	Rice	Sherwood	Valento	Zubay
Osthoff	Rodriguez, C.	Sieben, M.	Vanasek	Spkr. Sieben, H.
Otis	Rodriguez, F.	Simoneau	Vellenga	
Peterson, B.	Rose	Stadum	Voss	

The bill was passed and its title agreed to.

H. F. No. 1068, A bill for an act relating to adoption; providing for record retention; providing for services by adoption agencies; proposing new law coded in Minnesota Statutes, Chapter 259.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 124 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Aasness	Esau	Kelly	Ogren	Sherwood
Ainley	Evans	Kvam	Olsen	Sieben, M.
Anderson, B.	Ewald	Laidig	Onnen	Simoneau
Anderson, G.	Fjoslien	Lehto	Osthoff	Stadum
Anderson, I.	Forsythe	Lemen	Otis	Staten
Battaglia	Frerichs	Levi	Peterson, B.	Stowell
Begich	Greenfield	Long	Peterson, D.	Stumpf
Berkelman	Gruenes	Ludeman	Piepho	Sviggum
Blatz	Gustafson	Luknic	Pogemiller	Swanson
Brandl	Halberg	Mann	Redalen	Tomlinson
Brinkman	Harens	Marsh	Reding	Valan
Byrne	Hauge	McCarron	Rees	Valento
Carlson, D.	Haukoos	McDonald	Reif	Vanasek
Carlson, L.	Heap	McEachern	Rice	Vellenga
Clark, J.	Heinitz	Mehrrens	Rodriguez, C.	Voss
Clawson	Himle	Minne	Rodriguez, F.	Weaver
Dahlvang	Hoberg	Munger	Rose	Welch
Dean	Hokanson	Murphy	Rothenberg	Welker
Dempsey	Hokr	Nelsen, B.	Samuelson	Wenzel
Den Ouden	Jacobs	Nelson, K.	Sarna	Wieser
Drew	Jennings	Niehaus	Schafer	Wigley
Eken	Johnson, C.	Norton	Schoenfeld	Wynia
Elioff	Kahn	Novak	Schreiber	Zubay
Ellingson	Kaley	Nysether	Shea	Spkr. Sieben, H.
Erickson	Kalis	O'Connor	Sherman	

The bill was passed and its title agreed to.

H. F. No. 1366, A bill for an act relating to liens for improvements made to real property; prescribing notice requirements to owners by subcontractors; defining owner; amending Minnesota Statutes 1980, Section 514.011, Subdivisions 2 and 5.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 120 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Aasness	Erickson	Kalis	Nysether	Shea
Ainley	Esau	Kelly	O'Connor	Sherman
Anderson, B.	Evans	Kvam	Ogren	Sieben, M.
Anderson, G.	Ewald	Laidig	Olsen	Stadum
Anderson, I.	Fjoslien	Lehto	Onnen	Staten
Battaglia	Forsythe	Lemen	Otis	Stowell
Begich	Frerichs	Levi	Peterson, B.	Stumpf
Berkelman	Greenfield	Long	Peterson, D.	Swiggum
Blatz	Gruenes	Ludeman	Piepho	Swanson
Brandl	Gustafson	Luknic	Pogemiller	Tomlinson
Brinkman	Harens	Mann	Redalen	Valan
Byrne	Hauge	Marsh	Reding	Valento
Carlson, D.	Haukoos	McCarron	Rees	Vanasek
Carlson, L.	Heap	McDonald	Reif	Vellenga
Clark, J.	Heinitz	McEachern	Rice	Voss
Clawson	Himle	Mehrkens	Rodriguez, C.	Weaver
Dahlvang	Hoberg	Minne	Rodriguez, F.	Welch
Dean	Hokanson	Munger	Rose	Welker
Dempsey	Hokr	Murphy	Rothenberg	Wenzel
Den Ouden	Jacobs	Nelsen, B.	Samuelson	Wieser
Drew	Jennings	Nelson, K.	Sarna	Wigley
Eken	Johnson, C.	Niehaus	Schafer	Wynia
Elioff	Jude	Norton	Schoenfeld	Zubay
Ellingson	Kaley	Novak	Schreiber	Spkr. Sieben, H.

The bill was passed and its title agreed to.

H. F. No. 1532, A bill for an act relating to tort actions; prohibiting the causes of action for wrongful life and wrongful birth; prohibiting a defense, an award of damages, or a penalty based on the failure or refusal to prevent a live birth; proposing new law coded in Minnesota Statutes, Chapter 145.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 100 yeas and 20 nays as follows:

Those who voted in the affirmative were:

Aasness	Brinkman	Erickson	Heap	Kvam
Ainley	Carlson, D.	Esau	Hoberg	Laidig
Anderson, B.	Dahlvang	Ewald	Hokanson	Lehto
Anderson, G.	Dean	Fjoslien	Hokr	Lemen
Anderson, I.	Dempsey	Forsythe	Jacobs	Levi
Battaglia	Den Ouden	Frerichs	Jennings	Ludeman
Begich	Drew	Gruenes	Johnson, C.	Luknic
Berkelman	Eken	Halberg	Jude	Mann
Blatz	Elioff	Harens	Kalis	Marsh
Brandl	Ellingson	Haukoos	Kelly	McDonald

McEachern	Olsen	Rice	Sherman	Vanasek
Mehrkens	Onnen	Rodriguez, F.	Sherwood	Voss
Murphy	Osthoff	Rose	Sieben, M.	Weaver
Nelsen, B.	Otis	Rothenberg	Stadum	Welch
Nelson, K.	Peterson, B.	Samuelson	Stowell	Welker
Niehaus	Piepho	Sarna	Stumpf	Wenzel
Novak	Redalen	Schafer	Swiggum	Wieser
Nysether	Reding	Schoenfeld	Swanson	Wigley
O'Connor	Rees	Schreiber	Valan	Zubay
Ogren	Reif	Shea	Valento	Spkr. Sieben, H.

Those who voted in the negative were:

Byrne	Greenfield	Himle	Munger	Simoneau
Carlson, L.	Gustafson	Kaley	Norton	Staten
Clark, K.	Hauge	Long	Peterson, D.	Tomlinson
Clawson	Heinitz	Minne	Pogemiller	Wynia

The bill was passed and its title agreed to.

H. F. No. 1611, A bill for an act relating to garnishment; authorizing an employer to recover expenses incurred for administering garnishment of an employee's wages; amending Minnesota Statutes 1980, Section 571.57.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 120 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Aasness	Ellingson	Kaley	O'Connor	Sherwood
Ainley	Erickson	Kalis	Ogren	Sieben, M.
Anderson, B.	Esau	Kelly	Olsen	Simoneau
Anderson, G.	Evans	Kvam	Onnen	Stadum
Anderson, I.	Ewald	Laidig	Otis	Staten
Battaglia	Fjoslien	Lehto	Peterson, B.	Stowell
Begich	Forsythe	Lemen	Peterson, D.	Stumpf
Berkelman	Frerichs	Levi	Piepho	Swiggum
Blatz	Gruenes	Ludeman	Pogemiller	Swanson
Brandl	Gustafson	Luknic	Redalen	Tomlinson
Brinkman	Halberg	Mann	Reding	Valan
Byrne	Harens	Marsh	Rees	Valento
Carlson, D.	Hauge	McCarron	Reif	Vanasek
Carlson, L.	Haukoos	McDonald	Rodriguez, C.	Vellenga
Clark, J.	Heap	McEachern	Rodriguez, F.	Voss
Clark, K.	Heinitz	Mehrkens	Rose	Weaver
Clawson	Himle	Minne	Rothenberg	Welch
Dahlvang	Hoberg	Munger	Samuelson	Welker
Dean	Hokanson	Murphy	Sarna	Wenzel
Dempsey	Hokr	Nelsen, B.	Schafer	Wieser
Den Ouden	Jacobs	Nelson, K.	Schoenfeld	Wigley
Drew	Jennings	Niehaus	Schreiber	Wynia
Eken	Johnson, C.	Novak	Shea	Zubay
Elioff	Jude	Nysether	Sherman	Spkr. Sieben, H.

The bill was passed and its title agreed to.

H. F. No. 1719, A bill for an act relating to courts; authorizing the chief judge of the judicial district to fill vacancies in the office of judicial officer in St. Louis, Steele, Goodhue and Carlton counties; amending Minnesota Statutes 1981 Supplement, Section 487.08, Subdivision 2.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 108 yeas and 6 nays as follows:

Those who voted in the affirmative were:

Aasness	Erickson	Kaley	Nysether	Sherman
Ainley	Esau	Kalis	O'Connor	Sherwood
Anderson, B.	Evans	Kelly	Ogren	Simoneau
Anderson, G.	Fjoslien	Kvam	Olsen	Staten
Anderson, I.	Forsythe	Lehto	Onnen	Stowell
Battaglia	Frerichs	Lemen	Otis	Stumpf
Begich	Greenfield	Levi	Peterson, B.	Svigum
Berkelman	Gruenes	Ludeman	Peterson, D.	Swanson
Blatz	Gustafson	Luknic	Piepho	Tomlinson
Brandl	Halberg	Mann	Pogemiller	Valan
Brinkman	Harens	Marsh	Redalen	Valento
Carlson, D.	Hauge	McCarron	Rees	Vanasek
Carlson, L.	Haukoos	McEachern	Rice	Weaver
Clark, J.	Heap	Mehrkens	Rodriguez, C.	Welch
Clark, K.	Heinitz	Minne	Rodriguez, F.	Welker
Dahlvang	Himle	Munger	Rose	Wenzel
Dempsey	Hoberg	Murphy	Rothenberg	Wieser
Den Ouden	Hokr	Nelsen, B.	Samuelson	Wigley
Drew	Jacobs	Nelson, K.	Sarna	Wynia
Eken	Jennings	Niehaus	Schafer	Spkr. Sieben, H.
Eloff	Johnson, C.	Norton	Schoenfeld	
Ellingson	Jude	Novak	Shea	

Those who voted in the negative were:

Laidig	Osthoff	Schreiber	Voss	Zubay
McDonald				

The bill was passed and its title agreed to.

H. F. No. 1734, A bill for an act relating to courts; authorizing the continuance of the office of court referee in the second and fourth judicial districts; amending Minnesota Statutes 1981 Supplement, Section 484.70, Subdivision 1.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 115 yeas and 2 nays as follows:

Those who voted in the affirmative were:

Aasness	Ainley	Anderson, B.	Anderson, G.	Anderson, I.
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Battaglia	Fjoslien	Lehto	Olsen	Sherman
Begich	Forsythe	Lemen	Onnen	Sherwood
Berkelman	Frerichs	Levi	Osthoff	Simoneau
Blatz	Greenfield	Ludeman	Otis	Stadum
Brandl	Gruenes	Luknic	Peterson, B.	Staten
Brinkman	Harens	Mann	Peterson, D.	Stowell
Carlson, D.	Hauge	Marsh	Piepho	Stumpf
Carlson, L.	Haukoos	McCarron	Pogemiller	Sviggum
Clark, J.	Heap	McDonald	Redalen	Swanson
Clark, K.	Heinitz	McEachern	Rees	Tomlinson
Clawson	Himle	Mehrkens	Reif	Valan
Dahlvang	Hoberg	Minne	Rice	Valento
Dempsey	Hokanson	Munger	Rodriguez, C.	Vanasek
Den Ouden	Hokr	Murphy	Rodriguez, F.	Vellenga
Drew	Jacobs	Nelsen, B.	Rose	Welch
Eken	Jennings	Nelson, K.	Rothenberg	Welker
Elioff	Johnson, C.	Niehaus	Samuelson	Wenzel
Ellingson	Jude	Norton	Sarna	Wieser
Erickson	Kaley	Novak	Schafer	Wigley
Esau	Kalis	Nysether	Schoenfeld	Wynia
Evans	Kelly	O'Connor	Schreiber	Zubay
Ewald	Kvam	Ogren	Shea	Sprk. Sieben, H.

Those who voted in the negative were:

Laidig Voss

The bill was passed and its title agreed to.

Anderson, G., was excused at 2:30 p.m. Voss was excused at 3:30 p.m. Novak was excused at 3:50 p.m.

GENERAL ORDERS

Pursuant to rules of the House, the House resolved itself into the Committee of the Whole, with Sieben, H., in the Chair, for the consideration of bills pending on General Orders of the Day. Wynia presided during a portion of the meeting of the Committee of the Whole. After some time spent therein the Committee arose.

REPORT OF COMMITTEE OF THE WHOLE

The Speaker resumed the Chair, whereupon the following proceedings of the Committee as kept by the Chief Clerk were reported to the House:

H. F. Nos. 1831, 1498 and 1622 which it recommended to pass.

S. F. No. 233 which it recommended to pass.

H. F. Nos. 1365 and 1817 which it recommended progress.

S. F. No. 16 which it recommended progress.

H. F. No. 1278 which it recommended be re-referred to the Committee on Governmental Operations.

S. F. No. 378 which it recommended to pass with the following amendments:

Offered by Forsythe:

Page 2, after line 32, insert:

"Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective the day following final enactment."

Offered by Halberg:

Page 2, line 1, delete "*including*" insert "*either temporarily or*"

Offered by McCarron:

Page 2, line 2, strike "without regard to marital misconduct,"

H. F. No. 1455 which it recommended to pass with the following amendment offered by Voss:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1980, Section 82.20, Subdivision 9, is amended to read:

Subd. 9. [TERMINATIONS; TRANSFERS.] (a) *Except as provided in paragraph (b), when a salesperson terminates his activity on behalf of a broker, the salesperson's license shall be ineffective. Within ten days of (SUCH) the termination the broker shall notify the commissioner in writing (THEREOF), and shall return to the commissioner the license of the salesperson. The salesperson may (MAKE APPLICATION) apply for transfer of the license to another broker at any time during the remainder of the license period, on forms provided by the commissioner (ALONG WITH THE FEE PRESCRIBED BY THIS CHAPTER). If the application for transfer qualifies, the commissioner shall grant the application. Upon receipt of a transfer application and payment of the transfer fee, the commissioner may issue a 45 day (PERMIT PROVISIONALLY GRANTING SUCH TRANSFER) temporary license. If an application for transfer is not made within the license period, the commissioner shall require that an application for a new license be filed.*

(b) *When a salesperson terminates his activity on behalf of a broker in order to begin association immediately with another broker, the commissioner shall permit the automatic transfer*

of the salesperson's license. The transfer shall be effective either upon the mailing of the required fee and the executed documents by certified mail or upon personal delivery of the fee and documents to the commissioner's office. The commissioner may adopt rules and prescribe forms as necessary to implement this paragraph."

Amend the title as follows:

Page 1, delete lines 3 to 5 and insert "providing for the automatic transfer of a salesperson's license under certain"

H. F. No. 1576 which it recommended to pass with the following amendment offered by Berkelman:

Page 2, line 17, delete "other than a"

Page 2, delete lines 18 to 21 and insert "unless:

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

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

Page 2, line 22, after "4a." begin a new paragraph

Page 3, line 30, strike "other than a mobile home." and delete "This"

Page 3, delete lines 31 to 33

Page 3, line 34, delete everything before "section" and insert "unless:

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

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

Page 3, line 35, begin a new paragraph

Simoneau moved that the report of the Committee of the Whole be adopted.

Anderson, I., requested that the report on H. F. No. 1278 be excepted from the report of the Committee of the Whole. The request was granted.

The question recurred on the adoption of the report of the Committee of the Whole with the exception of the report on H. F. No. 1278. The report of the Committee of the Whole with the exception of the report on H. F. No. 1278 was adopted.

NOTICE OF INTENTION TO MOVE RECONSIDERATION

Ogren gave notice of intention to move reconsideration of the report on H. F. No. 1278.

Jennings moved to reconsider the report on H. F. No. 1278.

POINT OF ORDER

Anderson, I., raised a point of order pursuant to rule 3.4 that the Jennings motion was not in order.

Pursuant to Section 244 of "Mason's Manual of Legislative Procedure" the Speaker deferred his decision on the point of order.

ROLL CALLS IN COMMITTEE OF THE WHOLE

Pursuant to rule 1.6, the following roll calls were taken in the Committee of the Whole:

Jennings moved that H. F. No. 1278 be re-referred to the Committee on Governmental Operations.

A roll call was requested and properly seconded.

The question was taken on the motion and the roll was called. There were 64 yeas and 60 nays as follows:

Those who voted in the affirmative were:

Aasness	Forsythe	Kvam	Olsen	Sherwood
Ainley	Frerichs	Laidig	Onnen	Stadum
Blatz	Gruenes	Lemen	Peterson, B.	Stowell
Carlson, D.	Halberg	Levi	Piepho	Stumpf
Dean	Haukoos	Ludeman	Redalen	Sviggum
Dempsey	Heap	Luknic	Rees	Valan
Den Ouden	Heinitz	Marsh	Reif	Valento
Drew	Himle	McDonald	Rose	Weaver
Erickson	Hoberg	Mehrrens	Rothenberg	Welker
Esau	Hokr	Nelsen, B.	Schafer	Wieser
Evans	Jennings	Niehaus	Schreiber	Wigley
Ewald	Kaley	Nysether	Shea	Zubay
Fjoslien	Kalis	Ogren	Sherman	

Those who voted in the negative were:

Anderson, B.	Eken	Kelly	O'Connor	Sieben, M.
Anderson, I.	Elioff	Lehto	Osthoff	Simoneau
Battaglia	Ellingson	Long	Otis	Staten
Begich	Greenfield	Mann	Peterson, D.	Swanson
Berkelman	Gustafson	McCarron	Pogemiller	Tomlinson
Brandl	Harens	McEachern	Reding	Vanasek
Byrne	Hauge	Minne	Rice	Vellenga
Carlson, L.	Hokanson	Munger	Rodriguez, C.	Voss
Clark, J.	Jacobs	Murphy	Rodriguez, F.	Welch
Clark, K.	Johnson, C.	Nelson, K.	Samuelson	Wenzel
Clawson	Jude	Norton	Sarna	Wynia
Dahlvang	Kahn	Novak	Schoenfeld	Spkr. Sieben, H.

The motion prevailed.

McCarron moved to amend S. F. No. 378, the unofficial engrossment, as amended, as follows:

Page 2, line 1, after "time" delete "*including permanently,*"

The question was taken on the amendment and the roll was called. There were 56 yeas and 56 nays as follows:

Those who voted in the affirmative were:

Aasness	Fjoslien	McDonald	Sarna	Welker
Ainley	Frerichs	McEachern	Schafer	Wieser
Anderson, B.	Gruenes	Mehrkens	Schoenfeld	Wigley
Anderson, I.	Harens	Nelsen, B.	Schreiber	Zubay
Battaglia	Heap	O'Connor	Sherwood	
Begich	Himle	Osthoff	Stadum	
Berkelman	Hoberg	Peterson, B.	Stowell	
Dahlvang	Jacobs	Piepho	Svigum	
Dempsey	Jennings	Redalen	Valan	
Den Ouden	Laidig	Rees	Valento	
Drew	Lemen	Rose	Voss	
Esau	Ludeman	Rothenberg	Weaver	
Ewald	McCarron	Samuelson	Welch	

Those who voted in the negative were:

Blatz	Gustafson	Levi	Otis	Staten
Brandl	Halberg	Long	Peterson, D.	Stumpf
Byrne	Hauge	Luknic	Pogemiller	Swanson
Carlson, L.	Haukoos	Marsh	Reding	Tomlinson
Clark, J.	Heinitz	Minne	Reif	Vellenga
Clark, K.	Hokanson	Murphy	Rice	Wenzel
Eken	Hokr	Niehaus	Rodriguez, C.	Wynia
Elioff	Kahn	Norton	Rodriguez, F.	Spkr. Sieben, H.
Erickson	Kaley	Novak	Shea	
Evans	Kalis	Ogren	Sherman	
Forsythe	Kvam	Olsen	Sieben, M.	
Greenfield	Lehto	Onnen	Simoneau	

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

McCarron moved to amend S. F. No. 378, the unofficial engrossment, as amended, as follows:

Page 2, line 2, strike "without regard to marital misconduct,"

The question was taken on the amendment and the roll was called. There were 70 yeas and 38 nays as follows:

Those who voted in the affirmative were:

Aasness	Fjoslien	Ludeman	Onnen	Sherman
Ainley	Forsythe	Luknic	Osthoff	Sherwood
Anderson, B.	Frerichs	Mann	Piepho	Simoneau
Anderson, I.	Gruenes	Marsh	Redalen	Stadum
Blatz	Gustafson	McCarron	Rees	Stowell
Carlson, D.	Halberg	McDonald	Reif	Sviggum
Dahlvang	Haukoos	McEachern	Rose	Swanson
Dempsey	Heap	Mehrkens	Rothenberg	Valan
Den Ouden	Himle	Nelsen, B.	Samuelson	Valento
Drew	Hoberg	Niehaus	Sarna	Weaver
Erickson	Jennings	Nysether	Schafer	Welker
Esau	Kaley	O'Connor	Schoenfeld	Wieser
Evans	Laidig	Ogren	Schreiber	Wigley
Ewald	Lemen	Olsen	Shea	Zubay

Those who voted in the negative were:

Battaglia	Elioff	Lehto	Peterson, B.	Vellenga
Begich	Greenfield	Levi	Peterson, D.	Voss
Brandl	Hauge	Long	Pogemiller	Welch
Carlson, L.	Heinitz	Minne	Reding	Wenzel
Clark, J.	Hokanson	Murphy	Rodriguez, C.	Wynia
Clark, K.	Jacobs	Norton	Rodriguez, F.	Spkr. Sieben, H.
Clawson	Kahn	Novak	Sieben, M.	
Eken	Kvam	Otis	Staten	

The motion prevailed and the amendment was adopted.

Rice moved to amend H. F. No. 1576, the first engrossment, as amended, as follows:

Page 8, delete section 8

Amend the title as follows:

Page 1, line 15, after "1" delete the comma and insert "and"

Page 1, line 15, delete ", and 5"

The question was taken on the amendment and the roll was called. There were 46 yeas and 47 nays as follows:

Those who voted in the affirmative were:

Anderson, I.	Begich	Byrne	Carlson, L.	Clark, K.
Battaglia	Brandl	Carlson, D.	Clark, J.	Dahlvang

Eken	Jude	Nelson, K.	Reding	Vanasek
Elioff	Kelly	Norton	Rice	Vellenga
Ellingson	Lehto	Novak	Rodriguez, F.	Wenzel
Greenfield	Luknic	Ogren	Rose	Wynia
Gustafson	Mann	Osthoff	Samuelson	
Halberg	McEachern	Otis	Sarna	
Hauge	Minne	Peterson, D.	Simoneau	
Hokanson	Murphy	Pogemiller	Staten	

Those who voted in the negative were:

Aasness	Forsythe	Kaley	Peterson, B.	Sviggum
Ainley	Frerichs	Kalis	Piepho	Valan
Berkelman	Gruenes	Laidig	Rees	Valento
Blatz	Haukoos	Lemen	Reif	Weaver
Dempsey	Heap	Ludeman	Schafer	Welker
Den Ouden	Heinitz	Marsh	Schreiber	Wieser
Drew	Himle	McDonald	Sherman	Wigley
Erickson	Hoberg	Nelsen, B.	Sherwood	
Esau	Hokr	Niehaus	Stadum	
Fjoslien	Jennings	Onnen	Stowell	

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

There being no objection the order of business reverted to Reports of Standing Committees.

REPORTS OF STANDING COMMITTEES

Wenzel from the Committee on Agriculture to which was referred:

H. F. No. 1099, A bill for an act relating to agriculture; providing an additional tax on certain capital gains from the sale of agricultural land; amending Minnesota Statutes 1980, Section 290.01, Subdivision 20; proposing new law coded in Minnesota Statutes, Chapter 290.

Reported the same back with the following amendments:

Page 1, after line 14, insert *"The tax shall not be imposed if a penalty tax is imposed on the sale or exchange pursuant to section 41.59, subdivision 2."*

Page 1, line 24, delete *"shall apply to"* and insert *"applied without regard to this section shall"*

Page 2, line 13, delete *"5"* and insert *"4"*, delete *"6"* and insert *"5"*

Page 2, line 14, after *"land"* insert *", including any class 3B acreage as defined in section 273.13, subdivision 6,"* and delete *"has been"* and insert *"is"*

Page 2, line 16, delete "*for at least a*" and insert "*, or qualifies as a family farm corporation pursuant to section 500.24, subdivision 2, clause (c), or qualifies as an authorized farm corporation pursuant to section 500.24, subdivision 2, clause (d),*"

Page 2, line 17, delete "*period of two years immediately prior to the year*" and insert "*at the time*"

Page 2, line 22, after the comma, insert "*or if the sale is the result of an eminent domain action*"

Pages 2 to 12, delete section 2 and insert:

"Sec. 2. Minnesota Statutes 1981 Supplement, Section 290.-01, Subdivision 20, as amended by Laws 1981, Third Special Session Chapter 2, Article III, Section 2, is amended to read:

Subd. 20. [GROSS INCOME.] Except as otherwise provided in this chapter, the term "gross income," as applied to corporations includes every kind of compensation for labor or personal services of every kind from any private or public employment, office, position or services; income derived from the ownership or use of property; gains or profits derived from every kind of disposition of, or every kind of dealing in, property; income derived from the transaction of any trade or business; and income derived from any source; except that gross income shall not include "exempt function income" of a "home-owners association" as those terms are defined in Section 528 of the Internal Revenue Code of 1954, as amended through December 31, 1980.

The term "gross income" in its application to individuals, estates, and trusts shall mean the adjusted gross income as defined in the Internal Revenue Code of 1954, as amended through the date specified herein for the applicable taxable year, with the modifications specified in this subdivision. For estates and trusts the adjusted gross income shall be their federal taxable income as defined in the Internal Revenue Code of 1954, as amended through the date specified herein for the applicable taxable year, with the modifications specified in this subdivision and with the modification that the federal deduction for personal exemptions for trusts and estates shall not be allowed.

(i) The Internal Revenue Code of 1954, as amended through December 31, 1974, shall be in effect for the taxable years beginning after December 31, 1974.

(ii) The Internal Revenue Code of 1954, as amended through December 31, 1976, including the amendments made to section 280A (relating to licensed day care centers) in H. R. 3477 as it passed the Congress on May 16, 1977, shall be in effect for

the taxable years beginning after December 31, 1976. The provisions of the Tax Reform Act of 1976, P.L. 94-455, which affect adjusted gross income shall become effective for purposes of this chapter at the same time they become effective for federal income tax purposes. Section 207 (relating to extension of period for nonrecognition of gain on sale or exchange of residence) and section 402 (relating to time for making contributions to pension plans of self employed people) of P.L. 94-12 shall be effective for taxable years beginning after December 31, 1974.

The provisions of section 4 of P.L. 95-458, sections 131, 133, 134, 141, 152, 156, 157, 405, and 543 of P.L. 95-600, and section 2 of P.L. 96-608 (relating to pensions, individual retirement accounts, deferred compensation plans, the sale of a residence and to conservation payments to farmers) including the amendments made to these sections in P.L. 96-222 shall be effective at the same time that these provisions became effective for federal income tax purposes.

(iii) The Internal Revenue Code of 1954, as amended through December 31, 1979, shall be in effect for taxable years beginning after December 31, 1979.

(iv) The Internal Revenue Code of 1954, as amended through December 31, 1980, and as amended by sections 302(b) and 501 to 509 of Public Law Number 97-34, shall be in effect for taxable years beginning after December 31, 1980 including the provisions of section 404 (relating to partial exclusions of dividends and interest received by individuals) of the Crude Oil Windfall Profit Tax Act of 1980, P.L. 96-223. The provisions of P.L. 96-471 (relating to installment sales) and sections 501 to 507, of the Economic Recovery Tax Act of 1981, Public Law Number 97-34 shall be effective at the same time that they become effective for federal income tax purposes.

References to the Internal Revenue Code of 1954 in clauses (a), (b) and (c) following shall mean the code in effect for the purpose of defining gross income for the applicable taxable year.

(a) Modifications increasing federal adjusted gross income. There shall be added to federal adjusted gross income:

(1) Interest income on obligations of any state other than Minnesota or a political subdivision of any other state exempt from federal income taxes under the Internal Revenue Code of 1954;

(2) A business casualty loss if the taxpayer elected to deduct the loss on the current year's federal income tax return but had deducted the loss on the previous year's Minnesota income tax return;

(3) Income taxes imposed by this state or any other taxing jurisdiction, to the extent deductible in determining federal adjusted gross income and not credited against federal income tax;

(4) Interest on indebtedness incurred or continued to purchase or carry securities the income from which is exempt from tax under this chapter, to the extent deductible in determining federal adjusted gross income;

(5) Amounts received as reimbursement for an expense of sickness or injury which was deducted in a prior taxable year to the extent that the deduction for the reimbursed expenditure resulted in a tax benefit;

(6) The amount of any federal income tax overpayment for any previous taxable year, received as refund or credited to another taxable year's income tax liability, proportionate to the percentage of federal income tax that was claimed as a deduction in determining Minnesota income tax for the previous taxable year. The amount of the federal income tax overpayment shall be reported only to the extent that the amount resulted in a reduction of the tax imposed by this chapter.

The overpayment refund or credit, determined with respect to a husband and wife on a joint federal income tax return for a previous taxable year, shall be reported on joint, combined, or separate Minnesota income tax returns. In the case of combined or separate Minnesota returns, the overpayment shall be reported by each spouse proportionately according to the relative amounts of federal income tax claimed as a deduction on his or her combined or separate Minnesota income tax return for such previous taxable year;

(7) In the case of a change of residence from Minnesota to another state or nation, the amount of moving expenses which exceed total reimbursements and which were therefore deducted in arriving at federal adjusted gross income;

(8) The amount of any increase in the taxpayer's federal tax liability under section 47 of the Internal Revenue Code of 1954 to the extent of the credit under section 38 of the Internal Revenue Code of 1954 that was previously allowed as a deduction either under section 290.01, subdivision 20 (b) (7);

(9) Expenses and losses arising from a farm which are not allowable under section 290.09, subdivision 29;

(10) Expenses and depreciation attributable to substandard buildings disallowed by section 290.101;

(11) The amount by which the gain determined pursuant to section 41.59, subdivision 2 exceeds the amount of such gain included in federal adjusted gross income;

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

(13) Interest income from qualified scholarship funding bonds as defined in section 103(e) of the Internal Revenue Code of 1954, if the nonprofit corporation is domiciled outside of Minnesota;

(14) Exempt-interest dividends, as defined in section 852(b)(5)(A) of the Internal Revenue Code of 1954, not included in federal adjusted gross income pursuant to section 852(b)(5)(B) of the Internal Revenue Code of 1954, except for that portion of exempt-interest dividends derived from interest income on obligations of the state of Minnesota, any of its political or governmental subdivisions, any of its municipalities, or any of its governmental agencies or instrumentalities;

(15) The amount of any excluded gain recognized by a trust on the sale or exchange of property as defined in section 641(c)(1) of the Internal Revenue Code of 1954;

(16) For taxable years beginning after December 31, 1980 but before January 1, 1983, in the case of recovery property within the meaning of section 168 of the Internal Revenue Code of 1954 as amended through December 31, 1981, the amount allowed under section 167 of the Internal Revenue Code;

(17) To the extent not included in the taxpayer's federal adjusted gross income, the amount of any gain, from the sale or other disposition of property having a lower adjusted basis for Minnesota income tax purposes than for federal income tax purposes. This modification shall not exceed the difference in basis. If the gain is considered a long term capital gain for federal income tax purposes, the modification shall be limited to 40 percent of the portion of the gain. *If the property is subject to an additional tax pursuant to section 1, the modification shall be limited to that percentage of the portion of the gain which is included in gross income pursuant to this subdivision.* This modification is limited to property that qualified for the energy credit contained in section 290.06, subdivision 14, and to property acquired in exchange for the release of the taxpayer's marital rights contained in section 290.14, clause (9);

(18) The amount of any loss from a source outside of Minnesota which is not allowed under section 290.17 including any capital loss or net operating loss carryforwards or carrybacks resulting from the loss;

(19) The amount of a distribution from an individual housing account which is to be included in gross income as required under section 290.08, subdivision 25;

(20) To the extent deducted in computing the taxpayer's federal adjusted gross income, interest, taxes and other expenses which are not allowed under section 290.10, clause (9) or (10);

(21) To the extent excluded from federal adjusted gross income, in the case of a city manager or city administrator who elects to be excluded from the public employees retirement association and who makes contributions to a deferred compensation program pursuant to section 353.028, the amount of contributions made by the city manager or administrator which is equal to the amount which would have been the city manager's or administrator's employee contribution pursuant to section 353.27, subdivision 2, if he were a member of the public employees retirement association; (AND)

(22) For taxable years beginning after December 31, 1980 but before January 1, 1983, in the case of section 179 property within the meaning of the Internal Revenue Code of 1954, the amount allowed as a deduction under section 179 of the Internal Revenue Code; and

(23) An amount equal to the percentage of the gain from the sale or exchange of agricultural land on which an additional tax is imposed pursuant to section 1.

(b) Modifications reducing federal adjusted gross income. There shall be subtracted from federal adjusted gross income:

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

(2) The portion of any gain, from the sale or other disposition of property having a higher adjusted basis for Minnesota income tax purposes than for federal income tax purposes, that does not exceed such difference in basis; but if such gain is considered a long-term capital gain for federal income tax purposes, the modification shall be limited to 60 per centum of the portion of the gain. *If the property is subject to an additional tax pursuant to section 1, the modification shall be limited to that percentage of the portion of the gain which is excluded from gross income pursuant to this subdivision.* This modification shall not be applicable if the difference in basis is due to disallowance of depreciation pursuant to section 290.101.

(3) Interest or dividend income on securities to the extent exempt from income tax under the laws of this state authorizing the issuance of the securities but includible in gross income for federal income tax purposes;

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

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

(6) To the extent included in federal adjusted gross income, or the amount reflected as the ordinary income portion of a lump sum distribution under section 402(e) of the Internal Revenue Code of 1954, notwithstanding any other law to the contrary, the amount received by any person (i) from the United States, its agencies or instrumentalities, the Federal Reserve Bank or from the state of Minnesota or any of its political or governmental subdivisions or from any other state or its political or governmental subdivisions, or a Minnesota volunteer firefighter's relief association, by way of payment as a pension, public employee retirement benefit, or any combination thereof, or (ii) as a retirement or survivor's benefit made from a plan qualifying under section 401, 403, 404, 405, 408, 409 or 409A of the Internal Revenue Code of 1954. The maximum amount of this subtraction shall be \$11,000 less the amount by which the individual's federal adjusted gross income, plus the ordinary income portion of a lump sum distribution as defined in section 402(e) of the Internal Revenue Code of 1954, exceeds \$17,000. In the case of a volunteer firefighter who receives an involuntary lump sum distribution of his pension or retirement benefits, the maximum amount of this subtraction shall be \$11,000; this subtraction shall not be reduced by the amount of the individual's federal adjusted gross income in excess of \$17,000;

(7) The amount of any credit to the taxpayer's federal tax liability under section 38 of the Internal Revenue Code of 1954 but only to the extent that the credit is connected with or allocable against the production or receipt of income included in the measure of the tax imposed by this chapter;

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

(9) The amount of any distribution from a qualified pension or profit sharing plan included in federal adjusted gross income

in the year of receipt to the extent of any contribution not previously allowed as a deduction by reason of a change in federal law which was not adopted by Minnesota law for a taxable year beginning in 1974 or later;

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

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

(12) The amount of any income earned for personal services rendered outside of Minnesota prior to the date when the taxpayer became a resident of Minnesota. This modification does not apply to compensation defined in clause (b) (6);

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

(14) In the case of work incentive program expenses paid or incurred on or after January 1, 1979, the amount of any credit for expenses of work incentive programs under sections 40, 50A and 50B of the Internal Revenue Code of 1954 which is claimed as a credit against the taxpayer's federal tax liability, but only to the extent that the credit is connected with or allocable against the production or receipt of income included in the measure of the tax imposed by this chapter;

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

(16) To the extent included in federal adjusted gross income, severance pay that may be treated as a lump sum distribution under the provisions of section 290.032, subdivision 5;

(17) The amount of any income or gain which is not assignable to Minnesota under the provisions of section 290.17;

(18) Minnesota exempt-interest dividends as provided by subdivision 27;

(19) A business casualty loss which the taxpayer elected to deduct on the current year's Minnesota income tax return but did not deduct on the current year's federal income tax return; and

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

(21) To the extent included in federal adjusted gross income, in the case of a city manager or city administrator who elects to be excluded from the public employees retirement association and who makes contributions to a deferred compensation program pursuant to section 353.028, the amount of payments from the deferred compensation program equivalent to the amount of contributions taxed under clause (a)(21);

(22) Contributions to and interest earned on an individual housing account as provided by section 290.08, subdivision 25;

(23) Interest earned on a contract for deed entered into for the purchase of property for agricultural use if the rate of interest set in the contract is no more than eight percent per year for the duration of the term of the contract. This exclusion shall be available only if (1) the purchaser is an individual who, together with his spouse and dependents, has a total net worth valued at less than \$150,000 and (2) the property purchased under the contract is farm land as defined in section 41.52, subdivision 6 of no more than 1,000 acres that the purchaser intends to use for agricultural purposes. Compliance with these requirements shall be stated in an affidavit to be filed with the first income tax return on which the taxpayer claims the exclusion provided in this clause. Upon request accompanied by the information necessary to make the determination, the commissioner shall determine whether interest to be paid on a proposed transaction will qualify for this exclusion; the determination shall be provided within 30 days of receipt of the request, unless the commissioner finds it necessary to obtain additional information, or verification of the information provided, in which case the determination shall be provided within 30 days of receipt of the final item of information or verification. The exclusion provided in this clause shall apply to interest earned on contracts for deed entered into after December 31, 1981 and before July 1, 1983;

(24) For the taxable year beginning after December 31, 1980, but before January 1, 1982, an amount equal to 85 percent of the deduction allowed under section 168 of the Internal Revenue Code of 1954 as amended through December 31, 1981. For the taxable year beginning after December 31, 1981 but before

January 1, 1983, 83 percent of the deduction allowed under section 168 of the Internal Revenue Code of 1954 as amended through December 31, 1981. The depreciation adjustments made to basis in the case of recovery property within the meaning of section 168 of the Internal Revenue Code of 1954 as amended through December 31, 1981 shall be the depreciation adjustments made for federal income tax purposes under the Internal Revenue Code of 1954, as amended through December 31, 1981. Adoption of this provision shall not be construed as indicating the intent of the legislature to enact provisions authorizing amortization of the amount of depreciation not excludable under this clause; and

(25) For taxable years beginning after December 31, 1980 but before January 1, 1983, an amount equal to the deduction allowed under section 179 of the Internal Revenue Code of 1954 as amended through December 31, 1981.

(c) A modification affecting shareholders of electing small business corporations under section 1372 of the Internal Revenue Code of 1954 shall be made.

In cases where the election under section 1372 of the Internal Revenue Code of 1954 antedates the election under this chapter and at the close of the taxable year immediately preceding the effective election under this chapter the corporation has a reserve of undistributed taxable income previously taxed to shareholders under the provisions of the Internal Revenue Code of 1954, in the event and to the extent that the reserve is distributed to shareholders the distribution shall be taxed as a dividend for purposes of this chapter.

(d) Amounts transferred from a reserve or other account, if in effect transfers to surplus, shall, to the extent that the amounts were accumulated through deductions from gross income or entered into the computation of taxable net income during any taxable year, be treated as gross income for the year in which the transfer occurs, but only to the extent that the amounts resulted in a reduction of the tax imposed by this chapter and amounts received as refunds on account of taxes deducted from gross income during any taxable year shall be treated as gross income for the year in which actually received, but only to the extent that such amounts resulted in a reduction of the tax imposed by this chapter.

(e) Modification in computing taxable income of the estate of a decedent. Amounts allowable under section 291.07, subdivision 1, clause (2) in computing Minnesota inheritance or estate tax liability shall not be allowed as a deduction (or as an offset against the sales price of property in determining gain or loss) in computing the taxable income of the estate or any person unless there is filed within the time and in the manner and form prescribed by the commissioner a statement that the amounts

have not been allowed as a deduction under section 291.07 and a waiver of the right to have the amounts allowed at any time as deductions under section 291.07. The provisions of this paragraph shall not apply with respect to deductions allowed under section 290.077 (relating to income in respect of decedents). In the event that the election made for federal tax purposes under section 642(g) of the Internal Revenue Code of 1954 differs from the election made under this paragraph appropriate modification of the estate's federal taxable income shall be made to implement the election made under this paragraph in accordance with regulations prescribed by the commissioner.

Sec. 3. Minnesota Statutes 1981 Supplement, Section 290.091, as amended by Laws 1981, Third Special Session Chapter 2, Article III, Section 9, is amended to read:

290.091 [MINIMUM TAX ON PREFERENCE ITEMS.]

In addition to all other taxes imposed by this chapter there is hereby imposed, a tax which, in the case of a resident individual, shall be equal to 40 percent of the amount of the taxpayer's minimum tax liability for tax preference items pursuant to the provisions of sections 55 to 58 and 443(d) of the Internal Revenue Code of 1954 as amended through December 31, 1980 except that for purposes of the tax imposed by this section, capital gain as defined in section 57(a) of the Internal Revenue Code shall not include that portion of any gain occasioned by sale, transfer or the granting of a perpetual easement pursuant to any eminent domain proceeding or threat thereof as described in section 290.13, subdivision 5. This modification shall apply to the years in which the gain or reduction in loss is actually included in federal adjusted gross income even though amounts received pursuant to the eminent domain proceedings were received in prior years. *The portion of capital gain on which an additional tax is imposed pursuant to section 1 shall not be a tax preference item.* In the case of a resident individual, having preference items which could not be taken to reduce income from sources outside the state pursuant to section 290.17, subdivision 1, or any other taxpayer the tax shall equal 40 percent of that federal liability, multiplied by a fraction the numerator of which is the amount of the taxpayer's preference item income allocated to this state pursuant to the provisions of sections 290.17 to 290.20, and the denominator of which is the taxpayer's total preference item income for federal purposes."

Renumber the section

Page 12, after line 20, insert:

"This act shall not apply to sales or exchanges of agricultural land which was acquired prior to the day of final enactment."

Amend the title as follows:

Page 1, line 4, delete everything after "amending"

Page 1, line 5, delete everything before "proposing" and insert "Minnesota Statutes 1981 Supplement, Sections 290.01, Subdivision 20, as amended; and 290.091, as amended;"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Taxes.

The report was adopted.

Sieben, M., from the Committee on Appropriations to which was referred:

H. F. No. 2003, A bill for an act relating to state government; ratifying state employee and University of Minnesota labor agreements and compensation plans; providing increases in statutory salaries for certain officers; clarifying meet and confer status for professional employees; providing final offer arbitration for all arbitrated public employee impasses under PELRA; cancelling an appropriation reduction; amending Minnesota Statutes 1980, Sections 15A.081, Subdivision 7; 15A.083, Subdivisions 1, 2, and 4; 179.66, Subdivision 7; 179.72, Subdivision 7; 299D.03, Subdivision 2; Minnesota Statutes 1981 Supplement, Section 15A.081, Subdivision 1; 15A.083, Subdivision 7; Laws 1979, Chapter 332, Article I, Section 116, as amended; repealing Minnesota Statutes 1980, Sections 179.72, Subdivisions 7a and 7b; 299C.041; and 299D.03, Subdivision 3.

Reported the same back with the following amendments:

Page 2, line 22, delete "\$39,900" and insert "\$39,000"

Page 3, after line 6, insert:

<i>"Employee relations, department of commissioner</i>	\$50,200	\$53,600
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Page 3, strike lines 17 to 19

Page 3, delete line 20

Page 4, strike lines 4 to 7

Page 4, delete line 8

Page 4, strike lines 17 to 19

Page 4, delete line 20

Page 5, line 18, reinstate the stricken language

Page 5, delete line 19

Page 5, after line 23, insert:

*“Waste management board,
chairman \$45,000 \$48,100*

Sec. 2. [486.055] [COURT REPORTER TRANSCRIPT FEE CHARGES; REPORTING REQUIREMENTS.]

Subdivision 1. [REPORTING REQUIREMENTS.] Each court reporter who charges a fee for the preparation of transcripts shall by April 15 of each year file with the district administrator of his judicial district and the county commissioners of the district an accounting of gross receipts for the prior calendar year. The accounting report shall specify the amount received in payment for the sale of transcripts.”

Page 9, line 18, after “restricted” insert “, if the parties agree in writing to so limit the panel’s jurisdiction, except as provided by subdivision 7b”

Page 9, line 19, after “panel” insert “, or the final offer of one or the other party in its entirety”

Page 10, after line 13, insert a new section to read:

“Sec. 10. Minnesota Statutes 1980, Section 179.72, Subdivision 7b, is amended to read:

Subd. 7b. Notwithstanding the provisions of subdivision 7, for (ESSENTIAL EMPLOYEES,) supervisory employees, confidential employees, and principals and assistant principals who are not employees of the executive branch of the state of Minnesota, the panel shall be restricted to selecting between the final offers on each impasse item submitted by the parties to the panel.”

Page 13, line 9, reinstate “1981” and delete “1982”

Page 13, line 12, delete “1982” and insert “1983”

Page 15, after line 29, insert:

“Sec. 15. [INTERIM APPROVAL.]

After adjournment of the 1982 session of the legislature, the legislative commission on employee relations may give interim approval to a negotiated agreement, arbitration award, salary supplement, or compensation plan submitted to it in accordance

with other law. The legislative commission on employee relations shall submit the agreement, award, salary supplement, or plan to the entire legislature for ratification in the same manner and with the same effect as provided in section 179.74, subdivision 5."

Page 15, after line 33, insert:

"Sec. 17. [SALARY OF EXECUTIVE SECRETARY; HIGHER EDUCATION COORDINATING BOARD.]

Notwithstanding any other law to the contrary, the higher education coordinating board may establish the salary of its executive director.

Sec. 18. [COURT REPORTERS.]

The departmental and classification seniority of an individual who was employed as a court reporter in state service prior to his appointment as a court reporter in the office of administrative hearings pursuant to Laws 1975, Chapter 380, Section 16, shall carry forward and be credited to his employment with the office of administrative hearings.

Sec. 19. [REVIEW OF EXECUTIVE POSITIONS.]

The legislative commission on employee relations is directed to review the executive positions contained in section 15A.081, those that have been removed through legislative action, and those that have never been included. This review shall consider managerial and programmatic responsibilities and authority, the skill and effort required by each position, and compensation accorded. The commission may utilize the findings of the 1980 governor's task force on executive and judicial compensation. The commission shall report back to the legislature by February 15, 1983, its recommendations relative to appropriate inclusion in section 15A.081 and equitable compensation for comparable executive positions."

Page 16, line 2, delete "Subdivisions" and insert "Subdivision"

Page 16, line 3, delete "and 7b"

Page 16, after line 3, insert:

"Sec. 24. [APPROPRIATION; GENERAL FUND.]

Subdivision 1. The sums contained in this section are appropriated from the general fund to be available for the fiscal year ending June 30 of the years indicated.

Subd. 2. There is appropriated to the commissioner of finance for the purpose of paying compensation increases as authorized by sections 1 to 6.

1982

1983

\$985,300 \$1,996,400

Subd. 3. There is appropriated to the bureau of mediation services pursuant to section 13.

1983

\$121,000

Sec. 25. [APPROPRIATIONS; OTHER FUNDS.]

The amounts necessary to pay compensation and economic benefit increases authorized by this act are appropriated to the commissioner of finance for the fiscal years ending June 30, 1982, and June 30, 1983, from the funds in the state treasury, other than the general fund, from which salaries are paid."

Re-number the sections

Correct the cross references

Amend the title as follows:

Page 1, line 6, delete "providing" and insert "extending"

Page 1, line 7, delete "for all arbitrated" and insert "to certain"

Page 1, line 8, after "PELRA;" insert "removing it for others except on a voluntary basis; appropriating money;"

Page 1, line 12, after "7" insert "and 7b"

Page 1, line 15, after the semicolon insert; "proposing new law coded in Minnesota Statutes, Chapter 486;"

Page 1, line 17, delete "Subdivisions" and insert "Subdivision"

Page 1, line 17, delete "and 7b"

With the recommendation that when so amended the bill pass.

The report was adopted.

Sieben, M., from the Committee on Appropriations to which was referred:

H. F. No. 2249, A bill for an act relating to appropriations; appropriating money to the housing development fund for certain purposes.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. [HOUSING CONSTRUCTION REAPPROPRIATION.]

The appropriation of \$200,000 from the general fund by Laws 1981, Chapter 306, Section 21, clause (c) is cancelled and reappropriated to the housing development fund created in Minnesota Statutes, Section 462A.20, to be used in connection with the financing of developments, all or a portion of the units of which are eligible for subsidy pursuant to Section 8 of the United States Housing Act of 1937, as amended to March 1, 1982. The appropriation may be used either (a) to make loans, with or without interest, pursuant to Minnesota Statutes, Section 462A.05, Subdivisions 1 and 3; or (b) to be paid into accounts of the agency for the purpose of making payments required by a resolution for the issuance of its notes or bonds, as permitted by Minnesota Statutes, Section 462A.10, Subdivision 4. The agency shall establish an account in the fund to record the receipt and disbursement of the amounts appropriated and any other amounts transferred to this account pursuant to Minnesota Statutes, Section 462A.20, Subdivision 3.

Sec. 2. [EFFECTIVE DATE.]

This act is effective the day following final enactment.”

Amend the title as follows:

Page 1, line 2, delete “appropriating” and insert “canceling and reappropriating”

With the recommendation that when so amended the bill pass.

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 2003 and 2249 were read for the second time.

MOTIONS AND RESOLUTIONS

Jacobs moved that his name be stricken as an author on H. F. No. 2228. The motion prevailed.

Battaglia moved that his name be stricken as an author on H. F. No. 1477. The motion prevailed.

Stumpf moved that the name of Anderson, G., be shown as chief author and the name of Stumpf be shown as third author on H. F. No. 2243. The motion prevailed.

Reding moved that S. F. No. 1567 be recalled from the Committee on Judiciary and together with H. F. No. 1581, now on the Technical Consent Calendar, be referred to the Chief Clerk for comparison. The motion prevailed.

Olsen moved that her name be stricken as an author on H. F. No. 2087. The motion prevailed.

ADJOURNMENT

Eken moved that when the House adjourns today it adjourn until 2:00 p.m., Monday, March 1, 1982. The motion prevailed.

Eken moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 2:00 p.m., Monday, March 1, 1982.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

STATE OF MINNESOTA

SEVENTY-SECOND SESSION - 1982

SEVENTY-EIGHTH DAY

SAINT PAUL, MINNESOTA, MONDAY, MARCH 1, 1982

The House of Representatives convened at 2:00 p.m. and was called to order by Harry A. Sieben, Jr., Speaker of the House.

Prayer was offered by Rabbi A. Goodman, Adath Jeshurun Synagogue, Minneapolis, Minnesota.

The roll was called and the following members were present:

Aasness	Esau	Kalis	Nysether	Sherwood
Ainley	Evans	Kelly	Ogren	Sieben, M.
Anderson, B.	Ewald	Knickerbocker	Olsen	Simoneau
Anderson, G.	Fjoslien	Kostohryz	Onnen	Skoglund
Anderson, I.	Forsythe	Kvam	Osthoff	Stadum
Battaglia	Frerichs	Laidig	Otis	Staten
Begich	Greenfield	Lemen	Peterson, B.	Stowell
Berkelman	Gruenes	Levi	Peterson, D.	Stumpf
Blatz	Gustafson	Long	Piepho	Sviggum
Brandl	Halberg	Ludeman	Pogemiller	Swanson
Brinkman	Harens	Luknic	Redalen	Tomlinson
Byrne	Hauge	Mann	Reding	Valan
Carlson, D.	Haukoos	Marsh	Rees	Valento
Carlson, L.	Heap	McCarron	Reif	Vanasek
Clark, J.	Heinitz	McDonald	Rice	Vellenga
Clark, K.	Himle	McEachern	Rodriguez, C.	Weaver
Clawson	Hoberg	Mehrkens	Rodriguez, F.	Welch
Dahlvang	Hokanson	Metzen	Rose	Welker
Dean	Hokr	Minne	Rothenberg	Wenzel
Dempsey	Jacobs	Munger	Samuelson	Wieser
Den Ouden	Jennings	Murphy	Sarna	Wigley
Drew	Johnson, C.	Nelsen, B.	Schafer	Wynia
Eken	Johnson, D.	Nelson, K.	Schoenfeld	Zubay
Elioff	Jude	Niehaus	Searles	Spkr. Sieben, H.
Ellingson	Kahn	Norton	Shea	
Erickson	Kaley	Novak	Sherman	

A quorum was present.

Anderson, R.; Hanson; O'Connor and Voss were excused.

Schreiber was excused until 3:35 p.m. Lehto was excused until 4:00 p.m.

The Chief Clerk proceeded to read the Journal of the preceding day. Vanasek moved that further reading of the Journal be dispensed with and that the Journal be approved as corrected by the Chief Clerk. The motion prevailed.

REPORTS OF CHIEF CLERK

Pursuant to Rules of the House, printed copies of H. F. Nos. 1555, 1743, 1894, 1899, 1246, 1620, 1442, 917, 1879, 2008, 2249, 1336, 1581, 1997, 1455, 1576 and 2003 and S. F. Nos. 272 and 378 have been placed in the members' files.

S. F. No. 1107 and H. F. No. 1246, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Murphy moved that S. F. No. 1107 be substituted for H. F. No. 1246 and that the House File be indefinitely postponed. The motion prevailed.

REPORTS OF STANDING COMMITTEES

Norton from the Committee on Governmental Operations to which was referred:

H. F. No. 438, A bill for an act relating to retirement; Minneapolis teachers retirement fund association; providing for the purchase of military service credit by certain members; authorizing an amendment to the articles of incorporation of the retirement fund.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. [PURCHASE OF PRIOR SERVICE CREDIT.]

Subdivision 1. Notwithstanding any provision of law to the contrary, the following persons shall be entitled to purchase prior service credit from the appropriate retirement fund or association for service for which the person has not previously received service credit. The amount and manner of payment shall be governed by the provisions of section 2.

Subd. 2. From the Minnesota state retirement system, a member who has prior service as a labor service employee employed as a laborer 1 on an hourly basis between May 4, 1960 and December 26, 1961, and who is currently an employee of the department of natural resources, shall be entitled to purchase service credit for the period from May 4, 1960 to December 26, 1961.

Subd. 3. From the teachers retirement association, any member who was given a leave of absence to enter military service and who returned to teaching service upon discharge from military service as provided in Minnesota Statutes, Section 192.262, but who did not obtain credit for the period of military service within five years from the date of discharge, or any member who, prior to becoming a member of the fund, was given a leave of absence to enter military service and returned to teaching service upon discharge from military service as provided in Minnesota Statutes, Section 192.262, shall be entitled to purchase service credit for the period of military service, but service credit shall not be given for any voluntary extension of military service at the instance of the member beyond the initial period of enlistment, induction or call to duty.

Subd. 4. From the teachers retirement association, any member who rendered teaching service prior to July 1, 1957 as defined in Minnesota Statutes, Section 354.05, but who did not make the full required contributions for this service because of limited or permanent exempt status wherein membership in the association was optional or because of the contribution limits then in effect, shall be entitled to purchase service credit for any of the above periods of service.

Subd. 5. From the public employees retirement association, a basic member who served as county attorney for Lac Qui Parle county between January 1, 1951 and September 1, 1960, shall be entitled to purchase service credit for the period served as county attorney.

Subd. 6. From the public employees retirement association, a person who was employed by the St. Paul bureau of health from January 1948 to September 1953 and who contributed to the bureau of health retirement plan from February 1951 to September 1953, and who was reemployed by the city of St. Paul in the department of community services, division of public health from April 22, 1974 until December 31, 1981, shall be entitled to purchase service credit for the period from February 1951 to September 1953.

Subd. 7. From the Minneapolis teachers retirement fund association, if the articles of incorporation are amended pursuant to section 3, any member who has performed active military service as defined pursuant to Minnesota Statutes, Section 197.971, Subdivision 3, shall be entitled to purchase service credit for the period of prior military service for the lesser of either the actual military service without any voluntary extension beyond the initial period of military service or four years.

Subd. 8. From the Buhl police relief association, a member who has at least 15 years of service credit in the Buhl police relief association, and who was a member of the public employees police and fire fund for the period of probationary service and

who took a refund of the employee contributions at the end of the probationary period, shall be entitled to purchase service credit in the Buhl police relief association for the period of probationary service.

Subd. 9. From the teachers retirement association, any person who was born on May 29, 1932, who is employed as a elementary school principal by independent school district no. 316, Coleraine, who was employed as a high school teacher and coach by the Hackensack school district during the 1955-1956 school year, who was employed as a high school teacher and coach by the Kelliher school district during the 1956-1957 school year, and who served on active military duty from June 15, 1957 to December 14, 1957, shall be entitled to purchase credit for any period of teaching service or active military service for which the person does not have service credit.

Subd. 10. From the Minnesota state retirement system, a former member who was employed by the state department of taxation, income tax division, as a probationary employee from June 1942 until January 1943, and as a regular employee of that division until October 1946, and who is currently employed by the public employees retirement association, shall be entitled to purchase service credit for any portion of probationary service, which when added to the service credit obtained by the repayment of a refund authorized under Minnesota Statutes, Section 356.30, Subdivision 2, will enable the person to acquire twenty years of service credit.

Subd. 11. From the public employees retirement association, any person who was a member of the West St. Paul city council from January 1, 1972 to December 31, 1976, and who was a county commissioner for the county of Dakota from January 1, 1977 to December 31, 1980, shall be entitled to purchase service credit for the period from January 1, 1972 to December 31, 1976.

Subd. 12. From the Minnesota state retirement system, any employee or former employee of the department of employment services who was employed during the period June 1, 1941 to June 17, 1947, by the United States employment service and who became a public employee covered by one of the retirement funds enumerated in section 356.30, subdivision 3, subsequent to June 17, 1947, for the period of service with the United States employment service.

Sec. 2. [PAYMENT.]

Subdivision. 1. [CALCULATION OF PRESENT VALUE.] For the persons entitled to purchase prior service credit, there shall be paid to the applicable retirement fund or association an amount equal to the present value, on the date of payment, of the amount of the additional service pension or retirement annuity which would be obtained by virtue of the purchase of the additional service credit, using the interest rate specified in Minnesota Statutes, Section 356.215, Subdivision 4, Clause

(4), and the applicable mortality table adopted for the appropriate retirement fund or association and assuming continuous service until, and retirement at, the normal retirement age with the additional service credit purchased, for the appropriate retirement fund or association, or the age at the date of payment or of the agreement to pay, whichever is older, and a future salary history which includes annual salary increases at the salary increase rate specified in Minnesota Statutes, Section 356.215, Subdivision 4, Clause (4). The person requesting the purchase of prior service must establish in the records of the retirement fund or association proof of the service for which the purchase of prior service is requested. The manner of the proof of service shall be in accordance with procedures prescribed by the board of trustees of the fund or association or by the executive director.

Subd. 2. [PAYMENT OF PRESENT VALUE; CREDITING OF SERVICE.] Payment shall be made in one lump sum, unless the executive director of the appropriate retirement fund or association agrees to accept payment in installments over a period of not to exceed three years from the date of the agreement, with interest at a rate deemed appropriate by the executive director. The period of allowable service shall be credited to the account of the person only after receipt of full payment by the executive director.

Subd. 3. [OPTIONAL EMPLOYER PARTIAL PAYMENT.] Payment shall be made by the person entitled to purchase prior service, except that the current or former employer of the person may, at its discretion, pay all or any portion of the payment amount which exceeds an amount equal to the employee contribution rates in effect for the retirement fund during the period or periods of prior service applied to the actual salary rates in effect during the period or periods of prior service, plus interest at the rate of six percent per annum compounded annually from the date on which the contributions would otherwise have been made to the date on which the payment is made. If more than one person who is a current or former employee of an employing unit is eligible to purchase prior service, the governing body of the employing unit shall establish and implement a uniform policy on the payment by it of a portion of the purchase of prior service payment amount.

Subd. 4. [TIME LIMITATION ON AUTHORITY TO MAKE PAYMENT.] For the provisions of section 1, subdivisions 3 and 4, the authority to make a lump sum payment or the agreement to make payments in installments over a period of not to exceed three years shall expire on July 1, 1987. For the provisions of section 1, subdivision 7, payment shall be made on or before July 1, 1985, or the date the member terminates active service, whichever is earlier. For the remaining provisions of section 1, the authority to make a lump sum payment or to make an agreement to make installments shall expire on July 1, 1983.

Sec. 3. [MINNEAPOLIS TEACHERS RETIREMENT FUND ASSOCIATION; AUTHORIZATION OF AMENDMENT OF ARTICLES OF INCORPORATION.]

Authorization is hereby granted in accordance with Minnesota Statutes, Section 354A.12, Subdivision 4, for the Minneapolis teachers retirement fund association to amend its articles of incorporation to authorize its members to purchase military service credit.

A new subsection (18) may be added to article IX of the articles of incorporation to provide that an active member of the Minneapolis teachers retirement fund association who has acquired at least 15 years of service credit from the retirement fund association and who has performed active military service in the armed forces of the United States as defined pursuant to Minnesota Statutes, Section 197.971, Subdivision 3, shall be entitled upon application to purchase service credit for the period of active military service, which shall not exceed the lesser of the actual military service without any voluntary extension beyond the initial period of military service or four years. The period of military service purchased shall not include any period of service for which the member on the date of purchase is receiving retirement benefits from any federal, state or local public or governmental pension fund or plan other than the federal social security system.

To purchase the military service credit, the member shall pay the retirement fund an amount calculated pursuant to section 2. Payment may be made either in a lump sum or in installments by payroll deduction from the salary of the member. Service credit for the period of military service shall not be granted until full payment is received by the retirement fund and until sufficient documentation concerning the period of military service and the status of other public pension fund or plan credit for the period is provided to the retirement fund.

Sec. 4. [PURCHASE OF PRIOR SERVICE IN UNCLASSIFIED EMPLOYEES PLAN.]

Subdivision 1. [ENTITLEMENT.] A person who was employed by the legislature during the 1981 session and who is currently a permanent employee of the governor's office shall be entitled to purchase service credit for the period of prior intermittent legislative service.

Subd. 2. [PAYMENT; PROOF OF EMPLOYMENT.] The calculation of the payment to purchase prior service and proof of legislative employment shall be certified pursuant to Laws 1981, Chapter 297, Section 2, Subdivision 2, Paragraph 2, except that the matching employer contributions shall be at the discretion of the employer. The authority to make a lump sum payment

or to make an agreement to make installment payments shall expire on July 1, 1983.

Sec. 5. Minnesota Statutes 1981 Supplement, Section 354.46, Subdivision 2, is amended to read:

Subd. 2. [DEATH WHILE ELIGIBLE DESIGNATED BENEFICIARY BENEFIT.] *The surviving spouse of any member who has attained the age of at least 55 years and has credit for at least 20 years of allowable service or who has credit for at least 30 years of allowable service irrespective of age shall be entitled to (ELECT) joint and survivor annuity coverage in the event of death of the member prior to retirement (WHICH SHALL BE PAYABLE TO THE SURVIVING SPOUSE). (IF THE ELECTION IS MADE AND THE PERSON DIES PRIOR TO RETIREMENT, THE SURVIVING SPOUSE,)* If the surviving spouse does not elect to receive a surviving spouse benefit provided pursuant to subdivision 1, if applicable, or does not elect to receive a refund of accumulated member contributions provided pursuant to sections 354.47, subdivision 1, or 354.62, subdivision 5, clause (3), whichever is applicable, *the surviving spouse shall be entitled to receive, upon written application on a form prescribed by the executive director, a benefit equal to the second portion of a 100 percent joint and survivor annuity as provided pursuant to section 354.45 and computed pursuant to section 354.44, subdivisions 2, 6 or 7, whichever is applicable. If the member was a participant in the variable annuity division, the applicable portion of the benefit shall be computed pursuant to section 354.62, subdivision 5, clause (1). The benefit shall be payable for life.*

Sec. 6. [EFFECTIVE DATE.]

This act is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to retirement; authorizing certain persons in various retirement funds to purchase prior service credit and military service credit; authorizing an amendment to the articles of incorporation of the Minneapolis teachers retirement fund association; allowing a surviving spouse to elect a joint and survivor annuity under certain circumstances; amending Minnesota Statutes 1981 Supplement, Section 354.46, Subdivision 2."

With the recommendation that when so amended the bill pass.

The report was adopted.

Swanson from the Committee on Health and Welfare to which was referred:

H. F. No. 849, A bill for an act relating to health; prohibiting the possession of skunks; setting a penalty; proposing new law coded in Minnesota Statutes, Chapter 145.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. [145.365] [TRAFFICKING IN SKUNKS.]

Subdivision 1. [PROHIBITION.] In order to protect the public health and prevent human and domestic animal exposure to rabies, it shall be unlawful to:

(a) Import into or export out of this state any live skunk, for sale, barter, exchange or gift for any purpose whatsoever;

(b) Acquire, sell, barter, exchange, give, or purchase any live skunks.

Subd. 2. [EXCEPTION.] The provisions of subdivision 1 do not apply to the importation, acquisition, or exportation of a skunk by a publicly or privately owned zoological park or circus or any other show where a skunk is exhibited but is not in physical contact with the public, or by scientific or educational institutions for research or educational purposes.

Subd. 3. [COMMERCIAL OPERATIONS.] Notwithstanding the provisions of subdivision 1, any person who, on the effective date of this section, is engaged in a business in this state which includes the buying or selling of skunks may continue to buy or sell skunks or to export skunks until January 1, 1985, but shall not import any live skunks after the effective date of this section. Any person may purchase a skunk from a person who is allowed to sell a skunk under this subdivision until January 1, 1985.

Subd. 4. [PENALTY.] Violation of subdivisions 1 or 3 is a misdemeanor.

Sec. 2. [REPEALER.]

Section 1, Subdivision 3 is repealed July 1, 1985.

Sec. 3. [EFFECTIVE DATE.]

Section 1 is effective the day following final enactment.”

With the recommendation that when so amended the bill pass.

The report was adopted.

Wenzel from the Committee on Agriculture to which was referred:

H. F. No. 1018, A bill for an act relating to agriculture; consolidating existing laws; providing for agricultural commodity research and promotion councils; establishing procedures; providing penalties; amending Minnesota Statutes 1980, Sections 17.53; 17.54; 17.56; 17.57; 17.58; 17.59; 17.60; 17.62; 17.63; 17.64; and 17.67; repealing Minnesota Statutes 1980, Sections 17.55; 17.601; 17.65; 17.68; 21A.01 to 21A.19; 29.14 to 29.19; 30.461 to 30.479; and 32B.01 to 32B.13.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1980, Section 17.53, is amended to read:

17.53 [DEFINITIONS.]

Subdivision 1. [SCOPE OF APPLICATION.] As used in sections 17.51 to 17.69, the terms defined in this section shall have the following meanings (:).

Subd. 2. [AGRICULTURAL COMMODITY.] "Agricultural commodity" means any agricultural product, including without limitation animals and animal products, grown, raised, produced or fed within the state of Minnesota for use as food, feed, seed or any industrial or chemurgic purpose.

Subd. 3. [COMMERCIAL CHANNELS.] "Commercial channels" means the processes of sale of any agricultural commodity to any commercial buyer, dealer, processor, cooperative or to any person, public or private, who resells such commodity or any product produced from such commodity for slaughter, storage, processing or distribution.

Subd. 4. [COMMISSIONER.] ("PERSON" MEANS ANY INDIVIDUAL, CORPORATION, ASSOCIATION, COOPERATIVE OR PARTNERSHIP) "*Commissioner*" means the commissioner of agriculture or his designee.

Subd. 5. [COOPERATIVE.] "*Cooperative*" means a non-profit association of producers legally constituted under the laws of Minnesota or of another state who have gathered together for purposes of bargaining for a price for marketing their commodity. This includes all cooperatives buying commodities from Minnesota producers, whether domiciled within the state or without.

Subd. (5) 6. [COUNCIL.] "Council" means (THE RESEARCH AND PROMOTION) a council created under the provisions of sections 17.51 to 17.69 in connection with the organization of the producers of a particular commodity as herein provided.

Subd. 7. [FIRST HANDLER.] "*First handler*" means a person, whether he is an owner, agent or other person, who initially places a commodity into the channels of trade and commerce, or who is engaged in the processing of the commodity into food for human consumption in any form, except for potato flour or potato starch.

Subd. (6) 8. [FIRST PURCHASER.] "First purchaser" means any person that buys agricultural commodities for movement into commercial channels from the producer; or any lienholder, secured party or pledgee, public or private, or assignee of said lienholder, secured party or pledgee, who gains title to the agricultural commodity from the producer as the result of exercising any legal rights by the lienholder, secured party, pledgee, or assignee thereof, regardless of when the lien, security interest or pledge was created and regardless of whether the first purchaser is domiciled within the state or without. First purchaser does not mean the commodity credit corporation when a commodity is used as collateral for a federal non-recourse loan unless the commissioner determines otherwise.

(SUBD. 7. "COMMISSIONER" MEANS THE COMMISSIONER OF AGRICULTURE OF THE STATE OF MINNESOTA.)

Subd. 9. [MARKETING YEAR.] "*Marketing year*" means a one year period from July 1 through June 30, or any other one year period determined by the promotion order of a specific council.

Subd. 10. [PARTICIPATING PRODUCER.] "*Participating producer*" means a producer of an agricultural commodity for which a promotional order has been issued and exists, who produces that commodity in the organized area and meets the minimal requirements established by the council to qualify as a producer.

Subd. 11. [PERSON.] "*Person*" means an individual, corporation, association, cooperative or partnership.

Subd. 12. [PRIVATE PROCESSOR.] "*Private processor*" means a privately owned commodity processor legally constituted under the laws of Minnesota for the purpose of buying or marketing the commodity and commodity products, whether the processor is domiciled within the state or without.

Subd. (8) 13. [PRODUCER.] "Producer" means any person who owns or operates an agricultural producing or growing facility for (THE) *an* agricultural commodity (UNDER CONSIDERATION FOR REFERENDUM) and shares in the profits and risk of loss from such (FACILITY) *operation*, and who grows, raises, feeds or produces (SAID) *the* agricultural commodity in Minnesota during the current or preceding marketing year.

(SUBD. 9. "QUALIFIED VOTER" MEANS ANY PRODUCER DEFINED ABOVE WHO WOULD BE SUBJECT TO THE PAYMENT OF FEES TO FINANCE THE ACTIVITIES DESCRIBED IN SECTIONS 17.51 TO 17.69.)

Subd. 14. [PRODUCER-PROCESSOR.] "*Producer-processor*" means a producer who processes and markets his own product. For the purpose of collecting the check-off fee, a producer-processor is the first purchaser.

Subd. (10) 15. [PROMOTIONAL ORDER.] "Promotional order" means an order issued by the commissioner, with the advice and consent of (THE) a council pursuant to this chapter, which establishes a program for promotion, advertising, production, market research, and market development of the growing, processing, distributing, sale of or handling of *an* agricultural (PRODUCTS COVERED BY) *commodity following a referendum and provides for the collection of check-off fees (AND FINANCING THE SAME).*

Subd. 16. [QUALIFIED VOTER.] "*Qualified voter*" means a producer who would be subject to the payment of fees to finance the activities described in sections 17.51 to 17.69 and who shares directly in the profits and risk of loss from the operation.

Subd. 17. [RETAILER.] "*Retailer*" means a person who sells directly to the consumer in small quantities or broken lots.

Subd. (11) 18. [SALE.] "Sale" means any passing of title from the producer to the first purchaser. Sale includes any pledge, security interest or lien after harvest.

(SUBD. 12. "PARTICIPATING PRODUCER" MEANS ANY PRODUCER OF AN AGRICULTURAL COMMODITY FOR WHICH A PROMOTIONAL ORDER HAS BEEN ISSUED AND EXISTS, WHO PRODUCES THAT COMMODITY IN THE ORGANIZED AREA AND MEETS THE MINIMAL REQUIREMENTS ESTABLISHED BY THE COUNCIL TO QUALIFY AS A PRODUCER.)

Sec. 2. Minnesota Statutes 1980, Section 17.54, is amended to read:

17.54 [COUNCILS (; MEMBERSHIP; ELECTION; TERM).]

Subdivision 1. [CREATION.] *A commodity research and promotion council (IS HEREBY) may be created for the producers of each agricultural commodity (WHO FILE) by filing with the commissioner a petition requesting that the producers of such commodity be subjected to the provisions of sections 17.51 to 17.69 (, WHICH). The petition (IS) must be signed by (500) 1,000 producers or 15 percent of the producers proposed to be covered by the promotion order, whichever is less (, OF THE PRODUCERS OF SUCH COMMODITY). (SUCH) The petition shall be certified under oath by at least two producers (TO HAVE), who shall certify that the petition has been signed only by producers of the commodity involved.*

Subd. 2. [MEMBERSHIP.] Upon petition of the required number of producers the commissioner shall, after consultation with the various producer or commodity organizations of the particular commodity petitioning for a referendum, determine the size of the council and distribution of the council membership. (THE COUNCIL MAY DESIGNATE INDUSTRY AND UNIVERSITY OF MINNESOTA PERSONNEL, EITHER BY NAME OR BY OFFICE, TO SERVE AS CONSULTANTS TO THE COUNCIL.)

Subd. 3. [(ELECTION) NOMINATING COMMITTEE.] Within 30 days after the filing of the petition by the required number of (THE) producers of an agricultural commodity the commissioner shall appoint a nominating committee of *at least five producers of that commodity who shall, within 60 days from the filing of (SUCH) the petition, nominate at least two producer candidates for each council position and certify the names of such nominees to the commissioner. Nominees shall be selected with a view to establishing a fair representation of all producers of the particular commodity throughout the area to be organized, which shall comprise the entire state unless the commissioner determines that at least 95 percent of the production of the (SUBJECT) commodity is in a lesser area, in which event he shall define (SUCH) the area following county lines. Whenever possible, the areas represented by council members shall correspond to state crop reporting districts as defined by the Minnesota crop and livestock reporting service.*

Subd. 4. [ELECTION.] Upon receipt of the nominations the commissioner shall promptly arrange an election to be held at places designated by him reasonably convenient to all producers in the organized area and (GIVE AT LEAST SEVEN DAYS') *provide notice of (SUCH) the election (IN LEGAL NEWSPAPERS) to all of the media having a general circulation in the organized area. Ballots setting forth the names of the nominated candidates and providing for (WRITE IN) write-in candidates shall be made available at all polling places. Only*

producers of the agricultural commodity involved shall be qualified to vote (, AND). *General polling procedures shall be established by the commissioner by rule pursuant to chapter 15 to avoid voting by (OTHERS) other than qualified producers, but the selection of specific polling places shall not be subject to chapter 15.* An impartial committee appointed by the commissioner shall tabulate the votes, and the candidates receiving the most votes shall be declared elected to the first council. In each (CALENDAR) year following the one in which the first council for each commodity is elected candidates shall be selected and an election shall be held to elect (A SUCCESSOR OR) successors to the council (MEMBER OR) members whose (TERM OR) terms expire in that year. *Except for the first year, the term of office for council members shall be July 1 to June 30, although the commissioner may designate a one-year period beginning on a different date for the term of office for members of specific councils.* Nominations shall be made and (THE) elections shall be held in the same manner as prescribed for the first council except that the choice of nominating committee members, the time of nominations and the time and place of elections shall be fixed by the commissioner (WITH THE CONSENT OF THE COUNCIL). *Mail balloting for commodity groups may be permitted by the commissioner.*

Subd. (4) 5. [TERMS.] At the first meeting of the first council for each commodity the commissioner shall determine by lot one-third of the council members whose terms shall expire June 30 in the calendar year following the year of the first election, one-third of the council members whose terms shall expire June 30 in the second calendar year and the remaining council members whose terms shall expire June 30 in the third calendar year. In the event the commissioner has designated specific areas for representation on the council, the terms of council members in any one area shall not expire in the same year. All elected successor council members shall be elected for three year terms and each shall serve until his successor is elected and qualified. In the event a council member ceases to have any of the qualifications herein established, his office shall be deemed vacant. (ANY) An interim vacancy on the council shall be filled by the council for the remainder of the term vacated. *The successor so appointed shall be a commodity producer residing in the same crop reporting district as the former member.*

Subd. (5) 6. [ORGANIZATION.] The commissioner or his designee shall serve as (CHAIRMAN) a member of (THE) each council without vote. (THE) Each council shall elect from its own membership (ELECT) a chairman, a vice-chairman, (WHO SHALL ACT IN THE ABSENCE OF THE COMMISSIONER,) a secretary, and (SUCH) other officers (AS) the council (MAY DEEM) deems appropriate. (THE) An executive committee of no more than five members including the officers may also be elected. Terms of (SUCH) the officers shall expire on June 30 of each year (AND THEIR SUCCES-

SORS SHALL BE ELECTED AT THE FIRST MEETING FOLLOWING THAT DATE); however, they may serve until their successors have been elected but not beyond July 15.

Subd. 7. [MEETINGS; QUORUM.] Subject to the requirements of sections 17.51 to 17.69, the council shall meet at times and places as it may determine or upon call of the chairman or of any three members or one-third of the council, whichever is greater. A majority of the voting members of the council shall constitute a quorum for the transaction of all business in carrying out the duties of the council.

Subd. 8. [EXISTING COUNCILS.] Any council established pursuant to any act on or before the effective date of sections 1 to 11 may maintain the number and regional distribution of council members in effect at that time and council members elected under the provisions of any act in effect prior to the effective date of sections 1 to 11 may serve out their terms according to those provisions. Any promotional order in effect prior to the effective date of sections 1 to 11 shall remain in effect until the promotional order would terminate under the terms of the promotional order itself, or under the provisions of the legislation authorizing that promotional order, or until the promotional order is terminated pursuant to section 17.64, whichever occurs first. No referendum need be held by the commissioner to establish any promotion order in effect prior to the effective date of sections 1 to 11. No referendum need be held by the commissioner to bring any promotion order into early compliance with sections 1 to 11 when the proposed changes in the promotion order are requested by the council members and approved by the commissioner.

Subd. 9. [POTATO INDUSTRY PROMOTIONS.] For the purpose of the administration of sections 17.51 to 17.69 as they pertain to a Minnesota area potato research and promotion council established pursuant to Laws 1967, Chapter 417, as amended, the state is divided into four areas. Area number one includes the counties of Kittson, Marshall, Polk, Pennington, Red Lake, Norman, Mahnomon, Clay, Becker, Wilkin, Otter Tail, Roseau, Lake of the Woods, Beltrami, Clearwater, Hubbard and Wadena. Area number two includes the counties of Itasca, Koochiching, St. Louis, Carlton, Lake, and Cook. Area number three includes the counties of Traverse, Grant, Douglas, Big Stone, Stevens, Pope, Swift, Kandiyohi, Lac Qui Parle, Chippewa, Yellow Medicine, Renville, McLeod, Carver, Scott, Dakota, Lincoln, Lyon, Redwood, Sibley, Le Sueur, Rice, Goodhue, Nicollet, Wabasha, Pipestone, Murray, Brown, Waseca, Steele, Dodge, Olmsted, Winona, Cottonwood, Watonwan, Blue Earth, Rock, Nobles, Jackson, Martin, Faribault, Freeborn, Mower, Fillmore, and Houston. Area number four includes the counties of Cass, Aitkin, Crow Wing, Pine, Todd, Morrison, Mille Lacs, Kanabec, Stearns, Benton, Isanti, Chisago, Sherburne, Anoka, Meeker, Wright, Washington, Hennepin, and Ramsey. Sections 17.51 to

17.69 shall apply to any of the above areas of the state where the commissioner has determined prior to the effective date of sections 1 to 11 that the area was deemed organized pursuant to section 30.464, subdivision 3.

Subd. 10. [EXISTING AREA POTATO COUNCILS.] For the purposes of sections 17.51 to 17.69, any area potato council established pursuant to section 30.465, prior to the effective date of sections 1 to 11 shall maintain the number and distribution of council members in effect at that time. Council members elected or appointed under the provisions of section 30.465 may serve out their terms. For the purposes of sections 17.51 to 17.69, the provisions of sections 30.462, 30.463, 30.467, 30.469 and 30.472 shall be considered to be the promotional order for an area potato council, and shall remain in effect as a promotional order until terminated or modified by referendum.

Subd. 11. [MEMBERSHIP AND TERMS; AREA POTATO COUNCILS.] Notwithstanding subdivisions 3, 4, and 5, any area potato council which continues its existence pursuant to subdivision 10 shall include one voting member who is a private processor of potatoes and one voting member who represents potato wash plants. These two members shall be appointed by the governor for four-year terms coterminous with that of the governor.

Subd. 12. [DAIRY INDUSTRY PROMOTION.] For the purpose of the administration of sections 17.51 to 17.69 as they pertain to the dairy research and promotion council established pursuant to Laws 1969, Chapter 851, as amended, the name of a cooperative association of producers may be deemed the vote of all members of that cooperative association. The commissioner shall schedule and specify procedures. A ballot prepared by the council and the commissioner shall be sent by each cooperative to all member and nonmember producers with a return envelope addressed to the commissioner. The ballot shall indicate that the cooperative association intends to vote in favor of or in opposition to the question. In the case of members the ballot shall indicate the expiration date of the ballot and state that if the ballot is not returned by that date the ballot shall be considered to be in favor of the vote of the association. The ballot shall be returned to the commissioner. A cooperative association shall not be required to bloc vote its producers but in that event it shall inform each producer of its decision and provide each producer with an individual referendum ballot with a return envelope addressed to the commissioner.

Each private processor of dairy products and each cooperative shall file with the commissioner a list of producers who market the bulk of their production with that private processor or cooperative. The polling procedures established by the commissioner pursuant to section 17.54, subdivision 4, shall ensure that dairy producers marketing the bulk of their production with a private

processor have the option to vote in any referendum held pursuant to sections 1 to 11.

Subd. 13. [TERMS; DAIRY COUNCIL.] Notwithstanding subdivision 5, the term of office of members of any council established for the producers of cows' milk or products derived from cows' milk shall be as provided in this subdivision. The term of office shall be two years, with the terms of half the council members expiring June 30 in odd-numbered years, and the terms of the remaining council members expiring June 30 in even-numbered years.

Sec. 3. Minnesota Statutes 1980, Section 17.56, is amended to read:

17.56 [COUNCIL TO FORMULATE AND SUBMIT PROMOTIONAL ORDER.]

Subdivision 1. [FORMULATION.] Within 15 days after certification by the commissioner of its election the first council for producers of a particular commodity shall meet and formulate a promotional order establishing a program for development, promotion, advertising, research, distribution and the expansion of the sale, use and consumption of the commodity it represents and establishing (FEES) a check-off fee to be paid by producers to finance the proposed activities.

Subd. 2. [HEARINGS.] The commissioner, after consultation with (THE ADVICE AND CONSENT OF) the council, shall hold (A PUBLIC HEARING OR) public hearings on the proposed promotional order in (AN AREA OR) areas and at (A TIME OR) times affording reasonable opportunities (TO) for producers to attend. *These hearings shall not be subject to the administrative procedure act. After such hearings and after consultation with the council,* the (COUNCIL TOGETHER WITH THE) commissioner shall determine (AFTER SUCH HEARINGS) whether or not the promotional order shall be amended, modified or supplemented. If changes or additions of substance are made, (THE COUNCIL AND THE) commissioner shall hold (LIKE) public hearings on the amended or supplemented promotional order.

Subd. 3. [REFERENDUM.] Following the (HEARING, OR) hearings, the (COUNCIL AND) commissioner shall conduct a referendum on the proposed final promotional order. At least ten days' notice of the time and places of such referendum shall be published in a legal newspaper of general circulation in each county affected. (IN ADDITION, DIRECT WRITTEN NOTICE THEREOF SHALL LIKEWISE BE GIVEN TO EACH COUNTY EXTENSION OFFICE IN ANY COUNTY INVOLVED IN THE REFERENDUM. SUCH NOTICE SHALL INCLUDE DETAILS OF THE PROMOTIONAL ORDER TO AFFORD ALL PRODUCERS OF THE SUBJECT

COMMODITY ACCESS TO COMPLETE INFORMATION ABOUT THE PROMOTIONAL ORDER) *Notice shall also be given to media in each county affected. A complete copy of the promotional order shall be given to each county extension office in any county involved in the referendum to afford all producers of the commodity access to complete information about the promotional order and the referendum.*

Subd. 4. [ADOPTION.] The promotional order shall become effective if approved by a majority of those voting (IN THE REFERENDUM, AND SUCH ORDER SHALL BE APPLICABLE ONLY TO THOSE PRODUCERS OF THE SUBJECT COMMODITY WITHIN THE AREA OF THE STATE ORGANIZED PURSUANT TO SECTIONS 17.51 TO 17.69. UPON COMPLETION OF THE REFERENDUM THE COMMISSIONER SHALL MAKE FINDINGS AND ISSUE AN APPROPRIATE ORDER BASED ON SAID FINDINGS).

Subd. 5. [FAILED REFERENDUM.] If a referendum is conducted and a proposed promotional order is not approved, the commissioner shall not conduct another referendum on any promotional order for the same commodity until one year has elapsed.

Sec. 4. Minnesota Statutes 1980, Section 17.57, is amended to read:

17.57 [ADDITIONAL POWERS AND DUTIES OF COUNCIL.]

Subdivision 1. [ADOPTION OF (REGULATIONS AND BUDGET) RULES.] (THE) *Each council shall ((A)) at its regular meetings adopt (AND ADMINISTER) rules (AND REGULATIONS) consistent with sections 17.51 to 17.69 for the administration of the promotional order (, INCLUDING AMONG OTHER THINGS, MINIMAL REQUIREMENTS TO QUALIFY AS A PRODUCER; (B) RECOMMEND AMENDMENTS TO THE ORDER, SUCH AMENDMENTS TO BE ADOPTED ONLY AFTER A PRODUCER REFERENDUM IN WHICH A MAJORITY OF THE PRODUCERS FAVOR SUCH ADOPTION; (C) PREPARE AN ANNUAL ESTIMATED BUDGET FOR THE OPERATION OF THE PROMOTIONAL ORDER; AND (D) PREPARE AN ANNUAL REPORT ON THE PROGRAMS OF THE ORDER, SAID REPORT TO BE MADE AVAILABLE TO THE PRODUCERS CONCERNED).* *These rules shall not be subject to the administrative procedure act.*

Subd. 2. [BUDGET.] Each council shall prepare and submit to the commissioner on a date he determines an estimated budget for the operation of the promotional order.

Subd. 3. [REPORT.] Each council shall prepare an annual report on the programs pursuant to its promotional order for the previous operating year. The report shall be mailed to each county extension office in any county involved in the promotional order.

Subd. (2) 4. [COLLECTION OF (ASSESSMENTS) CHECK-OFF FEES AND DATA.] The (COUNCIL) promotional order shall provide a procedure for the collection of the (PRODUCER ASSESSMENTS) check-off fee by each council to finance (THE) promotional (ORDER) orders and for the collection of such necessary information and data as (IS) are necessary for the proper administration of (THE ORDER) orders.

(SUBD. 3. [REFUNDS OF FEES.] THE COUNCIL SHALL PROVIDE FOR THE REFUND OF ANY FEES PAID BY THE PRODUCER WHO OBJECTS TO PAYMENT OF FEES.)

Subd. (4) 5. [DONATIONS.] (THE) Each council is authorized to accept donations of funds, property, services or other assistance from public or private sources for the purpose of furthering the objectives of sections 17.51 to 17.69.

Subd. (5) 6. [RIGHT TO SUE AND BE SUED.] (THE) Each council shall have the right to investigate and prosecute in the name of the state of Minnesota any action or suit to enforce the collection or insure payment of the check-off fees authorized by the provisions of sections 17.51 to 17.69 (AND), to sue and be sued in the name of the council (;) to hire attorneys as necessary and to do all other things necessary to the administration and implementation of sections 17.51 to 17.69.

Subd. (6) 7. [(COLLECTION AND EXPENDITURE OF FUNDS; AUDIT) FINANCIAL STATEMENT.] (THE COUNCIL SHALL BE RESPONSIBLE FOR THE COLLECTION AND EXPENDITURE OF ALL FUNDS PROVIDED FOR UNDER SECTIONS 17.51 TO 17.69 AND SHALL PROVIDE FOR AN ANNUAL AUDIT OF FUNDS TO BE MADE BY A CERTIFIED AUDITING FIRM.) An annual financial statement shall be available to any producer upon request.

Sec. 5. Minnesota Statutes 1980, Section 17.58, is amended to read:

17.58 [POWERS AND DUTIES OF COMMISSIONER.]

Subdivision 1. [CONTRACTS.] (THE COMMISSIONER) A council, (WITH THE ADVICE AND CONSENT OF THE) after consultation with the approval of the commissioner (COUNCIL), may contract and cooperate with any person, firm, corporation or association, or with any local, state, federal or in-

ternational agency or institution, for market development, education, publicity, promotion, research, transportation and advertising within the purposes of sections 17.51 to 17.69.

Subd. 2. [PERSONNEL.] The (COMMISSIONER) *council*, (WITH THE ADVICE AND CONSENT OF THE) *with the approval of the commissioner* (COUNCIL), (MAY) *shall* appoint, employ, provide necessary bond, discharge, fix compensation for and prescribe the duties of (SUCH) *the first chief administrative officer of any council established after the effective date of sections 1 to 11. The council, after consultation with the commissioner, shall* appoint, employ, provide necessary bond, discharge, fix compensation for and provide duties of subsequent chief administrative officers (ADMINISTRATIVE, CLERICAL, TECHNICAL AND OTHER PERSONNEL AND AGENCIES AS MAY BE DEEMED NECESSARY).

Subd. 3. [GENERAL POWERS.] In administering sections 17.51 to 17.69, the commissioner shall have such other powers as may be conferred upon him by law not inconsistent with the provisions of sections 17.51 to 17.69. *The commissioner is authorized to cooperate with any appropriate agency of any state for the purpose of carrying out the provisions of sections 17.51 to 17.69, and in securing uniformity of administration and enforcement.*

Subd. 4. [(REGULATIONS) RULES.] (IN) The organization, *conduct of elections, conduct of referenda, conduct of meetings* and (OPERATION) administration of a promotional order for any commodity (COMING UNDER SECTIONS 17.51 TO 17.69, THE COMMISSIONER) shall (FOLLOW THE) *be* pursuant to rules (AND REGULATIONS AS DEVELOPED) promulgated by the (COUNCIL) commissioner pursuant to (THE PROVISIONS OF SECTIONS 17.51 TO 17.69) *chapter 15.*

Subd. 5. [AUDITS.] *Each year the commissioner shall conduct a fiscal audit, and at least every three years the commissioner shall conduct a compliance audit of each council. A compliance audit is an audit to determine that a council has complied with the terms of sections 1 to 11, with all other applicable federal or state laws, and with the terms of any promotional orders established.*

Sec. 6. Minnesota Statutes 1980, Section 17.59, Subdivision 1, is amended to read:

Subdivision 1. [(ASSESSMENT) CHECK-OFF FEES.] For the purpose of providing funds to defray the necessary expenses incurred by the commissioner and the council in formulating, submitting to referendum, issuing, administering and enforcing a promotional order, the promotional order shall provide

for (ASSESSING AND COLLECTING) *check-off* fees in amounts sufficient to defray such expenses, and shall indicate the maximum (ASSESSMENT) *check-off* rate which shall not exceed one percent of the market value of the year's production of participating producers. Any increase in the maximum (ASSESSMENT) *check-off* provided for in the promotional order must be within the limit herein prescribed and must be approved by the majority of voting participating producers in a referendum held for that purpose after reasonable notice of such proposed increase.

Sec. 7. Minnesota Statutes 1980, Section 17.59, Subdivision 2, is amended to read:

Subd. 2. [PAYMENT.] The (COUNCIL TOGETHER WITH THE) commissioner shall establish the procedure for the *timely* payment of the (ASSESSMENT) *check-off fee* by the producer (, AND SUCH) *to the council*. The procedure shall be clearly outlined in the proposed promotional order. (SUCH) The procedure must be fair, reasonable and (WHENEVER POSSIBLE) *the check-off fee* shall be deducted by the first purchaser at the time of sale. The first purchaser shall submit to the council (THROUGH THE COMMISSIONER'S OFFICE) any *check-off* fees so deducted once every 30 days *in accordance with the commissioner's rules*. (WHEN PROOF OF PAYMENT OF THE FEE ASSESSED CAN BE FURNISHED, IT SHALL NOT BE NECESSARY FOR ANY SUBSEQUENT BUYER TO DEDUCT THE FEE AT TIME OF PURCHASE.)

Sec. 8. Minnesota Statutes 1981 Supplement, Section 17.59, Subdivision 4, is amended to read:

Subd. 4. [DEPOSIT AND USE OF CHECK-OFF FEES.] *Check-off* fees collected pursuant to sections 17.51 to 17.69 shall be deposited in a federally insured depository institution and shall be disbursed by the officers and employees approved by the council for the necessary expenses incurred in the administration of sections 17.51 to 17.69. *Check-off* fees collected shall be used exclusively for the purpose collected and not (FOR LEGISLATIVE OR POLITICAL ACTIVITIES) *to support a political party or candidate for public office*.

Sec. 9. Minnesota Statutes 1980, Section 17.60, is amended to read:

17.60 [COMPENSATION AND EXPENSES.]

Each member of (THE) *a council*, except the commissioner, shall be entitled to a reasonable per diem (TO BE FIXED IN THE PROMOTIONAL ORDER), *not exceeding the same rate of compensation per day as is authorized for payment to members of advisory councils and committees pursuant to section*

15.059, subdivision 3, while engaged in the performance of his duties, and actual expenses incurred while attending council meetings (, BUT ONLY ACTUAL EXPENSES INCURRED WHILE ENGAGED IN OTHER OFFICIAL BUSINESS OF THE COUNCIL) or executive committee meetings. Payments to council members for other official business of the council require approval by the council.

Sec. 10. Minnesota Statutes 1980, Section 17.62, is amended to read:

17.62 [RECORDS OF THE COUNCIL.]

All of the records of (THE) a council shall be public records and shall be available for inspection by any person for any lawful purpose, provided, however, that the council shall be empowered to make reasonable rules (AND REGULATIONS) concerning the inspection of the records, the time or place of (SUCH) inspection, or the manner in which the information shall be made available. Public records shall not include financial information pertaining to individual participating producers.

Sec. 11. Minnesota Statutes 1980, Section 17.63, is amended to read:

17.63 [REFUND OF FEES.]

Any producer may, by the use of forms to be provided by the commissioner and upon presentation of such proof as the commissioner (AND COUNCIL MAY REQUIRE) requires (BY RULE OR REGULATION), have the check-off fee paid pursuant to sections 17.51 to 17.69 refunded to him, provided the check-off fee was remitted on a timely basis. (SUCH) The request for refund must be received in the office of the commissioner (OR THE COUNCIL) within (60 DAYS) the time specified in the promotion order following the payment of (SUCH) the check-off fee (, BUT). In no event shall these requests for refund be accepted more often than 12 times per year (AND MUST BE MADE AT LEAST ONCE EACH YEAR). Refund shall be made by the commissioner (OR) and council within 30 days of the request for refund provided that the check-off fee sought to be refunded has been received. Rules (AND REGULATIONS) governing the refund of check-off fees for (THE COMMODITY INVOLVED) all commodities shall be formulated by the (COUNCIL TOGETHER WITH THE) commissioner (AND), shall be fully outlined (AT THE HEARING, OR HEARINGS) in the promotion order, and shall be available for the information of all producers concerned with the referendum.

Sec. 12. Minnesota Statutes 1980, Section 17.64, is amended to read:

17.64 [TERMINATION OF THE ORDER.]

Subdivision 1. [BY COUNCIL.] The council *after consultation with the commissioner and by a majority vote* shall suspend or terminate a promotional order whenever it finds, after a public hearing (OR HEARINGS), that an order is contrary to or does not (TEND TO) effectuate the purposes or provisions of sections 17.51 to 17.69, provided that (SUCH) *the suspension or termination shall not become effective until the expiration of the current marketing year. (THE CURRENT MARKETING YEAR FOR ANY COMMODITY UNDER SECTIONS 17.51 TO 17.69 SHALL BE DETERMINED BY THE COUNCIL TOGETHER WITH THE COMMISSIONER.)*

Subd. 2. [BY REFERENDUM.] Upon petition of the same number of producers as required to initiate the promotional order, the commissioner (WITH THE ADVICE AND CONSENT OF THE COUNCIL) shall within 60 days conduct a referendum to determine whether or not the promotional order shall be continued. He shall terminate the order at the end of the current marketing year if a majority of the producers voting in the referendum vote in favor of termination. (SUCH) *The petition of producers shall include a certification statement that the signatures are those of qualified producers of the commodity involved. The commissioner shall not conduct a referendum for termination of a promotional order if a referendum for termination of the same promotional order has been conducted within the preceding year. Termination of an order need not utilize the hearing required by chapter 15.*

Sec. 13. Minnesota Statutes 1980, Section 17.67, is amended to read:

17.67 [PENALTY FOR VIOLATIONS.]

Any person who violates any provision of sections 17.51 to 17.69 or rule (OR REGULATION) of the (COUNCIL) commissioner promulgated pursuant to sections 17.51 to 17.69 is guilty of a misdemeanor. *Any first handler who fails to make collections or to file a return or to pay any assessment within the time required by sections 17.51 to 17.69, or who files a falsified return, shall be liable to the council for the amount due, plus a penalty of six percent of the amount due, plus one percent of the amount for each month of delay. If satisfied that the delay was excusable, the council may return all or any part of the penalty or check-off fee. Penalties shall be paid to the council and disposed of as provided with respect to other money collected under sections 17.51 to 17.69.*

Sec. 14. [REPEALER.]

Minnesota Statutes 1980, Sections 17.55; 17.601; 17.65; 17.68; 21A.01; 21A.02; 21A.03; 21A.04; 21A.05; 21A.06; 21A.07; 21A.08; 21A.09, as amended by Laws 1981, Chapter 41, Section 4; 21A.10; 21A.11; 21A.115; 21A.12; 21A.13; 21A.14; 21A.15;

21A.16; 21A.17; 21A.19; 29.14; 29.15; 29.16; 29.18; 29.19; 30.461; 30.462; 30.463; 30.464, as amended by Laws 1981, Chapter 11, Section 1; 30.465; 30.466; 30.467; 30.468; 30.472; 30.473; 30.474; 30.475; 30.476; 30.477; 30.479; 32B.01; 32B.02; 32B.03; 32B.04; 32B.05; 32B.06; 32B.08; 32B.09; 32B.10; 32B.11; 32B.13; Minnesota Statutes 1981 Supplement, Sections 29.17; 30.469; 30.47; 32B.07; and 32B.12, are repealed.

Sec. 15. [EFFECTIVE DATE.]

Sections 1 to 13 are effective the day following final enactment. Section 14 is effective July 1, 1982."

Delete the title and insert:

"A bill for an act relating to agriculture; consolidating existing laws; providing for agricultural commodity research and promotion councils; establishing procedures; providing penalties; amending Minnesota Statutes 1980, Sections 17.53; 17.54; 17.56; 17.57; 17.58; 17.59, Subdivisions 1, and 2; 17.60; 17.62; 17.63; 17.64; and 17.67; amending Minnesota Statutes 1981 Supplement, Section 17.59, Subdivision 4; repealing Minnesota Statutes 1980, Sections 17.55; 17.601; 17.65; 17.68; 21A.01 to 21A.19, as amended; 29.14 to 29.16; 29.18; 29.19; 30.461 to 30.468, as amended; 30.472 to 30.479; 32B.01 to 32B.06; 32B.08 to 32B.11; 32B.13; Minnesota Statutes 1981 Supplement, Sections 29.17; 30.469; 30.47; 32B.07; and 32B.12."

With the recommendation that when so amended the bill pass.

The report was adopted.

Voss from the Committee on Local and Urban Affairs to which was referred:

H. F. No. 1382, A bill for an act relating to the city of Duluth; providing for the size of the housing and redevelopment authority.

Reported the same back with the following amendments:

Page 1, line 9, delete "nine" and insert "seven"

Page 1, line 10, delete "four" and insert "two"

Page 1, line 12, delete "1983," and ", 1985,"

Page 1, line 14, after "January" insert "1983, 1985 and"

With the recommendation that when so amended the bill pass.

The report was adopted.

Swanson from the Committee on Health and Welfare to which was referred:

H. F. No. 1465, A bill for an act relating to education; transferring developmental achievement centers from the department of public welfare to the state board of education; appropriating money; amending Minnesota Statutes 1980, Sections 123.39, Subdivision 13; 256E.03, Subdivision 2; and 256E.06, Subdivision 2; proposing new law coded in Minnesota Statutes, Chapter 120; repealing Minnesota Statutes 1980, Sections 252.21 to 252.261.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [DEVELOPMENTAL ACHIEVEMENT SERVICES; STUDY OF TRANSFER.]

The commissioner of public welfare, in cooperation with the commissioner of education, shall provide to the legislature no later than September 30, 1983, a plan designed to study the feasibility of making the transfer from the department of public welfare to the department of education to effectuate the following: transferring from the department of public welfare and designated county social service agencies to the department of education and local school boards responsibility for providing developmental achievement services for mentally retarded and cerebral palsied children who are less than four years of age.

The plan shall include recommendations with respect to:

- (1) Services to be provided to children and their families;*
- (2) Administration of programs;*
- (3) Appropriate funding mechanisms;*
- (4) Appropriate inter-agency activity necessary to effectuate the transfer.*

Sec. 2. Minnesota Statutes 1980, Section 256B.02, Subdivision 7, is amended to read:

Subd. 7. "Vendor of medical care" means any person or persons furnishing, within the scope of his respective license, any or all of the following goods or services: medical, surgical, hospital, optical, visual, dental and nursing services; drugs and medical supplies; appliances; laboratory, diagnostic, and therapeutic services; nursing home and convalescent care; screening and health assessment services provided by public health nurses; health care services provided at the residence of the patient if

the services are performed by a public health nurse and the nurse indicates in a statement submitted under oath that the services were actually provided; *services provided as needed by developmental achievement centers licensed by the commissioner for mentally retarded and cerebral palsied adults who are residents of intermediate care facilities for the mentally retarded*; and such other medical services or supplies provided or prescribed by persons authorized by state law to give such services and supplies.

Sec. 3. Minnesota Statutes 1981 Supplement, Section 256B.-02, Subdivision 8, as amended by Laws 1981, Third Special Session Chapter 2, Article I, Section 31, is amended to read:

Subd. 8. "Medical assistance" or "medical care" means payment of part or all of the cost of the following care and services for eligible individuals whose income and resources are insufficient to meet all of such cost:

- (1) Inpatient hospital services.
- (2) Skilled nursing home services and services of intermediate care facilities.
- (3) Physicians' services.
- (4) Outpatient hospital or clinic services.
- (5) *Developmental achievement services for mentally retarded and cerebral palsied adult residents of intermediate care facilities for the mentally retarded.*
- ((5)) (6) Home health care services.
- ((6)) (7) Private duty nursing services.
- ((7)) (8) Physical therapy and related services.
- ((8)) (9) Dental services, excluding cast metal restorations.
- ((9)) (10) Laboratory and x-ray services.
- ((10)) (11) The following if prescribed by a licensed practitioner: drugs, eyeglasses, dentures, and prosthetic devices. The commissioner shall designate a formulary committee which shall advise the commissioner on the names of drugs for which payment shall be made, recommend a system for reimbursing providers on a set fee or charge basis rather than the present system, and develop methods encouraging use of generic drugs when they are less expensive and equally effective as trademark drugs. The commissioner shall appoint the formulary committee members no later than 30 days following July 1, 1981. The formulary

committee shall consist of nine members, four of whom shall be physicians who are not employed by the department of public welfare, and a majority of whose practice is for persons paying privately or through health insurance, three of whom shall be pharmacists who are not employed by the department of public welfare, and a majority of whose practice is for persons paying privately or through health insurance, a consumer representative, and a nursing home representative. Committee members shall serve two year terms and shall serve without compensation. The commissioner may establish a drug formulary. Its establishment and publication shall not be subject to the requirements of the administrative procedure act. The formulary shall not include: drugs for which there is no federal funding; over the counter drugs, except for antacids, acetaminophen, family planning products, aspirin, insulin, prenatal vitamins, and vitamins for children under the age of seven; nutritional products; anorectics; and drugs for which medical value has not been established. Payment to drug vendors shall not be modified before the formulary is established. The commissioner may promulgate conditions for prohibiting payment for specific drugs after considering the formulary committee's recommendations.

The basis for determining the amount of payment shall be the actual acquisition cost of the drug plus a fixed dispensing fee established by the commissioner. Actual acquisition cost includes quantity and other special discounts except time and cash discounts. Establishment of this fee shall not be subject to the requirements of the administrative procedure act. Whenever a generically equivalent product is available, payment shall be on the basis of the actual acquisition cost of the generic drug, unless the prescriber specifically indicates "dispense as written" on the prescription as required by section 151.21, subdivision 2.

((11)) (12) Diagnostic, screening, and preventive services.

((12)) (13) Health care pre-payment plan premiums and insurance premiums if paid directly to a vendor and supplementary medical insurance benefits under Title XVIII of the Social Security Act.

((13)) (14) Abortion services, but only if one of the following conditions is met:

(a) The abortion is a medical necessity. "Medical necessity" means (1) the signed written statement of two physicians indicating the abortion is medically necessary to prevent the death of the mother, and (2) the patient has given her consent to the abortion in writing unless the patient is physically or legally incapable of providing informed consent to the procedure, in which case consent will be given as otherwise provided by law;

(b) The pregnancy is the result of criminal sexual conduct as defined in section 609.342, clauses (c), (d), (e)(i), and (f),

and the incident is reported within 48 hours after the incident occurs to a valid law enforcement agency for investigation, unless the victim is physically unable to report the criminal sexual conduct, in which case the report shall be made within 48 hours after the victim becomes physically able to report the criminal sexual conduct; or

(c) The pregnancy is the result of incest, but only if the incident and relative are reported to a valid law enforcement agency for investigation prior to the abortion.

((14)) (15) Transportation costs incurred solely for obtaining emergency medical care or transportation costs incurred by non-ambulatory persons in obtaining emergency or non-emergency medical care when paid directly to an ambulance company, common carrier, or other recognized providers of transportation services. For the purpose of this clause, a person who is incapable of transport by taxicab or bus shall be considered to be non-ambulatory.

((15)) (16) To the extent authorized by rule of the state agency, costs of bus or taxicab transportation incurred by any ambulatory eligible person for obtaining non-emergency medical care.

((16)) (17) Any other medical or remedial care licensed and recognized under state law unless otherwise prohibited by law.

(18) Home and community-based care services provided under an approved care plan for persons who, without such services, would, as determined through pre-admission screening, require institutional care in a Title XIX-certified intermediate care facility for the mentally retarded. The following services shall be included: (1) services provided by developmental achievement centers licensed by the commissioner; and (2) semi-independent living services provided by persons licensed by the commissioner. Reimbursement shall be made directly to the vendor of services. The commissioner shall apply by June 1, 1982 for any federal waiver necessary to secure federal financial participation for services provided under this clause and shall proceed to implement the waiver as soon as possible after receipt.

Sec. 4. Minnesota Statutes 1981 Supplement, Section 256B.-03, is amended to read:

256B.03 [PAYMENTS TO VENDORS.]

Subdivision 1. [GENERAL LIMIT.] All payments for medical assistance (HEREUNDER) must be made to the vendor.

Subd. 2. [DEVELOPMENTAL ACHIEVEMENT SERVICES.] Until such time as the commissioner can promulgate an appropriate rate-setting rule, payments to vendors of developmental achievement services shall be as follows: payment for the biennium ending June 30, 1983 shall be based on the facility's average daily charge per adult for program and transportation services for fiscal year 1980, but shall, in any event, be no greater than the statewide average daily cost per adult for developmental achievement services in state fiscal year 1980. Annual increases are subject to the provisions of section 256.966.

Subd. 3. [SEMI-INDEPENDENT LIVING SERVICES.] Until such time as the commissioner can promulgate an appropriate rate-setting rule, payments to vendors of semi-independent living services for mentally retarded and cerebral palsied adults shall be as follows: payment for the biennium ending June 30, 1983 shall be based on the provider's average daily charge per person for fiscal year 1980, but shall, in any event, be no greater than the average statewide charge per person for semi-independent living services in state fiscal year 1980. Annual increases are subject to the provisions of section 256.966.

Subd. (2) 4. [LIMIT ON ANNUAL INCREASE TO LONG-TERM CARE PROVIDERS.] Notwithstanding the provisions of sections 256B.42 to 256B.48, Laws 1981, Chapter 360, Article II, Section 2, or any other provision of chapter 360, and rules promulgated under those sections, rates paid to a skilled nursing facility or an intermediate care facility, including boarding care facilities and supervised living facilities, except state owned and operated facilities, for rate years beginning during the biennium ending June 30, 1983, shall not exceed by more than ten percent the final rate allowed to the facility for the preceding rate year.

Notwithstanding provisions of section 256B.45, subdivision 1, the commissioner shall not increase the percentage for investment allowances.

Sec. 5. [RULES.]

The commissioner shall promulgate rules as required by sections 1 to 6.

Sec. 6. [TRANSFER OF FUNDS.]

Notwithstanding the provisions of Laws 1981, Chapter 360, Article 1, Section 2, effective July 1, 1982, the commissioner, in order to provide home and community-based care services for Medicaid-eligible mentally retarded persons who would otherwise require institutional care, is authorized to transfer to the state medical assistance account: (1) \$1,496,400 of the 1983 appropriations for semi-independent living services and commu-

nity-based deinstitutionalization aid to counties; and (2) from the fiscal year 1983 community social service appropriation, an amount equal to state funds expended in fiscal year 1982 by the counties for developmental achievement services for medicaid-eligible mentally retarded persons."

Delete the title and insert:

"A bill for an act relating to services for the mentally retarded and cerebral palsied; requiring the commissioners of education and public welfare to plan for the transfer of developmental achievement services for pre-school children; permitting reimbursement under medical assistance for developmental achievement and semi-independent living services provided to certain mentally retarded and cerebral palsied persons; transferring funds; amending Minnesota Statutes 1980, Section 256B.02, Subdivision 7; Minnesota Statutes 1981 Supplement, Sections 256B.02, Subdivision 8; and 256B.03, as amended."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Vanasek from the Committee on Criminal Justice to which was referred:

H. F. No. 1586, A bill for an act relating to crimes; increasing penalties for driving while under the influence of alcohol or a controlled substance; requiring detoxification for certain persons; requiring proof of insurance coverage in certain instances; amending Minnesota Statutes 1980, Sections 169.121, by adding subdivisions; 169.123, Subdivision 2; Minnesota Statutes 1981 Supplement, Section 171.06, Subdivision 3; proposing new law coded in Minnesota Statutes, Chapters 169 and 171; repealing Minnesota Statutes 1980, Section 169.121, Subdivisions 3 and 4; Minnesota Statutes 1981 Supplement, Section 169.121, Subdivision 5.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1980, Section 169.121, is amended by adding a subdivision to read:

Subd. 3a. [FIRST CONVICTION; NO BODILY HARM.]
(a) Any defendant convicted of a first offense for violation of subdivision 1 or an ordinance in conformity therewith may be punished by imprisonment in a jail or other local correctional facility for not more than 90 days, by a fine of not less than \$175

nor more than \$500, and by revocation of his driver's license for not less than 60 days.

(b) If the court stays imposition or execution of sentence, the court shall impose as conditions of probation that the convicted person submit to treatment by a public or private institution or a facility providing rehabilitation for chemical dependency licensed by the department of public welfare. A stay of imposition or execution shall be in the manner provided in section 609.135. The court shall report to the commissioner of public safety any stay of imposition or execution of sentence granted under the provisions of this section.

(c) The court shall also impose as a condition of probation that the person be subject to payment of a fine of not less than \$175 nor more than \$500 and revocation of the person's driver's license for not less than 30 days. A limited license shall not be available for the first 15 days of the revocation period.

Sec. 2. Minnesota Statutes 1980, Section 169.121, is amended by adding a subdivision to read:

Subd. 3b. [SECOND CONVICTION; NO BODILY HARM.]

(a) If any defendant is convicted of a violation of subdivision 1 or an ordinance in conformity therewith and the offense occurred within five years of a prior offense which resulted in conviction of a violation of subdivision 1 or an ordinance in conformity therewith, that person may be punished by imprisonment in a jail or other local correctional facility for not more than 90 days, by a fine of not less than \$375 nor more than \$500, and by revocation of his driver's license for one year; a limited license shall not be available for the first six months of the revocation period.

(b) If the court stays imposition or execution of sentence, the court shall impose as a condition of probation that the convicted person submit to treatment by a public or private institution or a facility providing rehabilitation for chemical dependency licensed by the department of public welfare. A stay of imposition or execution shall be in the manner provided in section 609.135. The court shall report to the commissioner of public safety any stay of imposition or execution of sentence granted under the provisions of this section.

(c) The court shall also impose as a condition of probation that the person be subject to payment of a fine of not less than \$375 nor more than \$500 and revocation of the person's driver's license for one year; a limited license shall not be available for the first six months of the revocation period.

Sec. 3. Minnesota Statutes 1980, Section 169.121, is amended by adding a subdivision to read:

Subd. 3c. [THIRD CONVICTION; NO BODILY HARM.]

(a) If any defendant is convicted of a violation of subdivision 1 or an ordinance in conformity therewith and the offense occurred within five years of two or more prior offenses which resulted in convictions of violations of subdivision 1 or an ordinance in conformity therewith, that person may be punished by imprisonment in a jail or other local correctional facility for not more than one year, by a fine of not less than \$500 nor more than \$1,000, and by revocation of his driver's license for one year; a limited license shall not be available for the first six months of the revocation period.

(b) If the court stays imposition or execution of sentence, the court shall impose as a condition of probation that the convicted person submit to treatment by a public or private institution or a facility providing rehabilitation for chemical dependency licensed by the department of public welfare. A stay of imposition or execution shall be in the manner provided in section 609.135. The court shall report to the commissioner of public safety any stay of imposition or execution of sentence granted under the provisions of this section.

(c) The court shall also impose as a condition of probation that the person be subject to payment of a fine of not less than \$500 nor more than \$1,000 and revocation of the person's driver's license for one year; a limited license shall not be available for the first six months of the revocation period.

Sec. 4. Minnesota Statutes 1980, Section 169.121, is amended by adding a subdivision to read:

Subd. 3d. [FIRST CONVICTION; BODILY HARM OR DEATH.]

(a) Any defendant convicted of a first offense for violation of subdivision 1 or any ordinance in conformity therewith, when the violation is found to be the proximate cause of great bodily harm as defined in section 609.02, subdivision 8, or death to another person, may be punished by imprisonment in a jail or other local correctional facility for not more than one year, by a fine of not less than \$500 nor more than \$1,000, and by revocation of his driver's license for not less than 90 days.

(b) If the court stays imposition or execution of sentence, the court shall impose as a condition of probation that the convicted person submit to treatment by a public or private institution or a facility providing rehabilitation for chemical dependency licensed by the department of public welfare. A stay of imposition or execution shall be in the manner provided in section 609.135. The court shall report to the commissioner of public safety any stay of imposition or execution of sentence granted under the provisions of this section.

(c) The court shall also impose as a condition of probation that the person be subject to payment of a fine of not less than

\$750 nor more than \$1,200 and revocation of the person's driver's license for not less than 120 days. A limited license shall not be available for the first three-fourths of the revocation period.

Sec. 5. Minnesota Statutes 1980, Section 169.121, is amended by adding a subdivision to read:

Subd. 3e. [SECOND CONVICTION; BODILY HARM OR DEATH.] (a) If any defendant is convicted of a violation of subdivision 1 or an ordinance in conformity therewith, when the violation is found to be the proximate cause of great bodily harm as defined in section 609.02, subdivision 8, or death to another person, and the offense occurred within five years of a prior offense which resulted in conviction of a violation of subdivision 1 or an ordinance in conformity therewith, that person may be punished by imprisonment in a jail or other local correctional facility for not more than one year, by a fine of not less than \$750 nor more than \$1,000, and by revocation of his driver's license for one year; a limited license shall not be available for the first six months of the revocation period.

(b) If the court stays imposition or execution of sentence, the court shall impose as a condition of probation that the convicted person submit to treatment by a public or private institution or a facility providing rehabilitation for chemical dependency licensed by the department of public welfare. A stay of imposition or execution shall be in the manner provided in section 609.135. The court shall report to the commissioner of public safety any stay of imposition or execution of sentence granted under the provisions of this section.

(c) The court shall also impose as a condition of probation that the person be subject to payment of a fine of not less than \$1,000 nor more than \$1,500 and revocation of the person's driver's license for one year; a limited license shall not be available for the first six months of the revocation period.

Sec. 6. Minnesota Statutes 1980, Section 169.121, is amended by adding a subdivision to read:

Subd. 3f. [THIRD CONVICTION; BODILY HARM OR DEATH.] (a) If any defendant is convicted of a violation of subdivision 1 or an ordinance in conformity therewith, when the violation is found to be the proximate cause of great bodily harm as defined in section 609.02, subdivision 8, or death to another person, and the offense occurred within five years of two or more prior offenses which resulted in convictions of subdivisions of subdivision 1 or an ordinance in conformity therewith, that person may be punished by imprisonment in a jail or other local correctional facility for not more than two years, by a fine of not less than \$1,000 nor more than \$1,500, and by revocation of his driver's license for one year, a limited license

shall not be available for the first six months of the revocation period.

(b) If the court stays imposition or execution of sentence, the court shall impose as a condition of probation that the convicted person submit to treatment by a public or private institution or a facility providing rehabilitation for chemical dependency licensed by the department of public welfare. A stay of imposition or execution shall be in the manner provided in section 609.135. The court shall report to the commissioner of public safety any stay of imposition or execution of sentence granted under the provisions of this section.

(c) The court shall also impose as a condition of probation that the person be subject to payment of a fine of not less than \$1,500 nor more than \$1,750 and revocation of the person's driver's license for one year; a limited license shall not be available for the first six months of the revocation period.

Sec. 7. Minnesota Statutes 1980, Section 169.121, is amended by adding a subdivision to read:

Subd. 3h. [REDUCTION OR DISMISSAL OF CHARGE.] When a charge of violating subdivision 1 is dismissed by the court, the court shall state on the record its reasons for the dismissal. The court shall also state on the record whether the dismissal was requested or concurred in by the prosecutor.

When the prosecutor makes a motion for dismissal of a charge of violating subdivision 1 or for a substitution of another charge for the charge of violation of subdivision 1, the prosecutor shall submit to the court a written statement giving the reasons for the motion. Appropriate reasons include, but are not limited to, problems of proof, the interests of justice, or specific facts or legal authority showing that another offense would be more properly charged. If the reasons stated include the "interests of justice," the written statement shall state the facts or legal authority upon which this conclusion is based. This written statement shall become part of the court record, but the statement shall not be admissible as substantive evidence in any trial upon any charge arising from the behavioral incident upon which the alleged violation of subdivision 1 was based.

Sec. 8. Minnesota Statutes 1980, Section 169.123, Subdivision 2, is amended to read:

Subd. 2. [IMPLIED CONSENT; CONDITIONS; ELECTION AS TO TYPE OF TEST.] (a) Any person who drives, operates, or is in physical control of a motor vehicle within this state consents, subject to the provisions of this section and section 169.121, to a chemical test of his blood, breath, or urine for the purpose of determining the presence of alcohol or a controlled substance. The test shall be administered at the direction

of a peace officer. The test may be required of a person when an officer has reasonable and probable grounds to believe the person was driving, operating, or in physical control of a motor vehicle in violation of section 169.121 and one of the following conditions exist: (1) the person has been lawfully placed under arrest for violation of section 169.121, or an ordinance in conformity therewith; or (2) the person has been involved in a motor vehicle accident or collision resulting in property damage, personal injury, or death; or (3) the person has refused to take the screening test provided for by section 169.121, subdivision 6; or (4) the screening test was administered and recorded an alcohol concentration of 0.10 or more. Any person may decline to take a direct blood test and elect to take either a breath or urine test, whichever is available and offered. No action may be taken against the person for declining to take a direct blood test unless either a breath or urine test was available and offered.

(b) At the time a chemical test specimen is requested, the person shall be informed:

(1) that if testing is refused, the person's right to drive will be revoked for a period of six months; and

(2) that if a test is taken and the results indicate that the person is under the influence of alcohol or a controlled substance, the person will be subject to criminal penalties and the person's right to drive may be revoked for a period of (90) up to 150 days; and

(3) that the person has a right to consult with an attorney but that this right is limited to the extent that it cannot unreasonably delay administration of the test or the person will be deemed to have refused the test; and

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

Sec. 9. [169.1231] [DRIVING WHILE UNDER THE INFLUENCE; DETOXIFICATION.]

Subdivision 1. [GROUNDS FOR TAKING DRIVER TO DETOXIFICATION CENTER.] Whenever a peace officer administers a preliminary screening test to a person and the test results indicate a blood alcohol content of .10 or more, the peace officer shall either take the person to a detoxification center established pursuant to section 254A.08 or arrange for another peace officer to do so. A peace officer shall also take, or arrange for another peace officer to take to a detoxification center established pursuant to section 254A.08, any person who refuses to take a preliminary screening test if the officer has reasonable and probable grounds to believe that the person was driving, operating, or in

physical control of a motor vehicle in violation of section 169.121 or an ordinance in conformity therewith, and the person reasonably appears to the officer to be too intoxicated to resume driving safely.

Subd. 2. [DETOXIFICATION CENTER; RELEASE PROCEDURE.] The detoxification center to which a person is transported pursuant to subdivision 1 shall hold the person until he is completely sober, unless another responsible person appears and requests that the intoxicated person be released for the purpose of taking him home or to a medical facility. The person requesting release of the intoxicated person shall assure that the intoxicated person does not drive until completely sober; and intentional violation of this assurance is a misdemeanor.

Subd. 3. [INTOXICATED PERSON TO PAY COSTS.] A person taken to a detoxification center pursuant to this section shall pay the detoxification center for the cost of his stay and treatment in the detoxification center, if he does not meet the standards of indigency necessary to qualify for the services of the public defender and does not have health insurance coverage which would pay for this cost.

Sec. 10. [169.1232] [RULES.]

The commissioner of public safety shall, pursuant to chapter 15, promulgate rules for administration of the functions assigned to the commissioner or the department of public safety under sections 1 to 9.

Sec. 11. Minnesota Statutes 1981 Supplement, Section 171.06, Subdivision 3, is amended to read:

Subd. 3. [CONTENTS OF APPLICATION.] Every application shall state the full name, date of birth, sex and residence address of the applicant, a description of the applicant in such manner as the commissioner may require, and shall state whether or not the applicant has theretofore been licensed as a driver; and, if so, when and by what state or country and whether any such license has ever been suspended or revoked, or whether an application has ever been refused; and, if so, the date of and reason for such suspension, revocation, or refusal, together with such facts pertaining to the applicant and his ability to operate a motor vehicle with safety as may be required by the commissioner. The application form shall contain a notification to the applicant of the availability of the donor document provided pursuant to section 171.07, subdivision 5, and shall contain spaces where the applicant must indicate a desire to receive or not to receive the donor document. The application form for an original or renewal license shall also contain the following statement: "The applicant's signature on this form constitutes express consent to administration of a chemical test for blood alcohol concentration or to revocation of the applicant's driver's license for

six months upon refusal to take a chemical test for blood alcohol concentration when a peace officer has reasonable and probable grounds to believe that the applicant is driving, operating, or in physical control of a motor vehicle while under the influence of alcohol or a controlled substance." The application shall be in the form prepared by the commissioner.

Sec. 12. [171.171] [LICENSE REVOCATIONS.]

Whenever the commissioner revokes the driver's license of any person under section 169.121 or 169.123, he shall make whatever inquiries he deems necessary to determine if the person is in compliance with the provisions of section 65B.48 relating to compulsory reparation security. If the commissioner determines that the person was subject to the provisions of section 65B.48 and at the time of inquiry was not in compliance with those provisions, he shall not issue any new drivers license to the person until the person has demonstrated to the satisfaction of the commissioner that he has in effect the required level of reparation security.

Sec. 13. [REPEALER.]

Minnesota Statutes 1980, Section 169.121, Subdivisions 3 and 4; and Minnesota Statutes 1981 Supplement, Section 169.121, Subdivision 5, are repealed.

Sec. 14. [EFFECTIVE DATE.]

Sections 1 to 8 are effective August 1, 1982. Section 9 is effective July 1, 1983. Sections 11 and 12 are effective August 1, 1982."

With the recommendation that when so amended the bill pass.

The report was adopted.

Jude from the Committee on Judiciary to which was referred:

H. F. No. 1642, A bill for an act relating to liquor; making certain sales of non-intoxicating malt liquor illegal; providing civil liability for illegal sales of intoxicating liquor and non-intoxicating malt liquor; amending Minnesota Statutes 1980, Sections 340.035, Subdivision 1; 340.14, Subdivision 1a; 340.73 and 340.95; proposing new law coded in Minnesota Statutes, Chapter 340; repealing Minnesota Statutes 1980, Section 340.951.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1980, Section 340.035, Subdivision 1, is amended to read:

Subdivision 1. It shall be unlawful for any:

(1) Licensee or his employee to (SELL OR SERVE NON-INTOXICATING MALT LIQUOR TO ANY PERSON UNDER THE AGE OF 19 YEARS OR TO) permit any person under the age of 19 years to consume non-intoxicating malt liquor on the licensed premises *except as provided in paragraph (5) of this subdivision;*

(2) Person other than the parent or legal guardian to procure non-intoxicating malt liquor for any person under the age of 19 years;

(3) Person to induce a person under the age of 19 years to purchase or procure non-intoxicating malt liquor;

(4) Person under the age of 19 years to misrepresent his age for the purpose of obtaining non-intoxicating malt liquor;

(5) Person under the age of 19 years to consume any non-intoxicating malt liquor unless in the company of his parent or guardian;

(6) Person under the age of 19 years to have in his possession any non-intoxicating malt liquor, with intent to consume same at a place other than the household of his parent or guardian. (POSSESSION OF SUCH NON-INTOXICATING MALT LIQUOR AT A PLACE OTHER THAN THE HOUSEHOLD OF HIS PARENT OR GUARDIAN SHALL BE PRIMA FACIE EVIDENCE OF INTENT TO CONSUME THE SAME AT A PLACE OTHER THAN THE HOUSEHOLD OF HIS PARENT OR GUARDIAN.)

Sec. 2. Minnesota Statutes 1980, Section 340.73, is amended to read:

340.73 [PERSONS TO WHOM SALES ARE ILLEGAL.]

Subdivision 1. It shall be unlawful for any person, except a licensed pharmacist to sell, give, barter, furnish, deliver, or dispose of, in any manner, either directly or indirectly, any (SPIRITUOUS, VINOUS, MALT, OR FERMENTED) *intoxicating liquors or non-intoxicating malt liquors* in any quantity, for any purpose, whatever, to any person under the age of 19 years, or to any *obviously* intoxicated person (, OR TO ANY PUBLIC PROSTITUTE).

Subd. 2. It shall be unlawful for any person except a licensed pharmacist to sell, give, barter, furnish or dispose of, in any

manner, either directly or indirectly, any (SPIRITUOUS, VINOUS, MALT OR FERMENTED) *intoxicating liquors or non-intoxicating malt liquors* in any quantity, for any purpose, whatever, to any spendthrift, habitual drunkard, or improvident person, within one year after written notice by any peace officer, parent, guardian, master, employer, relative, or by any person annoyed or injured by the intoxication of such spendthrift, habitual drunkard, or improvident person, forbidding the sale of *intoxicating liquor or non-intoxicating malt liquor* to any such spendthrift, habitual drunkard, or improvident person.

Subd. 3. Whoever shall in any way procure *intoxicating liquor or non-intoxicating malt liquor* for the use of any person named in this section shall be deemed to have sold it to such person. Any person violating any of the provisions of this section is guilty of a gross misdemeanor.

Sec. 3. Minnesota Statutes 1980, Section 340.95, is amended to read:

340.95 [INJURIES CAUSED BY INTOXICATION, CIVIL ACTIONS.]

Every husband, wife, child, parent, guardian, employer, or other person who is injured in person or property, or means of support, or *incurs other pecuniary loss* by any intoxicated person, or by the intoxication of any person, has a right of action, in his own name, against any person who, by illegally selling or bartering *intoxicating liquors or non-intoxicating malt liquors*, caused the intoxication of such person, for all damages, sustained; and all damages recovered by a minor under this section shall be paid either to such minor or to his parent, guardian, or next friend, as the court directs; and all suits for damages under this section shall be by civil action in any court of this state having jurisdiction thereof. Actions for damages based upon liability imposed by this section shall be governed by section 604.01. The provisions of section 604.01, as applied under this section, however shall not be applicable to actions brought by a husband, wife, child, parent, guardian or other dependent of an intoxicated person *for injury to person, property, or loss of means of support.* (NO RECOVERY SHALL BE HAD IN ANY ACTION OR ACTIONS PURSUANT TO THIS SECTION IN EXCESS OF \$250,000 FOR ALL DAMAGES TO ONE PERSON AND \$500,000 FOR ALL DAMAGES TO TWO OR MORE PERSONS ARISING OUT OF A SINGLE INSTANCE OF THE ILLEGAL SALE OR BARTER OF INTOXICATING LIQUOR.)

Sec. 4. Minnesota Statutes 1980, Section 340.951, is amended to read:

340.951 [NOTICE OF INJURY.]

Every person or his insurer who claims (DAMAGES) contribution or indemnity from any municipality owning and operating a municipal liquor store or from the licensee of any licensed liquor establishment for or on account of any injury within the scope of section 340.95, shall give a written notice to the governing body of the municipality or the licensee of the liquor establishment, as the case may be, stating:

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

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

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

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

In the case of claims for contribution or indemnity this notice shall be served within 120 days after the injury occurs, or within 60 days after receiving written notice of a claim for contribution or indemnity, whichever is applicable, and no action for contribution or indemnity therefor shall be maintained unless such notice has been given (, AND UNLESS IT IS COMMENCED WITHIN ONE YEAR AFTER SUCH INJURY. THE TIME FOR GIVING THE NOTICE SHALL NOT INCLUDE ANY PERIOD OF TIME NEXT SUCCEEDING THE OCCURRENCE OF THE INJURY DURING WHICH THE PERSON INJURED IS INCAPACITATED FROM GIVING SUCH NOTICE BY REASON OF THE INJURY SUSTAINED). In the case of a claim for damages the notice shall be served by the claimant's attorney within 120 days of the date of entering an attorney-client relation with the person in regard to the claim, and no action for damages shall be maintained unless the notice has been given.

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

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

Sec. 5. [EFFECTIVE DATE.]

Sections 1 to 4 are effective the day following final enactment."

Amend the title as follows:

Page 1, line 7, delete "340.14, Subdivision 1a;" and delete "and" and insert a semicolon

Page 1, line 7, delete "proposing" and after "340.95;" insert "and 340.951."

Page 1, delete lines 8 and 9

With the recommendation that when so amended the bill pass.

The report was adopted.

Vanasek from the Committee on Criminal Justice to which was referred:

H. F. No. 1704, A bill for an act relating to public safety; prohibiting the sale, use, manufacture and possession of high penetration bullets; prohibiting the sale and possession of armor-piercing bullets; prescribing penalties; proposing new law coded in Minnesota Statutes, Chapter 624.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [624.74] [METAL-PENETRATING BULLETS.]

Subdivision 1. [INTENT.] This section is designed to give law enforcement officers performing their official duties a reasonable degree of protection from penetration of quality body armor. It is not the intent of this section to restrict the availability of ammunition for personal defense, sporting, or hunting purposes.

Subd. 2. [DEFINITION.] For purposes of this section, "metal-penetrating bullet" means a handgun bullet of 9 mm, .25, .32, .357, .38, .41, .44, or .451 caliber which is comprised of a hardened core equal to the minimum of the maximum attainable hardness by solid red metal alloys which purposely reduces the normal expansion or mushrooming of the bullet's shape upon impact: "Metal-penetrating bullet" excludes any bullet composed of copper or brass jacket with lead or lead alloy cores and any bullet composed of lead or lead alloys.

Subd. 3. [USE OR POSSESSION IN COMMISSION OF A CRIME.] Any person who uses or possesses a metal-penetrating bullet during the commission of a crime is guilty of a felony and may be sentenced to imprisonment for not more than three years or to payment of a fine of not more than \$3,000, or both. Any imprisonment sentence imposed under this subdivision shall run consecutively to any sentence imposed for the other crime.

Subd. 4. [LOCAL REGULATION.] Section 1 shall be construed to supersede any municipal or county regulation of ammunition, including its component parts.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective the day after final enactment and applies to all crimes committed on or after that date.

Amend the title as follows :

Page 1, line 2, delete everything after the semicolon

Page 1, delete lines 3 and 4 and insert "making it a felony to use or possess metal-penetrating bullets in the commission of a crime"

Page 1, line 5, delete "piercing bullets"

With the recommendation that when so amended the bill pass.

The report was adopted.

Norton from the Committee on Governmental Operations to which was referred :

H. F. No. 1720, A bill for an act relating to retirement; recognizing service covered by multiple retirement funds for entitlement to a disability benefit; proposing new law coded in Minnesota Statutes, Chapter 356.

Reported the same back with the recommendation that the bill pass and be placed on the Consent Calendar.

The report was adopted.

Vanasek from the Committee on Criminal Justice to which was referred :

H. F. No. 1723, A bill for an act relating to crimes; prohibiting driving a motor vehicle when impaired by alcohol; providing prima facie evidentiary standards for determining if persons were driving while impaired or under the influence of alcohol;

requiring blood, breath or urine tests of surviving drivers involved in accidents; authorizing written blood sample reports; amending Minnesota Statutes 1980, Sections 169.121, Subdivisions 1, 2, 3, and 4; 169.123, Subdivisions 3, 6, 9 and by adding subdivisions.

Reported the same back with the following amendments :

Page 3, delete lines 20 to 26

Pages 6 and 7, delete section 8

Page 7, after line 35, insert :

“Sec. 9. Minnesota Statutes 1980, Section 171.30, Subdivision 1, is amended to read :

Subdivision 1. In any case where a person's license has been suspended under section 171.18 or revoked under sections 169.121 or 171.17, if the driver's livelihood or attendance at a chemical dependency treatment or counseling program depends upon the use of his driver's license, the commissioner may at his own discretion (AND SHALL UPON RECOMMENDATION BY THE COURT EXCLUDING JUSTICES OF THE PEACE IN WHICH THE DRIVER WAS CONVICTED,) issue a limited license to the driver. The commissioner in issuing a limited license may impose such conditions and limitations as in his judgment are necessary to the interests of the public safety and welfare including re-examination as to the driver's qualifications. The license may be limited to the operation of particular vehicles, to particular classes and times of operation and to particular conditions of traffic.

The limited license issued by the commissioner shall clearly indicate the limitations imposed and the driver operating under the limited license shall have the license in his possession at all times when operating as a driver.

In determining whether to issue a limited license, the commissioner shall consider the number and the seriousness of prior convictions and the entire driving record of the driver and shall consider the number of miles driven by the driver annually.

Sec. 10. [169.1232] [RULES.]

The commissioner of public safety shall, pursuant to chapter 15, promulgate rules for administration of the functions assigned to the commissioner or the department of public safety under sections 1 to 9.”

Renumber the sections

Amend the title as follows:

Page 1, line 10, delete "9"

Page 1, line 11, after "subdivisions" insert "; and 171.30, Subdivision 1; proposing new law coded in Minnesota Statutes, Chapter 169"

With the recommendation that when so amended the bill pass.

The report was adopted.

Norton from the Committee on Governmental Operations to which was referred:

H. F. No. 1735, A bill for an act relating to retirement; Hennepin county supplemental retirement program; providing for a phase out of the program; authorizing current participants to withdraw from the program; providing for an increased withdrawal benefit option in certain instances; amending Laws 1969, Chapter 950, Sections 1, 2, 3, as amended, 4, as amended, 5 and 6; repealing Laws 1969, Chapter 950, Section 8.

Reported the same back with the following amendments:

Page 4, line 19, strike "62" and insert "58"

Page 7, delete lines 4 to 28 and insert:

"(6) A participant who has terminated employment with the county of Hennepin (BUT), who does not qualify (UNDER) pursuant to the provisions of paragraphs (1) through ((4) OF THIS SECTION. IN SUCH CASE ONE HALF OF THE CASH REALIZED ON THE REDEMPTION OF SHARES SHALL BE RECEIVED BY THE PERSON AND ONE HALF SHALL BE RECEIVED BY THE COUNTY OF HENNEPIN AND SET ASIDE IN AN ACCOUNT CONTAINING ALL LIKE MONEYS. ONCE EACH YEAR AT A TIME DETERMINED BY THE COUNTY OF HENNEPIN THE MONEY IN THE ACCOUNT WILL BE DISTRIBUTED PER CAPITA TO THE EMPLOYEE SHARE ACCOUNT RECORDS OF ACTIVE COUNTY EMPLOYEES) (5) and who became a participant in the Hennepin county supplemental retirement program prior to or after the effective date of this act and who previously had not redeemed any shares in the program shall be entitled to receive the total amount of the cash realized on the redemption of all shares to the credit of the participant's share account record."

With the recommendation that when so amended the bill pass and be placed on the Consent Calendar.

The report was adopted.

Norton from the Committee on Governmental Operations to which was referred:

H. F. No. 1737, A bill for an act relating to retirement; local police and salaried firefighters relief associations; providing minimum disability benefit coverage for certain police officers and firefighters; proposing new law coded in Minnesota Statutes, Chapter 423A.

Reported the same back with the following amendments:

Page 3, after line 13, insert:

“Sec. 2. [423A.11] [RECOMPUTATION OF A DISABILITY BENEFIT AS A SERVICE PENSION.]

Subdivision 1. [TERMINATION OF DISABILITY BENEFIT.] The disability benefit of any disabled member of a local police or salaried firefighters relief association, whichever is applicable, shall terminate when the disabled member attains:

(a) the minimum age for the receipt of a service pension specified in the articles of incorporation or the bylaws of the relief association, if the disabled member has credit for at least the number of years of service for active duty which would entitle the disabled member to a service pension in an amount equal to the amount of the disability benefit; or

(b) the age attained by the disabled member when the total number of years of service credited for active duty and of years of receipt of a disability benefit equals the number of years of service credit which would entitle the disabled member to a service pension in an amount equal to the amount of the disability benefit, if the disabled member has credit for less than the number of years of service for active duty which would entitle the disabled member to a service pension in an amount equal to the amount of the disability benefit when the disabled member attains the minimum age for the receipt of a service pension specified in the articles of incorporation or the bylaws of the relief association.

Subd. 2. [AMOUNT OF DISABILITY BENEFIT RECOMPUTED AS A SERVICE PENSION.] After the disability benefit terminates, the disabled member shall be deemed to be a service pensioner and shall be entitled to receive a service pension in an amount equal to the disability benefit without any benefit offset required pursuant to any applicable provision of law, articles of incorporation or bylaws which was payable by the relief association immediately prior to the date when the disability benefit terminated pursuant to this section or the service pension otherwise payable based on the service credit section or the service pension otherwise payable based on the service credit for active duty of the person, whichever amount is greater.

The disability benefit recomputed as a service pension shall be subject to any annual automatic post retirement adjustments or escalation applicable to any other service pension payable by the relief association.

Subd. 3. [LIMITATION ON DISABILITY BENEFIT COVERAGE.] *No relief association member who has attained the age and acquired the service credit for termination of a disability benefit specified in subdivision 1 shall be eligible for a disability benefit after that date. If a relief association member who is ineligible for a disability benefit solely pursuant to the limitation set forth in this subdivision becomes permanently unable to perform the duties of a police officer or a firefighter, whichever is applicable, by virtue of a medically determinable illness or injury, the member shall be eligible to a service pension in an amount equal to the amount of the disability benefit which would have been paid had the person been entitled to a disability benefit, or the amount of the service pension otherwise payable based on the service credit for active duty of the person, whichever is greater.*

Sec. 3. [423A.12] [SERVICE CREDIT FOR PERIODS OF DISABILITY.]

If the articles of incorporation or bylaws of a local police or salaried firefighters relief association, whichever is applicable, so provide, any relief association member who received a disability benefit from the relief association on account of a medically determinable illness or injury which was at the time of the determination of the disability expected to be of permanent duration and who returned to active employment as a police officer or firefighter, whichever is applicable, shall be entitled to receive service credit toward the calculation of a service pension for the period or periods of the receipt of a disability benefit.

The maximum service credit which a relief association member may obtain pursuant to this subdivision shall be that amount of service credit which, when added to the service credit of the member for active duty, equals the amount of service credit which would entitle the member to a service pension in an amount equal to the amount of the disability benefit provided by the relief association.

Sec. 4. [423A.13] [LESS HAZARDOUS DUTY EMPLOYMENT FOR marginally DISABLED POLICE OFFICERS OR FIREFIGHTERS.]

Every city in which a local police or salaried firefighters relief association is located shall make every reasonable attempt to provide less hazardous duty employment positions for marginally or less severely disabled police officers or firefighters, whichever is applicable, in the police department or in the fire department,

whichever is applicable, with the same compensation, fringe benefits and other terms and conditions of employment as the person would have otherwise received currently as a regularly employed police officer or firefighter, whichever is applicable, of the same rank and experience.

Sec. 5. [423A.14] [OFFSETS FROM DISABILITY BENEFITS.]

Subdivision 1. [OCCURRENCE OF OFFSETS.] If a police officer or firefighter, whichever is applicable, who is a member of a local police or salaried firefighters relief association becomes disabled and is entitled to receive a disability benefit from the relief association and the disabled person is also entitled to receive benefits pursuant to the workers' compensation law by virtue of that disability, and the total of the disability benefit and the workers' compensation benefits exceeds the salary which the disabled person received as of the date of the disability or the salary currently payable to the same employment position or an employment position which is substantially similar to the employment position which the person held as of the date of the disability, whichever is greater, then the disability benefit of that person which is otherwise payable shall be reduced to that amount which, when added to the workers' compensation benefits, after deducting any amounts payable as attorney fees, medical benefits or rehabilitation benefits, does not exceed the salary which the person received as of the date of the disability or the salary currently payable to the same employment position or an employment position which is substantially similar to the employment position which the person held as of the date of the disability, whichever is greater.

Subd. 2. [LIMITATION.] In no event shall the reduced disability benefit payable pursuant to the requirements of subdivision 1 exceed the amount of the disability benefit otherwise payable by the relief association without reference to subdivision 1 pursuant to the applicable statutes, special laws, articles of incorporation and bylaws.

Subd. 3. [NO OFFSET FOR RECOMPUTED DISABILITY BENEFIT.] No offset pursuant to this section shall be required after a disability benefit is recomputed as a service pension pursuant to section 2.

Subd. 4. [REPORTING REQUIREMENT.] Monthly, each city in which a local police or salaried firefighters relief association is located shall notify the secretary of the relief association of the amounts payable to disabled police officers or firefighters, whichever is applicable, during the month pursuant to the workers' compensation law.

Subd. 5. [OFFSET INAPPLICABLE IN CERTAIN INSTANCES.] If any reduction of benefits payable pursuant to

the workers' compensation law by virtue of the receipt of a disability benefit from a local police or salaried firefighters relief association is required pursuant to legislation enacted by the 1982 regular session or by a subsequent regular or special session, the provisions of this section shall not be applicable to any disability benefit recipient or any local police or salaried firefighters relief association.

Sec. 6. [EFFECT OF PROVISIONS FOR EXISTING DISABILITY BENEFIT RECIPIENTS.]

The provisions of section 1 shall apply to any member of any applicable local relief association in active service on or after the effective date of this section. The provisions of section 2 shall apply to any person receiving a disability benefit from a local relief association on or after the effective date of this section. The provisions of section 3 shall apply to any person who returns to active employment as a police officer or firefighter, whichever is applicable, after receipt of a permanent disability benefit on or after the effective date of this section. The provisions of section 5 shall apply to any person who first commences receipt of a disability benefit after the effective date of this section.

Sec. 7. [WEST ST. PAUL FIREFIGHTERS RELIEF ASSOCIATION; ESTABLISHMENT.]

The fire department of the city of West St. Paul shall establish and maintain a firefighters relief association, to be known as "West St. Paul Firefighters Relief Association."

Sec. 8. [INCORPORATION; ORGANIZATION; POWERS.]

The West St. Paul Firefighters Relief Association shall be incorporated pursuant to Minnesota Statutes, Chapter 317, except that the relief association shall not be required to amend its articles of incorporation or bylaws to conform with Minnesota Statutes, Section 317.08, Subdivision 2, Clause (3), and that the relief association shall be deemed to be a nonprofit corporation without coming within the application of Minnesota Statutes, Section 317.02, Subdivision 5. Except as provided in Minnesota Statutes, Section 423A.01, Subdivision 2, the relief association shall have perpetual existence. The relief association shall be organized, operated and maintained in accordance with its articles of incorporation and bylaws by firefighters who are members of the fire department of the city of West St. Paul and who are members of the relief association. The relief association shall have the power to regulate its own management and affairs and to amend its articles of incorporation and bylaws, except that any amendment to its articles of incorporation or bylaws which increases or otherwise affects the retirement coverage provided by or the service pensions or retirement benefits payable from the special fund of the relief association

shall not be effective until ratified by the city council of the city of West St. Paul. The relief association shall have all additional corporate powers which may be necessary or useful, subject to the provisions of this act, other laws pertaining to corporations not inconsistent with this act and other laws applicable to firefighters relief associations.

Sec. 9. [MANAGEMENT.]

The general management of the relief association shall be vested in a board of trustees composed of five members of the relief association, elected by the membership of the relief association, during the annual meeting of the relief association. The term of office for board of trustee members shall be for one year, commencing with the election, and until the successor in office is elected and duly qualified.

Sec. 10. [OFFICERS OF THE RELIEF ASSOCIATION.]

The officers of the relief association shall be a president, a vice president, a secretary and a treasurer.

Sec. 11. [FUNDS OF THE RELIEF ASSOCIATION.]

The assets of the relief association shall be kept in two separate and distinct funds, one to be designated as the special fund of the relief association and the other to be designated as the general fund of the relief association. All moneys received by the relief association from the state of Minnesota and from the city of West St. Paul and all moneys representing employee contributions received by the relief association shall be deposited in and credited to the special fund of the relief association and shall be expended only for the purposes authorized pursuant to section. All moneys received by the relief association from any other source shall be deposited in and credited to the general fund of the relief association and shall be expended only for purposes authorized pursuant to the bylaws of the relief association.

Sec. 12. [MANAGEMENT OF ASSETS.]

The relief association shall have the full responsibility for the proper management and control of any assets which are received by the relief association.

Sec. 13. [SOURCES OF REVENUE.]

The relief association may receive any amounts of money from the following sources:

(1) amounts from the state of Minnesota pursuant to Minnesota Statutes, Sections 69.011 to 69.051 and 423A.02;

(2) amounts received from the city of West St. Paul pursuant to Minnesota Statutes, Section 69.77;

(3) amounts received as investment income on the invested assets of the special or general fund of the relief association;

(4) amounts of employee contributions deducted by the city of West St. Paul from the salaries of relief association members; and

(5) amounts received from private sources, including gifts, charges, rents and entertainments.

Sec. 14. [AUTHORIZED DISBURSEMENTS FROM SPECIAL FUND.]

Disbursements from the special fund of the relief association may be made for any of the following;

(1) For the payment of service pensions to retired members of the relief association if authorized and paid pursuant to law and the bylaws governing the relief association;

(2) For the payment of temporary or permanent disability retirement benefits to disabled members of the relief association if authorized and paid pursuant to law and specified in amount in the bylaws governing the relief association;

(3) For the payment of survivor retirement benefits to surviving spouses and surviving children of deceased members of the relief association if authorized by and paid pursuant to law and specified in amount in the bylaws governing the relief association;

(4) For the payment of any funeral benefits to the surviving spouse, or if no surviving spouse, the estate, of the deceased member of the relief association if authorized by law and specified in amount in the bylaws governing the relief association;

(5) For the payment of the fees, dues and assessments to the Minnesota state fire department association in order to entitle relief association members to membership in and the benefits of the association; and

(6) For the payment of administrative expenses of the relief association as authorized pursuant to Minnesota Statutes, Section 69.80.

Sec. 15. [INVESTMENT OF ASSETS.]

The assets of the special fund of the relief association shall be invested only in securities authorized by Minnesota Statutes,

Section 69.77, Subdivision 2, Clause (7). The assets of the general fund of the relief association may be invested in any securities authorized by the bylaws of the relief association.

Sec. 16. [BOARD OF EXAMINERS.]

The relief association shall establish a board of examiners who shall, when requested to do so by the board of trustees of the relief association, make a thorough investigation and report on the following:

(1) on all applications for disability benefits and the appropriate benefit amount to be paid to each applicant;

(2) on all disability benefit recipients;

(3) on all applications for service pensions; and

(4) on all claims for relief. The board of examiners shall be composed of three members, one of whom shall be the president of the relief association. A competent physician, selected by the relief association, shall serve with the board of examiners as the physician of the relief association.

Sec. 17. [NONGARNISHMENT; EXEMPTION FROM PROCESS.]

No service pension or retirement benefits paid or payable from the special fund of the relief association to any person receiving or entitled to receive a service pension or other retirement benefits shall be subject to garnishment, judgment, execution or other legal process and no person entitled to a service pension or other retirement benefits from the special fund of the relief association shall have the right to assign any service pension or retirement benefit payments, nor shall the relief association have the authority to recognize any assignment or pay over any sum which has been assigned.

Sec. 18. [NO AFFECT ON WORKERS' COMPENSATION ACT.]

Sections 7 to 19 shall not be construed as abridging, repealing or amending Minnesota Statutes, Chapter 176.

Sec. 19. [VALIDATION OF PRIOR ACTIONS.]

Notwithstanding any provision of law to the contrary, any action of the West St. Paul firefighters relief association taken subsequent to September 25, 1947 and prior to the effective date of this section which was in conformance with the applicable provisions of sections 7 to 19 and the applicable provisions of the

duly adopted articles of incorporation and bylaws of the relief association are hereby validated.

Sec. 20. Laws 1974, Chapter 382, Section 4, Subdivision 3, as amended by Laws 1978, Chapter 690, Section 9, is amended to read:

Subd. 3. The board of trustees shall have exclusive control and management of all funds received by its treasurer (UNDER) *pursuant to* the provisions of Minnesota Statutes, Sections (424.30) 69.77 and (424.31) 423A.02 and funds derived for the investment of these funds, and (SUCH) *the* funds, when received, shall be kept in a special fund on the books of the secretary and treasurer of the association and (NEVER) disbursed *only* for (ANY PURPOSE EXCEPT) the following:

- (a) For the relief of sick, injured and disabled members;
- (b) For the payment of pensions to disabled (FIREMEN) *firefighters* and their (WIDOWS) *surviving spouses* and (ORPHANS) *surviving children* of (FIREMEN) *firefighters*;
- (c) For the payment of pensions to retired (FIREMEN) *firefighters* pursuant to the laws of the state and the bylaws of the association;
- (d) For the payment of such death or funeral benefits as may be from time to time stipulated in the bylaws of the association;
- (e) For payments from the fund for the purchase of insurance to cover either the disability or death of a member declaring the special fund as beneficiary;
- (f) For the payment of premiums for health insurance, *medical insurance and group health insurance policies*;
- (g) For the payment of premiums on *health insurance, medical insurance and group health insurance coverage* (ON) for recipients of service, disability, or dependency pensions (;) , provided that the amount per capita so expended does not exceed the amount per capita expended for similar coverage by the city of St. Cloud for municipal employees;
- (h) For the payment of administrative expenses of the association as authorized pursuant to (SECTION 8 OF THIS ACT) *Minnesota Statutes, Section 69.80.*

Sec. 21. Laws 1974, Chapter 382, Section 6, Subdivision 4, is amended to read:

Subd. 4. All members who (RETIRE) terminate active employment after July 1, 1973, and who meet the minimum service requirement for entitlement to a pension pursuant to this section, shall be eligible for the same group health, medical insurance and health insurance coverage as is provided by the city for active fire fighters. The member qualifying for such coverage shall also be eligible to apply for and receive coverage for the eligible dependents of the member for the same group health insurance, medical insurance and health insurance coverage as is provided by the city for active members. If (SUCH) a (RETIRED) member, or eligible dependent requests coverage under the group (HOSPITALIZATION) health insurance (PLAN), medical insurance and health insurance for city employees, the (FIREMAN'S PENSION) firefighters relief association, from the special fund shall pay to the city, on behalf of the (RETIRED) member, an amount equal to the premium for the same coverage for an active firefighter. (SAID) The premium payment shall be in addition to and shall not be deducted from any other payments (FOR) to which the individual is (ELIGIBLE) entitled from the relief association. (IN THE EVENT SUCH A RETIRED MEMBER IS RECEIVING DEFERRED PENSION, HE SHALL BE ELIGIBLE FOR SUCH INSURANCE, HOWEVER, THE PREMIUMS THEREFORE SHALL BE PAID BY THE RETIRED MEMBER UNTIL SUCH MEMBER REACHES THE AGE OF 50, AT WHICH TIME HE SHALL BECOME ELIGIBLE TO HAVE SAID PREMIUMS PAID BY THE ASSOCIATIONS AS SPECIFIED ABOVE. A RETIRED) Such member shall also be eligible to apply for and receive coverage for (HIS) the eligible dependents of the member under (SAID) the same group plan (, HOWEVER THE COST OF SUCH ADDITIONAL INSURANCE SHALL BE PAID BY THE RETIRED MEMBER. THE BENEFITS PROVIDED IN THIS SECTION SHALL CEASE WHEN THE INDIVIDUAL RECEIVING SAID BENEFITS ATTAINS THE AGE OF 65). The member retiring under a deferred pension, as well as the member's dependents, shall be eligible for the same health insurance, medical insurance and group health insurance as provided for members receiving service pensions and their dependents, except that during the period of the deferment the cost of the insurance shall be paid by the deferred member. However, upon qualifying to receive a pension, the firefighters relief association, from the special fund shall pay to the city, on behalf of the member, an amount equal to the premium for the same coverage for an active firefighter."

Page 3, line 15, delete "This act is" and insert "Sections 1 to 6 are" and after "enactment." insert "Sections 7 to 19 are effective upon approval by the city council of the city of West St. Paul and upon compliance with Minnesota Statutes, Section 645.021. Sections 20 and 21 are effective upon approval by the city council of the city of St. Cloud and upon compliance with Minnesota Statutes, Section 645.021."

Renumber the section

Delete the title and insert:

"A bill for an act relating to retirement; local police and salaried firefighters relief association; providing minimum disability benefit coverage for police officers and firefighters in certain local relief associations; providing for the recomputation of a disability benefit as a service pension upon the attainment of a certain age; providing service credit for periods of disability in certain instances; requiring the provision of less hazardous duty employment positions for marginally disabled police officers and firefighters; requiring offsets from disability benefits in certain instances; authorizing the establishment and operation of the West St. Paul firefighters relief association; validating prior actions by the West St. Paul firefighters relief association; clarifying and resolving an inconsistency in prior enactments concerning medical and health insurance coverage for certain relief association members; amending Laws 1974, Chapter 382, Sections 4, Subdivision 3, as amended; and 6, Subdivision 4; proposing new law coded in Minnesota Statutes, Chapter 423A."

With the recommendation that when so amended the bill pass.

The report was adopted.

Vanasek from the Committee on Criminal Justice to which was referred:

H. F. No. 1744, A bill for an act relating to crimes; providing prima facie evidentiary standards for determining if persons were driving while under the influence of alcohol; enhancing criminal penalties for persons who are convicted of more than one offense of driving while under the influence of alcohol or a controlled substance; enhancing the length of revocation of a driver's license or operating privileges for each additional offense of driving while under the influence of alcohol or a controlled substance; requiring results of preliminary screening tests be recorded on a driver's record if there is an alcohol concentration between .05 and .10; authorizing chemical tests for persons incapable of refusing to submit to tests; authorizing written blood sample reports into evidence; instruction to the revisor; amending Minnesota Statutes 1980, Sections 169.121, Subdivisions 1, 2, 3, 4, and 6; 169.123, Subdivisions 2, 3, 4, and 9; and Minnesota Statutes 1981 Supplement, Section 169.121, Subdivision 5.

Reported the same back with the following amendments:

Page 2, lines 4 to 9, reinstate the stricken language

Page 6, lines 24 and 33, reinstate the stricken language

Page 7, line 4, reinstate the stricken language

Page 9, line 21, after the period, insert "*The report shall be made within 24 hours of the refusal.*"

Page 9, line 27, after the period, insert "*The report shall be made within 24 hours of the administration of the test.*"

Page 10, after line 14, insert a new section to read as follows:

"Sec. 10. Minnesota Statutes 1980, Section 169.123, Subdivision 5a, is amended to read:

Subd. 5a. [PEACE OFFICER AGENT FOR NOTICE OF REVOCATION.] On behalf of the commissioner of public safety a peace officer offering a chemical test or directing the administration of a chemical test (MAY) *shall* serve immediate notice of intention to revoke and of revocation on a person who refuses to permit chemical testing or on a person who submits to a chemical test the results of which indicate an alcohol concentration of 0.10 or more. The officer shall take the license or permit of the driver, if any, and issue a temporary license effective only for 30 days. The peace officer shall send the person's driver's license to the commissioner of public safety along with the certificate required by subdivision 4.

If the person requests a hearing within the 30 day period, the commissioner shall issue additional temporary licenses until the final determination of whether there shall be a revocation under this section."

Page 11, after line 2, insert:

"Sec. 12. [169.1232] [RULES.]

The commissioner of public safety shall, pursuant to chapter 15, promulgate rules for administration of the functions assigned to the commissioner or the department of public safety under sections 1 to 11."

Renumber the sections

Amend the title as follows:

Page 1, line 20, after "4," insert "5a"

Page 1, line 21, before the period insert "; proposing new law coded in Minnesota Statutes, Chapter 169"

With the recommendation that when so amended the bill pass.

The report was adopted.

Vanasek from the Committee on Criminal Justice to which was referred:

H. F. No. 1759, A bill for an act relating to crimes; prohibiting the manufacture or delivery of drug paraphernalia; prohibiting the delivery of drug paraphernalia to minors; prohibiting the advertisement of drug paraphernalia; providing for civil forfeiture of drug paraphernalia; prescribing penalties; amending Minnesota Statutes 1980, Sections 152.01, by adding a subdivision; 152.19, Subdivisions 1 and 3; proposing new law coded in Minnesota Statutes, Chapter 152.

Reported the same back with the following amendments:

Page 2, delete lines 32 to 34

Page 2, line 36, delete "*direct*"

Page 3, line 9, delete "*direct*"

Renumber the clauses

Page 4, line 6, delete "*gross*"

Page 4, line 12, delete "*felony*" and insert "*gross misdemeanor*"

Page 4, line 19, after "*objects*" insert "*in this state*"

With the recommendation that when so amended the bill pass.

The report was adopted.

Vanasek from the Committee on Criminal Justice to which was referred:

H. F. No. 1760, A bill for an act relating to crimes; expanding criminal responsibility of certain recipients of stolen property; modifying penalties for receiving stolen property; expanding definition of "buglary"; amending Minnesota Statutes 1980, Sections 609.53, Subdivisions 1 and 3; and 609.58, Subdivision 2; Minnesota Statutes 1981 Supplement, Section 609.53, Subdivisions 1a and 4; repealing Minnesota Statutes 1980, Section 609.53, Subdivision 2; and Minnesota Statutes 1981 Supplement, Section 609.53, Subdivision 2a.

Reported the same back with the following amendments:

Page 1, lines 23 and 24, reinstate the stricken language and delete the new language

Page 1, line 28, delete "ten" and insert "five" and delete "\$10,000" and insert "\$5,000"

Page 2, line 16, reinstate the stricken language and delete the new language

Page 2, line 20, delete "ten" and insert "five"

Page 4, after line 3, insert:

"Sec. 6. Minnesota Statutes 1980, Section 626A.05, Subdivision 2, is amended to read:

Subd. 2. [OFFENSES FOR WHICH INTERCEPTION OF WIRE OR ORAL COMMUNICATION MAY BE AUTHORIZED.] A warrant authorizing interception of wire or oral communications by investigative or law enforcement officers may only be issued when (SUCH) *the* interception may provide evidence of the commission of any criminal (FELONY) offense involving murder, manslaughter, aggravated assault, aggravated robbery, kidnapping, aggravated rape, prostitution, bribery, perjury, escape from custody, theft, receiving stolen property, embezzlement, burglary, forgery, aggravated forgery, gambling, and offenses relating to controlled substances, or an attempt or conspiracy to commit any (SUCH OFFENSE OR SAID) *of these* offenses, as punishable under sections 609.185, 609.19, 609.195, 609.20, 609.225, 609.245, 609.25, 609.291, 609.321 to 609.324, 609.42, 609.48, 609.485, subdivision 4, clause (1), 609.52, 609.53, 609.54, 609.58, 609.625, 609.63, 609.76, 609.825, and chapter 152."

Page 4, line 10, after the period insert: "*Section 6 is effective May 1, 1982 and applies to warrants issued on or after that date. Section 7 is effective August 1, 1982.*"

ReNUMBER the sections

Amend the title as follows:

Page 1, line 7, after "2;" insert "626A.05, Subdivision 2;"

With the recommendation that when so amended the bill pass.

The report was adopted.

Vanasek from the Committee on Criminal Justice to which was referred:

H. F. No. 1764, A bill for an act relating to crimes; prohibiting possession of obscene works appealing to pedophiles; prescribing penalties; amending Minnesota Statutes 1980, Section 617.246, by adding a subdivision.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. [241.74] [SEX OFFENDER TREATMENT.]

The commissioner of corrections shall, to the extent that funds are available, make sex offender treatment programs available to any person committed to a state correctional facility who has been convicted of a violation of section 609.342, 609.343, 609.344, 609.345, 609.346, 609.3641, 609.3642, 609.3643, 609.3644, 609.365, 617.23 to 617.41, or section 4, who is willing to participate in sex offender treatment.

Sec. 2. [609.366] [PROCEEDINGS INVOLVING MINOR VICTIMS.]

In cases where a person is charged with violating section 609.-342, 609.343, 609.344, 609.345, 609.346, 609.3641, 609.3642, 609.-3643, 609.3644, 609.365, 617.20 to 617.294, or section 4 and the victim of the alleged crime is a minor, the name of the minor victim shall not be published in any document available to persons other than persons necessary to the action or proceeding, nor shall the name be broadcast by radio or television by whatever means transmitted. In cases where a violation of section 609.-3641, 609.3642, 609.3643, 609.3644, or 609.365 is alleged, the relationship of the victim to the accused shall not be published in any newspaper, book, periodical, or other publication available to the general public, or by radio or television by whatever means transmitted. Any person who violated this section is guilty of a misdemeanor.

Sec. 3. Minnesota Statutes 1980, Section 617.246, Subdivision 1, is amended to read:

617.246 [PROHIBITING PROMOTION OF MINORS TO ENGAGE IN OBSCENE WORKS.]

Subdivision 1. [DEFINITIONS.] (a) For the purpose of this section, the terms defined in this subdivision shall have the meanings given them.

(b) “Minor” means any person who has not attained his or her 18th birthday.

(c) “Promote” means to produce, direct, publish, manufacture, issue, or advertise.

(d) “Sexual performance” means any play, dance or other exhibition presented before an audience or for purposes of visual or mechanical reproduction which depicts patently offensive sexual conduct as defined by clause (f).

(e) "An obscene work" is a picture, a film, photograph, negative, slide, drawing or similar visual representation depicting a minor, which taken as a whole appeals to pedophiles or to the prurient interest in sex of the average person, which portrays patently offensive sexual conduct and which, taken as a whole, does not have serious literary, artistic, political or scientific value. In determining whether or not a work is an obscene work the trier of the fact must find: (i) that the average person, applying contemporary community standards would find that the work, taken as a whole appeals to pedophiles or to the prurient interest in sex of the average person; and (ii) that the work depicts patently offensive sexual conduct specifically defined by clause (f); and (iii) that the work, taken as a whole, lacks serious literary, artistic, political or scientific value.

(f) "Patently offensive sexual conduct" includes any of the following depicted sexual conduct if the depiction involves a minor:

(i) An act of sexual intercourse, normal or perverted, actual or simulated, including genital-genital, anal-genital, or oral-genital intercourse, whether between human beings or between a human being and an animal.

(ii) Sadomasochistic abuse, meaning flagellation or torture by or upon a person who is nude or clad in undergarments or in a revealing costume or the condition of being fettered, bound or otherwise physically restrained on the part of one so clothed.

(iii) Masturbation or lewd exhibitions of the genitals including any explicit, close up representation of a human genital organ.

(iv) Physical contact or simulated physical contact with the clothed or unclothed pubic areas or buttocks of a human male or female, or the breasts of the female, whether alone or between members of the same or opposite sex or between humans and animals in an act of apparent sexual stimulation or gratification.

(g) "*Pedophile*" means a person with a prurient interest in children as sexual objects.

Sec. 4. Minnesota Statutes 1980, Section 617.246, Subdivision 4, is amended to read:

Subd. 4. [DISSEMINATION.] A person who, knowing its content and character, disseminates for profit an obscene work, as defined in this section, is guilty of a (MISDEMEANOR) felony.

Sec. 5. [617.247] [POSSESSION OF OBSCENE PHOTOGRAPHIC REPRESENTATIONS OF MINORS.]

Subdivision 1. [POLICY; PURPOSE.] It is the policy of the legislature in enacting this section to protect minors from the physical and psychological damage caused by using minors in obscene films, photographs, and other obscene photographic representations of actual minors. Every time that a person views an obscene portrayal of an actual minor, that minor's physical and psychological well-being is endangered and remains subject to additional harm at least until all copies of the obscene photographic representation are destroyed. It is therefore the intent of the legislature to penalize possession of obscene photographic representations in order to protect the identity of minors who are victimized by involvement in obscene photographic representations, and to protect minors from future involvement in obscene photographic representations. It is not the intent of this section to prohibit the possession by adults of written words, drawings, paintings, or similar representations which are created without the use of an actual minor as an actor or photographic subject.

Subd. 2. [DEFINITIONS.] For purposes of this section, the following terms have the meanings given them:

(a) "Photographic representation" means an original or reproduction of a film, videotape, photograph, negative, or slide.

(b) "Obscene" means that the work, taken as a whole, appeals to pedophiles or to the prurient interest in sex of the average person, which portrays patently offensive sexual conduct and which, taken as a whole, does not have serious literary, artistic, political or scientific value. In order to determine that a work is obscene the trier of fact must find: (i) that the average person, applying contemporary community standards would find that the work, taken as a whole appeals to pedophiles or to the prurient interest in sex of the average person; and (ii) that the work depicts patently offensive sexual conduct specifically defined by clause (1); and (iii) that the work, taken as a whole, lacks serious literary, artistic, political or scientific value.

(1) "Patently offensive sexual conduct" includes any of the following depicted sexual conduct if the depiction involves a minor:

(i) An act of sexual intercourse, normal or perverted, actual or simulated, including genital-genital, anal-genital, or oral-genital intercourse, whether between human beings or between a human being and an animal.

(ii) Sadoomasochistic abuse, meaning flagellation or torture by or upon a person who is nude or clad in undergarments or in a revealing costume or the condition of being fettered, bound, or otherwise physically restricted on the part of one so clothed.

(iii) Masturbation or lewd exhibitions of the genitals including any explicit, close up representation of a human genital organ.

(iv) *Physical contact or simulated physical contact with the clothed or unclothed pubic areas or buttocks of a human male or female, or the breasts of the female, whether alone or between members of the same or opposite sex or between humans and animals in an act of apparent sexual stimulation or gratification.*

(c) *“Pedophile” means a person with a prurient interest in children as sexual objects.*

Subd. 3. [POSSESSION PROHIBITED.] A person who has in his or her possession an obscene photographic representation of a minor, knowing its content and character, is guilty of a felony. This section does not apply to law enforcement officers, court personnel, and attorneys in the performance of their official duties.

Sec. 6. [SEVERABILITY.]

If any provision or application of sections 1 to 5 is held invalid, the invalidity shall not affect other provisions or applications which can be given effect without the invalid provision or application, and for this purpose the provisions of sections 1 to 5 are severable.

Sec. 7. [EFFECTIVE DATE.]

Sections 1 and 2 are effective May 1, 1982. Sections 3, 4 and 5 are effective May 1, 1982 and apply to offenses committed on or after that date.”

Delete the title and insert:

“A bill for an act relating to crimes and corrections; providing for sex offender treatment programs; prohibiting publication of the names of minor victims of sexual abuse; prohibiting possession of certain obscene works depicting minors; amending Minnesota Statutes 1980, Section 617.246, Subdivisions 1 and 4; proposing new law coded in Minnesota Statutes, Chapters 241, 609, and 617.”

With the recommendation that when so amended the bill pass.

The report was adopted.

Mann from the Committee on Transportation to which was referred:

H. F. No. 1802, A bill for an act relating to local improvements; providing for certain local improvements and special assessments; amending Minnesota Statutes 1981 Supplement, Section 429.021, Subdivision 1.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1980, Section 429.021, is amended by adding a subdivision to read:

Subd. 1A. [RAILROAD SIGNS OR SIGNALS.] If a municipality incurs a cost for the installation of a railroad sign or signal, the cost may be assessed against the property benefitted by the railroad sign or signal in accordance with the provisions of this chapter.

Sec. 2. [EFFECTIVE DATE.]

This act is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to municipalities; authorizing municipalities to assess the cost for the installation of a railroad sign or signal against the property benefitted; amending Minnesota Statutes 1980, Section 429.021, by adding a subdivision."

With the recommendation that when so amended the bill be re-referred to the Committee on Local and Urban Affairs.

The report was adopted.

Wenzel from the Committee on Agriculture to which was referred:

H. F. No. 1804, A bill for an act relating to partition fences; exempting certain lands from the provisions of chapter 344; providing that when only one owner or occupant is benefitted by a fence he shall be assigned the entire expenses of the fence; amending Minnesota Statutes 1980, Section 344.03, Subdivision 1; proposing new law coded in Minnesota Statutes, Chapter 344.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [344.011] [EXEMPTION.]

Minnesota Statutes, Chapter 344 does not apply when the land of the adjoining owners or occupants considered together is less than 20 acres.

Sec. 2. [344.20] [TOWN OPTION.]

The governing body of a town may adopt its own policy and procedures for dealing with partition fences, including enforcement procedures, in which case chapter 344 does not apply in that town.

The governing body may adopt a partition fence policy for a town only after eight or more freeholders in the town have petitioned the governing body for a vote on such a policy and the policy is approved by the voters of the town at a town meeting held after appropriate notice by posting or publication.

Chapter 344 governs any partition fence lying on the boundary between a town which has adopted its own partition fence policy and any other political subdivision unless the other political subdivision is a town which has adopted a similar policy."

Amend the title as follows:

Page 1, line 3, delete "providing that"

Page 1, delete lines 4 to 6

Page 1, line 7, delete "344.03, Subdivision 1;"

With the recommendation that when so amended the bill pass and be placed on the Consent Calendar.

The report was adopted.

Swanson from the Committee on Health and Welfare to which was referred:

H. F. No. 1839, A bill for an act relating to health; requiring reports of cases of Reyes syndrome; proposing new law coded Minnesota Statutes, Chapter 144.

Reported the same back with the following amendments:

Page 1, line 10, delete "department" and insert "commissioner"

Page 1, after line 19, insert:

"Sec. 2. [REPEALER.]

Section 1 is repealed when the commissioner of health includes Reyes syndrome as a reportable disease in rules, or effective January 1, 1984, whichever occurs first."

Renumber the section

With the recommendation that when so amended the bill pass and be placed on the Consent Calendar.

The report was adopted.

Voss from the Committee on Local and Urban Affairs to which was referred:

H. F. No. 1858, A bill for an act relating to counties; authorizing the establishment of subordinate service districts in order to provide and finance governmental services; proposing new law coded as Minnesota Statutes, Chapter 375B.

Reported the same back with the following amendments:

Page 1, line 19, after the period insert "*The boundaries of a single subordinate service district may not embrace an entire county.*"

Page 2, line 1, after the period insert "*A function or service to be provided shall not include a function or service which the county generally provides throughout the county unless an increase in the level of the service is to be supplied in the service district.*"

Page 2, line 14, delete "any" and insert "the"

Page 2, line 14, after "county" insert "*proposed for the subordinate service district*"

Page 4, line 10, before "a" insert "*either*"

Page 4, line 12, delete "by" and insert "a"

Page 4, line 13, delete "by"

Page 4, line 14, after the period insert "*A tax or service charge or a combination thereof shall not be imposed to finance a function or service in the service district which the county generally provides throughout the county unless an increase in the level of the service is to be supplied in the service district in which case, in addition to the countywide tax levy, only an amount necessary to pay for the increased level of service may be imposed.*"

Page 4, line 15, after "WITHDRAWAL" insert "; ELECTION"

Page 4, after line 33, insert

"Sec. 11. [375B.11] [WITHDRAWAL; BY RESOLUTION OF COUNTY BOARD.]

The county board may by resolution withdraw a subordinate service district from the provisions of this chapter and discontinue the service provided within the service district. The county board shall cause notice of its intention to withdraw the service district to be published at least once in the official newspaper not more than six months or less than three months before the resolution is adopted. If a joint powers agreement is a part of the subordinate service district arrangement no withdrawal shall be effective under this section unless all parties to the joint powers agreement agree to the withdrawal.

Sec. 12. [375B.12] [LOCAL LAWS SUPERSEDED.]

A special law for a single county which authorizes the county to establish subordinate service districts or areas is hereby superseded. Any service being provided pursuant to the special law on or before the effective date of sections 1 to 12 may continue to be provided pursuant to the special law.

Sec. 13. Minnesota Statutes 1980, Section 275.50, is amended by adding a subdivision to read:

Subd. 7. A tax on service charge levied by the county board within a subordinate service district pursuant to chapter 375B is a "special levy" and is not subject to tax levy limitations including those contained in sections 275.50 to 275.56 or any other law.

Sec. 14. Laws 1981, Chapter 291, Section 2, Subdivision 1, is amended to read:

Subdivision 1. [ESTABLISHMENT.] A (WASTE WATER TREATMENT) *sanitary sewer* board called the North Koochiching (COUNTY WASTE WATER TREATMENT) *sanitary sewer* board with jurisdiction in the (INTERNATIONAL FALLS, SOUTH INTERNATIONAL FALLS AND RANIER MUNICIPALITIES AND THE EAST KOOCHICHING COUNTY SEWER DISTRICT AND THE PAPERMAKERS SEWER DISTRICT) *North Koochiching area sanitary district* is established as a public corporation and political subdivision with all the rights, powers, privileges, immunities and duties which may be granted to or imposed upon a municipal corporation.

Sec. 15. Laws 1981, Chapter 291, Section 2, is amended by adding a subdivision to read:

Subd. 1a. [DISTRICT.] The North Koochiching area sanitary district is the International Falls, South International Falls and Ranier municipalities and the East Koochiching county

sewer district and the Papermakers sewer district, except that if the conditions in subdivision 10 are not met, after December 31, 1985, the north Koochiching area sanitary district shall then be the area served by the district disposal system on that date.

Sec. 16. Laws 1981, Chapter 291, Section 2, Subdivision 2, is amended to read:

Subd. 2. [MEMBERS AND SELECTIONS.] The board members shall be appointed by each of their governmental units in the following numbers:

International Falls 4

South International Falls 2

East Koochiching county sewer district 1

Papermakers sewer district 1

Ranier 1

The East Koochiching and Papermakers sewer districts shall each appoint their member on the board and designate the term of the member in accordance with subdivision 5, by a majority vote. *If the conditions in subdivision 10 are not met, after December 31, 1985 the composition of the board shall be changed, with each local government unit remaining in the district appointing one board member.*

Sec. 17. Laws 1981, Chapter 291, Section 2 is amended by adding a subdivision to read:

Subd. 10. [CONDITIONS; APPOINTMENT OF ENGINEER; BOARD COMPOSITION.] *If before January 1, 1986, the state or federal governments have not offered grants for at least 70 percent of the estimated grant eligible cost, or the board has not advertised for bids for construction, of all interceptors and treatment works which the comprehensive plan adopted pursuant to section 4 identifies as critical to the integrity of the district, then:*

(a) *The board shall appoint an independent consulting engineer who shall determine the actual value, as of January 1, 1982, of all real and personal property transferred to the board pursuant to section 5, subdivision 2, clause (a). If any local government unit challenges the determination, the dispute shall be resolved by arbitration following the procedures of the American Arbitration Association.*

(b) *After appointing the independent consulting engineer, the composition of the board shall be changed to comply with subdivision 2.*

Sec. 18. Laws 1981, Chapter 291, Section 4, Subdivision 1, is amended to read:

Subdivision 1. [BOARD PLAN AND PROGRAM.] The board shall adopt as its first comprehensive plan for the collection, treatment and disposal of waste water in the district for the period the board deems proper the comprehensive plan adopted by the joint powers board previously established for the cities of International Falls, South International Falls, and Ranier and the county of Koochiching by agreement pursuant to Minnesota Statutes, Section 471.59. The board shall prepare and adopt subsequent comprehensive plans for the collection, treatment and disposal of waste water in the district for each succeeding designated period the board deems proper. The first plan, as modified by the board, and any subsequent plan, *shall provide that no treatment facilities shall be constructed which would allow a discharge above the water intake of Boise Cascade Corporation used to supply drinking water to residents of the district, and shall take into account the preservation and best and most economic use of water and other natural resources in the area; the preservation, uses and potential for use of lands adjoining waters of the state to be used for the disposal of waste water; and the impact the disposal system will have on present and future land use in the area affected.* Plans shall include the general location of needed interceptors and treatment works, a description of the area that is to be served by the various interceptors and treatment works, a long range capital improvements program and other details the board deems appropriate. *Plans shall specifically identify those interceptors and treatment works which are critical to the integrity of the district.* In developing the plans, the board shall consult with persons designated for the purpose by the governing body of any municipal and public corporation or governmental or political subdivision or agency within the district. It shall consider the data, resources, and suggestions offered to the board by the entities and any planning agency acting on behalf of one or more of them. Each plan, when adopted, shall be followed in the district and may be revised as often as the board deems necessary.

Sec. 19. Laws 1981, Chapter 291, Section 5, Subdivision 2, is amended to read:

Subd. 2. [METHOD OF ACQUISITION.] (a) The board may require any local government unit to transfer to the board, *without consideration, free and clear of all encumbrances, subject only to a contingent liability pursuant to section 8, subdivision 1a,* all of the unit's right, title, and interest in any interceptors or treatment works and their necessary appurtenances owned by the unit which are needed for the purpose stated in subdivision 1. Appropriate instruments of conveyance for all the transferred property shall be executed and delivered to the

board by the proper officers of each local government unit concerned.

(b) All persons regularly employed by a local government unit to operate and maintain works transferred to the board on the date on which the transfer becomes effective shall be employees of the board, in the same manner and with the same options and rights as other employees of the board.

Sec. 20. Laws 1981, Chapter 291, Section 7, is amended to read:

Sec. 7. [BUDGET.]

The board shall prepare and adopt a budget, on or before (SEPTEMBER 1, 1981) *August 1, 1982* and annually thereafter. The budget shall show for the following calendar year or other fiscal year determined by the board estimated receipts of money from all sources including but not limited to payments by each local government unit, federal or state grants, taxes on property, and funds on hand at the beginning of the year, and estimated expenditures for:

(a) Costs of operation, administration and maintenance of the district disposal system;

(b) Costs of acquisition and betterment of the district disposal system; and

(c) Debt service, including principal and interest, on general obligation bonds and certificates issued pursuant to section 12, and any money judgments against the district.

Expenditures within these categories and others the board may determine, shall be itemized in the detail the board shall prescribe. The board and its officers, agents, and employees shall not spend money for any purpose other than debt service without having set forth the expense and its amount in the budget. No obligation to make an unbudgeted expenditure shall be enforceable except as the obligation of the person incurring it. The board may amend the budget at any time by transferring from one purpose to another any budgeted sums, except money for debt service and bond proceeds, or by increasing expenditures in any amount by which cash receipts during the budget year actually exceed the total amounts designated in the original budget. The creation of an obligation pursuant to section 12 or the receipt of a federal or state grant is a sufficient budget designation of the proceeds for the purpose for which it is authorized, and of the tax or other revenue pledged to pay the obligation, whether or not specifically included in the budget.

Sec. 21. Laws 1981, Chapter 291, Section 8, Subdivision 1, is amended to read:

Subdivision 1. [DEFINITION OF CURRENT COSTS.]
The estimated cost of administration, operation, maintenance

and debt service of the district disposal system to be paid by the board in a fiscal year and the estimated costs of acquisition and betterment of the system which are to be paid during the year from funds other than state or federal grants and bond proceeds and all other previously unallocated payments made by the board pursuant to this act to be allocated in the year, less any costs to be allocated to industries pursuant to subdivision 3 and less any amounts to be received pursuant to subdivision 1a, are referred to as current costs and shall be allocated by the board to the local government units in the budget for such year.

Sec. 22. Laws 1981, Chapter 291, Section 8, is amended by adding a subdivision to read:

Subd. 1a. [PAYMENT OF DIFFERENCE.] If the area of the district and the composition of the board change pursuant to section 2, after December 31, 1985 any local government unit remaining in the district shall pay in equal payments over 20 years, with interest at the rate of eight percent per annum, the proportionate difference in the value determined pursuant to section 2, subdivision 10, clause (a).

Sec. 23. Laws 1981, Chapter 291, Section 8, Subdivision 2, is amended to read:

Subd. 2. [METHOD OF ALLOCATION OF CURRENT COSTS.] All current costs shall be allocated to local government units in the district on a pro rata basis determined by the effluent contributed by each, less any industrial wastes for which costs have been allocated under subdivision 3, calculated on the basis of flow measurement. The projected pro rata contribution of effluent shall be made on or before (SEPTEMBER 1, 1981) August 1, 1982 and annually thereafter. An adjustment shall be made on or before February 1 of each succeeding year based upon the actual effluent contributed by each government entity. The adjustments shall be paid to the district or to the proper local government units. It also may be corrected by deduction from or addition to subsequent payments. The adoption or revision of a method of allocation used by the board shall be by the affirmative vote of at least two-thirds of the members of the board.

Sec. 24. Laws 1981, Chapter 291, Section 24, is amended to read:

Sec. 24. [EFFECTIVE DATE; LOCAL APPROVAL.]

This act is effective (IN THE LOCAL GOVERNMENT UNITS NAMED IN SECTION 23 UPON APPROVAL BY ALL OF THE GOVERNMENT UNITS NAMED IN SECTION 23 AND UPON COMPLIANCE WITH MINNESOTA STATUTES, SECTION 645.021, SUBDIVISION 3.) April 1, 1982, pursuant to Minnesota Statutes, Section 645.023, Subdivision 1, Clause (a).

Sec. 25. [EFFECTIVE DATE.]

Sections 14 to 24 are effective the day following final enactment."

Amend the title as follows:

Page 1, line 2, delete "counties" and insert "local government"

Page 1, line 4, after the semicolon, insert "establishing provision for the event that grant funding is not received for the North Koochiching area sanitary district; amending Minnesota Statutes 1980, Section 275.50, by adding a subdivision; Laws 1981, Chapter 291, Sections 2, Subdivisions 1 and 2, and by adding subdivisions; 4, subdivision 1; 5, subdivision 2; 7; 8, subdivisions 1 and 2, and by adding a subdivision; and 24;"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Taxes.

The report was adopted.

Mann from the Committee on Transportation to which was referred:

H. F. No. 1883, A bill for an act relating to highway traffic regulations; regulating speed limits and hours when speed limits are in effect within school zones; amending Minnesota Statutes 1980, Section 169.14, Subdivision 5a.

Reported the same back with the following amendments:

Page 1, line 20, after the period insert: "*No school speed limit shall be made effective by a local authority for 24 hours a day if the commissioner of transportation determines on the basis of an engineering and traffic investigation, and so informs the local authority, that a 24 hour speed limit within the school zone would present a clear and compelling threat to public safety.*"

With the recommendation that when so amended the bill pass.

The report was adopted.

Brinkman from the Committee on Financial Institutions and Insurance to which was referred:

H. F. No. 1916, A bill for an act relating to commerce; providing uniformity in requiring insurance of accounts in depository financial institutions; clarifying examination reports as confidential records; clarifying permissible transactions at fi-

nancial institutions by examiners; defining building and loan association; clarifying financial institution real estate investment authority; establishing an application procedure for certain bank detached facilities; providing for clearly differentiating a detached facility from the parent bank principal office; establishing a uniform authority for financial institutions' limited trust powers and individual housing accounts; clarifying certain words, terms and phrases relating to supervision of banks and trust companies; eliminating the filing requirement for bank directors' oaths; clarifying exceptions to prohibition against bank or trust company sale of assets; providing for uniform quarterly reporting by banks or trust companies; providing uniform capital requirements for stock savings banks and approval procedures for amending articles or certificates of incorporation; removing inconsistencies in fees payable to secretary of state; removing the expiration date for the credit union advisory council; removing inconsistencies with earlier laws regarding certificate loan plans of industrial loan and thrift companies; providing for liquidity reserve requirements by insured industrial loan and thrift companies consistent with other depository institutions; providing for reasonable fees, annual renewals and surety bond limits for licensing safe deposit companies; clarifying default charges, deferments, conversion rights, interest after maturity and issuance of receipts on regulated loans; limiting licensing and examination of sales finance companies to those located in this state; authorizing the restatement of articles of incorporation of financial institutions; amending Minnesota Statutes 1980, Sections 46.07, Subdivision 2; 46.09, as amended; 47.01, Subdivision 5; 47.10; 48.01, Subdivision 1; 48.16; 48.21; 48.76; 50.25; 51A.23, Subdivision 6; 52.061; 52.24; 53.04, Subdivision 5; 53.07; 55.04, Subdivision 2; 55.05; 168.66, Subdivision 8; Minnesota Statutes 1981 Supplement, Sections 48.06; 48.48; 51A.03, Subdivision 5; 56.131, Subdivision 1; 56.14; proposing new law coded in Minnesota Statutes, Chapters 45; 47; 55; and 300; repealing Minnesota Statutes 1980, Sections 47.16, Subdivision 2; 48.159, Subdivision 1; 48.25; 50.157, Subdivision 1; 51A.21, Subdivision 16; 52.135; Minnesota Statutes 1981 Supplement, Sections 48.159, Subdivision 2; 50.157, Subdivision 2; 51A.21, Subdivision 16a; and 52.136.

Reported the same back with the following amendments:

Page 2, line 12, delete "*full force and*"

Page 2, lines 13, and 27, delete "*or any*" and insert "*, an*"

Page 2, lines 14 and 27, delete "*other*" and insert "*a*"

Page 2, line 19, delete the first "*or any*" and insert "*, an*"

Page 2, line 19, delete the second "*any*" and insert "*a*"

Page 2, line 21, delete "*bank is*" and insert "*“bank” means a bank*"

Page 2, line 24, delete "*any*" and insert "*a*"

Page 2, line 33, delete the comma

Page 3, line 6, delete "*or any*" and insert "*, an*" and delete the second "*any*" and insert "*a*"

Page 3, line 15, strike "*any*" and insert "*an*"

Page 3, line 16, strike "*such*" and strike "*any*" and insert "*a*"

Page 3, line 20, strike "*of*"

Page 3, line 22, strike "*any*" in both places and insert "*a*"

Page 3, line 24, strike "*any such*" and insert "*an*"

Page 3, line 25, after "*of*" strike "*any*" and insert "*an*"

Page 3, line 32, delete "*1980*" and insert "*1981 Supplement*" and delete "*, as amended*"

Page 3, line 33, delete "*by Laws 1981, Chapter 31, Section 1,*"

Page 4, line 1, after the period insert "*[PROHIBITION.]*"

Page 4, line 5, strike "*any*" and insert "*a*"

Page 4, line 16, strike "*shall*" and insert "*do*"

Page 4, line 18, after "*2.*" insert "*[EXCEPTIONS.]*"

Page 5, line 2, after "*3.*" insert "*[LOANS AND CREDIT ADVANCES.]*" and delete "*shall*" and insert "*do*"

Page 5, lines 3 and 8, delete "*any*" and insert "*a*"

Page 5, line 5, delete "*Any*" and insert "*A*"

Page 5, line 6, delete "*shall be*" and insert "*is*"

Page 5, line 15, after "*and*" insert "*which*"

Page 5, line 32, delete "*where*" and insert "*if*"

Page 6, lines 2 and 22, delete "*where*" and insert "*if*"

Page 6, lines 29 and 35, delete "Any" and insert "A"

Page 7, line 3, delete "together with"

Page 7, line 8, delete the comma

Page 7, line 24, delete "greater than" and insert "outside"

Page 7, delete lines 29 to 32 and insert:

"A detached facility must be properly identified at its location in a manner which clearly differentiates it from the principal office of the parent bank. The identification must include the name of the parent bank."

Page 7, line 36, delete "shall have the power to" and insert "may" and delete "within"

Page 8, line 1, delete "the contemplation of" and insert "under"

Page 8, line 2, delete "within the"

Page 8, line 3, delete "contemplation of" and insert "under"

Page 8, line 5, delete "such" and insert "the"

Page 8, line 15, delete "shall have the power to" and insert "may"

Page 8, lines 23 and 25, strike "shall have" and insert "has"

Page 8, line 29, strike "When" and insert "If" and strike "shall exceed" and insert "exceeds"

Page 8, line 35, strike "any" and insert "a"

Page 9, line 2, strike "same" and insert "stock"

Page 9, line 4, strike "or her"

Page 9, line 23, delete "any" and insert "a"

Page 9, line 30, delete "any" and insert "an"

Page 9, line 33, strike "any"

Page 10, line 3, strike "for the following purposes" and insert "only"

Page 10, line 4, strike "Such"

Page 10, line 10, delete "is"

Page 10, lines 12, 15 and 18, strike "Such as is" and insert "If"

Page 10, lines 12 and 19, strike "any" and insert "a"

Page 10, line 13, strike "by way of" and insert "as"

Page 10, line 13, after "made" insert "by"

Page 10, line 14, strike "such bank" and insert "it"

Page 10, line 19, delete "and" and insert "or"

Page 10, line 20, delete "Such as may be" and insert "If"

Page 10, strike line 22

Page 10, line 23, strike "estate in any case or for any other purpose whatever."

Page 10, line 24, strike "in the cases contemplated in" and insert "under"

Page 10, line 25, delete "(4)" and insert "(5)"

Page 11, lines 5, 35, and 36, strike "any" and insert "a"

Page 11, line 36, strike "shall have" and insert "has"

Page 12, line 4, strike "shall order" and insert "orders"

Page 12, line 21, strike "Any" and insert "A"

Page 13, line 35, delete "full force and"

Page 14, lines 1 and 7, strike "or any" and insert ", an"

Page 14, line 8, strike "any" and insert "a"

Page 15, line 18, delete "full force and"

Page 16, line 12, strike "such" and strike the second "may"

Page 16, line 14, strike "such" and strike "may"

Page 16, line 15, strike "upon the same" and insert "on them"

Page 16, line 17, strike "such" in both places and strike "as may be"

Page 16, line 17, strike "; and" and insert a period

Page 16, line 33, delete "any" and insert "an"

Page 17, line 34, strike "such"

Page 17, line 35, strike "as"

Page 17, line 35, strike "may require" and insert "requires"

Page 18, line 13, strike "to a"

Page 18, strike line 14

Page 18, line 15, strike "partnership"

Page 18, line 15, strike "it" and insert "the applicant"

Page 18, line 17, strike "the amount"

Page 18, line 18, strike "thereof to be" and insert "as" and strike the comma and insert ". The bond must be"

Page 18, line 19, strike the comma

Page 18, line 20, strike ", to" and insert "and must"

Page 18, line 20, strike "its" and insert "the safe deposit company's"

Page 18, line 21, strike the comma and strike "to"

Page 18, line 22, strike "This" and insert "The" and strike "shall" and insert "must"

Page 18, line 23, strike "who shall be in any manner"

Page 18, line 24, strike the comma and strike "by"

Page 18, line 26, strike the comma

Page 18, line 27, strike "full force and"

Page 18, line 28, strike "licensed hereunder"

Page 18, line 32, strike the first "any" and insert "a"

Page 18, line 32, strike the second "any"

Page 18, line 33, strike the second "for"

Page 18, line 34, strike "full"

Page 21, line 10, strike the parenthesis before "If"

Page 24, line 3, after "adopt" insert "a"

Page 24, line 4, delete "certificates" and insert "certificate"

Page 24, lines 5 and 7, after the period insert "The"

Page 24, line 9, after "in" insert "the"

Page 24, line 16, delete "any" and insert "a"

Page 24, line 20, after the first "of" insert "the"

Page 24, line 21, after the period insert "The"

Further amend the title as follows:

Page 1, line 40, delete "46.09, as amended"

Page 1, line 45, after "Sections" insert "46.09,"

With the recommendation that when so amended the bill pass.

The report was adopted.

Munger from the Committee on Environment and Natural Resources to which was referred:

H. F. No. 1934, A bill for an act relating to the environment; amending the waste management act; authorizing the commissioner of administration to acquire certain development rights; defining terms for purposes of the resource recovery program; prohibiting the waste management board from certifying the use of facilities for disposal of radioactive waste; amending Minnesota Statutes 1980, Section 115A.15, Subdivisions 2, 6, and by adding a subdivision; Minnesota Statutes 1981 Supplement, Sections 115A.06, Subdivision 4; and 115A.24, by adding a subdivision.

Reported the same back with the following amendments:

Page 1, line 26, after "purchase," insert "lease,"

Page 1, line 28, delete "during" and insert "for all or part of"

Page 3, after line 4, insert:

"Sec. 2. Minnesota Statutes 1981 Supplement, Section 115A.06, Subdivision 13, is amended to read:

Subd. 13. [PRIVATE AND NON-PUBLIC DATA.] Any data held by the board which consists of trade secret information as defined by section 15.1673, subdivision 1, clause (b), or sales information, (OR ANY OTHER INFORMATION WHICH, IF PUBLIC, WOULD TEND TO ADVERSELY AFFECT THE COMPETITIVE POSITION OF THE SUBJECT OF THE DATA.) shall be classified as private or non-public data as defined in section 15.162, subdivisions 5a and 5c (IF THE SUBJECT OF THE DATA HAS CERTIFIED THAT THE DATA QUALIFIES AS NON-PUBLIC OR PRIVATE DATA UNDER THIS SUBDIVISION AND THE CHAIRMAN OF THE WASTE MANAGEMENT BOARD APPROVES THE CLASSIFICATION IN WRITING). When data is classified private or non-public pursuant to this subdivision the board may:

(a) Use the data to compile and publish analyses or summaries and to carry out its statutory responsibilities in a manner which does not identify the subject of the data; or

(b) Disclose the data when it is obligated to disclose it to comply with federal law or regulation but only to the extent required by the federal law or regulation.

The subject of data classified as private or non-public pursuant to this subdivision may authorize the disclosure of some or all of that data by the board.

Sec. 3. [115A.071] [DUTIES OF THE BOARD; SOLID WASTE MANAGEMENT; DESIGNATIONS OF RESOURCE RECOVERY FACILITIES.]

Subdivision 1. [APPROVAL OF DESIGNATION PROPOSALS.] The board shall review and approve or disapprove proposals to designate resource recovery facilities under sections 115A.70 and 400.162. The board may attach conditions to its approval. Before approving a designation the board shall determine that the proposal conforms to the requirements of section 115A.70 or section 400.162, that the designation will further the state policies and purposes expressed in section 115A.02, and that the designation is based upon a plan approved pursuant to subdivision 2 and an adequate evaluation of the standards expressed in section 115A.46, subdivision 3.

Subd. 2. [PLAN REQUIRED.] Before reviewing a proposed designation, the board shall require the completion or, if necessary, revision of a comprehensive solid waste management plan which in the board's judgment conforms to the requirements of section 115A.46.

Subd. 3. [BOARD SUPERVISION.] The board shall require regular reports on any designation approved pursuant to this section and section 473.827, shall periodically evaluate whether the designation as implemented has accomplished its

purposes and whether the designation is in the public interest and in furtherance of the state policies and purposes expressed in section 115A.02, and shall report periodically to the legislature on its conclusions and recommendations.

Sec. 4. Minnesota Statutes 1980, Section 115A.08, is amended by adding a subdivision to read:

Subd. 5a. [REPORT ON ASSURANCE OF SECURITY OF HAZARDOUS WASTE FACILITIES.] With the report required by subdivision 5, the board through its chairperson shall report and make recommendations to the legislative commission on methods of assuring the security of commercial hazardous waste facilities. The report and recommendations shall be based on the need to assure: effective monitoring and enforcement during operation; effective containment, control, and corrective action in any emergency situation; financial responsibility of the owner and operator throughout the operating life of the facility, using performance bonds, insurance, escrow accounts, or other means; proper closure; and perpetual post-closure monitoring and maintenance. The report shall include recommendations on the source of funds, including operator contributions, fee surcharges, taxes, and other sources; the amount of funds; effective protection and guarantee of funds; administration; regulatory and permit requirements; the role of local authorities; and other similar matters.

Sec. 5. Minnesota Statutes 1981 Supplement, Section 115A.11, Subdivision 1, is amended to read:

Subdivision 1. [CONTENTS.] By December 15, 1982, the board shall adopt a hazardous waste management plan. The plan shall include at least the following elements:

(a) an estimate of the types and volumes of hazardous waste which will be generated in the state through the year 2000;

(b) specific and quantifiable objectives for reducing to the greatest feasible and prudent extent the need for and practice of disposal, through waste reduction, pretreatment, *retrievable storage*, processing, and resource recovery;

(c) a description of the minimum disposal capacity and capability needed to be developed within the state for use through the year 2000, based on the achievement of the objectives under clause (b).

The plan shall require the establishment of at least one commercial *retrievable storage*, or disposal facility in the state. The board may make the implementation of elements of the plan contingent on actions of the legislature which have been recommended in the reports submitted pursuant to section 115A.08."

Page 3, line 10, delete everything after "*which*"

Page 3, delete line 11 and insert "*are not reusable but which contain recoverable resources.*"

Page 3, line 35, delete the added language

Page 3, line 36, delete the new language and reinstate the stricken language

Page 4, line 1, restore the stricken language and before "*may*" insert "*, and*" and after "*include*" insert a comma

Page 4, lines 18 and 19, delete the new language

Page 4, line 20, delete "*administration of*" and insert "*and all reimbursements to the commissioner of his expenses incurred in developing and administering*"

Page 4, after line 23, insert:

"Sec. 9. Minnesota Statutes 1981 Supplement, Section 115A.21, Subdivision 3, is amended to read:

Subd. 3. [MORATORIUM.] In order to permit the comparative evaluation of sites and the participation of affected localities in decisions about the use of sites, a moratorium is hereby imposed as provided in this subdivision on all development within each proposed or candidate site identified pursuant to this section and in a buffer area identified by the board surrounding and at least equal in area to the site. The moratorium on candidate sites and buffer areas shall extend *until the board chooses a final candidate site or final candidate sites pursuant to this article. The moratorium on the final sites and buffer areas shall extend until six months following final action of the board pursuant to sections 115A.18 to 115A.30.* No development shall be allowed to occur within a proposed site or buffer area during the period of the moratorium without the approval of the board. No land use control of any political subdivision shall permit development which has not been approved by the board, nor shall any political subdivision sanction or approve any subdivision, permit, license, or other authorization which would allow development to occur which has not been approved by the board. The board shall not approve actions which would jeopardize the availability of a candidate site for use as a hazardous waste facility. The board may establish guidelines for reviewing requests for approval under this subdivision. The guidelines shall not be subject to the rule-making provisions of chapter 15. Requests for approval shall be submitted in writing to the chairperson of the board and shall be deemed to be approved by the board unless the chairperson otherwise notifies the submitter in writing within 15 days.

Sec. 10. Minnesota Statutes 1981 Supplement, Section 115A.24, Subdivision 1, is amended to read:

Subdivision 1. [CERTIFICATE.] Except as provided in subdivision 2, by December 15, 1982, on the basis of and consistent with its hazardous waste management plan adopted under section 115A.11, the board shall issue a certificate or certificates of need for disposal facilities for hazardous wastes in the state. The certificate or certificates shall indicate the types and volumes of waste for which disposal facilities are and will be needed through the year 2000 and the number, types, sizes, general design and operating specifications, and function or use of the disposal facilities needed in the state. The board shall certify need only to the extent that the board has determined that there are no feasible and prudent alternatives including waste reduction, separation, pretreatment, processing, and resource recovery which would minimize adverse impact upon natural resources, provided that the board shall require the establishment of at least one commercial *retrievable storage, or disposal facility* in the state. Economic considerations alone shall not justify certification nor the rejection of alternatives. Alternatives that are speculative and conjectural shall not be deemed to be feasible and prudent. The certificate or certificates shall not be subject to the provisions of chapter 15 but shall be the final determination required on the matters decided by the certificate or certificates and shall have the force and effect of law. The certificate or certificates shall not be amended for five years. The board and the permitting agencies, in reviewing and selecting sites, completing environmental impact statements, and issuing approvals and permits for waste disposal facilities described in the certificate or certificates of need, shall not reconsider matters determined in the certification. The board and the permitting agencies shall be required to make a final decision approving the establishment of facilities consistent with the certification. The board and the permitting agencies shall be required to make a final decision approving the establishment of at least one commercial *retrievable storage, or disposal facility* for hazardous waste in the state."

Page 4, after line 29, insert:

"Sec. 12. Minnesota Statutes 1980, Section 115A.42, is amended to read:

115A.42 [ESTABLISHMENT AND ADMINISTRATION.]

There is established a planning assistance program to provide technical and financial assistance to political subdivisions of the state for the (PURPOSE) *purposes* of encouraging and improving regional and local solid waste management planning activities and efforts *and of furthering the state policies and purposes expressed in section 115A.02*. The program shall be administered by the agency pursuant to rules promulgated under chapter

15, except in the metropolitan area where the program shall be administered by the metropolitan council pursuant to chapter 473. The agency and the metropolitan council shall ensure conformance with federal requirements and programs established pursuant to the Resource Conservation and Recovery Act of 1976 and amendments thereto.

Sec. 13. Minnesota Statutes 1980, Section 115A.46, is amended to read:

115A.46 [(CONTENTS) REQUIREMENTS.]

Subdivision 1. [GENERAL.] Plans shall address the state policies and purposes expressed in section 115A.02. Plans for the location, establishment, operation, maintenance, and post-closure use of facilities and facility sites, for ordinances, and for licensing, permit, and enforcement activities shall be consistent with the rules adopted by the agency pursuant to chapter 116. Plans shall address the resolution of conflicting, duplicative, or overlapping local management efforts. Plans shall address the establishment of joint powers management programs or waste management districts where appropriate. Plans proposing a designation of resource recovery facilities pursuant to sections 115A.70 and 400.162 shall be submitted to the waste management board for review and approval or disapproval under section 115A.071. Plans shall address other matters as the rules of the agency may require consistent with the purposes of sections 115A.42 to 115A.46. Political subdivisions preparing plans under sections 115A.42 to 115A.46 (ARE ENCOURAGED TO) shall consult with persons presently providing solid waste collection, processing, and disposal services (IN THE PREPARATION OF THE PLAN). Plans prepared by local units of government in the metropolitan area shall conform to the requirements of chapter 473. (PLANS PREPARED BY POLITICAL SUBDIVISIONS OUTSIDE THE METROPOLITAN AREA WITH ASSISTANCE FROM THE PROGRAM SHALL CONFORM TO THE REQUIREMENTS OF THIS SECTION.)

Subd. 2. [CONTENTS.] The plans shall describe existing collection, processing, and disposal systems, including schedules of rates and charges, financing methods, environmental acceptability, and opportunities for improvements in the systems. The plans shall include an estimate of the land disposal capacity in acre-feet which will be needed through the year 2000, on the basis of current and projected waste generation practices. The plans shall contain an assessment of opportunities to reduce the need for land disposal through waste reduction and resource recovery, the alternative degrees of reduction achievable, and a comparison of the costs of alternatives, including capital and operating costs, and the effects of the alternatives on the cost to generators and on persons currently providing solid waste collection, processing, and disposal services. The plans shall, to the extent practicable and consistent with the achievement of

other public policies and purposes, encourage ownership and operation of solid waste facilities by private industry. For solid waste facilities owned or operated by public agencies or supported primarily by public funds or obligations issued by a public agency, the plans shall include criteria and standards to protect comparable private and public facilities already existing in the area from displacement unless the displacement is required in order to achieve the waste management objectives identified in the plan. The plans shall establish a siting procedure and development program to assure the orderly location, development, and financing of new or expanded solid waste facilities and services sufficient for a prospective ten-year period, including estimated costs and implementation schedules, proposed procedures for operation and maintenance, estimated annual costs and gross revenues, and proposals for the use of facilities after they are no longer needed or usable. The plans shall describe existing and proposed county and municipal ordinances and license and permit requirements relating to solid waste management and shall describe existing and proposed regulation and enforcement procedures. (PLANS FOR LOCATION, ESTABLISHMENT, OPERATION, MAINTENANCE, AND POST-CLOSURE USE OF FACILITIES AND FACILITY SITES, FOR ORDINANCES, AND FOR LICENSING, PERMIT, AND ENFORCEMENT ACTIVITIES SHALL BE CONSISTENT WITH THE RULES ADOPTED BY THE AGENCY PURSUANT TO CHAPTER 116. THE PLANS SHALL ADDRESS THE RESOLUTION OF CONFLICTING, DUPLICATIVE, OR OVERLAPPING LOCAL MANAGEMENT EFFORTS. THE PLANS SHALL ADDRESS THE ESTABLISHMENT OF JOINT POWERS MANAGEMENT PROGRAMS OR WASTE MANAGEMENT DISTRICTS WHERE APPROPRIATE. THE PLANS SHALL ADDRESS OTHER MATTERS AS THE RULES OF THE AGENCY MAY REQUIRE CONSISTENT WITH THE PURPOSES OF SECTIONS 115A.42 TO 115A.46.)

Subd. 3. [PLANS FOR DESIGNATION OF RESOURCE RECOVERY FACILITIES.] A plan proposing designation of resource recovery facilities pursuant to sections 115A.70 and 400.162 shall evaluate the benefits of the proposal, including the public purposes achieved by the conservation and recovery of resources, the furtherance of local and any district or regional waste management plans and policies, and the furtherance of the state policies and purposes expressed in section 115A.02, and also the costs of the proposal, including not only the direct capital and operating costs of the facility but also any indirect costs and adverse long-term effects of the designation. In particular the plan shall evaluate:

(a) whether the required use will result in the recovery of resources or energy from materials which would otherwise be wasted;

(b) *whether the required use will lessen the demand for and use of land disposal;*

(c) *whether the required use is necessary for the financial support of the facility;*

(d) *whether less restrictive methods for ensuring an adequate solid waste supply are available;*

(e) *all other feasible and prudent waste processing alternatives for accomplishing the purposes of the proposed designation, the direct and indirect costs of the alternatives, including capital and operating costs, and the effects of the alternatives on the cost to generators.*

Sec. 14. Minnesota Statutes 1980, Section 115A.62, is amended to read:

115A.62 [PURPOSE; PUBLIC INTEREST; DECLARATION OF POLICY.]

The legislature finds that the development of integrated and coordinated solid waste management systems is needed to manage properly the solid waste generated in the state (AND), to conserve and protect the natural resources in the state and the health, safety, and welfare of its citizens, *and to further the state policies and purposes expressed in section 115A.02*; that this need cannot always be met solely by the activities of individual political subdivisions or by agreements among subdivisions; and that therefore it is necessary to establish a procedure for the creation of solid waste management districts having the powers and performing the functions prescribed in sections 115A.62 to 115A.72.

Sec. 15. Minnesota Statutes 1980, Section 115A.69, Subdivision 10, is amended to read:

Subd. 10. [DISPOSITION OF PRODUCTS AND ENERGY.] The district may use, sell, or otherwise dispose of all of the products and energy produced by its facilities. (THE DISTRICT MAY, ON A COMPETITIVE BASIS, ENTER INTO SHORT OR LONG TERM CONTRACTS, MAKE SPOT SALES, SOLICIT BIDS, ENTER INTO DIRECT NEGOTIATIONS, DEAL WITH BROKERS, OR USE SUCH OTHER METHODS OF DISPOSAL AS IT CHOOSES, PROVIDED THAT THE DEALINGS OF THE DISTRICT SHALL BE ON A COMPETITIVE BASIS SO AS NOT TO CREATE AN UNFAIR OR UNREASONABLE ADVANTAGE OR RESTRAINT OF TRADE ON THE PART OF THE DISTRICT) *Section 471.345 shall not apply to the sale of products and energy.* The district shall give particular consideration to the needs of purchasers in this state and shall actively promote sales to such purchasers so long as this can be done at prices and under conditions that meet consti-

tutional requirements and that are consistent with the district's object of being financially self supporting to the greatest extent possible.

Sec. 16. Minnesota Statutes 1980, Section 115A.70, Subdivision 1, is amended to read:

Subdivision 1. [(GENERAL) PURPOSE.] (A DISTRICT MAY BE AUTHORIZED BY THE ORDER AND ARTICLES OF INCORPORATION ESTABLISHING THE) *In order to accomplish the objectives of a waste management district, to further the state policies and purposes expressed in section 115A.02, and to advance the public purposes served by resource recovery, the legislature finds and declares that it may be necessary to authorize a district to require that all or any portion of the solid waste that is generated within its boundaries or any service area thereof and is desposited within the state be taken for processing to a resource recovery facility or a transfer station serving a facility designated by the district.*

Sec. 17. Minnesota Statutes 1980, Section 115A.70, Subdivision 2, is amended to read:

Subd. 2. [STANDARDS.] (IN DETERMINING WHETHER TO DESIGNATE AND REQUIRE USE OF RESOURCE RECOVERY FACILITIES THE DISTRICT SHALL CONSIDER WHETHER:)

((A) THE REQUIRED USE WILL RESULT IN THE RECOVERY OF RESOURCES OR ENERGY FROM MATERIALS WHICH WOULD OTHERWISE BE WASTED;)

((B) THE REQUIRED USE WILL LESSEN THE DEMAND FOR AND USE OF LAND DISPOSAL;)

((C) THE REQUIRED USE IS NECESSARY FOR THE FINANCIAL SUPPORT OF THE FACILITY;)

((D) LESS RESTRICTIVE METHODS FOR ENSURING AN ADEQUATE SOLID WASTE SUPPLY ARE AVAILABLE;)

((E) ALL OTHER FEASIBLE AND PRUDENT WASTE PROCESSING ALTERNATIVES FOR ACCOMPLISHING THE PURPOSES OF THE PROPOSED DESIGNATION HAVE BEEN CONSIDERED AND THE COSTS OF THE ALTERNATIVES, INCLUDING CAPITAL AND OPERATING COSTS, AND THE EFFECTS OF THE ALTERNATIVES ON THE COST TO GENERATORS HAVE BEEN COMPARED AND EVALUATED.) *Any district designation shall be based upon a plan prepared and approved in conformance with sections 115A.071 and 115A.46, shall be authorized in the articles*

of incorporation of the district, and shall be submitted pursuant to section 115A.071 for review and approval or disapproval by the waste management board.

Sec. 18. Minnesota Statutes 1980, Section 115A.70, Subdivision 3, is amended to read:

Subd. 3. [EXEMPTION.] The district shall not designate and require use of facilities for materials which are being separated from solid waste and recovered for reuse or recycling by the generator, by a private person under contract with the generator or by a licensed solid waste collector. *The district shall not designate and require use of facilities for materials which are being delivered to another resource recovery facility unless the district finds and determines that the required use is necessary in order to achieve the solid waste management objectives in the district's plan.*

Sec. 19. Minnesota Statutes 1980, Section 116.07, Subdivision 4b, is amended to read:

Subd. 4b. [PERMITS; HAZARDOUS WASTE FACILITIES.] The agency shall provide to the waste management board established in section 115A.04, copies of each preliminary and final permit application for a hazardous waste facility immediately upon its submittal to the agency. The agency shall request recommendations on each permit application from the board and shall consult with the board on the agency's intended disposition of the recommendations. Except as otherwise provided in sections 115A.18 to 115A.30, the agency shall commence any environmental review required under chapter 116D within 120 days of its acceptance of a completed preliminary permit application. The agency shall respond to a preliminary permit application for a hazardous waste facility within 120 days following a decision not to prepare environmental documents or following the acceptance of a negative declaration notice or an environmental impact statement. Except as otherwise provided in sections 115A.18 to 115A.30, within 60 days following the submission of a final permit application for a hazardous waste facility, unless a time extension is agreed to by the applicant, the agency shall issue or deny all permits needed for the construction of the proposed facility. *The agency shall promulgate rules pursuant to chapter 15 for all hazardous waste facilities, except those addressed in subdivision 4c of this section. The rules shall require:*

(1) *contingency plans for all hazardous waste facilities which provide for effective containment and control in any emergency condition;*

(2) *the establishment of a mechanism to assure that money to cover the costs of closure and post-closure monitoring and maintenance of hazardous waste facilities will be available;*

(3) *the maintenance of liability insurance by the owner or operator of hazardous waste facilities during the operating life of the facility.*

Sec. 20. Minnesota Statutes 1980, Section 400.16, is amended to read:

400.16 [SOLID WASTE AND SEWAGE SLUDGE DISPOSAL REGULATIONS.]

The county may by ordinance establish and revise rules, regulations, and standards for solid waste and sewage sludge management and land pollution, relating to (a) the location, sanitary operation, and maintenance of solid waste facilities and sewage sludge disposal facilities by the county and any municipality or other public agency and by private operators; (b) the collection, processing, and disposal of solid waste and sewage sludge; (c) the amount and type of equipment required in relation to the amount and type of material received at any solid waste facility or sewage sludge disposal facility; (d) the control of salvage operations, water or air or land pollution, and rodents at such facilities; (e) the termination or abandonment of (SUCH) *the facilities or activities*; and (f) other matters relating to (SUCH) *the facilities* as may be determined necessary for the public health, welfare, and safety. The county may issue permits or licenses for solid waste facilities and may require that (SUCH) *the facilities* be registered with an appropriate county office. The county shall adopt the ordinances for mixed municipal solid waste management. The county shall make provision for issuing permits or licenses for mixed municipal solid waste facilities and shall require that (SUCH) *the facilities* be registered with an appropriate county office. No permit or license shall be issued for a mixed municipal solid waste facility unless the applicant has demonstrated to the satisfaction of the county board the availability of revenues necessary to operate the facility in accordance with applicable state and local laws, ordinances, and rules. *No permit shall be issued for a solid waste facility used primarily for resource recovery or a transfer station serving such a facility, if the facility or station is owned or operated by a public agency or if the acquisition or betterment of the facility or station is secured by public funds or obligations issued by a public agency, unless the county finds and determines that adequate markets exist for the products recovered and that any displacement of existing resource recovery facilities and transfer stations serving such facilities that may result from the establishment of the new facility is required in order to achieve the waste management objectives of the county.* The county ordinance shall require appropriate procedures for termination or abandonment of any mixed municipal solid waste facilities or services, which shall include provision for long term monitoring for possible land pollution, and for the payment by the owners or operators thereof, or both, of any costs incurred by the county in completing (SUCH) *the procedures*. The county may require (SUCH) *the procedures* and payments with respect to any facili-

ties or services regulated pursuant to this section. In the event the operators or owners fail to complete (SUCH) *the* procedures in accordance with the ordinance, the county may recover the costs of completion in a civil action in any court of competent jurisdiction or, in the discretion of the board, the costs may be certified to the county auditor as a special tax against the land to be collected as other taxes are collected. The ordinance may be enforced by injunction, action to compel performance, or other appropriate action in the district court. Any ordinance enacted under this section shall embody minimum standards and requirements established by rule of the agency.

Sec. 21. Minnesota Statutes 1980, Section 400.162, is amended to read:

400.162 [COUNTY DESIGNATION OF RESOURCE RECOVERY FACILITY.]

(EXCEPT) *The authority granted to counties by this section shall not apply* within (THE METROPOLITAN AREA,) the Western Lake Superior Sanitary District established by Laws 1971, Chapter 478, as amended, (AND) *nor within* any solid waste management district established under sections 115A.62 to 115A.72 (, ANY). *In order to accomplish the objectives of county waste management, to further the state policies and purposes expressed in section 115A.02, and to advance the public purposes served by resource recovery, the legislature finds and declares that it may be necessary to authorize a county (MAY) to require that all or any portion of the solid waste that is generated within the boundaries of the county or any service area thereof and is disposed of in the state be delivered to a resource recovery facility designated by the county board or a transfer station serving such a facility (, PROVIDED THAT THE).* Any county designation (IS APPROVED) *shall be based upon a plan prepared and approved in conformance with sections 115A.071 and 115A.46 and shall be submitted pursuant to section 115A.071 for review and approval or disapproval by the waste management board. (THE BOARD MAY REQUIRE THE COUNTY TO COMPLETE A COMPREHENSIVE SOLID WASTE MANAGEMENT PLAN CONFORMING TO THE REQUIREMENTS OF SECTION 115A.46.)* In establishing, continuing, and terminating the designation, the county shall be governed by all standards, exemptions, procedures, and other requirements provided in section 115A.70, subdivisions 2 to 6.

Sec. 22. Minnesota Statutes 1980, Section 473.149, Subdivision 1, is amended to read:

Subdivision 1. [POLICY PLAN; GENERAL REQUIREMENTS.] The metropolitan council shall prepare and by resolution adopt as part of its development guide a long range policy plan for solid waste management in the metropolitan area. When

adopted, the plan shall be followed in the metropolitan area. *The plan shall address the state policies and purposes expressed in section 115A.02.* The plan shall substantially conform to all policy statements, purposes, goals, standards, maps and plans in development guide sections and plans adopted by the council, provided that no land shall be thereby excluded from consideration as a solid waste facility site except land determined by the agency to be intrinsically unsuitable for such use. The plan shall include goals and policies for solid waste management in the metropolitan area and, to the extent appropriate, statements and information similar to that required under section 473.146, subdivision 1. The plan shall include criteria and standards for solid waste facilities and solid waste facility sites respecting the following matters: general location; capacity; operation; processing techniques; environmental impact; effect on existing, planned, or proposed collection services and waste facilities; and economic viability. *The plan shall, to the extent practicable and consistent with the achievement of other public policies and purposes, encourage ownership and operation of solid waste facilities by private industry.* For solid waste facilities owned or operated by public agencies or supported primarily by public funds or obligations issued by a public agency, the plan shall include additional criteria and standards (TO ENSURE THAT THE FACILITIES ARE OPERATED ON A COMPETITIVE BASIS SO AS NOT TO CREATE AN UNFAIR OR UNREASONABLE ADVANTAGE OR RESTRAINT OF TRADE IN RELATION) to protect comparable private and public facilities already existing in the area from displacement unless the displacement is required in order to achieve the waste management objectives identified in the plan. In developing the plan the council shall consider the orderly and economic development, public and private, of the metropolitan area; the preservation and best and most economical use of land and water resources in the metropolitan area; the protection and enhancement of environmental quality; the conservation and reuse of resources and energy; the preservation and promotion of conditions conducive to efficient, competitive, and adaptable systems of waste management; and the orderly resolution of questions concerning changes in systems of waste management. Criteria and standards for solid waste facilities shall be consistent with regulations adopted by the pollution control agency pursuant to chapter 116 and shall be at least as stringent as the guidelines, regulations, and standards of the federal environmental protection agency.

Sec. 23. Minnesota Statutes 1980, Section 473.153, is amended by adding a subdivision to read:

Subd. 6a. [SUSPENSION OF SITING DURING STUDY.] Commencing on the effective date of this subdivision, there is imposed a suspension until December 31, 1982 on the site evaluation and selection procedure required by subdivisions 1 to 6. During the period of suspension the council shall evaluate:

(a) *methods of reducing to the greatest feasible and prudent extent the introduction of hazardous materials in sewage flows; and*

(b) *uses for the commission's waste which will reduce to the greatest feasible and prudent extent the need for commission disposal facilities.*

Section 24. Minnesota Statutes 1980, Section 473.153, is amended by adding a subdivision to read:

Subd. 6b. [CERTIFICATION OF NEED.] No new facility for disposing of sludge, ash, and other waste generated by the commission shall be permitted in the metropolitan area without a certification of need issued by the council indicating the council's determination:

(a) *that the disposal of waste with concentrations of hazardous materials is necessary; and*

(b) *that the additional disposal capacity planned for the facility is needed.*

The council shall certify need only to the extent that there are no feasible and prudent methods of reducing the concentrations of hazardous materials in the waste and no feasible and prudent alternatives to the disposal facility which would minimize adverse impact upon natural resources. Methods and alternatives that are speculative or conjectural shall not be deemed to be feasible and prudent. Economic considerations alone shall not justify the certification of need or the rejection of methods or alternatives.

Sec. 25. Minnesota Statutes 1980, Section 473.802, is amended to read:

473.802 [LEGISLATIVE PURPOSE AND POLICY.]

The legislature determines that for the protection of the public health, safety, and welfare of the people of the metropolitan area, for the prevention, control and abatement of pollution of air and waters of the state in the metropolitan area, (AND) for the efficient and economic management of solid waste in the metropolitan area, and for the furtherance of the state policies and purposes expressed in section 115A.02, it is necessary to authorize the metropolitan council to carry on a continuous, long range program of planning with respect to solid waste management, to establish criteria and standards and approve permits for solid waste facilities in the area, and to provide funds for the acquisition of property for solid waste disposal purposes; and to authorize the metropolitan counties if necessary to acquire, construct, operate and maintain solid waste facilities, to plan for

and regulate solid waste collection services and facilities, to collect data on solid and hazardous waste management systems and procedures, and to assist state agencies to regulate the management of hazardous waste. (THE LEGISLATURE DECLARES THAT A PUBLIC PURPOSE IS SERVED BY THE RECOVERY AND UTILIZATION OF RESOURCES FROM SOLID WASTE WHERE ECONOMICALLY VIABLE AND COMPATIBLE WITH SOURCE REDUCTION. THE PLANS, CRITERIA, STANDARDS AND REGULATIONS OF THE AGENCY, COUNCIL AND METROPOLITAN COUNTIES SHALL, TO THE EXTENT PRACTICABLE, ENCOURAGE OWNERSHIP AND OPERATION OF SOLID WASTE FACILITIES BY PRIVATE INDUSTRY.)

Sec. 26. Minnesota Statutes 1980, Section 473.803, Subdivision 1, is amended to read:

Subdivision 1. [COUNTY MASTER PLANS; GENERAL REQUIREMENTS.] Each metropolitan county, following adoption or revision of the council's solid waste policy plan and in accordance with the dates specified therein, and after consultation with all affected local government units, shall prepare and submit to the council for its approval, a county solid waste master plan to implement the policy plan. The master plan shall be revised and resubmitted at such times as the council's policy plan may require. The master plan shall describe county solid waste activities, functions, and facilities; the existing system of solid waste generation, collection, and processing, and disposal within the county; existing and proposed county and municipal ordinances and license and permit requirements relating to solid waste facilities and solid waste generation, collection, and processing, and disposal; existing or proposed municipal, county, or private solid waste facilities and collection services within the county together with schedules of existing rates and charges to users and statements as to the extent to which such facilities and services will or may be used to implement the policy plan; and any solid waste facility which the county owns or plans to acquire, construct, or improve together with statements as to the planned method, estimated cost and time of acquisition, proposed procedures for operation and maintenance of each facility; an estimate of the annual cost of operation and maintenance of each facility; an estimate of the annual gross revenues which will be received from the operation of each facility; and a proposal for the use of each facility after it is no longer needed or usable as a waste facility. The master plan shall, to the extent practicable *and consistent with the achievement of other public policies and purposes*, encourage ownership and operation of solid waste facilities by private industry. For solid waste facilities owned or operated by public agencies or supported primarily by public funds or obligations *issued by a public agency*, the master plan shall contain (POLICIES TO ENSURE THAT THE FACILITIES ARE OPERATED ON A COMPETITIVE BASIS SO AS NOT TO CREATE AN UN-

FAIR OR UNREASONABLE ADVANTAGE OR RESTRAINT OF TRADE IN RELATION) *criteria and standards to protect comparable private and public facilities already existing in the area from displacement unless the displacement is required in order to achieve the waste management objectives identified in the plan.*

Sec. 27. Minnesota Statutes 1980, Section 473.803, is amended by adding a subdivision to read:

Subd. 1c. [PLANS FOR REQUIRED USE OF RESOURCE RECOVERY FACILITIES.] Plans proposing designation of resource recovery facilities pursuant to section 473.811, subdivision 10, shall evaluate the benefits of the proposal, including the public purposes achieved by the conservation and recovery of resources, the furtherance of local, district, or regional waste management plans and policies, and the furtherance of the state policies and purposes expressed in section 115A.02, and also the costs of the proposal, including not only the direct capital and operating costs of the facility but also any indirect costs and adverse long-term effects of the designation. In particular the plan shall evaluate:

(a) whether the required use will result in the recovery of resources or energy from materials which would otherwise be wasted;

(b) whether the required use will lessen the demand for and use of land disposal;

(c) whether the required use is necessary for the financial support of the facility;

(d) whether less restrictive methods for ensuring an adequate solid waste supply are available;

(e) all other feasible and prudent waste processing alternatives for accomplishing the purposes of the proposed designation, the direct and indirect costs of the alternatives, including capital and operating costs, and the effects of the alternatives on the cost to generators.

Sec. 28. Minnesota Statutes 1980, Section 473.811, is amended by adding a subdivision to read:

Subd. 10. [COUNTY DESIGNATION OF RESOURCE RECOVERY FACILITIES.] The authority granted to metropolitan counties by this subdivision shall not apply within any solid waste management district established under sections 115A.62 to 115A.72. In order to accomplish the objectives of county waste management, to further the state policies and purposes expressed in section 115A.02, and to advance the public purposes

served by resource recovery, the legislature finds and declares that it may be necessary to authorize a county to require that all or any portion of the solid waste that is generated within the boundaries of the county or any service area thereof and is disposed of in the state be delivered to a resource recovery facility designated by the county board or a transfer station serving such a facility. Any county designation shall be based upon an approved master plan and shall be submitted pursuant to section 473.827, subdivision 1, for review and approval or disapproval by the metropolitan council. In establishing, continuing, and terminating the designation, the county shall be governed by all standards, exemptions, procedures, and other requirements provided in section 115A.70, subdivisions 2 to 6.

Sec. 29. Minnesota Statutes 1980, Section 473.823, Subdivision 3, is amended to read:

Subd. 3. [SOLID WASTE FACILITIES; REVIEW PROCEDURES.] The agency shall request applicants for solid waste facility permits to submit all information deemed relevant by the council to its review, including without limitation information relating to the geographic areas and population served, the need, the effect on existing facilities and services, the anticipated public cost and benefit, the anticipated rates and charges, the manner of financing, the effect on metropolitan plans and development programs, the supply of waste, anticipated markets for any product, and alternative means of disposal or energy production. No permit may be issued for the operation of a solid waste facility in the metropolitan area which is not in accordance with the metropolitan council's solid waste policy plan. The metropolitan council shall determine whether a permit is in accordance with the policy plan. In making its determination, the council shall consider the area-wide need and benefit of the applicant facility and may consider, without limitation, the effect of the applicant facility on existing and planned solid waste facilities described in a waste control commission development program or county report or master plan. If the council determines that a permit is in accordance with its policy plan, the council shall approve the permit. If the council determines that a permit is not in accordance with its policy plan, it shall disapprove the permit. The council's approval of permits may be subject to conditions necessary to satisfy criteria and standards in its policy plan, including conditions respecting the type, character, and quantities of waste to be processed at a solid waste facility used primarily for resource recovery and the geographic territory from which a resource recovery facility or transfer station serving such a facility may draw its waste. For the purpose of this review and approval by the council, the agency shall send a copy of each permit application and any supporting information furnished by the applicant to the metropolitan council within 15 days after receipt of the application and all other information requested from the applicant. Within 60 days after the application and supporting information are received by the council, un-

less a time extension is authorized by the agency, the council shall issue to the agency in writing its determination whether the permit is disapproved, approved, or approved with conditions. If the council does not issue its determination to the agency within the 60 day period, unless a time extension is authorized by the agency, the permit shall be deemed to be in accordance with the council's policy plan. No permit (MAY) shall be issued in the metropolitan area for a solid waste facility used primarily for resource recovery or a transfer station serving such a facility, if the facility or (SITE) station is owned (AND) or operated by a public agency or if the acquisition or betterment of the facility or (SITE) station is secured by public funds or obligations issued by a public agency, unless the council finds and determines that adequate markets exist for the products recovered (WITHOUT SUBSTANTIALLY REDUCING THE SUPPLY OF SOLID WASTE AVAILABLE FOR EXISTING RESOURCE RECOVERY OPERATIONS) and that establishment of the facility (IS OPERATED ON A COMPETITIVE BASIS SO AS NOT TO CREATE AN UNFAIR OR UNREASONABLE ADVANTAGE OR RESTRAINT OF TRADE IN RELATION TO COMPARABLE PRIVATE FACILITIES EXISTING IN THE AREA) is consistent with the criteria and standards in the metropolitan and county plans respecting the protection of existing resource recovery facilities and transfer stations serving such facilities.

Sec. 30. Minnesota Statutes 1980, Section 473.827, Subdivision 1, is amended to read:

Subdivision 1. [APPROVAL OF DESIGNATION PROPOSALS.] The council (MAY REQUIRE THAT ALL OR ANY PORTION OF THE SOLID WASTE THAT IS GENERATED WITHIN THE METROPOLITAN AREA OR ANY SERVICE AREA THEREOF AND IS DISPOSED OF IN THE STATE BE DELIVERED TO A RESOURCE RECOVERY FACILITY DESIGNATED BY THE COUNCIL OR A TRANSFER STATION SERVING SUCH A FACILITY. THE COUNCIL MAY DESIGNATE A FACILITY UNDER THIS SECTION WITHOUT THE APPROVAL OF THE BOARD EXCEPT THAT THE APPROVAL OF THE BOARD SHALL BE REQUIRED IF THE SOLID WASTE REQUIRED TO BE DELIVERED IS GENERATED OUTSIDE OF THE METROPOLITAN AREA) shall review and approve or disapprove proposals to designate resource recovery facilities under section 473.811, subdivision 10. The council may attach conditions to its approval. Before approving a designation the council shall determine that the proposal conforms to the requirements of section 473.811, subdivision 10, that the designation will further the state policies and purposes expressed in section 115A.02, and that the designation is based upon a master plan approved by the council and an adequate evaluation of the standards expressed in section 473.803, subdivision 1c.

Sec. 31. Minnesota Statutes 1980, Section 473.827, is amended by adding a subdivision to read:

Subd. 7. [REPORTS.] The council shall report or require reports to the waste management board on designations approved under this section in accordance with the reporting requirements of the board established pursuant to section 115A.071.

Sec. 32. [REPEALER.]

Minnesota Statutes 1980, Section 473.827, Subdivisions 2, 3, 4, 5, and 6, are repealed.

Page 4, line 30, delete "EFFECTIVE DATE" and insert "APPLICATION"

Page 4, line 31, after the period insert "*Sections 20 to 29 apply in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.*"

ReNUMBER the sections

Amend the title as follows:

Page 1, line 2, after "amending" insert "various provisions of"

Page 1, line 8, after "waste;" insert "stating various policies and requirements relating to solid and hazardous waste plans and facility permits; prescribing standards, procedures, approvals, and supervision relating to designations of resource recovery facilities;"

Page 1, line 9, delete "Section" and insert "Sections 115A.08, by adding a subdivision;"

Page 1, line 10, after "subdivision;" insert "115A.42; 115A.46; 115A.62; 115A.69, Subdivision 10; 115A.70, Subdivisions 1, 2, and 3; 116.07, Subdivision 4b; 400.16; 400.162; 473.149, Subdivision 1; 473.153, by adding subdivisions; 473.802; 473.803, Subdivision 1, and by adding a subdivision; 473.811, by adding a subdivision; 473.823, Subdivision 3; 473.827, Subdivision 1, and by adding a subdivision;"

Page 1, line 11, delete "Subdivision" and insert "Subdivisions" and after "4" insert "and 13; 115A.11, Subdivision 1; 115A.21, Subdivision 3"

Page 1, line 11, after "115A.24," insert "Subdivision 1, and"

Page 1, line 12, before the period insert “; proposing new law coded in Minnesota Statutes, Chapter 115A; repealing Minnesota Statutes 1980, Section 473.827, Subdivisions 2, 3, 4, 5, and 6”

With the recommendation that when so amended the bill pass.

The report was adopted.

Vanasek from the Committee on Criminal Justice to which was referred:

H. F. No. 1951, A bill for an act relating to community corrections; clarifying and harmonizing the provisions of Minnesota Statutes relating to the administrative structure of participating counties, the composition of the corrections advisory board, the powers of probation officers, and the powers and duties of the commissioner of corrections; amending Minnesota Statutes 1980, Sections 401.01, Subdivision 2; 401.02, Subdivisions 1, 3, and 4; 401.06; 401.08, Subdivisions 1 and 2; and 401.13.

Reported the same back with the following amendments:

Page 2, line 35, reinstate the stricken language

Page 2, line 36, reinstate the stricken language before and after “county” insert “, *Hennepin County*”

With the recommendation that when so amended the bill pass.

The report was adopted.

Swanson from the Committee on Health and Welfare to which was referred:

H. F. No. 2000, A bill for an act relating to public welfare; clarifying certain provisions of the general assistance program; modifying the eligibility standards for emergency general assistance; providing that grants of emergency general assistance be made in the form of vouchers or vendor payments; amending Minnesota Statutes 1981 Supplement, Sections 256D.05, Subdivision 1; 256D.06, Subdivision 2; and 256D.09, Subdivision 1.

Reported the same back with the following amendments:

Page 2, line 28, reinstate the stricken language before “*because*” and delete the new language

Page 2, lines 29 and 30, delete the new language

Page 2, line 35, delete “*or appeal*” and after “*for*” insert “*the program of*”

Page 2, line 36, after "disabled" insert "*or has been terminated from that program and has an appeal from that termination pending*"

Pages 3 and 4, delete sections 2 and 3

Page 4, line 17, delete "4" and insert "2"

Page 4, line 18, delete everything after the first period

Renumber the section

Amend the title as follows:

Page 1, delete lines 4 to 6

Page 1, line 7, delete "vendor payments;"

Page 1, line 8, delete "Sections" and insert "Section"

Page 1, line 8, delete "; 256D.06,"

Page 1, delete line 9 to the period

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Swanson from the Committee on Health and Welfare to which was referred:

H. F. No. 2062, A bill for an act relating to health; establishing a permanent council on health promotion and wellness; appropriating money; proposing new law coded in Minnesota Statutes, Chapter 145.

Reported the same back with the following amendments:

Page 2, delete section 2

Amend the title as follows:

Page 1, line 3, delete "appropriating money;"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Norton from the Committee on Governmental Operations to which was referred:

H. F. No. 2098, A bill for an act relating to retirement; teachers retirement association; extending the time limit for the purchase of service credit for military service leaves of absence for certain veterans; amending Minnesota Statutes 1981 Supplement, Section 354.53, Subdivisions 1 and 3.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. [AUTHORIZATION TO PURCHASE MILITARY SERVICE CREDIT.]

Notwithstanding any law to the contrary, any member of the teachers retirement association who is a veteran as defined pursuant to section 197.971, subdivision 10, and who became eligible for the Vietnam expeditionary medal or the Vietnam service medal as the result of service during the period between July 1, 1958 and July 27, 1973 or served on active duty in the armed forces as defined pursuant to section 197.971, subdivision 3, during the period between August 5, 1964 and January 27, 1973, shall be entitled to obtain credit for the period of military service but service credit shall not be given for any voluntary extension of military service at the instance of the member beyond the initial period of enlistment, induction or call to active duty.

Sec. 2. [PAYMENT AMOUNT.]

The amount and the manner of the payment of the purchase of prior service credit shall be governed pursuant to Laws 1981, Chapter 297, Section 2, Subdivision 2, except that the authority to make a lump sum purchase of prior service credit payment or to make an agreement to make installment purchase of prior service credit payments shall expire on July 1, 1983.

Sec. 3. [EFFECTIVE DATE.]

This act is effective the day following final enactment.”

Amend the title as follows:

Page 1, line 5, delete everything after “veterans” and insert a period

Page 1, delete lines 6 and 7

With the recommendation that when so amended the bill pass and be placed on the Consent Calendar.

The report was adopted.

Norton from the Committee on Governmental Operations to which was referred:

H. F. No. 2145, A bill for an act relating to the department of economic security; regulating community action programs and agencies; amending Minnesota Statutes 1981 Supplement, Sections 268.52, Subdivisions 1, 2, and 4; 268.53, Subdivisions 1, 2, and by adding subdivisions; 268.54, Subdivision 2.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Kostohryz from the Committee on General Legislation and Veterans Affairs to which was referred:

H. F. No. 2174, A bill for an act relating to housing; directing the department of energy, planning and development to administer certain federal money; proposing new law coded in Minnesota Statutes, Chapter 362.

Reported the same back with the following amendments:

Page 2, line 11, delete "*develop*"

Page 2, line 12, delete "*and publish*" and insert "*include*" and delete "*the assessment of*" and insert "*their*"

Page 2, delete lines 13 and 14 and insert "*application to the department.*"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Local and Urban Affairs.

The report was adopted.

Swanson from the Committee on Health and Welfare to which was referred:

H. F. No. 2188, A bill for an act relating to public welfare; providing for a mechanism in the program of aid to families with dependent children to minimize certain recipients' incentives to quit work; amending Minnesota Statutes 1980, Section 256.74, Subdivision 1, as amended.

Reported the same back with the following amendments:

Page 3, line 34, delete "45" and insert "35"

Page 3, line 36, delete "69" and insert "74"

Page 4, line 11, after the period insert "*Unearned income shall be subtracted from the maximum payment amount for an assistance unit of the appropriate size and composition to determine the grant amount.*"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Norton from the Committee on Governmental Operations to which was referred:

H. F. No. 2237, A bill for an act relating to retirement; St. Cloud firefighters relief association; clarifying and resolving an inconsistency in prior enactments concerning medical and health insurance coverage for certain relief association members; amending Laws 1974, Chapter 382, Sections 4, Subdivision 3, as amended; and 6, Subdivision 4.

Reported the same back with the recommendation that the bill pass and be placed on the Consent Calendar.

The report was adopted.

Mann from the Committee on Transportation to which was referred:

S. F. No. 1510, A bill for an act relating to highway traffic regulations; removing certain requirements for bug deflectors; amending Minnesota Statutes 1980, Section 169.743.

Reported the same back with the following amendments:

Page 1, line 14, after "deflector" insert "*of nontransparent material*" and strike "three inches" and insert "*one inch*"

Page 1, line 15, strike "leading edge at the hood" and insert "*highest part of the front of the hood, excluding any decorative ornament, and no person shall operate any motor vehicle equipped with a bug deflector of transparent material having more than three inches of material extending above the highest part of the front of the hood, excluding any decorative ornament*"

With the recommendation that when so amended the bill pass and be placed on the Consent Calendar.

The report was adopted.

Norton from the Committee on Governmental Operations to which was referred:

S. F. No. 2095, A bill for an act relating to state government; implementing the provisions of certain reorganization orders issued by the commissioner of administration; amending Minnesota Statutes 1980, Sections 176.281; and 474.01, Subdivisions 7a and 7b; and Minnesota Statutes 1981 Supplement, Section 474.03.

Reported the same back with the recommendation that the bill pass and be placed on the Consent Calendar.

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 438, 849, 1018, 1382, 1586, 1642, 1704, 1720, 1723, 1735, 1737, 1744, 1759, 1760, 1764, 1804, 1839, 1883, 1916, 1934, 1951, 2098, 2145 and 2237 were read for the second time.

SECOND READING OF SENATE BILLS

S. F. Nos. 1107, 1510 and 2095 were read for the second time.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Wieser introduced:

H. F. No. 2258, A bill for an act relating to education; requiring the department of revenue to develop a plan for funding education with local income taxes.

The bill was read for the first time and referred to the Committee on Education.

Nelsen, B., introduced:

H. F. No. 2259, A bill for an act relating to education; providing for the proration of school aids in proportion to certain tax revenues; proposing new law coded in Minnesota Statutes, Chapter 477A.

The bill was read for the first time and referred to the Committee on Education.

Berkelman, Dempsey, Novak and Sieben, H., introduced:

H. F. No. 2260, A bill for an act relating to taxation; authorizing the designation of enterprise zones comprising areas of pervasive poverty, unemployment, and distress; classifying income derived from enterprises and employment in these areas for the purpose of taxation; amending Minnesota Statutes 1980, Sections 290.01, by adding subdivisions; 290.07, by adding a subdivision; 290.08, by adding a subdivision; 290.16, Subdivision 4, as amended; and 290.095, Subdivision 3; Minnesota Statutes 1981 Supplement, Section 290.01, Subdivision 20, as amended; 290.091, as amended; proposing new law coded in Minnesota Statutes, Chapter 290.

The bill was read for the first time and referred to the Committee on Commerce and Economic Development.

Welch introduced:

H. F. No. 2261, A bill for an act relating to state government; encouraging energy saving suggestions from employees.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Munger, Battaglia and Drew introduced:

H. F. No. 2262, A bill for an act relating to transportation; appropriating funds for matching federal funds for continuance of Amtrak service between the Twin Cities and Duluth.

The bill was read for the first time and referred to the Committee on Appropriations.

Schoenfeld introduced:

H. F. No. 2263, A bill for an act relating to water; raising the petitioners' bond in certain drainage project cases and the appellant's bond in the case of certain appeals; eliminating a responsibility imposed on certain water project contractors; amending Minnesota Statutes 1980, Sections 106.041; and 106.631, Subdivision 2; repealing Minnesota Statutes 1980, Section 105.463.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

HOUSE ADVISORIES

The following House Advisories were introduced:

Reif; Carlson, L., and Weaver introduced:

H. A. No. 57, A proposal to examine the need for limitations on enrollments in medical schools.

The advisory was referred to the Committee on Appropriations.

Samuelson and Simoneau introduced:

H. A. No. 58, A proposal to study the feasibility of providing health benefits for state employees through a plan of self-insurance.

The advisory was referred to the Committee on Governmental Operations.

Samuelson; Norton; Anderson, I.; Rice and Nelsen, B., introduced:

H. A. No. 59, A proposal for employment and job creation for persons receiving public assistance.

The advisory was referred to the Committee on Labor-Management Relations.

REPORT FROM THE COMMITTEE ON RULES AND LEGISLATIVE ADMINISTRATION

Eken, from the Committee on Rules and Legislative Administration, pursuant to Rule 1.9, designated the following bills as a Special Order to be acted upon immediately preceding General Orders for today, Monday, March 1, 1982:

H. F. Nos. 1652, 1657, 1698, 1796, 1803, 1811, 1819, 1850, 1907, 1915, 2050, 716, 773, 1220, 1234, 1459, 1469, and 1492.

MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Mr. Speaker:

I hereby announce the adoption by the Senate of the following House Concurrent Resolution, herewith returned:

House Concurrent Resolution No. 6, A Concurrent Resolution requesting that suitable space be provided for a permanent memorial for Martin Luther King.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce the passage by the Senate of the following Senate File, herewith transmitted:

S. F. No. 1964.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce the passage by the Senate of the following Senate Files, herewith transmitted:

S. F. Nos. 1443, 1589, 1641, 1673, 1679 and 1702.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce the passage by the Senate of the following Senate Files, herewith transmitted:

S. F. Nos. 1455, 1547 and 1591.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce the passage by the Senate of the following Senate Files, herewith transmitted:

S. F. Nos. 69, 328, 412 and 1398.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce the passage by the Senate of the following Senate Files, herewith transmitted:

S. F. Nos. 1671, 1687, 1691 and 1853.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce the passage by the Senate of the following Senate Files, herewith transmitted:

S. F. Nos. 1727, 1744, 1749 and 2103.

PATRICK E. FLAHAVEN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 1964, A bill for an act relating to state government; ratifying state employee and University of Minnesota labor agreements and compensation plans; amending Minnesota Statutes 1980, Section 299D.03, Subdivision 2; repealing Minnesota Statutes 1980, Sections 299C.041; and 299D.03, Subdivision 3.

The bill was read for the first time.

SUSPENSION OF RULES

Pursuant to Article IV, Section 19, of the Constitution of the state of Minnesota, Simoneau moved that the rule therein be suspended and an urgency be declared so that S. F. No. 1964 be given its second and third readings and be placed upon its final passage. The motion prevailed.

Simoneau moved that the rules of the House be so far suspended that S. F. No. 1964 be given its second and third readings and be placed upon its final passage. The motion prevailed.

S. F. No. 1964 was read for the second time.

Simoneau moved to amend S. F. No. 1964, as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1981 Supplement, Section 15A.081, Subdivision 1, is amended to read:

Subdivision 1. The following salaries or salary ranges are provided for the below listed employees in the executive branch of government:

Salary or Range

	Effective July 1, (1979)	Effective (EFFECTIVE) July 1, (JULY 1, (1981)
	<i>1981</i>	<i>1982</i>
Administration, department of commissioner	(\$44,000)	(\$47,000)
	<i>\$50,200</i>	<i>\$53,600</i>
Administrative hearings office		
chief hearing examiner ..	(38,000)	(40,000)
	<i>42,700</i>	<i>45,600</i>
Agriculture, department of commissioner	(38,000)	(40,000)
	<i>42,700</i>	<i>45,600</i>
Commerce, department of commissioner of banks	(34,000)	(36,500)
	<i>39,000</i>	<i>41,600</i>
commissioner of insurance	(34,000)	(36,500)
	<i>39,000</i>	<i>41,600</i>
commissioner of securities and real estate	(34,000)	(36,500)
	<i>39,000</i>	<i>41,600</i>
director of consumer services	(28,000)	(30,000)
	<i>32,000</i>	<i>34,000</i>

	1981	1982	
	\$	\$	
(COMMUNITY COLLEGE SYSTEM CHANCELLOR)	(44,000)	(46,000)	
Corrections, department of commissioner	(42,000)	(45,000)	
	48,100	51,300	
ombudsman	(33,000)	(35,000)	
	37,400	39,900	
Economic security, department of commissioner	(43,000)	(45,000)	
	48,100	51,300	
Education, department of commissioner	(43,000)	(45,000)	
	48,100	51,300	
<i>Employee relations, department of commissioner</i>	<i>50,200</i>	<i>53,600</i>	
Energy, planning and development department of commissioner	46,000	49,100	(46,000)
Finance, department of commissioner	(48,000)	(50,000)	
	53,400	57,000	
Health, department of commissioner	(47,000)	(49,000)	
	52,300	55,900	

	1981	1982
	\$	\$
(HIGHER EDUCATION COORDINATING BOARD		
EXECUTIVE DIRECTOR)	(40,000)	(42,000)
Housing finance agency executive director	(39,000)	(41,000)
	<i>43,800</i>	<i>46,800</i>
Human rights, department of commissioner	(31,000)	(33,000)
	<i>35,200</i>	<i>37,600</i>
Indian affairs board executive director	(27,000)	(29,000)
	<i>31,000</i>	<i>33,000</i>
Iron range resources and rehabilitation board commissioner	(30,000)	(31,000)
	<i>33,100</i>	<i>35,400</i>
Labor and industry, department of commissioner	(38,000)	(40,000)
	<i>42,700</i>	<i>45,600</i>
(JUDGE OF THE WORKERS' COMPENSATION COURT OF APPEALS) ..		
	(38,000)	(40,000)
Mediation services, bureau of director	(36,000)	(38,000)
	<i>40,600</i>	<i>43,300</i>

	1981	1982
	\$	\$
Natural resources, department of commissioner	(44,000)	(47,000)
	50,200	53,600
(PERSONNEL, DEPARTMENT OF COMMISSIONER)	(44,000)	(47,000)
Pollution control agency director	(38,000)	(40,000)
	42,700	45,600
Public safety, department of commissioner	(38,000)	(41,000)
	43,800	46,800
Public service, department of commissioner, public utilities commission	(34,000)	(36,000)
	38,400	41,000
director	(34,000)	(36,000)
	38,400	41,000
Public welfare, department of commissioner	(44,000)	(48,000)
	51,300	54,700
Revenue, department of commissioner	(44,000)	(47,000)
	50,200	53,600
(STATE UNIVERSITY SYSTEM CHANCELLOR)	(44,000)	(46,000)

	1981	1982
	\$	\$
Transportation, department of commissioner	(44,000)	(48,000)
	51,300	54,700
Transportation, regulation board board member		32,000
Veterans affairs, department of commissioner	(31,000)	(33,000)
	35,200	37,600
Waste management board, chairman	45,000	48,100

Sec. 2. [486.055] [COURT REPORTER TRANSCRIPT FEE CHARGES; REPORTING REQUIREMENTS.]

Subdivision 1. [REPORTING REQUIREMENTS.] Each court reporter who charges a fee for the preparation of transcripts shall by April 15 of each year file with the district administrator of his judicial district and the county commissioners of the district an accounting of gross receipts for the prior calendar year. The accounting report shall specify the amount received in payment for the sale of transcripts.

Sec. 3. Minnesota Statutes 1980, Section 15A.081, Subdivision 7, is amended to read:

Subd. 7. The following salaries are provided for officers of metropolitan agencies:

	Effective July 1, (1979)	Effective July 1, (1980)
	1981	1982
Chairman, metropolitan council (part-time)	(\$21,000)	(\$22,500)
	\$24,000	\$25,700
(full-time)	(42,000)	(44,500)
	47,500	50,800

	1981	1982
	\$	\$
Chairman, metropolitan airports commission	(10,500)	(11,500)
	<i>12,300</i>	<i>13,100</i>
Chairman, metropolitan transit commission (part-time)	(18,000)	(19,000)
	<i>20,300</i>	<i>21,700</i>
(full-time)	(36,000)	(38,000)
	<i>40,600</i>	<i>43,300</i>
Chairman, metropolitan waste control commission	(16,000)	(17,000)
	<i>18,200</i>	<i>19,400</i>

Fringe benefits for unclassified employees of the metropolitan waste control commission shall not exceed those fringe benefits received by unclassified employees of the metropolitan council.

Sec. 4. Minnesota Statutes 1980, Section 15A.083, Subdivision 1, is amended to read:

Subdivision 1. [ELECTIVE JUDICIAL OFFICERS.] The following salaries shall be paid annually to the enumerated elective judicial officers of the state:

	Effective July 1, (1979)	Effective July 1, (1980)
	<i>1981</i>	<i>1982</i>
(1) Chief justice of the supreme court	(\$56,000)	(\$59,000)
	<i>\$63,000</i>	<i>\$67,300</i>
(2) Associate justice of the supreme court	(52,500)	(56,000)
	<i>59,800</i>	<i>63,900</i>

	1981	1982
	\$	\$
(3) District judge, judge of county court (learned in the law), probate court, and county municipal court	(45,000)	(48,000)
	<i>51,300</i>	<i>54,700</i>
(4) Judge of a county court (not learned in the law)	(29,500)	(31,500)
	<i>33,600</i>	<i>35,900</i>

Sec. 5. Minnesota Statutes 1980, Section 15A.083, Subdivision 2, is amended to read:

Subd. 2. [COUNTY COURT AND COUNTY MUNICIPAL JUDGES.] (1) Notwithstanding any other law to the contrary, the salary paid to a judge of a county court shall also be paid to judges of the probate court of St. Louis county and to judges of the Duluth municipal court.

(2) Judges of the county municipal courts, and county courts in the counties of Hennepin, Ramsey, Washington, Anoka, Scott, St. Louis, Carver and Dakota shall receive a salary of (\$45,000) *\$51,300*, effective July 1, (1979) *1981*, and (\$48,000) *\$54,700*, effective July 1, (1980) *1982*.

(3) If any judge enumerated in this subdivision dies while in office, the amount of his salary remaining unpaid for the month in which his death occurs, shall be paid to his estate.

Sec. 6. Minnesota Statutes 1980, Section 15A.083, Subdivision 4, is amended to read:

Subd. 4. [RANGES FOR OTHER JUDICIAL POSITIONS.] Salaries or salary ranges are provided for the following positions in the judicial branch of government. The appointing authority of any position for which a salary range has been provided shall fix the individual salary within the prescribed range, considering the qualifications and overall performance of the employee. Appointments to fill vacancies shall not be made above the midpoint of the salary range prescribed for the position unless the state court administrator has been consulted in advance and his approval obtained. Any salary increase that would adjust an employee's rate of pay beyond the midpoint of the range prescribed for the position must be approved in advance by the state court administrator.

	Salary or Range	
	Effective July 1, (1979)	Effective July 1, (1980)
	1981	1982
Public defender	(\$37,500	\$40,000)
	\$42,700	\$45,600
District administrator	(27,000-37,500	28,500-40,000)
	30,400-42,700	32,500-45,600
County attorneys council executive director	(22,000-32,000	23,500-34,000)
	25,100-36,300	26,800-38,800
Board on judicial standards executive director	(36,000	38,000)
	40,600	43,400
State court administrator	(44,500	47,000)
	50,200	53,600

Sec. 7. Minnesota Statutes 1981 Supplement, Section 15A.-083, Subdivision 7, is amended to read:

Subd. 7. [WORKERS' COMPENSATION COURT OF APPEALS AND COMPENSATION JUDGES.] Salaries of judges of the workers' compensation court of appeals shall be (90 PERCENT OF) *equal to* the salary for district judges as provided in subdivision 1. Salaries of compensation judges shall be 75 percent of the salary of district court judges as provided in subdivision 1.

Sec. 8. Minnesota Statutes 1980, Section 179.66, Subdivision 7, is amended to read:

Subd. 7. The employer shall not meet and negotiate or meet and confer with any employee or group of employees who are at the time designated as a member or part of an appropriate employee unit except through the exclusive representative if one is certified for that unit or as provided for in section 179.69, subdivision 1, *provided that this subdivision shall not be deemed to prevent the communication to the employer, other than through the exclusive representative, of advice or recommendations by professional employees, when such communication is a part of the employee's work assignment.*

Sec. 9. Minnesota Statutes 1980, Section 179.72, Subdivision 7, is amended to read:

Subd. 7. The arbitration panel or arbitrator selected by the parties shall resolve the issues in dispute between the parties as submitted by the board, and the panel's decision and order shall be final and binding upon the parties. *The panel shall be restricted, if the parties agree in writing to so limit the panel's jurisdiction, except as provided by subdivision 7b to selecting between the final offers on each impasse item submitted by the parties to the panel, or the final offer of one or the other party in its entirety.* Provided, however, that no decision of the panel which violates any provision of the laws of Minnesota or rules or regulations promulgated thereunder or municipal charters or ordinances or resolutions enacted pursuant thereto, or which causes a penalty to be incurred thereunder, shall have any force or effect. In considering a dispute and issuing its order the panel shall give due consideration to the statutory rights and obligations of public employers to efficiently manage and conduct its operations within the legal limitations surrounding the financing of such operations. The panel's orders shall be issued by a majority vote of its members considering a given dispute. The panel shall have no jurisdiction over nor authority to entertain any matter or issue not within the definition stated in section 179.63, subdivision 18; provided, however, items not within terms and conditions of employment may be included in an arbitration decision if such items are contained in the employer's final position. Any issue or order or part thereof issued by the panel determining any matter not included under section 179.63, subdivision 18 or the employer's final position shall be void and of no effect. The panel shall render its decision within ten days from the date that all arbitration proceedings have been concluded, but in any event must issue its order by the last date the employer is required by statute, charter, ordinance or resolution to submit its tax levy or budget or certify its taxes voted to the appropriate public officer, agency, public body or office, or by November 1, whichever date is earlier. The panel's order shall be for such period as the panel shall direct, except that orders determining contracts for teacher units shall be effective to the end of the contract period as determined by section 179.70, subdivision 1.

Sec. 10. Minnesota Statutes 1980, Section 179.72, Subdivision 7b, is amended to read:

Subd. 7b. Notwithstanding the provisions of subdivision 7, for (ESSENTIAL EMPLOYEES,) supervisory employees, confidential employees, and principals and assistant principals who are not employees of the executive branch of the state of Minnesota, the panel shall be restricted to selecting between the final offers on each impasse item submitted by the parties to the panel.

Sec. 11. Minnesota Statutes 1980, Section 299D.03, Subdivision 2, is amended to read:

Subd. 2. [SALARIES.] (1) Each employee other than the chief supervisor, lieutenant colonel, majors, captains, corporals and sergeants hereinafter designated shall be known as patrol troopers.

(2) There may be appointed one lieutenant colonel; and such majors, captains, corporals, sergeants and troopers as the commissioner deems necessary to carry out the duties and functions of the highway patrol. Persons in above named positions shall be appointed by law and have such duties as the commissioner may direct and, except for troopers, shall be selected from the patrol troopers, corporals, sergeants, captains, and majors who shall have had at least five years' experience as either patrol troopers, corporals, sergeants, or supervisors.

(3) (COMMENCING JULY 4, 1979, THE SALARIES FOR ALL MEMBERS OF THE HIGHWAY PATROL, EXCEPT FOR THE CHIEF SUPERVISOR AND THE LIEUTENANT COLONEL SHALL BE AS SHOWN IN THE FOLLOWING TABLE:)

(TOTAL YEARS OF SERVICE

TROOPER

BASE SALARY	6 MONTHS	1 YEAR	2 YEARS	3 YEARS
\$1186	1229	1327	1377	1439

4 THRU 6 YEARS	7 THRU 11 YEARS	12 THRU 20 YEARS	AFTER 20 YEARS
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TROOPER	\$1511	1566	1625	1687
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5 THRU 11 YEARS	12 THRU 20 YEARS	AFTER 20 YEARS
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TROOPER I	\$1566	1625	1687
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10 THRU 20 YEARS	AFTER 20 YEARS
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CORPORAL	\$1650	1712
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STAFF SERGEANT		YEARS				
7	8	9	10	11	12 THRU 20	AFTER 20
\$1656	1687	1719	1753	1786	1817	1880

TIME IN RANK

	BASE SALARY	1 YEAR	2 YEARS	AFTER 12 YEARS TOTAL SERVICE	AFTER 20 YEARS TOTAL SERVICE
CAPTAIN	\$1959	2020	2083	2143	2202
MAJOR	2239	2301		2363	2425)

(COMMENCING JULY 2, 1980, THE SALARIES FOR ALL MEMBERS OF THE HIGHWAY PATROL, EXCEPT FOR THE CHIEF SUPERVISOR AND THE LIEUTENANT COLONEL SHALL BE AS SHOWN IN THE FOLLOWING TABLE:)

(TOTAL YEARS OF SERVICE

	BASE SALARY	6 MONTHS	1 YEAR	2 YEARS	3 YEARS
TROOPER	\$1257	1303	1407	1460	1525
		4 THRU 6 YEARS	7 THRU 11 YEARS	12 THRU 20 YEARS	AFTER 20 YEARS
TROOPER		\$1602	1660	1723	1788
		5 THRU 11 YEARS	12 THRU 20 YEARS	AFTER 20 YEARS	
TROOPER 1		\$1660		1723	1788
		10 THRU 20 YEARS		AFTER 20 YEARS	
CORPORAL		\$1749			1815

STAFF SERGEANT		YEARS				
7	8	9	10	11	12 THRU 20	AFTER 20
\$1755	1788	1822	1858	1893	1926	1993

TIME IN RANK

	BASE SALARY	1 YEAR	2 YEARS	AFTER 12 YEARS TOTAL SERVICE	AFTER 20 YEARS TOTAL SERVICE
CAPTAIN	\$2077	2141	2208	2272	2334
MAJOR	\$2373	2439		2505	2571)

(EMPLOYEES DESIGNATED AS STATION SERGEANTS SHALL RECEIVE AN ADDITIONAL THREE PERCENT ABOVE THE CURRENT RATE ROUNDED TO THE NEAREST DOLLAR FOR THE DURATION OF THE APPOINTMENT. EMPLOYEES PERMANENTLY ASSIGNED EXCLUSIVELY TO TWIN CITY METROPOLITAN FREEWAY DUTY SHALL BE DESIGNATED FREEWAY TROOPERS AND SHALL BE COMPENSATED \$25 PER MONTH ABOVE THEIR CURRENT SALARY WHEN SO ASSIGNED. SALARY INCREASES IN ACCORDANCE WITH THE ABOVE SCHEDULE SHALL BECOME EFFECTIVE FOR THE PAYROLL PERIOD NEAREST THE EMPLOYEE'S ANNIVERSARY DATE OF EMPLOYMENT.)

((4) UPON PROMOTION, THE PERSON WILL BE PAID AT THE BASE SALARY RATE OF PAY IN EFFECT FOR THAT RANK, AND SHALL SUBSEQUENTLY BE ELIGIBLE FOR THE TIME IN RANK INCREASES CALCULATED FROM THE EFFECTIVE DATE OF PROMOTION.)

((5) ANY TIME IN RANK INCREASES IN SALARY PROVIDED FOR IN THE TABLES IN CLAUSE (3), SHALL BE EFFECTIVE FOR THE PAYROLL PERIOD NEAREST THE EMPLOYEE'S ANNIVERSARY DATE OF EMPLOYMENT.)

The salary rates for all highway patrol troopers, corporals and sergeants (AS CITED IN CLAUSE (3)) shall be deemed to include reimbursement for shift differential, meal and business expenses incurred by highway patrol troopers, corporals and sergeants in the performance of their assigned duties in their patrol areas; business expenses include, but are not limited to: uniform costs, home garaging of squad cars and maintenance of home office.

Sec. 12. Laws 1979, Chapter 332, Article I, Section 116, as amended by Laws 1980, Chapter 617, Section 44, is amended to read:

Sec. 116. [EFFECTIVE DATE.]

The effective dates for Article I are as follows: sections 2, 4, 8, 40, 45, 46, 47, 58, 61, 65, 82-91, and 113 are effective upon final enactment. Section 64, is effective June 30, 1980. Sections 3, 5, 6 and 7 are effective July 1, 1981. The remaining provisions of Article I are effective July 1, 1979. The provisions of section 47 shall apply to all disciplinary actions taken on or after the effective date of section 47. The provisions of section 63 shall expire on July 1, 1981, but shall apply to all arbitration proceedings which are to determine contractual provisions for the 1981-1983 biennium. The provisions of section 64 shall expire on July 1, (1981) 1983, but shall apply to all arbitration proceedings which are to determine contractual provisions for the next contract period. The provisions of sections 93 to 111 and 113 shall expire on July 1, 1981. The provisions of section 137.02, subdivision 4, shall not apply to sections 93 to 111.

Sec. 13. [RATIFICATION; STATE OF MINNESOTA.]

Subdivision 1. The labor agreement between the state of Minnesota and the bureau of criminal apprehension agents' association, Minnesota conservation officers' association and Minnesota state patrol officers' association, approved by the legislative commission on employee relations on August 18, 1981, is hereby ratified.

Subd. 2. The labor agreement between the state of Minnesota and the American federation of state, county and municipal employees, council 6, approved by the legislative commission on employee relations on August 19, 1981, is hereby ratified.

Subd. 3. The labor agreement between the state of Minnesota and the Minnesota nurses association, approved by the legislative commission on employee relations on November 19, 1981, is hereby ratified.

Subd. 4. The labor agreement between the state of Minnesota and the interfaculty organization, Minnesota education association, approved by the legislative commission on employee relations on November 19, 1981, is hereby ratified.

Subd. 5. The labor agreement between the state of Minnesota and the Minnesota community college faculty association, Minnesota education association, approved by the legislative commission on employee relations on November 19, 1981, is hereby ratified.

Subd. 6. The labor agreement between the state of Minnesota and the Minnesota state university association of administrative and service faculty, international brotherhood of teamsters, local 320, approved by the legislative commission on employee relations on November 19, 1981, is hereby ratified.

Subd. 7. The labor agreement between the state of Minnesota and the association of health treatment professionals, approved by the legislative commission on employee relations on November 19, 1981, is hereby ratified.

Subd. 8. The labor agreement between the state of Minnesota and the Minnesota association of professional employees, approved by the legislative commission on employee relations on November 19, 1981, is hereby ratified.

Subd. 9. The labor agreement between the state of Minnesota and the state residential schools education association, approved by the legislative commission on employee relations on January 26, 1982, is hereby ratified.

Subd. 10. The labor agreement between the state of Minnesota and the middle management association, approved by the legislative commission on employee relations on November 19, 1981, is hereby ratified.

Subd. 11. The commissioner of employee relations' plan for certain unrepresented state employees, approved by the legislative commission on employee relations on November 19, 1981, is hereby ratified.

Sec. 14. [RATIFICATION; UNIVERSITY OF MINNESOTA.]

Subdivision 1. The salary supplements provided in the labor agreement between the regents of the University of Minnesota and the international brotherhood of teamsters, local 320, approved by the legislative commission on employee relations on September 3, 1981, are hereby ratified.

Subd. 2. The salary supplements provided in the labor agreement between the regents of the University of Minnesota and the international brotherhood of teamsters, local 320, approved by the legislative commission on employee relations on November 19, 1981, are hereby ratified.

Subd. 3. The salary supplements provided in the labor agreement between the regents of the University of Minnesota and the American federation of state, county and municipal employees, council 6, and local 1164, American federation of labor-congress of industrial organizations, approved by the legislative

commission on employee relations on September 29, 1981, are hereby ratified.

Subd. 4. The salary supplements provided in the University of Minnesota regents' compensation plan for unrepresented nursing professional, noninstructional (nonacademic appointment) professional and supervisory employees, approved by the legislative commission on employee relations on January 12, 1982, are hereby ratified.

Subd. 5. The salary supplements provided in the University of Minnesota regents' compensation plan for unrepresented clerical and office, technical, managerial and confidential employees, approved by the legislative commission on employee relations on November 19, 1981, are hereby ratified.

Subd. 6. The salary supplements provided in the University of Minnesota regents' compensation plan for unrepresented twin cities and outstate instructional, graduate assistant and non-instructional (academic appointment) professional employees, approved by the legislative commission on employee relations on January 12, 1982, are hereby ratified.

Sec. 15. [INTERIM APPROVAL.]

After adjournment of the 1982 session of the legislature, the legislative commission on employee relations may give interim approval to a negotiated agreement, arbitration award, salary supplement, or compensation plan submitted to it in accordance with other law. The legislative commission on employee relations shall submit the agreement, award, salary supplement, or plan to the entire legislature for ratification in the same manner and with the same effect as provided in section 179.74, subdivision 5.

Sec. 16. [CANCELLATION OF APPROPRIATION REDUCTION.]

Notwithstanding Laws 1981, Third Special Session Chapter 2, Article I, Section 2, Subdivision 1, clause (bb), there shall be a -0- reduction in the 1983 appropriation for Mediation Services.

Sec. 17. [SALARY OF EXECUTIVE SECRETARY; HIGHER EDUCATION COORDINATING BOARD.]

Notwithstanding any other law to the contrary, the higher education coordinating board may establish the salary of its executive director.

Sec. 18. [COURT REPORTERS.]

The departmental and classification seniority of an individual who was employed as a court reporter in state service prior to

his appointment as a court reporter in the office of administrative hearings pursuant to Laws 1975, Chapter 380, Section 16, shall carry forward and be credited to his employment with the office of administrative hearings.

Sec. 19. [REVIEW OF EXECUTIVE POSITIONS.]

The legislative commission on employee relations is directed to review the executive positions contained in section 15A.081, those that have been removed through legislative action, and those that have never been included. This review shall consider managerial and programmatic responsibilities and authority, the skill and effort required by each position, and compensation accorded. The commission may utilize the findings of the 1980 governor's task force on executive and judicial compensation. The commission shall report back to the legislature by February 15, 1983, its recommendations relative to appropriate inclusion in section 15A.081 and equitable compensation for comparable executive positions.

Sec. 20. [REPEALER.]

Minnesota Statutes 1980, Sections 299C.041 and 299D.03, Subdivision 3, are repealed.

Sec. 21. [REPEALER.]

Minnesota Statutes 1980, Section 179.72, Subdivision 7a are repealed.

Sec. 22. [APPROPRIATION; GENERAL FUND.]

Subdivision 1. The sums contained in this section are appropriated from the general fund to be available for the fiscal year ending June 30 of the years indicated.

Subd. 2. There is appropriated to the commissioner of finance for the purpose of paying compensation increases as authorized by sections 1 and 3 to 7.

1982	1983
\$985,300	\$1,996,400

Subd. 3. There is appropriated to the bureau of mediation services pursuant to section 16.

1983
\$121,000

Sec. 23. [APPROPRIATIONS; OTHER FUNDS.]

The amounts necessary to pay compensation and economic benefit increases authorized by this act are appropriated to the commissioner of finance for the fiscal years ending June 30, 1982, and June 30, 1983, from the funds in the state treasury, other than the general fund, from which salaries are paid.

Sec. 24. [EFFECTIVE DATE.]

Sections 1, 3 to 9, 11 to 14, 16, 18 and 20 are effective the day following enactment. Section 21 is effective July 1, 1982."

Delete the title and insert:

"A bill for an act relating to state government; ratifying state employee and University of Minnesota labor agreements and compensation plans; providing increases in statutory salaries for certain officers; clarifying meet and confer status for professional employees; extending final offer arbitration to certain public employee impasses under PELRA; removing it for others except on a voluntary basis; appropriating money; cancelling an appropriation reduction; amending Minnesota Statutes 1980, Sections 15A.081, Subdivision 7; 15A.083, Subdivisions 1, 2, and 4; 179.66, Subdivision 7; 179.72, Subdivision 7 and 7b; 299D.03, Subdivision 2; Minnesota Statutes 1981 Supplement, Section 15A.081, Subdivision 1; 15A.083, Subdivision 7; Laws 1979, Chapter 332, Article I, Section 116, as amended; proposing new law coded in Minnesota Statutes, Chapter 486; repealing Minnesota Statutes 1980, Sections 179.72, Subdivision 7a; 299C.041; and 299D.03, Subdivision 3."

The motion prevailed and the amendment was adopted.

Stowell moved to amend S. F. No. 1964, as amended, as follows:

Page 1, line 29, strike the second "Effective"

Page 1, line 30, strike the second "July 1,"

Page 1, line 32, delete "1981" and insert "1982"

Page 1, line 32, delete "1982"

Page 2, lines 3 to 35, delete the new language in the second column

Page 3, lines 3 to 33, delete the new language in the second column

Page 3, line 14, delete "46,000" and insert "49,100"

Page 4, lines 2 to 35, delete the new language in the second column

Page 5, lines 1 to 25, delete the new language in the second column

Page 5, line 25, delete "45,000" and insert "48,100"

Page 6, line 4, strike the second "Effective"

Page 6, line 5, strike the second "July 1,"

Page 6, line 7, delete "1981" and insert "1982"

Page 6, line 7, delete "1982"

Page 6, lines 11 to 28, delete the new language in the second column

Page 7, line 3, strike the second "Effective"

Page 7, line 4, strike the second "July 1,"

Page 7, line 6, delete "1981" and insert "1982"

Page 7, line 6, delete "1982"

Page 7, lines 9 to 23, delete the new language in the second column

Page 7, line 34, delete "1981" and insert "1982"

Page 7, line 34, strike ", and"

Page 7, line 35, delete and strike "\$54,000, effective July 1, (1980) 1982"

Page 8, line 19, strike the second "Effective"

Page 8, line 20, strike the second "July 1,"

Page 8, line 22, delete "1981" and insert "1982"

Page 8, line 22, delete "1982"

Page 8, lines 24 to 36, delete the new language in the second column

Page 9, line 3, delete "53,600"

Page 17, line 33, delete "1982"

Page 17, line 34, delete "\$985,300"

Page 17, line 34, delete "\$1,996,400" and insert "\$1,112,500"

A roll call was requested and properly seconded.

The question was taken on the amendment and the roll was called. There were 74 yeas and 44 nays as follows:

Those who voted in the affirmative were:

Aasness	Frerichs	Kaley	Peterson, B.	Stowell
Ainley	Greenfield	Kalis	Piepho	Stumpf
Anderson, B.	Gruenes	Kvam	Redalen	Swiggum
Anderson, G.	Gustafson	Levi	Rees	Valan
Battaglia	Halberg	Ludeman	Reif	Valento
Begich	Haukoos	Luknic	Rothenberg	Vanasek
Berkelman	Heap	Marsh	Sarna	Vellenga
Clawson	Heinitz	McDonald	Schafer	Weaver
Dempsey	Himle	McEachern	Schoenfeld	Welker
Den Ouden	Hoberg	Minne	Searles	Wenzel
Elioff	Hokanson	Niehaus	Shea	Wieser
Erickson	Hokr	Novak	Sherman	Wigley
Esau	Jennings	Nysether	Sherwood	Wynia
Ewald	Johnson, D.	Ogren	Skoglund	Zubay
Fjoslien	Jude	Onnen	Stadum	

Those who voted in the negative were:

Anderson, I.	Ellingson	Laidig	Norton	Samuelson
Blatz	Evans	Long	Olsen	Sieben, M.
Brandl	Forsythe	Mann	Otis	Simoneau
Carlson, D.	Harens	McCarron	Peterson, D.	Staten
Carlson, L.	Hauge	Mehrkens	Pogemiller	Swanson
Clark, J.	Jacobs	Munger	Reding	Tomlinson
Dahlvang	Johnson, C.	Murphy	Rice	Welch
Drew	Kahn	Nelsen, B.	Rodriguez, C.	Spkr. Sieben, H.
Eken	Kostohryz	Nelson, K.	Rodriguez, F.	

The motion prevailed and the amendment was adopted.

Simoneau moved to amend S. F. No. 1964, as amended, as follows:

Page 14, after line 33, insert:

"Subd. 7. The arbitration award and the resulting labor agreement between the state of Minnesota and the Minnesota government engineers' council, approved by the legislative commission on employee relations on March 1, 1982, are hereby ratified."

Page 14, line 34, delete "7" and insert "8"

Page 15, line 2, delete "8" and insert "9"

Page 15, line 6, delete "9" and insert "10"

Page 15, line 10, delete "10" and insert "11"

Page 15, line 14, delete "11" and insert "12"

The motion prevailed and the amendment was adopted.

Stadum offered an amendment to S. F. No. 1964, as amended.

POINT OF ORDER

Simoneau raised a point of order pursuant to rule 3.9 that the amendment was not in order. The Speaker ruled the point of order well taken and the amendment out of order.

Zubay and Osthoff moved to amend S. F. No. 1964, as amended, as follows:

Page 18, line 10, after 1, insert "2,"

The motion prevailed and the amendment was adopted.

Ainley and Lemen moved to amend S. F. No. 1964, as amended, as follows:

Page 7, line 23, delete "\$33,600" insert "\$51,300" and delete "\$35,900" insert "\$54,700"

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

S. F. No. 1964 was given its third reading, as amended.

Drew was excused for the remainder of today's session.

MOTION FOR RECONSIDERATION

Begich moved that the action whereby S. F. No. 1964, as amended, was given its third reading be now reconsidered.

A roll call was requested and properly seconded.

The question was taken on the motion and the roll was called. There were 53 yeas and 67 nays as follows:

Those who voted in the affirmative were:

Aasness	Anderson, I.	Brinkman	Dean	Elioff
Ainley	Battaglia	Carlson, D.	Dempsey	Esau
Anderson, B.	Begich	Dahlvang	Den Ouden	Ewald

Fjoslien	Levi	Nysether	Rothenberg	Weaver
Frerichs	Ludeman	Onnen	Sarna	Welker
Gruenes	Mann	Peterson, B.	Schafer	Wenzel
Gustafson	McDonald	Peterson, D.	Searles	Wieser
Halberg	McEachern	Piepho	Sherman	Wigley
Jennings	Minne	Redalen	Sherwood	Zubay
Johnson, D.	Munger	Rees	Sviggum	
Kvam	Niehaus	Reif	Valento	

Those who voted in the negative were:

Anderson, G.	Greenfield	Kelly	Otis	Staten
Berkelman	Hauge	Laidig	Pogemiller	Stowell
Blatz	Haukoos	Long	Reding	Stumpf
Brandl	Heap	Luknic	Rice	Swanson
Byrne	Heinitz	McCarron	Rodriguez, C.	Tomlinson
Carlson, L.	Himle	Mehrkens	Rodriguez, F.	Valan
Clark, J.	Hoberg	Metzen	Rose	Vanasek
Clark, K.	Hokanson	Murphy	Samuelson	Vellenga
Clawson	Jacobs	Nelsen, B.	Schoenfeld	Welch
Eken	Johnson, C.	Nelson, K.	Shea	Wynia
Ellingson	Jude	Norton	Sieben, M.	Spkr. Sieben, H.
Erickson	Kahn	Novak	Simoneau	
Evans	Kaley	Ogren	Skoglund	
Forsythe	Kalis	Olsen	Stadum	

The motion did not prevail.

S. F. No. 1964, A bill for an act relating to state government; ratifying state employee and University of Minnesota labor agreements and compensation plans; amending Minnesota Statutes 1980, Section 299D.03, Subdivision 2; repealing Minnesota Statutes 1980, Sections 299C.041; and 299D.03, Subdivision 3.

The bill, as amended, was placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 87 yeas and 32 nays as follows:

Those who voted in the affirmative were:

Battaglia	Greenfield	Laidig	Otis	Stadum
Berkelman	Gruenes	Levi	Peterson, D.	Staten
Blatz	Halberg	Long	Piepho	Stowell
Brandl	Hauge	Luknic	Pogemiller	Stumpf
Byrne	Heinitz	Mann	Reding	Sviggum
Carlson, L.	Himle	McCarron	Rees	Swanson
Clark, J.	Hoberg	McEachern	Reif	Tomlinson
Clark, K.	Hokanson	Mehrkens	Rice	Valan
Clawson	Hokr	Metzen	Rodriguez, C.	Vanasek
Dahlvang	Jacobs	Munger	Rodriguez, F.	Vellenga
Dempsey	Johnson, C.	Murphy	Rose	Weaver
Eken	Johnson, D.	Nelsen, B.	Samuelson	Welch
Elioff	Jude	Nelson, K.	Schoenfeld	Wynia
Ellingson	Kahn	Norton	Shea	Zubay
Evans	Kaley	Novak	Sherman	Spkr. Sieben, H.
Ewald	Kelly	Ogren	Sieben, M.	
Fjoslien	Kostohryz	Olsen	Simoneau	
Forsythe	Kvam	Onnen	Skoglund	

Those who voted in the negative were:

Aasness	Den Ouden	Kalis	Peterson, B.	Welker
Ainley	Erickson	Ludeman	Redalen	Wenzel
Anderson, I.	Esau	Marsh	Rothenberg	Wieser
Begich	Frerichs	McDonald	Schafer	Wigley
Brinkman	Haukoos	Minne	Searies	
Carlson, D.	Heap	Niehaus	Sherwood	
Dean	Jennings	Nysether	Valento	

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

FIRST READING OF SENATE BILLS, Continued

S. F. No. 1443, A bill for an act relating to agriculture; prohibiting the trafficking in skunks; setting a penalty; proposing new law coded in Minnesota Statutes, Chapter 145.

The bill was read for the first time and referred to the Committee on Health and Welfare.

S. F. No. 1589, A bill for an act relating to crimes; clarifying the definition of physically helpless victims of criminal sexual conduct; amending Minnesota Statutes 1980, Section 609.341, Subdivision 9.

The bill was read for the first time and referred to the Committee on Criminal Justice.

S. F. No. 1641, A bill for an act relating to family law; defining a species of marital co-ownership of property and providing for its division in dissolution and annulment actions; amending Minnesota Statutes 1980, Section 518.54, Subdivision 5; and Minnesota Statutes 1981 Supplement, Section 518.58.

The bill was read for the first time and referred to the Committee on Judiciary.

S. F. No. 1673, A bill for an act relating to health; requiring reports of cases of Reyes syndrome; proposing new law coded in Minnesota Statutes, Chapter 144.

The bill was read for the first time.

Evans moved that S. F. No. 1673 and H. F. No. 1839, now on the Technical Consent Calendar, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1679, A bill for an act relating to the military; providing for the administration of oaths and acknowledgments by a member of the armed forces of the United States; amending Minnesota Statutes 1980, Sections 192.205, by adding a subdivision; and 358.32.

The bill was read for the first time and referred to the Committee on General Legislation and Veterans Affairs.

S. F. No. 1702, A bill for an act relating to corrections; authorizing the appointment of internal security investigators for adult correctional facilities in the unclassified civil service; clarifying the "good time" and solitary confinement provisions relating to county jails; amending Minnesota Statutes 1980, Sections 241.01, Subdivision 3a; 641.09; and 643.29, Subdivision 1.

The bill was read for the first time.

Johnson, D., moved that S. F. No. 1702 and H. F. No. 1954, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1455, A bill for an act relating to retirement; including employees at the state ceremonial building in the unclassified employees plan; amending Minnesota Statutes 1981 Supplement, Section 352D.02, Subdivision 1.

The bill was read for the first time.

Kaley moved that S. F. No. 1455 and H. F. No. 1498, now on the Calendar, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1547, A bill for an act relating to retirement; miscellaneous amendments to the public employees retirement law; amending Minnesota Statutes 1980, Sections 353.01, Subdivisions 12 and 16; 353.35; and 353.657, Subdivision 2a; Minnesota Statutes 1981 Supplement, Sections 353.01, Subdivisions 2a and 2b; 353.27, Subdivision 4; 353.36, Subdivision 2; and 353.64, Subdivision 1; repealing Minnesota Statutes 1980, Sections 353.01, Subdivision 34; and 353.017, Subdivision 4; Minnesota Statutes 1981 Supplement, Section 353.023.

The bill was read for the first time.

Reding moved that S. F. No. 1547 and H. F. No. 1657, now on Special Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1591, A bill for an act relating to retirement; volunteer firefighters relief associations; fire and police state aid programs; combining various reports for purposes of qualifying for fire state aid; modifying the presumptions used in determining qualification for fire or police state aid; clarifying the duration of disqualification from receipt of fire or police state aid in the event of noncompliance with financing guidelines; clarifying the procedure for crediting service by certain probationary volunteer firefighters; clarifying a limitation on the payment

of service pensions to active volunteer firefighters; amending Minnesota Statutes 1980, Sections 69.021, Subdivision 4; 69.051, Subdivision 3; 69.771, Subdivision 3; and 424A.01, by adding a subdivision; Minnesota Statutes 1981 Supplement, Sections 69.011, Subdivision 2; 69.051, Subdivision 1; 69.77, Subdivision 1; and 424A.02, Subdivision 1.

The bill was read for the first time and referred to the Committee on Governmental Operations.

S. F. No. 69, A bill for an act relating to statutes; providing that selected statutes shall be subject to judicial modification as is common law; proposing new law coded in Minnesota Statutes 1980, Chapter 645.

The bill was read for the first time and referred to the Committee on Judiciary.

S. F. No. 328, A bill for an act relating to liens; modifying the penalties for failure to properly use the proceeds of payments made for the satisfaction of labor, skill, material, and machinery costs for improvements to real property; amending Minnesota Statutes 1980, Section 514.02.

The bill was read for the first time and referred to the Committee on Commerce and Economic Development.

S. F. No. 412, A bill for an act relating to commerce; providing that married couples filing petitions in bankruptcy select either state or federal exemptions; proposing new law coded in Minnesota Statutes, Chapter 550.

The bill was read for the first time and referred to the Committee on Judiciary.

S. F. No. 1398, A bill for an act relating to motor vehicles; providing for special license plates for certain motor vehicles owned and operated by members of certain fire departments; amending Minnesota Statutes 1980, Section 168.12, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Appropriations.

S. F. No. 1671, A bill for an act relating to environment; providing for the chairmanship, staff, and administration of the environmental quality board; amending Minnesota Statutes 1980, Section 116C.03, Subdivision 2a, and by adding subdivisions; Minnesota Statutes 1981 Supplement, Section 116C.03, Subdivisions 2 and 4; repealing Minnesota Statutes 1980, Sections 116C.04, Subdivisions 8 and 9; 116C.05; 116C.07; and Minnesota Statutes 1981 Supplement, Section 116C.03, Subdivision 3.

The bill was read for the first time and referred to the Committee on Appropriations.

S. F. No. 1687, A bill for an act relating to Ramsey county; providing for the organization, powers and duties of the Saint Paul-Ramsey Medical Center commission; permitting the issuance of revenue bonds; amending Laws 1974, Chapter 435, Section 3.14, as amended.

The bill was read for the first time.

Kelly moved that S. F. No. 1687 and H. F. No. 1748, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1691, A bill for an act relating to housing and redevelopment authorities; clarifying the need for a conflict of interest disclosure statement; amending the method of determining a quorum when a conflict of interest exists; providing penalties; amending Minnesota Statutes 1981 Supplement, Section 462.432, Subdivisions 1 and 2.

The bill was read for the first time.

Long moved that S. F. No. 1691 and H. F. No. 2015, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1853, A bill for an act relating to agriculture; changing fee provisions relating to abstracts of mortgages and liens on grain crops; amending Minnesota Statutes 1980, Sections 386.42 and 386.43.

The bill was read for the first time and referred to the Committee on Judiciary.

S. F. No. 1727, A bill for an act relating to retirement; second class city police relief associations; eliminating a dollar amount limitation on the payment of salaries to relief association officers; amending Minnesota Statutes 1981 Supplement, Section 423.808.

The bill was read for the first time.

Kaley moved that S. F. No. 1727 and H. F. No. 1796, now on Special Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1744, A bill for an act relating to taxation; income tax; property tax refund; providing an action to enjoin certain tax return preparers from engaging in certain conduct or from

preparing returns; imposing penalties on a preparer for wilfully understating an income tax liability or wilfully overstating a property tax refund claim; proposing new law coded in Minnesota Statutes, Chapters 290 and 290A.

The bill was read for the first time and referred to the Committee on Taxes.

S. F. No. 1749, A bill for an act relating to local improvements; providing the method for action on certain improvements by certain towns; amending Minnesota Statutes 1980, Section 429.011, Subdivision 2b.

The bill was read for the first time and referred to the Committee on Local and Urban Affairs.

S. F. No. 2103, A bill for an act relating to retirement; St. Cloud firefighters relief association; clarifying and resolving an inconsistency in prior enactments concerning medical and health insurance coverage for certain relief association members; amending Laws 1974, Chapter 382, Sections 4, Subdivision 3, as amended; and 6, Subdivision 4.

The bill was read for the first time.

Gruenes moved that S. F. No. 2103 and H. F. No. 2237, now on the Technical Consent Calendar, be referred to the Chief Clerk for comparison. The motion prevailed.

CONSENT CALENDAR

S. F. No. 1521, A bill for an act relating to crimes; defining "complainant" for purposes of criminal sexual misconduct offenses; amending Minnesota Statutes 1980, Section 609.341, Subdivision 13.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 123 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Aasness	Brandl	Dean	Ewald	Heap
Ainley	Brinkman	Dempsey	Fjoslien	Heinitz
Anderson, B.	Byrne	Den Ouden	Forsythe	Himle
Anderson, G.	Carlson, D.	Eken	Frerichs	Hoberg
Anderson, I.	Carlson, L.	Elioff	Greenfield	Hokanson
Battaglia	Clark, J.	Ellingson	Gruenes	Hokr
Begich	Clark, K.	Erickson	Halberg	Jacobs
Berkelman	Clawson	Esau	Hauge	Jennings
Blatz	Dahlvang	Evans	Haukoos	Johnson, C.

Johnson, D.	McDonald	Osthoff	Sarna	Tomlinson
Jude	McEachern	Otis	Schafer	Valan
Kaley	Mehrkens	Peterson, B.	Schoenfeld	Valento
Kalis	Metzen	Peterson, D.	Searles	Vanasek
Kelly	Minne	Piepho	Shea	Vellenga
Kostohryz	Munger	Pogemiller	Sherman	Weaver
Kvam	Murphy	Redalen	Sherwood	Welch
Laidig	Nelsen, B.	Reding	Sieben, M.	Welker
Lemen	Nelson, K.	Rees	Simoneau	Wenzel
Levi	Niehaus	Reif	Skoglund	Wieser
Long	Norton	Rice	Stadum	Wigley
Ludeman	Novak	Rodriguez, C.	Staten	Wynia
Luknic	Nysether	Rodriguez, F.	Stowell	Zubay
Mann	Ogren	Rose	Stumpf	Spkr. Sieben, H.
Marsh	Olsen	Rothenberg	Swiggum	
McCarron	Onnen	Samuelson	Swanson	

The bill was passed and its title agreed to.

S. F. No. 1695, A bill for an act relating to historic sites; adding the Consumers Pure Ice and Storage Company Building in St. Cloud to the registry of state historic sites; amending Minnesota Statutes 1980, Section 138.58, by adding a subdivision.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 121 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Aasness	Esau	Kostohryz	Olsen	Skoglund
Ainley	Evans	Kvam	Osthoff	Stadum
Anderson, B.	Ewald	Laidig	Otis	Staten
Anderson, G.	Fjoslien	Lemen	Peterson, B.	Stowell
Anderson, I.	Forsythe	Levi	Peterson, D.	Stumpf
Battaglia	Frerichs	Long	Piepho	Swiggum
Begich	Greenfield	Ludeman	Pogemiller	Swanson
Berkelman	Gruenes	Luknic	Redalen	Tomlinson
Blatz	Halberg	Mann	Reding	Valan
Brandl	Hauge	Marsh	Rees	Valento
Brinkman	Haukoos	McCarron	Reif	Vanasek
Byrne	Heap	McDonald	Rice	Vellenga
Carlson, D.	Heinitz	McEachern	Rodriguez, C.	Weaver
Carlson, L.	Himle	Mehrkens	Rodriguez, F.	Welch
Clark, J.	Hoberg	Metzen	Rothenberg	Welker
Clark, K.	Hokanson	Minne	Samuelson	Wenzel
Clawson	Hokr	Munger	Sarna	Wieser
Dahlvang	Jacobs	Murphy	Schafer	Wigley
Dean	Jennings	Nelsen, B.	Schoenfeld	Wynia
Dempsey	Johnson, C.	Nelson, K.	Searles	Zubay
Den Ouden	Johnson, D.	Niehaus	Shea	Spkr. Sieben, H.
Eken	Jude	Norton	Sherman	
Elioff	Kaley	Novak	Sherwood	
Ellingson	Kalis	Nysether	Sieben, M.	
Erickson	Kelly	Ogren	Simoneau	

The bill was passed and its title agreed to.

S. F. No. 1878 was reported to the House.

Upon objection of ten members S. F. No. 1878 was stricken from the Consent Calendar and returned to General Orders.

H. F. No. 1336, A bill for an act relating to retirement; highway patrol benefits and refunds; providing annual benefit increases to pre-1973 retirees and surviving spouses; appropriating funds; amending Minnesota Statutes 1980, Section 352B.11, Subdivision 1; and Minnesota Statutes 1981 Supplement, Sections 352B.02, Subdivision 1; 352B.08, Subdivision 2; and 352B.11, Subdivision 2; proposing new law coded in Minnesota Statutes, Chapter 352B.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 126 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Aasness	Ewald	Knickerbocker	Olsen	Simoneau
Ainley	Fjoslien	Kostohryz	Onnen	Skoglund
Anderson, B.	Forsythe	Kvam	Osthoff	Stadum
Anderson, G.	Frerichs	Laidig	Otis	Staten
Anderson, I.	Greenfield	Lemen	Peterson, B.	Stowell
Battaglia	Gruenes	Levi	Peterson, D.	Stumpf
Begich	Gustafson	Long	Piepho	Sviggum
Berkelman	Halberg	Ludeman	Pogemiller	Swanson
Blatz	Harens	Luknic	Redalen	Tomlinson
Brandl	Hauge	Mann	Reding	Valan
Brinkman	Haukoos	Marsh	Rees	Valento
Byrne	Heap	McCarron	Reif	Vanasek
Carlson, L.	Heinitz	McDonald	Rice	Vellenga
Clark, J.	Himle	McEachern	Rodriguez, C.	Weaver
Clark, K.	Hoberg	Mehrkens	Rodriguez, F.	Welch
Clawson	Hokanson	Metzen	Rose	Welker
Dahlvang	Hokr	Minne	Rothenberg	Wenzel
Dean	Jacobs	Munger	Samuelson	Wieser
Dempsey	Jennings	Murphy	Sarna	Wigley
Den Ouden	Johnson, C.	Nelsen, B.	Schafer	Wynia
Eken	Johnson, D.	Nelson, K.	Schoenfeld	Zubay
Elioff	Jude	Niehaus	Searles	Spkr. Sieben, H.
Ellingson	Kahn	Norton	Shea	
Erickson	Kaley	Novak	Sherman	
Esau	Kalis	Nysether	Sherwood	
Evans	Kelly	Ogren	Sieben, M.	

The bill was passed and its title agreed to.

S. F. No. 272, A bill for an act relating to children; prohibiting neglect and abuse of children; amending Minnesota Statutes 1980, Sections 626.556, Subdivision 2, and by adding a subdivision; and 626.557, Subdivision 19.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 124 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Aasness	Evans	Knickerbocker	Ogren	Sherwood
Ainley	Fjoslien	Kostohryz	Olsen	Sieben, M.
Anderson, B.	Forsythe	Kvam	Onnen	Simoneau
Anderson, G.	Frerichs	Laidig	Osthoff	Skoglund
Anderson, I.	Greenfield	Lemen	Otis	Stadum
Battaglia	Gruenes	Levi	Peterson, B.	Staten
Begich	Gustafson	Long	Peterson, D.	Stowell
Berkelman	Halberg	Ludeman	Piepho	Stumpf
Blatz	Harens	Luknic	Pogemiller	Sviggum
Brandl	Hauge	Mann	Redalen	Swanson
Brinkman	Haukoos	Marsh	Reding	Tomlinson
Byrne	Heap	McCarron	Rees	Valan
Carlson, L.	Heinitz	McDonald	Reif	Valento
Clark, J.	Himle	McEachern	Rice	Vanasek
Clark, K.	Hoberg	Mehrkens	Rodriguez, C.	Vellenga
Clawson	Hokanson	Metzen	Rodriguez, F.	Weaver
Dahlvang	Hokr	Minne	Rose	Welch
Dean	Jacobs	Munger	Rothenberg	Welker
Dempsey	Jennings	Murphy	Samuelson	Wenzel
Den Ouden	Johnson, C.	Nelsen, B.	Sarna	Wieser
Eken	Johnson, D.	Nelson, K.	Schafer	Wigley
Elioff	Jude	Niehaus	Schoenfeld	Wynia
Ellingson	Kaley	Norton	Searles	Zubay
Erickson	Kalis	Novak	Shea	Spkr. Sieben, H.
Esau	Kelly	Nysether	Sherman	

The bill was passed and its title agreed to.

CONSIDERATION UNDER RULE 1.10

Pursuant to rule 1.10, Sieben, M., requested immediate consideration of H. F. No. 1555, S. F. No. 1514 and H. F. No. 2003.

H. F. No. 1555 was reported to the House.

Weaver moved to amend H. F. No. 1555, the second engrossment, as follows:

Page 5, line 28, delete ".023" and insert ".024"

A roll call was requested and properly seconded.

CALL OF THE HOUSE

On the motion of Eken and on the demand of 10 members, a call of the House was ordered. The following members answered to their names:

Aasness	Anderson, I.	Blatz	Clark, J.	Dempsey
Ainley	Battaglia	Brinkman	Clark, K.	Den Ouden
Anderson, B.	Begich	Byrne	Clawson	Eken
Anderson, G.	Berkelman	Carlson, L.	Dahlvang	Elioff

Ellingson	Hokr	McDonald	Pogemiller	Staten
Erickson	Jacobs	McEachern	Redalen	Stowell
Esau	Jennings	Mehrkens	Reeding	Stumpf
Evans	Johnson, C.	Metzen	Rees	Swiggum
Ewald	Johnson, D.	Minne	Rodriguez, C.	Swanson
Fjoslien	Jude	Munger	Rodriguez, F.	Tomlinson
Forsythe	Kahn	Murphy	Rose	Valan
Frerichs	Kaley	Nelson, K.	Rothenberg	Valento
Greenfield	Kalis	Niehaus	Samuelson	Vanasek
Gruenes	Kelly	Norton	Sarna	Vellenga
Gustafson	Knickerbocker	Novak	Schafer	Weaver
Halberg	Kvam	Nysether	Schoenfeld	Welch
Harens	Laidig	Ogren	Searles	Welker
Hauge	Levi	Olsen	Shea	Wenzel
Haukoos	Long	Onnen	Sherman	Wieser
Heap	Ludeman	Osthoff	Sherwood	Wigley
Heinitz	Luknic	Otis	Sieben, M.	Wynia
Himle	Mann	Peterson, B.	Simoneau	Zubay
Hoberg	Marsh	Peterson, D.	Skoglund	Spkr. Sieben, H.
Hokanson	McCarron	Piepho	Stadum	

Eken moved that further proceedings of the roll call be dispensed with and that the Sergeant at Arms be instructed to bring in the absentees. The motion prevailed and it was so ordered.

Welker moved to amend the Weaver amendment to H. F. No. 1555, the second engrossment, as follows:

Add to the Weaver amendment:

Page 5, line 13, delete "\$1,515" insert "\$1,416"

A roll call was requested and properly seconded.

The question was taken on the amendment to the amendment and the roll was called. There were 13 yeas and 109 nays as follows:

Those who voted in the affirmative were:

Aasness	Kaley	Schreiber	Welker	Wigley
Den Ouden	McDonald	Searles	Wieser	Zubay
Heinitz	Niehaus	Sherwood		

Those who voted in the negative were:

Ainley	Clark, J.	Frerichs	Jennings	Long
Anderson, B.	Clark, K.	Greenfield	Johnson, C.	Ludeman
Anderson, G.	Clawson	Gruenes	Johnson, D.	Luknic
Anderson, I.	Dahlvang	Gustafson	Jude	Mann
Battaglia	Dean	Harens	Kahn	Marsh
Begich	Dempsey	Hauge	Kalis	McCarron
Berkehlman	Eken	Haukoos	Kelly	McEachern
Blatz	Elioff	Heap	Knickerbocker	Mehrkens
Brandl	Ellingson	Himle	Kostohryz	Metzen
Brinkman	Esau	Hoberg	Kvam	Minne
Byrne	Evans	Hokanson	Laidig	Munger
Carlson, D.	Fjoslien	Hokr	Lehto	Murphy
Carlson, L.	Forsythe	Jacobs	Levi	Nelsen, B.

Nelson, K.	Peterson, B.	Rodriguez, F.	Simoneau	Valan
Norton	Peterson, D.	Rose	Skoglund	Vanasek
Novak	Piepho	Samuelson	Stadum	Vellienga
Nysether	Pogemiller	Sarna	Staten	Weaver
Ogren	Redalen	Schafer	Stowell	Welch
Olsen	Reding	Schoenfeld	Stumpf	Wenzel
Onnen	Rees	Shea	Sviggum	Wynia
Osthoff	Reif	Sherman	Swanson	Spkr. Sieben, H.
Otis	Rodriguez, C.	Sieben, M.	Tomlinson	

The motion did not prevail and the amendment to the amendment was not adopted.

The question recurred on the Weaver amendment and the roll was called.

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

There were 5 yeas and 123 nays as follows :

Those who voted in the affirmative were :

Heinitz	Kaley	Searles	Weaver	Welker
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Those who vote in the negative were :

Aasness	Esau	Kelly	Novak	Shea
Ainley	Evans	Knickerbocker	Nysether	Sherwood
Anderson, B.	Ewald	Kostohryz	Ogren	Sieben, M.
Anderson, G.	Fjoslien	Kvam	Olsen	Simoneau
Anderson, I.	Forsythe	Laidig	Onnen	Skoglund
Battaglia	Frerichs	Lehto	Osthoff	Stadum
Begich	Greenfield	Lemen	Otis	Staten
Berkelman	Gruenes	Levi	Peterson, B.	Stowell
Blatz	Gustafson	Long	Peterson, D.	Stumpf
Brandl	Halberg	Ludeman	Piepho	Sviggum
Brinkman	Harens	Luknic	Pogemiller	Swanson
Byrne	Hauge	Mann	Redalen	Tomlinson
Carlson, D.	Haukoos	Marsh	Reding	Valan
Carlson, L.	Heap	McCarron	Rees	Valento
Clark, J.	Himle	McDonald	Reif	Vanasek
Clark, K.	Hoberg	McEachern	Rice	Vellienga
Clawson	Hokanson	Mehrrens	Rodriguez, C.	Welch
Dahlvang	Hokr	Metzen	Rodriguez, F.	Wenzel
Dean	Jacobs	Minne	Rose	Wieser
Dempsey	Jennings	Munger	Rothenberg	Wigley
Den Ouden	Johnson, C.	Murphy	Samuelson	Wynia
Eken	Johnson, D.	Nelsen, B.	Sarna	Zubay
Elioff	Jude	Nelson, K.	Schafer	Spkr. Sieben, H.
Ellingson	Kahn	Niehaus	Schoenfeld	
Erickson	Kalis	Norton	Schreiber	

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

Carlson, D., moved to amend H. F. No. 1555, the second engrossment, as follows :

Page 93, after line 22 insert:

“Sec. 28. [UNREQUESTED LEAVE OF ABSENCE.]

By March 1, 1983, the department of education shall evaluate existing law and state board rules governing supervisory and administrative personnel and shall assess whether these laws and rules have resulted in disproportionately small numbers of supervisory and administrative personnel being placed on unrequested leaves of absence, as compared with instructional personnel. The department may recommend changes in law or rule as necessary to insure an equitable balance in placing district personnel on unrequested leaves of absence, which may include consolidation of administrative positions.”

Renumber the sections

A roll call was requested and properly seconded.

The question was taken on the amendment and the roll was called.

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

There were 96 yeas and 30 nays as follows:

Those who voted in the affirmative were:

Aasness	Esau	Kaley	Ogren	Skoglund
Ainley	Evans	Kelly	Olsen	Stadum
Anderson, B.	Fjoslien	Knickerbocker	Onnen	Staten
Anderson, I.	Forsythe	Kvam	Peterson, B.	Stowell
Battaglia	Frerichs	Laidig	Piepho	Stumpf
Begich	Greenfield	Lehto	Redalen	Sviggum
Berkelman	Gruenes	Lemen	Reding	Swanson
Blatz	Halberg	Long	Reif	Valan
Brinkman	Hauge	Ludeman	Rodriguez, C.	Valento
Byrne	Haukoos	Luknic	Rose	Vellenga
Carlson, D.	Heap	Marsh	Rothenberg	Weaver
Carlson, L.	Heinitz	McCarron	Samuelson	Wenzel
Clark, K.	Himle	McDonald	Sarna	Wieser
Clawson	Hoberg	Mehrrens	Schafer	Wigley
Dahlvang	Hokanson	Minne	Schoenfeld	Wynia
Dean	Hokr	Murphy	Schreiber	Zubay
Dempsey	Jennings	Niehaus	Searles	
Den Ouden	Johnson, D.	Norton	Shea	
Elioff	Jude	Novak	Sherman	
Erickson	Kahn	Nysether	Sherwood	

Those who voted in the negative were:

Anderson, G.	Harens	Mann	Peterson, D.	Simoneau
Brandl	Jacobs	McEachern	Pogemiller	Tomlinson
Clark, J.	Johnson, C.	Munger	Rees	Vanasek
Eken	Kalis	Nelsen, B.	Rice	Welch
Ewald	Kostohryz	Nelson, K.	Rodriguez, F.	Welker
Gustafson	Levi	Otis	Sieben, M.	Spkr. Sieben, H.

The motion prevailed and the amendment was adopted.

Haukoos was excused for the remainder of today's session.

Ainley moved to amend H. F. No. 1555, the second engrossment, as amended, as follows:

Page 78, delete lines 28 to 36

Page 79, delete lines 1 to 8

A roll call was requested and properly seconded.

The question was taken on the amendment and the roll was called.

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

There were 11 yeas and 112 nays as follows:

Those who vote in the affirmative were:

Ainley	Ludeman	Nelsen, B.	Rees	Welker
Evans	McDonald	Nysether	Searles	Zubay
Frerichs				

Those who voted in the negative were:

Anderson, B.	Ewald	Kostohryz	Osthoff	Simoneau
Anderson, G.	Fjoslien	Kvam	Otis	Skoglund
Anderson, L.	Forsythe	Laidig	Peterson, B.	Stadum
Battaglia	Greenfield	Lehto	Peterson, D.	Staten
Begich	Gruenes	Levi	Piepho	Stowell
Berkelman	Gustafson	Long	Pogemiller	Stumpf
Blatz	Harens	Luknic	Redalen	Sviggum
Brandl	Hauge	Mann	Reding	Swanson
Brinkman	Heap	Marsh	Reif	Tomlinson
Byrne	Heinitz	McCarron	Rice	Valan
Carlson, D.	Himle	McEachern	Rodriguez, C.	Valento
Carlson, L.	Hokanson	Mehrkens	Rodriguez, F.	Vanasek
Clark, K.	Hokr	Metzen	Rose	Vellenga
Clawson	Jacobs	Minne	Rothenberg	Weaver
Dahlvang	Jennings	Munger	Samuelson	Welch
Dean	Johnson, C.	Murphy	Sarna	Wenzel
Dempsey	Johnson, D.	Nelson, K.	Schafer	Wieser
Den Ouden	Jude	Niehaus	Schoenfeld	Wigley
Eken	Kahn	Norton	Schreiber	Wynia
Elioff	Kaley	Novak	Shea	Spkr. Sieben, H.
Ellingson	Kalis	Ogren	Sherman	
Erickson	Kelly	Olsen	Sherwood	
Esau	Kickerbocker	Onnen	Sieben, M.	

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

POINT OF ORDER

McDonald raised a point of order pursuant to rule 5.8 that H. F. No. 1555 be re-referred to the Committee on Governmental Operations. The Speaker ruled the point of order not well taken.

H. F. No. 1555. A bill for an act relating to education; providing for aids to education, tax levies, and the distribution of tax revenues; governing the recognition of school district property tax revenues and the computation of levies; granting certain powers and duties to school districts, the state board of education, and others; altering the method of distribution of transportation aid; altering aids for summer school; repealing certain administrative rules; reducing certain appropriations; appropriating money; amending Minnesota Statutes 1980, Sections 120.17, Subdivision 4a; 121.11, Subdivision 12; 121.908, Subdivision 3; 121.912, Subdivisions 2 and 3; 122.90, Subdivision 1; 123.37, Subdivision 1b; 123.741, Subdivision 1; 123.78, Subdivision 1; 124.19, Subdivision 1, and by adding a subdivision; 124.213, Subdivision 2; 124.32, Subdivisions 7 and 10; 126.262, Subdivision 1; 126.264, Subdivision 3; 126.265; 126.267; 134.34, by adding a subdivision; 275.125, Subdivision 1a, as added; 275.125, Subdivisions 2a, 2d, 2e, 5, as amended, 6b, 6c, 7a, 7c, 9, 19, 20, and by adding subdivisions; 275.48; 298.28, Subdivision 1; 475.61, Subdivision 4; Minnesota Statutes 1981 Supplement, Sections 120.17, Subdivisions 5a and 6; 121.904, Subdivisions 4 and 7; 122.531, Subdivision 6; 122.542, Subdivisions 3 and 4; 123.35, by adding a subdivision; 123.702, Subdivisions 1 and 1a; 123.705; 124.01, Subdivision 1; 124.17, Subdivision 2; 124.2121, Subdivisions 2, 4, and 5, as amended; 124.2122, Subdivisions 1, and 2, as amended; 124.2123, Subdivisions 1, 3, and by adding a subdivision; 124.2124, Subdivisions 1, as amended, and 3; 124.2125, Subdivision 1, as amended; 124.2126, Subdivision 3; 124.2128, Subdivisions 1 and 5; 124.2129, Subdivision 3, and by adding a subdivision; 124.213, Subdivision 2; 124.223; 124.225, as amended; 124.245, Subdivisions 1 and 1a; 124.251; 124.271, Subdivision 2a; 124.32, Subdivisions 1, 1a, and 5; 124.38, Subdivision 7; 124.5624, Subdivisions 3 and 4; 124.5627, Subdivisions 3, 4, and 5; 125.611, Subdivision 5; 136A.81, Subdivision 1; 275.125, Subdivisions 8 and 11b; Laws 1981, Chapter 358, Article II, Section 15, Subdivision 3; Article VII, Section 29, as amended; Third Special Session Chapter 2, Article II, Sections 1, 2, 15, and 20; Article IV, Sections 3, Subdivisions 2 and 3; 5, Subdivision 3, and by adding a subdivision; proposing new law coded in Minnesota Statutes, Chapters 120 and 124; repealing Minnesota Statutes 1980, Sections 121.904, Subdivisions 4a and 4b, as added; 121.96; 123.37, Subdivisions 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13 and 14; 128.05; Laws 1967, Chapters 251 and 253; and Laws 1976, Chapter 20, Section 8.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called.

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

There were 123 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Aasness	Esau	Kostohryz	Ogren	Sieben, M.
Ainley	Evans	Kvam	Olsen	Simoneau
Anderson, B.	Ewald	Laidig	Onnen	Skoglund
Anderson, G.	Forsythe	Lehto	Osthoff	Stadum
Anderson, I.	Frerichs	Lemen	Otis	Staten
Battaglia	Greenfield	Levi	Peterson, B.	Stowell
Begich	Gruenes	Long	Peterson, D.	Stumpf
Berkelman	Gustafson	Ludeman	Piepho	Sviggum
Blatz	Harens	Luknic	Pogemiller	Swanson
Brandl	Hauge	Mann	Redalen	Tomlinson
Brinkman	Heap	Marsh	Reding	Valan
Byrne	Heinitz	McCarron	Rees	Valento
Carlson, D.	Himle	McDonald	Reif	Vanasek
Carlson, L.	Hoberg	McEachern	Rice	Vellenga
Clark, J.	Hokanson	Mehrkens	Rodriguez, C.	Weaver
Clark, K.	Hokr	Metzen	Rodriguez, F.	Welch
Clawson	Jacobs	Minne	Rose	Welker
Dahlvang	Jennings	Munger	Rothenberg	Wenzel
Dean	Johnson, C.	Murphy	Samuelson	Wieser
Dempsey	Johnson, D.	Nelsen, B.	Sarna	Wigley
Den Ouden	Jude	Nelson, K.	Schafer	Wynia
Eken	Kahn	Niehaus	Schoenfeld	Zubay
Elioff	Kaley	Norton	Schreiber	Spkr. Sieben, H.
Ellingson	Kalis	Novak	Sherman	
Erickson	Knickerbocker	Nysether	Sherwood	

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

CALL OF THE HOUSE LIFTED

Kelly moved that the call of the House be dispensed with. The motion prevailed and it was so ordered.

S. F. No. 1514, A bill for an act relating to public works; extending the availability of an appropriation to the city of Cloquet for the purpose of constructing a public water facility; repealing Third Special Session Laws 1981, Chapter 2, Article I, Section 76.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 116 yeas and 3 nays as follows:

Those who voted in the affirmative were:

Aasness	Anderson, I.	Blatz	Carlson, D.	Clawson
Ainley	Battaglia	Brandl	Carlson, L.	Dahlvang
Anderson, B.	Begich	Brinkman	Clark, J.	Dempsey
Anderson, G.	Berkelman	Byrne	Clark, K.	Eken

Elioff	Jude	Metzen	Reif	Sviggum
Ellingson	Kahn	Minne	Rice	Swanson
Erickson	Kaley	Munger	Rodriguez, C.	Tomlinson
Esau	Kalis	Murphy	Rodriguez, F.	Valan
Evans	Knickerbocker	Nelsen, B.	Rose	Valento
Fjoslien	Kostohryz	Nelson, K.	Rothenberg	Vanasek
Frerichs	Kvam	Niehaus	Samuelson	Vellenga
Greenfield	Laidig	Norton	Sarna	Weaver
Gruenes	Lehto	Novak	Schafer	Welch
Gustafson	Lemen	Nysether	Schoenfeld	Welker
Hauge	Levi	Ogren	Schreiber	Wenzel
Heap	Long	Olsen	Searles	Wieser
Heinitz	Ludeman	Osthoff	Shea	Wigley
Himle	Luknic	Otis	Sherman	Wynia
Hoberg	Mann	Peterson, B.	Sherwood	Zubay
Hokanson	Marsh	Peterson, D.	Sieben, M.	Spkr. Sieben, H.
Jacobs	McCarron	Piepho	Simoneau	
Jennings	McDonald	Pogemiller	Skoglund	
Johnson, C.	McEachern	Reding	Stadum	
Johnson, D.	Mehrkens	Rees	Stowell	

Those who voted in the negative were:

Den Ouden Onnen Redalen

The bill was passed and its title agreed to.

H. F. No. 2003 was reported to the House.

Simoneau moved that H. F. No. 2003 be returned to its author. The motion prevailed.

The following conference committee report was received:

CONFERENCE COMMITTEE REPORT ON H. F. NO. 1139

A bill for an act relating to courts; providing for certain reorganization in the court system in the state; providing that the second and fourth judicial district courts shall also be probate courts; creating certain judicial positions to be filled by election; raising the jurisdictional limit in county and county municipal court; providing the county and county municipal court with gross misdemeanor jurisdiction; abolishing the office of referee; providing for continuance of certain referee positions for a limited time; providing for continuance of certain judicial officer positions for a limited time; authorizing the judges of the courts within each judicial district to elect to form one unified court; creating an appellate division of the district court; appropriating money; amending Minnesota Statutes 1980, Sections 2.722, Subdivision 1, and by adding a subdivision; 260.031, Subdivision 1; 484.01; 484.70, Subdivision 1, and by adding subdivisions; 487.08, Subdivisions 2 and 3; 487.15; 487.16; 487.18; 488A.01, Subdivisions 4, 6 and 8; 488A.18, Subdivisions 4, 7, 9 and 13; 488A.27, Subdivision 11; 525.10; proposing new law coded in Minnesota Statutes, Chapter 484; proposing new law coded as Minnesota Statutes, Chapter 484A; repealing Minnesota Statutes 1980, Sections 484.67; 484.70, Subdivisions 2, 3, 4 and 5; 487.08, Subdivision 4; 487.09; 525.04; and Laws 1978, Chapter 750, Section 6.

March 1, 1982

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

The Honorable Jack Davies
President of the Senate

We, the undersigned conferees for H. F. No. 1139, 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. 1139, be amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1980, Section 2.722, Subdivision 1, is amended to read:

Subdivision 1. [DESCRIPTION.] Effective July 1, 1959, the state is divided into ten judicial districts composed of the following named counties, respectively, in each of which districts two or more judges shall be chosen as hereinafter specified:

1. Goodhue, Dakota, Carver, LeSueur, McLeod, Scott, and Sibley; (FIVE) *seven* judges; and four permanent chambers shall be maintained in Red Wing, Hastings, Shakopee, and Glencoe and one other shall be maintained at the place designated by the chief judge of the district;

2. Ramsey; (12) *13* judges;

3. Wabasha, Winona, Houston, Rice, Olmsted, Dodge, Steele, Waseca, Freeborn, Mower, and Fillmore; six judges; and permanent chambers shall be maintained in Faribault, Albert Lea, Austin, Rochester, and Winona;

4. Hennepin; (19) *24* judges;

5. Blue Earth, Watonwan, Lyon, Redwood, Brown, Nicollet, Lincoln, Cottonwood, Murray, Nobles, Pipestone, Rock, Faribault, Martin, and Jackson; five judges; and permanent chambers shall be maintained in Marshall, Windom, Fairmont, New Ulm, and Mankato;

6. Carlton, St. Louis, Lake, and Cook; six judges;

7. Benton, Douglas, Mille Lacs, Morrison, Otter Tail, Stearns, Todd, Clay, Becker, and Wadena; four judges; and permanent chambers shall be maintained in Moorhead, Fergus Falls, Little Falls, and St. Cloud;

8. Chippewa, Kandiyohi, Lac Qui Parle, Meeker, Renville, Swift, Yellow Medicine, Big Stone, Grant, Pope, Stevens, Traverse, and Wilkin; three judges; and permanent chambers shall be maintained in Morris, Montevideo, and Willmar;

9. Norman, Polk, Marshall, Kittson, Red Lake, Roseau, Mah-nomen, Pennington, Aitkin, Itasca, Crow Wing, Hubbard, Bel-trami, Lake of the Woods, Clearwater, Cass and Koochiching; six judges; and permanent chambers shall be maintained in Crookston, Thief River Falls, Bemidji, Brainerd, Grand Rapids, and International Falls;

10. Anoka, Isanti, Wright, Sherburne, Kanabec, Pine, Chisago, and Washington; (SIX) *ten* judges; and permanent chambers shall be maintained in Anoka, Stillwater, and (SUCH) other places (AS MAY BE) designated by the chief judge of the district.

Sec. 2. Minnesota Statutes 1980, Section 2.722, is amended by adding a subdivision to read:

Subd. 3. [HENNEPIN AND RAMSEY PROBATE JUDGES; COURTS.] The probate judges of Ramsey and Hennepin probate courts in office on August 1, 1982, shall be district court judges of the second and fourth judicial districts, respectively, and shall continue in office for the balance of the term for which they were elected and shall be eligible for reelection. The offices of probate court of Ramsey and Hennepin counties, and all of their jurisdiction, records, powers, duties, functions, and personnel, are hereby transferred to the district courts of the second and fourth judicial districts respectively and made divisions of them. The chief judge of the fourth judicial district shall at all times assign at least two judges to the probate court duties.

Sec. 3. [484.011] [JURISDICTION IN SECOND AND FOURTH JUDICIAL DISTRICTS.]

In the second and fourth judicial districts the district court shall also be a probate court.

Sec. 4. Minnesota Statutes 1980, Section 487.03, is amended by adding a subdivision to read:

Subd. 6. [JUDGE POSITIONS; CREATION; ABOLITION.] Upon the occurrence of the first vacancy in the office of county court judge in each of the counties of Carver and Scott, the vacant judgeship is abolished. When each judgeship is abolished, an additional office of judge of district court is created in the first judicial district. The governor shall appoint a qualified person to fill each office until a successor is elected and qualified. The successor shall be elected for a six year term at

the next general election occurring more than one year after the appointment.

Sec. 5. Minnesota Statutes 1980, Section 487.15, is amended to read:

487.15 [CIVIL JURISDICTION.]

The county court may hear, try, and determine actions at law in which the amount in controversy does not exceed (THE SUM OF \$5,000) *\$15,000*, exclusive of interest and costs, except for causes involving title to real estate.

Sec. 6. Minnesota Statutes 1980, Section 487.16, is amended to read:

487.16 [MINOR CIVIL AND CRIMINAL JURISDICTION.]

The county court shall also have jurisdiction in all civil and criminal cases residing, on the effective date of Laws 1971, Chapter 951 and Laws 1973, Chapter 679, in municipal courts other than municipal courts in Hennepin and Ramsey Counties (, EXCEPT THAT NOTWITHSTANDING ANY LAW TO THE CONTRARY, NO COUNTY COURT SHALL HAVE GROSS MISDEMEANOR JURISDICTION). *The county court shall have gross misdemeanor jurisdiction.*

Sec. 7. Minnesota Statutes 1980, Section 487.18, is amended to read:

487.18 [CRIMINAL JURISDICTION.]

(a) The county court has jurisdiction to hear, try and determine any charge of violation of

((1)) a criminal law of this state constituting a misdemeanor or gross misdemeanor committed within the county court district (;) and of

((2)) any ordinance, charter provision, rule or regulation of any subdivision of government in the county court district.

(b) The county court has jurisdiction to conduct preliminary hearings and to exercise all judicial powers incident to preliminary hearing proceedings on the charge of violation of any criminal law committed within the county court district.

(c) The county court has jurisdiction to hear, try and determine any matter constituting a petty misdemeanor.

Sec. 8. [487.191] [MERGER WITH DISTRICT COURTS.]

One year following certification to the secretary of state of intention to reorganize the trial courts by a majority of the district judges and a majority of the county or county municipal judges of a judicial district, there shall be one general trial court of the judicial district to be known as the district court, which shall also be a probate court.

Upon the effective date of a judicial district reorganization, the district court, except in the second and fourth districts, shall also exercise the powers, duties, and jurisdiction conferred upon courts by chapters 260, 484, 487, 491, 492, 493, and 525.

Upon the effective date of a judicial district reorganization of the second or fourth districts, the district court shall also exercise the powers conferred upon courts by chapters 488A, 492, and 493.

Notwithstanding any other law, the county or county municipal judges of the district in office on the effective date of a reorganization shall be district judges and shall continue in office for the balance of the term for which they were elected or appointed and shall be entitled to run for reelection as incumbent judges of the district court.

Sec. 9. Minnesota Statutes 1980, Section 487.30, Subdivision 1, is amended to read:

Subdivision 1. The conciliation court shall hear and determine civil claims if the amount of money or property which is the subject matter of the claim does not exceed (\$1,000) \$1,250 for the determination thereof without jury trial and by a simple and informal procedure. The rules of the supreme court shall provide for a right of appeal from the decision of the conciliation court to the county court for a trial on the merits. The territorial jurisdiction of a conciliation court shall be coextensive with the county in which the court is established.

Sec. 10. Minnesota Statutes 1980, Section 488A.01, Subdivision 4, is amended to read:

Subd. 4. [CIVIL JURISDICTION.] Excepting causes involving title to real estate, the court has jurisdiction to hear, try and determine civil actions at law in which the amount in controversy does not exceed (THE SUM OF \$6,000) \$15,000, exclusive of interest and costs.

Sec. 11. Minnesota Statutes 1980, Section 488A.01, Subdivision 6, is amended to read:

Subd. 6. [CRIMINAL JURISDICTION.] ((A)) The court has jurisdiction to hear, try and determine any charge of violation of:

(1) A criminal law of this state constituting a misdemeanor or gross misdemeanor committed within the county of Hennepin including all of the city of St. Anthony.

(2) Any ordinance, charter provision, rule or regulation of any subdivision of government in the county of Hennepin, including all of the city of St. Anthony or

(3) Any ordinance, charter provision, rule or regulation of the Minneapolis-St. Paul Metropolitan Airports Commission.

((B) THE COURT HAS JURISDICTION TO CONDUCT PRELIMINARY HEARINGS AND TO EXERCISE ALL JUDICIAL POWERS INCIDENT TO PRELIMINARY HEARING PROCEEDINGS, ON ANY CHARGE OF VIOLATION OF ANY CRIMINAL LAW OF THIS STATE COMMITTED WITHIN THE COUNTY OF HENNEPIN.)

Sec. 12. Minnesota Statutes 1980, Section 488A.01, Subdivision 8, is amended to read:

Subd. 8. [TERRITORIAL JURISDICTION.] (THE SUMMONS IN CIVIL AND FORCIBLE ENTRY AND UNLAWFUL DETAINER ACTIONS MAY BE SERVED ONLY WITHIN THE COUNTY OF HENNEPIN EXCEPT THAT SUCH SUMMONS MAY BE SERVED IN RAMSEY COUNTY ON STATE OFFICIALS FOR NON-RESIDENT INDIVIDUALS AND CORPORATIONS UNDER STATUTES PROVIDING FOR SUCH SERVICE. GARNISHMENT SUMMONS, SUBPOENAS AND) All (OTHER) civil and criminal process and orders may be served and enforced anywhere within the state of Minnesota.

Sec. 13. Minnesota Statutes 1980, Section 488A.12, Subdivision 3, is amended to read:

Subd. 3. [JURISDICTION.] (a) Excepting actions involving title to real estate, the court has jurisdiction to hear, conciliate, try and determine civil actions at law where the amount in controversy does not exceed the sum of (\$1000) \$1,250. The territorial jurisdiction of the court is coextensive with the geographic boundaries of the county of Hennepin.

(b) Notwithstanding the provisions of clause (a), or any rule of court to the contrary, the conciliation court of Hennepin county has jurisdiction to determine an action brought pursuant to section 504.20 for the recovery of a deposit on rental property located in whole or in part in Hennepin county, and the summons

in the action may be served anywhere within the state of Minnesota.

Sec. 14. Minnesota Statutes 1980, Section 488A.14, Subdivision 6, is amended to read:

Subd. 6. [REPLEVIN.] If the controversy concerns the ownership or possession, or both, of personal property the value of which does not exceed the sum of (\$1000) *\$1,250*, the judge in his discretion, may direct an officer of the court to take possession of the property immediately and hold it subject to the further order of the court, without the giving of any bond whatever.

Sec. 15. Minnesota Statutes 1980, Section 488A.18, Subdivision 4, is amended to read:

Subd. 4. [CIVIL JURISDICTION.] (a) Excepting cases involving title to real estate, the court has jurisdiction to hear, try and determine civil actions at law in which the amount in controversy does not exceed (THE SUM OF \$6,000) *\$15,000*, exclusive of interest and costs. The territorial jurisdiction of the court is coextensive with the geographic boundaries of the county of Ramsey.

(b) The court also has jurisdiction, within the limitations provided in this subdivision, to hear, try and determine civil actions commenced by a plaintiff, resident of Ramsey county, where the action arose out of alleged negligent operation of a motor vehicle in Ramsey county, notwithstanding that the defendant or defendants are not residents of the county. Notwithstanding any law or rule of civil procedure to the contrary, the summons in (ANY SUCH) *the* action may be served anywhere within the state of Minnesota.

(c) Notwithstanding the provisions of clause (a) or any rule of court to the contrary, the municipal court of Ramsey county has jurisdiction to determine an action brought pursuant to section 504.20 for the recovery of a deposit on rental property located in whole or in part in Ramsey county, and the summons in the action may be served anywhere within the state of Minnesota.

Sec. 16. Minnesota Statutes 1980, Section 488A.18, Subdivision 7, is amended to read:

Subd. 7. [CRIMINAL JURISDICTION.] ((A)) The court has jurisdiction to hear, try and determine any charge of violation within Ramsey county of:

(1) A criminal law of this state constituting a misdemeanor or *gross misdemeanor* and any offense of this state which constitutes a petty misdemeanor,

(2) Any ordinance, charter provision, rule or regulation of any subdivision of government in the county of Ramsey, or

(3) Any ordinance, charter provision, rule or regulation of the Minneapolis-Saint Paul Metropolitan Airports Commission,

(4) Any ordinance, rule or regulation of the regents of the University of Minnesota.

((B) THE COURT HAS JURISDICTION TO CONDUCT PRELIMINARY HEARINGS AND TO EXERCISE ALL JUDICIAL POWERS INCIDENT TO PRELIMINARY HEARING PROCEEDINGS, ON ANY CHARGE OF VIOLATION OF ANY CRIMINAL LAW OF THIS STATE COMMITTED WITHIN RAMSEY COUNTY.)

((C) JURISDICTION UNDER CLAUSES (1) AND (2) OF PARAGRAPH (A) OF THIS SUBDIVISION IS EXCLUSIVE FOR ANY VIOLATION COMMITTED WITHIN THE COUNTY OF RAMSEY; JURISDICTION UNDER PARAGRAPH (B) OF THIS SUBDIVISION IS EXCLUSIVE FOR ANY VIOLATION COMMITTED INSIDE THE CITY OF SAINT PAUL OR INSIDE THAT PART OF THE VILLAGE OF SAINT ANTHONY LYING INSIDE RAMSEY COUNTY.)

Sec. 17. Minnesota Statutes 1980, Section 488A.18, Subdivision 9, is amended to read:

Subd. 9. [TERRITORIAL JURISDICTION.] (THE SUMMONS IN CIVIL AND FORCIBLE ENTRY AND UNLAWFUL DETAINER ACTIONS MAY BE SERVED ONLY WITHIN THE COUNTY OF RAMSEY. GARNISHMENT SUMMONS, SUBPOENAS AND) All (OTHER) civil and criminal process and orders may be served and enforced anywhere within the state of Minnesota.

Sec. 18. Minnesota Statutes 1980, Section 488A.18, Subdivision 13, is amended to read:

Subd. 13. [TRIAL OF CRIMINAL ACTIONS.] All charges of misdemeanors, *gross misdemeanors*, petty misdemeanors and ordinance violations shall be tried in the municipality where the alleged violation occurred (; HOWEVER,). If there is no court located in (SUCH) *the* municipality, then the trial of (SUCH) *the* charges shall take place at the nearest place of holding court. In addition to (SUCH) *any* daytime arraignments as the court may establish, traffic and criminal arraignments shall be held at least once each week in the evening after 7:00 p.m. if so requested by the governing body of a city in which a court is situated as provided by Laws 1973, Chapter 708 by a resolution filed with the administrator of court.

Sec. 19. Minnesota Statutes 1980, Section 488A.29, Subdivision 3, is amended to read:

Subd. 3. [JURISDICTION.] (a) Excepting actions involving title to real estate, the court has jurisdiction to hear, conciliate, try and determine civil actions at law where the amount in controversy does not exceed the sum of (\$1000) \$1,250. The territorial jurisdiction of the court is coextensive with the geographic boundaries of the county of Ramsey.

(b) Notwithstanding the provisions of clause (a) or any rule of court to the contrary, the conciliation court of Ramsey county has jurisdiction to determine an action brought pursuant to section 504.20 for the recovery of a deposit on rental property located in whole or in part in Ramsey county, and the summons in the action may be served anywhere in the state of Minnesota.

Sec. 20. Minnesota Statutes 1980, Section 488A.31, Subdivision 6, is amended to read:

Subd. 6. [REPLEVIN.] If the controversy concerns the ownership or possession, or both, of personal property the value of which does not exceed the sum of (\$1000) \$1,250, the judge, in his discretion, may direct an officer of the court to take possession of the property immediately and hold it subject to the further order of the court, without the giving of any bond whatever.

Sec. 21. Minnesota Statutes 1980, Section 491.03, Subdivision 4, is amended to read:

Subd. 4. In case the controversy is as to the ownership or possession, or as to both the ownership and possession, of personal property where the value of same does not exceed the sum of (\$1,000) \$1,250 and the action is commenced by the plaintiff filing, as herein provided, with the clerk a sworn statement as to his ownership, or right of possession, or both, of such property, the court in its discretion may, by order, direct the officer of the court to take possession of such property immediately, and to hold same subject to the further order of the court, without the giving of any bond.

Sec. 22. Minnesota Statutes 1980, Section 491.04, Subdivision 1, is amended to read:

Subdivision 1. In case the parties brought before the conciliation court, in the manner provided in this chapter, do not agree upon the judgment to be entered, then, in case the amount in controversy, whether the claim of the plaintiff or a counter-claim on the part of the defendant, exceeds the sum of (\$1,000) \$1,250, and the judge is satisfied the counter-claim is in good faith, the case shall be forthwith dismissed and dropped from

the docket, without prejudice, but if the amount involved in controversy be (\$1,000) \$1,250 or less, or if the judge is of the opinion that the counter-claim, if any, therein in excess of (\$1,000) \$1,250 is not in good faith, he shall retain jurisdiction and proceed summarily to hear and determine the cause and to enter judgment on his docket. The conclusion of the judge as to the good faith of any counter-claim shall be final and conclusive on all parties for the purposes of the jurisdiction of the court. In case such judgment is not removed, by demand of either party, to the municipal court within ten days after the entry thereof, as provided in this chapter, and the judgment remains unsatisfied, the judgment, on order of the judge shall be docketed in the municipal court by the clerk and shall thereupon be, and be enforced as, the judgment of the municipal court, or the judge may retain jurisdiction for the collection and satisfaction of the judgment by payment to him, but no execution shall issue from the conciliation court.

Sec. 23. [CLERK OF PROBATE COURT, SECOND JUDICIAL DISTRICT.]

Notwithstanding section 525.09 the judicial district administrator in the second judicial district may appoint a clerk of the probate court for the district subject to the approval of the chief judge and assistant chief judge who shall serve at the pleasure of the judges of the district, who shall be supervised by the judicial district administrator, and whose salary shall be fixed by the Ramsey county board of commissioners.

Sec. 24. [APPROPRIATION.]

The sum of \$396,300 is appropriated from the general fund to the state courts for the salaries and fringe benefits of the additional judges appointed pursuant to section 1, to be available for the fiscal year ending June 30 in the years indicated.

1982	1983
\$41,100	\$355,200

Sec. 25. [EFFECTIVE DATE.]

Sections 4 and 24 are effective the day following final enactment. Section 1 is effective the day following final enactment, except that the two new judge positions created in the first district, two of the new judge positions created in the fourth district, and three of the new judge positions created in the tenth district shall be filled by appointments made on or after January 15, 1983. Sections 6, 7, 11, 16, and 18 are effective January 1, 1983."

Further, delete the title and insert:

"A bill for an act relating to courts; providing for certain reorganization of the court system in the state; providing that the second and fourth judicial district courts shall also be probate courts; changing the jurisdiction of county courts, county municipal courts, and conciliation courts in Hennepin and Ramsey counties; changing the jurisdiction of county conciliation courts; creating certain judicial positions; abolishing certain judicial positions by attrition; appropriating money; amending Minnesota Statutes 1980, Sections 2.722, Subdivision 1, and by adding a subdivision; 487.03 by adding a subdivision; 487.15; 487.16; 487.18; 487.30, Subdivision 1; 488A.01, Subdivisions 4, 6, and 8; 488A.12, Subdivision 3; 488A.14, Subdivision 6; 488A.18, Subdivisions 4, 7, 9, and 13; 488A.29, Subdivision 3; 488A.31, Subdivision 6; 491.03, Subdivision 4; 491.04, Subdivision 1; proposing new law coded in Minnesota Statutes, Chapters 484 and 487."

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

House Conferees: TAD JUDE, MICHAEL R. SIEBEN, FRED C. NORTON, MARY M. FORSYTHE and CHARLES C. HALBERG.

Senate Conferees: ROBERT J. TENNESSEN, JACK DAVIES, GERRY SIKORSKI, RANDOLPH W. PETERSON and DARREL L. PETERSON.

Jude moved that the report of the Conference Committee on H. F. No. 1139 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 1139, A bill for an act relating to courts; providing for certain reorganization in the court system in the state; providing that the second and fourth judicial district courts shall also be probate courts; creating certain judicial positions to be filled by election; raising the jurisdictional limit in county and county municipal court; providing the county and county municipal court with gross misdemeanor jurisdiction; abolishing the office of referee; providing for continuance of certain referee positions for a limited time; providing for continuance of certain judicial officer positions for a limited time; authorizing the judges of the courts within each judicial district to elect to form one unified court; creating an appellate division of the district court; appropriating money; amending Minnesota Statutes 1980, Sections 2.722, Subdivision 1, and by adding a subdivision; 260.031, Subdivision 1; 484.01; 484.70, Subdivision 1, and by adding subdivisions; 487.08, Subdivisions 2 and 3; 487.15; 487.16; 487.18; 488A.01, Subdivisions 4, 6 and 8; 488A.18, Subdivisions 4, 7, 9 and 13; 488A.27, Subdivision 11; 525.10; proposing new law coded in Minnesota Statutes, Chapter 484; proposing new law coded as Minnesota Statutes, Chapter 484A; repealing Minnesota Statutes 1980, Sections 484.67; 484.70, Subdivisions 2, 3, 4 and 5; 487.08, Subdivision 4; 487.09; 525.04; and Laws 1978, Chapter 750, Section 6.

The bill was read for the third time, as amended by Conference, and placed upon its repassage.

The question was taken on the repassage of the bill and the roll was called. There were 117 yeas and 4 nays as follows:

Those who voted in the affirmative were:

Aasness	Erickson	Kaley	Ogren	Sherwood
Ainley	Esau	Kalis	Olsen	Sieben, M.
Anderson, B.	Evans	Knickerbocker	Onnen	Simoneau
Anderson, G.	Ewald	Kostohryz	Osthoff	Skoglund
Anderson, I.	Fjoslien	Laidig	Otis	Staten
Battaglia	Porsythe	Lehto	Peterson, B.	Stowell
Begich	Frerichs	Lemen	Peterson, D.	Stumpf
Berkelman	Greenfield	Levi	Piepho	Sviggum
Blatz	Gruenes	Long	Pogemiller	Swanson
Brandl	Gustafson	Ludeman	Redalen	Tomlinson
Brinkman	Halberg	Luknic	Reding	Valento
Byrne	Harens	Mann	Reif	Vanasek
Carlson, D.	Hauge	Marsh	Rice	Vellenga
Carlson, L.	Heap	McCarron	Rodriguez, C.	Weaver
Clark, J.	Himle	McEachern	Rodriguez, F.	Welch
Clark, K.	Hoberg	Metzen	Rose	Welker
Clawson	Hokanson	Minne	Rothenberg	Wenzel
Dahlvang	Hokr	Munger	Sarna	Wieser
Dean	Jacobs	Murphy	Schafer	Wigley
Dempsey	Jennings	Nelsen, B.	Schoenfeld	Zubay
Den Ouden	Johnson, C.	Nelson, K.	Schreiber	Spkr. Sieben, H.
Eken	Johnson, D.	Niehaus	Searles	
Elioff	Jude	Norton	Shea	
Ellingson	Kahn	Nysether	Sherman	

Those who voted in the negative were:

McDonald	Rees	Samuelson	Wynia
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The bill was repassed, as amended by Conference, and its title agreed to.

CALENDAR

H. F. No. 1831, A bill for an act relating to human rights; including sexual harassment as a form of unfair discriminatory practices for certain purposes; amending Minnesota Statutes 1980, Section 363.01, Subdivision 10, and by adding a subdivision.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 126 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Aasness	Ainley	Anderson, B.	Anderson, G.	Anderson, I.
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Battaglia	Frerichs	Lehto	Osthoff	Simoneau
Begich	Greenfield	Lemen	Otis	Skoglund
Berkelman	Gruenes	Levi	Peterson, B.	Stadum
Blatz	Gustafson	Long	Peterson, D.	Staten
Brandl	Halberg	Ludeman	Piepho	Stowell
Brinkman	Harens	Luknic	Pogemiller	Stumpf
Byrne	Hauge	Mann	Redalen	Swiggum
Carlson, D.	Heap	Marsh	Reding	Tomlinson
Carlson, L.	Heinitz	McCarron	Rees	Valan
Clark, J.	Himle	McDonald	Reif	Valento
Clark, K.	Hoberg	McEachern	Rice	Vanasek
Clawson	Hokanson	Mehrkens	Rodriguez, C.	Vellenga
Dahlvang	Hokr	Metzen	Rodriguez, F.	Weaver
Dean	Jacobs	Minne	Rose	Welch
Dempsey	Jennings	Munger	Rothenberg	Welker
Den Ouden	Johnson, C.	Murphy	Samuelson	Wenzel
Eken	Johnson, D.	Nelsen, B.	Sarna	Wieser
Elioff	Jude	Nelson, K.	Schafer	Wigley
Ellingson	Kahn	Niehaus	Schoenfeld	Wynia
Erickson	Kaley	Norton	Schreiber	Zubay
Esau	Kalis	Novak	Searles	Spkr. Sieben, H.
Evans	Knickerbocker	Nysether	Shea	
Ewald	Kostohryz	Ogren	Sherman	
Fjoslien	Kvam	Olsen	Sherwood	
Forsythe	Laidig	Onnen	Sieben, M.	

The bill was passed and its title agreed to.

S. F. No. 378, A bill for an act relating to marriage dissolution; clarifying factors to consider in awarding maintenance; amending Minnesota Statutes 1980, Section 518.552.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 108 yeas and 15 nays as follows:

Those who voted in the affirmative were:

Aasness	Evans	Kostohryz	Olsen	Sieben, M.
Ainley	Ewald	Kvam	Onnen	Simoneau
Anderson, B.	Fjoslien	Lehto	Otis	Skoglund
Anderson, G.	Forsythe	Levi	Peterson, B.	Stadum
Battaglia	Frerichs	Long	Peterson, D.	Staten
Begich	Greenfield	Ludeman	Piepho	Stumpf
Berkelman	Gruenes	Luknic	Pogemiller	Swiggum
Blatz	Gustafson	Mann	Reding	Swanson
Brandl	Halberg	Marsh	Rees	Tomlinson
Brinkman	Harens	McDonald	Reif	Valan
Byrne	Hauge	McEachern	Rice	Valento
Carlson, L.	Himle	Mehrkens	Rodriguez, C.	Vanasek
Clark, J.	Hoberg	Metzen	Rodriguez, F.	Vellenga
Clark, K.	Hokanson	Minne	Rose	Weaver
Clawson	Hokr	Munger	Rothenberg	Welch
Dahlvang	Jacobs	Murphy	Sarna	Welker
Dean	Jennings	Nelsen, B.	Schoenfeld	Wenzel
Dempsey	Jude	Nelson, K.	Schreiber	Wieser
Den Ouden	Kahn	Norton	Searles	Wynia
Eken	Kaley	Novak	Shea	Spkr. Sieben, H.
Elioff	Kalis	Nysether	Sherman	
Ellingson	Knickerbocker	Ogren	Sherwood	

Those who voted in the negative were :

Carlson, D.	Johnson, C.	McCarron	Redalen	Stowell
Erickson	Johnson, D.	Niehaus	Samuelson	Wigley
Esau	Laidig	Osthoff	Schafer	Zubay

The bill was passed and its title agreed to.

S. F. No. 233, A bill for an act relating to retirement; authorizing the repayment of a refund by certain current and former University of Minnesota, Duluth campus, employees; providing for the recomputation of certain retirement annuities.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 126 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Aasness	Ewald	Kvam	Onnen	Simoneau
Ainley	Fjoslien	Laidig	Osthoff	Skoglund
Anderson, B.	Forsythe	Lehto	Otis	Stadum
Anderson, G.	Frerichs	Lemen	Peterson, B.	Staten
Anderson, I.	Greenfield	Levi	Peterson, D.	Stowell
Battaglia	Gruenes	Long	Piepho	Stumpf
Begich	Gustafson	Ludeman	Pogemiller	Sviggum
Berkelman	Halberg	Luknic	Redalen	Swanson
Blatz	Harens	Mann	Reding	Tomlinson
Brinkman	Hauge	Marsh	Rees	Valan
Byrne	Heap	McCarron	Reif	Valento
Carlson, D.	Heinitz	McDonald	Rice	Vanasek
Carlson, L.	Himle	McEachern	Rodriguez, C.	Vellenga
Clark, J.	Hoberg	Mehrkens	Rodriguez, F.	Weaver
Clark, K.	Hokanson	Metzen	Rose	Weich
Clawson	Hokr	Minne	Rothenberg	Welker
Dahlvang	Jacobs	Munger	Samuelson	Wenzel
Dean	Jennings	Murphy	Sarna	Wieser
Dempsey	Johnson, C.	Nelsen, B.	Schafer	Wigley
Den Ouden	Johnson, D.	Nelson, K.	Schoenfeld	Wynia
Eken	Jude	Niehaus	Schreiber	Zubay
Elioff	Kaley	Norton	Searles	Sprk. Sieben, H.
Ellingson	Kalis	Novak	Shea	
Erickson	Kelly	Nysether	Sherman	
Esau	Knickerbocker	Ogren	Sherwood	
Evans	Kostohryz	Olsen	Sieben, M.	

The bill was passed and its title agreed to.

H. F. No. 1455, A bill for an act relating to real estate brokers and salespersons; providing for the automatic transfer of a salesperson's license under certain circumstances; amending Minnesota Statutes 1980, Section 82.20, Subdivision 9.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 126 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Aasness	Evans	Knickerbocker	Ogren	Simoneau
Ainley	Ewald	Kostohryz	Osthoff	Skoglund
Anderson, B.	Fjoslien	Kvam	Otis	Stadum
Anderson, G.	Forsythe	Laidig	Peterson, B.	Staten
Anderson, I.	Frerichs	Lehto	Peterson, D.	Stowell
Battaglia	Greenfield	Lemen	Piepho	Stumpf
Begich	Gruenes	Levi	Pogemiller	Sviggum
Berkelman	Gustafson	Long	Redalen	Swanson
Blatz	Halberg	Ludeman	Reding	Tomlinson
Brandl	Harens	Luknic	Rees	Valan
Brinkman	Hauge	Mann	Reif	Valento
Byrne	Heap	Marsh	Rice	Vanasek
Carlson, D.	Heinitz	McCarron	Rodriguez, C.	Vellenga
Carlson, L.	Himle	McDonald	Rodriguez, F.	Weaver
Clark, J.	Hoberg	McEachern	Rose	Welch
Clark, K.	Hokanson	Mehrkens	Rothenberg	Welker
Clawson	Hokr	Metzen	Samuelson	Wenzel
Dahlvang	Jacobs	Minne	Sarna	Wieser
Dean	Jennings	Munger	Schafer	Wigley
Dempsey	Johnson, C.	Murphy	Schoenfeld	Wynia
Den Ouden	Johnson, D.	Nelsen, B.	Schreiber	Zubay
Eken	Jude	Nelson, K.	Searles	Spkr. Sieben, H.
Elioff	Kahn	Niehaus	Shea	
Ellingson	Kaley	Norton	Sherman	
Erickson	Kalis	Novak	Sherwood	
Esau	Kelly	Nysether	Sieben, M.	

The bill was passed and its title agreed to.

H. F. No. 1576, A bill for an act relating to commerce; regulated loans; applying the statutory provisions relating to conventional loan defaults to regulated loans; clarifying the method for the computation of interest; allowing the combination of loans of different maturities and interest rates; prohibiting attorney's fees except in connection with mortgage foreclosures; placing certain restrictions on the procurement of insurance in connection with a loan; providing miscellaneous technical and clarifying amendments; and eliminating a duplicative provision; amending Minnesota Statutes 1980, Section 53.04, Subdivision 5; and Minnesota Statutes 1981 Supplement, Sections 53.01; 53.04, Subdivision 3a; 56.12; 56.131, Subdivisions 1, 3, and 5; 56.155; 334.02; and 334.03; proposing new law coded in Minnesota Statutes, Chapter 56.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 89 yeas and 33 nays as follows:

Those who voted in the affirmative were:

Aasness	Anderson, B.	Berkelman	Brandl	Carlson, D.
Ainley	Anderson, I.	Blatz	Brinkman	Carlson, L.

Dean	Heinitz	Lehto	Osthoff	Sieben, M.
Dempsey	Himle	Lemen	Otis	Stowell
Den Ouden	Hoberg	Levi	Peterson, B.	Stumpf
Eken	Hokanson	Ludeman	Piepho	Sviggum
Elioff	Hokr	Luknic	Redalen	Swanson
Erickson	Jacobs	Mann	Reding	Tomlinson
Esau	Jennings	Marsh	Rees	Valan
Evans	Johnson, C.	McDonald	Reif	Valento
Ewald	Johnson, D.	McEachern	Rodriguez, C.	Weaver
Fjoslien	Jude	Mehrkens	Rose	Weiker
Forsythe	Kaley	Metzen	Rothenberg	Wenzel
Frerichs	Kalis	Munger	Schafer	Wieser
Gruenes	Kelly	Murphy	Schreiber	Wigley
Gustafson	Knickerbocker	Nelsen, B.	Searles	Zubay
Halberg	Kvam	Nysether	Sherman	Sprk. Sieben, H.
Heap	Laidig	Olsen	Sherwood	

Those who voted in the negative were :

Anderson, G.	Dahlvang	McCarron	Peterson, D.	Skoglund
Battaglia	Ellingson	Minne	Rice	Staten
Begich	Greenfield	Nelson, K.	Samuelson	Vellenga
Byrne	Harens	Niehaus	Sarna	Welch
Clark, J.	Kahn	Norton	Schoenfeld	Wynia
Clark, K.	Kostohryz	Novak	Shea	
Clawson	Long	Ogren	Simoneau	

The bill was passed and its title agreed to.

H. F. No. 1622, A bill for an act relating to state lands ; providing for the transfer of ownership to meet donors' intent.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 126 yeas and 0 nays as follows :

Those who voted in the affirmative were :

Aasness	Elioff	Jennings	McEachern	Reif
Ainley	Ellingson	Johnson, C.	Mehrkens	Rice
Anderson, B.	Erickson	Johnson, D.	Metzen	Rodriguez, C.
Anderson, G.	Esau	Jude	Minne	Rodriguez, F.
Anderson, I.	Evans	Kahn	Munger	Rose
Battaglia	Ewald	Kaley	Murphy	Rothenberg
Begich	Fjoslien	Kalis	Nelsen, B.	Samuelson
Berkelman	Forsythe	Kelly	Nelson, K.	Sarna
Blatz	Frerichs	Knickerbocker	Niehaus	Schafer
Brandl	Greenfield	Kostohryz	Norton	Schoenfeld
Brinkman	Gruenes	Kvam	Novak	Schreiber
Byrne	Gustafson	Laidig	Ogren	Searles
Carlson, D.	Halberg	Lehto	Olsen	Shea
Carlson, L.	Harens	Lemen	Osthoff	Sherman
Clark, J.	Hauge	Levi	Otis	Sherwood
Clark, K.	Heap	Long	Peterson, B.	Sieben, M.
Clawson	Heinitz	Ludeman	Peterson, D.	Simoneau
Dahlvang	Himle	Luknic	Piepho	Skoglund
Dean	Hoberg	Mann	Pogemiller	Stadum
Dempsey	Hokanson	Marsh	Redalen	Staten
Den Ouden	Hokr	McCarron	Reding	Stowell
Eken	Jacobs	McDonald	Rees	Stumpf

Sviggum	Valento	Welch	Wigley	Zubay
Swanson	Vanasek	Welker	Wynia	Spkr. Sieben, H.
Tomlinson	Vellenga	Wenzel		
Valan	Weaver	Wieser		

The bill was passed and its title agreed to.

SPECIAL ORDERS

Eken moved that the bills on Special Orders for today be continued one day. The motion prevailed.

GENERAL ORDERS

Eken moved that the bills on General Orders for today be continued one day. The motion prevailed.

MOTIONS AND RESOLUTIONS

Wenzel moved that H. F. No. 2025 be recalled from the Committee on Rules and Legislative Administration and be referred to the Committee on Agriculture.

Jennings moved to lay the Wenzel motion on the table.

A roll call was requested and properly seconded.

The question was taken on the Jennings motion to lay on the table and the roll was called. There were 60 yeas and 64 nays as follows:

Those who voted in the affirmative were:

Aasness	Frerichs	Kvam	Nysether	Sherman
Ainley	Gruenes	Laidig	Olsen	Sherwood
Blatz	Halberg	Lemen	Peterson, B.	Stadum
Carlson, D.	Heap	Levi	Piepho	Stowell
Dean	Heinitz	Ludeman	Redalen	Sviggum
Dempsey	Himle	Luknic	Rees	Valan
Erickson	Hoberg	Marsh	Reif	Valento
Esau	Hokr	McDonald	Rose	Weaver
Evans	Jennings	Mehrrens	Rothenberg	Welker
Ewald	Johnson, D.	Murphy	Schafer	Wieser
Fjoslien	Kaley	Nelsen, B.	Schreiber	Wigley
Forsythe	Knickerbocker	Niehaus	Searles	Zubay

Those who voted in the negative were:

Anderson, B.	Carlson, L.	Harens	Kostohryz	Norton
Anderson, G.	Clark, J.	Hauge	Lehto	Novak
Anderson, I.	Clark, K.	Hokanson	Long	Ogren
Battaglia	Clawson	Jacobs	Mann	Osthoff
Begich	Dahlvang	Johnson, C.	McCarron	Otis
Berkelman	Eken	Jude	McEachern	Peterson, D.
Brandl	Ellingson	Kahn	Metzen	Pogemiller
Brinkman	Greenfield	Kalis	Minne	Reding
Byrne	Gustafson	Kelly	Nelson, K.	Rice

Rodriguez, C.	Schoenfeld	Skoglund	Tomlinson	Wenzel
Rodriguez, F.	Shea	Staten	Vanasek	Wynia
Samuelson	Sieben, M.	Stumpf	Vellenga	Spkr. Sieben, H.
Sarna	Simoneau	Swanson	Welch	

The motion did not prevail.

The question recurred on the Wenzel motion.

A roll call was requested and properly seconded.

There were 68 yeas and 57 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Dahlvang	Kelly	Osthoff	Simoneau
Anderson, G.	Eken	Kostohryz	Otis	Skoglund
Anderson, I.	Ellingson	Lehto	Peterson, D.	Staten
Battaglia	Erickson	Long	Pogemiller	Stumpf
Begich	Greenfield	Mann	Redalen	Swanson
Berkelman	Gustafson	McCarron	Reding	Tomlinson
Brandl	Harens	McEachern	Rice	Vanasek
Brinkman	Hauge	Metzen	Rodriguez, C.	Vellenga
Byrne	Hokanson	Minne	Rodriguez, F.	Welch
Carlson, D.	Jacobs	Murphy	Samuelson	Wenzel
Carlson, L.	Johnson, C.	Nelson, K.	Sarna	Wynia
Clark, J.	Jude	Norton	Schoenfeld	Spkr. Sieben, H.
Clark, K.	Kahn	Novak	Shea	
Clawson	Kalis	Ogren	Sieben, M.	

Those who voted in the negative were:

Aasness	Gruenes	Laidig	Onnen	Stowell
Ainley	Halberg	Lemen	Peterson, B.	Sviggum
Blatz	Heap	Levi	Piepho	Valan
Dean	Heinitz	Ludeman	Rees	Valento
Dempsey	Himle	Luknic	Reif	Weaver
Den Ouden	Hoberg	Marsh	Rose	Welker
Esau	Hokr	McDonald	Rothenberg	Wieser
Evans	Jennings	Mehrkens	Schafer	Wigley
Ewald	Johnson, D.	Nelsen, B.	Schreiber	Zubay
Fjoslien	Kaley	Niehaus	Sherman	
Forsythe	Knickerbocker	Nysether	Sherwood	
Frerichs	Kvam	Olsen	Stadum	

The motion prevailed.

Staten moved that H. F. No. 1811, now on Special Orders, be re-referred to the Committee on Appropriations. The motion prevailed.

Reif moved that S. F. No. 1443 be recalled from the Committee on Health and Welfare and together with H. F. No. 849, now on the Technical General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

Piepho moved that his name be stricken as an author on H. F. No. 2147. The motion prevailed.

Berkelman moved that the name of Blatz be added as an author on H. F. No. 2260. The motion prevailed.

Wenzel moved that the names of Brinkman, Reif, Luknic and O'Connor be added as authors on H. F. No. 1667. The motion prevailed.

Munger moved that the names of Welch and Carlson, D., be added as authors on H. F. No. 2262. The motion prevailed.

Long moved that the name of Searles be stricken and the name of Rees be added as an author on H. F. No. 1934. The motion prevailed.

PENDING POINT OF ORDER

The pending point of order raised by Anderson, I., on Friday, February 26, 1982, pursuant to rule 3.4 was reported to the House.

The Speaker ruled the Anderson, I., point of order well taken.

The Speaker ruled the Jennings motion to reconsider the report of the Committee of the Whole on H. F. No. 1278 not in order.

The Speaker ruled the request of Ogren to give notice of intent to reconsider the report of the Committee of the Whole on H. F. No. 1278 not in order.

The report of the Committee of the Whole on H. F. No. 1278 was reported to the House.

Dahlvang moved to amend the report of the Committee of the Whole by striking the words "be re-referred to the Committee on Governmental Operations" and inserting the word "progress".

A roll call was requested and properly seconded.

POINT OF ORDER

Laidig raised a point of order pursuant to rule 1.6. The Speaker ruled the point of order not well taken.

The question recurred on the Dahlvang motion and the roll was called. There were 61 yeas and 59 nays as follows:

Those who voted in the affirmative were:

Anderson, I.	Begich	Brandl	Byrne	Clark, J.
Battaglia	Berkelman	Brinkman	Carlson, L.	Clark, K.

Clawson	Jude	Murphy	Rodriguez, C.	Tomlinson
Dahlvang	Kahn	Nelson, K.	Rodriguez, F.	Vanasek
Eken	Kalis	Norton	Samuelson	Vellenga
Ellingson	Kelly	Novak	Schoenfeld	Welch
Greenfield	Kostohryz	Ogren	Shea	Wenzel
Gustafson	Lehto	Osthoff	Sieben, M.	Wynia
Harens	Long	Otis	Simoneau	Spkr. Sieben, H.
Hauge	Mann	Peterson, D.	Skoglund	
Hokanson	McCarron	Pogemiller	Staten	
Jacobs	Minne	Reding	Stumpf	
Johnson, C.	Munger	Rice	Swanson	

Those who voted in the negative were :

Aasness	Gruenes	Lemen	Olsen	Sherwood
Ainley	Halberg	Levi	Onnen	Stadum
Blatz	Heap	Ludeman	Peterson, B.	Stowell
Dempsey	Heimitz	Luknic	Piepho	Sviggum
Den Ouden	Himle	Marsh	Redalen	Valan
Erickson	Hoberg	McDonald	Rees	Valento
Esau	Hokr	McEachern	Reif	Weaver
Evans	Jennings	Mehrkens	Rose	Welker
Ewald	Johnson, D.	Metzen	Rothenberg	Wieser
Fjoslien	Kaley	Nelsen, B.	Schafer	Wigley
Forsythe	Kvam	Niehaus	Searles	Zubay
Frerichs	Laidig	Nysether	Sherman	

The motion prevailed and the amendment to the report was adopted.

The question recurred on the adoption of the report of the Committee of the Whole, as amended, with reference to H. F. No. 1278. The report of the Committee of the Whole, as amended, with reference to H. F. No. 1278 was adopted.

ADJOURNMENT

Eken moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 2:00 p.m., Tuesday, March 2, 1982.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

STATE OF MINNESOTA

SEVENTY-SECOND SESSION - 1982

SEVENTY-NINTH DAY

SAINT PAUL, MINNESOTA, TUESDAY, MARCH 2, 1982

The House of Representatives convened at 2:00 p.m. and was called to order by Harry A. Sieben, Jr., Speaker of the House.

Prayer was offered by Pastor Paul E. Schuessler, Pilgrim Lutheran Church, St. Paul, Minnesota.

The roll was called and the following members were present:

Aasness	Esau	Kalis	Novak	Sherman
Ainley	Evans	Kelly	Nysether	Sherwood
Anderson, B.	Ewald	Knickerbocker	O'Connor	Sieben, M.
Anderson, G.	Fjoslien	Kostohryz	Ogren	Skoglund
Anderson, I.	Forsythe	Kvam	Olsen	Stadum
Battaglia	Frerichs	Laidig	Onnen	Staten
Begich	Greenfield	Lehto	Osthoff	Stowell
Berkelman	Gruenes	Lemen	Otis	Stumpf
Blatz	Gustafson	Levi	Peterson, B.	Sviggum
Brandl	Halberg	Long	Peterson, D.	Swanson
Brinkman	Hanson	Ludeman	Piepho	Tomlinson
Byrne	Harens	Luknic	Pogemiller	Valan
Carlson, D.	Hauge	Mann	Redalen	Valento
Carlson, L.	Heap	Marsh	Reding	Vanasek
Clark, J.	Heinitz	McCarron	Rees	Vellenga
Clark, K.	Himle	McDonald	Reif	Voss
Clawson	Hoberg	McEachern	Rice	Weaver
Dahlvang	Hokanson	Mehrkens	Rodriguez, C.	Welch
Dean	Hokr	Metzen	Rodriguez, F.	Welker
Dempsey	Jacobs	Minne	Rose	Wenzel
Den Ouden	Jennings	Munger	Samuelson	Wieser
Drew	Johnson, C.	Murphy	Sarna	Wigley
Eken	Johnson, D.	Nelsen, B.	Schafer	Wynia
Elioff	Jude	Nelson, K.	Schoenfeld	Zubay
Ellingson	Kahn	Niehaus	Searles	Spkr. Sieben, H.
Erickson	Kaley	Norton	Shea	

A quorum was present.

Anderson, R. ; Haukoos and Simoneau were excused.

Schreiber was excused until 3:30 p.m. Rothenberg was excused until 4:00 p.m.

The Chief Clerk proceeded to read the Journal of the preceding day. Erickson moved that further reading of the Journal be dispensed with and that the Journal be approved as corrected by the Chief Clerk. The motion prevailed.

REPORTS OF CHIEF CLERK

Pursuant to Rules of the House, printed copies of H. F. Nos. 1720, 2145, 2237, 438, 1382, 1586, 1764, 1804, 1642, 1704, 1735, 1744, 1737, 1759, 1760, 1839, 1883, 1723, 1951, 2098, 1018, 849, 1916, 1934 and 1555 and S. F. Nos. 1455, 1547, 1591, 1964, 69, 328, 412, 1398, 1671, 1687, 1691, 1853, 1727, 1744, 1749, 2103, 1443, 1589, 1641, 1673, 1679, 1702 and 1510 have been placed in the members' files.

S. F. No. 1727 and H. F. No. 1796, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Kaley moved that S. F. No. 1727 be substituted for H. F. No. 1796 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1567 and H. F. No. 1581, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Reding moved that S. F. No. 1567 be substituted for H. F. No. 1581 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1673 and H. F. No. 1839, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Evans moved that S. F. No. 1673 be substituted for H. F. No. 1839 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2103 and H. F. No. 2237, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Gruenes moved that S. F. No. 2103 be substituted for H. F. No. 2237 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1547 and H. F. No. 1657, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Reding moved that the rules be so far suspended that S. F. No. 1547 be substituted for H. F. No. 1657 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1702 and H. F. No. 1954, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Johnson, D., moved that the rules be so far suspended that S. F. No. 1702 be substituted for H. F. No. 1954 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1687 and H. F. No. 1748, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Kelly moved that the rules be so far suspended that S. F. No. 1687 be substituted for H. F. No. 1748 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1691 and H. F. No. 2015, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Long moved that the rules be so far suspended that S. F. No. 1691 be substituted for H. F. No. 2015 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1455 and H. F. No. 1498, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Kaley moved that the rules be so far suspended that S. F. No. 1455 be substituted for H. F. No. 1498 and that the House File be indefinitely postponed. The motion prevailed.

PETITIONS AND COMMUNICATIONS

The following communication was received:

STATE OF MINNESOTA
OFFICE OF THE SECRETARY OF STATE
ST. PAUL 55155

February 26, 1982

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

The Honorable Jack Davies
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 1982 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:

<i>S.F. No.</i>	<i>H.F. No.</i>	<i>Session Laws Chapter No.</i>	<i>Date Approved 1982</i>	<i>Date Filed 1982</i>
429		379	February 26	February 26

Sincerely,

JOAN ANDERSON GROWE
Secretary of State

REPORTS OF STANDING COMMITTEES

Jude from the Committee on Judiciary to which was referred:

H. F. No. 930, A bill for an act relating to information practices of public bodies; regulating the treatment of government data; providing conditions for disclosure; enacting the uniform information practices code; providing penalties; amending Minnesota Statutes 1980, Sections 3.97, Subdivisions 9 and 11; 10A.02, Subdivision 11a; 72A.062, Subdivision 2; 115A.14, Subdivision 3; 123.704; 123.741, Subdivision 5; 136A.162; 144.1761, Subdivision 2; 144.216, Subdivision 2; 144.218; 144.225, Subdivision 1; 144.691, Subdivision 4; 144.693; 144A.10, Subdivision 3; 145.925, Subdivision 6; 147.073, Subdivision 1; 169.126, Subdivision 2; 197.603, Subdivision 2; 241.44, Subdivision 1a; 241.62, Subdivision 5; 241.66, Subdivision 1; 245.69, Subdivision 2; 256B.27, Subdivision 5; 268.40, Subdivision 3; 270A.11; 299F.055; 362.53, Subdivision 17; 462A.065; 481.15, Subdivision 3; 626.556, Subdivision 11; and 626.557, Subdivisions 11 and 12; proposing new law coded as Minnesota Statutes, Chapter 16B; repealing Minnesota Statutes 1980, Sections 15.1611; 15.162; 15.1621; 15.163; 15.1642; 15.165; 15.166; 15.167; 15.1671; 15.1672; 15.1673; 15.1674; 15.1675; 15.1676; 15.1677; 15.1678;

15.1679; 15.1681; 15.1691; 15.1692; 15.1693; 15.1694; 15.1695; 15.1696; 15.1697; 15.1698; and 15.1699.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1980, Section 15.162, Subdivision 4, is amended to read:

Subd. 4. “Individual” means a natural person. In the case of a minor *or an individual adjudged mentally incompetent*, “individual” includes a parent or guardian or an individual acting as a parent or guardian in the absence of a parent or guardian, except that the responsible authority shall withhold data from parents or guardians, or individuals acting as parents or guardians in the absence of parents or guardians, upon request by the minor if the responsible authority determines that withholding the data would be in the best interest of the minor.

Sec. 2. Minnesota Statutes 1980, Section 15.1621, Subdivision 1, is amended to read:

Subdivision 1. [PUBLIC DATA.] All government data collected, created, received, maintained or disseminated by a state agency, political subdivision, or statewide system shall be public unless classified by statute, or temporary classification pursuant to section 15.1642, or federal law, as (NOT PUBLIC) *nonpublic or protected nonpublic*, or with respect to data on individuals, as private or confidential. The responsible authority in every state agency, political subdivision and statewide system shall keep records containing government data in such an arrangement and condition as to make them easily accessible for convenient use. Photographic, photostatic, microphotographic, or micro-filmed records shall be considered as accessible for convenient use regardless of the size of such records.

Sec. 3. Minnesota Statutes 1980, Section 15.1642, Subdivision 5, is amended to read:

Subd. 5. [EXPIRATION OF TEMPORARY CLASSIFICATION.] Emergency classifications granted before July 1, 1979 are redesignated as temporary classifications. All temporary classifications granted under this section prior to April 24, 1980 and still in effect, and all temporary classifications thereafter applied for and granted pursuant to this section shall expire on July 31, 1981 or (18) ~~24~~ months after the classification is granted, whichever occurs later.

Sec. 4. Minnesota Statutes 1980, Section 15.1678, is amended to read:

15.1678 [PROPERTY COMPLAINT DATA.]

The names of individuals who register complaints with state agencies or political subdivisions concerning violations of state laws or local ordinances concerning the use of *real property* are classified as confidential, pursuant to section 15.162, subdivision 2a.

Sec. 5. Minnesota Statutes 1980, Section 15.1679, is amended to read:

15.1679 [LIBRARY DATA.]

Subdivision 1. All records collected, maintained, used or disseminated by a (PUBLIC) library *operated by any state agency, political subdivision or statewide system* shall be administered in accordance with the provisions of sections 15.1611 to 15.17.

Subd. 2. That portion of records maintained by a (PUBLIC) library which links a library patron's name with materials requested or borrowed by the patron or which links a patron's name with a specific subject about which the patron has requested information or materials is classified as private, pursuant to section 15.162, subdivision 5a, and shall not be disclosed except pursuant to a valid court order.

Sec. 6. Minnesota Statutes 1981 Supplement, Section 15.1682, is amended to read:

15.1682 [ENERGY AND FINANCIAL DATA AND STATISTICS.]

Subdivision 1. Energy and financial data, statistics, and information furnished to the (MINNESOTA ENERGY AGENCY) department of energy, planning and development by a coal supplier or petroleum supplier pursuant to section 116H.10, either directly or through a federal department or agency are classified as nonpublic data as defined by section 15.162, subdivision 5c.

Subd. 2. [ENERGY AUDIT DATA.] Data contained in copies of bids, contracts, letters of agreement between utility companies and third party auditors and firms, and in utility statements or documents showing costs for employee performance of energy audits which are received by the department of energy, planning and development in order to arbitrate disputes arising from complaints concerning the award of contracts to perform energy conservation audits are classified as protected nonpublic data not on individuals as defined by section 15.162, subdivision 5d.

Sec. 7. Minnesota Statutes 1980, Section 15.1691, Subdivision 6, is amended to read:

Subd. 6. [OTHER DATA.] Data collected, used, maintained or disseminated by the welfare system that is not data on individuals is public pursuant to sections 15.1621 (AND 15.17), *except that security information as defined in section 15.1673, subdivision 1, clause (a) shall be nonpublic.*

Sec. 8. Minnesota Statutes 1980, Section 15.1692, Subdivision 2, is amended to read:

Subd. 2. Except for employees described in subdivision 6, the following personnel data on current and former employees, volunteers and independent contractors of a state agency, statewide system or political subdivision and members of advisory boards or commissions is public: name; actual gross salary; salary range; contract fees; actual gross pension; the value and nature of employer paid fringe benefits; the basis for and the amount of any added remuneration, including expense reimbursement, in addition to salary; job title; job description; education and training background; previous work experience; date of first and last employment; the status of any complaints or charges against the employee, whether or not the complaint or charge resulted in a disciplinary action; and the final disposition of any disciplinary action and supporting documentation; work location; a work telephone number; badge number; *honors and awards received; data which accounts for the individual's work time;* and, city and county of residence.

Sec. 9. Minnesota Statutes 1981 Supplement, Section 15.1699, is amended to read:

15.1699 [EMPLOYEE ASSISTANCE DATA.]

All data created, collected or maintained by any state agency or political subdivision to administer employee assistance programs similar to the one authorized by section 16.02, subdivision 28, are classified as private, pursuant to section 15.162, subdivision 5a. *This section shall not be interpreted to authorize the establishment of employee assistance programs.*

Sec. 10. Minnesota Statutes 1981 Supplement, Section 15.775, Subdivision 2, is amended to read:

Subd 2. [CIVIL ACTIONS.] Data collected by state agencies, political subdivisions or statewide systems as part of an active investigation undertaken for the purpose of the commencement or defense of a pending civil legal action, or which are retained in anticipation of a pending civil legal action, are classified as protected nonpublic data pursuant to section 15.162, subdivision 5d in the case of data not on individuals and confidential pursuant to section 15.162, subdivision 2a in the case of data on individuals. *Any agency, political subdivision or statewide system may make any data classified as confidential or protected nonpublic pursuant to this subdivision accessible to*

any person, agency or the public if the agency, political subdivision or statewide system determines that the access will aid the law enforcement process, promote public health or safety or dispel widespread rumor or unrest.

Sec. 11. Minnesota Statutes 1981 Supplement, Section 15.781, Subdivision 1, is amended to read:

Subdivision 1. [DEFINITION.] As used in this section "licensing agency" means any board, department or agency of this state which is given the statutory authority to issue professional or other types of licenses, *except the various agencies primarily administered by the commissioner of public welfare. Data pertaining to persons or agencies licensed or registered under authority of the commissioner of public welfare shall be administered pursuant to section 15.1691, subdivision 4.*

Sec. 12. Minnesota Statutes 1981 Supplement, Section 15.784, Subdivision 2, is amended to read:

Subd. 2. [INCOME PROPERTY ASSESSMENT DATA.] The following data collected by political subdivisions from *individuals or business entities concerning income properties are classified as private or nonpublic data pursuant to section 15.162, subdivision 5a and 5c:*

- (a) Detailed income and expense figures for the current year plus the previous three years;
- (b) Average vacancy factors for the previous three years;
- (c) Verified net rentable areas or net usable areas, whichever is appropriate;
- (d) Anticipated income and expenses for the current year; and
- (e) Projected vacancy factor for the current year.

Sec. 13. [15.7921] [CRIMINAL HISTORY DATA.]

Subdivision 1. [DEFINITION.] *For purposes of this section, "criminal history data" means all data maintained in criminal history records, including, but not limited to fingerprints, photographs, identification data, arrest data, prosecution data, criminal court data, custody and supervision data.*

Subd. 2. [CLASSIFICATION.] *Criminal history data maintained by agencies, political subdivisions and statewide systems are classified as private, pursuant to section 15.162, subdivision 5a.*

Sec. 14. [15.7922] [CORRECTIONS AND DETENTION DATA.]

Subdivision 1. [DEFINITION.] As used in this section, "corrections and detention data" means data on individuals created, collected, used or maintained because of their lawful confinement or detainment in state reformatories, prisons and correctional facilities, municipal or county jails, lockups, work houses, work farms and all other correctional and detention facilities.

Subd. 2. [GENERAL.] Unless the data are summary data or arrest data, or a statute specifically provides a different classification, corrections and detention data on individuals are classified as private pursuant to section 15.162, subdivision 5a.

Subd. 3. [INVESTIGATIVE DATA.] Corrections and detention data collected, maintained, used or disseminated in an investigation authorized by statute and relating to the enforcement of rules or law is confidential pursuant to section 15.162, subdivision 2a or protected non-public data pursuant to section 15.162, subdivision 5d.

After any presentation in court, the data shall be public to the extent reflected in court records.

Subd. 4. [CORRECTIONS AND DETENTION LOGS; INTERNAL.] Corrections and detention data recorded on logs compiled by correctional and detention facilities employees and showing a chronological record of incidents within a correctional or detention facility are confidential data on individuals pursuant to section 15.162, subdivision 2a, or protected nonpublic data not on individuals pursuant to section 15.162, subdivision 5d.

Sec. 15. [15.7923] [COURT SERVICES DATA.]

Subdivision 1. [DEFINITION.] As used in this section "court services data" means data which is created, collected, used or maintained by a court services department, parole or probation authority, or correctional agency and which is on individuals who are or were defendants, parolees or probationers of a municipal, district or county court, participants in diversion programs, petitioners or respondents to a family court, or juveniles adjudicated delinquent and committed, detained prior to a court hearing or hearings, or found to be dependent or neglected and placed under the supervision of the court.

Subd. 2. [GENERAL.] Unless the data is summary data or a statute, including sections 609.115 and 257.70, specifically provides a different classification, the following court services data are classified as private pursuant to section 15.162, subdivision 5a:

(a) Court services data on individuals gathered at the request of a municipal, district or county court to determine the need for any treatment, rehabilitation, counseling, or any other need of a defendant, parolee, probationer, or participant in a diversion program, and used by the court to assist in assigning an appropriate sentence or other disposition in a case;

(b) Court services data on petitioners or respondents to a family court gathered at the request of the court for purposes of, but not limited to, individual, family, marriage, chemical dependency and marriage dissolution adjustment counseling, including recommendations to the court as to the custody of minor children in marriage dissolution cases;

(c) Court services data on individuals gathered by psychologists in the course of providing the court or its staff with psychological evaluations or in the course of counseling individual clients referred by the court for the purpose of assisting them with personal conflicts or difficulties.

Subd. 3. [THIRD PARTY INFORMATION.] Whenever, in the course of gathering the private data specified above, a psychologist, probation officer or other agent of the court is directed by the court to obtain data on individual defendants, parolees, probationers, or petitioners or respondents in a family court, and the source of that data provides the data only upon the condition of its being held confidential, that data and the identity of the source shall be confidential data on individuals, pursuant to section 15.162, subdivision 2a.

Subd. 4. [PROBATION DATA.] Progress reports and other reports and recommendations provided at the request of the court by parole or probation officers for the purpose of determining the appropriate legal action or disposition regarding an individual on probation are confidential data on individuals.

Subd. 5. [DISCLOSURE.] Private or confidential court services data shall not be disclosed except:

(a) Pursuant to section 15.163;

(b) Pursuant to a statute specifically authorizing disclosure of court services data;

(c) With the written permission of the source of confidential data;

(d) To the court services department, parole or probation authority or correctional agency having statutorily granted supervision over the individual subject of the data; or

(e) Pursuant to a valid court order.

Subd. 6. [PUBLIC DATA.] The following court services data on adult individuals is public:

(a) Name, age, sex, occupation and the fact that an individual is a parolee, probationer or participant in a diversion program, and if so, at what location;

(b) The offense for which the individual was placed under supervision;

(c) The dates supervision began and ended and the duration of supervision;

(d) Court services data which was public in a court or other agency which originated the data;

(e) Arrest and detention orders, orders for parole revocation and the reasons for revocation;

(f) The conditions of parole, probation or participation and the extent to which those conditions have been or are being met;

(g) Identities of agencies, units within agencies and individuals providing supervision; and

(h) The legal basis for any change in supervision and the date, time and locations associated with the change.

Subd. 7. [LIMITATION.] Nothing in this section shall limit public access to data made public by section 15.791.

Sec. 16. [15.7924] [AUTHORITY DATA.]

Subdivision 1. The following data received, created or maintained by the St. Paul civic center authority are classified as non-public data pursuant to section 15.62, subdivision 5c:

(a) A letter or other documentation from any person who makes inquiry to the authority as to the availability of authority facilities for staging events;

(b) Identity of firms and corporations which contact the authority;

(c) Type of event which they wish to stage in authority facilities;

(d) Suggested terms of rentals; and

(e) Responses of authority staff to these inquiries.

Subd. 2. [PUBLIC DATA.] The data made nonpublic by the provisions of subdivision 1 shall become public upon the occurrence of any of the following:

(a) A lease or contract is entered into between the authority and the inquiring party or parties;

(b) The event which was the subject of inquiry does not occur; or

(c) The event which was the subject of inquiry occurs elsewhere.

Sec. 17. [15.7925] [RIDESHARE DATA.]

The following data on participants, collected by the department of transportation for the purpose of administering the ride-share program, are classified as private pursuant to section 15.162, subdivision 5a: residential address and phone number; beginning and ending work hours; current mode of commuting to and from work; and type of rideshare service information requested.

Sec. 18. [15.7926] [APPRAISAL DATA.]

Subdivision 1. [CONFIDENTIAL DATA.] Estimated or appraised values of individual parcels of real property which are made by personnel of a political subdivision or by independent appraisers acting for political subdivisions for the purpose of acquiring land through purchase or condemnation are classified as confidential data on individuals pursuant to section 15.162, subdivision 2a.

Subd. 2. [PUBLIC DATA.] The data made confidential by the provisions of subdivision 1 shall become public upon the occurrence of any of the following:

(a) The negotiating parties exchange appraisals;

(b) The data are submitted to a court appointed condemnation commissioner;

(c) The data are presented in court in condemnation proceedings; or

(d) The negotiating parties enter into an agreement for the purchase and sale of the property.

Sec. 19. Minnesota Statutes 1980, Section 169.09, Subdivision 13, is amended to read:

Subd. 13. [ACCIDENT REPORTS CONFIDENTIAL.] All written reports and supplemental reports required to be provided to the department of public safety by this section shall be without prejudice to the individual so reporting and shall be for the confidential use of the department of public safety, the Minnesota department of transportation, and appropriate federal, county and municipal governmental agencies for accident prevention purposes, except that the department of public safety or any law enforcement department of any municipality or county in this state shall, upon written request of any person involved in an accident or upon written request of the representative of his estate, his surviving spouse, or one or more of his surviving next of kin, or a trustee appointed pursuant to section 573.02, disclose to the requester, his legal counsel or a representative of his insurer any information contained therein except the parties' version of the accident as set out in the written report filed by the parties or may disclose identity of a person involved in an accident when the identity is not otherwise known or when the person denies his presence at the accident. No report shall be used as evidence in any trial, civil or criminal, arising out of an accident, except that the department of public safety shall furnish upon the demand of any person who has, or claims to have, made a report, or, upon demand of any court, a certificate showing that a specified accident report has or has not been made to the department of public safety solely to prove a compliance or a failure to comply with the requirements that the report be made to the department of public safety. Disclosing any information contained in any accident report, except as provided herein, is unlawful and a misdemeanor.

Nothing herein shall be construed to prevent any person who has made a report pursuant to this chapter from *providing information to any persons involved in an accident or their representatives or from* testifying in any trial, civil or criminal, arising out of an accident, as to facts within his knowledge. It is intended by this subdivision to render privileged the reports required but it is not intended to prohibit proof of the facts to which the reports relate. Legally qualified newspaper publications and licensed radio and television stations shall upon request to a law enforcement agency be given an oral statement covering only the time and place of the accident, the names and addresses of the parties involved, and a general statement as to how the accident happened without attempting to fix liability upon anyone, but said legally qualified newspaper publications and licensed radio and television stations shall not be given access to the hereinbefore mentioned confidential reports, nor shall any such statements or information so orally given be used as evidence in any court proceeding, but shall merely be used for the purpose of a proper publication or broadcast of the news.

(THIS SUBDIVISION SHALL SUPERSEDE OTHER STATE LAW RELATING TO DATA PRIVACY OR CONFIDENTIALITY WITH REGARD TO ACCIDENT REPORTS.)

When these reports are released for accident prevention purposes the identity of any involved person shall not be revealed. Data contained in these reports shall only be used for accident prevention purposes, except as otherwise provided by this subdivision. Accident reports and data contained therein which may be in the possession or control of departments or agencies other than the department of public safety shall not be discoverable under any provision of law or rule of court.

Sec. 20. Minnesota Statutes 1980, Section 268.12, Subdivision 12, is amended to read:

Subd. 12. [INFORMATION.] Except as hereinafter otherwise provided, (INFORMATION OBTAINED) *data gathered* from any employing unit, *employer* or individual pursuant to the administration of sections 268.03 to 268.24, and from any determination as to the benefit rights of any individual shall be (HELD CONFIDENTIAL AND SHALL NOT BE DISCLOSED OR BE OPEN TO PUBLIC INSPECTION IN ANY MANNER REVEALING THE INDIVIDUAL'S OR EMPLOYING UNIT'S IDENTITY. ANY CLAIMANT OR OTHER INTERESTED PARTY (OR HIS LEGAL REPRESENTATIVE) SHALL BE SUPPLIED WITH INFORMATION FROM THE RECORDS OF THE DEPARTMENT OF ECONOMIC SECURITY, TO THE EXTENT NECESSARY FOR THE PROPER PRESENTATION OF HIS CLAIM. CONTENTION OR REFUTATION OF ANY CLAIM IN WHICH HE IS AN INTERESTED PARTY IN ANY PROCEEDING UNDER THESE SECTIONS WITH RESPECT THERETO. SUBJECT TO SUCH RESTRICTIONS AS THE COMMISSIONER MAY BY REGULATION PRESCRIBE, SUCH INFORMATION MAY BE MADE AVAILABLE TO ANY AGENCY OF THIS OR ANY OTHER STATE, OR ANY FEDERAL AGENCY CHARGED WITH THE ADMINISTRATION OF AN EMPLOYMENT AND SECURITY LAW OR THE MAINTENANCE OF A SYSTEM OF PUBLIC EMPLOYMENT OFFICES. ANY AGENCY OF THIS STATE WHICH IS REQUIRED BY LAW TO PROVIDE STATISTICAL INFORMATION TO THE BUREAU OF LABOR STATISTICS OF THE UNITED STATES DEPARTMENT OF LABOR, ANY LOCAL HUMAN RIGHTS DEPARTMENT WITHIN THE STATE WHICH HAS ENFORCEMENT POWERS, OR THE BUREAU OF INTERNAL REVENUE OF THE UNITED STATES DEPARTMENT OF THE TREASURY, AND INFORMATION OBTAINED IN CONNECTION WITH ADMINISTRATION OF THE EMPLOYMENT SERVICE MAY BE MADE AVAILABLE TO PERSONS OR AGENCIES FOR PURPOSES APPROPRIATE TO THE OPERATION OF A PUBLIC EMPLOYMENT SERVICE. UPON REQUEST THEREFOR, THE COMMISSIONER SHALL FURNISH TO ANY AGENCY OF THE UNITED STATES CHARGED WITH THE ADMINISTRATION OF PUBLIC WORKS OR ASSISTANCE THROUGH PUBLIC EMPLOYMENT, AND MAY FURNISH TO ANY STATE AGENCY SIMILARLY CHARGED, OR ANY LOCAL HUMAN RIGHTS

DEPARTMENT WITHIN THE STATE WHICH HAS ENFORCEMENT POWERS, THE NAME, ADDRESS, ORDINARY OCCUPATION, AND EMPLOYMENT STATUS OF EACH RECIPIENT OF BENEFITS AND SUCH RECIPIENT'S RIGHTS TO FURTHER BENEFITS UNDER THESE SECTIONS. THE COMMISSIONER MAY REQUEST THE COMPTROLLER OF THE CURRENCY OF THE UNITED STATES TO CAUSE AN EXAMINATION OF THE CORRECTNESS OF ANY RETURN OR REPORT OF ANY NATIONAL BANKING ASSOCIATION RENDERED PURSUANT TO THE PROVISIONS OF THESE SECTIONS, AND MAY IN CONNECTION WITH SUCH REQUEST, TRANSMIT ANY SUCH REPORT OR RETURN TO THE COMPTROLLER OF THE CURRENCY OF THE UNITED STATES AS PROVIDED IN SECTION 3305(c) OF THE FEDERAL INTERNAL REVENUE CODE.)

(ALL LETTERS, REPORTS, COMMUNICATIONS, OR ANY OTHER MATTERS, EITHER ORAL OR WRITTEN, FROM AN EMPLOYER OR HIS WORKERS TO EACH OTHER OR TO THE COMMISSIONER OR ANY OF HIS AGENTS, REPRESENTATIVES, OR EMPLOYEES, WHICH SHALL HAVE BEEN WRITTEN OR MADE IN CONNECTION WITH THE REQUIREMENTS AND ADMINISTRATION OF SECTIONS 268.03 TO 268.24 OR THE REGULATIONS THEREUNDER, SHALL BE ABSOLUTELY PRIVILEGED AND SHALL NOT BE MADE SUBJECT MATTER OR BASIS FOR ANY SUIT FOR SLANDER OR LIBEL IN ANY COURT OF THIS STATE) *private data on individuals or nonpublic data not on individuals as defined in section 15.162, subdivisions 5a and 5c and shall not be disclosed except pursuant to this subdivision or pursuant to a valid court order. This private data may be disseminated to and used by the following agencies without the consent of the subject of the data:*

(a) *State and federal agencies specifically authorized access to the data by state or federal law;*

(b) *Any agency of this or any other state; or any federal agency charged with the administration of an employment security law or the maintenance of a system of public employment offices;*

(c) *Local human rights groups within the state which have enforcement powers;*

(d) *The Minnesota department of revenue on an interchangeable basis with the department of economic security;*

(e) *Public and private agencies responsible for administering publicly financed assistance programs for the purpose of monitoring the eligibility of the program's recipients;*

(f) *The department of labor and industry for the purpose of determining the eligibility of the data subject;*

(g) *Local and state welfare agencies for monitoring the eligibility of the data subject for assistance programs; and*

(h) *Local, state and federal law enforcement agencies for the sole purpose of ascertaining the last known address and employment location of the data subject, provided the data subject is the subject of a criminal investigation.*

Data on individuals, employers, and employing units which are collected, maintained, or used by the department in an investigation pursuant to section 268.18, subdivision 3 are confidential as to data on individuals and protected nonpublic data as defined in section 15.162, subdivisions 2a and 5d as to non-individual employers and employing units, and shall not be disclosed except pursuant to statute or valid court order or to a party named in a criminal proceeding, administrative or judicial, for preparation of a defense.

Data on individuals, employers, and employing units which are collected, maintained, or used by the department in the adjudication of a separation or eligibility issue pursuant to the administration of section 268.10, subdivision 2 are confidential as to data on individuals and protected nonpublic data as to nonindividual employers and employing units as defined in section 15.162, subdivisions 2a and 5d and shall not be disclosed except pursuant to the administration of section 268.10, subdivisions 3 to 8 or pursuant to a valid court order.

Aggregate data about employers compiled from individual job orders placed with the department of economic security are nonpublic data as defined in section 15.162, subdivision 5c if the commissioner determines that divulging the data would result in disclosure of the identity of the employer. The general aptitude test battery and the nonverbal aptitude test battery as administered by the department are also classified as nonpublic data.

Data on individuals collected, maintained or created because an individual applies for benefits or services provided by the energy assistance and weatherization programs administered by the department of economic security is private data on individuals and shall not be disseminated except pursuant to section 15.163, subdivision 4.

Data gathered by the department pursuant to the administration of sections 268.03 to 268.24 shall not be made the subject or the basis for any suit in any civil proceedings, administrative or judicial, unless the action is initiated by the department."

Delete the title and insert:

“A bill for an act relating to the collection and dissemination of data; classifying data as private, confidential, nonpublic, and protected nonpublic; amending Minnesota Statutes 1980, Sections 15.162, Subdivision 4; 15.1621, Subdivision 1; 15.1642, Subdivision 5; 15.1678; 15.1679; 15.1691, Subdivision 6; 15.1692, Subdivision 2; 169.09, Subdivision 13; 268.12, Subdivision 12; Minnesota Statutes 1981 Supplement, Sections 15.1682; 15.1699; 15.775, Subdivision 2; 15.781, Subdivision 1; and 15.784, Subdivision 2; proposing new law coded in Chapter 15.”

With the recommendation that when so amended the bill pass.

The report was adopted.

Kostohryz from the Committee on General Legislation and Veterans Affairs to which was referred:

H. F. No. 1296, A bill for an act relating to housing; authorizing a rental housing administrator to encumber premises when necessary and to use municipal funds when necessary with costs to be recovered by special assessment; amending Minnesota Statutes 1980, Section 566.29, Subdivision 4.

Reported the same back with the following amendments:

Page 1, after line 8, insert:

“Section 1. Minnesota Statutes 1980, Section 566.25, is amended to read:

566.25 [JUDGMENT.]

Upon finding the complaint proved, the court, may, in its discretion, *do any or all of the following, either alone or in combination:*

(a) Order the owner to remedy the violation or violations found by the court to exist if the court is satisfied that corrective action will be undertaken promptly; or

(b) Order the tenant to remedy the violation or violations found by the court to exist and deduct the cost (THEREOF) from his rent subject to (SUCH) *the* terms as the court determines to be just; or

(c) Appoint an administrator with powers as set out in section 566.29, and

(1) direct that rents due:

((A)) (i) on and from the day of entry of judgment, in the case of petitioning tenants, and

((B)) (ii) on and from the day of service of the judgment on all other tenants and commercial tenants of the building, if (THERE) be (ANY), shall be deposited with the administrator appointed by the court, and

(2) direct that the administrator use the rents collected for the purpose of remedying the violations found to exist by the court paying the debt service, taxes and insurance, and providing the services necessary to the ordinary operation and maintenance of the building which the owner is obligated to provide but which he fails or refuses to provide; or

(d) Find the extent to which any uncorrected violations impair the tenants' use and enjoyment of the premises contracted for and order the rent (THEREFOR) abated accordingly. Should the court choose to enter judgment under this paragraph the parties shall be informed and the court shall find the amount by which the rent shall be abated; and

(e) Grant (SUCH) any other relief as to the court (MAY SEEM) deems just and proper."

Page 1, line 11, after "4." insert "[POWERS.]"

Page 1, line 19, delete "*which*" and strike "are"

Page 1, line 25, strike "to make disbursements for payment thereof" and insert "*pay for them*"

Page 2, line 1, delete "To"

Page 2, line 1, delete "*all*" and insert "*the*"

Page 2, line 2, after "*premises*" insert "*to secure funds*"

Page 2, line 4, delete "*which are*"

Page 2, line 5, after "*and*" insert "*to*"

Page 2, lines 5 and 6, delete "*make disbursements for payment thereof*" and insert "*pay for them*"

Page 2, line 7, delete "To"

Page 2, line 7, delete "*all*" and insert "*the*"

Page 2, line 11, delete "*which are*"

Page 2, line 14, delete "the"

Page 2, line 15, delete "land on which the building stands. The" and insert "real estate affected, with the"

Page 2, line 16, delete "shall" and insert "to"

Page 2, line 16, delete "in" and "manner"

Page 2, line 17, delete "law" and insert "statute"

Page 2, after line 18, insert:

"Sec. 3. [EFFECTIVE DATE.]

This act is effective the day following final enactment."

Renumber the section

Amend the title as follows:

Page 1, line 6, delete "Section" and insert "Sections 566.25; and"

With the recommendation that when so amended the bill pass.

The report was adopted.

Vanasek from the Committee on Criminal Justice to which was referred:

H. F. No. 1545, A bill for an act relating to traffic offenses; prohibiting the issuance of arrest warrants for parking violations; amending Minnesota Statutes 1980, Section 171.16, by adding a subdivision.

Reported the same back with the following amendments:

Page 1, line 11, after "violation" insert "or expired license plates or tabs"

Page 1, line 14, delete "July 1, 1982" and insert "January 1, 1984"

Amend the title as follows:

Page 1, line 3, after "violations" insert "expired plates or tabs"

With the recommendation that when so amended the bill pass.

The report was adopted.

Norton from the Committee on Governmental Operations to which was referred:

H. F. No. 1730, A bill for an act relating to state departments and agencies; regulating the disposition of certain land within the capitol area; amending Minnesota Statutes 1981 Supplement, Section 15.50, Subdivision 6.

Reported the same back with the following amendments:

Page 2, lines 19 and 20, delete the new language

• Page 2, line 24, after the period, insert "*All conveyances of property under subclauses (i) and (ii) shall be without compensation and shall be subject to any restrictive easements which the board may determine to be necessary for implementation of the comprehensive plan.*"

Page 2, lines 27 to 33, delete the new language

Page 3, after line 20, insert:

"(5) At any time after acquiring a tax-forfeited parcel of property pursuant to the provisions of this subdivision, the board may direct the commissioner of administration to convey the parcel of property by quitclaim deed to the city of Saint Paul housing and redevelopment agency. The conveyance of property shall be without compensation and shall be subject to any restrictive easements which the board may determine to be necessary for implementation of the comprehensive plan."

With the recommendation that when so amended the bill pass and be placed on the Consent Calendar.

The report was adopted.

Norton from the Committee on Governmental Operations to which was referred:

H. F. No. 1731, A bill for an act relating to retirement; volunteer firefighters relief association; fire and police state aid programs; combining various reports for purposes of qualifying for fire state aid; modifying the presumptions used in determining qualification for fire or police state aid; clarifying the duration of disqualification from receipt of fire or police state aid in the event of noncompliance with financing guidelines; clarifying the procedure for crediting service by certain probationary volunteer firefighters; clarifying a limitation on the payment of service pensions to active volunteer firefighters; amending Minnesota Statutes 1980, Sections 69.021, Subdivision 4; 69.051, Subdivision 3; 69.771, Subdivision 3; and 424A.-01, by adding a subdivision; Minnesota Statutes 1981 Supplement, Sections 69.011, Subdivision 2; 69.051, Subdivision 1; 69.-77, Subdivision 1; and 424A.02, Subdivision 1.

Reported the same back with the following amendments:

Page 4, after line 9, insert "*The commissioner shall also certify to each county auditor the name of each qualified state aid recipient located in the county and any other information deemed necessary for the county auditor to make the subsequent apportionment of state aid.*"

Page 7, line 13, strike "any municipality"

Page 7, line 22, after "association" insert "*and that municipality*"

With the recommendation that when so amended the bill pass.

The report was adopted.

Kostohryz from the Committee on General Legislation and Veterans Affairs to which was referred:

H. F. No. 1738, A bill for an act relating to municipal planning and zoning; prohibiting exclusion of manufactured homes and other types of single family dwellings; amending Minnesota Statutes 1980, Section 462.357, Subdivision 1.

Reported the same back with the following amendments:

Page 1, after line 7, insert:

"Section 1. Minnesota Statutes 1980, Section 394.25, Subdivision 3, is amended to read:

Subd. 3. Within each such district zoning ordinances or maps may also be adopted designating or limiting the location, height, width, bulk, type of foundation, number of stories, size of, and the specific uses for which dwellings, buildings, and structures may be erected or altered; the minimum and maximum size of yards, courts, or other open spaces; setback from existing roads and highways and roads and highways designated on an official map; protective measures necessary to protect the public interest including but not limited to controls relating to appearance, signs, lighting, hours of operation and other aesthetic performance characteristics including but not limited to noise, heat, glare, vibrations and smoke; the area required to provide for off street loading and parking facilities; heights of trees and structures near airports; and to avoid too great concentration or scattering of the population. All such provisions shall be uniform for each class of land or building throughout each district, but the provisions in one district may differ from those in other districts. No provision may prohibit earth sheltered construction as defined in section 116H.02, subdivision 3, or manufactured homes built in conformance with sections 327.31 to 327.35 that

(COMPLIES) *comply* with all other zoning ordinances promulgated pursuant to this section.”

Renumber the section

Page 1, line 12, after “height,” insert “width,”

Page 1, line 13, after “bulk,” insert “*type of foundation,*”

Page 1, lines 24 and 25, delete the new language

Page 2, line 1, after “3,” insert “or”

Page 2, line 1, delete “*as defined*” and insert “*built in conformance with sections 327.31 to 327.35*”

Page 2, delete line 2

Page 2, line 3, delete “*dwellings*”

Amend the title as follows:

Page 1, delete lines 2 to 5 and insert:

“relating to local government; changing municipal and county planning and zoning laws; prohibiting exclusion of manufactured homes and other types of single family dwellings; amending Minnesota Statutes 1980, Sections 394.25, Subdivision 3; and 462.357, Subdivision 1.”

With the recommendation that when so amended the bill pass.

The report was adopted.

Brinkman from the Committee on Financial Institutions and Insurance to which was referred:

H. F. No. 1862, A bill for an act relating to insurance; authorizing separate accounts for certain pension plans; amending Minnesota Statutes 1981 Supplement, Section 61A.282, Subdivision 2; proposing new law coded in Minnesota Statutes, Chapter 61A.

Reported the same back with the following amendments:

Page 1, after line 8, insert:

“Section 1. Minnesota Statutes 1981 Supplement, Section 60C.03, Subdivision 8, is amended to read:

Subd. 8. "Insolvent insurer" means an insurer licensed to transact insurance in this state, either at the time the policy was issued, or when the insured event occurred, and against whom an order of liquidation with a finding of insolvency has been entered after (AUGUST 1, 1981) *April 30, 1979* by a court of competent jurisdiction, in the insurer's state of domicile or of this state, under the provisions of chapter 60B, and which order of liquidation has not been stayed or been the subject of a writ of supersedeas or other comparable order.

Sec. 2. Minnesota Statutes 1981 Supplement, Section 60C.09, Subdivision 1, is amended to read:

Subdivision 1. [DEFINITION.] A covered claim is any unpaid claim, including one for unearned premium, which:

(a) Arises out of and is within the coverage of an insurance policy issued by a member insurer if (SUCH) *the* insurer becomes an insolvent insurer after (AUGUST 1, 1981) *April 30, 1979*;

(b) Arises out of a class of business which is not excepted from the scope of Laws 1971, Chapter 145 by section 60C.02; and

(c) Is made by:

(i) A policyholder, or an insured beneficiary under a policy, who, at the time of the insured event, was a resident of this state; or

(ii) A person designated in the policy as having an insurable interest in or related to property situated in this state at the time of the insured event; or

(iii) An obligee or creditor under any surety bond, who, at the time of default by the principal debtor or obligor, was a resident of this state; or

(iv) A third party claimant under a liability policy or surety bond, if: (a) the insured or the third party claimant was a resident of this state at the time of the insured event; (b) the claim is for bodily or personal injuries suffered in this state by a person who when he suffered the injuries was a resident of this state; or (c) the claim is for damages to real property situated in this state at the time of damage; or

(v) A direct or indirect assignee of a person who except for the assignment might have claimed under (i), (ii) or (iii)."

Renumber the sections

Page 3, line 29, after "section" delete "1" and insert "3"

Page 4, line 14, delete "and 2" and insert "to 4"

Amend the title as follows:

Page 1, line 2, after the semicolon insert "modifying the definitions of insolvent insurer and a covered claim for purposes of the insurance guaranty association act;"

Page 1, line 4, delete "Section" and insert "Sections 60C.03, Subdivision 8; 60C.09, Subdivision 1; and"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Rules and Legislative Administration.

The report was adopted.

Norton from the Committee on Governmental Operations to which was referred:

H. F. No. 1878, A bill for an act relating to the legislature; establishing a legislative science and technology resource council; providing for its powers and duties; proposing new law coded in Minnesota Statutes, Chapter 3.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [3.352] [LEGISLATIVE COMMISSION ON SCIENCE AND TECHNOLOGY.]

Subdivision 1. [CREATION, MEMBERSHIP, MEETINGS.] The legislative commission on science and technology is composed of three senators of the majority party and two senators of the minority party appointed by the subcommittee on committees of the committee on rules and administration, and three representatives of the majority party and two representatives of the minority party appointed by the speaker of the house. The commission shall be appointed and shall hold its first meeting not later than 30 days after enactment of this section. The commission shall elect a chairman from among its members. Meetings of the commission shall be held not less than six times each year.

Subd. 2. [PURPOSE, LEGISLATIVE FINDINGS.] The legislature finds that an increasing number of scientific and technical issues have become major questions of public policy. It further finds that many legislators need greater knowledge and experience in physical and biological sciences and other highly technical fields. Therefore, the legislature declares the need for an on-going staff function that will supply objective services in the areas of issue identification, policy option review, and access to outside professional resource persons. Oversight of the

science and technology function shall be primarily the responsibility of the commission established in subdivision 1.

Subd. 3. [GENERAL DUTIES.] The commission shall advise and assist other legislators and standing committees through:

(a) identification of scientific and technological issues that may require legislative involvement in the near or long term future;

(b) improving legislator understanding of technical aspects of issues that come before the legislature;

(c) assuring adequate access to the testimony and counsel of experts in various scientific and technological fields;

(d) sponsoring seminars or other learning experiences that improve legislator understanding of scientific and technological issues.

Subd. 4. [SCIENCE AND TECHNOLOGY RESOURCE COUNCIL.] The commission shall establish or continue a science and technology resource council composed of 15 members from the academic and scientific communities of Minnesota. Council members shall serve six year terms, with the terms of five members expiring at the end of each odd-numbered year. The membership of the council shall appoint replacements to fill expired terms and vacancies caused by death, disability, or resignation. In January of each even-numbered year the council shall elect a chairman and vice-chairman from among its members to serve two year terms. The council shall meet upon the call of the chairman or the request of a majority of the council's members. The chairman may create and abolish subcommittees.

All council members shall serve without compensation. However, members may be reimbursed for the actual expenses of attending meetings.

The council may advise and assist the commission on:

(1) holding seminars on science and technology subjects that will provide information to legislators;

(2) defining scientific and technological issues that will be important in the future and that may require legislative encouragement, prohibition, or regulation;

(3) reviewing documents prepared by legislative staff on scientific and technological subjects; and

(4) *maintaining access to a pool of specialists and experts who can assist the legislature in consideration of science and technology policy issues.*

Subd. 5. [STAFF AND APPROPRIATIONS FOR THE COMMISSION.] *The legislative coordinating commission shall be responsible for staffing and appropriations to the commission as provided in section 3.304, subdivision 2a. The legislative coordinating commission may delegate staffing responsibilities to an existing staff office of the house of representatives or the senate, a joint legislative committee or office, or a state agency.*

The legislative coordinating commission may accept and receive, on behalf of the commission, any grants, gifts, or other funds made available to the state for purposes consistent with this section.

Sec. 2. [APPROPRIATION.]

There is appropriated from the general fund to the legislative coordinating commission the amount of \$10,000 for purposes of section 1. This amount is available until June 30, 1983. Of this appropriation, not more than \$1,000 shall be used to reimburse members of the science and technology resource council for their actual expenses of attending meetings. The balance may be used for conducting seminars, publishing and distributing printed materials, and other expenses directly related to the purposes of this act.

Sec. 3. [REPEALER.]

Minnesota Statutes 1980, Section 3.351, is repealed.

Sec. 4. [EFFECTIVE DATE.]

This act is effective the day following final enactment. The science and technology resource council existing prior to Laws 1981, Third Special Session Chapter 2, Section 2(a)(8) may continue as the resource council established pursuant to section 1, subdivision 4."

Delete the title and insert:

"A bill for an act relating to the legislature; creating a legislative commission on science and technology; appropriating money; proposing new law coded in Minnesota Statutes, Chapter 3; and repealing Minnesota Statutes 1980, Section 3.351."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Wenzel from the Committee on Agriculture to which was referred:

H. F. No. 1942, A bill for an act relating to agriculture; providing for the prevention of economic waste in the marketing of certain agricultural crops produced in Minnesota by fixing a minimum price; providing for administration and enforcement; providing a penalty; proposing new law coded in Minnesota Statutes, Chapter 17.

Reported the same back with the following amendments:

Pages 2, 3 and 4, delete sections 2 to 6 and insert:

"Sec. 2. [17.703] [LEGISLATIVE COMMISSION ON FARM COMMODITY PRICES.]

Subdivision 1. [COMPOSITION.] The legislative commission on farm prices is composed of three senators of the majority party and two senators of the minority party appointed by the subcommittee on committees of the committee on rules and administration, and three representatives of the majority party and two representatives of the minority party appointed by the speaker of the house. The commission shall elect a chairman from among its members.

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

(a) Contact all other grain producing states and hold discussions with them on the formation of an interstate grain compact.

(b) Draw up legislation with other grain producing states that can be jointly enacted establishing an interstate grain compact.

(1) Such legislation shall seek to establish a minimum price for all major grains produced within these states that would guarantee cost of production and a reasonable profit.

(2) Such legislation must address problems of grain storage surplus, production controls, orderly marketing and other problems that may arise for farmers and other agricultural industries.

(3) Such legislation must also establish an interstate grain compact governing board and spell out the powers of such board that will insure input by the member states and smooth operation of the grain compact.

Subd. 3. [COMMODITY PRICE PLAN; REPORT TO LEGISLATURE.] The commission shall develop a plan based

on the provisions of subdivision 2 and consistent with long term agricultural goals for Minnesota. The plan shall be reported to the legislature no later than January 20, 1983.

Subd. 4. [STAFF.] The commission shall use existing legislative facilities and staff.

Sec. 3. [EFFECTIVE DATE.]

Sections 1 and 2 are effective the day following final enactment."

Amend the title as follows:

Page 1, line 2, after "for" insert "the establishment of a legislative commission on farm commodity prices" and delete "the prevention"

Page 1, delete lines 3, 4 and 5

Page 1, line 6, delete "enforcement; providing a penalty"

With the recommendation that when so amended the bill pass.

The report was adopted.

Jude from the Committee on Judiciary to which was referred:

H. F. No. 2040, A bill for an act relating to real property; providing for relief in certain cases from inequitable foreclosure of mortgages, termination of contracts for the conveyance of real estate, and execution sales of real property during an emergency declared by the governor; authorizing the governor to declare by proclamation a public economic emergency under certain conditions, limiting its duration, and providing nullifying powers in the legislature; postponing certain sales and extending the period of redemption of real property during an emergency; providing for possession during the extended period; and limiting the right to maintain actions for deficiency judgments; proposing new law coded in Minnesota Statutes, Chapter 4.

Reported the same back with the following amendments:

Page 2, line 3, delete "*may result*" and insert "*have resulted*"

Page 2, line 6, delete "*to be effective*"

Page 2, delete lines 7 and 8

Page 2, line 9, delete "*to that effect*"

Page 2, delete section 2

Page 2, line 30, delete "*a proclamation made*" and insert "*the effective date of this act*"

Page 2, line 31, delete "*pursuant to section 2*"

Page 4, line 29, delete "*3 to 12*" and insert "*2 to 11*" and delete "*Upon the governor's*"

Page 4, line 30, delete "*proclamation,*"

Page 4, line 33, delete everything before the period and insert "*after the effective date of sections 1 to 11*"

Page 5, line 1, delete everything before the comma and insert "*after the effective date of sections 1 to 11*"

Page 5, line 4, delete everything after "*made*" and insert "*after the effective date of sections 1 to 11*"

Page 5, line 5, delete "*proclamation*"

Page 5, line 6, delete "*but in*"

Page 5, delete line 7

Page 5, line 8, delete "*proclamation*"

Page 6, line 7, delete "*3 to 12*" and insert "*2 to 11*"

Page 6, lines 18, 28, 33 and 36, delete "*12*" and insert "*11*"

Page 6, line 29, delete "*date of the governor's*" and insert "*effective date of sections 1 to 11*"

Page 6, line 30, delete "*proclamation*" and delete "*date of the*" and insert "*effective date of sections 1 to 11*"

Page 6, line 31, delete "*governor's proclamation*"

Page 6, line 32, delete "*the governor's proclamation*" and insert "*sections 1 to 11*"

Page 6, line 36, delete "*do not*" and insert "*shall*"

Page 7, line 3, delete "*nor shall*"

Page 7, lines 4, 12 and 15, delete "*12*" and insert "*11*"

Page 7, line 4, before "*apply*" insert "*shall*"

Page 7, line 6, after the period, insert "*The provisions of sections 1 to 11 shall apply only to mortgages and contracts for deed on property used for farming purposes.*"

Page 7, line 15, delete everything after "*suspended*"

Page 7, line 16, delete "*proclamation*"

Page 7, line 18, delete "*Sections 1 and 2 are*" and insert "*This Act is*"

Page 7, line 19, delete everything after the period

Page 7, delete lines 20 and 21

Renumber the sections

Amend the title as follows:

Page 1, line 6, delete "*governor*" and insert "*legislature*"

Page 1, delete lines 7 to 9

Page 1, line 10, delete "*in the legislature;*"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Brinkman from the Committee on Financial Institutions and Insurance to which was referred:

H. F. No. 2060, A bill for an act relating to commerce; providing for a determination of when certain property held by a financial institution or business organization is presumed abandoned; amending Minnesota Statutes 1980, Sections 345.32, as amended; and 345.39, as amended.

Reported the same back with the following amendments:

Page 2, line 36, after "*or*" insert "*issued*" and delete "*which does not have a law*" and insert "*the law in which for any reason does not apply*"

Page 3, line 1, delete "*pertaining*"

Page 3, line 6, reinstate the stricken language

Page 3, line 7, delete the new language

Page 3, line 10, after the comma, insert "*or, in the case of money orders, has been outstanding for more than seven years from the date of its issuance,*"

Page 3, line 11, after the second comma, insert "*or within seven years in the case of money orders,*"

Pages 4 and 5, delete section 2 and insert:

"Sec. 2. [APPLICATION.]

Section 1 does not create any right or duty or affect any right accrued, any duty imposed, any penalty incurred, or any proceeding commenced with respect to money orders issued before July 1, 1974. Any civil suit, action, or proceeding pending to enforce any alleged rights under the authority of section 345.32 before the effective date of section 1 may be disposed of without regard to the amendments enacted by section 1."

Amend the title as follows:

Page 1, line 6, after the first "amended" delete the balance of the line to the period

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Rules and Legislative Administration.

The report was adopted.

Wenzel from the Committee on Agriculture to which was referred:

H. F. No. 2139, A bill for an act relating to agriculture; specifying the qualifications of private grain inspectors; proposing new law coded in Minnesota Statutes, Chapter 17B.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [17B.115] [STANDARDS; INSPECTORS.]

All persons not employed by the commissioner who are inspecting, sampling and grading grain received at any terminal warehouse and not destined for outbound shipment, shall be examined and certified biennially by the commissioner. The commissioner may refuse to issue a certificate to an applicant, and may suspend or revoke the certificate for just cause upon

notice, and the private grain inspector shall then be entitled to a hearing before the commissioner for reinstatement. The examination and certificate shall ensure that the person is qualified to perform the inspection, sampling and grading activities consistent with the United States Code, Title 7, Sections 71 to 87, the regulations promulgated thereunder by the United States department of agriculture, and the standards of the board of grain standards. The commissioner shall prescribe fees to recover the costs of the examination and certificate. These fees shall be deposited in the grain inspection and weighing fund. The commissioner may make rules to carry out the provisions of this section. Private employers shall be responsible for the faithful performance of this section.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective July 1, 1982."

With the recommendation that when so amended the bill pass.

The report was adopted.

Norton from the Committee on Governmental Operations to which was referred:

S. F. No. 1256, A bill for an act relating to state government; directing the commissioner of administration to obtain state office space in certain types of historically significant buildings when practical; amending Minnesota Statutes 1980, Section 16.243.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 930, 1296, 1545, 1730, 1731, 1738, 1942 and 2139 were read for the second time.

SECOND READING OF SENATE BILLS

S. F. Nos. 1727, 1567, 1673, 2103, 1547, 1702, 1687, 1691, 1455 and 1256 were read for the second time.

**INTRODUCTION AND FIRST READING
OF HOUSE BILLS**

The following House Files were introduced:

Drew, Onnen, Jennings, Hoberg and Dempsey introduced:

H. F. No. 2264, A bill for an act relating to taxation; income; providing business incentives by adopting full accelerated cost recovery system, gradually reducing income tax rates, and providing an additional capital gains deduction for corporations; amending Minnesota Statutes 1980, Section 290.16, Subdivisions 15, as amended, and 16, as amended, and by adding a subdivision; Minnesota Statutes 1981 Supplement, Sections 290.01, Subdivision 20, as amended; 290.06, Subdivisions 1, as amended, and 2c; 290.09, Subdivision 7, as amended.

The bill was read for the first time and referred to the Committee on Taxes.

Dempsey, McDonald, Esau, Schafer and Piepho introduced:

H. F. No. 2265, A bill for an act relating to taxation; conforming with the federal effective dates of changes to the estate tax law; correcting citations to federal law; amending Minnesota Statutes 1980, Sections 291.015, as amended; 291.03, Subdivision 3, as amended; 291.051, Subdivision 1, as amended; 291.09, Subdivision 1a, as amended; and Laws 1981, Third Special Session Chapter 2, Article VI, Section 8.

The bill was read for the first time and referred to the Committee on Taxes.

Hoberg, Valan and Stadum introduced:

H. F. No. 2266, A bill for an act relating to economic development; recognizing the problems of distressed border cities; directing the department of energy, planning and development to identify border city equalization zones and disparity relief measures.

The bill was read for the first time and referred to the Committee on Commerce and Economic Development.

Anderson, I.; Skoglund; Halberg; Novak and Battaglia introduced:

H. F. No. 2267, A bill for an act relating to taxation; income; providing that the deduction for federal income taxes may be apportioned between spouses who file a combined return as they elect; amending Minnesota Statutes 1981 Supplement, Section 290.18, Subdivision 2.

The bill was read for the first time and referred to the Committee on Taxes.

Wynia; Carlson, L.; Kvam and Clark, K., introduced:

H. F. No. 2268, A bill for an act relating to health; providing benefits for the services of a clinical specialist in psychiatric/mental health nursing; amending Minnesota Statutes 1981 Supplement, Section 62A.152, Subdivision 2.

The bill was read for the first time and referred to the Committee on Financial Institutions and Insurance.

Wynia; Carlson, L.; Kvam and Clark, K., introduced:

H. F. No. 2269, A bill for an act relating to insurance; requiring health insurance benefits to include services of a registered nurse; proposing new law coded in Minnesota Statutes, Chapter 62A.

The bill was read for the first time and referred to the Committee on Financial Institutions and Insurance.

MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Mr. Speaker:

I hereby announce that the Senate has concurred in and adopted the report of the Conference Committee on:

H. F. No. 1139, A bill for an act relating to courts; providing for certain reorganization in the court system in the state; providing that the second and fourth judicial district courts shall also be probate courts; creating certain judicial positions to be filled by election; raising the jurisdictional limit in county and county municipal court; providing the county and county municipal court with gross misdemeanor jurisdiction; abolishing the office of referee; providing for continuance of certain referee positions for a limited time; providing for continuance of certain judicial officer positions for a limited time; authorizing the judges of the courts within each judicial district to elect to form one unified court; creating an appellate division of the district court; appropriating money; amending Minnesota Statutes 1980, Sections 2.722, Subdivision 1, and by adding a subdivision; 260.-031, Subdivision 1; 484.01; 484.70, Subdivision 1, and by adding subdivisions; 487.08, Subdivisions 2 and 3; 487.15; 487.16; 487.-18; 488A.01, Subdivisions 4, 6 and 8; 488A.13, Subdivisions 4, 7, 9 and 13; 488A.27, Subdivision 11; 525.10; proposing new law coded in Minnesota Statutes, Chapter 484; proposing new law coded as Minnesota Statutes, Chapter 484A; repealing Minnesota Statutes 1980, Sections 484.67; 484.70, Subdivisions 2, 3, 4 and 5; 487.08, Subdivision 4; 487.09; 525.04; and Laws 1978, Chapter 750, Section 6.

The Senate has repassed said bill in accordance with the recommendation and report of the Conference Committee. Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce the passage by the Senate of the following Senate File, herewith transmitted:

S. F. No. 2174.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce the passage by the Senate of the following Senate Files, herewith transmitted:

S. F. Nos. 1481 and 1856.

PATRICK E. FLAHAVEN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 2174, A bill for an act relating to appropriations; canceling and reappropriating money to the housing development fund for certain purposes.

The bill was read for the first time.

SUSPENSION OF RULES

Pursuant to Article IV, Section 19, of the Constitution of the state of Minnesota, Kostohryz moved that the rule therein be suspended and an urgency be declared so that S. F. No. 2174 be given its second and third readings and be placed upon its final passage. The motion prevailed.

Kostohryz moved that the rules of the House be so far suspended that S. F. No. 2174 be given its second and third readings and be placed upon its final passage. The motion prevailed.

S. F. No. 2174 was read for the second time.

S. F. No. 2174, A bill for an act relating to appropriations; canceling and reappropriating money to the housing development fund for certain purposes.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 113 yeas and 3 nays as follows:

Those who voted in the affirmative were:

Aasness	Erickson	Kalis	Ogren	Sherwood
Ainley	Evans	Kelly	Olsen	Sieben, M.
Anderson, B.	Ewald	Knickerbocker	Onnen	Skoglund
Anderson, G.	Fjoslien	Kostohryz	Osthoff	Staten
Anderson, I.	Frerichs	Kvam	Otis	Stowell
Battaglia	Greenfield	Lemen	Peterson, B.	Stumpf
Berkelman	Gruenes	Long	Peterson, D.	Sviggum
Blatz	Halberg	Luknic	Piepho	Swanson
Brandl	Hanson	Mann	Pogemiller	Tomlinson
Brinkman	Harens	Marsh	Redalen	Valan
Byrne	Hauge	McCarron	Reding	Vanasek
Carlson, D.	Heap	McDonald	Rees	Vellenga
Carlson, L.	Heinitz	McEachern	Rice	Voss
Clark, J.	Himle	Mehrkens	Rodriguez, C.	Weaver
Clawson	Hoberg	Metzen	Rodriguez, F.	Welch
Dahlvang	Hokanson	Minne	Rose	Wenzel
Dean	Hokr	Munger	Samuelson	Wieser
Dempsey	Jacobs	Murphy	Sarna	Wigley
Den Ouden	Johnson, C.	Nelsen, B.	Schafer	Wynia
Drew	Johnson, D.	Nelson, K.	Schoenfeld	Zubay
Eken	Jude	Norton	Searles	Spkr. Sieben, H.
Elioff	Kahn	Novak	Shea	
Ellingson	Kaley	Nysether	Sherman	

Those who voted in the negative were:

Ludeman	Niehaus	Welker
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The bill was passed and its title agreed to.

S. F. No. 1481, A bill for an act relating to state government; providing a one time early retirement insurance benefit option for certain state employees; amending Minnesota Statutes 1981 Supplement, Section 43A.24, Subdivision 2.

The bill was read for the first time and referred to the Committee on Governmental Operations.

S. F. No. 1856, A bill for an act relating to state government; improving the state's personnel management functions; amending Minnesota Statutes 1980, Sections 6.582; 11A.07, Subdivision 4; 12.04, Subdivision 1; 15.0575, Subdivision 3; 15.059, Subdivision 3; 15.43, Subdivision 1; 60B.09, Subdivision 2; 84.028, Subdivision 3; 84.081, Subdivision 1; 85A.03, Subdivision 2; 124.645, Subdivision 3; 128A.02, Subdivision 3; 136A.55, Subdivision 4; 144A.52, Subdivision 2; 168.325, Subdivision 1; 171.015, Subdivision 1; 216A.04, Subdivision 3; 241.64, Subdivision 3; 241.65; 246.017, Subdivision 2; 299E.01, Subdivision 1; 299F.01, Subdivision 2; and 352D.02, by adding a subdivision; Minne-

sota Statutes 1981 Supplement, Sections 3.855, Subdivision 3; 43A.02, Subdivision 28; 43A.04, Subdivisions 3, 4, and by adding a subdivision; 43A.05, Subdivision 4; 43A.08, Subdivisions 1, 3, and by adding subdivisions; 43A.11, Subdivisions 3, 4, 7 and 8; 43A.13, Subdivisions 1, 4 and 5; 43A.15, Subdivisions 6 and 10; 43A.17, Subdivision 4; 43A.18, Subdivisions 3 and 4; 43A.19, Subdivision 1; 43A.27, Subdivision 3; 43A.33, Subdivisions 1, 3 and 4; 43A.37, Subdivision 1; 43A.38; 43A.39; 43A.41, Subdivision 4; 43A.42; 43A.44, Subdivision 2; 124.41, Subdivision 3; 254A.03, Subdivision 1; 352D.02, Subdivision 1; and 462A.04, Subdivision 8; Laws 1971, Extra Session, Chapter 3, Section 19, Subdivision 5; Laws 1980, Chapter 564, Article XII, Section 1, Subdivision 6; Laws 1981, Chapter 210, Section 55; repealing Minnesota Statutes 1980, Sections 12.05; 124.615, Subdivision 3; 190.081; and 190.095; and Minnesota Statutes 1981 Supplement, Section 43A.08, Subdivision 2.

The bill was read for the first time.

Clark K., moved that S. F. No. 1856 and H. F. No. 1967, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

CONSENT CALENDAR

H. F. No. 1663, A bill for an act relating to law libraries; recodifying the laws governing county law libraries; amending Minnesota Statutes 1980, Sections 140.34; 140.35; 140.36; 140.37; 140.38; 140.39; 140.40; 140.44; 140.45; 140.46; and 480.09, Subdivision 5; proposing new law coded in Minnesota Statutes 1980, Chapter 140; repealing Minnesota Statutes 1980, Sections 140.01 to 140.20; 140.212 to 140.33; 140.41 to 140.435; Minnesota Statutes 1981 Supplement, Section 140.21.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 124 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Aasness	Carlson, L.	Fjoslien	Hokanson	Kvam
Ainley	Clark, J.	Forsythe	Hokr	Laidig
Anderson, B.	Clark, K.	Frerichs	Jacobs	Lehto
Anderson, G.	Clawson	Greenfield	Jennings	Levi
Anderson, I.	Dahlvang	Gruenes	Johnson, C.	Long
Pattaglia	Dean	Halberg	Johnson, D.	Ludeman
Begich	Dempsey	Hanson	Jude	Luknic
Berkelman	Elioff	Harens	Kahn	Mann
Blatz	Ellingson	Hauge	Kaley	Marsh
Brandl	Erickson	Heap	Kalis	McCarron
Brinkman	Esau	Heinitz	Kelly	McDonald
Byrne	Evans	Himle	Knickerbocker	McEachern
Carlson, D.	Ewald	Hoberg	Kostohryz	Mehrkens

Metzen	Olsen	Rice	Sieben, M.	Vellenga
Minne	Onnen	Rodriguez, C.	Skoglund	Voss
Munger	Osthoff	Rodriguez, F.	Stadum	Weaver
Murphy	Otis	Rose	Staten	Welch
Nelsen, B.	Peterson, B.	Samuelson	Stowell	Welker
Nelson, K.	Peterson, D.	Sarna	Stumpf	Wenzel
Niehaus	Piepho	Schafer	Sviggum	Wieser
Norton	Pogemiller	Schoenfeld	Swanson	Wigley
Novak	Redalen	Searles	Tomlinson	Wynia
Nysether	Reding	Shea	Valan	Zubay
O'Connor	Rees	Sherman	Valento	Spkr. Sieben, H.
Ogren	Reif	Sherwood	Vanasek	

The bill was passed and its title agreed to.

S. F. No. 1107, A bill for an act relating to public welfare; authorizing the commissioner of public welfare to use money in the revolving fund for vocational rehabilitation of the blind for certain purposes; removing the preference given to blind operators of vending machines who have resided in the state for a year; amending Minnesota Statutes 1980, Section 248.07, Subdivision 8.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 121 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Aasness	Esau	Kalis	Nysether	Sieben, M.
Ainley	Evans	Kelly	O'Connor	Skoglund
Anderson, B.	Ewald	Knickerbocker	Ogren	Staten
Anderson, G.	Fjoslien	Kostohryz	Olsen	Stowell
Anderson, I.	Frerichs	Kvam	Onnen	Stumpf
Battaglia	Greenfield	Lehto	Osthoff	Sviggum
Begich	Gruenes	Lemen	Otis	Swanson
Berkelman	Gustafson	Levi	Peterson, B.	Tomlinson
Blatz	Halberg	Long	Peterson, D.	Valan
Brandl	Hanson	Ludeman	Piepho	Valento
Brinkman	Harens	Luknic	Pogemiller	Vanasek
Byrne	Hauge	Mann	Redalen	Voss
Carlson, D.	Heap	McCarron	Reding	Weaver
Carlson, L.	Heinitz	McDonald	Rees	Welch
Clark, J.	Himle	McEachern	Rice	Welker
Clawson	Hoberg	Mehrkens	Rodriguez, C.	Wenzel
Dahlvang	Hokanson	Metzen	Rodriguez, F.	Wieser
Dean	Hokr	Minne	Rose	Wigley
Dempsey	Jacobs	Munger	Samuelson	Wynia
Den Ouden	Jennings	Murphy	Sarna	Zubay
Drew	Johnson, C.	Nelsen, B.	Schafer	Spkr. Sieben, H.
Eken	Johnson, D.	Nelson, K.	Schoenfeld	
Elioff	Jude	Niehaus	Searles	
Ellingson	Kahn	Norton	Sherman	
Erickson	Kaley	Novak	Sherwood	

The bill was passed and its title agreed to.

There being no objection the bills on the Technical Consent Calendar were now considered.

H. F. No. 1720, A bill for an act relating to retirement; recognizing service covered by multiple retirement funds for entitlement to a disability benefit; proposing new law coded in Minnesota Statutes, Chapter 356.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 123 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Aasness	Esau	Kelly	Nysether	Sherwood
Ainley	Evans	Knickerbocker	O'Connor	Sieben, M.
Anderson, B.	Ewald	Kostohryz	Ogren	Skoglund
Anderson, G.	Fjoslien	Kvam	Olsen	Staten
Anderson, I.	Frerichs	Lehto	Onnen	Stowell
Eattaglia	Greenfield	Lemen	Osthoff	Stumpf
Begich	Gruenes	Levi	Otis	Swiggum
Berkelman	Halberg	Long	Peterson, B.	Swanson
Blatz	Hanson	Ludeman	Peterson, D.	Tomlinson
Brandl	Harens	Luknic	Piepho	Valan
Brinkman	Hauge	Mann	Pogemiller	Valento
Byrne	Heap	Marsh	Redalen	Vanasek
Carlson, D.	Heinitz	McCarron	Reding	Vellenga
Carlson, L.	Himle	McDonald	Rees	Voss
Clark, J.	Hoberg	McEachern	Rice	Weaver
Clark, K.	Hokanson	Mehrkens	Rodriguez, C.	Welch
Clawson	Hokr	Metzen	Rodriguez, F.	Welker
Dahlvang	Jacobs	Minne	Rose	Wenzel
Dean	Jennings	Munger	Samuelson	Wieser
Dempsey	Johnson, C.	Murphy	Sarna	Wigley
Den Ouden	Johnson, D.	Nelsen, B.	Schafer	Wynia
Drew	Jude	Nelson, K.	Schoenfeld	Zubay
Eken	Kahn	Niehaus	Searles	Spkr. Sieben, H.
Ellingson	Kaley	Norton	Shea	
Erickson	Kalis	Novak	Sherman	

The bill was passed and its title agreed to.

H. F. No. 1735, A bill for an act relating to retirement; Hennepin county supplemental retirement program; providing for a phase out of the program; authorizing current participants to withdraw from the program; providing for an increased withdrawal benefit option in certain instances; amending Laws 1969, Chapter 950, Sections 1, 2, 3, as amended, 4, as amended, 5 and 6; repealing Laws 1969, Chapter 950, Section 8.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 123 yeas and 2 nays as follows:

Those who voted in the affirmative were :

Aasness	Evans	Knickerbocker	Nysether	Sherwood
Anderson, B.	Ewald	Kostohryz	O'Connor	Sieben, M.
Anderson, G.	Fjoslien	Kvam	Ogren	Skoglund
Anderson, I.	Forsythe	Laidig	Olsen	Staten
Battaglia	Greenfield	Lehto	Onnen	Stowell
Begich	Gruenes	Lemen	Osthoff	Stumpf
Berkelman	Halberg	Levi	Otis	Sviggum
Blatz	Hanson	Long	Peterson, B.	Swanson
Brandl	Harens	Ludeman	Peterson, D.	Tomlinson
Brinkman	Hauge	Luknic	Piepho	Valan
Byrne	Heap	Mann	Pogemiller	Valento
Carlson, D.	Heinitz	Marsh	Redalen	Vanasek
Carlson, L.	Himle	McCarron	Reding	Vellenga
Clark, J.	Hoberg	McDonald	Rees	Voss
Clawson	Hokanson	McEachern	Rice	Weaver
Dahlvang	Hokr	Mehrkens	Rodriguez, C.	Welch
Dean	Jacobs	Metzen	Rodriguez, F.	Welker
Dempsey	Jennings	Minne	Rose	Wenzel
Den Ouden	Johnson, C.	Munger	Samuelson	Wieser
Drew	Johnson, D.	Murphy	Sarna	Wigley
Eken	Jude	Nelsen, B.	Schafer	Wynia
Elioff	Kahn	Nelson, K.	Schoenfeld	Zubay
Ellingson	Kaley	Niehaus	Searles	Spkr. Sieben, H.
Erickson	Kalis	Norton	Shea	
Esau	Kelly	Novak	Sherman	

Those who voted in the negative were :

Ainley Frerichs

The bill was passed and its title agreed to.

H. F. No. 1804, A bill for an act relating to partition fences; exempting certain lands from the provisions of chapter 344; proposing new law coded in Minnesota Statutes, Chapter 344.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 123 yeas and 0 nays as follows:

Those who voted in the affirmative were :

Aasness	Clark, J.	Fjoslien	Hokr	Lemen
Ainley	Clawson	Forsythe	Jacobs	Levi
Anderson, B.	Dahlvang	Frerichs	Jennings	Long
Anderson, G.	Dean	Greenfield	Johnson, C.	Ludeman
Anderson, I.	Dempsey	Gruenes	Johnson, D.	Luknic
Battaglia	Den Ouden	Halberg	Jude	Mann
Begich	Drew	Hanson	Kahn	Marsh
Berkelman	Eken	Harens	Kaley	McCarron
Blatz	Elioff	Hauge	Kalis	McDonald
Brandl	Ellingson	Heap	Kelly	McEachern
Brinkman	Erickson	Heinitz	Kostohryz	Mehrkens
Byrne	Esau	Himle	Kvam	Metzen
Carlson, D.	Evans	Hoberg	Laidig	Minne
Carlson, L.	Ewald	Hokanson	Lehto	Munger

Murphy	Osthoff	Rose	Staten	Weaver
Nelsen, B.	Otis	Samuelson	Stowell	Welch
Nelson, K.	Peterson, B.	Sarna	Stumpf	Welker
Niehaus	Peterson, D.	Schafer	Sviggum	Wenzel
Norton	Piepho	Schoenfeld	Swanson	Wieser
Novak	Pogemiller	Searles	Tomlinson	Wigley
Nysether	Redalen	Shea	Valan	Wynia
O Connor	Reding	Sherman	Valento	Zubay
Ogren	Rees	Sherwood	Vanasek	Spkr. Sieben, H.
Olsen	Rice	Sieben, M.	Vellenga	
Onnen	Rodriguez, F.	Skoglund	Voss	

The bill was passed and its title agreed to.

H. F. No. 2098 was reported to the House.

Kalis moved to amend H. F. No. 2098, the first engrossment, as follows:

Pages 1 and 2, delete section 2 and insert:

“Sec. 2. [PAYMENT.]

Subdivision 1. [CALCULATION OF PRESENT VALUE.] For the persons entitled to purchase prior service credit, there shall be paid to the applicable retirement fund or association an amount equal to the present value, on the date of payment, of the amount of the additional service pension or retirement annuity which would be obtained by virtue of the purchase of the additional service credit, using the interest rate specified in Minnesota Statutes, Section 356.215, Subdivision 4, Clause (4), and the applicable mortality table adopted for the appropriate retirement fund or association and assuming continuous service until, and retirement at, the normal retirement age with the additional service credit purchased, for the appropriate retirement fund or association, or the age at the date of payment or of the agreement to pay, whichever is older, and a future salary history which includes annual salary increases at the salary increase rate specified in Minnesota Statutes, Section 356.215, Subdivision 4, Clause (4). The person requesting the purchase of prior service must establish in the records of the retirement fund or association proof of the service for which the purchase of prior service is requested. The manner of the proof of service shall be in accordance with procedures prescribed by the board of trustees of the fund or association or by the executive director.

Subd. 2. [PAYMENT OF PRESENT VALUE; CREDITING OF SERVICE.] Payment shall be made in one lump sum, unless the executive director of the appropriate retirement fund or association agrees to accept payment in installments over a period of not to exceed three years from the date of the agreement, with interest at a rate deemed appropriate by the executive director. The period of allowable service shall be

credited to the account of the person only after receipt of full payment by the executive director.

Subd. 3. [OPTIONAL EMPLOYER PARTIAL PAYMENT.] Payment shall be made by the person entitled to purchase prior service, except that the current or former employer of the person may, at its discretion, pay all or any portion of the payment amount which exceeds an amount equal to the employee contribution rates in effect for the retirement fund during the period or periods of prior service applied to the actual salary rates in effect during the period or periods of prior service, plus interest at the rate of six percent per annum compounded annually from the date on which the contributions would otherwise have been made to the date on which the payment is made.

If more than one person who is a current or former employee of an employing unit is eligible to purchase prior service, the governing body of the employing unit shall establish and implement a uniform policy on the payment by it of a portion of the purchase of prior service payment amount.

Subd. 4. [TIME LIMITATION ON AUTHORITY TO MAKE PAYMENT.] For the provisions of section 3, the authority to make a lump sum payment or the agreement to make payments in installments over a period of not to exceed three years shall expire on July 1, 1987."

The motion prevailed and the amendment was adopted.

H. F. No. 2098, A bill for an act relating to retirement; teachers retirement association; extending the time limit for the purchase of service credit for military service leaves of absence for certain veterans.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 125 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Aasness	Clark, J.	Fjoslien	Hokanson	Lehto
Ainley	Clark, K.	Forsythe	Hokr	Lemen
Anderson, B.	Clawson	Frerichs	Jacobs	Levi
Anderson, G.	Dahlvang	Greenfield	Jennings	Long
Anderson, I.	Dean	Gruenes	Johnson, C.	Ludeman
Battaglia	Dempsey	Gustafson	Johnson, D.	Luknic
Begich	Den Ouden	Halberg	Jude	Mann
Berkelman	Drew	Hanson	Kahn	Marsh
Blatz	Elioff	Harens	Kaley	McCarron
Brandl	Ellingson	Hauge	Kalis	McDonald
Brinkman	Erickson	Heap	Kelly	McEachern
Byrne	Esau	Heinitz	Kostohryz	Mehrkens
Carlson, D.	Evans	Himle	Kvam	Metzen
Carlson, L.	Ewald	Hoberg	Laidig	Minne

Munger	Onnen	Rodriguez, C.	Sieben, M.	Vellenga
Murphy	Osthoff	Rodriguez, F.	Skoglund	Voss
Nelsen, B.	Otis	Rose	Staten	Weaver
Nelson, K.	Peterson, B.	Samuelson	Stowell	Welch
Niehaus	Peterson, D.	Sarna	Stumpf	Welker
Norton	Piepho	Schafer	Sviggum	Wenzel
Novak	Pogemiller	Schoenfeld	Swanson	Wieser
Nysether	Redalen	Searles	Tomlinson	Wigley
O'Connor	Reding	Shea	Valan	Wynia
Ogren	Rees	Sherman	Valento	Zubay
Olsen	Rice	Sherwood	Vanasek	Spkr. Sieben, H.

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

S. F. No. 1510, A bill for an act relating to highway traffic regulations; removing certain requirements for bug deflectors; amending Minnesota Statutes 1980, Section 169.743.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 122 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Aasness	Ewald	Kostohryz	O'Connor	Sieben, M.
Ainley	Fjoslien	Kvam	Ogren	Skoglund
Anderson, B.	Forsythe	Laidig	Olsen	Staten
Anderson, G.	Frerichs	Lehto	Onnen	Stowell
Anderson, I.	Greenfield	Lemen	Osthoff	Stumpf
Battaglia	Gruenes	Levi	Otis	Sviggum
Begich	Gustafson	Long	Peterson, B.	Swanson
Berkelman	Halberg	Ludeman	Peterson, D.	Tomlinson
Blatz	Hanson	Luknic	Piepho	Valan
Brandl	Harens	Mann	Pogemiller	Valento
Brinkman	Hauge	Marsh	Redalen	Vanasek
Byrne	Heap	McCarron	Reding	Vellenga
Carlson, L.	Heinitz	McDonald	Rees	Voss
Clark, J.	Himle	McEachern	Rice	Weaver
Clawson	Hoberg	Mehrkens	Rodriguez, C.	Welch
Dahlvang	Hokanson	Metzen	Rodriguez, F.	Welker
Dean	Hokr	Minne	Rose	Wenzel
Dempsey	Jennings	Munger	Samuelson	Wieser
Den Ouden	Johnson, C.	Murphy	Sarna	Wigley
Drew	Johnson, D.	Nelsen, B.	Schafer	Wynia
Elioff	Jude	Nelson, K.	Schoenfeld	Zubay
Ellingson	Kahn	Niehaus	Searles	Spkr. Sieben, H.
Erickson	Kaley	Norton	Shea	
Esau	Kalis	Novak	Sherman	
Evans	Kelly	Nysether	Sherwood	

The bill was passed and its title agreed to.

S. F. No. 2095 was reported to the House.

There being no objection S. F. No. 2095 was continued one day.

SPECIAL ORDERS

H. F. No. 1652 was reported to the House.

Weaver moved to amend H. F. No. 1652, the first engrossment, as follows:

Page 2, after line 1, insert:

"Sec. 2. Minnesota Statutes 1980, Section 100.27, is amended by adding a subdivision to read:

Subd. 10. Zenaida macroura may be taken during two experimental seasons, to be established prior to December 31, 1983. Dates of the seasons shall be determined by order of the commissioner. At the conclusion of the experimental season, the commissioner may promulgate rules in accordance with the procedures specified in sections 15.0411 to 15.052 making the experimental season permanent.

Sec. 3. Minnesota Statutes 1980, Section 100.28, Subdivision 2, is amended to read:

Subd. 2. Unless the numbers are reduced by order of the commissioner, no person shall take in any one day, or shall have in possession at any one time, a greater number of any species than prescribed by the following table:

Species	Daily	Possession
Quail	10	15
Partridge (ruffed grouse), prairie chicken (pinnated grouse), pheasant, white breasted grouse (sharp tailed grouse), Hungarian partridge or Chukar partridge	5	10

provided that not more than one hen pheasant shall be taken in any one day, nor more than two had in possession; and further provided that, subject to the provisions of section 100.27, subdivision 10, no person shall take more than ten *Zenaida macroura* in any one day, or shall have in possession at any one time more than 20 of the same specie, unless the commissioner determines that specie population variations require limit revisions. Actual daily bag and possession limits shall under no circumstances exceed the limits set by the United States Fish and Wildlife Service."

Re number the sections accordingly

Amend the title as follows:

Page 1, line 4, after "circumstances;" insert "establishing an experimental season on *Zenaida macroura*;"

Page 1, line 5, after "subdivision;" insert "100.27, by adding a subdivision; 100.28, Subdivision 2;"

A roll call was requested and properly seconded.

POINT OF ORDER

Long raised a point of order pursuant to rule 3.9 that the amendment was not in order. The Speaker ruled the point of order not well taken and the amendment in order.

POINT OF ORDER

Munger raised a point of order pursuant to rule 3.10. The Speaker ruled the point of order not well taken.

Kahn moved to amend the Weaver amendment to H. F. No. 1652, the first engrossment, as follows:

Page 1, line 6, after "*taken*" insert "*by crossbow*"

Brinkman moved that H. F. No. 1652 be continued on Special Orders for one day. The motion prevailed.

H. F. No. 1698, A bill for an act relating to public welfare; delaying the duty of the commissioner of administration to sell certain land and buildings; amending Laws 1981, Chapter 360, Article I, Section 2, Subdivision 5.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 123 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Aasness	Dahlvang	Greenfield	Johnson, D.	Mann
Ainley	Dean	Gruenes	Jude	Marsh
Anderson, B.	Dempsey	Gustafson	Kahn	McCarron
Anderson, G.	Den Ouden	Halberg	Kaley	McDonald
Anderson, I.	Drew	Hanson	Kalis	McEachern
Battaglia	Eken	Hauge	Kelly	Mehrken
Begich	Elioff	Heap	Knickerbocker	Metzen
Blatz	Ellingson	Heinitz	Kostohryz	Minne
Brandl	Erickson	Himle	Kvam	Munger
Brinkman	Esau	Hoberg	Laidig	Murphy
Carlson, D.	Evans	Hokanson	Lehto	Nelsen, B.
Carlson, L.	Ewald	Hokr	Lemen	Nelson, K.
Clark, J.	Fjoslien	Jacobs	Levi	Niehaus
Clark, K.	Forsythe	Jennings	Ludeman	Norton
Clawson	Frerichs	Johnson, C.	Luknic	Novak

Nysether	Pogemiller	Sarna	Stowell	Welch
O'Connor	Redalen	Schafer	Stumpf	Welker
Ogren	Reding	Schoenfeld	Sviggum	Wenzel
Olsen	Rees	Searles	Swanson	Wieser
Onnen	Reif	Shea	Tomlinson	Wigley
Osthoff	Rice	Sherwood	Valan	Wynia
Otis	Rodriguez, C.	Sieben, M.	Valento	Zubay
Peterson, B.	Rodriguez, F.	Skoglund	Vanasek	Spkr. Sieben, H.
Peterson, D.	Rose	Stadum	Vellenga	
Piepho	Samuelson	Staten	Weaver	

The bill was passed and its title agreed to.

H. F. No. 1803 was reported to the House.

Levi moved to amend H. F. No. 1803, the first engrossment, as follows:

Page 4, after line 17, insert:

"Sec. 8. Minnesota Statutes 1981 Supplement, Section 4.12, is amended by adding a subdivision to read:

Subd. 13. [REPORT TO LEGISLATURE.] The juvenile justice advisory committee shall report annually to the house of representatives committee on criminal justice and the senate judiciary committee on the receipt and expenditure of all moneys received from the federal government during the immediately preceding state fiscal year under the Juvenile Justice and Delinquency Prevention Act of 1974, as amended, 42 United States Code sections 5601 to 5751. The first report shall be made on or before February 1, 1983."

Renumber succeeding section accordingly.

Page 4, line 19, delete "4" and insert "1"; delete "7" and insert "8".

The motion prevailed and the amendment was adopted.

H. F. No. 1803, A bill for an act relating to juveniles; providing for termination of jurisdiction over juveniles; providing for the apprehension of juvenile absconders and escapees; amending Minnesota Statutes 1980, Sections 242.19; 260.181, Subdivision 4; and Minnesota Statutes 1981 Supplement, Sections 4.12, by adding subdivisions; and 242.44.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 125 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Aasness	Esau	Kaley	Niehaus	Schoenfeld
Ainley	Evans	Kalis	Norton	Searles
Anderson, B.	Ewald	Kelly	Novak	Sherman
Anderson, G.	Fjoslien	Knickerbocker	Nysether	Sherwood
Anderson, I.	Forsythe	Kostohryz	O'Connor	Sieben, M.
Battaglia	Frerichs	Kvam	Ogren	Skoglund
Begich	Greenfield	Laidig	Olsen	Stadum
Berkelman	Gruenes	Lehto	Onnen	Staten
Blatz	Gustafson	Lemen	Osthoff	Stumpf
Brandl	Halberg	Levi	Otis	Sviggum
Brinkman	Hanson	Long	Peterson, B.	Swanson
Byrne	Harens	Ludeman	Peterson, D.	Tomlinson
Carlson, D.	Hauge	Luknic	Piepho	Valan
Carlson, L.	Heap	Mann	Pogemiller	Valento
Clark, J.	Heinitz	Marsh	Redalen	Vanasek
Clark, K.	Himle	McCarron	Reding	Vellenga
Clawson	Hoberg	McDonald	Rees	Voss
Dahlvang	Hokanson	McEachern	Reif	Welch
Dean	Hokr	Mehrkens	Rice	Welker
Dempsey	Jacobs	Metzen	Rodriguez, C.	Wenzel
Den Ouden	Jennings	Minne	Rodriguez, F.	Wieser
Drew	Johnson, C.	Munger	Rose	Wigley
Eken	Johnson, D.	Murphy	Samuelson	Wynia
Elioff	Jude	Nelsen, B.	Sarna	Zubay
Ellingson	Kahn	Nelson, K.	Schafer	Spkr. Sieben, H.

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

H. F. No. 1819 was reported to the House.

Levi moved to amend H. F. No. 1819, the first engrossment, as follows:

Page 1, delete lines 24 and 25

Page 2, delete lines 1 to 23

Renumber the following subdivisions

The motion prevailed and the amendment was adopted.

H. F. No. 1819, A bill for an act relating to education; authorizing school districts to develop programs enabling secondary students to attend courses at post secondary institutions; proposing new law coded in Minnesota Statutes, Chapter 123.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 129 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Aasness	Ainley	Anderson, B.	Anderson, G.	Anderson, I.
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Battaglia	Greenfield	Laidig	Olsen	Sherwood
Begich	Gruenes	Lehto	Onnen	Sieben, M.
Berkelman	Gustafson	Lemen	Osthoff	Skoglund
Blatz	Halberg	Levi	Otis	Stadum
Brandl	Hanson	Long	Peterson, B.	Staten
Brinkman	Harens	Ludeman	Peterson, D.	Stowell
Byrne	Hauge	Luknic	Piepho	Stumpf
Carlson, D.	Heap	Mann	Pogemiller	Swiggum
Carlson, L.	Heinitz	Marsh	Redalen	Swanson
Clark, J.	Himle	McCarron	Reding	Tomlinson
Clark, K.	Hoberg	McDonald	Rees	Valan
Clawson	Hokanson	McEachern	Reif	Valento
Dahlvang	Hokr	Mehrkens	Rice	Vanasek
Dempsey	Jacobs	Metzen	Rodriguez, C.	Vellenga
Den Ouden	Jennings	Minne	Rodriguez, F.	Voss
Drew	Johnson, C.	Munger	Rose	Weaver
Eken	Johnson, D.	Murphy	Rothenberg	Welch
Elioff	Jude	Nelsen, B.	Samuelson	Welker
Ellingson	Kahn	Nelson, K.	Sarna	Wenzel
Erickson	Kaley	Niehaus	Schafer	Wieser
Esau	Kalis	Norton	Schoenfeld	Wigley
Evans	Kelly	Novak	Schreiber	Wynia
Fjoslien	Knickerbocker	Nysether	Searles	Zubay
Forsythe	Kostohryz	O'Connor	Shea	Spkr. Sieben, H.
Frerichs	Kvam	Ogren	Sherman	

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

H. F. No. 1850, A bill for an act relating to juveniles; providing that commission of certain offenses constitutes prima facie evidence in reference for prosecution cases; amending Minnesota Statutes 1981 Supplement, Section 260.125, Subdivision 3.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 121 yeas and 1 nay as follows:

Those who voted in the affirmative were:

Aasness	Erickson	Johnson, D.	Metzen	Reding
Ainley	Esau	Jude	Minne	Rees
Anderson, B.	Evans	Kahn	Munger	Reif
Anderson, G.	Ewald	Kaley	Murphy	Rice
Anderson, I.	Fjoslien	Kalis	Nelsen, B.	Rodriguez, C.
Battaglia	Forsythe	Kelly	Nelson, K.	Rodriguez, F.
Begich	Frerichs	Knickerbocker	Niehaus	Rose
Berkelman	Greenfield	Kostohryz	Norton	Samuelson
Blatz	Gruenes	Kvam	Novak	Sarna
Brinkman	Gustafson	Laidig	Nysether	Schafer
Carlson, D.	Hanson	Lehto	O'Connor	Schoenfeld
Carlson, L.	Hauge	Lemen	Ogren	Searles
Clark, J.	Heap	Long	Olsen	Shea
Clawson	Heinitz	Ludeman	Onnen	Sherman
Dahlvang	Himle	Luknic	Osthoff	Sherwood
Dempsey	Hoberg	Mann	Otis	Skoglund
Den Ouden	Hokanson	Marsh	Peterson, B.	Stadum
Drew	Hokr	McCarron	Peterson, D.	Staten
Eken	Jacobs	McDonald	Piepho	Stowell
Elioff	Jennings	McEachern	Pogemiller	Stumpf
Ellingson	Johnson, C.	Mehrkens	Redalen	Swiggum

Swanson	Vanasek	Welch	Wigley	Zubay
Tomlinson	Vellenga	Welker	Wynia	Spkr. Sieben, H.
Valan	Voss	Wenzel		
Valento	Weaver	Wieser		

Those who voted in the negative were:

Byrne

The bill was passed and its title agreed to.

H. F. No. 1907, A bill for an act relating to public utilities; specifying the appropriate treatment of certain advertising expenses; amending Minnesota Statutes 1980, Section 216B.16, Subdivision 8.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 125 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Aasness	Erickson	Kaley	Norton	Searles
Ainley	Esau	Kalis	Novak	Shea
Anderson, B.	Evans	Kelly	Nysether	Sherman
Anderson, G.	Ewald	Knickerbocker	O'Connor	Sherwood
Anderson, I.	Fjoslien	Kostohryz	Ogren	Sieben, M.
Battaglia	Forsythe	Kvam	Olsen	Skoglund
Begich	Frerichs	Laidig	Onnen	Staten
Berkelman	Greenfield	Lehto	Osthoff	Stowell
Blatz	Gruenes	Lemen	Otis	Stumpf
Brandl	Gustafson	Levi	Peterson, B.	Sviggum
Brinkman	Halberg	Long	Peterson, D.	Swanson
Byrne	Hanson	Ludeman	Piepho	Valan
Carlson, D.	Harens	Luknic	Pogemiller	Valento
Carlson, L.	Hauge	Mann	Redalen	Vanasek
Clark, J.	Heap	Marsh	Reding	Vellenga
Clark, K.	Heinitz	McCarron	Rees	Voss
Clawson	Himle	McDonald	Reif	Weaver
Dahlvang	Hoberg	Mehrkens	Rice	Welch
Dean	Hokanson	Metzen	Rodriguez, C.	Welker
Dempsey	Hokr	Minne	Rodriguez, F.	Wenzel
Den Ouden	Jacobs	Munger	Rose	Wieser
Drew	Jennings	Murphy	Samuelson	Wigley
Eken	Johnson, C.	Nelsen, B.	Schafer	Wynia
Elioff	Johnson, D.	Nelson, K.	Schoenfeld	Zubay
Ellingson	Kahn	Niehaus	Schreiber	Spkr. Sieben, H.

The bill was passed and its title agreed to.

H. F. No. 1915, A bill for an act relating to local government; establishing a board to implement and administer a plan for a segment of the Minnesota river in Blue Earth, Brown, Le Sueur, Nicollet, Redwood and Renville counties.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 124 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Aasness	Evans	Knickerbocker	Nysether	Sherwood
Ainley	Ewald	Kostohryz	O'Connor	Sieben, M.
Anderson, B.	Fjoslien	Kvam	Ogren	Skoglund
Anderson, G.	Forsythe	Laidig	Olsen	Stadum
Anderson, I.	Frerichs	Lehto	Onnen	Staten
Battaglia	Greenfield	Lemen	Osthoff	Stowell
Begich	Gruenes	Levi	Otis	Stumpf
Berkelman	Gustafson	Long	Peterson, B.	Sviggum
Blatz	Hanson	Ludeman	Peterson, D.	Swanson
Brandl	Hauge	Luknic	Piepho	Tomlinson
Brinkman	Heap	Mann	Pogemiller	Valan
Byrne	Heinritz	Marsh	Redalen	Valento
Carlson, D.	Himle	McCarron	Reding	Vanasek
Carlson, L.	Hoberg	McDonald	Rees	Vellenga
Clark, J.	Hokanson	McEachern	Reif	Voss
Clawson	Hokr	Mehrkens	Rice	Weaver
Dahlvang	Jacobs	Metzen	Rodriguez, F.	Welch
Dean	Jennings	Minne	Rose	Welker
Dempsey	Johnson, C.	Munger	Samuelson	Wenzel
Den Ouden	Johnson, D.	Murphy	Sarna	Wieser
Drew	Jude	Nelsen, B.	Schafer	Wigley
Elioff	Kahn	Nelson, K.	Schoenfeld	Wynia
Ellingson	Kaley	Niehaus	Searles	Zubay
Erickson	Kalis	Norton	Shea	Spr. Sieben, H.
Esau	Kelly	Novak	Sherman	

The bill was passed and its title agreed to.

H. F. No. 2050 was reported to the House.

Greenfield moved to amend H. F. No. 2050, the first engrossment, as follows:

Page 1, line 9, after "*injure*" delete the comma and insert "*or*"; after "*defraud*" delete "*or adversely affect*"

Page 1, line 13, delete "*;* *or*" and insert a period

Page 1, delete lines 14 and 15

Page 1, line 17, after "*following*" insert "*, when not consistent with usual practices,*"

Page 1, line 22, delete "*his action*" and insert "*the person's performance of his duties as an employee, agent, or fiduciary*"

Page 2, line 3, delete "*his action*" and insert "*the performance of his duties as an employee, agent, or fiduciary*"

Page 2, line 14, after "prosecution" delete "of" and insert "that"

The motion prevailed and the amendment was adopted.

H. F. No. 2050, A bill for an act relating to crimes; establishing the crime of commercial bribery; prescribing penalties; proposing new law coded in Minnesota Statutes, Chapter 609.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 125 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Aasness	Erickson	Kelly	Novak	Sherman
Ainley	Esau	Knickerbocker	Nysether	Sherwood
Anderson, B.	Evans	Kostohryz	O'Connor	Sieben, M.
Anderson, G.	Ewald	Kvam	Ogren	Skoglund
Anderson, I.	Fjoslien	Laidig	Olsen	Stadum
Battaglia	Forsythe	Lehto	Onnen	Staten
Begich	Frerichs	Lemen	Osthoff	Stowell
Berkelman	Greenfield	Levi	Otis	Stumpf
Blatz	Gruenes	Long	Peterson, B.	Sviggum
Brandl	Gustafson	Ludeman	Peterson, D.	Swanson
Brinkman	Hanson	Luknic	Piepho	Tomlinson
Byrne	Hauge	Mann	Pogemiller	Valan
Carlson, D.	Heap	Marsh	Redalen	Valento
Carlson, L.	Heinitz	McCarron	Reding	Vanasek
Clark, J.	Himle	McDonald	Rees	Vellenga
Clark, K.	Hoberg	McEachern	Reif	Voss
Clawson	Hokanson	Mehrkens	Rice	Weaver
Dahlvang	Hokr	Metzen	Rodriguez, C.	Welch
Dean	Jacobs	Minne	Rodriguez, F.	Welker
Dempsey	Johnson, C.	Munger	Rose	Wenzel
Den Ouden	Johnson, D.	Murphy	Samuelson	Wieser
Drew	Jude	Nelsen, B.	Sarna	Wigley
Eken	Kahn	Nelson, K.	Schafer	Wynia
Elioff	Kaley	Niehaus	Schoenfeld	Zubay
Ellingson	Kalis	Norton	Shea	Spkr. Sieben, H.

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

H. F. No. 716, A bill for an act relating to insurance; regulating policies of automobile insurance providing comprehensive coverage; requiring an option to purchase full coverage of windshield glass damage; proposing new law coded in Minnesota Statutes, Chapter 65B.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 72 yeas and 47 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Eken	Kostohryz	Olsen	Sieben, M.
Anderson, G.	Elioff	Lehto	Osthoff	Skoglund
Anderson, I.	Ellingson	Long	Otis	Staten
Battaglia	Fjoslien	Luknic	Peterson, D.	Stumpf
Begich	Forsythe	Mann	Piepho	Swanson
Berkelman	Greenfield	Marsh	Pogemiller	Tomlinson
Blatz	Gustafson	McCarron	Reding	Valan
Brandl	Halberg	Metzen	Rice	Vanasek
Byrne	Hanson	Minne	Rodriguez, C.	Vellenga
Carlson, L.	Harens	Munger	Rodriguez, F.	Wenzel
Clark, J.	Hokanson	Murphy	Rose	Wynia
Clark, K.	Hokr	Nelson, K.	Samuelson	Spkr. Sieben, H.
Clawson	Jacobs	Niehaus	Schoenfeld	
Dahvang	Johnson, C.	Novak	Schreiber	
Dempsey	Kalis	Ogren	Shea	

Those who voted in the negative were:

Aasness	Frerichs	Kvam	Peterson, B.	Valento
Ainley	Gruenes	Laidig	Redalen	Voss
Brinkman	Heinitz	Lemen	Rees	Weaver
Carlson, D.	Himle	Levi	Reif	Welker
Dean	Hoberg	Ludeman	Schafer	Wieser
Den Ouden	Jennings	McDonald	Searles	Wigley
Erickson	Johnson, D.	Mehrkens	Sherman	Zubay
Esau	Kahn	Nelsen, B.	Sherwood	
Evans	Kaley	Nysether	Stowell	
Ewald	Kelly	Onnen	Sviggum	

The bill was passed and its title agreed to.

H. F. No. 773 was reported to the House.

Norton moved to amend H. F. No. 773, as follows:

Page 1, lines 10 and 15, delete "37" and insert "36"

Page 2, line 3, delete "37" and insert "36"

Page 3, lines 13, 19, 23, and 25, delete "37" and insert "36"

Page 4, lines 16, 20, and 31, delete "37" and insert "36"

Pages 5, and 6, delete section 12

Page 7, line 22, delete "37" and insert "36"

Page 8, lines 12, 17, and 32, delete "37" and insert "36"

Page 8, line 21, delete "19" and insert "18"

Page 9, line 34, delete "37" and insert "36"

Page 10, lines 14 and 25, delete "37" and insert "36"

Page 11, lines 1 and 6, delete "23 to 26" and insert "22 to 25"

Page 11, line 22, delete "37" and insert "36"

Page 12, line 29, delete "37" and insert "36"

Page 13, lines 10 and 34, delete "37" and insert "36"

Page 13, line 18, delete "29" and insert "28"

Page 14, lines 12 and 33, delete "37" and insert "36"

Page 15, line 23, delete "37" and insert "36"

Page 15, line 25, delete "25" and insert "24"

Page 16, lines 4 and 8, delete "37" and insert "36"

Renumber the sections in sequence

Renumber the proposed coding in sequence

The motion prevailed and the amendment was adopted.

H. F. No. 773, A bill for an act relating to marriage dissolution; adopting the revised uniform reciprocal enforcement of support act; proposing new law coded as Minnesota Statutes, Chapter 518C; repealing Minnesota Statutes 1980, Sections 518.41 to 518.53.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 126 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Aasness	Dempsey	Hauge	Kvam	Niehaus
Ainley	Den Ouden	Heap	Laidig	Norton
Anderson, B.	Drew	Heimitz	Lehto	Novak
Anderson, G.	Eken	Himle	Lemen	Nysether
Anderson, I.	Elioff	Hoberg	Levi	O'Connor
Battaglia	Ellingson	Hokanson	Long	Ogren
Begich	Erickson	Hokr	Ludeman	Olsen
Berkelman	Esau	Jacobs	Luknic	Onnen
Blatz	Evans	Jennings	Mann	Osthoff
Brandl	Fjoslien	Johnson, C.	McCarron	Otis
Brinkman	Forsythe	Johnson, D.	McDonald	Peterson, B.
Byrne	Frerichs	Jude	McEachern	Peterson, D.
Carlson, D.	Greenfield	Kahn	Metzen	Piepho
Carlson, L.	Gruenes	Kaley	Minne	Pogemiller
Clark, J.	Gustafson	Kalis	Munger	Redalen
Clark, K.	Halberg	Kelly	Murphy	Reding
Clawson	Hanson	Knickerbocker	Nelsen, B.	Rees
Dahlvang	Harens	Kostohryz	Nelson, K.	Reif

Rice	Schoenfeld	Staten	Vanasek	Wigley
Rodriguez, C.	Schreiber	Stowell	Vellenga	Wynia
Rodriguez, F.	Searles	Stumpf	Voss	Zubay
Rose	Shea	Sviggum	Weaver	Spkr. Sieben, H.
Rothenberg	Sherman	Swanson	Welch	
Samuelson	Sherwood	Tomlinson	Welker	
Sarna	Sieben, M.	Valan	Wenzel	
Schafer	Skoglund	Valento	Wieser	

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

H. F. No. 1220 was reported to the House.

Ludeman and Sviggum moved to amend H. F. No. 1220, the first engrossment, as follows:

Page 2, line 11, after the period insert "*A separation for sexual harassment as defined in clause (1) shall be a separation for misconduct.*"

A roll call was requested and properly seconded.

The question was taken on the amendment and the roll was called. There were 67 yeas and 53 nays as follows:

Those who voted in the affirmative were:

Aasness	Frerichs	Knickerbocker	Olsen	Sherwood
Ainley	Gruenes	Kvam	Onnen	Stadum
Blatz	Halberg	Laidig	Osthoff	Stowell
Brandl	Hanson	Lemen	Peterson, B.	Sviggum
Brinkman	Heap	Levi	Piepho	Swanson
Carlson, D.	Heinitz	Ludeman	Redalen	Valento
Dean	Himle	Luknic	Rees	Weaver
Dempsey	Hoberg	Marsh	Reif	Welker
Den Ouden	Hokr	McCarron	Rose	Wieser
Drew	Jennings	McDonald	Rothenberg	Wigley
Erickson	Johnson, D.	Mehrkens	Schafer	Zubay
Esau	Jude	Nelsen, B.	Schreiber	
Evans	Kaley	Niehaus	Searles	
Forsythe	Kalis	Nysether	Sherman	

Those who voted in the negative were:

Anderson, G.	Elioff	Kelly	O'Connor	Skoglund
Battaglia	Ellingson	Kostohryz	Ogren	Staten
Begich	Fjoslien	Lehto	Otis	Tomlinson
Berkelman	Greenfield	Long	Peterson, D.	Vanasek
Byrne	Gustafson	Mann	Pogemiller	Vellenga
Carlson, L.	Harens	Minne	Reding	Voss
Clark, J.	Hauge	Munger	Rice	Welch
Clark, K.	Hokanson	Murphy	Rodriguez, C.	Wenzel
Clawson	Jacobs	Nelson, K.	Rodriguez, F.	Spkr. Sieben, H.
Dahlvang	Johnson, C.	Norton	Samuelson	
Eken	Kahn	Novak	Shea	

The motion prevailed and the amendment was adopted.

H. F. No. 1220, A bill for an act relating to unemployment compensation; clarifying that quitting work due to sexual harassment does not result in benefit disqualification; amending Minnesota Statutes 1980, Section 268.09, Subdivision 1.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 128 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Aasness	Ewald	Knickerbocker	Ogren	Sherwood
Ainley	Fjoslien	Kostohryz	Olsen	Sieben, M.
Anderson, B.	Forsythe	Kvam	Onnen	Skoglund
Anderson, G.	Frerichs	Laidig	Osthoff	Stadum
Anderson, I.	Greenfield	Lehto	Otis	Staten
Battaglia	Gruenes	Levi	Peterson, B.	Stowell
Begich	Gustafson	Long	Peterson, D.	Stumpf
Berkelman	Halberg	Ludeman	Piepho	Sviggum
Blatz	Hanson	Luknic	Pogemiller	Swanson
Brandl	Harens	Mann	Redalen	Tomlinson
Byrne	Hauge	Marsh	Reding	Valan
Carlson, D.	Heap	McCarron	Rees	Valento
Carlson, L.	Heinitz	McDonald	Reif	Vanasek
Clark, J.	Himle	McEachern	Rice	Vellenga
Clark, K.	Hoberg	Mehrkens	Rodriguez, C.	Voss
Clawson	Hokanson	Metzen	Rodriguez, F.	Weaver
Dahlvang	Hokr	Minne	Rose	Welch
Dempsey	Jacobs	Munger	Rothenberg	Welker
Den Ouden	Jennings	Murphy	Samuelson	Wenzel
Drew	Johnson, C.	Nelsen, B.	Sarna	Wieser
Eken	Johnson, D.	Nelson, K.	Schafer	Wigley
Elioff	Jude	Niehaus	Schoenfeld	Wynia
Ellingson	Kahn	Norton	Schreiber	Zubay
Erickson	Kaley	Novak	Searles	Spkr. Sieben, H.
Esau	Kalis	Nysether	Shea	
Evans	Kelly	O'Connor	Sherman	

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

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

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 123 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Aasness	Anderson, G.	Begich	Brinkman	Carlson, L.
Ainley	Anderson, I.	Berkelman	Byrne	Clark, J.
Anderson, B.	Battaglia	Blatz	Carlson, D.	Clark, K.

Clawson	Heap	Ludeman	Peterson, D.	Staten
Dahlvang	Heinitz	Luknic	Piepho	Stowell
Dempsey	Himle	Mann	Pogemiller	Stumpf
Den Ouden	Hoberg	Marsh	Redalen	Sviggum
Drew	Hokanson	McCarron	Reding	Swanson
Eken	Hokr	McEachern	Rees	Tomlinson
Elioff	Jacobs	Mehrkens	Reif	Valan
Ellingson	Jennings	Metzen	Rice	Valento
Erickson	Johnson, C.	Minne	Rodriguez, C.	Vanasek
Esau	Johnson, D.	Munger	Rodriguez, F.	Vellenga
Evans	Jude	Murphy	Rothenberg	Voss
Ewald	Kahn	Nelsen, B.	Samuelson	Weaver
Fjoslien	Kaley	Nelson, K.	Sarna	Welch
Forsythe	Kalis	Niehaus	Schafer	Welker
Frerichs	Kelly	Norton	Schoenfeld	Wenzel
Greenfield	Knickerbocker	Nysether	Schreiber	Wieser
Gruenes	Kostohryz	O'Connor	Searles	Wigley
Gustafson	Laidig	Ogren	Shea	Wynia
Halberg	Lehto	Olsen	Sherman	Zubay
Hanson	Lemen	Onnen	Sherwood	Spkr. Sieben, H.
Harens	Levi	Osthoff	Sieben, M.	
Hauge	Long	Peterson, B.	Skoglund	

The bill was passed and its title agreed to.

H. F. No. 1459 was reported to the House.

Eken moved that H. F. No. 1459 be continued on Special Orders for one day. The motion prevailed.

H. F. No. 1469, A bill for an act relating to commerce; revising and modernizing laws relating to hotels; providing for the rights and duties of innkeepers and their guests; prohibiting certain practices; imposing penalties; amending Minnesota Statutes 1980, Section 363.03, by adding a subdivision; proposing new law coded in Minnesota Statutes, Chapter 327; repealing Minnesota Statutes 1980, Sections 327.01 to 327.095.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 123 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Aasness	Clawson	Gustafson	Kalis	McEachern
Ainley	Dahlvang	Hanson	Kelly	Metzen
Anderson, B.	Dean	Hauge	Knickerbocker	Minne
Anderson, G.	Dempsey	Heap	Kostohryz	Munger
Anderson, I.	Den Ouden	Heinitz	Kvam	Murphy
Battaglia	Drew	Himle	Laidig	Nelsen, B.
Begich	Elioff	Hoberg	Lehto	Nelson, K.
Berkelman	Ellingson	Hokanson	Lemen	Niehaus
Blatz	Erickson	Hokr	Levi	Norton
Brandl	Esau	Jacobs	Long	Novak
Brinkman	Evans	Jennings	Ludeman	Nysether
Byrne	Fjoslien	Johnson, C.	Luknic	O'Connor
Carlson, D.	Forsythe	Johnson, D.	Mann	Ogren
Carlson, L.	Frerichs	Jude	Marsh	Olsen
Clark, J.	Greenfield	Kahn	McCarron	Onnen
Clark, K.	Gruenes	Kaley	McDonald	Osthoff

Otis	Rice	Searles	Sviggum	Welch
Peterson, B.	Rodriguez, C.	Shea	Swanson	Welker
Peterson, D.	Rodriguez, F.	Sherman	Tomlinson	Wenzel
Piepho	Rose	Sherwood	Valan	Wieser
Pogemiller	Samuelson	Sieben, M.	Valento	Wigley
Redalen	Sarna	Skoglund	Vanasek	Wynia
Reding	Schafer	Staten	Vellenga	Zubay
Rees	Schoenfeld	Stowell	Voss	
Reif	Schreiber	Stumpf	Weaver	

The bill was passed and its title agreed to.

H. F. No. 1492, A bill for an act relating to natural resources; authorizing an addition to Split Rock Creek Recreation Area and authorizing land acquisition in relation thereto.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 127 yeas and 3 nays as follows:

Those who voted in the affirmative were:

Aasness	Evans	Knickerbocker	Ogren	Sherwood
Anderson, B.	Ewald	Kostohryz	Olsen	Sieben, M.
Anderson, G.	Fjoslien	Kvam	Onnen	Skoglund
Anderson, I.	Forsythe	Laidig	Osthoff	Stadum
Battaglia	Frerichs	Lehto	Otis	Staten
Begich	Greenfield	Levi	Peterson, B.	Stowell
Berkelman	Gruenes	Long	Peterson, D.	Stumpf
Blatz	Gustafson	Ludeman	Piepho	Sviggum
Brandl	Halberg	Luknic	Pogemiller	Swanson
Brinkman	Hanson	Mann	Redalen	Tomlinson
Byrne	Harens	Marsh	Reding	Valan
Carlson, D.	Hauge	McCarron	Rees	Valento
Carlson, L.	Heap	McDonald	Reif	Vanasek
Clark, J.	Heinitz	McEachern	Rice	Vellenga
Clark, K.	Himle	Mehrkens	Rodriguez, C.	Voss
Clawson	Hoberg	Metzen	Rodriguez, F.	Weaver
Dahlvang	Hokanson	Minne	Rose	Welch
Dean	Hokr	Munger	Rothenberg	Wenzel
Dempsey	Jacobs	Murphy	Samuelson	Wieser
Den Ouden	Johnson, C.	Nelsen, B.	Sarna	Wigley
Drew	Johnson, D.	Nelson, K.	Schafer	Wynia
Eken	Jude	Niehaus	Schoenfeld	Zubay
Elioff	Kahn	Norton	Schreiber	Spkr. Sieben, H.
Ellingson	Kaley	Novak	Searles	
Erickson	Kalis	Nysether	Shea	
Esau	Kelly	O'Connor	Sherman	

Those who voted in the negative were:

Ainley	Jennings	Welker
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The bill was passed and its title agreed to.

GENERAL ORDERS

Vanasek moved that the bills on General Orders for today be continued one day. The motion prevailed.

MOTIONS AND RESOLUTIONS

Reding moved that the name of Ewald be stricken and the name of Marsh be added as an author on H. F. No. 400. The motion prevailed.

Reding moved that S. F. No. 1591 be recalled from the Committee on Governmental Operations and together with H. F. No. 1731, now on the Technical General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

Shea moved that H. F. No. 2139, now on Technical General Orders, be re-referred to the Committee on Appropriations. The motion prevailed.

Marsh moved that the name of Staten be added as an author on H. F. No. 2088. The motion prevailed.

Minne moved that H. F. No. 2144 be returned to its author. The motion prevailed.

Hauge moved that H. F. No. 1942, now on Technical General Orders, be re-referred to the Committee on Appropriations. The motion prevailed.

McEachern moved that the name of Jude be added as an author on H. F. No. 1810. The motion prevailed.

Mehrkens moved that his name be stricken as an author on H. F. No. 1459. The motion prevailed.

Clark, K., moved that the name of Staten be added as an author on H. F. No. 1220. The motion prevailed.

Clark, K., moved that the names of Kahn, Minne and Peterson, D., be added as authors on H. F. No. 1220. The motion prevailed.

NOTICE FOR SPECIAL ORDER

Fjoslien hereby gives notice pursuant to Rules 1.9 and 3.14 that on Thursday, March 4, or as soon thereafter that this matter can be heard that he will move the House to suspend the rules in order to give H. F. No. 1728 a second reading and that it be placed on as a Special Order for March 8, 1982.

ADJOURNMENT

Vanasek moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 2:00 p.m., Wednesday, March 3, 1982.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

STATE OF MINNESOTA

SEVENTY-SECOND SESSION - 1982

EIGHTIETH DAY

SAINT PAUL, MINNESOTA, WEDNESDAY, MARCH 3, 1982

The House of Representatives convened at 2:00 p.m. and was called to order by Harry A. Sieben, Jr., Speaker of the House.

Prayer was offered by Reverend Robert B. Bailey, Brooklyn United Methodist Church, Brooklyn Center, Minnesota.

The roll was called and the following members were present:

Aasness	Esau	Kelly	O'Connor	Sherman
Ainley	Evans	Knickerbocker	Ogren	Sherwood
Anderson, B.	Ewald	Kostohryz	Olsen	Sieben, M.
Anderson, G.	Fjoslien	Kvam	Onnen	Skoglund
Anderson, I.	Forsythe	Laidig	Osthoff	Stadum
Battaglia	Frerichs	Lehto	Otis	Staten
Begich	Greenfield	Lemen	Peterson, B.	Stowell
Berkelman	Gruenes	Levi	Peterson, D.	Stumpf
Blatz	Gustafson	Long	Piepho	Sviggum
Brandl	Halberg	Ludeman	Pogemiller	Swanson
Brinkman	Hanson	Luknic	Redalen	Tomlinson
Byrne	Harens	Mann	Reding	Valan
Carlson, D.	Hauge	McCarron	Rees	Valento
Carlson, L.	Haukoos	McDonald	Reif	Vanasek
Clark, J.	Heap	McEachern	Rice	Vellenga
Clark, K.	Heinitz	Mehrkens	Rodriguez, C.	Voss
Clawson	Himle	Metzen	Rodriguez, F.	Weaver
Dahlvang	Hokanson	Minne	Rose	Welch
Dean	Hokr	Munger	Rothenberg	Welker
Dempsey	Jacobs	Murphy	Samuelson	Wenzel
Den Ouden	Jennings	Nelsen, B.	Sarna	Wieser
Drew	Johnson, D.	Nelson, K.	Schafer	Wigley
Eken	Jude	Niehaus	Schoenfeld	Wynia
Elioff	Kahn	Norton	Schreiber	Zubay
Ellingson	Kaley	Novak	Searles	Spkr. Sieben, H.
Erickson	Kalis	Nysether	Shea	

A quorum was present.

Anderson, R.; Hoberg; Johnson, C.; Marsh and Simoneau were excused.

The Chief Clerk proceeded to read the Journal of the preceding day. Kelly moved that further reading of the Journal be dis-

pensed with and that the Journal be approved as corrected by the Chief Clerk. The motion prevailed.

REPORTS OF CHIEF CLERK

Pursuant to Rules of the House, printed copies of H. F. Nos. 1545, 1731, 1819, 1296, 1738, 930, 1220, 2050, 1730, 773, 1803 and 2098 and S. F. Nos. 2174, 1481 and 1856 have been placed in the members' files.

S. F. No. 1591 and H. F. No. 1731, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Reding moved that S. F. No. 1591 be substituted for H. F. No. 1731 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1443 and H. F. No. 849, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Reif moved that the rules be so far suspended that S. F. No. 1443 be substituted for H. F. No. 849 and that the House File be indefinitely postponed. The motion prevailed.

REPORTS OF STANDING COMMITTEES

Mann from the Committee on Transportation to which was referred:

H. F. No. 1023, A bill for an act relating to motor vehicles; limiting the issuance of vehicle registration plates or tabs under certain circumstances; prohibiting the issuance of arrest warrants for violations of parking laws by certain courts; defining parking violations and participating jurisdictions; requiring notice to violators; appropriating money; amending Minnesota Statutes 1980, Sections 169.99, Subdivision 1, and by adding a subdivision; and 171.16, Subdivision 3, and by adding subdivisions.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [168.14] [APPLICATIONS FOR RENEWAL;
NOTICE OF UNPAID FINES.]

Subdivision 1. [APPLICATION; NOTICE.] When the registrar prepares to send an application for renewal of a motor vehicle registration or when an application is an original application or the next registration occurring after a dealer or distributor has registered a motor vehicle, the registrar shall check his records to determine whether the applicant has been charged with parking or other traffic violations for which the records collected pursuant to section 2 show any unpaid fine. If unpaid fines are shown, a notification of the amount of each fine and the court to which it is due shall be attached to the application form. The notification shall also state that the applicant is required to pay the fines to the appropriate courts or have the fines stayed, suspended, waived or rescinded by the appropriate courts before he can register or renew the registration of the motor vehicle.

Subd. 2. [LATE REGISTRATION FEE.] Any person who does not renew his vehicle registration within the time allowed by law shall pay a late registration fee of \$2.50 in order to register his motor vehicle. The \$2.50 fee shall apply separately to each vehicle which is not timely registered.

Subd. 3. [FEES.] The commissioner may impose a fee of up to \$1.00 per violation on any application for registration or renewal of registration which contains a notification of unpaid traffic or parking fines. Moneys collected pursuant to this subdivision shall be deposited in the "department of public safety violation surcharge account" established under section 2, subdivision 5.

Sec. 2. Minnesota Statutes 1981 Supplement, Section 169.95, is amended to read:

169.95 [COURTS TO KEEP SEPARATE RECORDS AND MAKE REPORTS OF VIOLATIONS AND UNPAID FINES.]

Subdivision 1. [RECORDS.] Every magistrate or judge of a court not of record, and every clerk of a court of record, shall keep a full record of every case in which a person is charged with any violation of this chapter or of any other law, or city ordinance, regulating the operation or parking of vehicles on highways.

Subd. 2. [TRAFFIC VIOLATIONS.] Within ten days after the conviction or forfeiture of bail of a person upon a charge of violating any provision of this chapter or other law, or city ordinance, regulating the operation of vehicles on highways, every magistrate of the court, or clerk of the court of record in which such conviction was had or bail was forfeited, shall prepare and immediately forward to the department of public safety an abstract of the record of the court covering the case in which the person was so convicted or forfeited bail, which abstract must be certified by the person so required to prepare the same to be true and correct.

The abstract must be made upon a form furnished by the department of public safety, and shall include the name and address of the party charged, the driver's license number of the person involved, the nature of the offense, the date of hearing, the plea, the judgment, or whether bail forfeited, and the amount of the fine or forfeiture, as the case may be.

Every court of record shall also forward a like report to the department of public safety upon the conviction of any person of manslaughter or other felony in the commission of which a vehicle was used.

The failure, refusal, or neglect of any such judicial officer to comply with any of the requirements of this section shall constitute misconduct in the office and shall be ground for removal therefrom.

Subd. 3. [PARKING AND OPERATING VIOLATIONS.] Every magistrate or judge of a court not of record, and every clerk of a court of record shall, within 30 days after the date payment of a fine on a parking ticket is due, or within 30 days after a fine imposed for a traffic violation other than parking is due, report to the county sheriff for entry into the department of public safety records system, if the fine is unpaid. This report shall be made in the form required by the commissioner of public safety and shall contain the following information:

(a) In parking violation cases, the name and address of the registered owner of the motor vehicle if known, the license plate number of the motor vehicle involved in the violation, the nature of the offense, the date the ticket was issued, and the amount of the fine; or

(b) In all other cases, the license plate number of the vehicle involved in the violation if known, the name and address of the person charged, the nature and date of the offense, and the date the fine was imposed.

Subd. 4. [REPORTS WHEN FINES PAID.] When a fine which has been the subject of a report of nonpayment pursuant to subdivision 3 is paid to the court or the court stays, waives, rescinds, or suspends the fine, the clerk of a court of record or the judge or magistrate of a court not of record shall report to the department of public safety or to the county sheriff's department for entry into the public safety system in the form required by the department that the fine has been paid, stayed, waived, rescinded, or suspended.

Subd. 5. [SURCHARGE ON PARKING TICKETS.] From January 1, 1983 to January 1, 1984, every magistrate or judge of a court not of record and every clerk of a court of record, shall

impose a surcharge of \$1.00 to be paid by the violator, on every parking fine collected. The clerk of court shall collect and forward the surcharge to the county auditor with designation of its source as a parking violation surcharge, with the same frequency as fines are transmitted. The county auditor shall then transmit the surcharges to the state treasurer to be deposited in a special account, designated as the "department of public safety violation surcharge account." All moneys in the public safety violation surcharge account are appropriated to the department of public safety for the purpose of operating a centralized system for the reporting of traffic and parking violations for which fines due and payable are unpaid. The appropriation shall be available January 1, 1984.

Subd. 6. [SURCHARGES MAY BE CONTINUED.] After January 1, 1984, county boards may authorize imposition of a surcharge of up to \$1.00 on parking violation fines for the purpose of paying expenses incurred by the county in making the reports required by subdivisions 3 and 4. Surcharges collected pursuant to this subdivision shall be the property of the county.

Section 3. Minnesota Statutes 1980, Section 169.99, Subdivision 1, is amended to read:

Subdivision 1. Except as provided in (SUBDIVISION 3) *subdivision 4*, there shall be a uniform ticket issued throughout the state by the police and peace officers or by any other person for violations of the highway traffic regulations, which are Minnesota Statutes 1957, Chapter 169 and acts amendatory thereof, and ordinances in conformity thereto. (SUCH) *The* uniform traffic ticket shall be in the form and have the effect of a summons and complaint. There shall also be included on the uniform ticket a receipt in lieu of bail which, when signed by the defendant, shall be a guarantee by him of his appearance in the court having jurisdiction over the matter. The uniform traffic ticket shall consist of four parts, on paper sensitized so that copies may be made without the use of carbon paper, as follows:

(1) The complaint, with reverse side for officer's notes for testifying in court, driver's past record, and court's action, printed on which paper;

(2) The abstract of court record for the department of public safety, which shall be a copy of the complaint with the certificate of conviction on the reverse side, printed on yellow paper;

(3) The police record, which shall be a copy of the complaint and of the reverse side of copy (1), printed on pink paper;

(4) The summons, with, on the reverse side, such information as the court may wish to give concerning the traffic viola-

tions bureau, and a plea of guilty and waiver, printed on off-white tag stock.

Sec. 4. Minnesota Statutes 1980, Section 169.99, is amended by adding a subdivision to read:

Subd. 4. [SPECIAL NOTICE REQUIRED.] The copy of the uniform traffic ticket provided to the violator shall include a notice specifying the amount of the surcharge imposed pursuant to section 2 and the consequences which may result pursuant to section 171.16, subdivision 3, if the violator fails to respond to the citation.

Sec. 5. Minnesota Statutes 1981 Supplement, Section 171.16, Subdivision 3, is amended to read:

Subd. 3. [SUSPENSION FOR FAILURE TO PAY FINE.] When any court reports to the commissioner that a person: (1) has been convicted of violating a law of this state or an ordinance of a political subdivision which regulates the operation or parking of motor vehicles (,) or (2) has been sentenced to the payment of a fine or had a penalty assessment levied against him or her, or sentenced to a fine upon which a penalty assessment was levied, and ((3)) has refused or failed to comply with that sentence or to pay the penalty assessment, notwithstanding the fact that the court has determined that the person has the ability to pay the fine or penalty assessment, the commissioner shall **(SUSPEND THE DRIVER'S LICENSE OF SUCH PERSON FOR 30 DAYS FOR A REFUSAL OR FAILURE TO PAY OR UNTIL NOTIFIED BY THE COURT THAT THE FINE OR PENALTY ASSESSMENT, OR BOTH IF A FINE AND PENALTY ASSESSMENT WERE NOT PAID, HAS BEEN PAID)** take the following action:

(a) In the case of conviction of a moving traffic violation, except the operating or driving of a motor vehicle with license plates or tabs which expired less than 60 days previously, he shall suspend the driver's license of the person until notified by the court or the county sheriff's department that an appearance has been made or the fine has been paid;

(b) In the case of a parking violation, he shall refuse to issue license plates or tabs for the vehicle named in the citation until notified by the court or the county sheriff's department that an appearance has been made or the fine has been paid. If the vehicle named in the citation is transferred to another following the issuance of the citation, the commissioner shall issue license plates or tabs to the new owner but not for any other vehicle owned by the former owner of the vehicle named in the citation until notified by the court or the county sheriff's department that an appearance has been made or the fine has been paid. For purposes of this subdivision, the term "owner" has the meaning

given it in section 171.01, subdivision 8, except that in the event the vehicle is subject of a lease, the lessee shall be deemed the owner;

(c) In a case where the violation of which the person was convicted was operation or parking of a motor vehicle on a public highway with license plates or tabs which expired 60 or more days previously, the driver's license of the owner shall be suspended until the commissioner is notified by the court or the county sheriff's department that an appearance has been made or the fine has been paid.

Sec. 6. Minnesota Statutes 1980, Section 171.16, is amended by adding a subdivision to read:

Subd. 6. [DEFINITIONS.] For the purposes of this section, the term "parking violation" means a violation of the provisions of sections 169.32, 169.34 to 169.36, or any law or ordinance adopted by a local authority in conformance with these sections or with section 169.04, clause (1), or any other law or ordinance providing for or regulating the parking of a motor vehicle.

Sec. 7. Minnesota Statutes 1980, Section 171.16, is amended by adding a subdivision to read:

Subd. 7. [REINSTATEMENT FEES.] Any person whose driver's license has been suspended pursuant to subdivision 3 shall pay a fee of \$30 before his driver's license is reinstated.

Sec. 8. [APPROPRIATION.]

There is appropriated to the commissioner of public safety from the general fund the sum of \$229,000 for the purposes of preparing to administer sections 1 to 7. This sum is available until June 30, 1983.

Sec. 9. [EFFECTIVE DATE.] *Section 1 is effective January 1, 1984. Section 2, subdivisions 1, 2, 3, 4, and 6 are effective January 1, 1984. Section 2, subdivision 5 is effective January 1, 1983. Sections 3 and 4 are effective January 1, 1983. Section 5 is effective January 1, 1984. Sections 6 and 7 are effective January 1, 1983. Section 8 is effective June 30, 1982."*

Delete the title and insert:

"A bill for an act relating to public safety; establishing a system for collection of unpaid fines; authorizing fees and surcharges; appropriating money; amending Minnesota Statutes 1980, Sections 169.99, Subdivision 1, and by adding a subdivision; 171.16, by adding subdivisions; Minnesota Statutes 1981 Supplement, Sections 169.95; 171.16, Subdivision 3; proposing new law coded in Minnesota Statutes, Chapter 168."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Voss from the Committee on Local and Urban Affairs to which was referred:

H. F. No. 1906, A bill for an act relating to local government; allowing the city of Orr and the town of Leiding to assess the cost of maintenance of television relay service.

Reported the same back with the recommendation that the bill pass and be placed on the Consent Calendar.

The report was adopted.

Sarna from the Committee on Commerce and Economic Development to which was referred:

H. F. No. 2088, A bill for an act relating to economic development; authorizing the formation of a state development company for small business aid purposes; appropriating money; proposing new law coded in Minnesota Statutes, Chapter 362.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Sarna from the Committee on Commerce and Economic Development to which was referred:

H. F. No. 2092, A bill for an act relating to corporations; correcting certain errors; removing certain deficiencies and ambiguities; and amending Minnesota Statutes 1981 Supplement, Sections 300.083, Subdivision 2; 300.49, Subdivision 1; 302A.011, Subdivisions 4, 10, 17, 21, 25, 29, 30, and 31; 302A.021, Subdivisions 2, 4, 7, and 8; 302A.111, Subdivisions 2, 3, and 4; 302A.115, Subdivision 2; 302A.123; 302A.131; 302A.135, Subdivisions 2 and 4; 302A.181, Subdivision 3; 302A.201, Subdivision 2; 302A.207; 302A.235; 302A.239, Subdivision 1; 302A.241, Subdivisions 1 and 2; 302A.243; 302A.251, Subdivisions 2 and 3; 302A.255, Subdivision 1; 302A.401, Subdivision 2; 302A.403, Subdivisions 2 and 4; 302A.405, Subdivision 1; 302A.413, Subdivision 4; 302A.431, Subdivision 2; 302A.433, Subdivisions 1 and 2; 302A.435, Subdivision 1; 302A.437, Subdivision 1; 302A.443; 302A.445, Subdivisions 1 and 6; 302A.455; 302A.457, Subdivisions 1 and 2; 302A.461, Subdivision 2; 302A.463; 302A.467; 302A.521, Subdivision 2; 302A.551, Subdivisions 1 and 2; 302A.559, Subdivision 1; 302A.613, Subdivisions 2 and 3; 302A.661, Subdivision 2; 302A.721, Subdivision 2; 302A.723, Subdivision 1; 302A.727,

Subdivision 2; 302A.729, Subdivision 1; 302A.731, Subdivision 2; 302A.733, Subdivision 1; 302A.741; 302A.751, Subdivisions 2 and 3; 302A.781, Subdivision 1; 302A.821, Subdivisions 4 and 5; repealing Minnesota Statutes 1981 Supplement, Sections 302A.011, Subdivision 35; and 302A.241, Subdivision 3.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Sarna from the Committee on Commerce and Economic Development to which was referred:

H. F. No. 2093, A bill for an act relating to state departments and agencies; secretary of state; eliminating and simplifying certain filings; amending Minnesota Statutes 1980, Sections 303.14, Subdivision 3, as amended; 333.001, Subdivisions 2 and 3; Minnesota Statutes 1981 Supplement, Sections 301.071, Subdivision 2; 301.42, Subdivision 4; 303.05, Subdivision 1; and 322A.16; repealing Minnesota Statutes 1981 Supplement, Sections 301.06, Subdivision 3; 301.07; 301.071, Subdivision 1; and 301.33, Subdivision 3.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Nelson, K., from the Committee on Energy to which was referred:

H. F. No. 2228, A bill for an act relating to the Hennepin County park reserve district; authorizing the district to participate in hydroelectric power generation with other local government units under certain conditions.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Voss from the Committee on Local and Urban Affairs to which was referred:

S. F. No. 860, A bill for an act relating to municipal land use planning; permitting municipal fees for administrative actions relating to official controls; amending Minnesota Statutes 1980, Sections 462.353, by adding a subdivision; and 462.358, Subdivision 3b; repealing Minnesota Statutes 1980, Section 462.358, Subdivision 4.

Reported the same back with the recommendation that the bill pass and be placed on the Consent Calendar.

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 1906, 2092, 2093 and 2228 were read for the second time.

SECOND READING OF SENATE BILLS

S. F. Nos. 1591, 1443 and 860 were read for the second time.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Welch; Greenfield; Drew; Clark, K., and Byrne introduced:

H. F. No. 2270, A bill for an act relating to health; providing for an automatic fine in certain instances relating to nursing home inspections; setting a penalty; amending Minnesota Statutes 1980, Section 144A.10, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Health and Welfare.

Swanson and Skoglund introduced:

H. F. No. 2271, A resolution memorializing the President of the United States and the Administrator of the Federal Aviation Administration against any attempt to prohibit local governments from restricting aircraft noise.

The bill was read for the first time and referred to the Committee on Rules and Legislative Administration.

REPORT FROM THE COMMITTEE ON RULES AND LEGISLATIVE ADMINISTRATION

Eken, from the Committee on Rules and Legislative Administration, pursuant to Rule 1.9, designated the following bills as a Special Order to be added to Special Orders pending for March 3, 1982:

H. F. Nos. 1365, 1817, 612, 1499, 1625, 1701, 1795, 1799, 1832, 1852, 1863, 1941, 1967, 1975, 1993, 2011, 2058, 2079, 2170, 1572, 1707 and 1794.

MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Mr. Speaker:

I hereby announce the passage by the Senate of the following House Files, herewith returned:

H. F. No. 1700, A bill for an act relating to the military; prohibiting entry to Camp Ripley without authorization of the adjutant general; imposing a penalty; amending Minnesota Statutes 1980, Sections 609.60 and 609.605.

H. F. No. 1725, A bill for an act relating to the military; increasing the minimum pay for enlisted personnel called into active service; amending Minnesota Statutes 1980, Section 192.-51, Subdivision 2.

H. F. No. 1747, A bill for an act relating to the city of Minneapolis; providing for the security for certain rehabilitation loans; amending Laws 1977, Chapter 138, Section 2.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce the passage by the Senate of the following Senate File, herewith transmitted:

S. F. No. 1689.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce the passage by the Senate of the following Senate Files, herewith transmitted:

S. F. Nos. 1613, 1635 and 1804.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce the passage by the Senate of the following Senate Files, herewith transmitted:

S. F. Nos. 1566, 1713, 1821 and 1910.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker :

I hereby announce the passage by the Senate of the following Senate Files, herewith transmitted:

S. F. Nos. 1602 and 1766.

PATRICK E. FLAHAVEN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 1689, A bill for an act relating to the operation of state government; authorizing the legislative auditor to approve contracts for auditing state agencies; clarifying certain provisions regarding the term of the legislative auditor; modifying authority of the housing finance agency and certain other agencies to contract for audits without approval; amending Minnesota Statutes 1980, Sections 3.97, Subdivision 4; 3.972; and 462A.22, Subdivision 10.

The bill was read for the first time.

Wynia moved that S. F. No. 1689 and H. F. No. 1832 now on Special Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1613, A bill for an act relating to state departments and agencies; regulating the disposition of certain land within the capitol area; amending Minnesota Statutes 1981 Supplement, Section 15.50, Subdivision 6.

The bill was read for the first time.

Ellingson moved that S. F. No. 1613 and H. F. No. 1730, now on the Technical Consent Calendar, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1635, A bill for an act relating to education; modifying provisions governing school districts financial statements; amending Minnesota Statutes 1980, Section 121.908, Subdivision 3.

The bill was read for the first time and referred to the Committee on Education.

S. F. No. 1804, A bill for an act relating to local government; specifying the extent of the tax on aggregate materials; authorizing counties imposing a gravel tax under local law to elect to impose an aggregate material tax under general law; providing that Clay county may levy a gravel tax of up to ten cents per cubic yard; amending Minnesota Statutes 1980, Sec-

tion 298.75, Subdivisions 5 and 6; Minnesota Statutes 1981 Supplement, Sections 298.75, Subdivisions 1 and 2; 298.76; and Laws 1961, Chapter 605, Section 1.

The bill was read for the first time and referred to the Committee on Taxes.

S. F. No. 1566, A bill for an act relating to the environment; expediting the receipt of federal moneys for emergency response to hazardous waste releases; expediting the variance issuance procedures of the pollution control agency; amending Minnesota Statutes 1980, Sections 116.03, Subdivision 3; and 116.07, Subdivision 5.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

S. F. No. 1713, A bill for an act relating to transportation; providing for the coordination and regulation of special transportation services; amending Minnesota Statutes 1980, Sections 174.29 and 174.30.

The bill was read for the first time and referred to the Committee on Transportation.

S. F. No. 1821, A bill for an act relating to community corrections; clarifying and harmonizing the provisions of Minnesota Statutes relating to the administrative structure of participating counties, the composition of the corrections advisory board, the powers of probation officers, and the powers and duties of the commissioner of corrections; amending Minnesota Statutes 1980, Sections 401.01, Subdivision 2; 401.02, Subdivisions 1, 3, and 4; 401.06; 401.08, Subdivisions 1 and 2; and 401.13.

The bill was read for the first time.

Laidig moved that S. F. No. 1821 and H. F. No. 1951, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1910, A bill for an act relating to public welfare; requiring preadmission screening for patients entering nursing homes from hospitals; allowing hospital discharge planners to attend certain preadmission screening assessments; allowing recipient choice between long term care and alternative care; modifying cost limits for alternative care; amending Minnesota Statutes 1980, Section 256B.091, Subdivisions 2, 4, and 6; and Minnesota Statutes 1981 Supplement, Section 256B.091, Subdivision 8.

The bill was read for the first time and referred to the Committee on Appropriations.

S. F. No. 1602, A bill for an act relating to animals; eliminating certain licensing and registration requirements; repealing Minnesota Statutes 1980, Section 35.695.

The bill was read for the first time and referred to the Committee on Agriculture.

S. F. No. 1766, A bill for an act relating to taxation; making technical corrections and administrative changes to the income tax and property tax refund; amending Minnesota Statutes 1980, Sections 290.012, Subdivision 2; 290.02; 290.03; 290.032, Subdivision 5; 290.06, Subdivisions 9 and 9a; 290.079, Subdivision 1; 290.09, Subdivisions 16 and 17; 290.095, Subdivision 4; 290.13, Subdivision 1; 290.133, Subdivision 1; 290.19, Subdivision 1; 290.281, Subdivision 1; 290.31, Subdivisions 5 and 19; 290.36; 290.45, Subdivision 1; 290.49, Subdivisions 3, 7, and by adding a subdivision; 290.53, by adding a subdivision; 290.65, Subdivisions 9 and 11; 290.91; 290.92, Subdivision 13; 290.93, Subdivision 9; 290.936; 290A.11, by adding a subdivision; and Minnesota Statutes 1981 Supplement, Sections 270.075, Subdivisions 4 and 5, as amended; 290.01, Subdivisions 20, as amended, and 27; 290.05, Subdivisions 1 and 4; 290.075; 290.081; 290.09, Subdivisions 4, and 15; 290.091, as amended; 290.095, Subdivision 11; 290.10; 290.131, Subdivision 1; 290.132, Subdivision 1; 290.136, Subdivision 1; 290.14; 290.18, Subdivisions 1 and 2; 290.21, Subdivision 3; 290.23, Subdivision 3; 290.31, Subdivisions 3 and 4; 290.32; 290.37, Subdivision 1; 290.41, Subdivision 2; 290.42; 290.431; 290.92, Subdivisions 2a, 5, 5a, and 6; 290.93 Subdivisions 1 and 10; 290.9725; 290.974; 290A.03, Subdivisions 3 and 13; 290A.07, Subdivision 2a; 290A.11, Subdivision 1; Laws 1981, Third Special Session Chapter 2, Article III, Section 6, Subdivision 3; proposing new law coded in Minnesota Statutes, Chapter 290; repealing Minnesota Statutes 1980, Sections 62E.03, Subdivision 2; 290.06, Subdivision 3c; 290.0781; 290.079, Subdivisions 2, 3, 4, and 5; 290.08, Subdivision 21; 290.09, Subdivision 24; 290.13, Subdivisions 2, 4, and 10; 290.136, Subdivision 8; 290.26, Subdivision 5; 290.281, Subdivisions 3, 4, and 6; 290.31, Subdivisions 7, 8, 12, 13, 14, 15, 16, 17, 18, 20, 22, 23, 24, 25, and 26; 290.973; and Minnesota Statutes 1981 Supplement, Sections 290.079, Subdivision 6; 290.09, Subdivision 17a; 290.131, Subdivisions 2 and 3; 290.132, Subdivision 2; 290.133, Subdivision 2; 290.21, Subdivision 7; 290.26, Subdivisions 1 and 3; 290.281, Subdivision 2; 290.31, Subdivisions 6, 8a, 9, 10, 11, and 21; and 290.971, Subdivision 7.

The bill was read for the first time and referred to the Committee on Taxes.

CONSENT CALENDAR

S. F. No. 1567, A bill for an act relating to judicial procedures; providing an alternative time for a guardian or conservator to

file an annual report; amending Minnesota Statutes 1981 Supplement, Section 525.58, Subdivision 1.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 122 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Aasness	Evans	Knickerbocker	Ogren	Sieben, M.
Ainley	Ewald	Kostohryz	Olsen	Skoglund
Anderson, B.	Fjoslien	Laidig	Onnen	Stadum
Anderson, G.	Forsythe	Lehto	Osthoff	Staten
Anderson, I.	Frerichs	Lemen	Otis	Stowell
Battaglia	Greenfield	Levi	Peterson, D.	Stumpf
Begich	Gruenes	Long	Piepho	Sviggum
Berkelman	Gustafson	Ludeman	Pogemiller	Swanson
Blatz	Halberg	Luknic	Reding	Tomlinson
Brandl	Hanson	Mann	Rees	Valan
Brinkman	Hauge	McCarron	Reif	Valento
Byrne	Haukoos	McDonald	Rice	Vanasek
Carlson, L.	Heap	McEachern	Rodriguez, C.	Vellenga
Clark, J.	Heinitz	Mehrkens	Rodriguez, F.	Voss
Clark, K.	Himle	Metzen	Rose	Weaver
Clawson	Hokanson	Minne	Rothenberg	Welch
Dahlvang	Hokr	Munger	Samuelson	Welker
Dempsey	Jacobs	Murphy	Sarna	Wenzel
Den Ouden	Jennings	Nelsen, B.	Schafer	Wieser
Drew	Johnson, D.	Nelson, K.	Schoenfeld	Wynia
Eken	Jude	Niehaus	Schreiber	Zubay
Elioff	Kahn	Norton	Searles	Spkr. Sieben, H.
Ellingson	Kaley	Novak	Shea	
Erickson	Kalis	Nysether	Sherman	
Esau	Kelly	O'Connor	Sherwood	

The bill was passed and its title agreed to.

S. F. No. 1673, A bill for an act relating to health; requiring reports of cases of Reyes syndrome; proposing new law coded in Minnesota Statutes, Chapter 144.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 124 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Aasness	Blatz	Dahlvang	Esau	Gustafson
Ainley	Brandl	Dempsey	Evans	Halberg
Anderson, B.	Brinkman	Den Ouden	Ewald	Hanson
Anderson, G.	Byrne	Drew	Fjoslien	Hauge
Anderson, I.	Carlson, D.	Eken	Forsythe	Haukoos
Battaglia	Carlson, L.	Elioff	Frerichs	Heap
Begich	Clark, J.	Ellingson	Greenfield	Heinitz
Berkelman	Clawson	Erickson	Gruenes	Himle

Hokanson	Long	Nysether	Rose	Sviggum
Hokr	Ludeman	O'Connor	Rothenberg	Swanson
Jacobs	Luknic	Ogren	Samuelson	Tomlinson
Jennings	Mann	Olsen	Sarna	Valan
Johnson, D.	McCarron	Onnen	Schafer	Valento
Jude	McDonald	Osthoff	Schoenfeld	Vanasek
Kahn	McEachern	Otis	Schreiber	Vellenga
Kaley	Mehrkens	Peterson, D.	Searles	Weaver
Kalis	Metzen	Piepho	Shea	Welch
Kelly	Minne	Pogemiller	Sherman	Welker
Knickerbocker	Munger	Redalen	Sherwood	Wenzel
Kostohryz	Murphy	Reding	Sieben, M.	Wieser
Kvam	Nelsen, B.	Rees	Skoglund	Wigley
Laidig	Nelson, K.	Reif	Stadum	Wynia
Lehto	Niehaus	Rice	Staten	Zubay
Lemen	Norton	Rodriguez, C.	Stowell	Spkr. Sieben, H.
Levi	Novak	Rodriguez, F.	Stumpf	

The bill was passed and its title agreed to.

S. F. No. 2103, A bill for an act relating to retirement; St. Cloud firefighters relief association; clarifying and resolving an inconsistency in prior enactments concerning medical and health insurance coverage for certain relief association members; amending Laws 1974, Chapter 382, Sections 4, Subdivision 3, as amended; and 6, Subdivision 4.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 124 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Aasness	Evans	Kostohryz	Ogren	Sherwood
Ainley	Ewald	Kvam	Olsen	Sieben, M.
Anderson, B.	Fjoslien	Laidig	Onnen	Skoglund
Anderson, G.	Forsythe	Lehto	Osthoff	Stadum
Anderson, I.	Frerichs	Lemen	Otis	Staten
Battaglia	Greenfield	Levi	Peterson, D.	Stowell
Begich	Gruenes	Long	Piepho	Stumpf
Berkelman	Gustafson	Ludeman	Pogemiller	Sviggum
Blatz	Halberg	Luknic	Redalen	Swanson
Brandl	Hanson	Mann	Reding	Tomlinson
Brinkman	Hauge	McCarron	Rees	Valan
Byrne	Haukoos	McDonald	Reif	Valento
Carlson, D.	Heap	McEachern	Rice	Vanasek
Carlson, L.	Heinitz	Mehrkens	Rodriguez, C.	Vellenga
Clark, J.	Himle	Metzen	Rodriguez, F.	Voss
Clawson	Hokanson	Minne	Rose	Weaver
Dahlvang	Hokr	Munger	Rothenberg	Welch
Dempsey	Jacobs	Murphy	Samuelson	Welker
Den Ouden	Jennings	Nelsen, B.	Sarna	Wenzel
Drew	Johnson, D.	Nelson, K.	Schafer	Wieser
Eken	Jude	Niehaus	Schoenfeld	Wigley
Elioff	Kahn	Norton	Schreiber	Wynia
Ellingson	Kaley	Novak	Searles	Zubay
Erickson	Kalis	Nysether	Shea	Spkr. Sieben, H.
Esau	Knickerbocker	O'Connor	Sherman	

The bill was passed and its title agreed to.

S. F. No. 2095 was reported to the House.

There being no objection S. F. No. 2095 was continued one day.

CALENDAR

S. F. No. 1455, A bill for an act relating to retirement; including employees at the state ceremonial building in the unclassified employees plan; amending Minnesota Statutes 1981 Supplement, Section 352D.02, Subdivision 1.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 127 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Aasness	Esau	Kelly	Ogren	Sieben, M.
Ainley	Evans	Knickerbocker	Olsen	Skoglund
Anderson, B.	Ewald	Kostohryz	Onnen	Stadum
Anderson, G.	Forslien	Kvam	Osthoff	Staten
Anderson, I.	Fjosythe	Laidig	Otis	Stowell
Battaglia	Frerichs	Lehto	Peterson, D.	Stumpf
Begich	Greenfield	Lemen	Piepho	Sviggum
Berkelman	Gruenes	Levi	Pogemiller	Swanson
Blatz	Gustafson	Long	Redalen	Tomlinson
Brandl	Halberg	Ludeman	Reding	Valan
Brinkman	Hanson	Luknic	Rees	Valento
Byrne	Harens	Mann	Reif	Vanasek
Carlson, D.	Hauge	McCarron	Rice	Vellenga
Carlson, L.	Haukoos	McDonald	Rodriguez, C.	Voss
Clark, J.	Heap	McEachern	Rodriguez, F.	Weaver
Clark, K.	Heinitz	Mehrkens	Rose	Welch
Clawson	Himle	Minne	Rothenberg	Welker
Dahivang	Hokanson	Munger	Samuelson	Wenzel
Dean	Hokr	Murphy	Sarna	Wieser
Dempsey	Jacobs	Nelsen, B.	Schafer	Wigley
Den Ouden	Jennings	Nelson, K.	Schoenfeld	Wynia
Drew	Johnson, D.	Niehaus	Schreiber	Zubay
Eken	Jude	Norton	Searles	Spkr. Sieben, H.
Elioff	Kahn	Novak	Shea	
Ellingson	Kaley	Nysether	Sherman	
Erickson	Kalis	O'Connor	Sherwood	

The bill was passed and its title agreed to.

SPECIAL ORDERS

The Speaker called Wynia to the Chair.

H. F. No. 1652 was reported to the House.

Weaver moved to amend H. F. No. 1652, the first engrossment, as follows:

Page 2, after line 1, insert:

“Sec. 2. Minnesota Statutes 1980, Section 100.27, is amended by adding a subdivision to read:

Subd. 10. Zenaida macroura may be taken during two experimental seasons, to be established prior to December 31, 1983. Dates of the seasons shall be determined by order of the commissioner. At the conclusion of the experimental season, the commissioner may promulgate rules in accordance with the procedures specified in sections 15.0411 to 15.052 making the experimental season permanent.

Sec. 3. Minnesota Statutes 1980, Section 100.28, Subdivision 2, is amended to read:

Subd. 2. Unless the numbers are reduced by order of the commissioner, no person shall take in any one day, or shall have in possession at any one time, a greater number of any species than prescribed by the following table:

Species	Daily	Possession
Quail	10	15
Partridge (ruffed grouse), prairie chicken (pinnated grouse), pheasant, white breasted grouse (sharp tailed grouse), Hungarian partridge or Chukar partridge	5	10

provided that not more than one hen pheasant shall be taken in any one day, nor more than two had in possession; and further provided that, subject to the provisions of section 100.27, subdivision 10, no person shall take more than ten Zenaida macroura in any one day, or shall have in possession at any one time more than 20 of the same specie, unless the commissioner determines that specie population variations require limit revisions. Actual daily bag and possession limits shall under no circumstances exceed the limits set by the United States Fish and Wildlife Service.”

Renumber the sections accordingly

Amend the title as follows:

Page 1, line 4, after “circumstances;” insert “establishing an experimental season on Zenaida macroura;”

Page 1, line 5, after “subdivision;” insert “100.27, by adding a subdivision; 100.28, Subdivision 2;”

A roll call was requested and properly seconded.

Kahn moved to amend the Weaver amendment to H. F. No. 1652, the first engrossment, as follows:

Page 1, line 6, after "taken" insert "by crossbow"

A roll call was requested and properly seconded.

The question was taken on the amendment to the amendment and the roll was called. There were 27 yeas and 86 nays as follows:

Those who voted in the affirmative were:

Berkelman	Ellingson	Lehto	Norton	Skoglund
Brandl	Greenfield	Long	Ogren	Staten
Byrne	Hanson	Minne	Otis	Wynia
Clark, J.	Kahn	Munger	Peterson, D.	
Clark, K.	Kelly	Murphy	Pogemiller	
Dean	Kostohryz	Nelson, K.	Rice	

Those who voted in the negative were:

Aasness	Erickson	Johnson, D.	Olsen	Stowell
Ainley	Esau	Jude	Onnen	Stumpf
Anderson, B.	Evans	Kaley	Peterson, B.	Sviggum
Anderson, G.	Ewald	Kalis	Piepho	Swanson
Anderson, I.	Fjoslien	Knickerbocker	Redalen	Tomlinson
Eattaglia	Forsythe	Kvam	Reding	Valento
Begich	Frerichs	Laidig	Rees	Vanasek
Blatz	Gruenes	Levi	Reif	Voss
Brinkman	Halberg	Ludeman	Rose	Weaver
Carlson, D.	Harens	Mann	Rothenberg	Welch
Carlson, L.	Hauge	McDonald	Sarna	Welker
Clawson	Haukoos	McEachern	Schafer	Wieser
Dahlvang	Heap	Mehrkens	Schreiber	Wigley
Dempsey	Heinitz	Metzen	Searles	Zubay
Den Ouden	Himle	Nelsen, B.	Shea	
Drew	Hokr	Niehaus	Sherman	
Eken	Jacobs	Novak	Sherwood	
Elioff	Jennings	Nysether	Stadum	

The motion did not prevail and the amendment to the amendment was not adopted.

CALL OF THE HOUSE

On the motion of Munger and on the demand of 10 members, a call of the House was ordered. The following members answered to their names:

Aasness	Brandl	Dean	Evans	Hanson
Ainley	Brinkman	Dempsey	Ewald	Harens
Anderson, B.	Byrne	Den Ouden	Fjoslien	Hauge
Anderson, G.	Carlson, D.	Drew	Forsythe	Haukoos
Anderson, I.	Carlson, L.	Eken	Frerichs	Heap
Battaglia	Clark, J.	Elioff	Greenfield	Heinitz
Begich	Clark, K.	Ellingson	Gruenes	Himle
Berkelman	Clawson	Erickson	Gustafson	Hokanson
Blatz	Dahlvang	Esau	Halberg	Hokr

Jacobs	Ludeman	Nysether	Rose	Sviggum
Jennings	Luknic	O'Connor	Rothenberg	Swanson
Johnson, D.	Mann	Ogren	Samuelson	Tomlinson
Jude	McCarron	Olsen	Sarna	Valan
Kahn	McDonald	Onnen	Schafer	Valento
Kaley	McEachern	Osthoff	Schoenfeld	Vanasek
Kalis	Mehrkens	Peterson, B.	Schreiber	Vellenga
Kelly	Metzen	Peterson, D.	Searles	Voss
Knickerbocker	Minne	Piepho	Shea	Weaver
Kostohryz	Munger	Redalen	Sherman	Welker
Kvam	Murphy	Reding	Sherwood	Wenzel
Laidig	Nelsen, B.	Rees	Sieben, M.	Wieser
Lehto	Nelson, K.	Reif	Skoglund	Wigley
Lemen	Niehaus	Rice	Stadum	Wynia
Levi	Norton	Rodriguez, C.	Staten	Zubay
Long	Novak	Rodriguez, F.	Stumpf	Spkr. Sieben, H.

Eken moved that further proceedings of the roll call be dispensed with and that the Sergeant at Arms be instructed to bring in the absentees. The motion prevailed and it was so ordered.

The question recurred on the Weaver amendment and the roll was called.

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

There were 40 yeas and 88 nays as follows:

Those who voted in the affirmative were:

Aasness	Esau	Lemen	Redalen	Stumpf
Ainley	Ewald	Levi	Reding	Sviggum
Anderson, B.	Frerichs	Ludeman	Rees	Valento
Begich	Halberg	McDonald	Schafer	Vanasek
Carlson, D.	Heap	McEachern	Schreiber	Weaver
Dempsey	Hokr	Metzen	Shea	Welker
Den Ouden	Jennings	Nelsen, B.	Sherman	Wenzel
Erickson	Kaley	Peterson, B.	Sherwood	Wieser

Those who voted in the negative were:

Anderson, G.	Evans	Kelly	Nysether	Schoenfeld
Anderson, I.	Fjoslien	Knickerbocker	O'Connor	Sieben, M.
Battaglia	Forsythe	Kostohryz	Ogren	Skoglund
Berkelman	Greenfield	Kvam	Olsen	Stadum
Blatz	Gruenes	Laidig	Onnen	Staten
Brandl	Gustafson	Lehto	Osthoff	Stowell
Brinkman	Hanson	Long	Otis	Swanson
Byrne	Harens	Luknic	Peterson, D.	Tomlinson
Carlson, L.	Hauge	Mann	Piepho	Valan
Clark, J.	Haukoos	McCarron	Pogemiller	Vellenga
Clark, K.	Heinitz	Mehrkens	Reif	Voss
Clawson	Himle	Minne	Rice	Welch
Dahlvang	Hokanson	Munger	Rodriguez, C.	Wigley
Dean	Jacobs	Murphy	Rodriguez, F.	Wynia
Drew	Johnson, D.	Nelson, K.	Rose	Zubay
Eken	Jude	Niehaus	Rothenberg	Spkr. Sieben, H.
Elioff	Kahn	Norton	Samuelson	
Ellingson	Kalis	Novak	Sarna	

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

CALL OF THE HOUSE LIFTED

Eken moved that the call of the House be dispensed with. The motion prevailed and it was so ordered.

Clawson offered an amendment to H. F. No. 1652.

POINT OF ORDER

Halberg raised a point of order pursuant to rule 3.9 that the amendment was not in order. The Speaker Pro Tem ruled the point of order well taken and the amendment out of order.

Welch moved to amend H. F. No. 1652, the first engrossment, as follows:

Page 1, line 12, after "crossbow" insert "or with a longbow using a mechanical device"

The motion prevailed and the amendment was adopted.

Voss moved to amend H. F. No. 1652, the first engrossment, as follows:

Page 1, after line 8, insert a section to read:

"Section 1. Minnesota Statutes 1980, Section 97.57, is amended to read:

Subdivision 1. In any county with unanimous consent of the county board of commissioners, and approval of the land owner, the department of natural resources shall (DIRECT THE DESTRUCTION) take such action as the county board and land owner agree upon for the destruction or alteration of any beaver dam (AND) or for removal of beaver from any waterway, stream, or ditch where drainage is being impaired. All state parks, state game refuges, and federal game preserves are excluded from this provision.

Subd. 2. In those cases where there is a threat to person or a serious threat to significant property resulting from a beaver dam, and where the consent required by subdivision 1 cannot be obtained, upon petition a district court may order the department of natural resources to take such actions as are appropriate to ameliorate or mitigate the threat or damage, but the actions must be the least environmentally damaging possible."

Renumber remaining sections in sequence

Amend the title as follows :

Page 1, line 5, after "Sections" insert "97.57,"

POINT OF ORDER

Jennings raised a point of order pursuant to rule 3.9 that the amendment was not in order. The Speaker Pro Tem ruled the point of order not well taken and the amendment in order.

The question recurred on the Voss amendment. The motion did not prevail and the amendment was not adopted.

H. F. No. 1652, A bill for an act relating to game and fish; authorizing special permits to take deer with a crossbow under certain circumstances; amending Minnesota Statutes 1980, Sections 98.48, by adding a subdivision; and 100.29, Subdivision 7.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 113 yeas and 5 nays as follows :

Those who voted in the affirmative were :

Aasness	Erickson	Kalis	Novak	Schreiber
Ainley	Esau	Kelly	Nysether	Searles
Anderson, B.	Evans	Knickerbocker	O'Connor	Shea
Anderson, G.	Ewald	Kostohryz	Ogren	Sherman
Anderson, I.	Fjoslien	Kvam	Olsen	Sherwood
Battaglia	Forsythe	Laidig	Onnen	Sieben, M.
Begich	Frerichs	Lehto	Otis	Stadum
Berkelman	Greenfield	Lemen	Peterson, B.	Stumpf
Blatz	Gruenes	Levi	Peterson, D.	Swanson
Brandl	Gustafson	Long	Piepho	Tomlinson
Brinkman	Halberg	Ludeman	Pogemiller	Valento
Byrne	Hanson	Luknic	Redalen	Vanasek
Carlson, D.	Hauge	Mann	Reding	Vellenga
Carlson, L.	Heap	McCarron	Rees	Weaver
Clark, J.	Heinitz	McDonald	Reif	Welker
Clawson	Himle	Mehrkens	Rice	Wenzel
Dahlvang	Hokanson	Metzen	Rodriguez, C.	Wieser
Dean	Hokr	Minne	Rodriguez, F.	Wigley
Dempsey	Jacobs	Munger	Rose	Wynia
Den Ouden	Jennings	Murphy	Rothenberg	Zubay
Eken	Johnson, D.	Nelsen, B.	Samuelson	Spkr. Sieben, H.
Elioff	Jude	Nelson, K.	Schafer	
Ellingson	Kaley	Niehaus	Schoenfeld	

Those who voted in the negative were :

Harens	Sarna	Skoglund	Stowell	Valan
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The bill was passed, as amended, and its title agreed to.

S. F. No. 1547, A bill for an act relating to retirement; miscellaneous amendments to the public employees retirement law; amending Minnesota Statutes 1980, Sections 353.01, Subdivisions 12 and 16; 353.35; and 353.657, Subdivision 2a; Minnesota Statutes 1981 Supplement, Sections 353.01, Subdivisions 2a and 2b; 353.27, Subdivision 4; 353.36, Subdivision 2; and 353.64, Subdivision 1; repealing Minnesota Statutes 1980, Sections 353.01, Subdivision 34; and 353.017, Subdivision 4; Minnesota Statutes 1981 Supplement, Section 353.023.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 124 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Aasness	Evans	Kelly	O'Connor	Sherman
Ainley	Ewald	Knickerbocker	Ogren	Sherwood
Anderson, B.	Fjoslien	Kostohryz	Olsen	Sieben, M.
Anderson, G.	Forsythe	Kvam	Onnen	Skoglund
Anderson, I.	Frerichs	Laidig	Osthoff	Stadum
Battaglia	Greenfield	Lehto	Peterson, B.	Staten
Begich	Gruenes	Lemen	Peterson, D.	Stowell
Berkelman	Gustafson	Levi	Piepho	Stumpf
Blatz	Halberg	Long	Pogemiller	Swanson
Brandl	Hanson	Ludeman	Redalen	Tomlinson
Brinkman	Harens	Luknic	Reding	Valan
Carlson, D.	Hauge	Mann	Rees	Valento
Carlson, L.	Haukoos	McCarron	Reif	Vanasek
Clark, J.	Heap	McDonald	Rice	Vellenga
Clawson	Heinitz	Mehrkens	Rodriguez, C.	Voss
Dahlvang	Himle	Metzen	Rodriguez, F.	Weaver
Dean	Hokanson	Minne	Rose	Welch
Dempsey	Hokr	Munger	Rothenberg	Welker
Den Ouden	Jacobs	Murphy	Samuelson	Wenzel
Drew	Jennings	Nelsen, B.	Sarna	Wieser
Eken	Johnson, D.	Nelson, K.	Schafer	Wigley
Elioff	Jude	Niehaus	Schoenfeld	Wynia
Ellingson	Kahn	Norton	Schreiber	Zubay
Erickson	Kaley	Novak	Searles	Spkr. Sieben, H.
Esau	Kalis	Nysether	Shea	

The bill was passed and its title agreed to.

S. F. No. 1727, A bill for an act relating to retirement; second class city police relief associations; eliminating a dollar amount limitation on the payment of salaries to relief association officers; amending Minnesota Statutes 1981 Supplement, Section 423.808.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 121 yeas and 0 nays as follows:

Those who voted in the affirmative were :

Aasness	Ewald	Kvam	Otis	Stadum
Ainley	Fjoslien	Laidig	Peterson, B.	Staten
Anderson, B.	Forsythe	Lehto	Peterson, D.	Stowell
Anderson, G.	Frerichs	Lemen	Piepho	Stumpf
Anderson, I.	Greenfield	Levi	Pogemiller	Sviggum
Battaglia	Gruenes	Long	Redalen	Swanson
Begich	Gustafson	Ludeman	Reding	Tomlinson
Berkelman	Halberg	Luknic	Rees	Valan
Brandl	Hanson	Mann	Reif	Valento
Byrne	Hauge	McCarron	Rice	Vanasek
Carlson, D.	Heap	McDonald	Rodriguez, C.	Vellenga
Carlson, L.	Heinitz	McEachern	Rodriguez, F.	Voss
Clark, J.	Himle	Mehrkens	Rose	Weaver
Clawson	Hokanson	Metzen	Rothenberg	Welch
Dahlvang	Hokr	Minne	Samuelson	Welker
Dean	Jacobs	Munger	Sarna	Wenzel
Dempsey	Jennings	Murphy	Schafer	Wieser
Den Ouden	Johnson, D.	Neisen, B.	Schoenfeld	Wigley
Drew	Jude	Nelson, K.	Schreiber	Wynia
Eken	Kahn	Niehaus	Searles	Zubay
Elioff	Kaley	Norton	Shea	Spkr. Sieben, H.
Ellingson	Kalis	Novak	Sherman	
Erickson	Kelly	Ogren	Sherwood	
Esau	Knickerbocker	Onnen	Sieben, M.	
Evans	Kostohryz	Osthoff	Skoglund	

The bill was passed and its title agreed to.

Kaley was excused for the remainder of today's session.

H. F. No. 1459 was reported to the House.

Eken moved that H. F. No. 1459 be continued on Special Orders for one day. The motion prevailed.

H. F. No. 1365 was reported to the House.

Voss, Schreiber and Pogemiller moved to amend H. F. No. 1365, the first engrossment, as follows:

Page 8, delete lines 20 to 36

Page 9, delete lines 1 to 7 and insert:

“For the purposes of this subdivision an “assisted housing unit” is a housing unit which is rented or to be rented and which is a part of a rental housing development where the financing for the rental housing development is assisted with interest reduction assistance provided by the authority during the calendar year. If interest reduction assistance is provided for construction period interest for a rental housing development, the housing units in the housing development shall be considered assisted housing units for a period after occupancy of the housing units

which is equal to the period which interest reduction assistance is provided to assist the construction financing of the rental housing development. In any calendar year when an authority provides interest reduction assistance for assisted housing units (1) at least 20 percent of the total assisted housing units within the jurisdiction of the authority shall be held available for rental to families or individuals with an adjusted gross income which is equal to or less than 80 percent of the median family income, and (2) at least an additional 55 percent of the total assisted housing units within the jurisdiction of the authority shall be held available for rental to individuals or families with an annual adjusted gross income which is equal to or less than 66 times 120 percent of the monthly fair market rent for the unit established by the United States department of housing and urban development. At least 80 percent of the aggregate dollar amount of funds appropriated by an authority within any calendar year to provide interest reduction assistance for financing of construction, rehabilitation or purchase of single family housing, as that term is defined in section 462C.02, subdivision 4, shall be appropriated for housing units which are to be sold or occupied by families or individuals with an adjusted gross income which is equal to or less than 110 percent of median family income. For the purposes of this subdivision, "median family income" means the median family income established by the United States department of housing and urban development for the nonmetropolitan county or the standard metropolitan statistical area, as the case may be. The adjusted gross income may be adjusted by the authority for family size. An authority which establishes a program pursuant to this subdivision shall on or before January 2 of each year report to the commissioner of the Minnesota department of energy, planning and development, a description of the program established and a description of the recipients of interest reduction assistance.

Sec. 8. Minnesota Statutes 1980, Section 462.445, is amended by adding a subdivision to read:

Subd. 12. [INTEREST REDUCTION PROGRAM; REQUIRED AGREEMENTS.] (a) Under any interest reduction program authorized by subdivision 10, which provides interest reduction assistance pursuant to clauses (a) to (f), the authority shall obtain an agreement from the developer or other benefited owner of the property. The agreement shall provide that upon the benefited owner's sale or transfer of the property the authority shall be paid in an amount determined under clause (b) and that this obligation is secured by an interest in the property. The interest in the property shall consist of either a right of co-ownership or a lien or mortgage against the property and may be subordinate to other interests in the property. For purposes of this subdivision, "property" means property the construction, acquisition or improvement of which is financed in whole or part with the proceeds of a loan upon which the interest payments are reduced under an interest reduction program.

(b)(i) Upon transfer or sale of the property the amount required to be paid to the authority under clause (a) shall equal at least

(A) the sale price of the property, less

(B) the down payment, any payments of principal, other payments made to construct, acquire or improve the property and any outstanding liens or mortgages securing loans, advances, or goods and services provided for the construction, acquisition or improvement of the property, less

(C) the amount, if any, which the authority determines should be allowed for the developer or other benefited property owner as a return on the developer's or other benefited property owner's investment in the property, multiplied by

(D) a fraction, the numerator of which is the interest reduction payments made by the authority and the denominator of which is the total of the downpayment, all principal and interest payments including any portion paid by the authority, and other payments made to construct, acquire or improve the property. In the case of a transfer, other than an arms-length sale, an appraisal shall be substituted for the sale price.

(ii) If the interest reduction payments are made for a bond issue, or other obligation, the proceeds of which are lent to five or more purchasers of separate housing units, the fraction under clause (b)(i)(D) may be determined on the basis of an estimate of the aggregate factors for all the borrowers of the proceeds, of the bonds or other obligations participating in the interest reduction program.

The provisions of this subdivision shall not apply to interest reduction assistance provided for construction period interest for housing units which are to be sold upon completion to purchasers who intend at the time of purchase to occupy the housing units as their principal place of residence.

Sec. 9. Minnesota Statutes 1980, Section 462.445, is amended by adding a subdivision to read:

Subd. 13. [INTEREST REDUCTION PROGRAM.] The authority to authorize payment of interest reduction assistance pursuant to sections 6 to 8 of this act shall expire on January 1, 1986. Interest reduction assistance payments authorized prior to January 1, 1986 may be paid after January 1, 1986."

Renumber the sections in sequence

The motion prevailed and the amendment was adopted.

H. F. No. 1365, A bill for an act relating to cities; authorizing city rehabilitation loan programs for small and medium sized commercial buildings; and providing for the issuance of revenue bonds to finance the programs; authorizing a housing and commercial rehabilitation interest reduction program; amending Minnesota Statutes 1980, Sections 462.421, Subdivision 14; 462.445, by adding subdivisions; and 462.545, Subdivision 1; proposing new law coded in Minnesota Statutes, Chapter 459.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 87 yeas and 34 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Ellingson	Kalis	Novak	Shea
Anderson, G.	Evans	Kelly	O'Connor	Sherman
Anderson, I.	Ewald	Knickerbocker	Ogren	Sieben, M.
Battaglia	Forsythe	Kostohryz	Olsen	Skoglund
Begich	Greenfield	Laidig	Otis	Staten
Berkelman	Gruenes	Lehto	Peterson, D.	Stumpf
Blatz	Gustafson	Levi	Pogemiller	Swanson
Brandl	Halberg	Long	Redalen	Tomlinson
Byrne	Hanson	Luknie	Reding	Vanasek
Carlson, D.	Hauge	Mann	Reif	Vellenga
Carlson, L.	Haukoos	McCarron	Rice	Voss
Clark, J.	Heap	Mehrkens	Rodriguez, C.	Weaver
Clark, K.	Himle	Metzen	Rodriguez, F.	Welch
Clawson	Hokanson	Minne	Rose	Wenzel
Dahlvang	Jacobs	Munger	Samuelson	Sprk. Sieben, H.
Dean	Johnson, D.	Murphy	Sarna	
Eken	Jude	Nelson, K.	Schoenfeld	
Elioff	Kahn	Norton	Schreiber	

Those who voted in the negative were:

Aasness	Fjoslien	McDonald	Rees	Sviggun
Ainley	Frerichs	Nelsen, B.	Rothenberg	Valento
Brinkman	Heinitz	Niehaus	Schafer	Welker
Dempsey	Hokr	Nysether	Searles	Wieser
Den Ouden	Jennings	Onnen	Sherwood	Wigley
Erickson	Lemen	Peterson, B.	Stadum	Zubay
Esau	Ludeman	Piepho	Stowell	

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

H. F. No. 1817 was reported to the House.

Mehrkens moved to amend H. F. No. 1817, the first engrossment, as follows:

Page 6, lines 1 to 8, reinstate the stricken language

Page 6, line 9, reinstate the stricken language "are to be used or shipped"

Page 6, line 17, reinstate the stricken period

The motion prevailed and the amendment was adopted.

Mehrkens moved to amend H. F. No. 1817, the first engrossment, as amended, as follows :

Page 6, line 22, after "mix" insert ", concrete ready mix"

The motion prevailed and the amendment was adopted.

Haukoos moved to amend H. F. No. 1817, the first engrossment, as amended, as follows :

Page 11, after line 15, insert :

"Sec. 12. [REPEALER.]

Minnesota Statutes 1981 Supplement, Section 161.465, is repealed."

Page 11, line 17, delete "and 9" and insert ", 9 and 12"

Renumber the section

Amend the title as follows :

Page 1, line 19, after "221" insert " ; repealing Minnesota Statutes 1981 Supplement, Section 161.465"

The motion prevailed and the amendment was adopted.

Olsen, Long and Rothenberg moved to amend H. F. No. 1817, the first engrossment, as amended, as follows :

Page 2, after line 17, insert :

"Sec. 3. Minnesota Statutes 1980, Section 161.123, is amended to read :

161.123 [HIGHWAY CONSTRUCTION ; PROHIBITIONS.]

Following May 31, 1975 the department of transportation shall not cause any construction on, nor shall any lands be acquired for, any of the trunk highways designated as I-335; proposed I-394 between I-494 and the Hawthorne interchange; nor for any extension or connector of the Dartmouth interchange of the interstate route designated as I-94, except for a connection from Fulton Avenue and Huron Street to University Avenue Southeast and 25th Avenue Southeast generally via Huron Street and 25th Avenue Southeast; nor shall the department construct or improve Legislative Route No. 116, marked trunk highway route No. 55, within the city of Minneapolis, to freeway

or expressway standards; provided, that nothing in this section shall be construed to prohibit the department from taking the following actions:

(1) Construction of a parkway facility of not more than four lanes of traffic in the corridor previously designated for I-335 in the city of Minneapolis.

(2) Construction of not more than six lanes (OF TRAVEL) on Legislative Routes No. 10 and No. 107 marked TH 12 between I-494 and the Hawthorne interchange in the city of Minneapolis, provided that no additional lands shall be acquired for any such purpose except which is necessary for construction of six lanes (OF TRAVEL) on said highway.

(3) Generally utilizing and widening present lanes of travel, increasing the number of lanes of travel up to but not exceeding six lanes, and upgrading Legislative Route No. 116 within the city of Minneapolis generally along its present traveled corridor.

(4) Preparation of any environmental impact statements, recreational and other land use reports, and other elements of the planning process required by federal and state law, utilizing the most reasonably recent available data, on the following:

Routes and corridors enumerated above and all feasible and prudent alternate routes and corridors, giving the fullest possible consideration to each, without regard to prior authorization or to whether legislative approval or other action is necessary. In the preparation of such environmental impact statements the commissioner shall analyze and evaluate:

(a) Design modifications which may mitigate any adverse environmental impact; and

(b) The recommendations of the metropolitan council, transportation advisory board, and interstate study committee as reported to the legislature pursuant to Laws 1975, Chapter 203, Section 16; and

(c) All other matters required of an environmental impact statement by applicable state and federal laws.

Any highway facility authorized by this section shall be compatible with the immediate residential areas through which it passes. Upon the completion of any highway facility authorized herein, any right-of-way previously acquired within the utilized corridor and not needed for the construction and maintenance of such facility, shall be transferred to the city within which such excess right-of-way is located, for public purposes, or sold

for utilization in a manner compatible with the immediate residential area through which it passes, such excess right-of-way being determined by order of the commissioner. The transfer shall be evidenced by a quit claim deed, in such form as the attorney general approves, executed by the governor in the name of the state of Minnesota to such city.

The commissioner of transportation shall consider a parkway or other alternatives for that portion of the trunk highway designated as I-35 or Route No. 390 in the city of Duluth."

Page 11, delete line 17 and insert "*Sections 1, 2, 3, 4, 6, 7, 8, 9 and 10 are effective the day*"

Renumber the sections accordingly

Amend the title as follows :

Page 1, line 5, after the semicolon insert "altering highway construction prohibitions on certain routes;"

Page 1, line 14, after "Sections" insert "161.123;"

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

The Speaker resumed the Chair.

Rose moved to amend H. F. No. 1817, the first engrossment, as amended, as follows :

Page 3, line 15, reinstate the stricken language

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

H. F. No. 1817, A bill for an act relating to transportation; adding a new route to the trunk highway system in substitution of an existing route; discontinuing and removing a route from the trunk highway system; providing for the disposal of surplus property; exempting the state transportation plan from the provisions of the administrative procedure act; requiring driver qualifications and safety requirements for certain motor carriers; regulating building movers and establishing fees; allowing expenditures from the state airports fund for educational programs to promote interest and safety in aeronautics; amending Minnesota Statutes 1980, Sections 161.41; 173.02, Subdivision 2; 174.03, Subdivisions 1 and 2; 360.015, Subdivision 2; 360.017, Subdivision 1; Minnesota Statutes 1981 Supplement, Sections 221.011, Subdivision 22; and 221.81; proposing new law coded in Minnesota Statutes, Chapter 221; repealing Minnesota Statutes 1981 Supplement, Section 161.465.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 122 yeas and 4 nays as follows:

Those who voted in the affirmative were:

Aasness	Evans	Kostohryz	Ogren	Sieben, M.
Ainley	Ewald	Kvam	Onnen	Stadum
Anderson, B.	Fjoslien	Laidig	Osthoff	Staten
Anderson, I.	Forsythe	Lehto	Otis	Stowell
Battaglia	Frerichs	Lemen	Peterson, B.	Stumpf
Begich	Greenfield	Levi	Peterson, D.	Sviggum
Berkelman	Gruenes	Long	Piepho	Swanson
Blatz	Gustafson	Ludeman	Pogemiller	Tomlinson
Brinkman	Halberg	Luknic	Redalen	Valan
Byrne	Hanson	Mann	Reding	Valento
Carlson, D.	Hauge	McCarron	Rees	Vanasek
Carlson, L.	Haukoos	McDonald	Reif	Vellenga
Clark, J.	Heap	McEachern	Rice	Voss
Clark, K.	Heinitz	Mehrkens	Rodriguez, C.	Weaver
Clawson	Himle	Metzen	Rodriguez, F.	Welch
Dahlvang	Hokanson	Minne	Rose	Welker
Dean	Hokr	Munger	Rothenberg	Wenzel
Dempsey	Jacobs	Murphy	Samuelson	Wieser
Den Ouden	Jennings	Nelsen, B.	Sarna	Wigley
Drew	Johnson, D.	Nelson, K.	Schafer	Wynia
Eken	Jude	Niehaus	Schoenfeld	Zubay
Elioff	Kahn	Norton	Schreiber	Sprk. Sieben, H.
Ellingson	Kalis	Novak	Searles	
Erickson	Kelly	Nysether	Sherman	
Esau	Knickerbocker	O'Connor	Sherwood	

Those who voted in the negative were:

Anderson, G.	Olsen	Shea	Skoglund
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The bill was passed, as amended, and its title agreed to.

There being no objection the order of business reverted to Reports of Standing Committees.

REPORTS OF STANDING COMMITTEES

Norton from the Committee on Governmental Operations to which was referred:

H. F. No. 1235, A bill for an act relating to real estate; directing the release of a certain state owned easement.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. [CONVEYANCE OF LANDS; LYON COUNTY.]

The commissioner of administration, by quitclaim deed, in a form approved by the attorney general, for a consideration of \$1, shall convey to Gentius L. and Alice G. Shriver the interest of the state in the following described property:

The North 7 acres of NW 1/4 of SE 1/4 adjacent to Government Lot 7 on the North of Section 31, Range 43, Township 109, in Lyon County.

Sec. 2. [QUITCLAIM DEED.]

The commissioner of natural resources, in the name of the state, shall convey by quitclaim deed, in a form approved by the attorney general, without monetary consideration any interest which the state may have in Lot 38 of Clearwater Beach, Wright County, Minnesota, to David C. and Rosemary Carlson, Robert J. and Jan Bowman, and Linda F. Schwichtenberg.

Sec. 3. [EFFECTIVE DATE.]

This act is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to state lands; authorizing the conveyance by the state of its interest in certain lands in Lyon County and Wright County."

With the recommendation that when so amended the bill pass and be placed on the Consent Calendar.

The report was adopted.

Norton from the Committee on Governmental Operations to which was referred:

H. F. No. 1559, A bill for an act relating to state government; providing a one time early retirement insurance benefit option for certain state employees; amending Minnesota Statutes 1981 Supplement, Section 43A.24, Subdivision 2.

Reported the same back with the following amendments:

Page 2, delete lines 26 to 36, and insert:

"(h) Notwithstanding section 43A.27, subdivision 3, a plan adopted under section 43A.18 may provide, or the state and an exclusive representative of state employees may negotiate, an agreement which provides for state-paid hospital, medical, and dental benefits for employees who retire from state service earlier than required. Coverage under these agreements shall be

coordinated with relevant health insurance benefits provided through the federally-sponsored medicare program."

Page 3, delete lines 1 to 6 and insert:

"Sec. 2. [TEMPORARY.]

Commencing one week after the effective date of this act the state and exclusive representatives of state employees shall negotiate on the topic of supplemental agreements to the contracts covering the 1981 to 1983 biennium to provide for the benefits listed in section 1. These benefits shall only be available to employees who are between 60 and 65 years of age at the time of retirement and who have at least 20 years of state service. Any supplemental agreements providing for these benefits shall be submitted to the legislative commission on employee relations and the full legislature for approval in the same manner and with the same effect as provided in section 179.74, subdivision 5."

Renumber the section

Page 3, line 8, delete "Section 1 is" and insert "Sections 1 and 2 are" and delete "its"

Amend the title as follows:

Page 1, line 2, delete "a one time" and insert "potential for an"

With the recommendation that when so amended the bill pass.

The report was adopted.

Sieben, M., from the Committee on Appropriations to which was referred:

H. F. No. 1690, A bill for an act relating to public welfare; requiring the commissioner of public welfare to promulgate rules which establish foster care maintenance payments by the state; establishing a state goal for the reduction of the number of children in residential facilities for more than 24 months; requiring the commissioner of public welfare to comply with the requirements of Title IV-E of the federal Social Security Act in order to obtain adoption assistance funds for eligible children; expanding the eligibility for medical assistance to include children receiving foster care maintenance payments under Title IV-E of the federal Social Security Act; amending Minnesota Statutes 1980, Sections 256.82; 257.071, by adding a subdivision; and 259.40, Subdivisions 2, 3, and 10; Minnesota Statutes 1981 Supplement, Section 256B.06, Subdivision 1, as amended.

Reported the same back with the following amendments:

Page 7, after line 1, insert:

“Sec. 7. [TRANSFER OF FUNDS.]

The commissioner of public welfare is authorized to transfer funds from the dependent/neglected ward account into the subsidized adoption account when a deficit in the subsidized adoption program occurs. The amount of the transfer shall not exceed 50 percent of the dependent/neglected ward account.”

Renumber the section

Amend the title as follows:

Page 1, line 14, after the semicolon insert “authorizing the transfer of funds;”

With the recommendation that when so amended the bill pass.

The report was adopted.

Munger from the Committee on Environment and Natural Resources to which was referred:

H. F. No. 1789, A bill for an act relating to the environment; limiting and reducing emissions of sulphur dioxide in the state; requiring acid deposition control standards by the pollution control agency; requiring reports; proposing new law coded in Minnesota Statutes, Chapter 116.

Reported the same back with the following amendments:

Page 1, line 10, after “*deposition*” insert “*substantially*”

Page 1, line 12, delete “*pose*” and insert “*poses*”

Page 1, line 18, delete “*this act*” and insert “*sections 1 to 4*”

Page 1, line 20, delete “*in the hope that*” and insert “*and to support and encourage*”

Page 1, line 21, delete “*will recognize*” and insert “*in recognizing*”

Page 1, line 22, delete “*take*” and insert “*taking*”

Page 1, line 25, delete “*this act*” and insert “*sections 1 to 4*”

Page 2, line 10, delete “*acid rain sensitive*”

Page 2, line 11, after "*species*" insert "*which are sensitive to acid deposition*"

Page 2, line 14, delete "*rain*" and insert "*deposition*"

Page 2, line 20, after the period, insert "*The list shall not be subject to the rulemaking or contested case provisions of chapter 15.*"

Page 2, delete subdivision 2 and insert :

"*Subd. 2. [STANDARDS.] (a) By January 1, 1985, the agency shall adopt an acid deposition standard for wet plus dry acid deposition in the acid deposition sensitive areas listed pursuant to subdivision 1.*

(b) By January 1, 1986, the agency shall adopt an acid deposition control plan to attain and maintain the acid deposition standard adopted under clause (a), addressing sources both inside and outside of the state which emit more than 100 tons of sulphur dioxide per year. The plan shall include an analysis of the estimated compliance costs for facilities emitting sulphur dioxide. Any emission reductions required inside of the state shall be based on the contribution of sources inside of the state to acid deposition in excess of the standard.

(c) By January 1, 1990, sources located inside the state shall be in compliance with the provisions of the acid deposition control plan."

Pages 2 and 3, delete section 4 and insert :

"*Sec. 4. [116.45] [REPORTS TO THE LEGISLATURE.]*

By January 1, 1986, the agency shall submit its acid deposition control plan to the appropriate substantive committees of both houses of the legislature. By January 1, 1987, and each two years thereafter until January 1, 1991, the agency shall submit to the legislative committees a report detailing the reduction of sulphur dioxide needed to meet the requirements of section 3 and the progress which has been made to meet those requirements.

Sec. 5. [APPROPRIATION.]

The sum of \$81,455 is appropriated from the general fund to the agency for the purposes of this act."

Renumber the sections in sequence

Amend the title as follows :

Page 1, line 3, after "requiring" insert "adoption of an"

Page 1, line 4, delete "standards" and insert "standard and plan"

Page 1, line 5, after the second semicolon insert "appropriating money;"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Norton from the Committee on Governmental Operations to which was referred :

H. F. No. 1798, A bill for an act relating to energy; specifying the role of the department of energy, planning and development before the public utilities commission; clarifying certain public utilities commission responsibilities; amending Minnesota Statutes 1980, Sections 116H.02, Subdivision 5; and 216B.03; Minnesota Statutes 1981 Supplement, Sections 116H.07; 116H.-11, by adding a subdivision; and 216B.241, Subdivision 2.

Reported the same back with the following amendments :

Pages 2, 3 and 4, delete section 2

Pages 4 and 5, delete section 4

Page 5, lines 15 and 23, strike "shall" and insert "may"

Renumber the sections

Amend the title as follows :

Page 1, line 6, delete "Sections" and insert "Section"

Page 1, line 7, delete "and 216B.03;"

Page 1, line 8, delete "116H.07;"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Voss from the Committee on Local and Urban Affairs to which was referred :

H. F. No. 1905, A bill for an act relating to the city of Brooklyn Center; authorizing the establishment of a home energy conservation program as part of its municipal utility system and the issuance of bonds or notes for that purpose.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. [PROGRAM.]

The city of Brooklyn Center may establish a home energy conservation improvement program to provide means for the city to aid all residents of the city to maintain their home energy requirements by reducing overall energy demand, thus tending to assure the continuance of essential public, industrial, and commercial activities. The expenditures of public funds authorized by this act are determined to be necessary governmental actions, particularly under present conditions of uncertain and limited energy supplies, increasing costs for gas and oil, and difficulty and delay in the increase of energy supplies from all sources due to environmental concerns.

Provisions for the operation and financing of the program shall be made by and pursuant to resolutions adopted by the city council. The powers granted by this act are supplemental, and the procedures authorized for exercising them are alternative to those provided in other law.

Sec. 2. [DEFINITION.]

“Residential energy conservation improvement” means the following devices, methods, and materials, if recommended by an approved energy audit and having a maximum cost of \$3,000, which increase the efficiency of residential use of energy:

- (1) Insulation and ventilation;*
- (2) Storm or thermal doors or windows;*
- (3) Caulking and weatherstripping;*
- (4) Furnace efficiency modifications and replacements;*
- (5) Thermostat or lighting controls; and*
- (6) Systems to turn off or vary the delivery of energy.*

The term “residential energy conservation improvement” does not include any device or method which creates, converts, or

actively uses energy from renewable sources such as solar, wind, or biomass.

Sec. 3. [LOCAL IMPROVEMENTS; PAYMENTS.]

Subdivision 1. [CONTRACTS.] To provide for home energy conservation improvements, when requested by the owner of a one to four unit residential building, the city may develop a program which allows:

(a) The city to negotiate and contract with contractors to perform work or furnish materials or both, for one or more projects, in accordance with schedules coordinated and approved by the city;

(b) The homeowner, subject to the approval of the city, to negotiate and contract with contractors to perform work or furnish materials or both, for one or more projects, in accordance with schedules coordinated and approved by the city; or

(c) The city to contract with a homeowner for labor or materials or both, provided that in such cases the city may inspect the work performed and shall not pay the homeowner for his labor.

Subd. 2. [PAYMENTS.] (a) The city may contract with each homeowner for payment of the cost in cash upon completion of the project, with payment secured by deposit in advance of an amount equal to at least 90 percent of the contract price, or by a written commitment by a bank or other approved financial institution to loan the full amount of the contract price to the homeowner. The homeowner, the financial institution and the city, may agree to any convenient method of repayment.

(b) The city may accept payment by a promissory note in a principal amount equal to the contract price, repayable in equal periodic installments, including both principal and interest on the declining principal balance. Provisions may be agreed upon to permit or restrict prepayment.

(c) The city may specially assess the benefited property in the manner provided in Minnesota Statutes, Chapter 429.

Debts for improvements are a first and prior lien on the property improved as provided in Minnesota Statutes, Section 514.67. If not paid when due they shall be entered upon the tax rolls and collected with and as a part of the taxes on the property, with the same interest and penalties.

Sec. 4. [EFFECTIVE DATE.]

This act is effective upon approval by the governing body of the city of Brooklyn Center and upon compliance with Minnesota Statutes, Section 645.021, Subdivision 3.

Amend the title as follows :

Page 1, delete lines 4 and 5, and insert "program; permitting special assessment for energy improvements."

With the recommendation that when so amended the bill be re-referred to the Committee on Taxes.

The report was adopted.

Sieben, M., from the Committee on Appropriations to which was referred :

H. F. No. 1939, A bill for an act relating to transportation; directing the commissioner of transportation to construct a parkway along a certain route in the city of St. Paul; requiring the posting of bond in certain proceedings; amending Minnesota Statutes 1980, Sections 161.12; 161.1245, Subdivision 1; repealing Minnesota Statutes 1980, Section 161.1245, Subdivision 2.

Reported the same back with the following amendments :

Page 3, delete section 3

Re-number the section

Amend the title as follows :

Page 1, line 4, delete "requiring the"

Page 1, line 5, delete everything before "amending"

With the recommendation that when so amended the bill pass.

The report was adopted.

Nelson, K., from the Committee on Energy to which was referred :

H. F. No. 2973, A bill for an act relating to resource recovery; permitting the use of waste oil heaters in commercial and industrial buildings; proposing new law coded in Minnesota Statutes, Chapter 299F.

Reported the same back with the following amendments :

Delete everything after the enacting clause and insert:

“Section 1. [299F.015] [USE OF WASTE OIL BURNERS.]

Subdivision 1. [DEFINITIONS.] For the purposes of this section, the following terms shall have the meanings given:

(a) *“Waste oil” means a refined oil which has been used for the lubrication of an internal combustion engine or in a similar crankcase application or other applications in connection with motor vehicles and has been contaminated by impurities as a result of that use.*

(b) *“Approved waste oil burner” means a device designed to burn waste oil for heating purposes, which is found by a recognized independent testing laboratory to provide a degree of safety substantially equivalent to other devices approved for similar purposes under the uniform fire code or state building code.*

Subd. 2. [BURNERS PERMITTED.] Notwithstanding any contrary provision of sections 16.83 to 16.867 or 299F.011, or any rule adopted under those sections, the state fire marshal, the state building inspector, and political subdivisions may permit the installation and use of approved waste oil burners in gasoline service stations or commercial garages.

Subd. 3. [LIMITATIONS.] No person shall burn any waste oil containing PCB's as defined in section 116.36, subdivision 4, in an approved waste oil burner or if the waste oil does not conform with the specifications contained in rules of the pollution control agency adopted under section 116.07.

Sec. 2. [EFFECTIVE DATE.]

This act is effective the day following final enactment.”

Amend the title as follows:

Page 1, line 3, delete everything after “oil”

Page 1, line 4, delete “buildings” and insert “burners in certain gasoline stations and garages”

With the recommendation that when so amended the bill pass and be placed on the Consent Calendar.

The report was adopted.

Sieben, M., from the Committee on Appropriations to which was referred:

H. F. No. 2156, A bill for an act relating to education; authorizing the state university board to lease land on Mankato state university campus; permitting Mankato state university to lease a building; transferring title for a building to the state; proposing new law coded in Minnesota Statutes, Chapter 136.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Munger from the Committee on Environment and Natural Resources to which was referred:

S. F. No. 1231, A bill for an act relating to waters; exempting certain watercraft from requirements related to personal flotation devices; amending Minnesota Statutes 1980, Section 361.141, Subdivision 1.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Rice from the Committee on Labor-Management Relations to which was referred:

S. F. No. 1539, A bill for an act relating to state collective bargaining units; adopting a modified unit composition schedule for state employees; amending Minnesota Statutes 1980, Section 179.741, Subdivision 1; and Minnesota Statutes 1981 Supplement, Section 179.74, Subdivision 4.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1981 Supplement, Section 179.74, Subdivision 4, is amended to read:

Subd. 4. The commissioner of employee relations shall meet and negotiate with the exclusive representative of each of the units specified in section 179.741, subdivision 1, in the manner prescribed by sections 179.61 to 179.76. The appropriate units provided for in section 179.741 shall be the only appropriate units for executive branch state employees. The positions and classes of positions in the classified and unclassified services defined as managerial by the commissioner of employee relations in accordance with the provisions of section 43.326 and so desig-

nated in the official state compensation schedules, all unclassified positions in the state university system and the community college system defined as managerial by their respective boards, all positions of physician employees compensated pursuant to section 43.126, the positions of all unclassified employees appointed by the governor, lieutenant governor, secretary of state, attorney general, treasurer and auditor, all positions in the bureau of mediation services and the public employment relations board, *all positions of employees whose classification is pilot or chief pilot*, all hearing examiner and compensation judge positions in the office of administrative hearings, and the positions of all confidential employees shall be excluded from any appropriate unit. The governor may upon the unanimous written request of exclusive representatives of units and the commissioner direct that negotiations be conducted for one or more units in a common proceeding or that supplemental negotiations be conducted for portions of a unit or units defined on the basis of appointing authority or geography.

Sec. 2. Minnesota Statutes 1980, Section 179.741, Subdivision 1, is amended to read:

Subdivision 1. [STATE EMPLOYEES.] Subject to the provisions of section 179.742, subdivision 5, all appropriate units of state employees certified as of April 25, 1980 are abolished. The following shall be the appropriate units of executive branch state employees for the purposes of sections 179.61 to 179.76. All units shall exclude employees excluded by section 179.74, subdivision 4 and supervisory employees shall only be assigned to units 12 and 16. Unclassified employees, unless otherwise excluded, are included within the units which include the classifications to which they are assigned for purposes of compensation. No additional units of executive branch state employees shall be recognized for the purpose of meeting and negotiating.

(1) Law enforcement unit. This unit shall consist of all sworn highway patrol personnel, all uniformed conservation officers, and all criminal apprehension agents.

(2) Craft, maintenance, and labor unit. This unit shall consist of those classifications assigned to this unit in the unit composition schedule adopted by the legislative commission on employee relations on March 24, 1980, *as amended through June 16, 1981*.

(3) Service unit. This unit shall consist of those classifications assigned to this unit in the unit composition schedule adopted by the legislative commission on employee relations on March 24, 1980, *as amended through June 16, 1981*.

(4) Health care non-professional unit. This unit shall consist of those classifications assigned to this unit in the unit composition schedule adopted by the legislative commission on em-

ployee relations on March 24, 1980, *as amended through June 16, 1981.*

(5) Health care professional unit. This unit shall consist of all positions which are required to be filled by registered nurses.

(6) Clerical and office unit. This unit shall consist of those classifications assigned to this unit in the unit composition schedule adopted by the legislative commission on employee relations on March 24, 1980, *as amended through June 16, 1981.*

(7) Technical unit. This unit shall consist of those classifications assigned to this unit in the unit composition schedule adopted by the legislative commission on employee relations on March 24, 1980, *as amended through June 16, 1981.*

(8) Correctional Guards unit. This unit shall consist of those classifications assigned to this unit in the unit composition schedule adopted by the legislative commission on employee relations on March 24, 1980, *as amended through June 16, 1981.*

(9) State university instructional unit. This unit shall consist of those positions assigned to this unit in the unit composition schedule adopted by the legislative commission on employee relations on March 24, 1980, *as amended through June 16, 1981.*

(10) Community college instructional unit. This unit shall consist of those positions assigned to this unit in the unit composition schedule adopted by the legislative commission on employee relations on March 24, 1980, *as amended through June 16, 1981.*

(11) State university administrative unit. This unit shall consist of those positions assigned to this unit in the unit composition schedule adopted by the legislative commission on employee relations on March 24, 1980, *as amended through June 16, 1981.*

(12) Professional engineering supervisory unit. This unit shall consist of those classifications assigned to this unit in the unit composition schedule adopted by the legislative commission on employee relations on March 24, 1980, *as amended through June 16, 1981.*

(13) Health treatment unit. This unit shall consist of those classifications assigned to this unit in the unit composition schedule adopted by the legislative commission on employee relations on March 24, 1980, *as amended through June 16, 1981.*

(14) General professional unit. This unit shall consist of those classifications assigned to this unit in the unit composition

schedule adopted by the legislative commission on employee relations on March 24, 1980, as amended through June 16, 1981.

(15) Professional state residential instructional unit. This unit shall consist of those classifications assigned to this unit in the unit composition schedule adopted by the legislative commission on employee relations on March 24, 1980, as amended through June 16, 1981.

(16) Supervisory employees unit. This unit shall consist of those positions assigned to this unit in the unit composition schedule adopted by the legislative commission on employee relations on March 24, 1980, as amended through June 16, 1981.

Sec. 3. [COMMISSIONER'S PLAN; ADJUSTMENTS.]

Subdivision 1. The pilot classification shall be assigned to 16i in series "a" of the commissioner's plan. The chief pilot classification shall be assigned to 18i of series "f" of the commissioner's plan.

Subd. 2. Employees in the pilot classification at the current salary range maximum shall receive an immediate adjustment to \$29,500 per year in the commissioner's plan.

Subd. 3. An employee in the chief pilot classification at the current salary range maximum shall receive an immediate adjustment to \$33,000 per year in the commissioner's plan.

Subd. 4. Other employees in the pilot classification not at the current salary range maximum shall receive an immediate adjustment to \$24,500 per year in the commissioner's plan.

Sec. 4. [EFFECTIVE DATE.]

Sections 1 and 3 are effective June 1, 1982. Section 2 is effective July 1, 1983, except that, as of the date of final enactment, an exclusive representative of a unit provided in section 2 shall have all the contract representation duties of the exclusive representative with respect to employees to be newly included in that unit pursuant to section 2."

Amend the title as follows :

Page 1, line 4, after the semicolon insert "excluding certain employees from collective bargaining and providing other means of compensation;"

With the recommendation that when so amended the bill pass.

The report was adopted.

Norton from the Committee on Governmental Operations to which was referred:

S. F. No. 1621, A bill for an act relating to state government; removing the geographic limitation on state and public employees' eligibility for the state employee transportation program; amending Minnesota Statutes 1981 Supplement, Section 16.756, Subdivision 1a.

Reported the same back with the following amendments:

Page 1, line 12, after the stricken language, insert "*and other people who work in buildings owned or leased by the state*"

Amend the title as follows:

Page 1, line 3, delete "state and public" and insert "certain"

With the recommendation that when so amended the bill pass.

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 1235, 1559, 1690, 1939, 2073 and 2156 were read for the second time.

SECOND READING OF SENATE BILLS

S. F. Nos. 1231, 1539 and 1621 were read for the second time.

SPECIAL ORDERS

Eken moved that the remaining bills on Special Orders for today be continued one day. The motion prevailed.

GENERAL ORDERS

Eken moved that the bills on General Orders for today be continued one day. The motion prevailed.

MOTIONS AND RESOLUTIONS

Swanson moved that the names of Heinitz and Onnen be added as authors on H. F. No. 1799. The motion prevailed.

Vellenga moved that S. F. No. 1481 be recalled from the Committee on Governmental Operations and together with H. F. No. 1559, now on Technical General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

Rees moved that H. F. Nos. 2071 and 1866 be returned to their author. The motion prevailed.

Kostohryz moved that H. F. No. 2249 be returned to its author. The motion prevailed.

Rothenberg moved that H. F. No. 2219 be returned to its author. The motion prevailed.

McDonald moved that H. F. No. 808 be returned to its author. The motion prevailed.

Gruenes and Brinkman introduced :

House Resolution No. 27, A house resolution proclaiming November 10, 1982, to be "Saint John's Preparatory School Day" in Minnesota.

The resolution was referred to the Committee on Rules and Legislative Administration.

ADJOURNMENT

Eken moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 2:00 p.m., Thursday, March 4, 1982.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

STATE OF MINNESOTA

SEVENTY-SECOND SESSION - 1982

EIGHTY-FIRST DAY

SAINT PAUL, MINNESOTA, THURSDAY, MARCH 4, 1982

The House of Representatives convened at 2:00 p.m. and was called to order by Harry A. Sieben, Jr., Speaker of the House.

Prayer was offered by Pastor Jim McGowan, First Lutheran Church, Fergus Falls, Minnesota.

The roll was called and the following members were present:

Aasness	Ewald	Knickerbocker	Ogren	Sieben, M.
Ainley	Fjoslien	Kostohryz	Olsen	Simoneau
Anderson, B.	Forsythe	Kvam	Onnen	Skoglund
Anderson, G.	Frerichs	Laidig	Osthoff	Stadum
Anderson, I.	Greenfield	Lehto	Otis	Staten
Battaglia	Gruenes	Lemen	Peterson, B.	Stowell
Begich	Gustafson	Levi	Peterson, D.	Stumpf
Berkelman	Halberg	Long	Piepho	Sviggum
Blatz	Hanson	Ludeman	Pogemiller	Swanson
Brinkman	Harens	Luknic	Redalen	Tomlinson
Byrne	Hauge	Mann	Reding	Valan
Carlson, D.	Haukoos	Marsh	Rees	Valento
Carlson, L.	Heap	McCarron	Reif	Vanasek
Clark, J.	Heimitz	McDonald	Rice	Vellenga
Clark, K.	Himle	McEachern	Rodriguez, C.	Voss
Clawson	Hoberg	Mehrkens	Rodriguez, F.	Weaver
Dahlvang	Hokanson	Metzen	Rose	Welch
Dean	Hokr	Minne	Rothenberg	Welker
Dempsey	Jacobs	Munger	Samuelson	Wenzel
Den Ouden	Jennings	Murphy	Sarna	Wieser
Drew	Johnson, C.	Nelsen, B.	Schafer	Wigley
Eken	Johnson, D.	Nelson, K.	Schoenfeld	Wynia
Elioff	Jude	Niehaus	Schreiber	Zubay
Ellingson	Kahn	Norton	Searles	Spkr. Sieben, H.
Erickson	Kaley	Novak	Shea	
Esau	Kalis	Nysether	Sherman	
Evans	Kelly	O'Connor	Sherwood	

A quorum was present.

Anderson, R., and Brandl were excused until 3:00 p.m.

The Chief Clerk proceeded to read the Journal of the preceding day. Kelly moved that further reading of the Journal be

dispensed with and that the Journal be approved as corrected by the Chief Clerk. The motion prevailed.

REPORTS OF CHIEF CLERK

Pursuant to Rules of the House, printed copies of H. F. Nos. 1906, 2092, 2093, 2228, 2156, 1652, 1817, 2073, 1235, 1559, 1939, 1365 and 1690 and S. F. Nos. 1613, 1635, 1804, 1566, 1713, 1821, 1910, 1602, 1766, 1689, 1539 and 1621 have been placed in the members' files.

S. F. No. 1613 and H. F. No. 1730, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Ellingson moved that S. F. No. 1613 be substituted for H. F. No. 1730 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1689 and H. F. No. 1832, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Wynia moved that the rules be so far suspended that S. F. No. 1689 be substituted for H. F. No. 1832 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1856 and H. F. No. 1967, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Simoneau moved that the rules be so far suspended that S. F. No. 1856 be substituted for H. F. No. 1967 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1821 and H. F. No. 1951, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Laidig moved that the rules be so far suspended that S. F. No. 1821 be substituted for H. F. No. 1951 and that the House File be indefinitely postponed. The motion prevailed.

PETITIONS AND COMMUNICATIONS

The following communication was received:

STATE OF MINNESOTA
OFFICE OF THE SECRETARY OF STATE
ST. PAUL 55155

March 3, 1982

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

The Honorable Jack Davies
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 1982 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:

<i>S.F. No.</i>	<i>H.F. No.</i>	<i>Session Laws Chapter No.</i>	<i>Date Approved 1982</i>	<i>Date Filed 1982</i>
2174		380	March 3	March 3

Sincerely,

JOAN ANDERSON GROWE
Secretary of State

REPORTS OF STANDING COMMITTEES

Jude from the Committee on Judiciary to which was referred:

H. F. No. 1826, A bill for an act relating to legal services; providing for a surcharge on civil filing fees; authorizing the supreme court to appoint an advisory committee; authorizing the distribution of the surcharge funds to qualified programs providing legal services to certain persons; requiring a report to the legislature; proposing new law coded in Minnesota Statutes, Chapter 480.

Reported the same back with the following amendments:

Page 1, line 23, delete "*both*"

Page 2, line 6, after "*payable*" insert "*by that party*"

Page 2, line 7, after "*action*" insert a comma

Page 2, line 9, delete "\$15" and insert "\$10"

Page 2, line 14, after the period insert "*Notwithstanding any other law or rule to the contrary, no surcharge shall be paid by any governmental unit of the state of Minnesota, any local unit of government, or agency thereof, when the governmental unit, local government, or agency thereof is a party to any civil action or civil proceeding in the municipal courts of Hennepin or Ramsey counties, or in any county court.*"

Page 2, line 28, delete "to persons"

Page 2, line 29, delete "unable to pay for the service"

Page 2, line 34, delete "the effective date of this act" and insert "July 1, 1982,"

Page 3, line 2, delete "All members of the"

Page 3, delete lines 3 and 4

Page 3, line 5, delete everything before "In"

Page 3, line 14, delete "such" and insert "any"

Page 3, line 17, after "programs" insert "*or from local government agencies and nonprofit organizations seeking to establish qualified alternative dispute resolution programs*"

Page 3, line 21, after "programs" insert "*or to qualified alternative dispute resolution programs*"

Page 3, line 25, after "funds" insert "distributed"

Page 3, line 27, delete "the effective date of this act" and insert "July 1, 1982,"

Page 4, line 1, delete "shall" and insert "distributed may"

Page 4, line 5, after "services" insert "*and programs for qualified alternative dispute resolution*"

Page 4, line 21, delete "having sought" and insert "with"

Page 4, line 22, after "guidelines" insert "*in the form of court rules*"

Page 5, line 19, after the period insert "*Section 2 applies to filings made on or after July 1, 1982.*"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Vanasek from the Committee on Criminal Justice to which was referred:

H. F. No. 1875, A bill for an act relating to crimes; clarifying the definition of physically helpless victims of criminal sexual conduct; amending Minnesota Statutes 1980, Section 609.341, Subdivision 9.

Reported the same back with the following amendments:

Page 1, after line 7, insert:

“Section 1. Minnesota Statutes 1980, Section 260.015, Subdivision 16, is amended to read:

Subd. 16. “Secure detention facility” means a physically restricting (DETENTION) facility, including *but not limited to a jail, a hospital, a state institution, a residential treatment center, or a detention home used for the temporary care of a child pending court action.*

Sec. 2. Minnesota Statutes 1980, Section 260.015, Subdivision 17, is amended to read:

Subd. 17. “Shelter care facility” means a physically unrestricting facility, such as *but not limited to, a hospital, a group home or a licensed facility for foster care, (EXCLUDING A DETENTION HOME) used for the temporary care of a child pending court action.*

Sec. 3. Minnesota Statutes 1980, Section 260.171, Subdivision 2, is amended to read:

Subd. 2. If the child is not released as provided in subdivision 1, the person taking the child into custody shall notify the court as soon as possible of the detention of the child and the reasons for detention. *Except a child taken into custody pursuant to section 260.165, subdivision 1, clause (a) or (c)(2), no child may be detained in a secure detention facility or a shelter care facility longer than 24 hours, excluding Saturdays, Sundays and holidays, (AFTER THE TAKING INTO CUSTODY) unless an order for detention, specifying the reason for detention, is signed by the judge or referee. No child may be (HELD) detained in a secure detention facility or shelter care facility longer than 36 hours, excluding Saturdays, Sundays or holidays, after (THE TAKING) being taken into custody for a delinquent act as defined in section 260.015, subdivision 5, unless a petition has been*

filed and the judge or referee determines pursuant to section 260.172 that the child shall remain in detention.

No child taken into custody pursuant to section 260.165, subdivision 1, clause (a) or (c)(2) may be held in a shelter care facility longer than 72 hours, excluding Saturdays, Sundays and holidays, unless a petition has been filed and the judge or referee determines pursuant to section 260.172 that the child shall remain in custody.

If a child described in section 260.173, subdivision 4, is to be detained in a jail beyond 48 hours, the judge or referee, in accordance with rules and procedures established by the commissioner of corrections, shall notify the commissioner of the place of the detention and the reasons therefor. The commissioner shall thereupon assist the court in the relocation of the child in an appropriate *secure* detention facility or approved jail within the county or elsewhere in the state, or in determining suitable alternatives. The commissioner shall direct that a child detained in a jail be detained after eight days from and including the date of the original detention order in an approved (JUVENILE) *secure* detention facility with the approval of the administrative authority of the facility. If the court refers the matter to the prosecuting authority pursuant to section 260.125, notice to the commissioner shall not be required.

Sec. 4. Minnesota Statutes 1980, Section 260.171, Subdivision 4, is amended to read:

Subd. 4. If the person who has taken the child into custody determines that the child should be placed in a *secure* detention facility or a *shelter care facility*, he shall advise the child and as soon as is possible, the child's parent, guardian, or custodian:

(a) of the reasons why the child has been taken into custody and why he is being placed in a *secure* detention facility or a *shelter care facility*; and

(b) of the location of the *secure* detention facility or *shelter care facility*. *If there is reason to believe that disclosure of the location of the shelter care facility would place the child's health and welfare in immediate endangerment, disclosure of the location of the shelter care facility shall not be made*; and

(c) that the child's parent, guardian, or custodian and attorney or *guardian ad litem* may make an initial visit to the *secure* detention facility or *shelter care facility* at any time. Subsequent visits by a parent, guardian, or custodian may be made on a reasonable basis during visiting hours and by the child's attorney or *guardian ad litem* at reasonable hours; and

(d) that the child may telephone his parents and an attorney or *guardian ad litem* from the *secure* detention facility or *shelter*

care facility immediately after being admitted to the (DETENTION) facility and thereafter on a reasonable basis to be determined by the director of the facility; and

(e) *that the child may not be (HELD) detained for acts as defined in section 260.015, subdivision 5 at (THE) a secure detention facility or shelter care facility longer than 36 hours, excluding Saturdays, Sundays and holidays, unless a petition has been filed within that time and the court orders the child's continued detention, pursuant to section 260.172; and*

(f) *that the child may not be detained pursuant to section 260.165, subdivision 1, clause (a) or (c)(2), at a shelter care facility longer than 72 hours, excluding Saturdays, Sundays and holidays, unless a petition has been filed within that time and the court orders the child's continued detention, pursuant to section 260.172.*

Sec. 5. Minnesota Statutes 1980, Section 260.171, Subdivision 5, is amended to read:

Subd. 5. If a child is to be detained (, THE) *in a secure detention facility or shelter care facility (WHERE), the child (IS TO BE PLACED SHALL PROMPTLY PROVIDE FOR TRANSPORTATION OF THE CHILD TO THE FACILITY OR SECURE) shall be promptly transported to the facility in a manner approved by the facility or by securing a written transportation order from the court authorizing transportation by the sheriff or other qualified person. The person who has determined that the child should be detained shall deliver to the court and the supervisor of the secure detention facility or shelter care facility where the child is placed, a signed report, setting forth:*

- (a) *the time the child was taken into custody; and*
- (b) *the time the child was delivered for transportation to the secure detention facility or shelter care facility; and*
- (c) *the reasons why the child was taken into custody; and*
- (d) *the reasons why the child has been placed in detention; and*
- (e) *a statement that the child and his parent have received the notification required by subdivision 4 or the reasons why they have not been so notified; and*
- (f) *any instructions required by section 6.*

Sec. 6. Minnesota Statutes 1980, Section 260.171, is amended by adding a subdivision to read:

Subd. 5a. [SHELTER CARE; NOTICE TO PARENT.] When a child is to be placed in a shelter care facility the person taking the child into custody or the court shall determine whether or not there is reason to believe that disclosure of the shelter care facility's location to the child's parent, guardian, or custodian would immediately endanger the health and welfare of the child. If there is reason to believe that the child's health and welfare would be immediately endangered, disclosure of the location shall not be made. This determination shall be included in the report required by subdivision 5, along with instructions to the shelter care facility to notify or withhold notification.

Sec. 7. Minnesota Statutes 1980, Section 260.171, Subdivision 6, is amended to read:

Subd. 6. (a) When a child has been delivered to a secure detention facility, the supervisor of the facility shall deliver to the court a signed report acknowledging receipt of the child stating the time of the child's arrival. The supervisor of the facility shall ascertain from the report of the person who has taken the child into custody whether the child and his parent, guardian, or custodian have received the notification required by subdivision 4. If the child or his parent, guardian or custodian, or both, have not been so notified, the supervisor of the facility shall immediately make the notification, and shall include in his report to the court a statement that notification has been received or the reasons why it has not.

(b) When a child has been delivered to a shelter care facility, the supervisor of the facility shall deliver to the court a signed report acknowledging receipt of the child stating the time of the child's arrival. The supervisor of the facility shall ascertain from the report of the person who has taken the child into custody whether the child's parent, guardian or custodian has been notified of the placement of the child at the shelter care facility and its location, and the supervisor shall follow any instructions concerning notification contained in that report.

Sec. 8. Minnesota Statutes 1980, Section 260.172, Subdivision 1, is amended to read:

Subdivision 1. Except a child taken into custody pursuant to section 260.165, subdivision 1, clause (a) or (c)(2), a hearing shall be held within 36 hours of a child's being taken into custody, excluding Saturdays, Sundays and holidays, (A HEARING SHALL BE HELD) to determine whether the child should continue in detention. Within 72 hours of a child being taken into custody pursuant to section 260.165, subdivision 1, clause (a) or (c)(2), excluding Saturdays, Sundays and holidays, a hearing shall be held to determine whether the child should continue in custody. Unless there is reason to believe that the child would endanger himself or others, not return for a court hearing, not

remain in the care or control of the person to whose lawful custody he is released, or that the child's health or welfare would be immediately endangered, the child shall be released to the custody of his parent, guardian, custodian or other suitable person.

Section 9. [609.271] [SELLING OF CHILD.]

Subdivision 1. [PROHIBITED ACTS.] Whoever offers to transfer or transfers a child in exchange for money or any type of compensation, or in exchange for a promise to pay or deliver money or any type of compensation, is guilty of child selling and may be sentenced to imprisonment for not more than 20 years or to payment of a fine of not more than \$20,000, or both.

Subd. 2. [LICENSED OR CERTIFIED CHILD-PLACING AGENCY; COUNTY WELFARE DEPARTMENTS; COMMISSIONER OF PUBLIC WELFARE EXCEPTED.] Subdivision 1 does not apply to an agency licensed or certified by the commissioner of public welfare to place children for adoption, or to a county welfare or social services department, or to the commissioner of public welfare, acting in accordance with sections 259.21 to 259.45.

Subd. 3. [OTHER EXCEPTIONS.] Subdivision 1 does not apply to payments by a biological father, or person who reasonably believes he is the biological father, to a woman to compensate her for physical discomfort, pain and suffering, loss of income, medical expenses, legal expenses, or other expenses related to the woman's pregnancy, childbirth, or adoption of the child.

Subd. 4 [EXEMPTION FROM LIABILITY.] A person who pays, offers, or attempts to pay for a child is guilty of a misdemeanor.

Subd. 5. [BUYER'S LIABILITY.] A person who buys or attempts to buy a child, with intent to transfer the child, is punishable as provided in subdivision 1."

Page 1, line 12, after "(a)" insert "asleep or"

Page 1, after line 16, insert:

"Sec. 11. [REPEALER.]

Minnesota Statutes 1980, Section 260.015, Subdivision 15, is repealed."

Renumber the sections

Amend the title as follows:

Page 1, line 2, after the semicolon, insert "amending the definitions of shelter care facility and secure detention facility; extending the time limit for detaining children who may be dependent or neglected children; prohibiting the selling of children; prescribing penalties;"

Page 1, line 4, delete "Section" and insert "Sections 260.015; Subdivisions 16 and 17; 260.171, Subdivisions 2, 4, 5, and 6, and by adding a subdivision; 260.172, Subdivision 1;"

Page 1, line 5, after "9" insert "; proposing new law coded in Minnesota Statutes, Chapter 609; repealing Minnesota Statutes 1980, Section 260.015, Subdivision 15"

With the recommendation that when so amended the bill pass and be placed on the Consent Calendar.

The report was adopted.

Johnson, C., from the Committee on Education to which was referred:

H. F. No. 1887, A bill for an act relating to education; requiring welfare and correctional institutions to submit an educational policy to the commissioner of education; proposing new law coded in Minnesota Statutes, Chapter 121.

Reported the same back with the following amendments:

Page 1, line 15, delete "or" and insert a comma and after "vocational" insert "*or adult special education*"

Page 1, line 16, delete "*educational*"

Page 1, line 20, delete "*certified*" and insert "*licensed*"

Page 1, line 21, delete "*certification*" and insert "*licensure*"

Page 1, line 25, delete "*institutions*" and insert "*programs*"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Swanson from the Committee on Health and Welfare to which was referred:

H. F. No. 2012, A bill for an act relating to public welfare; requiring audits of nursing home cost reports; amending Minne-

sota Statutes 1980, Sections 256B.27, Subdivision 2a; and 256B.-35, Subdivision 4.

Reported the same back with the following amendments:

Page 1, line 13, delete "at"

Page 1, delete lines 14 to 18 and insert: *"nursing homes participating as vendors of medical assistance. The commissioner shall select for audit at least five percent of these nursing homes at random and at least 20 percent from the remaining nursing homes, using factors including, but not limited to: change in ownership; frequent changes in administration in excess of normal turnover rates; complaints to the commissioner of health about care, safety, or rights; where previous inspections or reinspections under section 144A.10 have resulted in correction orders related to care, safety, or rights; or where persons involved in ownership or administration of the facility have been indicted for alleged criminal activity."*

Page 1, line 23, reinstate the stricken language

Page 1, line 24, reinstate "(AT LEAST ONCE EVERY)" and after "(THREE)" insert "four" and reinstate "(YEARS)"

With the recommendation that when so amended the bill pass.

The report was adopted.

Munger from the Committee on Environment and Natural Resources to which was referred:

H. F. No. 2117, A bill for an act relating to state parks; re-stating the boundaries of Tower Soudan state park; authorizing conveyance of certain park lands.

Reported the same back with the recommendation that the bill pass and be placed on the Consent Calendar.

The report was adopted.

Jude from the Committee on Judiciary to which was referred:

H. F. No. 2167, A bill for an act relating to courts; providing for the appointment of a court commissioner to solemnize marriages in the combined county court district of Benton and Stearns.

Reported the same back with the recommendation that the bill pass and be placed on the Consent Calendar.

The report was adopted.

Sarna from the Committee on Commerce and Economic Development to which was referred:

S. F. No. 358, A bill for an act relating to intoxicating liquor; requiring proof of financial responsibility; amending Minnesota Statutes 1980, Sections 340.11, by adding a subdivision; 340.12; and 340.353, by adding a subdivision.

Reported the same back with the following amendments:

Page 1, after line 7, insert a new section to read:

"Section 1. Minnesota Statutes 1980, Section 340.035, Subdivision 1, is amended to read:

Subdivision 1. It shall be unlawful for any:

(1) Licensee or his employee to (SELL OR SERVE NON-INTOXICATING MALT LIQUOR TO ANY PERSON UNDER THE AGE OF 19 YEARS OR TO) permit any person under the age of 19 years to consume non-intoxicating malt liquor on the licensed premises *except as provided in paragraph (5) of this subdivision*;

(2) Person other than the parent or legal guardian to procure non-intoxicating malt liquor for any person under the age of 19 years;

(3) Person to induce a person under the age of 19 years to purchase or procure non-intoxicating malt liquor;

(4) Person under the age of 19 years to misrepresent his age for the purpose of obtaining non-intoxicating malt liquor;

(5) Person under the age of 19 years to consume any non-intoxicating malt liquor unless in the company of his parent or guardian;

(6) Person under the age of 19 years to have in his possession any non-intoxicating malt liquor, with intent to consume same at a place other than the household of his parent or guardian. (POSSESSION OF SUCH NON-INTOXICATING MALT LIQUOR AT A PLACE OTHER THAN THE HOUSEHOLD OF HIS PARENT OR GUARDIAN SHALL BE PRIMA FACIE EVIDENCE OF INTENT TO CONSUME THE SAME AT A PLACE OTHER THAN THE HOUSEHOLD OF HIS PARENT OR GUARDIAN.)"

Page 1, line 11, after "*liquor*" insert "*or non-intoxicating malt liquor*"

Page 1, line 12, delete "January 1, 1982" and insert "January 1, 1983"

Page 1, line 15, after "license" insert " *, provided this subdivision shall not apply to non-intoxicating malt liquor licensees with sales of less than \$10,000 of non-intoxicating malt liquor per year, nor to holders of on-sale wine licenses under section 340.11, subdivision 20, with sales of less than \$10,000 of wine per year*"

Page 2, line 14, after "liquor" insert "*or non-intoxicating malt liquor*"

Page 2, line 16, delete "assist" and insert "advise"

Page 2, line 17, delete "*in obtaining*" and insert "*of those persons offering*"

Page 4, line 7, delete "1" and insert "2"

Page 4, line 17, after the period, strike the balance of the line

Page 4, strike lines 18 and 19

Page 4, line 20, strike "brought against the insured or company thereafter."

Page 6, line 2, delete "January 1, 1982" and insert "January 1, 1983"

Page 6, line 4, delete "1" and insert "2"

Page 6, after line 4, insert new sections to read:

"Sec. 5. Minnesota Statutes 1980, Section 340.73, Subdivision 1, is amended to read:

Subdivision 1. It shall be unlawful for any person, except a licensed pharmacist to sell, give, barter, furnish, deliver, or dispose of, in any manner, either directly or indirectly, any (SPIRITUOUS, VINOUS, MALT, OR FERMENTED) *intoxicating liquors or non-intoxicating malt liquors* in any quantity, for any purpose, whatever, to any person under the age of 19 years, or to any *obviously* intoxicated person (, OR TO ANY PUBLIC PROSTITUTE).

Sec. 6. Minnesota Statutes 1980, Section 340.73, Subdivision 3, is amended to read:

Subd. 3. Whoever shall in any way procure *intoxicating liquor or non-intoxicating malt liquor* for the use of any person

named in this section shall be deemed to have sold it to such person. Any person violating any of the provisions of this section is guilty of a gross misdemeanor.

Sec. 7. Minnesota Statutes 1980, Section 340.95, is amended to read:

340.95 [INJURIES CAUSED BY INTOXICATION, CIVIL ACTIONS.]

Every husband, wife, child, parent, guardian, employer, or other person who is injured in person or property, or means of support, or incurs other pecuniary loss by any intoxicated person, or by the intoxication of any person, has a right of action, in his own name, against any person who, by illegally selling or bartering intoxicating liquors or non-intoxicating malt liquors, caused the intoxication of such person, for all damages, sustained; and all damages recovered by a minor under this section shall be paid either to such minor or to his parent, guardian, or next friend, as the court directs; and all suits for damages under this section shall be by civil action in any court of this state having jurisdiction thereof. Actions for damages based upon liability imposed by this section shall be governed by section 604.01. The provisions of section 604.01, as applied under this section, however shall not be applicable to actions brought by a husband, wife, child, parent, guardian or other dependent of an intoxicated person for injury to person, property, or loss of means of support. (NO RECOVERY SHALL BE HAD IN ANY ACTION OR ACTIONS PURSUANT TO THIS SECTION IN EXCESS OF \$250,000 FOR ALL DAMAGES TO ONE PERSON AND \$500,000 FOR ALL DAMAGES TO TWO OR MORE PERSONS ARISING OUT OF A SINGLE INSTANCE OF THE ILLEGAL SALE OR BARTER OF INTOXICATING LIQUOR.)

Sec. 8. Minnesota Statutes 1980, Section 340.951, is amended to read:

340.951 [NOTICE OF INJURY.]

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

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

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

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

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

In the case of claims for contribution or indemnity this notice shall be served within 120 days after the injury occurs, or within 60 days after receiving written notice of a claim for contribution or indemnity, whichever is applicable, and no action for contribution or indemnity therefor shall be maintained unless such notice has been given (, AND UNLESS IT IS COMMENCED WITHIN ONE YEAR AFTER SUCH INJURY. THE TIME FOR GIVING THE NOTICE SHALL NOT INCLUDE ANY PERIOD OF TIME NEXT SUCCEEDING THE OCCURRENCE OF THE INJURY DURING WHICH THE PERSON INJURED IS INCAPACITATED FROM GIVING SUCH NOTICE BY REASON OF THE INJURY SUSTAINED). In the case of a claim for damages the notice shall be served by the claimant's attorney within 120 days of the date of entering an attorney-client relation with the person in regard to the claim, and no action for damages shall be maintained unless the notice has been given.

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

No action shall be maintained for injury under section 340.95 unless commenced within one year after such injury."

Renumber the sections

Page 6, delete line 6, and insert:

"Sections 2 to 4 are effective January 1, 1983. Sections 1, 5, 6, 7 and 8 are effective the day following final enactment and apply to all causes of action arising on and after that day, except that any changes in notice requirements in section 8 are not effective until 30 days following final enactment."

Amend the title as follows:

Page 1, line 3, after the semi-colon, insert "making certain sales of non-intoxicating malt liquor illegal; providing civil liability for illegal sales of intoxicating liquor and non-intoxicating malt liquor;"

Page 1, line 4, after "Sections" insert "340.035, Subdivision 1;"

Page 1, line 5, delete "and" and after "subdivision" insert "340.73, Subdivisions 1 and 3; 340.95; and 340.951"

With the recommendation that when so amended the bill pass.

The report was adopted.

Brinkman from the Committee on Financial Institutions and Insurance to which was referred :

S. F. No. 1424, A bill for an act relating to insurance; regulating minimum nonforfeiture benefits and reserves of life insurance policies and annuity contracts; modifying the definitions of "insolvent insurer" and "covered claim" for purposes of the insurance guaranty association act; amending Minnesota Statutes 1980, Sections 61A.24, Subdivisions 2, 4, 6, 9, 10, 11, 12, 13, 14, and by adding subdivisions; 61A.25, Subdivisions 3, 3a, 4, 5, 7, and by adding subdivisions; Minnesota Statutes 1981 Supplement, Sections 60C.03, Subdivision 8; and 60C.09, Subdivision 1.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Jude from the Committee on Judiciary to which was referred :

S. F. No. 1641, A bill for an act relating to family law; defining a species of marital co-ownership of property and providing for its division in dissolution and annulment actions; amending Minnesota Statutes 1980, Section 518.54, Subdivision 5; and Minnesota Statutes 1981 Supplement, Section 518.58.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Jude from the Committee on Judiciary to which was referred :

S. F. No. 1648, A bill for an act relating to nonprofit corporations; providing an internal reference correction; providing for the conduct of meetings by telephone; amending Minnesota Statutes 1980, Sections 317.16, Subdivision 2; 317.20, Subdivision 8; and 317.22, by adding a subdivision.

Reported the same back with the recommendation that the bill pass and be placed on the Consent Calendar.

The report was adopted.

Jude from the Committee on Judiciary to which was referred :

S. F. No. 1853, A bill for an act relating to agriculture; changing fee provisions relating to abstracts of mortgages and liens on grain crops; amending Minnesota Statutes 1980, Sections 386.42 and 386.43.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 1875, 2012, 2117 and 2167 were read for the second time.

SECOND READING OF SENATE BILLS

S. F. Nos. 1613, 1689, 1856, 1821, 358, 1424, 1641, 1648 and 1853 were read for the second time.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced :

Kelly, Tomlinson, Gustafson and O'Connor introduced :

H. F. No. 2272, A bill for an act relating to taxation; providing an income tax deduction for certain post secondary school tuition expenses; amending Minnesota Statutes 1980, Section 290.09, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Taxes.

Shea, Hauge, Pogemiller, Vellenga and Stumpf introduced :

H. F. No. 2273, A bill for an act relating to highway traffic regulations; establishing a telephone hotline to allow citizens to report intoxicated drivers to law enforcement agencies; appropriating money; proposing new law coded in Minnesota Statutes, Chapter 169.

The bill was read for the first time and referred to the Committee on Transportation.

Murphy introduced:

H. F. No. 2274, A bill for an act relating to financial institutions; narrowing a certain exemption relating to the payment of interest on certain escrow accounts; amending Minnesota Statutes 1980, Section 47.20, Subdivision 9.

The bill was read for the first time and referred to the Committee on Financial Institutions and Insurance.

Murphy introduced:

H. F. No. 2275, A bill for an act relating to counties; making state land subject to county land use planning and zoning; amending Minnesota Statutes 1980, Section 394.24, Subdivision 3.

The bill was read for the first time and referred to the Committee on Local and Urban Affairs.

Gustafson, O'Connor and Ogren introduced:

H. F. No. 2276, A bill for an act relating to taxation; classifying industrial employment property for the purpose of assessment and taxation; amending Minnesota Statutes 1981 Supplement, Section 273.13, Subdivision 9; proposing new law coded in Minnesota Statutes, Chapter 273.

The bill was read for the first time and referred to the Committee on Taxes.

Sieben, M., introduced:

H. F. No. 2277, A bill for an act relating to the county attorneys council; providing for the disposition of its records and equipment.

The bill was read for the first time and referred to the Committee on Appropriations.

Gustafson, O'Connor and Ogren introduced:

H. F. No. 2278, A bill for an act relating to economic development; authorizing the formation of a state development company for small business aid purposes; appropriating money; proposing new law coded in Minnesota Statutes, Chapter 362.

The bill was read for the first time and referred to the Committee on Commerce and Economic Development.

There being no objection the following resolution was introduced.

Wenzel; Nelsen, B.; Mann; Kalis and Shea introduced:

House Resolution No. 28, A house resolution proclaiming March 18, 1982, to be Agriculture Day and March 15 to 22, 1982, as Agriculture Week.

SUSPENSION OF RULES

Wenzel moved that the Rules be so far suspended that House Resolution No. 28 be now considered and be placed upon its adoption. The motion prevailed.

HOUSE RESOLUTION NO. 28

A house resolution proclaiming March 18, 1982, to be Agriculture Day and March 15 to 22, 1982, as Agriculture Week.

Whereas, agriculture is Minnesota's most basic industry; and,

Whereas, the associated production, processing and marketing segments collectively provide more jobs than any other single industry; and,

Whereas, in 1981 more than 662,000 Minnesotans were employed in the food and related industries; and,

Whereas, Minnesota's food and fiber industry provides one-third of the jobs and generates about 40 percent of Minnesota's gross economic products; and,

Whereas, the value of Minnesota's farm production last year exceeded \$7.5 billion with an additional \$15 billion added value because of marketing, processing, packaging, transportation and distribution; and,

Whereas, it is important that the farmers, consumers, and business leaders have a mutual understanding of the role each one plays in the marketing system; *Now, Therefore*,

Be It Resolved by the House of Representatives of the State of Minnesota that it declares Thursday, March 18, 1982, to be Agriculture Day in Minnesota and the week of March 15 to 22, 1982, to be Agriculture Week.

Be It Further Resolved that the people of Minnesota are encouraged to hold meetings, ceremonies, celebrations, and other activities to commemorate Agriculture Day and Agriculture Week.

Wenzel moved that House Resolution No. 28 be now adopted. The motion prevailed and the resolution was adopted.

MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Mr. Speaker :

I hereby announce the passage by the Senate of the following Senate Files, herewith transmitted:

S. F. Nos. 1625, 1790, 1791 and 1812.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker :

I hereby announce the passage by the Senate of the following Senate Files, herewith transmitted:

S. F. Nos. 1792 and 1970.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker :

I hereby announce the passage by the Senate of the following Senate Files, herewith transmitted:

S. F. Nos. 1605, 1814 and 1837.

PATRICK E. FLAHAVEN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 1625, A bill for an act relating to state lands; providing for the conveyance of certain lands to the heirs of John G. and Ruby A. Handberg.

The bill was read for the first time and referred to the Committee on Governmental Operations.

S. F. No. 1790, A bill for an act relating to municipal planning; authorizing towns to plan; providing for standards and criteria for conditional uses and variances; authorizing the establishment of a board for planning in certain areas; amending Minnesota Statutes 1980, Sections 462.352, Subdivision 2; 462.357, Subdivision 6; 462.358, Subdivision 1a; and 462.36, Subdivision 1; proposing new law coded in Minnesota Statutes, Chapter 462.

The bill was read for the first time and referred to the Committee on Local and Urban Affairs.

S. F. No. 1791, A bill for an act relating to the joint exercise of powers between governmental units; authorizing governmental units to provide services for other governmental units; amending Minnesota Statutes 1980, Section 471.59, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Local and Urban Affairs.

S. F. No. 1812, A bill for an act relating to education; encouraging school districts to make efficient and effective use of the learning year; allowing a school district flexibility in scheduling hours and days of attendance; requiring state board approval; amending Minnesota Statutes 1980, Section 124.19, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Education.

S. F. No. 1792, A bill for an act relating to towns; authorizing certain towns to exercise special powers by affirmative vote of the town electors; requiring notice; amending Minnesota Statutes 1980, Section 368.01, Subdivisions 1, 30, and by adding subdivisions.

The bill was read for the first time and referred to the Committee on Local and Urban Affairs.

S. F. No. 1970, A bill for an act relating to local government; creating the Morrison County rural development finance authority; authorizing the establishment of a development and redevelopment program and the authorization of powers for it.

The bill was read for the first time and referred to the Committee on Local and Urban Affairs.

S. F. No. 1605, A bill for an act relating to public welfare; requiring audits of nursing home cost reports; amending Minnesota Statutes 1980, Sections 256B.27, Subdivision 2a; and 256B.35, Subdivision 4.

The bill was read for the first time.

Onnen moved that S. F. No. 1605 and H. F. No. 2012, now on Technical General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1814, A bill for an act relating to the city of Maplewood; authorizing a project and the issuance of revenue bonds.

The bill was read for the first time and referred to the Committee on Local and Urban Affairs.

S. F. No. 1837, A bill for an act relating to health; establishing a permanent council on health promotion and wellness; proposing new law coded in Minnesota Statutes, Chapter 145.

The bill was read for the first time and referred to the Committee on Appropriations.

CONSENT CALENDAR

S. F. No. 2095 was reported to the House.

Simoneau moved that S. F. No. 2095 be continued one day. The motion prevailed.

There being no objection the bills on the Technical Consent Calendar were now considered.

H. F. No. 1906, A bill for an act relating to local government; allowing the city of Orr and the town of Leiding to assess the cost of maintenance of television relay service.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 126 yeas and 1 nay as follows:

Those who voted in the affirmative were:

Aasness	Ewald	Kostohryz	Olsen	Simoneau
Ainley	Fjoslien	Kvam	Onnen	Skoglund
Anderson, B.	Forsythe	Laidig	Osthoff	Stadum
Anderson, G.	Frerichs	Lehto	Otis	Staten
Anderson, I.	Greenfield	Lemen	Peterson, B.	Stowell
Battaglia	Gruenes	Levi	Peterson, D.	Stumpf
Begich	Gustafson	Long	Piepho	Sviggun
Berkelman	Halberg	Ludeman	Pogemiller	Swanson
Blatz	Hanson	Luknic	Redalen	Valan
Brinkman	Harens	Mann	Reding	Valento
Byrne	Hauge	Marsh	Rees	Vanasek
Carlson, D.	Haukoos	McDonald	Reif	Vellenga
Carlson, L.	Heap	McEachern	Rice	Voss
Clark, J.	Heinitz	Mehrkens	Rodriguez, C.	Weaver
Clark, K.	Himle	Metzen	Rodriguez, F.	Welch
Clawson	Hoberg	Minne	Rose	Welker
Dahlvang	Hokanson	Munger	Rotherberg	Wenzel
Dean	Hokr	Murphy	Sarna	Wieser
Dempsey	Jennings	Nelsen, B.	Schafer	Wigley
Den Ouden	Johnson, C.	Nelson, K.	Schoenfeld	Wynia
Drew	Johnson, D.	Niehaus	Schreiber	Zubay
Eken	Jude	Norton	Searles	Spkr. Sieben, H.
Elioff	Kahn	Novak	Shea	
Erickson	Kaley	Nysether	Sherman	
Esau	Kalis	O'Connor	Sherwood	
Evans	Kelly	Ogren	Sieben, M.	

Those who voted in the negative were:

Jacobs

The bill was passed and its title agreed to.

S. F. No. 860, A bill for an act relating to municipal land use planning; permitting municipal fees for administrative actions relating to official controls; amending Minnesota Statutes 1980, Sections 462.353, by adding a subdivision; and 462.358, Subdivision 3b; repealing Minnesota Statutes 1980, Section 462.358, Subdivision 4.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 126 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Aasness	Fjoslien	Kvam	Onnen	Skoglund
Ainley	Forsythe	Laidig	Osthoff	Stadum
Anderson, B.	Frerichs	Lehto	Otis	Staten
Anderson, G.	Greenfield	Lemen	Peterson, B.	Stowell
Anderson, I.	Gruenes	Levi	Peterson, D.	Stumpf
Battaglia	Gustafson	Long	Piepho	Sviggum
Begich	Halberg	Ludeman	Pogemiller	Swanson
Berkelman	Hanson	Luknic	Redalen	Tomlinson
Blatz	Harens	Mann	Reding	Valan
Brinkman	Hauge	Marsh	Rees	Valento
Byrne	Haukoos	McDonald	Reif	Vanasek
Carlson, D.	Heap	McEachern	Rice	Vellenga
Carlson, L.	Heinitz	Mehrkens	Rodriguez, C.	Voss
Clark, J.	Himle	Metzen	Rodriguez, F.	Weaver
Clark, K.	Hoberg	Minne	Rose	Welch
Dahlvang	Hokanson	Munger	Rothenberg	Welker
Dean	Hokr	Murphy	Sarna	Wenzel
Dempsey	Jennings	Nelsen, B.	Schafer	Wieser
Den Ouden	Johnson, C.	Nelson, K.	Schoenfeld	Wigley
Drew	Johnson, D.	Niehaus	Schreiber	Wynia
Eken	Jude	Norton	Searles	Zubay
Elioff	Kahn	Novak	Shea	Spkr. Sieben, H.
Erickson	Kahey	Nycether	Sherman	
Esau	Kalis	O'Connor	Sherwood	
Evans	Kelly	Ogren	Sieben, M.	
Ewald	Kostohryz	Olsen	Simoneau	

The bill was passed and its title agreed to.

H. F. No. 1235, A bill for an act relating to state lands; authorizing the conveyance by the state of its interest in certain lands in Lyon County and Wright County.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 129 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Aasness	Ewald	Kelly	Nysether	Sherwood
Ainley	Fjoslien	Knickerbocker	O'Connor	Sieben, M.
Anderson, B.	Forsythe	Kostohryz	Ogren	Simoneau
Anderson, G.	Frerichs	Kvam	Olsen	Skoglund
Anderson, I.	Greenfield	Laidig	Osthoff	Stadum
Battaglia	Gruenes	Lehto	Otis	Staten
Begich	Gustafson	Lemen	Peterson, B.	Stowell
Berkelman	Halberg	Levi	Peterson, D.	Stumpf
Blatz	Hanson	Long	Piepho	Sviggum
Brinkman	Harens	Ludeman	Pogemiller	Swanson
Byrne	Hauge	Luknie	Redalen	Tomlinson
Carlson, D.	Haukoos	Mann	Reding	Valan
Carlson, L.	Heap	Marsh	Rees	Valento
Clark, J.	Heinitz	McCarron	Reif	Vanasek
Clark, K.	Himle	McDonald	Rodriguez, C.	Vellenga
Dahlvang	Hoberg	McEachern	Rodriguez, F.	Voss
Dean	Hokanson	Mehrkens	Rose	Weaver
Dempsey	Hokr	Metzen	Rothenberg	Welch
Den Ouden	Jacobs	Minne	Samuelson	Welker
Drew	Jennings	Munger	Sarna	Wenzel
Eken	Johnson, C.	Murphy	Schafer	Wieser
Elioff	Johnson, D.	Nelsen, B.	Schoenfeld	Wigley
Ellingson	Jude	Nelson, K.	Schreiber	Wynia
Erickson	Kahn	Niehaus	Searles	Zubay
Esau	Kaley	Norton	Shea	Spkr. Sieben, H.
Evans	Kalis	Novak	Sherman	

The bill was passed and its title agreed to.

H. F. No. 2073 was reported to the House.

Voss moved to amend H. F. No. 2073, the first engrossment, as follows:

Page 2, line 4, delete "*containing PCB's as defined in section 116.36, subdivision 4,*"

Page 2, line 5, delete "*or*"

The motion prevailed and the amendment was adopted.

H. F. No. 2073, A bill for an act relating to resource recovery; permitting the use of waste oil burners in certain gasoline stations and garages; proposing new law coded in Minnesota Statutes, Chapter 299F.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 130 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Aasness	Evans	Kelly	Nysether	Sherman
Ainley	Ewald	Knickerbocker	O'Connor	Sherwood
Anderson, B.	Fjoslien	Kostohryz	Ogren	Sieben, M.
Anderson, G.	Forsythe	Kvam	Olsen	Simoneau
Anderson, I.	Frerichs	Laidig	Osthoff	Skoglund
Battaglia	Greenfield	Lehto	Otis	Stadum
Begich	Gruenes	Lemen	Peterson, B.	Staten
Berkelman	Gustafson	Levi	Peterson, D.	Stowell
Blatz	Halberg	Long	Piepho	Stumpf
Brinkman	Hanson	Ludeman	Pogemiller	Sviggum
Byrne	Harens	Luknic	Redalen	Swanson
Carlson, D.	Hauge	Mann	Reding	Tomlinson
Carlson, L.	Haukoos	Marsh	Rees	Valan
Clark, J.	Heap	McCarron	Reif	Valento
Clark, K.	Heinitz	McDonald	Rice	Vanasek
Clawson	Himle	McEachern	Rodriguez, C.	Vellenga
Dahlvang	Hoberg	Mehrkens	Rodriguez, F.	Voss
Dean	Hokanson	Metzen	Rose	Weaver
Dempsey	Hokr	Minne	Rothenberg	Welch
Den Ouden	Jacobs	Munger	Samuelson	Welker
Drew	Jennings	Murphy	Sarna	Wenzel
Eken	Johnson, C.	Nelsen, B.	Schafer	Wieser
Elioff	Johnson, D.	Nelson, K.	Schoenfeld	Wigley
Ellingson	Jude	Niehaus	Schreiber	Wynia
Erickson	Kaley	Norton	Searles	Zubay
Esau	Kalis	Novak	Shea	Sprk. Sieben, H.

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

Sherwood was excused for the remainder of today's session.

CONSIDERATION UNDER RULE 1.10

Pursuant to Rule 1.10, Sieben, M., requested immediate consideration of H. F. No. 1939.

H. F. No. 1939, A bill for an act relating to transportation; directing the commissioner of transportation to construct a parkway along a certain route in the city of St. Paul; amending Minnesota Statutes 1980, Sections 161.12; 161.1245, Subdivision 1; repealing Minnesota Statutes 1980, Section 161.1245, Subdivision 2.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 89 yeas and 34 nays as follows:

Those who voted in the affirmative were:

Aasness	Brinkman	Dean	Erickson	Frerichs
Anderson, I.	Byrne	Dempsey	Esau	Gruenes
Battaglia	Carlson, D.	Den Ouden	Evans	Halberg
Begich	Carlson, L.	Drew	Ewald	Haukoos
Berkelman	Clark, J.	Eken	Fjoslien	Heap
Blatz	Dahlvang	Elioff	Forsythe	Heinitz

Himie	Kvam	Novak	Rodriguez, F.	Stumpf
Hokanson	Lehto	O'Connor	Rose	Sviggum
Hokr	Levi	Onnen	Sarna	Swanson
Jacobs	Luknic	Osthoff	Schafer	Tomlinson
Jennings	Mann	Peterson, B.	Schoenfeld	Valan
Johnson, D.	Marsh	Piepho	Schreiber	Valento
Jude	McEachern	Redalen	Searles	Voss
Kaley	Mehrkens	Reding	Shea	Weaver
Kalis	Metzen	Rees	Sieben, M.	Wieser
Kelly	Minne	Reif	Simoneau	Wigley
Knickerbocker	Murphy	Rice	Stadum	Spkr. Sieben, H.
Kostohryz	Nelsen, B.	Rodriguez, C.	Stowell	

Those who voted in the negative were :

Ainley	Gustafson	Long	Otis	Vanasek
Anderson, B.	Hanson	Ludeman	Peterson, D.	Vellenga
Anderson, G.	Harens	Nelson, K.	Pogemiller	Welch
Brandl	Hauge	Niehaus	Samuelson	Wenzel
Clark, K.	Johnson, C.	Norton	Sherman	Wynia
Ellingson	Kahn	Nysether	Skoglund	Zubay
Greenfield	Laidig	Ogren	Staten	

The bill was passed and its title agreed to.

There being no objection the order of business reverted to Reports of Standing Committees.

REPORTS OF STANDING COMMITTEES

Anderson, I., from the Committee on Taxes to which was referred :

H. F. No. 1872, A bill for an act relating to taxation; deleting an obsolete provision relating to income tax credits for taxable years beginning prior to 1980; repealing Minnesota Statutes 1980, Section 290.06, Subdivision 3c.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE I

Section 1. Minnesota Statutes 1981 Supplement, Section 290.-06, Subdivision 14, is amended to read:

Subd. 14. [RESIDENTIAL ENERGY CREDIT.] A credit of 20 percent of the first \$10,000 of renewable energy source expenditures, including the expenditures described in clauses (a), (b) and (d) if made by an individual taxpayer on a Minnesota building of six dwelling units or less and expenditures for biomass conversion equipment described in clause (c), may be deducted from the tax due under this chapter for the taxable year

in which the expenditures were made. For purposes of this subdivision, the term "building" shall include a condominium or townhouse used by the taxpayer as a residence. In the case of qualifying expenditures incurred in connection with a building under construction by a contractor, the credit shall be deducted from the tax liability of the first individual to purchase the building for use as a principal residence or for residential rental purposes; the contractor shall not be eligible for the credit given pursuant to this subdivision for that expenditure.

A "renewable energy source expenditure" which qualifies shall include:

(a) Expenditures which qualify for the federal renewable energy source credit, pursuant to Section 44C of the Internal Revenue Code of 1954, as amended through December 31, (1980) 1981, and any regulations promulgated pursuant thereto, provided that, after December 31, 1980, any solar collector included in the claimed expenditure is certified by the commissioner of energy, planning and development. A solar collector is a device designed to absorb incident solar radiation, convert it to thermal energy, and transfer the thermal energy to a fluid passing through or in contact with the device. "Solar collector" shall not include passive solar energy systems as defined in clause (d);

(b) Expenditures for earth sheltered dwelling units. For purposes of this credit, an "earth sheltered dwelling unit" shall mean a structure which complies with applicable building standards and which is constructed so that:

(1) 80 percent or more of the roof area is covered with a minimum depth of 12 inches of earth; and

(2) 50 percent or more of the wall area is covered with a minimum depth of 12 inches of earth; and

(3) Those portions of the structure not insulated with a minimum of seven feet of earth shall have additional insulation;

(c) Expenditures for biomass conversion equipment located in Minnesota which produces ethanol, methane or methanol for use as a gaseous or as a liquid fuel which is not offered for sale; and

(d) Expenditures for passive solar energy systems. For purposes of this credit, a "passive solar energy system" is defined to include systems which utilize elements of the building and its operable components to heat or cool a building with the sun's energy by means of conduction, convection, radiation, or evaporation. A passive system shall include:

(1) Collection aperture, including glazing installed in south facing walls and roofs; and

(2) Storage element, including thermal mass in the form of water, masonry, rock, concrete, or other mediums which is designed to store heat collected from solar radiation.

A passive system may include either or both:

(1) Control and distribution element, including fans, louvers, and air ducts; or

(2) Retention element, including movable insulation used to minimize heat loss caused by nocturnal radiation through areas used for direct solar heat gain during daylight hours.

Eligible passive expenditures shall be for equipment, materials or devices that are an integral part of the components listed above and essential to the functioning of a passive design which qualifies pursuant to rules adopted by the commissioner of revenue in cooperation with the commissioner of energy, planning and development. Expenditures for equipment, materials, or devices which are a part of the normal heating, cooling, or insulation system of a building are not eligible for the credit.

If a credit was allowed to a taxpayer under this subdivision for any prior taxable year, the dollar amount of the maximum expenditure for which a taxpayer may qualify for a credit under this subdivision in subsequent years shall be \$10,000 reduced by the amount of expenditures which a credit was claimed pursuant to this subdivision in prior years. A taxpayer shall never be allowed to claim more than \$10,000 of expenditures during the duration of the renewable energy credit.

The credit provided in this subdivision shall not be allowed in a taxable year if the amount of the credit would be less than \$10.

If the credit allowable under this subdivision exceeds the amount of tax due in a taxable year, the excess credit shall not be refunded but may be carried forward to the succeeding taxable year and added to the credit allowable for that year. No amount may be carried forward to a taxable year beginning after December 31, (1984) 1987.

A shareholder in a family farm corporation and each partner in a partnership operating a family farm shall be eligible for the credit provided by this subdivision in the same manner and to the same extent allowed a joint owner of property under section 44C (d) of the Internal Revenue Code of 1954, as amended through December 31, (1980) 1981. "Family farm corporation" and "family farm" have the meanings given in section 500.24.

The credit provided in this subdivision is subject to the provisions of Section 44C, (c) (7) and (10), (d) (1) to (3), and (e),

of the Internal Revenue Code of 1954, as amended through December 31, (1980) 1981, and any regulations promulgated pursuant thereto.

The commissioner of revenue in cooperation with the commissioner of energy, planning and development shall adopt rules establishing additional qualifications and definitions for the credits provided in this subdivision.

Notwithstanding section 290.61, the commissioner of revenue may request the commissioner of energy, planning and development to assist in the review and auditing of the information furnished by the taxpayer for purposes of claiming this credit. The provisions of section 290.61 shall apply to employees of the department of energy, planning and development who receive information furnished by a taxpayer for purposes of claiming this credit.

The commissioner of energy, planning and development shall adopt rules establishing the criteria for certification of solar collectors as required by clause (a). The criteria shall:

- (1) Specify the testing procedures to be used in the evaluation of solar collectors;
- (2) Establish minimum levels of collector quality for safety;
- (3) Provide a means to determine the maintainability and structural integrity of solar collectors;
- (4) Establish a system for evaluating and rating the thermal performance of solar collectors;
- (5) Specify the procedures to follow to obtain certification of a solar collector;
- (6) Conform to the maximum extent practicable to the solar collector certification requirements of other states which have adopted certification procedures; and
- (7) Allow for individual variation so as not to hamper the development of innovative solar collectors.

The commissioner of energy, planning and development may adopt temporary rules pursuant to section 15.0412, subdivision 5 to establish this certification procedure.

This subdivision is effective for expenditures made during taxable years beginning after December 31, 1978 and before January 1, (1983) 1986.

ARTICLE II

Section 1. Minnesota Statutes 1980, Section 475.55, Subdivision 1, is amended to read:

Subdivision 1. All obligations shall be signed by officers authorized by resolution of the governing body or by persons authorized to sign on behalf of a bank designated by the resolution as authenticating agent, and shall express the amount and the terms of payment. Interest on obligations (AUTHORIZED BY RESOLUTION BEFORE DECEMBER 31, 1982) shall not exceed (THE RATE OF 12 PERCENT PER ANNUM, PAYABLE HALF YEARLY. INTEREST ON OBLIGATIONS AUTHORIZED THEREAFTER SHALL NOT EXCEED THE RATE OF NINE PERCENT PER ANNUM) *the greater of (a) the rate determined pursuant to subdivision 4 for the month in which the resolution authorizing the obligations was adopted, or (b) the rate determined pursuant to subdivision 4 for the month in which the bonds are sold, or (c) the rate of ten percent per annum, payable half yearly.*

All obligations shall be negotiable investment securities as provided in the uniform commercial code, chapter 336, article 8. The validity of an obligation shall not be impaired by the fact that one or more officers authorized to execute it shall have ceased to be in office before delivery to the purchaser or shall not have been in office on the formal issue date of the obligation. Every obligation shall be signed manually by one officer or authenticating agent. Other signatures and the seal of the issuer may be printed, lithographed, stamped or engraved thereon and on any interest coupons to be attached thereto. The seal need not be used.

Sec. 2. Minnesota Statutes 1980, Section 475.55, is amended by adding a subdivision to read:

Subd. 4. On or before the 20th day of each month the commissioner of finance shall determine the most recently published yield for the Bond Buyer's Index of 20 Municipals. This rate plus one percent and rounded to the next highest percent per annum shall be the rate for the next succeeding month. The commissioner of finance shall publish the maximum rate in the state register each month.

Sec. 3. [EFFECTIVE DATE.]

This article is effective the day after final enactment.

ARTICLE III

Section 1. [290.521] [ACTION TO ENJOIN INCOME TAX RETURN PREPARERS.]

Subdivision 1. [AUTHORITY TO SEEK INJUNCTION.] A civil action in the name of the state of Minnesota to enjoin any person who is an income tax return preparer doing business in this state from further engaging in any conduct described in subdivision 2 or from further acting as an income tax return preparer may be commenced at the request of the commissioner of revenue. Any action under this section shall be brought by the attorney general in the district court for the judicial district in which the income tax return preparer resides or has his principal place of business, or in which the taxpayer with respect to whose income tax return the action is brought resides. The court may exercise its jurisdiction over the action separate and apart from any other action brought by the state of Minnesota against the income tax return preparer or any taxpayer.

Subd. 2. [ADJUDICATION AND DECREES.] In any action under subdivision 1, if the court finds:

(a) that an income tax return preparer has:

(1) engaged in any conduct subject to the civil penalty under section 2,

(2) misrepresented his eligibility to practice before the department of revenue, or otherwise misrepresented his experience or education as an income tax return preparer,

(3) guaranteed the payment of any tax refund or the allowance of any tax credit, or

(4) engaged in any other fraudulent or deceptive conduct which substantially interferes with the proper administration of the provisions of this chapter, and

(b) that injunctive relief is appropriate to prevent the recurrence of such conduct,

the court may enjoin the person from further engaging in such conduct. If the court finds that an income tax return preparer has continually or repeatedly engaged in any conduct described in clauses (1) through (4) of clause (a) of this subdivision, and that an injunction prohibiting such conduct would not be sufficient to prevent the person's interference with the proper administration of this chapter, the court may enjoin the person from acting as an income tax return preparer. The court may not under this section enjoin the employer of an income tax return preparer for conduct described in clauses (1) through (4) of clause (a) of this subdivision engaged in by one or more of the employer's employees unless the employer was also actively involved in such conduct.

Subd. 3. [INCOME TAX RETURN PREPARER DEFINED.] For purposes of this section and section 2, the term

“income tax return preparer” means any person who prepares for compensation, or who employs one or more persons to prepare for compensation, any return of tax imposed by this chapter, or any claim for refund of tax imposed by this chapter. For purposes of the preceding sentence, the preparation of a substantial portion of a return or claim for refund shall be treated as if it were the preparation of the return or claim for refund.

A person shall not be an income tax return preparer merely because the person:

(a) furnishes typing, reproducing, or other mechanical assistance,

(b) prepares a return or claim for refund of the employer, or an officer or employee of the employer, by whom he is regularly and continuously employed,

(c) prepares as a fiduciary a return or claim for refund of any person, or

(d) prepares a claim for refund for a taxpayer in response to any tax order issued to the taxpayer.

Sec. 2. [290.523] [UNDERSTATEMENT OF TAXPAYER'S LIABILITY BY INCOME TAX RETURN PREPARER.]

Subdivision 1. [WILFUL UNDERSTATEMENT OF LIABILITY.] If any part of any understatement of liability with respect to any return or claim for refund is due to a wilful attempt in any manner to understate the liability for a tax by a person who is an income tax return preparer with respect to the return or claim, the person shall pay to the commissioner a penalty of \$500 with respect to the return or claim. This penalty shall be considered to be an income tax liability and may be assessed at any time as provided in section 290.49, subdivision 6. In any proceeding involving the issue of whether or not an income tax return preparer has wilfully attempted in any manner to understate the liability for tax, the burden of proof in respect of the issue shall be upon the commissioner, and the return of the taxpayer may be disclosed to the income tax return preparer notwithstanding section 290.61.

Subd. 2. [UNDERSTATEMENT OF LIABILITY DEFINED.] For purposes of this section, the term “understatement of liability” means any understatement of the net amount payable with respect to any tax imposed by this chapter, or any overstatement of the net amount creditable or refundable with respect to any such tax. The determination of whether or not there is an understatement of liability shall be made without regard to any administrative or judicial action involving the taxpayer.

Sec. 3. [290A.111] [ACTION TO ENJOIN PROPERTY TAX REFUND RETURN PREPARERS.]

Subdivision 1. [AUTHORITY TO SEEK INJUNCTION.] *A civil action in the name of the state of Minnesota may be commenced in the same manner and pursuant to the same authority as provided in section 1, subdivision 1, to enjoin any person who is a property tax refund return preparer doing business in this state from further engaging in any conduct described in subdivision 2 or from further acting as a property tax refund return preparer.*

Subd. 2. [ADJUDICATION AND DECREES.] *In any action under subdivision 1, if the court finds: (a) that a property tax refund return preparer has:*

(1) engaged in any conduct subject to the criminal penalty provided by section 290A.11, subdivision 2, or subject to the civil penalty under section 4,

(2) misrepresented his eligibility to practice before the department of revenue, or otherwise misrepresented his experience or education as a property tax refund return preparer,

(3) guaranteed the payment of any property tax refund or the allowance of any property tax refund credit against income tax,

(4) engaged in any other fraudulent or deceptive conduct which substantially interferes with the proper administration of the provisions of this chapter,

the court may decree appropriate injunctive relief pursuant to the authority granted in section 1, subdivision 2.

Subd. 3. [PROPERTY TAX REFUND RETURN PREPARER DEFINED.] *For purposes of this section and section 4, the term "property tax refund return preparer" shall have the same meaning as the term "income tax return preparer" as defined in section 1, subdivision 3, to the extent that the definition applies to the preparation of a claim for relief under this chapter.*

Sec. 4. [290A.112] [OVERSTATEMENT OF TAXPAYER'S CLAIM BY PROPERTY TAX REFUND RETURN PREPARER.]

Subdivision 1. [WILFUL OVERSTATEMENT OF CLAIM.] *If any part of an excessive claim with respect to any property tax refund return is due to a wilful attempt in any manner to overstate the claim for relief allowed under this chapter by a person who is a property tax refund return preparer with respect to the return, the person shall pay to the commissioner a penalty of \$500 with respect to the return. This penalty shall be considered to be an income tax liability and may be assessed at any time*

as provided in section 290.49, subdivision 6. In any proceeding involving the issue of whether or not a property tax refund return preparer has wilfully attempted in any manner to overstate the property tax refund claim, the burden of proof in respect of the issue shall be upon the commissioner and the claim of the claimant may be disclosed to the property tax refund return preparer notwithstanding section 290A.17.

Subd. 2. [OVERSTATEMENT OF CLAIM DEFINED.] For purposes of this section, the term "overstatement of claim" means any overstatement of the net amount refundable, or the net amount creditable against income tax, with respect to any claim for property tax relief provided by this chapter. The determination of whether or not there is an overstatement of a claim shall be made without regard to any administrative or judicial action involving the claimant.

Sec. 5. [EFFECTIVE DATE.]

Sections 1 to 4 apply to documents prepared after December 31, 1982.

ARTICLE IV

Section 1. Minnesota Statutes 1981 Supplement, Section 290.01, Subdivision 20, as amended by Laws 1981, Third Special Session Chapter 2, Article III, Section 2, is amended to read:

Subd. 20. [GROSS INCOME.] Except as otherwise provided in this chapter, the term "gross income," as applied to corporations includes every kind of compensation for labor or personal services of every kind from any private or public employment, office, position or services; income derived from the ownership or use of property; gains or profits derived from every kind of disposition of, or every kind of dealing in, property; income derived from the transaction of any trade or business; and income derived from any source (; EXCEPT THAT GROSS INCOME SHALL NOT INCLUDE "EXEMPT FUNCTION INCOME" OF A "HOMEOWNERS ASSOCIATION" AS THOSE TERMS ARE DEFINED IN SECTION 528 OF THE INTERNAL REVENUE CODE OF 1954, AS AMENDED THROUGH DECEMBER 31, 1980).

The term "gross income" in its application to individuals, estates, and trusts shall mean the adjusted gross income as defined in the Internal Revenue Code of 1954, as amended through the date specified herein for the applicable taxable year, with the modifications specified in this subdivision. For estates and trusts the adjusted gross income shall be their federal taxable income as defined in the Internal Revenue Code of 1954, as amended through the date specified herein for the applicable taxable year, with the modifications specified in this subdivision

and with the modification that the federal deduction for personal exemptions for trusts and estates shall not be allowed.

(i) (THE INTERNAL REVENUE CODE OF 1954, AS AMENDED THROUGH DECEMBER 31, 1974, SHALL BE IN EFFECT FOR THE TAXABLE YEARS BEGINNING AFTER DECEMBER 31, 1974.)

((II)) The Internal Revenue Code of 1954, as amended through December 31, 1976, including the amendments made to section 280A (relating to licensed day care centers) in H.R. 3477 as it passed the Congress on May 16, 1977, shall be in effect for the taxable years beginning after December 31, 1976. The provisions of the Tax Reform Act of 1976, P.L. 94-455, which affect adjusted gross income shall become effective for purposes of this chapter at the same time they become effective for federal income tax purposes. (SECTION 207 (RELATING TO EXTENSION OF PERIOD FOR NONRECOGNITION OF GAIN ON SALE OR EXCHANGE OF RESIDENCE) AND SECTION 402 (RELATING TO TIME FOR MAKING CONTRIBUTIONS TO PENSION PLANS OF SELF EMPLOYED PEOPLE) OF P.L. 94-12 SHALL BE EFFECTIVE FOR TAXABLE YEARS BEGINNING AFTER DECEMBER 31, 1974.)

The provisions of section 4 of P.L. 95-458, sections 131, 133, 134, 141, 152, 156, 157, 405, and 543 of P.L. 95-600, and section 2 of P.L. 96-608 (relating to pensions, individual retirement accounts, deferred compensation plans, the sale of a residence and to conservation payments to farmers) including the amendments made to these sections in P.L. 96-222 shall be effective at the same time that these provisions became effective for federal income tax purposes.

((III)) (ii) The Internal Revenue Code of 1954, as amended through December 31, 1979, shall be in effect for taxable years beginning after December 31, 1979.

((IV)) (iii) The Internal Revenue Code of 1954, as amended through December 31, 1980, and as amended by sections 302(b) and 501 to 509 of Public Law Number 97-34, shall be in effect for taxable years beginning after December 31, 1980 including the provisions of section 404 (relating to partial exclusions of dividends and interest received by individuals) of the Crude Oil Windfall Profit Tax Act of 1980, P.L. 96-223. The provisions of P.L. 96-471 (relating to installment sales) and sections 501 to 507, of the Economic Recovery Tax Act of 1981, Public Law Number 97-34 shall be effective at the same time that they become effective for federal income tax purposes.

References to the Internal Revenue Code of 1954 in clauses (a), (b) (AND), (c), and (e) following shall mean the code in

effect for the purpose of defining gross income for the applicable taxable year.

(a) Modifications increasing federal adjusted gross income. There shall be added to federal adjusted gross income:

(1) Interest income on obligations of any state other than Minnesota or a political subdivision of any other state exempt from federal income taxes under the Internal Revenue Code of 1954;

(2) A business casualty loss if the taxpayer elected to deduct the loss on the current year's federal income tax return but had deducted the loss on the previous year's Minnesota income tax return;

(3) Income taxes imposed by this state or any other taxing jurisdiction, to the extent deductible in determining federal adjusted gross income and not credited against federal income tax;

(4) Interest on indebtedness incurred or continued to purchase or carry securities the income from which is exempt from tax under this chapter, to the extent deductible in determining federal adjusted gross income;

(5) Amounts received as reimbursement for an expense of sickness or injury which was deducted in a prior taxable year to the extent that the deduction for the reimbursed expenditure resulted in a tax benefit;

(6) The amount of any federal income tax overpayment for any previous taxable year, received as refund or credited to another taxable year's income tax liability, proportionate to the percentage of federal income tax that was claimed as a deduction in determining Minnesota income tax for the previous taxable year. The amount of the federal income tax overpayment shall be reported only to the extent that the amount resulted in a reduction of the tax imposed by this chapter.

The overpayment refund or credit, determined with respect to a husband and wife on a joint federal income tax return for a previous taxable year, shall be reported on joint, combined, or separate Minnesota income tax returns. In the case of combined or separate Minnesota returns, the overpayment shall be reported by each spouse proportionately according to the relative amounts of federal income tax claimed as a deduction on his or her combined or separate Minnesota income tax return for such previous taxable year;

(7) In the case of a change of residence from Minnesota to another state or nation, the amount of moving expenses which exceed total reimbursements and which were therefore deducted in arriving at federal adjusted gross income;

(8) The amount of any increase in the taxpayer's federal tax liability under section 47 of the Internal Revenue Code of 1954 to the extent of the credit under section 38 of the Internal Revenue Code of 1954 that was previously allowed as a deduction (EITHER) under section 290.01, subdivision 20 (b) (7);

(9) Expenses and losses arising from a farm which are not allowable under section 290.09, subdivision 29;

(10) Expenses and depreciation attributable to substandard buildings disallowed by section 290.101;

(11) The amount by which the gain determined pursuant to section 41.59, subdivision 2 exceeds the amount of such gain included in federal adjusted gross income;

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

(13) Interest income from qualified scholarship funding bonds as defined in section 103(e) of the Internal Revenue Code of 1954, if the nonprofit corporation is domiciled outside of Minnesota;

(14) Exempt-interest dividends, as defined in section 852(b)(5)(A) of the Internal Revenue Code of 1954, not included in federal adjusted gross income pursuant to section 852(b)(5)(B) of the Internal Revenue Code of 1954, except for that portion of exempt-interest dividends derived from interest income on obligations of the state of Minnesota, any of its political or governmental subdivisions, any of its municipalities, or any of its governmental agencies or instrumentalities;

(15) The amount of any excluded gain recognized by a trust on the sale or exchange of property as defined in section 641(c)(1) of the Internal Revenue Code of 1954;

(16) For taxable years beginning after December 31, 1980 but before January 1, 1983, in the case of recovery property within the meaning of section 168 of the Internal Revenue Code of 1954, as amended through December 31, 1981, the amount allowed under section 167 of the Internal Revenue Code;

(17) To the extent not included in the taxpayer's federal adjusted gross income, the amount of any gain, from the sale or other disposition of property having a lower adjusted basis for Minnesota income tax purposes than for federal income tax purposes. This modification shall not exceed the difference in basis. If the gain is considered a long term capital gain for

federal income tax purposes, the modification shall be limited to 40 percent of the portion of the gain. This modification is limited to property that qualified for the energy credit contained in section 290.06, subdivision 14, and to property acquired in exchange for the release of the taxpayer's marital rights contained in section 290.14, clause ((9)) (7);

(18) The amount of any loss from a source outside of Minnesota which is not allowed under section 290.17 including any capital loss or net operating loss carryforwards or carrybacks resulting from the loss;

(19) The amount of a distribution from an individual housing account which is to be included in gross income as required under section 290.08, subdivision 25;

(20) To the extent deducted in computing the taxpayer's federal adjusted gross income, interest, taxes and other expenses which are not allowed under section 290.10, clause (9) or (10);

(21) To the extent excluded from federal adjusted gross income, in the case of a city manager or city administrator who elects to be excluded from the public employees retirement association and who makes contributions to a deferred compensation program pursuant to section 353.028, the amount of contributions made by the city manager or administrator which is equal to the amount which would have been the city manager's or administrator's employee contribution pursuant to section 353.27, subdivision 2, if he were a member of the public employees retirement association; (AND)

(22) For taxable years beginning after December 31, 1980 but before January 1, 1983, in the case of section 179 property within the meaning of the Internal Revenue Code of 1954, the amount allowed as a deduction under section 179 of the Internal Revenue Code; *and*

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

(b) Modifications reducing federal adjusted gross income. There shall be subtracted from federal adjusted gross income:

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

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

income tax purposes than for federal income tax purposes, that does not exceed such difference in basis; but if such gain is considered a long-term capital gain for federal income tax purposes, the modification shall be limited to (60) 40 per centum of the portion of the gain. This modification shall not be applicable if the difference in basis is due to disallowance of depreciation pursuant to section 290.101.

(3) (INTEREST OR DIVIDEND INCOME ON SECURITIES TO THE EXTENT EXEMPT FROM INCOME TAX UNDER THE LAWS OF THIS STATE AUTHORIZING THE ISSUANCE OF THE SECURITIES BUT INCLUDING IN GROSS INCOME FOR FEDERAL INCOME TAX PURPOSES) *Income from the performance of personal or professional services which is subject to the reciprocity exclusion contained in section 290.081, clause (a);*

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

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

(6) To the extent included in federal adjusted gross income, or the amount reflected as the ordinary income portion of a lump sum distribution under section 402(e) of the Internal Revenue Code of 1954, notwithstanding any other law to the contrary, the amount received by any person (i) from the United States, its agencies or instrumentalities, the Federal Reserve Bank or from the state of Minnesota or any of its political or governmental subdivisions or from any other state or its political or governmental subdivisions, or a Minnesota volunteer firefighter's relief association, by way of payment as a pension, public employee retirement benefit, or any combination thereof, or (ii) as a retirement or survivor's benefit made from a plan qualifying under section 401, 403, 404, 405, 408, 409 or 409A of the Internal Revenue Code of 1954. The maximum amount of this subtraction shall be \$11,000 less the amount by which the individual's federal adjusted gross income, plus the ordinary income portion of a lump sum distribution as defined in section 402(e) of the Internal Revenue Code of 1954, exceeds \$17,000. In the case of a volunteer firefighter who receives an involuntary lump sum distribution of his pension or retirement bene-

fits, the maximum amount of this subtraction shall be \$11,000; this subtraction shall not be reduced by the amount of the individual's federal adjusted gross income in excess of \$17,000;

(7) The amount of any credit to the taxpayer's federal tax liability under section 38 of the Internal Revenue Code of 1954 but only to the extent that the credit is connected with or allocable against the production or receipt of income included in the measure of the tax imposed by this chapter;

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

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

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

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

(12) The amount of any income earned for personal services rendered outside of Minnesota prior to the date when the taxpayer became a resident of Minnesota. This modification does not apply to compensation defined in clause (b) (6);

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

(14) In the case of work incentive program expenses paid or incurred on or after January 1, 1979, the amount of any credit for expenses of work incentive programs under sections 40, 50A

and 50B of the Internal Revenue Code of 1954 which is claimed as a credit against the taxpayer's federal tax liability, but only to the extent that the credit is connected with or allocable against the production or receipt of income included in the measure of the tax imposed by this chapter;

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

(16) To the extent included in federal adjusted gross income, severance pay that may be treated as a lump sum distribution under the provisions of section 290.032, subdivision 5;

(17) The amount of any income or gain which is not assignable to Minnesota under the provisions of section 290.17;

(18) Minnesota exempt-interest dividends as provided by subdivision 27;

(19) A business casualty loss which the taxpayer elected to deduct on the current year's Minnesota income tax return but did not deduct on the current year's federal income tax return; (AND)

((20) INCOME FROM THE PERFORMANCE OF PERSONAL OR PROFESSIONAL SERVICES WHICH IS SUBJECT TO THE RECIPROCITY EXCLUSION CONTAINED IN SECTION 290.081, CLAUSE (A);)

((21)) (20) To the extent included in federal adjusted gross income, in the case of a city manager or city administrator who elects to be excluded from the public employees retirement association and who makes contributions to a deferred compensation program pursuant to section 353.028, the amount of payments from the deferred compensation program equivalent to the amount of contributions taxed under clause (a) (21); (AND)

((22)) (21) Contributions to and interest earned on an individual housing account as provided by section 290.08, subdivision 25;

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

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

((24)) (23) For the taxable year beginning after December 31, 1980, but before January 1, 1982, an amount equal to 85 percent of the deduction allowed under section 168 of the Internal Revenue Code of 1954 as amended through December 31, 1981. For the taxable year beginning after December 31, 1981 but before January 1, 1983, 83 percent of the deduction allowed under section 168 of the Internal Revenue Code of 1954 as amended through December 31, 1981. The depreciation adjustments made to basis in the case of recovery property within the meaning of section 168 of the Internal Revenue Code of 1954 as amended through December 31, 1981 shall be the depreciation adjustments made for federal income tax purposes under the Internal Revenue Code of 1954, as amended through December 31, 1981. Adoption of this provision shall not be construed as indicating the intent of the legislature to enact provisions authorizing amortization of the amount of depreciation not excludable under this clause; (AND)

((25)) (24) For taxable years beginning after December 31, 1980 but before January 1, 1983, an amount equal to the deduction allowed under section 179 of the Internal Revenue Code of 1954 as amended through December 31, 1981; and

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

(c) A modification affecting shareholders of electing small business corporations under section 1372 of the Internal Revenue Code of 1954 shall be made (.)

(IN CASES) where the election under section 1372 of the Internal Revenue Code of 1954 antedates the election under this chapter and at the close of the taxable year immediately preceding the effective election under this chapter the corporation has a reserve of undistributed taxable income previously taxed to shareholders under the provisions of the Internal Revenue Code of 1954, in the event and to the extent that the reserve is

distributed to shareholders the distribution shall be taxed as a dividend for purposes of this chapter.

(d) Amounts transferred from a reserve or other account, if in effect transfers to surplus, shall, to the extent that the amounts were accumulated through deductions from gross income or entered into the computation of taxable net income during any taxable year, be treated as gross income for the year in which the transfer occurs, but only to the extent that the amounts resulted in a reduction of the tax imposed by this chapter and amounts received as refunds on account of taxes deducted from gross income during any taxable year shall be treated as gross income for the year in which actually received, but only to the extent that such amounts resulted in a reduction of the tax imposed by this chapter.

(e) Modification in computing taxable income of the estate of a decedent. Amounts allowable under section 291.07, subdivision 1, clause (2) in computing Minnesota inheritance or estate tax liability shall not be allowed as a deduction (or as an offset against the sales price of property in determining gain or loss) in computing the taxable income of the estate or any person unless there is filed within the time and in the manner and form prescribed by the commissioner a statement that the amounts have not been allowed as a deduction under section 291.07 and a waiver of the right to have the amounts allowed at any time as deductions under section 291.07. The provisions of this paragraph shall not apply with respect to deductions allowed under section 290.077 (relating to income in respect of decedents). In the event that the election made for federal tax purposes under section 642(g) of the Internal Revenue Code of 1954 differs from the election made under this paragraph appropriate modification of the estate's federal taxable income shall be made to implement the election made under this paragraph in accordance with regulations prescribed by the commissioner.

Sec. 2. Minnesota Statutes 1981 Supplement, Section 290.01, Subdivision 27, is amended to read:

Subd. 27. [MINNESOTA EXEMPT-INTEREST DIVIDENDS.] If, at the close of each quarter of its taxable year, at least 50 percent of the value (as defined in section 851(c) (4) of the Internal Revenue Code of 1954 as amended through December 31, 1979) of the total assets of a regulated investment company (as defined and limited by section 851 of the Internal Revenue Code of 1954 as amended through December 31, 1979 and to which sections 851 to 855 of the Code apply for the taxable year) consists of obligations of *any authority, commission, or instrumentality of the United States* as described in subdivision 20, clause (b) (1), or section 290.08, subdivision 8, determined without regard to the last sentence, the company shall be qualified to pay Minnesota exempt-interest dividends, as defined herein, to its shareholders.

(A) A Minnesota exempt-interest dividend means any dividend or part thereof (other than a capital gain dividend as defined in subdivision 21, or an exempt-interest dividend as defined in section 852(b)(5)(A) of the Internal Revenue Code of 1954, as amended through December 31, 1979) paid by a regulated investment company and designated by it as a Minnesota exempt-interest dividend in a written notice mailed to its shareholders not later than 45 days after the close of its taxable year. If the aggregate amount so designated with respect to a taxable year of the company, including Minnesota exempt-interest dividends paid after the close of the taxable year as described in section 290.21, subdivision 6, is greater than the excess of—

(i) The amount of interest *from an obligation of any authority, commission, or instrumentality of the United States* that would be excludable from gross income under *subdivision 20, clause (b)(1)*, or section 290.08, subdivision 8 determined without regard to the last sentence, if the company were subject to chapter 290, whether or not the company is subject to chapter 290, over

(ii) The amounts that would be disallowed as deductions under section 290.09, subdivisions 3(b) and 13, if the company were subject to chapter 290, whether or not the company is subject to chapter 290, as a result of the company's ownership of obligations *of any authority, commission, or instrumentality of the United States* as described in *subdivision 20, clause (b)(1)*, or section 290.08, subdivision 8, determined without regard to the last sentence,

the portion of such distribution which shall constitute a Minnesota exempt-interest dividend shall be only that proportion of the amount so designated as the amount of the excess for the taxable year bears to the amount so designated.

(B) A Minnesota exempt-interest dividend shall be treated by the shareholders for all purposes of chapter 290 as an item of interest excludable from gross income under subdivision 20, clause (b)(1), (AND) or section 290.08, subdivision 8. Such purposes include but are not limited to—

(i) The determination of gross income and taxable income,

(ii) The determination of distributable net income under section 290.23,

(iii) The allowance of, or calculation of the amount of, any credit or deduction, and

(iv) The determination of the basis in the hands of any shareholder of any share of stock of the company.

Sec. 3. Minnesota Statutes 1980, Section 290.012, Subdivision 2, is amended to read:

Subd. 2. "Claimant" means the individual taxpayer whose income, together with that of his spouse, if any, brings him within the provisions of this section and section 290.06, subdivision 3d. No claimant and spouse whose federal adjusted gross income, including the modifications increasing federal adjusted gross income as computed under section 290.01, subdivision 20, clause (a) (AND SECTION 290.17), exceed \$20,000 may qualify under this section.

Sec. 4. Minnesota Statutes 1980, Section 290.02, is amended to read:

290.02 [EXCISE TAX ON CORPORATIONS; IMPOSITION, MEASUREMENT.]

An annual excise tax is hereby imposed upon every domestic corporation (, EXCEPT THOSE INCLUDED WITHIN SECTION 290.03,) for the privilege of existing as a corporation during any part of its taxable year, and upon every foreign corporation doing business within this state, except those included within section 290.03, including but not limited to railroad companies for the grant to it of the privilege of transacting or for the actual transaction by it of any local business within this state during any part of its taxable year, in corporate or organized form.

The tax so imposed shall be measured by such corporations' taxable net income for the taxable year for which the tax is imposed, and computed in the manner and at the rates provided in this chapter.

Sec. 5. Minnesota Statutes 1980, Section 290.03, is amended to read:

290.03 [INCOME TAX; IMPOSITION, CLASSES OF TAXPAYERS.]

An annual tax for each taxable year, computed in the manner and at the rates hereinafter provided, is hereby imposed upon the taxable net income for such year of the following classes of taxpayers:

(1) (DOMESTIC AND) Foreign corporations not taxable under section 290.02 which own property within this state or whose business within this state during the taxable year consists exclusively of foreign commerce, interstate commerce, or both;

Business within the state shall not be deemed to include transportation in interstate or foreign commerce, or both, by means of ships navigating within or through waters which are made

international for navigation purposes by any treaty or agreement to which the United States is a party;

(2) Resident and non-resident individuals;

(3) Estates of decedents, dying domiciled within or without this state;

(4) Trusts (except those taxable as corporations) however created by residents or non-residents or by domestic or foreign corporations.

Sec. 6. Minnesota Statutes 1981 Supplement, Section 290.05, Subdivision 1, is amended to read:

Subdivision 1. The following corporations, individuals, estates, trusts, and organizations shall be exempted from taxation under this chapter, provided that every such person or corporation claiming exemption under this chapter, in whole or in part, must establish to the satisfaction of the commissioner the taxable status of any income or activity:

(a) Corporations, individuals, estates, and trusts engaged in the business of mining or producing iron ore and other ores the mining or production of which is subject to the occupation tax imposed by section 298.01; but if any such corporation, individual, estate, or trust engages in any other business or activity or has income from any property not used in such business it shall be subject to this tax computed on the net income from such property or such other business or activity. Royalty (as defined in section 299.02) shall not be considered as income from the business of mining or producing iron ore within the meaning of this section;

(b) (FARMERS' MUTUAL INSURANCE COMPANIES ORGANIZED AND EXISTING UNDER THE LAWS OF THE STATE AND CREDIT UNIONS ORGANIZED UNDER CHAPTER 52;)

((C) FRATERNAL BENEFICIARY ASSOCIATIONS WHEREVER ORGANIZED, AND PUBLIC DEPARTMENT RELIEF ASSOCIATIONS OF PUBLIC EMPLOYEES OF THIS STATE OR OF ANY OF ITS POLITICAL SUBDIVISIONS;)

((D) COOPERATIVE OR MUTUAL RURAL TELEPHONE ASSOCIATIONS; AND COOPERATIVE ASSOCIATIONS ORGANIZED UNDER THE PROVISIONS OF CHAPTER 308, WHICH ARE ENGAGED IN THE TRANSMISSION AND DISTRIBUTION OF ELECTRICAL HEAT, LIGHT OR POWER UPON A MUTUAL AND COOPERATIVE PLAN IN AREAS OUTSIDE THE CORPORATE LIMITS OF ANY CITY; BUT IF ANY SUCH COOPERATIVE ASSOCIA-

TION ENGAGES IN SUPPLYING ELECTRICAL HEAT, LIGHT OR POWER TO CONSUMERS WITHIN THE CORPORATE LIMITS OF ANY CITY, THEN SUCH ASSOCIATION SHALL BE SUBJECT TO THIS TAX COMPUTED ON THAT PORTION OF ITS NET INCOME WHICH ITS GROSS RECEIPTS FROM CONSUMERS WITHIN SUCH CORPORATE LIMITS BEARS TO ITS TOTAL GROSS RECEIPTS;)

((E)) The United States of America, the state of Minnesota or any political subdivision of either agencies or instrumentalities, whether engaged in the discharge of governmental or proprietary functions.

Sec. 7. Minnesota Statutes 1981 Supplement, Section 290.05, Subdivision 4, is amended to read:

Subd. 4. (a) Corporations, individuals, estates, trusts or organizations claiming exemption under the provisions of (SUBDIVISION 1, CLAUSE (C), OR) subdivision 2 shall furnish information as to their exempt status under the Internal Revenue Code.

(b) Such corporations, individuals, estates, trusts, and organizations shall file with the commissioner of revenue a copy of any annual report that is required to be filed with the Internal Revenue Service, no later than ten days after filing the same with the Internal Revenue Service.

Any person required to file a copy of a federal return pursuant to the preceding paragraph who wilfully fails to file such return shall be guilty of a misdemeanor.

(c) In the event that the Internal Revenue Service revokes, cancels or suspends, in whole or part, the exempt status of any corporation, individual, estate, trust or organization referred to in clause (a), or if the amount of gross income, deductions, credits, items of tax preference or taxable income is changed or corrected by either the taxpayer or the Internal Revenue Service, or if the taxpayer consents to any extension of time for assessment, of federal income taxes such corporation, individual, estate, trust or organization shall notify the commissioner in writing of such action within 90 days thereafter.

(d) The periods of limitations contained in section 290.56 shall apply whenever there has been any action referred to in clause (c), notwithstanding any period of limitations to the contrary.

Sec. 8. Minnesota Statutes 1980, Section 290.06, Subdivision 9, is amended to read:

Subd. 9. [POLLUTION CONTROL EQUIPMENT, CREDIT.] (a) A credit of five percent of the net cost of equipment

used primarily to abate or control pollutants to meet or exceed state laws, rules or standards to the extent the property is so used and which is included in section 290.09, subdivision 7, paragraph (A) (a) may be deducted from the tax due under this chapter in the first year for which a depreciation deduction is allowed for the equipment. The credit allowed by this subdivision shall not exceed so much of the liability for tax for the taxable year as does not exceed \$75,000. The credit shall apply only if the equipment meets rules prescribed by the Minnesota pollution control agency and is installed or operated in accordance with a permit or order issued by the agency.

(b) If the amount of the credit determined under (a) for any taxable year for which a depreciation deduction is allowed exceeds the limitation provided by (a) for such taxable year (hereinafter in this subdivision referred to as the "unused credit year"), such excess shall be, a credit carryover to each of the four taxable years following the unused credit year.

The entire amount of the unused credit for an unused credit year shall be carried to the earliest of the four taxable years to which such credit may be carried and then to each of the other three taxable years; provided, however, the maximum credit allowable in any one taxable year under this subdivision (including the credit allowable under (a) and the carryforward allowable under this paragraph) shall in no event exceed \$75,000.

((C) THIS SUBDIVISION SHALL APPLY TO PROPERTY ACQUIRED IN TAXABLE YEARS BEGINNING ON OR AFTER JANUARY 1, 1977.)

Sec. 9. Minnesota Statutes 1980, Section 290.06, Subdivision 9a, is amended to read:

Subd. 9a. [FEEDLOT POLLUTION CONTROL EQUIPMENT.] A credit of ten percent of the net cost of pollution control and abatement equipment, including but not limited to, lagoons, concrete storage pits, slurry handling equipment, and other equipment and devices approved by the pollution control agency, purchased, installed and operated within the state by a feedlot operator to prevent pollution of air, land, or water in connection with the operation of a livestock feedlot, poultry lot or other animal lot, may be deducted from the tax due under this chapter in the taxable year in which such equipment is purchased; provided that no deduction shall be taken for any portion of the cost of the same equipment pursuant to subdivision 9.

If the amount of the credit provided by this subdivision exceeds the taxpayer's liability for taxes pursuant to chapter 290 in the taxable year (, BEGINNING AFTER DECEMBER 31, 1972,) in which the equipment is purchased, the excess amount may be carried forward to the four taxable years following the year of purchase. The entire amount of the credit not used in the

year purchased shall be carried to the earliest of the four taxable years to which the credit may be carried and then to each of the three successive taxable years.

Sec. 10. Minnesota Statutes 1981 Supplement, Section 290.075, is amended to read:

290.075 [RENEGOTIATED WAR CONTRACTS.]

Any *corporate* taxpayer who supplies any goods, wares and merchandise or performs services, or both, under any contract, with the United States of America, or under any subcontract thereunder, or under a cost-plus-a-fixed-fee contract with the United States of America, or any agency thereof and who is subject to renegotiations under the renegotiation laws of the United States of America, or is required to renegotiate with his subcontractor, shall be required to adjust his or its Minnesota income and franchise tax liability in accordance with the following rules:

A return shall be filed and the income and franchise tax computed, on the basis of the Minnesota taxable net income without giving effect to any renegotiations occurring after the close of the taxable year. If after the close of the taxable year there is a final determination under renegotiation, (THE DIFFERENCE BETWEEN (1)) the amount determined by the renegotiation to be (a) excess profits, (b) excess fees under a fixed fee contract with the United States, or any agency thereof, or (c) the amount of any item for which the taxpayer has been reimbursed but which is disallowed as an item of cost chargeable to a fixed fee contract, (AND (2) THE AMOUNT OF FEDERAL INCOME AND EXCESS PROFITS TAXES APPLICABLE THERETO,) shall be allowed as a deduction from gross income in the taxable year in which said final determination is made, but only to the extent that such renegotiated profits, fees or amounts were included in the taxable net income in a prior year. If the taxable net income for the taxable year in which said final determination is made is less than said deduction, the taxpayer shall be entitled to a refund of the state income tax which it has paid on the difference between said deduction and said taxable income. The certificate of the agency or instrumentality of the United States conducting such renegotiation proceedings shall be evidence of the amount of the renegotiated profit and of the date thereof.

Sec. 11. Minnesota Statutes 1980, Section 290.079, Subdivision 1, is amended to read:

Subdivision 1. [AMOUNT CONSTITUTING INTEREST.] For purposes of this chapter, in the case of any contract for the sale or exchange of property there shall be treated as interest that part of a payment to which (THIS SECTION) *section 483*

of the Internal Revenue Code of 1954, as amended through December 31, 1981, applies (WHICH BEARS THE SAME RATIO TO THE AMOUNT OF SUCH PAYMENT AS THE TOTAL UNSTATED INTEREST UNDER SUCH CONTRACT BEARS TO THE TOTAL OF THE PAYMENTS TO WHICH THIS SECTION APPLIED WHICH ARE DUE UNDER SUCH CONTRACT).

Sec. 12. Minnesota Statutes 1981 Supplement, Section 290.-081, is amended to read:

290.081 [INCOME OF NONRESIDENTS, RECIPROCITY.]

(a) The compensation received for the performance of personal or professional services within this state by an individual who resides and has his place of abode and place to which he customarily returns at least once a month in another state, shall be excluded from gross income to the extent such compensation is subject to an income tax imposed by the state of his residence; provided that such state allows a similar exclusion of compensation received by residents of Minnesota for services performed therein, or

(b) Whenever a nonresident taxpayer has become liable for income taxes to the state where he resides upon his net income for the taxable year derived from the performance of personal or professional services within this state and subject to taxation under this chapter, there shall be allowed as a credit against the amount of income tax payable by him under this chapter, such proportion of the tax so paid by him to the state where he resides as his gross income subject to taxation under this chapter bears to his entire gross income upon which the tax so paid to such other state was imposed; provided, that such credit shall be allowed only if the laws of such state grant a substantially similar credit to residents of this state subject to income tax under such laws, or

(c) If any taxpayer who is a resident of this state, or a domestic corporation or corporation commercially domiciled therein, has become liable for taxes on or measured by net income to another state or a province or territory of Canada upon, if the taxpayer is an individual, any income, or if it is a corporation, estate, or trust, upon income derived from the performance of personal or professional services within such other state or province or territory of Canada and subject to taxation under this chapter he or it shall be entitled to a credit against the amount of taxes payable under this chapter, of such proportion thereof, as such gross income subject to taxation in such state or province or territory of Canada bears to his entire gross income subject to taxation under this chapter; provided (1) that such credit shall in no event exceed the amount of tax so paid to such other state or province or territory of Canada on the gross income earned within such other state or province or

territory of Canada and subject to taxation under this chapter, and (2) that such credit shall not be allowed if such other state or province or territory of Canada allows residents of this state a credit against the taxes imposed by such state or province or territory of Canada for taxes payable under this chapter substantially similar to the credit provided for by paragraph (b) of this section, and (3) the allowance of such credit shall not operate to reduce the taxes payable under this chapter to an amount less than would have been payable if the gross income earned in such other state or province or territory of Canada had been excluded in computing net income under this chapter.

(d) The commissioner shall by regulation determine with respect to gross income earned in any other state the applicable clause of this section. When it is deemed to be in the best interests of the people of this state, the commissioner may determine that the provisions of clause (a) shall not apply.

(e) "Tax So Paid" as used in this section means taxes on or measured by net income payable to another state or province or territory of Canada on income earned within the taxable year for which the credit is claimed, provided that such tax is actually paid in that taxable year, or subsequent taxable years.

For purposes of clause (c), where a Minnesota resident reported an item of income to Minnesota and is assessed tax in another state or a province or territory of Canada on that same item of income after the Minnesota statute of limitations has expired, the taxpayer shall be allowed to receive a credit for that year based on clause (c), notwithstanding the provisions of sections 290.49, 290.50, and 290.56. For purposes of the preceding sentence, the burden of proof shall be on the taxpayer to show that he is entitled to a credit.

(f) For the purposes of clause (a), whenever the Wisconsin tax on Minnesota residents which would have been paid Wisconsin without clause (a) exceeds the Minnesota tax on Wisconsin residents which would have been paid Minnesota without clause (a), or vice versa, then the state with the net revenue loss resulting from clause (a) shall receive from the other state the amount of such loss. This provision shall be effective for all years beginning after December 31, 1972. The data used for computing the loss to either state shall be determined on or before September 30 of the year following the close of the previous calendar year.

Interest shall be payable on all delinquent balances relating to taxable years beginning after December 31, 1977. The commissioner of revenue is authorized to enter into agreements with the state of Wisconsin specifying the reciprocity payment due date, conditions constituting delinquency, interest rates, and a method for computing interest due on any delinquent amounts.

If an agreement cannot be reached as to the amount of the loss, the commissioner of revenue and the taxing official of the state of Wisconsin shall each appoint a member of a board of arbitration and these members shall appoint the third member of the board. The board shall select one of its members as chairman. Such board may administer oaths, take testimony, subpoena witnesses, and require their attendance, require the production of books, papers and documents, and hold hearings at such places as are deemed necessary. The board shall then make a determination as to the amount to be paid the other state which determination shall be final and conclusive.

Notwithstanding the provisions of section 290.61, the commissioner may furnish copies of returns, reports, or other information to the taxing official of the state of Wisconsin, a member of the board of arbitration, or a consultant under joint contract with the states of Minnesota and Wisconsin for the purpose of making a determination as to the amount to be paid the other state under the provisions of this section. Prior to the release of any information under the provisions of this section, the person to whom the information is to be released shall sign an agreement which provides that he will protect the confidentiality of the returns and information revealed thereby to the extent that it is protected under the laws of the state of Minnesota.

Sec. 13. Minnesota Statutes 1981 Supplement, Section 290.09, Subdivision 4, is amended to read:

Subd. 4. [TAXES.] Taxes paid or accrued within the taxable year, except (a) income or franchise taxes imposed by this chapter and income or franchise taxes paid to any other state or to any province or territory of Canada for which a credit is allowed under section 290.081; (b) taxes assessed against local benefits of a kind deemed in law to increase the value of the property assessed; (c) inheritance, gift and estate taxes except as provided in section 290.077, subdivision 4; (d) cigarette and tobacco products excise tax imposed on the consumer; (e) that part of Minnesota property taxes for which a credit or refund is claimed and allowed under chapter 290A; (f) federal income taxes (including the windfall profit tax on domestic crude oil), by corporations, national and state banks; (g) mortgage registry tax; (h) real estate transfer tax; (i) federal telephone tax; (j) federal transportation tax; and (k) tax paid by any corporation or national or state bank to any foreign country or possession of the United States to the extent that a credit against federal income taxes is allowed under the provisions of the Internal Revenue Code of 1954, as amended through December 31, 1980. If the taxpayer's foreign tax credit consists of both foreign taxes deemed paid and foreign taxes actually paid or withheld, it will be conclusively presumed that foreign taxes deemed paid were first used by the taxpayer in its foreign tax credit. Minnesota gross income shall include the amount of foreign tax paid which

had been allowed as a deduction in a previous year, provided such foreign tax is later allowed as a credit against federal income tax.

Taxes imposed upon a shareholder's interest in a corporation which are paid by the corporation without reimbursement from the shareholder shall be deductible only by such corporation.

Property taxes shall be allowed as a deduction to the same taxpayer and in the same manner as provided in section 164 of the Internal Revenue Code of 1954, as amended through December 31, 1981, notwithstanding the provisions of section 272.31.

Sec. 14. Minnesota Statutes 1981 Supplement, Section 290.09, Subdivision 15, is amended to read:

Subd. 15. [STANDARD DEDUCTION.] In lieu of all deductions provided for in this chapter, except for the federal income tax deduction, an individual may claim or be allowed a standard deduction as follows:

(a) Subject to modification pursuant to clause (b), the standard deduction shall be an amount equal to ten percent of the adjusted gross income of the taxpayer, up to a maximum deduction of \$2,000.

In the case of a husband and wife, the standard deduction shall not be allowed to either if the net income of one of the spouses is determined without regard to the standard deduction.

(b) For each taxable year beginning after December 31, 1980, the maximum amount of the standard deduction shall be adjusted for inflation in the same manner as provided in section 290.06, subdivision 2d, for the expansion of the taxable net income brackets. (IF THE PRODUCT EXCEEDS A WHOLE DOLLAR AMOUNT, IT SHALL BE ROUNDED TO THE NEAREST DOLLAR.)

(c) The commissioner of revenue may establish a standard deduction tax table incorporating the rates set forth in section 290.06, subdivision 2c, and the standard deduction. The tax of any individual taxpayer whose adjusted gross income is less than \$20,000 shall, if an election is made not to itemize nonbusiness deductions, be computed in accordance with tables prepared and issued by the commissioner of revenue. The tables shall be prepared to reflect the allowance of the standard deduction and the personal and dependent credits.

Sec. 15. Minnesota Statutes 1980, Section 290.09, Subdivision 16, is amended to read:

Subd. 16. [CIRCULATION EXPENDITURES.] Notwithstanding the provisions of section 290.10(2), (ALL) *circulation expenditures* ((OTHER THAN EXPENDITURES FOR THE PURCHASE OF LAND OR DEPRECIABLE PROPERTY OR FOR THE ACQUISITION OF CIRCULATION THROUGH THE PURCHASE OF ANY PART OF THE BUSINESS OR ANOTHER PUBLISHER OF A NEWSPAPER, MAGAZINE, OR OTHER PERIODICAL) TO ESTABLISH, MAINTAIN, OR INCREASE THE CIRCULATION OF A NEWSPAPER, MAGAZINE, OR OTHER PERIODICAL; EXCEPT THAT THE DEDUCTION SHALL NOT BE ALLOWED WITH RESPECT TO THE PORTION OF SUCH EXPENDITURES AS, UNDER REGULATIONS PRESCRIBED BY THE COMMISSIONER, IS CHARGEABLE TO CAPITAL ACCOUNT IF THE TAXPAYER ELECTS, IN ACCORDANCE WITH SUCH REGULATIONS, TO TREAT SUCH PORTION AS SO CHARGEABLE. SUCH ELECTION, IF MADE, MUST BE FOR THE TOTAL AMOUNT OF SUCH PORTION OF THE EXPENDITURES WHICH IS SO CHARGEABLE TO CAPITAL ACCOUNT, AND SHALL BE BINDING FOR ALL SUBSEQUENT TAXABLE YEARS UNLESS, UPON APPLICATION BY THE TAXPAYER, THE COMMISSIONER PERMITS A REVOCATION OF SUCH ELECTION SUBJECT TO SUCH CONDITIONS AS HE DEEMS NECESSARY) *shall be treated in the same manner as the taxpayer has elected under the provisions of section 173 of the Internal Revenue Code of 1954, as amended through December 31, 1981.*

Sec. 16. Minnesota Statutes 1980, Section 290.09, Subdivision 17, is amended to read:

Subd. 17. [TAXES AND INTEREST PAID TO COOPERATIVE APARTMENT CORPORATION.] In the case of a tenant-stockholder (AS DEFINED HEREIN), *there shall be allowed as a deduction* amounts (, NOT OTHERWISE DEDUCTIBLE, PAID OR ACCRUED TO A COOPERATIVE APARTMENT CORPORATION WITHIN THE TAXABLE YEAR, IF SUCH AMOUNTS REPRESENT THAT PORTION OF (A) THE REAL ESTATE TAXES (ALLOWABLE AS DEDUCTIONS UNDER SUBDIVISION 4) PAID OR INCURRED BY THE CORPORATION ON THE APARTMENT BUILDING AND THE LAND ON WHICH IT IS SITUATED, AND (B) THE INTEREST (ALLOWABLE AS A DEDUCTION UNDER SUBDIVISION 3) PAID OR INCURRED BY THE CORPORATION ON ITS INDEBTEDNESS CONTRACTED IN THE ACQUISITION, CONSTRUCTION, ALTERATION, REHABILITATION, OR MAINTENANCE OF SUCH APARTMENT BUILDING OR IN THE ACQUISITION OF THE LAND ON WHICH THE BUILDING IS LOCATED, WHICH THE STOCK OF THE CORPORATION OWNED BY THE TENANT-STOCKHOLDER IS OF THE TOTAL OUTSTANDING STOCK OF THE CORPORATION, INCLUDING THAT HELD BY THE CORPORATION.)

(AS USED IN THIS SUBDIVISION THE TERM "COOPERATIVE APARTMENT CORPORATION" MEANS A CORPORATION)

((A) HAVING ONE AND ONLY ONE CLASS OF STOCK OUTSTANDING,)

((B) ALL OF THE STOCKHOLDERS OF WHICH ARE ENTITLED, SOLELY BY REASON OF THEIR OWNERSHIP OF STOCK IN THE CORPORATION, TO OCCUPY FOR DWELLING PURPOSES APARTMENTS IN A BUILDING OWNED OR LEASED BY SUCH CORPORATION, AND WHO ARE NOT ENTITLED, EITHER CONDITIONALLY OR UNCONDITIONALLY, EXCEPT UPON A COMPLETE OR PARTIAL LIQUIDATION OF THE CORPORATION, TO RECEIVE ANY DISTRIBUTION NOT OUT OF EARNINGS AND PROFITS OF THE CORPORATION, AND)

((C) 80 PERCENT OR MORE OF THE GROSS INCOME OF WHICH FOR THE TAXABLE YEAR IN WHICH THE TAXES AND INTEREST DESCRIBED IN THIS SUBDIVISION ARE PAID OR INCURRED IS DERIVED FROM TENANT-STOCKHOLDERS.)

(THE TERM "TENANT-STOCKHOLDERS" MEANS AN INDIVIDUAL WHO IS A STOCKHOLDER IN A COOPERATIVE APARTMENT CORPORATION, AND WHOSE STOCK IS FULLY PAID UP IN AN AMOUNT NOT LESS THAN AN AMOUNT SHOWN TO THE SATISFACTION OF THE COMMISSIONER AS BEARING A REASONABLE RELATIONSHIP TO THE PORTION OF THE VALUE OF THE CORPORATION'S EQUITY IN THE BUILDING AND THE LAND ON WHICH IT IS SITUATED WHICH IS ATTRIBUTABLE TO THE APARTMENT WHICH SUCH INDIVIDUAL IS ENTITLED TO OCCUPY. FOR PURPOSES OF THIS SUBDIVISION, IF A BANK OR OTHER LENDING INSTITUTION ACQUIRES BY FORECLOSURE, OR BY INSTRUMENT IN LIEU OF FORECLOSURE, THE STOCK OF A TENANT-STOCKHOLDER, AND A LEASE OR THE RIGHT TO OCCUPY AN APARTMENT TO WHICH THE STOCK IS APPURTENANT, THE BANK OR OTHER LENDING INSTITUTION SHALL BE TREATED AS A TENANT-STOCKHOLDER FOR A PERIOD NOT TO EXCEED THREE YEARS FROM THE DATE OF ACQUISITION. THE PRECEDING SENTENCE SHALL APPLY EVEN THOUGH, BY AGREEMENT WITH THE COOPERATIVE APARTMENT CORPORATION, THE BANK OR OTHER LENDING INSTITUTION, OR ITS NOMINEE, MAY NOT OCCUPY THE APARTMENT WITHOUT THE PRIOR APPROVAL OF THE CORPORATION) *allowed under the provisions of section 216 of the Internal Revenue Code of 1954, as amended through December 31, 1981.*

Sec. 17. Minnesota Statutes 1981 Supplement, Section 290.091, as amended by Laws 1981, Third Special Session Chapter 2, Article III, Section 9, is amended to read:

290.091 [MINIMUM TAX ON PREFERENCE ITEMS.]

In addition to all other taxes imposed by this chapter there is hereby imposed, a tax which, in the case of a resident individual, shall be equal to 40 percent of the amount of the taxpayer's minimum tax liability for tax preference items pursuant to the provisions of sections 55 to 58 and 443(d) of the Internal Revenue Code of 1954 as amended through December 31, 1980 (EXCEPT THAT). For purposes of the tax imposed by this section, *the following modifications shall be made:*

(1) Capital gain as defined in section 57(a) of the Internal Revenue Code shall not include that portion of any gain occasioned by sale, transfer or the granting of a perpetual easement pursuant to any eminent domain proceeding or threat thereof as described in section 290.13, subdivision 5. This modification shall apply to the years in which the gain or reduction in loss is actually included in federal adjusted gross income even though amounts received pursuant to the eminent domain proceedings were received in prior years.

(2) *In the case of a corporate taxpayer, percentage depletion shall not be a preference item.*

(3) *In the case of a corporate taxpayer, the capital gain preference item shall not include the timber preference income defined in section 57(e)(1) of the Internal Revenue Code.*

(4) *The preference item of reserves for losses on bad debts shall not include reserves allowable under section 593 of the Internal Revenue Code, but which are not allowable under section 290.09, subdivision 6, clause (c).*

(5) *In the case of an individual, the preference item of adjusted itemized deductions does not include any deduction for charitable contributions in excess of the limitations contained in section 290.21, subdivision 3, including any carryover amount allowed for federal purposes.*

(6) *The capital gain preference item shall be reduced where the gain would be modified because some or all of the assets have a higher basis for Minnesota purposes than for federal purposes.*

(7) *In the case of a nonresident individual, or an estate or trust, with a net operating loss that is a larger amount for Minnesota than for federal, the capital gain preference item*

shall be reduced to the extent it was reduced in the allowance of the net operating loss.

In the case of a (RESIDENT) *nonresident* individual, (HAVING PREFERENCE ITEMS WHICH COULD NOT BE TAKEN TO REDUCE INCOME FROM SOURCES OUTSIDE THE STATE PURSUANT TO SECTION 290.17, SUBDIVISION 1,) *estate, or trust or any (OTHER) corporate taxpayer* the tax shall equal 40 percent of that federal liability, multiplied by a fraction the numerator of which is the amount of the taxpayer's preference item income allocated to this state pursuant to the provisions of sections 290.17 to 290.20, and the denominator of which is the taxpayer's total preference item income for federal purposes.

The tax benefit rule contained in section 58(h) of the Internal Revenue Code is applied to the Minnesota minimum tax only to the extent that it determines if there is a federal minimum tax. No separate tax benefit rule is allowable for the Minnesota minimum tax.

Sec. 18. Minnesota Statutes 1980, Section 290.095, Subdivision 4, is amended to read:

Subd. 4. [COMPUTATION AND MODIFICATIONS.] The following modifications shall be made in computing a net operating loss in any taxable year and also in computing the taxable net income for any taxable year before a net operating loss deduction shall be allowed:

(a) (DEDUCTIONS OTHERWISE ALLOWABLE IN COMPUTING TAXABLE NET INCOME, BUT WHICH ARE NOT ATTRIBUTABLE TO THE OPERATION OF A TRADE OR BUSINESS REGULARLY CARRIED ON BY THE TAXPAYER, SHALL BE ALLOWED ONLY TO THE EXTENT OF THE AMOUNT OF THE GROSS INCOME, NOT DERIVED FROM SUCH TRADE OR BUSINESS, INCLUDED IN COMPUTING SUCH TAXPAYER'S TAXABLE NET INCOME.)

((B) THERE SHALL BE INCLUDED IN COMPUTING THE GROSS INCOME USED IN COMPUTING TAXABLE NET INCOME THE AMOUNT OF THE INTEREST, EXCLUDABLE FROM GROSS INCOME UNDER SECTION 290.08, THAT WOULD BE TREATED AS ASSIGNABLE TO THIS STATE, DECREASED BY THE AMOUNT OF INTEREST PAID OR ACCRUED TO PURCHASE OR CARRY THE INVESTMENTS EARNING SUCH INTEREST TO THE EXTENT THAT SUCH INTEREST WOULD NOT HAVE BEEN DEDUCTIBLE IN COMPUTING THE TAXPAYER'S TAXABLE NET INCOME.)

((C)) No deduction shall be allowed for or with respect to losses connected with income producing activities if the income

therefrom would not be required to be either assignable to this state or included in computing the taxpayer's taxable net income.

((D)) (b) A net operating loss deduction shall not be allowed.

((E)) (c) The amount deductible on account of losses from sales or exchanges of capital assets shall not exceed the amount includible on account of gains from sales or exchanges of capital assets. The deduction for long-term capital gains provided by section 290.16, subdivision 4, shall not be allowed.

((F)) (d) Renegotiation of profits for a prior taxable year under the renegotiation laws of the United States of America, including renegotiation of the profits with a subcontractor, shall not enter into the computation.

((G)) (e) Federal income and excess profits taxes shall not be allowed as a deduction.

Sec. 19. Minnesota Statutes 1981 Supplement, Section 290.095, Subdivision 11, is amended to read:

Subd. 11. [CARRYBACK OR CARRYOVER ADJUSTMENTS.] (a) For individuals the amount of a net operating loss that may be carried back or carried over shall be the same dollar amount allowable in the determination of federal adjusted gross income. For estates and trusts the amount of a net operating loss that may be carried back or carried over shall be the same dollar amount allowable in the determination of federal taxable income.

(b) The following adjustments to the amount of the net operating loss that may be carried back or carried over must be made for:

(1) Nonassignable income or losses as required by section 290.17, subdivision 2.

(2) Losses which constitute tax preference items as required in section 290.17, subdivision 1.

(3) Modifications required because of the restrictions on farm losses as provided in section 290.09, subdivision 29.

(4) Adjustments to the determination of federal adjusted gross income that must be made because of changes in the Internal Revenue Code that have not yet been adopted by the legislature by updating the reference to the Internal Revenue Code contained in section 290.01, subdivision 20.

(5) Modifications to income (AND LOSS) contained in federal adjusted gross income according to the provisions of section 290.01, subdivision 20, clause (c).

(6) Gains or losses which result from the sale or other disposition of property having a higher adjusted basis for Minnesota income tax purposes than for federal income tax purposes subject to the limitations contained in section 290.01, subdivision 20, clause (b) (2) and (4).

(7) Interest, taxes, and other expenses not allowed under section 290.10, (CLAUSES) *clause* (9) (AND (10)) or section 290.101.

(c) (1) The net operating loss carryback or carryover applied as a deduction in the taxable year to which the net operating loss is carried back or carried over shall be equal to the net operating loss carryback or carryover applied in the taxable year in arriving at federal adjusted gross income (or federal taxable income for trusts and estates) subject to the modifications contained in clause (b) and to the following modifications:

(A) Increase the amount of carryback or carryover applied in the taxable year by the amount of losses and interest, taxes and other expenses not assignable or allowable to Minnesota incurred in the taxable year.

(B) Decrease the amount of carryback or carryover applied in the taxable year by the amount of income not assignable to Minnesota earned in the taxable year and the amount of federal jobs credit or WIN credit earned in the taxable year.

(C) A taxpayer who is not a resident of Minnesota during any part of the taxable year and who has no income assignable to Minnesota during the taxable year shall apply no net operating loss carryback or carryover in the taxable year.

(2) The provisions of section 172(b) of the Internal Revenue Code of 1954 as amended through December 31, 1980 (relating to carrybacks and carryovers) shall apply. The net operating loss carryback or carryover to the next consecutive taxable year shall be the net operating loss carryback or carryover as calculated in clause (c) (1) less the amount applied in the earlier taxable year(s). No additional net operating loss carryback or carryover shall be allowed if the entire amount has been used to offset Minnesota income in a year earlier than was possible on the federal return. A net operating loss carryback or carryover that was allowed to offset federal income in a year earlier than was possible on the Minnesota return shall still be allowed to offset Minnesota income but only if the loss was assignable to Minnesota in the year the loss occurred.

(d) A net operating loss shall be allowed to be carried back or carried forward only to the extent that loss was assignable to Minnesota in the year the loss occurred or in the year to which the loss was carried over, whichever would allow more of the loss to be allowed for Minnesota purposes.

(e) If a taxpayer has a net operating loss for federal purposes and the provisions of the farm loss limitation as provided in section 290.09, subdivision 29 apply, the limitations applying to the farm losses that are carried back or carried over are applied first and the net operating loss that is carried back or carried over is limited to the excess, if any, that the net operating loss exceeds the farm loss limitation.

Sec. 20. Minnesota Statutes 1981 Supplement, Section 290.10, is amended to read:

290.10 [NONDEDUCTIBLE ITEMS.]

In computing the net income no deduction shall in any case be allowed for:

- (1) Personal, living or family expenses;
- (2) Amounts paid out for new buildings or for permanent improvements or betterments made to increase the value of any property or estate, except as otherwise provided in this chapter;
- (3) Amounts expended in restoring property or in making good the exhaustion thereof for which an allowance is or has been made;
- (4) Premiums paid on any life insurance policy covering the life of the taxpayer or of any other person;
- (5) The shrinkage in value, due to the lapse of time, of a life or terminable interest of any kind in property acquired by gift, devise, bequest or inheritance;
- (6) Losses from sales or exchanges of property, directly or indirectly, between (MEMBERS OF A FAMILY, OR, EXCEPT IN THE CASE OF DISTRIBUTIONS IN LIQUIDATION, BETWEEN AN INDIVIDUAL AND A CORPORATION IN WHICH SUCH INDIVIDUAL OWNS, DIRECTLY OR INDIRECTLY, MORE THAN 50 PERCENT IN VALUE OF THE OUTSTANDING STOCK: OR BETWEEN ANY PERSON OR CORPORATION AND A TRUST CREATED BY HIM OR IT OR OF WHICH HE OR IT IS A BENEFICIARY, DIRECTLY OR INDIRECTLY; FOR THE PURPOSE OF THIS CLAUSE, AN INDIVIDUAL SHALL BE CONSIDERED AS OWNING THE STOCK OWNED, DIRECTLY OR INDIRECTLY, BY HIS FAMILY; AND THE FAMILY OF AN INDIVID-

UAL SHALL INCLUDE ONLY HIS BROTHERS AND SISTERS (WHETHER BY THE WHOLE OR HALF BLOOD), SPOUSE, ANCESTOR, AND LINEAL DESCENDANTS, BUT SUCH LOSSES SHALL BE ALLOWED AS DEDUCTIONS IF THE TAXPAYER SHOWS TO THE SATISFACTION OF THE COMMISSIONER THAT THE SALE OR EXCHANGE WAS BONA FIDE AND FOR A FAIR AND ADEQUATE CONSIDERATION) *related taxpayers as defined and as provided in section 267 of the Internal Revenue Code of 1954, as amended through December 31, 1981;*

(7) In computing net income, no deduction shall be allowed under section 290.09, subdivision 2, relating to expenses incurred or under section 290.09, subdivision 3, relating to interest accrued *as provided in section 267(a)(2) and (e) of the Internal Revenue Code of 1954, as amended through December 31, 1981;*

((A) IF SUCH EXPENSES OR INTEREST NOT PAID WITHIN THE TAXABLE YEAR OR WITHIN TWO AND ONE-HALF MONTHS AFTER THE CLOSE THEREOF; AND)

((B) IF, BY REASON OF THE METHOD OF ACCOUNTING OF THE PERSON TO WHOM THE PAYMENT IS TO BE MADE, THE AMOUNT THEREOF IS NOT, UNLESS PAID, INCLUDIBLE IN THE GROSS INCOME OF SUCH PERSON FOR THE TAXABLE YEAR IN WHICH OR WITH WHICH THE TAXABLE YEAR OF THE TAXPAYER ENDS; AND)

((C) IF, AT THE CLOSE OF THE TAXABLE YEAR OF THE TAXPAYER OR AT ANY TIME WITHIN TWO AND ONE-HALF MONTHS THEREAFTER, BOTH THE TAXPAYER AND THE PERSON TO WHOM THE PAYMENT IS TO BE MADE ARE PERSONS BETWEEN WHOM LOSSES WOULD BE DISALLOWED UNDER CLAUSE (6);)

(8) (a) Contributions by employees under the federal railroad retirement act and the federal social security act. (b) Payments to Minnesota or federal public employee retirement funds. (c) Three-fourths (75 percent) of the amount of taxes imposed on self-employment income under section 1401 of the Internal Revenue Code of 1954, as amended through December 31, 1979.

(9) Expenses, interest and taxes connected with or allocable against the production or receipt of all income not included in the measure of the tax imposed by this chapter.

(10) In situations where this chapter provides for a subtraction from gross income of a specific dollar amount of an item of income assignable to this state, and within the measure of the tax imposed by this chapter, that portion of the federal income tax liability assessed upon such income subtracted, and

any expenses attributable to earning such income, shall not be deductible in computing net income.

(11) Amounts paid or accrued for such taxes and carrying charges as, under regulations prescribed by the commissioner, are chargeable to capital account with respect to property, if the taxpayer elects, in accordance with such regulations, to treat such taxes or charges as so chargeable.

Sec. 21. Minnesota Statutes 1980, Section 290.13, Subdivision 1, is amended to read:

Subdivision 1. [TRANSACTIONS IN WHICH NO GAIN OR LOSS IS RECOGNIZED.] (NO) Gain or loss from (THE FOLLOWING) transactions *described in section 1031, 1035, or 1036 of the Internal Revenue Code of 1954, as amended through December 31, 1981*, shall be recognized at the time (OF THEIR OCCURRENCE, EXCEPT AS OTHERWISE SPECIFIED IN THIS SECTION:)

((1) IF THE PROPERTY HELD FOR PRODUCTIVE USE IN TRADE OR BUSINESS OR FOR INVESTMENT (NOT INCLUDING STOCK IN TRADE OR OTHER PROPERTY HELD PRIMARILY FOR SALE, NOR STOCKS, BONDS, NOTES, CHOSSES IN ACTION, CERTIFICATES OF TRUST OR BENEFICIAL INTEREST, OR OTHER SECURITIES OR EVIDENCES OF INDEBTEDNESS OR INTEREST) IS EXCHANGED SOLELY FOR PROPERTY OF A LIKE KIND TO BE HELD EITHER FOR PRODUCTIVE USE IN TRADE OR BUSINESS OR FOR INVESTMENT;)

((2) IF COMMON STOCK IN A CORPORATION IS EXCHANGED SOLELY FOR COMMON STOCK IN THE SAME CORPORATION, OR IF PREFERRED STOCK IN A CORPORATION IS EXCHANGED SOLELY FOR PREFERRED STOCK IN THE SAME CORPORATION;) *and in the manner, including the basis computation, provided in those sections.*

Sec. 22. Minnesota Statutes 1981 Supplement, Section 290.131, Subdivision 1, is amended to read:

Subdivision 1. [DISTRIBUTIONS OF PROPERTY.] ((A) EXCEPT AS OTHERWISE PROVIDED IN THIS CHAPTER, A DISTRIBUTION OF PROPERTY (AS DEFINED IN SECTION 290.133, SUBDIVISION 2, CLAUSE (A)) MADE BY A CORPORATION TO A SHAREHOLDER WITH RESPECT TO ITS STOCK SHALL BE TREATED IN THE MANNER PROVIDED IN CLAUSE (C).)

((B) AMOUNT DISTRIBUTED:)

((1) FOR PURPOSES OF THIS SUBDIVISION, THE AMOUNT OF ANY DISTRIBUTION SHALL BE:)

((A) IF THE SHAREHOLDER IS NOT A CORPORATION, THE AMOUNT OF MONEY RECEIVED, PLUS THE FAIR MARKET VALUE OF THE OTHER PROPERTY RECEIVED.)

((B) IF THE SHAREHOLDER IS A CORPORATION, THE AMOUNT OF MONEY RECEIVED, PLUS WHICHEVER OF THE FOLLOWING IS THE LESSER:)

((I) THE FAIR MARKET VALUE OF THE OTHER PROPERTY RECEIVED; OR)

((II) THE ADJUSTED BASIS (IN THE HANDS OF THE DISTRIBUTING CORPORATION IMMEDIATELY BEFORE THE DISTRIBUTION) OF THE OTHER PROPERTY RECEIVED, INCREASED IN THE AMOUNT OF GAIN TO THE DISTRIBUTING CORPORATION WHICH IS RECOGNIZED UNDER CLAUSE (B) OR (C) OF SECTION 311 OF THE INTERNAL REVENUE CODE OF 1954, AS AMENDED THROUGH DECEMBER 31, 1980.)

((2) THE AMOUNT OF ANY DISTRIBUTION DETERMINED UNDER PARAGRAPH (1) SHALL BE REDUCED (BUT NOT BELOW ZERO) BY:)

((A) THE AMOUNT OF ANY LIABILITY OF THE CORPORATION ASSUMED BY THE SHAREHOLDER IN CONNECTION WITH THE DISTRIBUTION, AND)

((B) THE AMOUNT OF ANY LIABILITY TO WHICH THE PROPERTY RECEIVED BY THE SHAREHOLDER IS SUBJECT IMMEDIATELY BEFORE, AND IMMEDIATELY AFTER, THE DISTRIBUTION.)

((3) FOR PURPOSES OF THIS SUBDIVISION, FAIR MARKET VALUE SHALL BE DETERMINED AS OF THE DATE OF THE DISTRIBUTION.)

((C) IN THE CASE OF A DISTRIBUTION TO WHICH CLAUSE (A) APPLIES:)

((1) THAT PORTION OF THE DISTRIBUTION WHICH IS A DIVIDEND (AS DEFINED IN SECTION 290.133, SUBDIVISION 1) SHALL BE INCLUDED IN GROSS INCOME.)

((2) THAT PORTION OF THE DISTRIBUTION WHICH IS NOT A DIVIDEND SHALL BE APPLIED AGAINST AND REDUCE THE ADJUSTED BASIS OF THE STOCK.)

((3) AMOUNT IN EXCESS OF BASIS.)

((A) EXCEPT AS PROVIDED IN SUBPARAGRAPH (B), THAT PORTION OF THE DISTRIBUTION WHICH IS NOT A DIVIDEND, TO THE EXTENT THAT IT EXCEEDS THE ADJUSTED BASIS OF THE STOCK, SHALL BE TREATED AS GAIN FROM THE SALE OR EXCHANGE OF PROPERTY.)

((B) THAT PORTION OF THE DISTRIBUTION WHICH IS NOT A DIVIDEND, TO THE EXTENT THAT IT EXCEEDS THE ADJUSTED BASIS OF THE STOCK AND TO THE EXTENT THAT IS OUT OF INCREASE IN VALUE ACCRUED BEFORE JANUARY 1, 1933, SHALL BE EXEMPT FROM TAX.)

((D) THE BASIS OF PROPERTY RECEIVED IN A DISTRIBUTION TO WHICH CLAUSE (A) APPLIES SHALL BE:)

((1) IF THE SHAREHOLDER IS NOT A CORPORATION, THE FAIR MARKET VALUE OF SUCH PROPERTY.)

((2) IF THE SHAREHOLDER IS A CORPORATION, WHICHEVER OF THE FOLLOWING IS THE LESSER:)

((A) THE FAIR MARKET VALUE OF SUCH PROPERTY; OR)

((B) THE ADJUSTED BASIS (IN THE HANDS OF THE DISTRIBUTING CORPORATION IMMEDIATELY BEFORE THE DISTRIBUTION) OF SUCH PROPERTY, INCREASED IN THE AMOUNT OF GAIN TO THE DISTRIBUTING CORPORATION WHICH IS RECOGNIZED UNDER CLAUSE (B) OR (C) OF SECTION 311 OF THE INTERNAL REVENUE CODE OF 1954, AS AMENDED THROUGH DECEMBER 31, 1980.)

The effects on recipients of a distribution by a corporation shall be governed by the provisions of sections 301 to 307 of the Internal Revenue Code of 1954, as amended through December 31, 1981. However, in section 301(c)(3)(B) the date January 1, 1933 shall be substituted for March 1, 1913 when determining the amount of a distribution that is not taxable.

Sec. 23. Minnesota Statutes 1981 Supplement, Section 290.-132, Subdivision 1, is amended to read:

Subdivision 1. [TAXABILITY OF CORPORATION ON DISTRIBUTION.] No gain or loss shall be recognized to a corporation on the distribution, with respect to its stock as provided in section 311 of the Internal Revenue Code of 1954, as amended through December 31, (1980) 1981.

The effect on earnings and profits shall be determined according to the provisions of section 312 of the Internal Revenue Code of 1954, as amended through December 31, 1981. However, when determining earnings and profits in section 312(f) and (g), the date December 31, 1932 shall be substituted for February 28, 1913, and January 1, 1933 shall be substituted for March 1, 1913.

Sec. 24. Minnesota Statutes 1980, Section 290.133, Subdivision 1, is amended to read:

Subdivision 1. [DIVIDEND DEFINED.] ((A)) For purposes of this chapter, the (TERM "DIVIDEND" MEANS ANY DISTRIBUTION OF PROPERTY MADE BY A CORPORATION TO ITS SHAREHOLDERS:)

(1) OUT OF ITS EARNINGS AND PROFITS ACCUMULATED AFTER DECEMBER 31, 1932, OR)

(2) OUT OF ITS EARNINGS AND PROFITS OF THE TAXABLE YEAR (COMPUTED AS OF THE CLOSE OF THE TAXABLE YEAR WITHOUT DIMINUTION BY REASON OF ANY DISTRIBUTIONS MADE DURING THE TAXABLE YEAR), WITHOUT REGARD TO THE AMOUNT OF THE EARNINGS AND PROFITS AT THE TIME THE DISTRIBUTION WAS MADE. EXCEPT AS OTHERWISE PROVIDED IN THIS CHAPTER, EVERY DISTRIBUTION IS MADE OUT OF EARNINGS AND PROFITS TO THE EXTENT THEREOF, AND FROM THE MOST RECENTLY ACCUMULATED EARNINGS AND PROFITS, TO THE EXTENT THAT ANY DISTRIBUTION IS, UNDER ANY PROVISION OF SECTIONS 290.131 THROUGH 290.138, TREATED AS A DISTRIBUTION OF PROPERTY TO WHICH SECTION 290.131, SUBDIVISION 1 APPLIES, SUCH DISTRIBUTION SHALL BE TREATED AS A DISTRIBUTION OF PROPERTY FOR PURPOSES OF THIS CLAUSE) *definitions provided in sections 316 to 318 of the Internal Revenue Code of 1954, as amended through December 31, 1981, shall apply. However, in section 316(a)(1), "December 31, 1932" shall be substituted for "February 28, 1913" when determining dividends.*

Sec. 25. Minnesota Statutes 1981 Supplement, Section 290.136, Subdivision 1, is amended to read:

Subdivision 1. [TRANSFER TO CORPORATION CONTROLLED BY TRANSFEROR.] The provisions of sections 351 to (361, 367, AND) 368 of the Internal Revenue Code of 1954, as amended through December 31, 1980 shall apply to corporate organizations and reorganizations. *However, in section 362, the phrase "acquired in a taxable year beginning after December 31, 1956" shall be substituted for "acquired on or after June 22, 1954" when determining the property to which this section applies.*

Sec. 26. Minnesota Statutes 1981 Supplement, Section 290.14, is amended to read:

290.14 [GAIN OR LOSS ON DISPOSITION OF PROPERTY, BASIS.]

Except as otherwise provided in this chapter, the basis for determining the gain or loss from the sale or other disposition of property acquired on or after January 1, 1933, shall be the cost to the taxpayer of such property, with the following exceptions:

(1) If the property should have been included in the last inventory, it shall be the last inventory value thereof;

(2) If the property was acquired by gift, it shall be the same as it would be if it were being sold or otherwise disposed of by the last preceding owner not acquiring it by gift; if the facts required for this determination cannot be ascertained, it shall be the fair market value as of the date, or approximate date, of acquisition by the last preceding owner, as nearly as the requisite facts can be ascertained by the commissioner;

(3) If the property was acquired by gift through an *inter vivos* transfer in trust, it shall be the same as it would be if it were being sold or otherwise disposed of by the grantor;

(4) Except as otherwise provided in this clause, the basis of property in the hands of a person acquiring the property from a decedent or to whom the property passed from a decedent shall, if not sold, exchanged or otherwise disposed of before the decedent's death by the person, be the fair market value of the property at the date of decedent's death or, in the case of an election under section 2032 (relating to alternate valuation) of the Internal Revenue Code of 1954, as amended through December 31, 1980, its valuation at the applicable valuation date prescribed by that section, or in the case of an election under section 2032A (relating to valuation of farm real property) of the Internal Revenue Code of 1954, as amended through December 31, 1980, its value determined by that section.

For the purposes of the preceding paragraph, the following property shall be considered to have been acquired from or to have passed from the decedent:

(a) Property acquired by bequest, devise, or inheritance, or by the decedent's estate from the decedent;

(b) Property transferred by the decedent during his lifetime in trust to pay the income for life to or on the order or direction of the decedent, with the right reserved to the decedent at all times before his death to revoke the trust;

(c) Property transferred by the decedent during his lifetime in trust to pay the income for life to or on the order or direction of the decedent with the right reserved to the decedent at all times before his death to make any change in the enjoyment thereof through the exercise of a power to alter, amend, or terminate the trust;

(d) Property passing without full and adequate consideration under a general power of appointment exercised by the decedent by will;

(e) In the case of a decedent's dying after December 31, 1956, property acquired from the decedent by reason of death, form of ownership, or other conditions (including property acquired through the exercise or non-exercise of a power of appointment), if by reason thereof the property is required to be included in determining the value of the decedent's gross estate for Minnesota inheritance or estate tax purposes. In this case, if the property is acquired before the death of the decedent, the basis shall be the amount determined under the first paragraph of this clause reduced by the amount allowed to the taxpayer as deductions in computing taxable net income under this chapter or prior Minnesota income tax laws for exhaustion, wear and tear, obsolescence, amortization, and depletion on the property before the death of the decedent. The basis shall be applicable to the property commencing on the death of the decedent. This paragraph shall not apply to annuities and property described in paragraphs (a), (b), (c) and (d) of this clause.

This clause shall not apply to property which constitutes a right to receive an item of income in respect of a decedent under section 290.077.

(5) (IF THE PROPERTY WAS ACQUIRED AFTER DECEMBER 31, 1932, UPON AN EXCHANGE DESCRIBED IN SECTION 290.13, SUBDIVISION 1, THE BASIS SHALL BE THE SAME AS IN THE CASE OF THE PROPERTY EXCHANGED, DECREASED IN THE AMOUNT OF ANY MONEY RECEIVED BY THE TAXPAYER AND INCREASED IN THE AMOUNT OF GAIN OR DECREASED IN THE AMOUNT OF LOSS TO THE TAXPAYER THAT WAS RECOGNIZED UPON THE EXCHANGE UNDER THE LAW APPLICABLE TO THE YEAR IN WHICH THE EXCHANGE WAS MADE. IF THE PROPERTY SO ACQUIRED CONSISTED IN PART OF THE TYPE OF PROPERTY PERMITTED BY SECTION 290.13, SUBDIVISION 1, TO BE RECEIVED WITHOUT THE RECOGNITION OF GAIN OR LOSS, AND IN PART OF OTHER PROPERTY, THE BASIS PROVIDED IN THIS CLAUSE SHALL BE ALLOCATED BETWEEN THE PROPERTIES, OTHER THAN MONEY, RECEIVED, AND FOR THE PURPOSE OF THE ALLOCATION THERE SHALL BE ASSIGNED TO THE OTHER PROPERTY AN AMOUNT EQUIVALENT TO ITS FAIR MARKET VALUE AT THE

DATE OF THE EXCHANGE. THIS CLAUSE SHALL NOT APPLY TO PROPERTY ACQUIRED BY A CORPORATION BY THE ISSUANCE OF ITS STOCK OR SECURITIES AS THE CONSIDERATION, IN WHOLE OR IN PART, FOR THE TRANSFER OF THE PROPERTY TO IT;)

((6)) If substantially identical property was acquired in the place of stocks or securities which were sold or disposed of and in respect of which loss was not allowed as a deduction under section 290.09, subdivision 5, the basis in the case of property so acquired shall be the same as (IN THE CASE OF THE STOCK OR SECURITIES SO SOLD OR DISPOSED OF, INCREASED BY THE EXCESS OF THE REPURCHASE PRICE OF THE PROPERTY OVER THE SALE PRICE OF THE STOCK OR SECURITIES, OR DECREASED BY THE EXCESS OF THE SALE PRICE OF THE STOCK OR SECURITIES OVER THE REPURCHASE PRICE OF THE PROPERTY;) *that provided in section 1091 of the Internal Revenue Code of 1954, as amended through December 31, 1981.*

((7)) (6) Neither the basis nor the adjusted basis of any portion of real property shall, in the case of a lessor of the property, be increased or diminished on account of income derived by the lessor in respect of the property and excludable from gross income under section 290.08, subdivision 14.

If an amount representing any part of the value of real property attributable to buildings erected or other improvements made by a lessee in respect of the property was included in gross income of the lessor for any taxable year beginning before January 1, 1943, the basis of each portion of the property shall be properly adjusted for the amount included in gross income.

((8)) (7) If the property was acquired by the taxpayer as a transfer of property in exchange for the release of the taxpayer's marital rights, the basis of the property shall be the same as it would be if it were being sold or otherwise disposed of by the person who transferred the property to the taxpayer.

((9)) (8) The basis of property subject to the provisions of section 1034 of the Internal Revenue Code of 1954, as amended through December 31, 1979 (relating to the rollover of gain on sale of principal residence) shall be the same as the basis for federal income tax purposes. The basis shall be increased by the amount of gain realized on the sale of a principal residence outside of Minnesota, while a nonresident of this state, which gain was not recognized because of the provisions of section 1034.

Sec. 27. Minnesota Statutes 1981 Supplement, Section 290.18, Subdivision 1, is amended to read:

Subdivision 1. [TAXABLE NET INCOME.] The taxable net income shall, except insofar as section 290.19 is applicable, be computed by deducting from the gross income assignable to this state under section 290.17 deductions of the kind permitted by section 290.09 in accordance with the following provisions:

(1) Such deductions shall be allowed to the extent that they are connected with and allocable against the production or receipt of such gross income assignable to this state;

(2) That proportion of such deductions, so far as not connected with and allocable against the production or receipt of such gross income assignable to this state and so far as not connected with and allocable against the production or receipt of gross income assignable to other states or countries and so far as not entering into the computation of the net income assignable to this state under section 290.19, shall be allowed which the taxpayer's gross income from sources within this state, as determined under section 290.17, subdivision 2, clauses (1), (2), (3), (5), and (7), bears to his gross income from all sources, including that entering into the computations provided for by section 290.19; provided that taxes of the kind deductible under section 290.09, subdivision 4, shall, so far as within the description of deductions deductible under this clause, be deductible in their entirety if paid to the state of Minnesota, or any of its subdivisions authorized to impose such taxes, and thereupon be excluded in making the computation of deductions, as in this clause provided.

Sec. 28. Minnesota Statutes 1981 Supplement, Section 290.18, Subdivision 2, is amended to read:

Subd. 2. [FEDERAL INCOME TAX PAYMENTS AND REFUNDS.] The adjusted gross income shall be computed by deducting from the gross income assignable to this state under section 290.17, the deduction for allowable federal income taxes determined under the provisions of sections 290.09, subdivision 4, 290.10 (8), (9) or (10), and 290.18.

This deduction shall be allowed to individuals, estates, or trusts (i) for taxable years beginning after December 31, 1980 in the taxable year to which the liability applies. Such liability includes the portion of self-employment tax allowed under section 290.10, clause (8). The self-employment tax must be deducted by the person who is deriving the income. When the federal tax liability is joint and several under the computation of a joint federal return of husband and wife, the federal tax liability must be split between the spouses in the same ratio that the federal adjusted gross income of that spouse bears to the total federal adjusted gross income. *For purposes of the preceding sentence, "federal adjusted gross income" includes the ordinary income portion of a lump sum distribution as de-*

fined in section 402(e) of the Internal Revenue Code of 1954, as amended through December 31, 1981.

(ii) taxes paid for a taxable year beginning before January 1, 1981 shall be allowed as follows:

(1) Those taxes paid in a taxable year beginning before January 1, 1981, shall be claimed in the year in which the payment was made.

(2) Those paid in a taxable year beginning after December 31, 1980 shall be divided and deducted in equal installments reflected by the yearly periods beginning with the first day of the taxable year in which the payment was made and ending December 31, 1986.

(iii) In the case of a person who was self employed during all or a portion of the taxable year, the federal income tax liability for purposes of this section shall be increased by the self-employment tax allowed under section 290.10, clause (8).

(iv) If a taxpayer's federal tax liability is eventually not paid by reason of compromise, discharge, or court order, the deduction allowed pursuant to this subdivision shall be disallowed for the taxable year in which the liability was accrued.

(v) In the event a federal tax liability for a taxable year commencing after December 31, 1980 is increased, decreased or modified, and such increase, decrease or modification has resulted in a change in the amount of Minnesota income tax in the year to which such increase, decrease or modification is attributable, the taxpayer's deduction under this section shall be modified for such year.

(vi) If the readjustments required in (iv) or (v) are for taxes reflected in the transition rule described in (ii)(2), the readjustment shall be made equally to the remaining installments and if a reduction to such installments is required under this readjustment which exceeds the total of all remaining installments, the remaining installments will be reduced to zero and the excess included in income as a federal income tax refund.

(vii) Refunds which are not involved with any readjustments under the transition rule shall be included in income under section 290.01, subdivision 20, clause (a)(6) if it is from a year beginning before January 1, 1981.

(viii) Refunds of taxes for years beginning after December 31, 1980, shall be used to adjust the deduction in the taxable year of the liability unless that year is closed by statute and no other adjustments are to be required or allowable in which case such refund shall be reportable in the year received.

Sec. 29. Minnesota Statutes 1980, Section 290.19, Subdivision 1, is amended to read:

Subdivision 1. [COMPUTATION, BUSINESS CONDUCTED PARTLY WITHIN STATE; APPORTIONMENT.] The taxable net income from a trade or business carried on partly within and partly without this state shall be computed by deducting from the gross income of such business, wherever derived, deductions of the kind permitted by section 290.09, so far as connected with or allocable against the production or receipt of such income. The remaining net income shall be apportioned to Minnesota as follows:

(1) If the business consists of the mining, producing, smelting, refining, or any combination of these activities of copper and nickel ores, or of the manufacture of personal property and the sale of said property within and without the state, the remainder shall be apportioned to Minnesota on the basis of the percentage obtained by taking the arithmetical average of the following three percentages:

(a) The percentage which the sales made within this state is of the total sales wherever made;

(b) The percentage which the total tangible property, real, personal, and mixed, owned or rented, and used by the taxpayer in this state during the tax period in connection with such trade or business is of the total tangible property, real, personal, or mixed, wherever located, owned or rented and, used by the taxpayer in connection with such trade or business during the tax period; and,

(c) The percentage which the taxpayer's total payrolls paid or incurred in this state or paid in respect to labor performed in this state in connection with such trade or business is of the taxpayer's total payrolls paid or incurred in connection with such entire trade or business;

(d) The percentage of such remainder to be assigned to this state shall not be in excess of the sum of the following percentages: 70 percent of the percentage determined under clause (1) (a), 15 percent of the percentage determined under clause (1) (b), and 15 percent of the percentage determined under clause (1) (c);

(2) (a) In all other cases the remainder shall be apportioned to Minnesota on the basis of the percentage obtained by taking the arithmetical average of the following three percentages:

(1) The percentage which the sales, gross earnings, or receipts from business operations, in whole or in part, within this

state bear to the total sales, gross earnings, or receipts from business operations wherever conducted;

(2) The percentage which the total tangible property, real, personal, and mixed, owned or rented, and used by the taxpayer in this state during the tax period in connection with such trade or business is of the total tangible property, real, personal, or mixed, wherever located, owned, or rented, and used by the taxpayer in connection with such trade or business during the tax period; and

(3) The percentage which the taxpayer's total payrolls paid or incurred in this state or paid in respect to labor performed in this state in connection with such trade or business is of the taxpayer's total payrolls paid or incurred in connection with such entire trade or business;

(4) The percentage of such remainder to be assigned to this state shall not be in excess of the sum of the following percentages: 70 percent of the percentage determined under clause (2) (a) (1), 15 percent of the percentage determined under clause (2) (a) (2), and 15 percent of the percentage determined under clause (2) (a) (3);

(b) If the methods prescribed under clause (2) (a) will not properly reflect taxable net income assignable to the state, there may be used, if practicable and if such use will properly and fairly reflect such income, the percentage which the sales, gross earnings, or receipts from business operations, in whole or in part, within this state bear to the total sales, gross earnings, or receipts from business operations wherever conducted; or the separate or segregated accounting method;

(3) The sales, payrolls, earnings, and receipts referred to in this section shall be those for the taxable year in respect of which the tax is being computed. The property referred to in this section shall be the average of the property owned or *rented* and used by the taxpayer during the taxable year in respect of which the tax is being computed. *For purposes of computing the property factor referred to in this section, United States government property which is used by the taxpayer shall be considered as being owned by the taxpayer.*

Sec. 30. Minnesota Statutes 1981 Supplement, Section 290.21, Subdivision 3, is amended to read:

Subd. 3. An amount for contribution or gifts made within the taxable year:

(a) to or for the use of the state of Minnesota, or any of its political subdivisions for exclusively public purposes,

(b) to or for the use of any community chest, corporation, organization, trust, fund, association, or foundation located in and carrying on substantially all of its activities within this state, organized and operating exclusively for religious, charitable, public cemetery, scientific, literary, artistic, or educational purposes, or for the prevention of cruelty to children or animals, no part of the net earnings of which inures to the benefit of any private stockholder or individual,

(c) to a fraternal society, order, or association, operating under the lodge system located in and carrying on substantially all of their activities within this state if such contributions or gifts are to be used exclusively for the purposes specified in subdivision 3(b), or for or to posts or organizations of war veterans or auxiliary units or societies of such posts or organizations, if they are within the state and no part of their net income inures to the benefit of any private shareholder or individual,

(d) to or for the use of the United States of America for exclusively public purposes, and to or for the use of any community chest, corporation, trust, fund, association, or foundation, organized and operated exclusively for any of the purposes specified in subdivision 3(b) and (c) no part of the net earnings of which inures to the benefit of any private shareholder or individual, but not carrying on substantially all of their activities within this state, in an amount equal to the ratio of Minnesota taxable net income to total net income, provided, however, that for an individual taxpayer, the deduction shall be allowed in an amount equal to the ratio of the taxpayer's gross income assignable to Minnesota to the taxpayer's gross income from all sources,

(e) to a major political party, as defined in section 200.02, subdivision 7, or a political candidate, as defined in section 210A.01, or a political cause when sponsored by any party or association or committee, as defined in section 210A.01, in a maximum amount not to exceed the following:

- (1) contributions made by individual natural persons, \$100,
- (2) contributions made by a national committeeman, national committeewoman, state chairman, or state chairwoman of a major political party, as defined in section 200.02, subdivision 7, \$1,000,
- (3) contributions made by a congressional district committeeman or committeewoman of a major political party, as defined in section 200.02, subdivision 7, \$350,
- (4) contributions made by a county chairman or a county chairwoman of a major political party, as defined in section 200.02, subdivision 7, \$150;

(f) in the case of an individual, the total deduction allowable hereunder shall not exceed 30 percent of the taxpayer's Minnesota gross income as follows:

(i) the aggregate of contributions made to organizations specified in (a), (b) and (d) shall not exceed ten percent of the taxpayer's Minnesota gross income,

(ii) the total deduction under this subparagraph for any taxable year shall not exceed 20 percent of the taxpayer's Minnesota gross income. For purposes of this subparagraph, the deduction under this section shall be computed without regard to any deduction allowed under subparagraph (i) but shall take into account any contributions described in subparagraph (i) which are in excess of the amount allowable as a deduction under subparagraph (i). For purposes of paragraph (f) the term Minnesota gross income shall also include the ordinary income portion of a lump sum distribution as defined in section 402(e) of the Internal Revenue Code of 1954, as amended through December 31, 1980;

(g) in the case of a corporation, the total deduction hereunder shall not exceed 15 percent of the taxpayer's taxable net income less the deductions allowable under this section other than those for contributions or gifts,

(h) in the case of a corporation reporting its taxable income on the accrual basis, if: (A) the board of directors authorizes a charitable contribution during any taxable year, and (B) payment of such contribution is made after the close of such taxable year and on or before the fifteenth day of the third month following the close of such taxable year; then the taxpayer may elect to treat such contribution as paid during such taxable year. The election may be made only at the time of the filing of the return for such taxable year, and shall be signified in such manner as the commissioner shall by regulations prescribe;

(i) in the case of a contribution or property placed in trust as described in section 170(f)(2) of the Internal Revenue Code of 1954, as amended through December 31, 1979, a deduction shall be allowed under this subdivision to the extent that a deduction is allowable for federal income tax purposes.

(j) amounts paid to maintain certain students as members of the taxpayer's household shall be allowed as a deduction as provided in section 170(g) of the Internal Revenue Code of 1954, as amended through December 31, 1981. No other deduction shall be allowed under this subdivision for these amounts and the limitations contained in clause (f) shall not apply to these amounts.

Sec. 31. Minnesota Statutes 1981 Supplement, Section 290.23, Subdivision 3, is amended to read:

Subd. 3. [UNUSED LOSS CARRYOVERS AND EXCESS DEDUCTIONS ON TERMINATION AVAILABLE TO BENEFICIARIES.] If on the termination of an estate or trust, the estate or trust has

(1) a net operating loss carryover under section 290.095 or a capital loss carryover under section 290.01, subdivision 20; or

(2) for the last taxable year of the estate or trust deductions (other than the (DEDUCTIONS ALLOWED UNDER SUBDIVISION 2) *charitable deduction*) in excess of gross income for such year,

then such carryover or such excess shall be allowed as a deduction, in accordance with regulations prescribed by the commissioner, to the beneficiaries succeeding to the property of the estate or trust.

Sec. 32. Minnesota Statutes 1980, Section 290.281, Subdivision 1, is amended to read:

Subdivision 1. [NOT TAXED; DEFINED.] A common trust fund shall not be subject to taxation under this chapter and (FOR THIS PURPOSE THE TERM "COMMON TRUST FUND" MEANS A FUND MAINTAINED BY A BANK (TAXABLE UNDER SECTION 290.361) EXCLUSIVELY FOR THE COLLECTIVE INVESTMENT AND REINVESTMENT OF MONEYS CONTRIBUTED THERETO BY IT OR BY ANOTHER BANK WHICH IS OWNED OR CONTROLLED BY A CORPORATION WHICH OWNS OR CONTROLS SUCH BANK IN A CAPACITY AS A TRUSTEE, PERSONAL REPRESENTATIVE OR GUARDIAN; AND IN CONFORMITY WITH THE RULES AND REGULATIONS PREVAILING FROM TIME TO TIME OF THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM PERTAINING TO THE COLLECTIVE INVESTMENT OF TRUST FUNDS BY NATIONAL BANKS) *the definitions provided in and the provisions of section 584 of the Internal Revenue Code of 1954, as amended through December 31, 1981, shall apply.*

Sec. 33. Minnesota Statutes 1981 Supplement, Section 290.31, Subdivision 3, is amended to read:

Subd. 3. [PARTNERSHIP COMPUTATIONS.] The taxable net income of a partnership shall be computed in the same manner as in the case of an individual except that

(1) the items described in subdivision 2(1) shall be separately stated, and

(2) the following deductions (AND CREDITS) shall not be allowed to the partnership:

(a) (THE STANDARD DEDUCTION PROVIDED IN SECTION 290.09, SUBDIVISION 15) *the deduction for taxes provided in section 290.09, subdivision 4 with respect to taxes, described in section 901 of the Internal Revenue Code of 1954, as amended through December 31, 1981, paid or accrued to foreign countries and to possessions of the United States,*

(b) the deduction for charitable contributions provided in section 290.21, subdivision 3,

(c) the net operating loss deduction provided in section 290.095, (AND)

(d) the additional itemized deductions for individuals provided in section 290.09, (AS ADAPTED TO THE PROVISIONS OF THIS SUBDIVISION UNDER REGULATIONS ISSUED BY THE COMMISSIONER) *subdivisions 10 and 17, and,*

(e) *the deduction for depletion under section 290.09, subdivision 8 with respect to oil and gas wells.*

Any election affecting the computation of taxable net income derived from a partnership shall be made by the partnership except as provided in section 703(b) of the Internal Revenue Code of 1954, as amended through December 31, 1980.

Sec. 34. Minnesota Statutes 1981 Supplement, Section 290.31, Subdivision 4, is amended to read:

Subd. 4. [PARTNER'S DISTRIBUTIVE SHARE.] ((1) A PARTNER'S DISTRIBUTIVE SHARE OF INCOME, GAIN, LOSS, DEDUCTION, OR CREDIT SHALL, EXCEPT AS OTHERWISE PROVIDED IN THIS SUBDIVISION, BE DETERMINED BY THE PARTNERSHIP AGREEMENT.)

((2) A PARTNER'S DISTRIBUTIVE SHARE OF ANY ITEM OF INCOME, GAIN, LOSS, DEDUCTION, OR CREDIT SHALL BE DETERMINED IN ACCORDANCE WITH THE PARTNER'S INTEREST IN THE PARTNERSHIP, DETERMINED BY TAKING INTO ACCOUNT ALL FACTS AND CIRCUMSTANCES, IF)

((A) THE PARTNERSHIP AGREEMENT DOES NOT PROVIDE AS TO THE PARTNER'S DISTRIBUTIVE SHARE OF INCOME, GAIN, LOSS, DEDUCTION OR CREDIT, OR ITEM THEREOF, OR)

((B) THE ALLOCATION TO A PARTNER UNDER THE AGREEMENT OF INCOME, GAIN, LOSS, DEDUCTION, OR CREDIT (OR ITEM THEREOF) DOES NOT HAVE SUBSTANTIAL ECONOMIC EFFECT.)

((3) (A) IN DETERMINING A PARTNER'S DISTRIBUTIVE SHARE OF ITEMS DESCRIBED IN SUBDIVISION 2(1), DEPRECIATION, DEPLETION, OR GAIN OR LOSS WITH RESPECT TO PROPERTY CONTRIBUTED TO THE PARTNERSHIP BY A PARTNER SHALL, EXCEPT TO THE EXTENT OTHERWISE PROVIDED IN SUBPARAGRAPH (B) OR (C), BE ALLOCATED AMONG THE PARTNERS IN THE SAME MANNER AS IF SUCH PROPERTY HAD BEEN PURCHASED BY THE PARTNERSHIP.)

((B) IF THE PARTNERSHIP AGREEMENT SO PROVIDES, DEPRECIATION, DEPLETION, OR GAIN OR LOSS WITH RESPECT TO PROPERTY CONTRIBUTED TO THE PARTNERSHIP BY A PARTNER SHALL, UNDER REGULATIONS PRESCRIBED BY THE COMMISSIONER, BE SHARED AMONG THE PARTNERS SO AS TO TAKE ACCOUNT OF THE VARIATION BETWEEN THE BASIS OF THE PROPERTY TO THE PARTNERSHIP AND ITS FAIR MARKET VALUE AT THE TIME OF CONTRIBUTION.)

((C) IF THE PARTNERSHIP AGREEMENT DOES NOT PROVIDE OTHERWISE, DEPRECIATION, DEPLETION, OR GAIN OR LOSS WITH RESPECT TO UNDIVIDED INTERESTS IN PROPERTY CONTRIBUTED TO A PARTNERSHIP SHALL BE DETERMINED AS THOUGH SUCH UNDIVIDED INTERESTS HAD NOT BEEN CONTRIBUTED TO THE PARTNERSHIP. THIS SUBPARAGRAPH SHALL APPLY ONLY IF ALL THE PARTNERS HAD UNDIVIDED INTERESTS IN SUCH PROPERTY PRIOR TO CONTRIBUTION AND THEIR INTERESTS IN THE CAPITAL AND PROFITS OF THE PARTNERSHIP CORRESPOND WITH SUCH UNDIVIDED INTERESTS.)

((4) A PARTNER'S DISTRIBUTIVE SHARE OF PARTNERSHIP LOSS (INCLUDING CAPITAL LOSS) SHALL BE ALLOWED ONLY TO THE EXTENT OF THE ADJUSTED BASIS OF SUCH PARTNER'S INTEREST IN THE PARTNERSHIP AT THE END OF THE PARTNERSHIP YEAR IN WHICH SUCH LOSS OCCURRED. ANY EXCESS OF SUCH LOSS OVER SUCH BASIS SHALL BE ALLOWED AS A DEDUCTION AT THE END OF THE PARTNERSHIP YEAR IN WHICH SUCH EXCESS IS REPAID TO THE PARTNERSHIP.)

((5) (A) A PERSON SHALL BE RECOGNIZED AS A PARTNER FOR PURPOSES OF THIS CHAPTER IF HE OWNS A CAPITAL INTEREST IN A PARTNERSHIP IN WHICH CAPITAL IS A MATERIAL INCOME-PRODUCING FACTOR, WHETHER OR NOT SUCH INTEREST WAS DERIVED BY PURCHASE OR GIFT FROM ANY OTHER PERSON.)

(B) IN THE CASE OF ANY PARTNERSHIP INTEREST CREATED BY GIFT, THE DISTRIBUTIVE SHARE OF THE DONEE UNDER THE PARTNERSHIP AGREEMENT SHALL BE INCLUDIBLE IN HIS GROSS INCOME, EXCEPT TO THE EXTENT THAT SUCH SHARE IS DETERMINED WITHOUT ALLOWANCE OF REASONABLE COMPENSATION FOR SERVICES RENDERED TO THE PARTNERSHIP BY THE DONOR, AND EXCEPT TO THE EXTENT THAT THE PORTION OF SUCH SHARE ATTRIBUTABLE TO DONATED CAPITAL IS PROPORTIONATELY GREATER THAN THE SHARE OF THE DONOR ATTRIBUTABLE TO THE DONOR'S CAPITAL. THE DISTRIBUTIVE SHARE OF A PARTNER IN THE EARNINGS OF THE PARTNERSHIP SHALL NOT BE DIMINISHED BECAUSE OF ABSENCE DUE TO MILITARY SERVICE.)

((C) FOR PURPOSES OF THIS SUBDIVISION, AN INTEREST PURCHASED BY ONE MEMBER OF A FAMILY FROM ANOTHER SHALL BE CONSIDERED TO BE CREATED BY GIFT FROM THE SELLER, AND THE FAIR MARKET VALUE OF THE PURCHASED INTEREST SHALL BE CONSIDERED TO BE DONATED CAPITAL.)

((D) FOR THE PURPOSES OF THIS SECTION, THE "FAMILY" OF ANY INDIVIDUAL SHALL INCLUDE ONLY HIS SPOUSE, ANCESTORS, AND LINEAL DESCENDANTS, AND ANY TRUST FOR THE PRIMARY BENEFIT OF SUCH PERSONS.) *The provisions of sections 704, 706 to 741, and 743 to 761 of the Internal Revenue Code of 1954, as amended through December 31, 1981, shall apply to partners and partnerships.*

Sec. 35. Minnesota Statutes 1980, Section 290.31, Subdivision 5, is amended to read:

Subd. 5. [DETERMINATION OF BASIS OF PARTNER'S INTEREST.] The adjusted basis of a partner's interest in a partnership shall, except as provided in the last paragraph of this subdivision, be the basis of such interest determined under (SUBDIVISION 10) *sections 722 or 742 of the Internal Revenue Code of 1954, as amended through December 31, 1981, ((relating to contributions to a partnership()) or (SUBDIVISION 19 (RELATING TO)) transfers of partnership interests ((*

(1) increased by the sum of his distributive share for the taxable year and prior taxable years of

(a) net income of the partnership as determined under subdivision 3(1) and (2),

(b) income of the partnership exempt from tax under this chapter, (AND)

(c) *the excess of the deductions for depletion over the basis of the property subject to depletion, and*

(2) decreased (but not below zero) by distributions by the partnership as provided in (SUBDIVISION 14) *section 723 of the Internal Revenue Code of 1954, as amended through December 31, 1981, and by the sum of his distributive share for the taxable year and prior taxable years of*

(a) losses of the partnership, and

(b) expenditures of the partnership not deductible in computing its taxable net income and not properly chargeable to capital account, *and*

(3) *decreased, but not below zero, by the amount of the partner's deduction for depletion under section 611 of the Internal Revenue Code of 1954, as amended through December 31, 1981, with respect to oil and gas wells. For corporate partners, the deduction for depletion with respect to oil and gas wells shall be computed as provided in section 290.09, subdivision 8.*

The commissioner shall prescribe by (REGULATIONS) *rule* the circumstances under which the adjusted basis of a partner's interest in a partnership may be determined by reference to his proportionate share of the adjusted basis of partnership property upon a termination of the partnership.

Sec. 36. Minnesota Statutes 1980, Section 290.31, Subdivision 19, is amended to read:

Subd. 19. [BASIS OF TRANSFEREE PARTNER'S INTEREST.] The basis of an interest in a partnership acquired other than by contribution shall be determined under (SECTIONS 290.12, 290.14, 290.15 AND 290.16) *this chapter.*

Sec. 37. Minnesota Statutes 1981 Supplement, Section 290.32, is amended to read:

290.32 [TAXES FOR PART OF YEAR, COMPUTATION.]

When under this chapter a taxpayer is permitted or required to make a return for a fractional part of a year, the tax shall be computed in the same manner as if such fractional part of a year were an entire year, except:

(1) When a taxpayer is permitted to change the basis for reporting his income from a fiscal to a calendar year, he shall make a separate return for the period between the close of his last fiscal year and the following December thirty-first; if the change is from a calendar to a fiscal year, a separate return shall be made for the period between the close of his last calendar year

and the date designated as the close of the fiscal year; and if the change is from one fiscal year to another fiscal year, a separate return shall be made for the period between the close of the former fiscal year and the date designated as the close of the new fiscal year. The taxable net income, *for corporations the taxable net income as reduced by the deductions contained in section 290.21*, for any such period shall be put on an annual basis by multiplying the amount thereof by 12 and dividing by the number of months included in the period for which such separate return is made; and the tax shall be that part of a tax, computed on the taxable net income put on such annual basis (**LESS THE DEDUCTION AGAINST THAT TAXABLE NET INCOME UNDER THE PROVISIONS OF SECTION 290.21**), which the number of months in such period bears to 12 months.

(2) Where any of the enumerated changes in accounting period referred to in clause (1) involve a 52-53 week fiscal year and any such change results in a short period of less than seven days, such short period shall be added to and deemed a part of the following taxable year. If the change results in a short period of seven or more days, but less than 359 days, the taxable net income, *for corporations the taxable net income as reduced by the deductions contained in section 290.21*, for any such period shall be placed on an annual basis by multiplying such income by 365 and dividing the result by the same number of days in the short period; and the tax shall be that part of a tax, computed on the taxable net income placed on such annual basis (**LESS THE DEDUCTION AGAINST THAT TAXABLE NET INCOME UNDER THE PROVISIONS OF SECTION 290.21**), which the number of days in such short period bears to 365 days. Where the short period is 359 days or more, the tax shall be computed in the same manner as if such short period were an entire year.

Sec. 38. Minnesota Statutes 1980, Section 290.36, is amended to read:

290.36 [INVESTMENT COMPANIES; REPORT OF NET INCOME; COMPUTATION OF AMOUNT OF INCOME ALLOCABLE TO STATE.]

The taxable net income of investment companies shall be computed and be exclusively as follows:

Each investment company transacting business as such in this state shall report to the commissioner the net income returned by the company for the taxable year to the United States under the provisions of the Internal Revenue Code of 1954, as amended through December 31, 1979, less the credits provided therein (**OR THE NET INCOME THAT SUCH COMPANY WOULD BE REQUIRED TO RETURN UNDER SUCH ACT LESS SUCH CREDITS, IF SUCH ACT WERE IN EFFECT**). The commissioner shall compute therefrom the taxable net income

of the investment company by assigning to this state that proportion of such net income, less such credits which the aggregate of the gross payments collected by the company during the taxable year from old and new business upon investment contracts issued by the company and held by residents of this state, bears to the total amount of the gross payments collected during such year by the company from such business upon investment contracts issued by the company and held by persons residing within the state and elsewhere.

As used in this section, the term "investment company" means any person, co-partnership, association, or corporation, whether local or foreign, coming within the purview of section 54.26, and who or which is registered under the Investment Company Act of 1940 (15 U.S.C. 80a-1 and following), and who or which solicits or receives payments to be made to himself or itself and which issues therefor, or has issued therefor and has or shall have outstanding so-called bonds, shares, coupons, certificates of membership, or other evidences of obligation or agreement or pretended agreement to return to the holders or owners thereof money or anything of value at some future date; and as to whom the gross payments received during the taxable year in question upon outstanding investment contracts, plus interest and dividends earned on investment contracts determined by prorating the total dividends and interest for the taxable year in question in the same proportion that certificate reserves as defined by the Investment Company Act of 1940 is to total assets, shall be at least 50 percent of the company's gross payments upon investment contracts plus gross income from all other sources except dividends from subsidiaries for the taxable year in question. The term "investment contract" shall mean any such so-called bonds, shares, coupons, certificates of membership, or other evidences of obligation or agreement or pretended agreement issued by an investment company.

Sec. 39. Minnesota Statutes 1981 Supplement, Section 290.37, Subdivision 1, is amended to read:

Subdivision 1. [PERSONS MAKING RETURNS.] (a) The commissioner of revenue shall annually determine the gross income levels at which individuals and estates shall be required to file a return for each taxable year.

In the case of a decedent who has gross income in excess of the minimum amount at which an individual is required to file a return, the decedent's final income tax return shall be filed by his or her personal representative, if any. If there is no personal representative, the return shall be filed by the successors (as defined in section 524.1-201) who receive any property of the decedent.

The trustee or other fiduciary of property held in trust shall file a return with respect to the taxable net income of such trust if that exceeds an amount on which a tax at the rates herein provided would exceed the specific credits allowed, or if the gross income of such trust exceeds \$750, if in either case such trust belongs to the class of taxable persons.

Every corporation shall file a return. The return in this case shall be signed by an officer of the corporation.

The receivers, trustees in bankruptcy, or assignees operating the business or property of a taxpayer shall file a return with respect to the taxable net income of such taxpayer if that exceeds an amount on which a tax at the rates herein provided would exceed the specific credits allowed.

(b) Such return shall ((A)) (1) be verified or contain a written declaration that it is made under the penalties of criminal liability for wilfully making a false return, and ((B)) (2) shall contain a confession of judgment for the amount of the tax shown due thereon to the extent not timely paid.

(c) For purposes of this subdivision the term "gross income" shall mean gross income as defined in section 61 of the Internal Revenue Code of 1954, as amended through December 31, 1979, modified and adjusted in accordance with the provisions of sections 290.01, subdivision 20, clauses (b) (1), (b) (6) and (b) (11), 290.08, and 290.17.

Sec. 40. Minnesota Statutes 1981 Supplement, Section 290.41, Subdivision 2, is amended to read:

Subd. 2. [BY PERSONS, CORPORATIONS, COOPERATIVES, GOVERNMENTAL ENTITIES OR SCHOOL DISTRICTS.] Every person, corporation, or cooperative, the state of Minnesota and its political subdivisions, and every city, county and school district in Minnesota, making payments in the regular course of a trade or business during the taxable year to any person or corporation (IN EXCESS) of \$600 or more on account of rents or royalties, or of \$10 or more on account of interest, or \$10 or more on account of dividends or patronage dividends, or \$600 or more on account of either wages, salaries, commissions, fees, prizes, awards, pensions, annuities, or any other fixed or determinable gains, profits or income, not otherwise reportable under section 290.92, subdivision 7, or on account of earnings (IN EXCESS) of \$10 or more distributed to its members by savings, building and loan associations or credit unions chartered under the laws of this state or the United States, (a) shall make a return (except in cases where a valid agreement to participate in the combined federal and state information reporting system has been entered into, and such return is therefore filed only with the commissioner of internal revenue pursu-

ant to the applicable filing and informational reporting requirements of the Internal Revenue Code of 1954 as amended through December 31, 1980) in respect to such payments in excess of the amounts specified, giving the names and addresses of the persons to whom such payments were made, the amounts paid to each, and (b) shall make a return in respect to the total number of such payments and total amount of such payments, for each category of income specified, which were in excess of the amounts specified. This subdivision shall not apply to the payment of interest or dividends to a person who was a nonresident of Minnesota for the entire year.

Sec. 41. Minnesota Statutes 1981 Supplement, Section 290.42, is amended to read:

290.42 [FILING RETURNS, DATE.]

The returns required to be made under sections 290.37 to 290.39 and 290.41, other than those under section 290.41, subdivisions 3 and 4, which shall be made within 30 days after demand therefor by the commissioner, shall be filed at the following times:

(1) Returns made on the basis of the calendar year shall be filed on the fifteenth day of April, following the close of the calendar year, except that returns of corporations shall be filed on the fifteenth day of March following the close of the calendar year;

(2) Returns made on the basis of the fiscal year shall be filed on the fifteenth day of the fourth month following the close of such fiscal year, except that returns of corporations shall be filed on the fifteenth day of the third month following the close of the fiscal year;

(3) Returns made for a fractional part of a year as an incident to a change from one taxable year to another shall be filed on the fifteenth day of the fourth month following the close of the period for which made, except that such returns of corporations shall be filed on the fifteenth day of the third month following the close of the period for which made;

(4) Other returns for a fractional part of a year shall be filed on the fifteenth day of the fourth month following the end of the month in which falls the last day of the period for which the return is made, except that such returns of corporations shall be filed on the fifteenth day of the third month following the end of the month in which falls the last day of the period for which the return is made:

In the case of a final return of a decedent for a fractional part of a year, such return shall be filed on the fifteenth day of

the fourth month following the close of the twelve-month period which began with the first day of such fractional part of a year.

(4a) In the case of the return of a cooperative association such returns shall be filed on or before the fifteenth day of the ninth month following the close of the taxable year.

(5) If the due date for any return required under chapter 290 falls upon:

((A)) A Saturday, Sunday, or a legal holiday such return filed by the (FOLLOWING MONDAY) next succeeding day which is not a Saturday, Sunday, or legal holiday shall be considered to be timely filed (;). The term "legal holiday" means any day made a holiday in Minnesota by section 645.44, subdivision 5 or by the laws of the United States.

((B)) A LEGAL HOLIDAY, SUCH RETURN FILED ON THE NEXT SUCCEEDING BUSINESS DAY SHALL BE CONSIDERED TO BE TIMELY FILED, EXCEPT, THAT FOR THE PURPOSE OF THIS PARAGRAPH, SATURDAY SHALL NOT BE CONSIDERED TO BE A BUSINESS DAY.)

(6) In case of sickness, absence, or other disability, or when, in his judgment, good cause exists, the commissioner may extend the time for filing these returns for not more than six months, except that where the failure is due to absence outside the United States he may extend the period as provided in section (290.65) 6081 of the Internal Revenue Code of 1954, as amended through December 31, 1981. He may require each taxpayer in any of such cases to file a tentative return at the time fixed for filing the regularly required return from him, and to pay a tax on the basis of such tentative return at the times required for the payment of taxes on the basis of the regularly required return from such taxpayer. The commissioner may exercise his power under this clause by (GENERAL REGULATION) rule only.

(7) Every person making a return under section 290.41 (except subdivisions 3 and 4) shall furnish to each person whose name is set forth in the return a written statement showing

(A) the name and address of the person making the return, and

(B) the aggregate amount of payments to the person shown on the return.

This written statement shall be furnished to the person on or before January 31 of the year following the calendar year for which the return was made. A duplicate of this written statement shall be furnished to the commissioner on or before

February 28 of the year following the calendar year for which the return was made.

Sec. 42. Minnesota Statutes 1981 Supplement, Section 290.431, is amended to read:

290.431 [NON-GAME WILDLIFE CHECKOFF.]

(EFFECTIVE WITH RETURNS FILED FOR TAXABLE YEARS BEGINNING AFTER DECEMBER 31, 1979,) Every (PERSON) *individual* who files an income tax return or property tax refund claim form may designate on their *original return* that \$1 or more shall be added to the tax or deducted from the refund that would otherwise be payable by or to that (PERSON) *individual* and paid into an account to be established for the management of non-game wildlife. The commissioner of revenue shall, on the first page of the income tax return and the property tax refund claim form, notify filers of their right to designate that a portion of their tax or refund shall be paid into the non-game wildlife management account. The sum of the amounts so designated to be paid shall be credited to the non-game wildlife management account for use by the non-game section of the division of wildlife in the department of natural resources. The commissioner of natural resources shall submit a work program for each fiscal year and semi-annual progress reports to the legislative commission on Minnesota resources in the form determined by the commission. None of the money provided in this section may be expended unless the commission has approved the work program.

Sec. 43. Minnesota Statutes 1980, Section 290.45, Subdivision 1, is amended to read:

Subdivision 1. [DATE DUE, INSTALLMENTS.] The tax imposed by this chapter shall be paid to the commissioner of revenue (AT ST. PAUL, MINNESOTA) at the time fixed for filing the return on which the tax is based, except that at the election of the following taxpayers the balance of tax due after applying any tax credit and payment of estimated tax may be paid in two equal installments, as follows:

(a) as to estates and trusts, the first shall be paid at the time fixed for filing the return, and the second on or before six months thereafter.

(b) as to corporations, the first shall be paid at the time fixed for filing the return and the second on or before three months thereafter. If any installment is not paid on or before the date fixed for its payment the whole amount of the tax unpaid shall become due and payable. They shall be paid to the commissioner or to the local officers designated by the commissioner with whom the return is filed as hereinbefore provided.

Sec. 44. Minnesota Statutes 1980, Section 290.49, Subdivision 3, is amended to read:

Subd. 3. [OMISSION IN EXCESS OF 25 PERCENT.] If the taxpayer omits from gross income an amount properly includible therein which is in excess of 25 percent of the amount of gross income stated in the return, the tax may be assessed, or a proceeding in court for the collection of such tax may be begun at any time within six and one-half years after the return was filed.

For purposes of this subdivision, the term "gross income" shall mean gross income as defined in section 290.37, subdivision 1, clause (c).

Sec. 45. Minnesota Statutes 1980, Section 290.49, Subdivision 7, is amended to read:

Subd. 7. [COURT PROCEEDINGS.] Where the assessment of any tax is hereafter made within the period of limitation properly applicable thereto, *including an assessment made under section 290.56*, such tax may be collected by a proceeding in court, but only if begun

(1) within eighteen months after the expiration of the period for the assessment of the tax, or

(2) within eighteen months after the expiration of the period agreed upon by the commissioner and the taxpayer, pursuant to the provisions of subdivision 8, or

(3) within eighteen months after final disposition of any appeal from the order of assessment.

Sec. 46. Minnesota Statutes 1980, Section 290.49, is amended by adding a subdivision to read:

Subd. 11. [SUSPENSION OF TIME; BANKRUPTCY PROCEEDING.] *The period of time during which a tax must be assessed or collection proceedings commenced under this chapter shall be suspended during the period from the date of a filing of a petition in bankruptcy until 30 days after notice to the commissioner of revenue that the bankruptcy proceedings have been closed or dismissed or the automatic stay has been terminated or has expired.*

The suspension of the statute of limitations under this subdivision shall apply to the person against whom the petition in bankruptcy is filed and all other persons who may also be wholly or partially liable for the tax under this chapter.

Sec. 47. Minnesota Statutes 1980, Section 290.53, is amended by adding a subdivision to read:

Subd. 7. [INTEREST ON ADDITIONAL TAXES.] Where a taxpayer is liable for additional taxes under this chapter, interest shall be added to the additional amount, at the rate specified in section 270.75, from the due date of the original return.

Sec. 48. Minnesota Statutes 1980, Section 290.65, Subdivision 9, is amended to read:

Subd. 9. [TIME LIMITS, ADDITIONAL EXTENSION IN CERTAIN CASES.] The limitations of time provided by this chapter relating to income taxes, and (SECTIONS 271.01 TO 271.20, AS AMENDED) *chapter 271* relating to the tax court, for (a) filing returns, (b) paying taxes, (c) claiming refunds, (d) commencing action thereon, (e) appealing to the tax court from orders relating to income taxes, and (f) appealing to the supreme court from decisions of the tax court relating to income taxes, are hereby extended, with respect to each individual, for the period during which such individual is (OR HAS BEEN) serving in the Armed Forces of the United States, (OR THE UNITED NATIONS,) or serving in support of the Armed Forces and as provided in section 7508 of the Internal Revenue Code of 1954, as amended through December 31, 1981, is serving in an area designated by the president as a combat zone or is hospitalized outside the United States as a result of injury received while serving in the combat zone during such time, and for a further period of six months (AFTER THE TERMINATION OF SUCH SERVICE, PROVIDED, THAT THE ABILITY OF SUCH INDIVIDUAL TO FILE THE RETURN, PAY THE TAX OR ANY PART THEREOF, OR ANY INTEREST OR PENALTY THEREON, OR TO PERFORM ANY OTHER ACT DESCRIBED IN THIS SUBDIVISION IS MATERIALLY IMPAIRED BY REASON OF SUCH SERVICE, BUT IF AN EXTENSION OF TIME IS GRANTED, THE FACT THAT SUCH INDIVIDUAL'S ABILITY TO PAY WAS NOT IMPAIRED, SHALL NOT PREVENT THE OPERATION OF THE EXTENSIONS OF TIME HEREIN PROVIDED. THE COMMISSIONER MAY BY REGULATION REQUIRE THE FILING OF A STATEMENT OR AFFIDAVIT OR OTHER PROOF, AT THE TIME THE RETURN OR TAX IS DUE OR OTHER ACT IS REQUIRED TO BE DONE, STATING THE FACT OF INABILITY TO COMPLY WITH THE REQUIREMENTS OF LAW BECAUSE OF SERVICE IN THE ARMED FORCES OF THE UNITED STATES OR THE UNITED NATIONS).

Sec. 49. Minnesota Statutes 1980, Section 290.65, Subdivision 11, is amended to read:

Subd. 11. [TIME LIMIT FOR ASSESSMENT, ADDITIONAL EXTENSION.] The limitations of time provided for the

assessment of any tax, penalty or interest, as provided by the laws described in subdivision 9, are hereby extended, with respect to the same individuals, and for the same period, as provided in said subdivision, and for a further period of six months; and the limitations of time for the commencement of action to collect any tax, penalty or interest from such individuals are hereby extended for a period ending six months after the expiration of the time for assessment as herein provided. (FOR THE PURPOSE OF THIS SUBDIVISION THE PERIOD OF SIX MONTHS AFTER TERMINATION OF SERVICE IN THE ARMED FORCES, AS PROVIDED IN SUBDIVISION 9, SHALL NOT BEGIN TO RUN UNTIL WRITTEN NOTICE OF SUCH TERMINATION IS FILED WITH THE COMMISSIONER OF REVENUE.)

Sec. 50. Minnesota Statutes 1980, Section 290.91, is amended to read:

290.91 [DESTRUCTION OF RETURNS.]

The commissioner of revenue is hereby authorized to destroy all (INCOME) tax returns, *required under this chapter or chapter 290A*, including audit reports, orders and correspondence relating thereto, which have been on file in his office for a period (OF FIVE YEARS OR MORE) *to be determined by the commissioner*. The commissioner may, in his discretion, make copies of such returns, orders or correspondence by microfilm, photostat or other similar means and may immediately destroy the original documents from which such copies have been made. Such copies, when certified to by the commissioner, shall be admissible in evidence in the same manner and be given the same effect as the original documents destroyed.

The commissioner may, in his discretion, destroy correspondence and documents contained in the files of the division which do not relate specifically to any (INCOME) tax return.

Notwithstanding the above provisions (or the provisions of section 290.61 or 290A.17) the commissioner may, utilizing such safeguards as he in his discretion deems necessary, (1) employ a commercial photographer for the purpose of developing microfilm of returns or other documents, or (2) employ a vendor for the purpose of obtaining the vendor's services an example of which is the preparation of income tax return labels.

Sec. 51. Minnesota Statutes 1981, Supplement, Section 290.-92, Subdivision 2a, is amended to read:

Subd. 2a. [COLLECTION AT SOURCE.] (1) [DEDUCTIONS.] Every employer making payment of wages shall deduct and withhold upon such wages a tax as provided in this section.

(2) [WITHHOLDING ON PAYROLL PERIOD.] The employer shall withhold the tax on the basis of each payroll period or as otherwise provided in this section.

(3) [WITHHOLDING TABLES.] Unless the amount of tax to be withheld is determined as provided in subdivision 3, the amount of tax to be withheld for each individual shall be based upon tables to be prepared and distributed by the commissioner. The tables shall be computed for the several permissible withholding periods and shall take account of exemptions allowed under this section; and the amounts computed for withholding shall be such that the amount withheld for any individual during his taxable year shall approximate in the aggregate as closely as possible the tax which is levied and imposed under this chapter for that taxable year, upon his salary, wages, or compensation for personal services of any kind for the employer, and shall take into consideration the allowable deduction for federal income tax and the deduction allowable under section 290.09, subdivision 15, and the *personal credits allowed* against the tax (ALLOWABLE UNDER THE MINNESOTA INCOME TAX ACT).

(4) [MISCELLANEOUS PAYROLL PERIOD.] If wages are paid with respect to a period which is not a payroll period, the amount to be deducted and withheld shall be that applicable in the case of a miscellaneous payroll period containing a number of days, including Sundays and holidays, equal to the number of days in the period with respect to which such wages are paid.

(5) [MISCELLANEOUS PAYROLL PERIOD.] (a) In any case in which wages are paid by an employer without regard to any payroll period or other period, the amount to be deducted and withheld shall be that applicable in the case of a miscellaneous payroll period containing a number of days equal to the number of days, including Sundays and holidays, which have elapsed since the date of the last payment of such wages by such employer during the calendar year, or the date of commencement of employment with such employer during such year, or January 1 of such year, whichever is the later.

(b) In any case in which the period, or the time described in clause (a), in respect of any wages is less than one week, the commissioner, under regulations prescribed by him, may authorize an employer to determine the amount to be deducted and withheld under the tables applicable in the case of a weekly payroll period, in which case the aggregate of the wages paid to the employee during the calendar week shall be considered the weekly wages.

(6) [WAGES COMPUTED TO NEAREST DOLLAR.] If the wages exceed the highest bracket, in determining the amount to be deducted and withheld under this subdivision, the wages

may, at the election of the employer, be computed to the nearest dollar.

(7) [REGULATIONS ON WITHHOLDING.] The commissioner may, by regulations, authorize employers:

(a) To estimate the wages which will be paid to any employee in any quarter of the calendar year;

(b) To determine the amount to be deducted and withheld upon each payment of wages to such employee during such quarter as if the appropriate average of the wages so estimated constituted the actual wages paid; and

(c) To deduct and withhold upon any payment of wages to such employee during such quarter such amount as may be necessary to adjust the amount actually deducted and withheld upon wages of such employee during such quarter to the amount required to be deducted and withheld during such quarter without regard to this paragraph (7).

(8) [ADDITIONAL WITHHOLDING.] The commissioner is authorized to provide by (REGULATION, UNDER SUCH CONDITIONS AND TO SUCH EXTENT AS HE DEEMS PROPER, FOR WITHHOLDING IN ADDITION TO THAT OTHERWISE REQUIRED UNDER THIS SUBDIVISION AND SUBDIVISION 3 IN CASES IN WHICH THE EMPLOYER AND THE EMPLOYEE AGREE TO SUCH ADDITIONAL WITHHOLDING) *rule for increases or decreases in the amount of withholding otherwise required under this section in cases where the employee requests the changes.* Such additional withholding shall for all purposes be considered tax required to be deducted and withheld under this section.

(9) [TIPS.] In the case of tips which constitute wages, this subdivision shall be applicable only to such tips as are included in a written statement furnished to the employer pursuant to section 6053 of the Internal Revenue Code of 1954, as amended through December 31, 1980, and only to the extent that the tax can be deducted and withheld by the employer, at or after the time such statement is so furnished and before the close of the calendar year in which such statement is furnished, from such wages of the employee (excluding tips, but including funds turned over by the employee to the employer for the purpose of such deduction and withholding) as are under the control of the employer; and an employer who is furnished by an employee a written statement of tips (received in a calendar month) pursuant to section 6053 of the Internal Revenue Code of 1954 as amended through December 31, 1980 to which subdivision 1 is applicable may deduct and withhold the tax with respect to such tips from any wages of the employee (excluding tips) under his control, even though at the time such statement is furnished the total amount of the tips included in statements furnished to the employer as having been received by the employee in such calendar month in the course of his employment by such em-

ployer is less than \$20. Such tax shall not at any time be deducted and withheld in an amount which exceeds the aggregate of such wages and funds as are under the control of the employer minus any tax required by other provisions of state or federal law to be collected from such wages and funds.

Sec. 52. Minnesota Statutes 1981 Supplement, Section 290.92, Subdivision 5, is amended to read:

Subd. 5. [EXEMPTIONS.] (1) [ENTITLEMENT.] An employee receiving wages shall on any day be entitled to claim withholding exemptions equal to the same number as the personal credits that he is entitled to claim under the provisions of section 290.06, subdivision 3f, (not including those credits that the taxpayer's spouse may claim).

(2) [WITHHOLDING EXEMPTION CERTIFICATE.] (EVERY EMPLOYEE SHALL BEFORE THE DATE OF COMMENCEMENT OF EMPLOYMENT FURNISH HIS EMPLOYER WITH A SIGNED WITHHOLDING EXEMPTION CERTIFICATE RELATING TO THE NUMBER OF WITHHOLDING EXEMPTIONS WHICH HE CLAIMS, WHICH SHALL IN NO EVENT EXCEED THE NUMBER TO WHICH HE IS ENTITLED.)

((3) [EFFECTIVE DATE OF EXEMPTION CERTIFICATE.] WITHHOLDING EXEMPTION CERTIFICATES SHALL TAKE EFFECT AS OF THE BEGINNING OF THE FIRST PAYROLL PERIOD ENDING, OR THE FIRST PAYMENT OF WAGES MADE WITHOUT REGARD TO A PAYROLL PERIOD, ON OR AFTER THE DATE ON WHICH SUCH CERTIFICATE IS SO FURNISHED.)

((4) [NEW EXEMPTION CERTIFICATE.] A WITHHOLDING EXEMPTION CERTIFICATE WHICH TAKES EFFECT UNDER THIS SUBDIVISION SHALL CONTINUE IN EFFECT WITH RESPECT TO THE EMPLOYER UNTIL ANOTHER SUCH CERTIFICATE TAKES EFFECT UNDER THIS SUBDIVISION. IF A WITHHOLDING EXEMPTION CERTIFICATE IS FURNISHED TO TAKE THE PLACE OF AN EXISTING CERTIFICATE, THE EMPLOYER, AT HIS OPTION, MAY CONTINUE THE OLD CERTIFICATE IN FORCE WITH RESPECT TO ALL WAGES PAID ON OR BEFORE THE FIRST STATUS DETERMINATION DATE, JANUARY 1, MAY 1, JULY 1, OR OCTOBER 1, WHICH OCCURS AT LEAST 30 DAYS AFTER THE DATE ON WHICH SUCH NEW CERTIFICATE IS FURNISHED.)

((5) [CHANGE OF NUMBER TO REFLECT NEXT TAX YEAR.] IF, ON ANY DAY DURING THE CALENDAR YEAR, THE NUMBER OF WITHHOLDING EXEMPTIONS TO WHICH THE EMPLOYEE MAY REASONABLY BE EXPECTED TO BE ENTITLED AT THE BEGINNING OF HIS

NEXT TAXABLE YEAR IS DIFFERENT FROM THE NUMBER TO WHICH THE EMPLOYEE IS ENTITLED ON SUCH DAY, THE EMPLOYEE SHALL IN SUCH CASES AND AT SUCH TIMES AS THE COMMISSIONER MAY PRESCRIBE, FURNISH THE EMPLOYER WITH A WITHHOLDING EXEMPTION CERTIFICATE RELATING TO THE NUMBER OF EXEMPTIONS WHICH HE CLAIMS WITH RESPECT TO SUCH NEXT TAXABLE YEAR, WHICH SHALL IN NO EVENT EXCEED THE NUMBER TO WHICH HE MAY REASONABLY BE EXPECTED TO BE SO ENTITLED. EXEMPTION CERTIFICATES ISSUED PURSUANT TO THIS PARAGRAPH SHALL NOT TAKE EFFECT WITH RESPECT TO ANY PAYMENT OF WAGES MADE IN THE CALENDAR YEAR IN WHICH THE CERTIFICATE IS FURNISHED.)

((6) [CHANGE OF NUMBER.] IF, ON ANY DAY DURING THE CALENDAR YEAR, THE NUMBER OF WITHHOLDING EXEMPTIONS TO WHICH THE EMPLOYEE IS ENTITLED IS LESS THAN THE NUMBER OF WITHHOLDING EXEMPTIONS CLAIMED BY THE EMPLOYEE ON THE WITHHOLDING EXEMPTION CERTIFICATE THEN IN EFFECT WITH RESPECT TO HIM, THE EMPLOYEE SHALL, WITHIN TEN DAYS THEREAFTER, FURNISH THE EMPLOYER WITH A NEW WITHHOLDING EXEMPTION CERTIFICATE RELATING TO THE NUMBER OF WITHHOLDING EXEMPTIONS WHICH THE EMPLOYEE THEN CLAIMS, WHICH SHALL IN NO EVENT EXCEED THE NUMBER TO WHICH HE IS ENTITLED ON SUCH DAY. IF, ON ANY DAY DURING THE CALENDAR YEAR, THE NUMBER OF WITHHOLDING EXEMPTIONS TO WHICH THE EMPLOYEE IS ENTITLED IS GREATER THAN THE NUMBER OF WITHHOLDING EXEMPTIONS CLAIMED, THE EMPLOYEE MAY FURNISH THE EMPLOYER WITH A NEW WITHHOLDING EXEMPTION CERTIFICATE RELATING TO THE NUMBER OF WITHHOLDING EXEMPTIONS WHICH THE EMPLOYEE THEN CLAIMS, WHICH SHALL IN NO EVENT EXCEED THE NUMBER TO WHICH HE IS ENTITLED ON SUCH DAY.)

The provisions concerning exemption certificates contained in section 3402(f)(2) and (3) of the Internal Revenue Code of 1954, as amended through December 31, 1981, shall apply.

((7) (3) [FORM OF CERTIFICATE.] Withholding exemption certificates shall be in such form and contain such information as the commissioner may by regulation prescribe.

((8) (4) [NUMBER MAY BE SAME AS THAT FOR FEDERAL PURPOSES.] Notwithstanding the provisions of this subdivision, an employee may elect to claim a number not to exceed the (SAME) number of withholding exemptions that the employee claims and which are allowable for federal withholding purposes.

Sec. 53. Minnesota Statutes 1981 Supplement, Section 290.92, Subdivision 5a, is amended to read:

Subd. 5a. [VERIFICATION OF WITHHOLDING EXEMPTIONS; APPEAL.] (1) An employer shall submit to the commissioner a copy of any withholding exemption certificate received from an employee on which the employee claims any of the following:

(a) a total number of withholding exemptions in excess of (NINE) *14 or a number prescribed by the commissioner, or*

(b) a status that would exempt the employee from Minnesota withholding, (UNLESS) *including where* the employee is a non-resident exempt from withholding under subdivision 4a, clause (3), or the employer reasonably expects, at the time that the certificate is received, that the employee's wages under subdivision 1 from the employer will not then usually exceed \$200 per week, or

(c) any number of withholding exemptions which the employer has reason to believe is in excess of the number to which the employee is entitled.

(2) Copies of exemption certificates required to be submitted by clause (1) shall be submitted to the commissioner within 30 days after receipt by the employer unless the employer is also required by federal law to submit copies to the Internal Revenue Service, in which case the employer may elect to submit the copies to the commissioner at the same time that he is required to submit them to the Internal Revenue Service.

(3) An employer who submits a copy of a withholding exemption certificate in accordance with clause (1) shall honor the certificate until notified by the commissioner that the certificate is invalid. The commissioner shall mail a copy of any such notice to the employee. Upon notification that a particular certificate is invalid, the employer shall not honor that certificate or any subsequent certificate unless instructed to do so by the commissioner. The employer shall allow the employee the number of exemptions and compute the withholding tax as instructed by the commissioner in accordance with clause (4).

(4) The commissioner may require an employee to verify that he or she is entitled to the number of exemptions or to the exempt status claimed on the withholding exemption certificate or, that he or she is a nonresident. The employee shall be allowed at least 30 days to submit the verification, after which time the commissioner shall, on the basis of the best information available to him, determine the employee's status and allow the employee the maximum number of withholding exemptions allowable under this chapter. The commissioner shall mail a notice of this determination to the employee at the address listed on the

exemption certificate in question. Notwithstanding the provisions of section 290.61, the commissioner may notify the employer of this determination and instruct the employer to withhold tax in accordance with the determination.

(5) The commissioner's determination under clause (4) shall be appealable to tax court in accordance with section 271.06, and shall remain in effect for withholding tax purposes pending disposition of any appeal.

Sec. 54. Minnesota Statutes 1981 Supplement, Section 290.92, Subdivision 6, is amended to read:

Subd. 6. [RETURNS, DEPOSITS.] (1) (a) [RETURNS.] Every employer who is required to deduct and withhold tax under subdivision 2a or 3 shall file a return with the commissioner for each quarterly period, on or before the last day of the month following the close of each quarterly period, unless otherwise prescribed by the commissioner. Any tax required to be deducted and withheld during the quarterly period shall be paid with the return unless an earlier time for payment is provided herein. However, any such return may be filed on or before the tenth day of the second calendar month following such period if such return shows timely deposits in full payment of such taxes due for such period. For the purpose of the preceding sentence, a deposit which is not required to be made within such return period, may be made on or before the last day of the first calendar month following the close of such period. Every employer, in preparing said quarterly return, shall take credit for monthly deposits previously made in accordance with this subdivision.

The return shall be in the form and contain the information prescribed by the commissioner. The commissioner may grant a reasonable extension of time for filing the return and paying the tax, but no extension shall be granted for more than six months.

(b) [ADVANCE DEPOSITS REQUIRED IN CERTAIN CASES.] (i) Unless clause (ii) is applicable, if during any calendar month, other than the last month of the calendar quarter, the aggregate amount of the tax withheld during that quarter under subdivision 2a or 3 exceeds \$200, or beginning January 1, 1982, \$500, the employer shall deposit the aggregate amount with the commissioner within 15 days after the close of the calendar month. (ii) If at the close of any eighth-monthly period the aggregate amount of undeposited taxes is \$3,000 or more, the employer shall deposit the undeposited taxes with the commissioner within three banking days after the close of the eighth-monthly period. For purposes of this subparagraph, the term "eighth-monthly period" means the first three days of a calendar month, the fourth day through the seventh day of a calendar month, the eighth day through the 11th day of a

calendar month, the 12th day through the 15th day of a calendar month, the 16th day through the 19th day of a calendar month, the 20th day through the 22nd day of a calendar month, the 23rd day through the 25th day of a calendar month, or the portion of a calendar month following the 25th day of such month.

(c) [OTHER METHODS.] The commissioner shall have the power by rule to prescribe other return periods or deposit requirements. In prescribing the reporting period, the commissioner may classify employers according to the amount of their tax liability and may adopt an appropriate reporting period for each class which he deems to be consistent with efficient tax collection. In no event shall the duration of the reporting period be more than one year, provided that for employers with annual withholding tax liabilities of less than \$1,200 the reporting period shall be no more frequent than quarterly.

(2) If less than the correct amount of such tax is paid to the commissioner, proper adjustments, with respect to both the tax and the amount to be deducted, shall be made, without interest, in such manner and at such times as the commissioner may prescribe. If such underpayment cannot be so adjusted the amount of the underpayment shall be assessed and collected in such manner and at such times as the commissioner may prescribe.

(3) If any employer fails to make and file any return required by paragraph (1) at the time prescribed therefor, or makes and files a false or fraudulent return, the commissioner shall make for him a return from his own knowledge and from such information as he can obtain through testimony, or otherwise, and assess a tax on the basis thereof. The amount of tax shown thereon shall be paid to the commissioner at such times as the commissioner may prescribe. Any such return or assessment so made by the commissioner shall be prima facie correct and valid, and the employer shall have the burden of establishing its incorrectness or invalidity in any action or proceeding in respect thereto.

(4) If the commissioner, in any case, has reason to believe that the collection of the tax provided for in paragraph (1) of this subdivision, and any added penalties and interest, if any, will be jeopardized by delay, he may immediately assess such tax, whether or not the time otherwise prescribed by law for making and filing the return and paying such tax has expired.

(5) Any assessment under this subdivision shall be made by recording the liability of the employer in the office of the commissioner in accordance with regulations prescribed by the commissioner. Upon request of the employer, the commissioner shall furnish the employer a copy of the record of assessment.

(6) Any assessment of tax under this subdivision shall be made within three and one-half years after the due date of the return required by paragraph (1), or the date the return was filed, whichever is later; except that in the case of a false or fraudulent return or failure to file a return, the tax may be assessed at any time.

(7) (a) Except as provided in (b) of this paragraph, every employer who fails to pay to or deposit with the commissioner any sum or sums required by this section to be deducted, withheld and paid, shall be personally and individually liable to the state of Minnesota for such sum or sums (and any added penalties and interest); and any sum or sums deducted and withheld in accordance with the provisions of subdivision 2a or subdivision 3 shall be held to be a special fund in trust for the state of Minnesota.

(b) If the employer, in violation of the provision of this section, fails to deduct and withhold the tax under this section, and thereafter the taxes against which such tax may be credited are paid, the tax so required to be deducted and withheld shall not be collected from the employer; but this shall in no case relieve the employer from liability for any penalties and interest otherwise applicable in respect of such failure to deduct and withhold.

(8) Upon the failure of any employer to pay to or deposit with the commissioner within the time provided by paragraphs (1), (2) or (3) of this subdivision any tax required to be withheld in accordance with the provisions of subdivision 2a or subdivision 3, or if the commissioner has assessed a tax pursuant to paragraph (4), such tax shall become immediately due and payable, and the commissioner may deliver to the attorney general a certified statement of the tax, penalties and interest due from such employer. The statement shall also give the address of the employer owing such tax, the period for which the tax is due, the date of the delinquency, and such other information as may be required by the attorney general. It shall be the duty of the attorney general to institute legal action in the name of the state to recover the amount of such tax, penalties, interest and costs. The commissioner's certified statement to the attorney general shall for all purposes and in all courts be prima facie evidence of the facts therein stated and that the amount shown therein is due from the employer named in the statement. In event action is instituted as herein provided, the court shall, upon application of the attorney general, appoint a receiver of the property and business of the delinquent employer for the purpose of impounding the same as security for any judgment which has been or may be recovered. Any such action shall be brought within four years and three months after the due date of the return or deposit required by paragraph (1), or the date the return was filed, or deposit made whichever is later; except that in the case of failure to make and file such return or if

such return is false or fraudulent, or such deposit is not made such action may be brought at any time.

(8a) The period of time during which a tax must be assessed or collection proceedings commenced under this subdivision shall be suspended during the period from the date of filing of a petition in bankruptcy until 30 days after the commissioner of revenue receives notice that the bankruptcy proceedings have been closed or dismissed or the automatic stay has been terminated or has expired.

The suspension of the statute of limitations under this subdivision shall apply to the person against whom the petition in bankruptcy is filed and all other persons who may also be wholly or partially liable for the tax under this chapter.

(9) The tax required to be withheld under subdivision 2a or subdivision 3 or paid to, or deposited with the commissioner under this subdivision, together with penalties, interest and costs, shall become a lien upon all of the real property of the employer within this state, except his homestead, from and after the filing by the commissioner of a notice of such lien in the offices of the county recorder of the county in which such real property is situated.

(10) Either party to an action for the recovery of any tax, interest or penalties under this subdivision may remove the judgment to the supreme court by appeal, as provided for appeals in civil cases.

(11) No suit shall lie to enjoin the assessment or collection of any tax imposed by this section, or the interest and penalties added thereto.

(12) When any tax is due and payable as provided in paragraph (8) the commissioner may issue his warrant to the sheriff of any county of the state commanding him to levy upon and sell the real and personal property of the employer and to levy upon the rights to property of the employer within the county and to return such warrant to the commissioner and pay to him the money collected by virtue thereof by a time to be therein specified, not less than 60 days from the date of the warrant. The sheriff shall proceed thereunder to levy upon and seize any property of the employer and to levy upon the rights to property of the employer within his county, except the homestead and household goods of the employer and property of the employer not liable to attachment, garnishment, or sale on any final process issued from any court under the provisions of section 550.37, and shall sell so much thereof as is required to satisfy such taxes, interest, and penalties, together with his costs; but such sales shall, as to their manner, be governed by the laws applicable to sales of like property on execution issued against property upon

a judgment of a court of record. The proceeds of such sales, less the sheriff's costs, shall be turned over to the commissioner, who shall retain such part thereof as is required to satisfy the tax, interest, penalties and costs, and pay over any balance to the taxpayer. Any action taken by the commissioner pursuant to this subdivision shall not constitute an election by the state to pursue a remedy to the exclusion of any other remedy providing for the collection of taxes required to be withheld by employers.

Sec. 55. Minnesota Statutes 1980, Section 290.92, Subdivision 13, is amended to read:

Subd. 13. [REFUNDS.] (1) Where the amount of the tax withheld at the source under subdivision 2a or subdivision 3 exceeds by \$1 or more the taxes (and any added penalties and interest) reported in the return of the employee taxpayer or imposed upon him by this chapter, the amount of such excess shall be refunded to the employee taxpayer. If the amount of such excess is less than \$1 the commissioner shall not be required to refund that amount. Where any amount of such excess to be refunded exceeds \$10, such amount *on the original return* shall bear interest at the rate of six percent per annum, computed from 90 days after (a) the due date of the return of the employee taxpayer or (b) the date on which his return is filed, whichever is later, to the date the refund is paid to the taxpayer. Notwithstanding the provisions of section 290.50, written findings by the commissioner, notice by mail to the taxpayer, and certificate for refundment by the commissioner, shall not be necessary. The provisions of section 270.10, shall not be applicable.

(2) Any action of the commissioner in refunding the amount of such excess shall not constitute a determination of the correctness of the return of the employee taxpayer within the purview of section 290.46.

(3) The commissioner of finance shall cause any such refund of tax and interest, to be paid out of the general fund in accordance with the provisions of section 290.62, and so much of said fund as may be necessary is hereby appropriated for that purpose.

Sec. 56. Minnesota Statutes 1981 Supplement, Section 290.93, Subdivision 1, is amended to read:

Subdivision 1. [REQUIREMENT OF DECLARATION.]

(1) Every individual shall, at the time prescribed in subdivision 5 of this section, make and file with the commissioner a declaration of his estimated tax for the taxable year if

(a) The gross income (*for purposes of this subdivision and subdivision 5 as defined in section (290.01, SUBDIVISION 20)*

290.37, subdivision 1, clause (c)) for the taxable year can reasonably be expected to exceed the gross income amounts set forth in section 290.37, subdivision 1 pertaining to the requirements for making a return; and

(b) Such gross income can reasonably be expected to include more than \$500 from sources other than wages upon which a tax has been deducted and withheld under section 290.92, subdivision 2a or subdivision 3.

(2) If the individual is an infant or incompetent person, the declaration shall be made by his guardian.

(3) Notwithstanding the provisions of this section, no declaration is required if the estimated tax (as defined in subdivision 3) can reasonably be expected to be less than \$100.

Sec. 57. Minnesota Statutes 1980, Section 290.93, Subdivision 9, is amended to read:

Subd. 9. [OVERPAYMENT OF ESTIMATED TAX.] (1) Where the amount of an installment payment of estimated tax exceeds the amount determined to be the correct amount of such installment payment, the overpayment shall be credited against the unpaid installments, if any. Where the total amount of the estimated tax payments plus (a) the total amount of tax withheld at the source under section 290.92, subdivision 2a or subdivision 3 (if any) and (b) and other payments (if any) exceeds by \$1 or more the taxes (and any added penalties and interest) reported in the return of the taxpayer or imposed upon him by this chapter, the amount of such excess shall be refunded to the taxpayer. If the amount of such excess is less than \$1 the commissioner shall not be required to refund that amount. Where any amount of such excess to be refunded exceeds \$10, such amount *on the original return* shall bear interest at the rate of six percent per annum, computed from 90 days after (a) the due date of the return of the taxpayer or (b) the date on which his return is filed, whichever is later, until the date the refund is paid to the taxpayer. Notwithstanding the provisions of section 290.50, written findings by the commissioner, notice by mail to the taxpayer, and certificate for refundment by the commissioner, shall not be necessary. The provisions of section 270.10, shall not be applicable.

(2) Any action of the commissioner in refunding the amount of such excess shall not constitute a determination of the correctness of the return of the taxpayer within the purview of section 290.46.

(3) The commissioner of finance shall cause any such refund of tax and interest to be paid out of the general fund in accordance with the provisions of section 290.62, and so much of said

fund as may be necessary is hereby appropriated for that purpose.

Sec. 58. Minnesota Statutes 1981 Supplement, Section 290.93, Subdivision 10, is amended to read:

Subd. 10. [UNDERPAYMENT OF ESTIMATED TAX.]

(1) In the case of any underpayment of estimated tax by an individual, except as provided in paragraph (4), there may be added to and become a part of the taxes imposed by this chapter, for the taxable year an amount determined at the rate specified in section 270.75 upon the amount of the underpayment for the period of the underpayment.

(2) For purposes of the preceding paragraph, the amount of underpayment shall be the excess of

(a) The amount of the installment which would be required to be paid if the estimated tax were equal to 80 percent ($66\frac{2}{3}$ percent in the case of farmers referred to in subdivision 5(2) of this section) of the taxes shown on the return for the taxable year or the taxes for such year if no return was filed, over

(b) The amount, if any, of the installment paid on or before the last day prescribed for such payment.

(3) The period of the underpayment shall run from the date the installment was required to be paid to whichever of the following dates is the earlier

(a) The 15th day of the fourth month following the close of the taxable year.

(b) With respect to any portion of the underpayment, the date on which such portion is paid. For purposes of this subparagraph, a payment of estimated tax on any installment date shall be considered a payment of any previous underpayment only to the extent such payment exceeds the amount of the installment determined under paragraph (2) (a) for such installment date.

(4) The addition to the tax with respect to any underpayment of any installment shall not be imposed if the total amount of all payments of estimated tax made on or before the last date prescribed for the payment of such installment equals or exceeds the amount which would have been required to be paid on or before such date if the estimated tax were whichever of the following is the lesser

(a) The total tax liability shown on the return of the individual for the preceding taxable year (if a return showing a

liability for such taxes was filed by the individual for the preceding taxable year of 12 months), or

(b) An amount equal to the tax computed, at the rates applicable to the taxable year, on the basis of the taxpayer's status with respect to the personal credits for the taxable year, but otherwise on the basis of the facts shown on his return for, and the law applicable to the preceding taxable year, or

(c) An amount equal to 80 percent (66 $\frac{2}{3}$ percent in the case of farmers referred to in subdivision 5(2) of this section) of the tax for the taxable year (after deducting personal credits) computed by placing on an annualized basis the taxable income for the months in the taxable year ending before the month in which the installment is required to be paid. For purposes of this sub-paragraph, the taxable income shall be placed on an annualized basis by

(i) Multiplying by 12 (or in the case of a taxable year of less than 12 months, the number of months in the taxable year) the taxable income computed for the months in the taxable year ending before the month in which the installment is required to be paid.

(ii) Dividing the resulting amount by the number of months in the taxable year ending before the month in which such installment date falls, or

(d) An amount equal to 90 percent of the tax computed, at the rates applicable to the taxable year, on the basis of the actual taxable income for the months in the taxable year ending before the month in which the installment is required to be paid.

(5) For the purposes of applying this subdivision, the estimated tax shall be computed without any reduction for the amount which the individual estimates as his credit under section 290.92, subdivision 12 (relating to tax withheld at source on wages), and the refundable credits contained in sections 290.06, subdivision 13, 290.067, 290.501, and chapter 290A which are allowed against income tax liability, and the amount of such (CREDIT) credits for the taxable year shall be deemed a payment of estimated tax, and an equal part of such (AMOUNT) amounts shall be deemed paid on each installment date (determined under subdivisions 6 and 7 of this section) for such taxable year, unless the taxpayer establishes the dates on which all amounts were actually withheld, in which case the amounts so withheld shall be deemed payments of estimated tax on the dates on which such amounts were actually withheld.

Sec. 59. Minnesota Statutes 1980, Section 290.936, is amended to read:

290.936 [OVERPAYMENT OF ESTIMATED TAX.]

(1) Where the amount of an installment payment of estimated tax exceeds the amount determined to be the correct amount of such installment payment, the overpayment shall be credited against the unpaid installments, if any. Where the total amount of the estimated tax payments and other payments, if any, exceeds by \$1 or more the taxes (and any added penalties and interest) reported in the return of the taxpayer or imposed upon him by this chapter, the amount of such excess shall be refunded to the taxpayer. If the amount of such excess is less than \$1, the commissioner shall not be required to refund. Where any amount of such excess to be refunded exceeds \$10, such amount *on the original return* shall bear interest at the rate of six percent per annum, computed from 90 days after (a) the due date of the return of the taxpayer or (b) the date on which his return is filed, whichever is later, until the date the refund is paid to the taxpayer. Notwithstanding the provisions of section 290.50, written findings by the commissioner, notice by mail to the taxpayer, and certificate for refundment by the commissioner, shall not be necessary. The provisions of section 270.10, shall not be applicable.

(2) Any action of the commissioner in refunding the amount of such excess shall not constitute a determination of the correctness of the return of the taxpayer within the purview of section 290.46.

(3) The commissioner of finance shall cause any such refund of tax and interest to be paid out of the general fund in accordance with the provisions of section 290.62, and so much of said fund as may be necessary is hereby appropriated for that purpose.

Sec. 60. Minnesota Statutes 1981 Supplement, Section 290.9725, is amended to read:

290.9725 [ELECTION BY SMALL BUSINESS CORPORATION.]

Any corporation having a valid election in effect under section 1372 of the Internal Revenue Code of 1954, as amended through December 31, (1980) 1981, shall not be subject to the taxes imposed by this chapter, except the tax imposed under section 290.92.

Sec. 61. [290.9726] [CORPORATION TAXABLE INCOME TAXED TO SHAREHOLDERS.]

Subdivision 1. [GENERAL RULE.] The gross income of the shareholders of corporations described in section 290.9725 shall be computed under the provisions of section 290.01, subdivision 20.

Subd. 2. [CHARACTER OF ITEMS DISTRIBUTED OR CONSIDERED DISTRIBUTED.] The character of any item of income, gain, loss, or deduction included in shareholder's income shall be assignable as provided in section 290.17, subdivision 2, as if the item were realized directly from the source from which it was realized by the corporation or incurred in the same manner as incurred by the corporation.

Subd. 3. [EXCEPTIONS.] No subtraction specified in section 290.01, subdivision 20, clause (b) shall apply to any class of income which would be taxable to the corporation under the provisions of this chapter.

Subd. 4. [TREATMENT OF FAMILY GROUPS.] Any amount taxable to a shareholder may be apportioned or allocated by the commissioner between or among shareholders of the corporation who are members of the shareholder's family, as defined in section 290.10, clause (6), if he determines that the apportionment or allocation is necessary in order to reflect the value of services rendered to the corporation by the shareholders.

Subd. 5. [CREDIT ALLOWANCES.] The credits provided in sections 290.06 and 290.501 to which the corporation is entitled shall be allocated to the shareholders in the same percentage as the undistributed income was apportioned under section 1373(b) of the Internal Revenue Code of 1954, as amended through December 31, 1981. The limitations set forth in the computation of the credit shall be applied to the shareholders.

Subd. 6. [BASIS.] The adjustments to basis described in section 1376 of the Internal Revenue Code of 1954, as amended through December 31, 1981, shall not be made for any year beginning before January 1, 1981 for which the corporation did not have a valid election to be taxed as a small business corporation.

Sec. 62. Minnesota Statutes 1981 Supplement, Section 290.974, is amended to read:

290.974 [RETURN OF ELECTING SMALL BUSINESS CORPORATION.]

Every electing small business corporation under section 290.9725 shall make a (PARTNERSHIP) *small business corporation* return for each taxable year during which said election is in effect stating specifically the names and addresses of all persons owning stock in the corporation at any time during the taxable year, the number of shares of stock owned by each shareholder at all times during the taxable year, and such other information for the purposes of carrying out the provisions of sections 290.01, subdivision 20 and 290.9725 as the commissioner may by forms and regulations prescribe.

Sec. 63. Minnesota Statutes 1981 Supplement, Section 290A.-03, Subdivision 3, is amended to read:

Subd. 3. [INCOME.] (1) "Income" means the sum of the following:

(a) federal adjusted gross income as defined in the Internal Revenue Code of 1954 as amended through December 31, 1980; and

(b) the sum of the following amounts to the extent not included in clause (a):

(i) additions to federal adjusted gross income as provided in Minnesota Statutes, Section 290.01, Subdivision 20, Clause (a)(1), (a)(3), (a)(9), (a)(14), and (a)(15);

(ii) all nontaxable income;

(iii) recognized net long term capital gains;

(iv) dividends and interest excluded from federal adjusted gross income under section 116 of the Internal Revenue Code of 1954;

(v) cash public assistance and relief;

(vi) any pension or annuity (including railroad retirement benefits, all payments received under the federal social security act, supplemental security income, and veterans benefits), which was not exclusively funded by the claimant or spouse, or which was funded exclusively by the claimant or spouse and which funding payments were excluded from federal adjusted gross income in the years when the payments were made;

(vii) nontaxable interest received from the state or federal government or any instrumentality or political subdivision thereof;

(viii) workers' compensation;

(ix) unemployment benefits;

(x) nontaxable strike benefits; and

(xi) the gross amounts of payments received in the nature of disability income or sick pay as a result of accident, sickness, or other disability, whether funded through insurance or otherwise. In the case of an individual who files an income tax return on a fiscal year basis, the term "federal adjusted gross income" shall mean federal adjusted gross income reflected in the fiscal

year ending in the calendar year. *Federal adjusted gross income shall not be reduced by the amount of a net operating loss carry-back.*

(2) "Income" does not include

(a) amounts excluded pursuant to the Internal Revenue Code, Sections 101(a), 102, 117, and 121;

(b) amounts of any pension or annuity which was exclusively funded by the claimant or spouse and which funding payments were not excluded from federal adjusted gross income in the years when the payments were made;

(c) (GIFTS FROM NONGOVERNMENTAL SOURCES;)

((D)) surplus food or other relief in kind supplied by a governmental agency;

((E)) (d) relief granted under sections 290A.01 to 290A.20;

((F)) (e) child support payments received under a temporary or final decree of dissolution or legal separation; or

((G)) (f) federal adjusted gross income shall be reduced by wage or salary expense, or expense of work incentive programs which are not allowed as a deduction under provisions of section 280C of the Internal Revenue Code of 1954.

Sec. 64. Minnesota Statutes 1981 Supplement, Section 290A.-03, Subdivision 13, is amended to read:

Subd. 13. [PROPERTY TAXES PAYABLE.] "Property taxes payable" means the property tax exclusive of special assessments, penalties, and interest payable on a claimant's homestead before reductions made pursuant to section 273.13, subdivisions 6, 7 and 14a, but after deductions made pursuant to sections 124.213, 273.115, 273.116, 273.135 (AND), 273.139, and 273.1391 in any calendar year. No apportionment or reduction of the "property taxes payable" shall be required for the use of a portion of the claimant's homestead for a business purpose if the claimant does not deduct any business depreciation expenses for the use of a portion of the homestead in the determination of federal adjusted gross income. For homesteads which are mobile homes as defined in section 168.011, subdivision 8, "property taxes payable" shall also include 23 percent of gross rent paid in the preceding year for the site on which the homestead is located, exclusive of charges for utilities or services. When a homestead is owned by two or more persons as joint tenants or tenants in common, such tenants shall determine between them which tenant may claim the property taxes payable on the

homestead. If they are unable to agree, the matter shall be referred to the commissioner of revenue and his decision shall be final. Property taxes are considered payable in the year prescribed by law for payment of the taxes.

In the case of a claim relating to "property taxes payable", the claimant must have owned and occupied the homestead on January 2 of the year in which the tax is payable and (i) the property must have been classified as homestead property pursuant to section 273.13, subdivisions 6, 7, or 14a on or before June 1 of the year in which the "property taxes payable" were levied; or (ii) the claimant must provide documentation from the local assessor that application for homestead classification has been made prior to July 1 of the year in which the "property taxes payable" were payable *and that the assessor has approved the application.*

For property taxes levied in 1981, payable 1982, "property taxes payable" shall be limited to that portion of the property taxes eligible for the homestead credit as determined pursuant to section 273.13, subdivision 15b.

Sec. 65. Minnesota Statutes 1981 Supplement, Section 290A.-07, Subdivision 2a, is amended to read:

Subd. 2a. A claimant not included in subdivision 2 who is a renter shall receive full payment prior to August 15 or 60 days after receipt of the application, whichever is later. *Interest shall be added at six percent per annum from August 15 or 60 days after receipt of the application whichever is later.*

Sec. 66. Minnesota Statutes 1981 Supplement, Section 290A.-11, Subdivision 1, is amended to read:

Subdivision 1. [AUDIT OF CLAIM.] When on the audit of any claim filed under sections 290A.01 to 290A.20 the department determines the amount thereof to have been incorrectly determined, the department shall redetermine the claim and notify the claimant of the redetermination and the reasons therefor. The redetermination shall be final unless appealed to the Minnesota tax court within 60 days of notice thereof. *The redetermination under this subdivision and subdivision 1a shall be recovered by assessment and collection in the manner provided in chapter 290 for collection of income tax. The assessment shall bear interest from the date the claim is paid by the state until the date of repayment by the claimant, at the rate specified in section 270.75.*

Sec. 67. Minnesota Statutes 1980, Section 290A.11, is amended by adding a subdivision to read:

Subd. 5. [COMPUTATION TO NEAREST DOLLAR.] *In computing the dollar amount of items on the property tax refund*

return, money items may be rounded off to the nearest whole dollar amount, disregarding amounts less than 50 cents and increasing amounts of 50 cents to 99 cents to the next highest dollar.

Sec. 68. Minnesota Statutes 1981 Supplement, Section 270.75, Subdivision 4, as amended by Laws 1981, Third Special Session Chapter 2, Article III, Section 1, is amended to read:

Subd. 4. There shall be added to the amount of any underpayment of estimated income tax, computed pursuant to chapter 290, an amount in lieu of interest determined at the rate of (20) 12 percent per annum (BEGINNING FEBRUARY 1, 1982). *For taxable years beginning after December 31, 1981, the amount in lieu of interest shall be determined at the rate of 20 percent per annum. For taxable years beginning after December 31, 1982, the amount in lieu of interest for that taxable year shall be the amount determined in subdivision 5 for January 1 on which begins the taxable year or precedes the beginning of the taxable year.*

Sec. 69. Minnesota Statutes 1981 Supplement, Section 270.75, Subdivision 5, as amended by Laws 1981, Third Special Session Chapter 2, Article III, Section 1, is amended to read:

Subd. 5. The rates of interest or amount in lieu of interest contained in subdivisions 1 to 4 shall be adjusted by the commissioner of revenue not later than October 15 of 1982 and any year thereafter if the adjusted prime rate charged by banks during September of that year, rounded to the nearest full percent, is at least a full percentage point more or less than the interest rate which is then in effect. The adjusted rate of interest or amount in lieu of interest shall be equal to the adjusted prime rate charged by banks, rounded to the nearest full percent, and shall become effective on January 1 of the immediately succeeding year *except as provided in subdivision 4*. For purposes of this subdivision, the term "adjusted prime rate charged by banks" means the average predominant prime rate quoted by commercial banks to large businesses, as determined by the Board of Governors of the Federal Reserve System.

Sec. 70. Minnesota Statutes 1980, Section 290.032, Subdivision 5, is amended to read:

Subd. 5. An amount *not to exceed \$10,000 which is* distributed to an individual as severance pay upon discontinuation of the individual's employment due to termination of business operations by the individual's employer may be treated as a lump sum distribution according to the provisions of this section *if it is paid as a lump sum*. For the payment to be treated as a lump sum distribution under this subdivision, the termination of the employer's business operation at that site must be reasonably likely to be permanent and to involve the discharge within a

period of one year of at least 75 percent of the persons employed by that employer at that site. *This subdivision shall not apply when the employer's business operation at that site is terminated because the business is sold to another person or corporation who will continue operations at that site and the individual is employed by the new person or corporation.* For the purposes of this subdivision, "severance pay" shall mean an amount received for the cancellation of an employment contract or a collectively bargained termination payment in the nature of a substitute for income which would have been earned for personal services to be rendered in the future.

The minimum distribution allowance provided in sections 402 (e) (1) (C) and (D) of the Internal Revenue Code of 1954, as amended through December 31, 1979, shall not apply to the computation allowed under this subdivision.

Sec. 71. Laws 1981, Third Special Session Chapter 2, Article III, Section 6, Subdivision 3, is amended to read:

Subd. 3. [LIMITATION.] The credit for the taxable year shall not exceed \$300,000 or ten percent of the liability for tax, whichever is less. "Liability for tax" for purposes of this section means the tax imposed under this chapter for the taxable year reduced by the sum of the credits allowed under section 290.06, except the credit allowed under section 290.06, subdivision 13.

If the credit determined under subdivision 2 exceeds this limitation, the excess shall be a credit carryback to each of the three preceding taxable years and a credit carryover to each of the seven succeeding taxable years, provided the aggregate of the credit for the taxable year and any carryover and carryback credits shall not exceed \$300,000 or ten percent of the liability for tax, whichever is less. The entire amount of the excess unused credit for the taxable year shall be carried first to the earliest of the taxable years to which the credit may be carried and then to each successive year to which the credit may be carried.

For the purposes of sections 290.46 to 290.50, if the claim for refund relates to an overpayment attributable to a research and experimental expenditure credit carryback under this subdivision, in lieu of the period of limitation prescribed in sections 290.46 and 290.50, the period of limitation shall be that period which ends with the expiration of the 15th day of the 46th month, or the 45th month, in the case of a corporation, following the end of the taxable year in which the research and experimental expenditure credit arises which results in the carryback. In any case in which a taxpayer is entitled to a refund in a carryback year due to the carryback of a research and experimental expenditure credit, interest shall be computed only from the end of the taxable year in which the credit arises.

Sec. 72. [INSTRUCTION TO REVISOR.]

In Minnesota Statutes 1982, Section 290.09, Subdivisions 5 and 6, the revisor of statutes shall substitute the phrase "this chapter" for the phrase "sections 290.12, 290.131 to 290.139, 290.14 and 290.15", wherever it is used in those subdivisions. In Minnesota Statutes 1982, Sections 290.12, Subdivision 1, and 290.16, Subdivision 1, the revisor of statutes shall substitute the phrase "this chapter" for the phrase "sections 290.131 to 290.139, 290.14 and 290.15", wherever it is used in those subdivisions.

Sec. 73. [REPEALER.]

Minnesota Statutes 1980, Sections 62E.03, Subdivision 2; 290.06, Subdivision 3c; 290.0781; 290.079, Subdivisions 2, 3, 4, and 5; 290.08, Subdivision 21; 290.09, Subdivision 24; 290.13, Subdivisions 2, 4, and 10; 290.136, Subdivision 8; 290.26, Subdivision 5; 290.281, Subdivisions 3, 4, and 6; 290.31, Subdivisions 7, 8, 12, 13, 14, 15, 16, 17, 18, 20, 22, 23, 24, 25, and 26; 290.973; and Minnesota Statutes 1981 Supplement, Sections 290.079, Subdivision 6; 290.09, Subdivision 17a; 290.131, Subdivisions 2 and 3; 290.132, Subdivision 2; 290.133, Subdivision 2; 290.21, Subdivision 7; 290.26, Subdivisions 1 and 3; 290.281, Subdivision 2; 290.31, Subdivisions 6, 8a, 9, 10, 11, and 21; and 290.971, Subdivision 7; are repealed.

Sec. 74. [EFFECTIVE DATE.]

Sections 2, 19 and 68 are effective for taxable years beginning after December 31, 1980. Sections 47, 51, 52, 53, 55, 57, and 59 are effective May 1, 1982. Sections 46 and 54 are effective for bankruptcy proceedings filed on or after October 1, 1979. Sections 12, 45, 50, 56, 58, 64, 66, and 69 are effective the day after final enactment. Section 67 is effective for claims based on rent paid in 1981 and succeeding years, and property taxes payable in 1982 and succeeding years. Section 65 is effective for claims based on rent paid in 1982 and subsequent years. The provisions of section 42 requiring that non-game wildlife designations be made on original returns is effective for taxable years beginning after December 31, 1979, and claims based on rent paid in 1980 and subsequent years, and property taxes payable in 1981 and subsequent years. Those provisions of section 63 that relate to net operating loss carrybacks are effective the day after final enactment. The balance of section 63 is effective for claims based on rent paid in 1982 and succeeding years and property taxes payable in 1983 and succeeding years. The change in section 1, clause (b)(2) is effective for the sale or other disposition of property after June 30, 1982. The rest of this article is effective for taxable years beginning after December 31, 1981.

ARTICLE V

Section 1. Minnesota Statutes 1981 Supplement, Section 298.75, is amended to read:

**298.75 [(GRAVEL) AGGREGATE MATERIAL REMOVAL;
PRODUCTION TAX.]**

Subdivision 1. [DEFINITIONS.] *Except as may otherwise be provided, the following words, when used in this section, shall have the meanings herein ascribed to them.*

(1) "Aggregate material" shall mean non-metallic natural mineral aggregate including, but not limited to sand, silica sand, gravel, building stone, crushed rock, limestone, and granite. Aggregate material shall not include dimension stone and dimension granite.

(2) "Person" shall mean any individual, firm, partnership, corporation, organization, trustee, association, or other entity.

(3) "Operator" shall mean any person engaged in the business of removing aggregate material from the surface or subsurface of the soil, for the purpose of sale, either directly or indirectly, through the use of the aggregate material in a marketable product or service.

(4) "Extraction site" shall mean a pit, quarry, or deposit containing aggregate material and any contiguous property to the pit, quarry, or deposit which is used by the operator for stockpiling the aggregate material.

Subd. 2. A county (MAY) shall impose upon every (PERSON, FIRM, CORPORATION OR ASSOCIATION, HEREAFTER REFERRED TO AS (") operator, (") engaged in the business of removing (GRAVEL) aggregate material for sale from (GRAVEL PITS) a pit, quarry, or (DEPOSITS) deposit, a production tax (IN AN AMOUNT NOT TO EXCEED) equal to ten cents per cubic yard or seven cents per ton of (GRAVEL) aggregate material removed. (FOR PURPOSES OF THIS SECTION, GRAVEL SHALL INCLUDE SAND AND LIMESTONE) The tax shall be imposed when the aggregate material is transported from the extraction site or sold, when in the case of storage the stockpile is within the state of Minnesota and the highways are not used for transporting the aggregate material.

In the event that the aggregate material is transported directly from the extraction site to a waterway, railway, or another mode of transportation other than a highway, road or street, the tax imposed by this section shall be apportioned equally between the county where the aggregate material is extracted and the county to which the aggregate material is originally transported. If that destination is not located in Minnesota, then the county where the aggregate material was extracted shall receive all of the proceeds of the tax.

Subd. (2) 3. By the 14th day following the last day of each calendar quarter (IN EACH COUNTY IN WHICH A TAX IS IMPOSED PURSUANT TO THIS SECTION OR ANY SPECIAL LAW), every operator shall make and file with the county auditor of the county in which the (GRAVEL) *aggregate material* is removed, a correct report under oath, in such form and containing such information as the auditor shall require relative to the quantity of (GRAVEL) *aggregate material* removed during the preceding calendar quarter. The report shall be accompanied by a remittance of the amount of tax due.

If any of the proceeds of the tax is to be apportioned as provided in subdivision 2, the operator shall also include on the report any relevant information concerning the amount of aggregate material transported, the tax and the county of destination. The county auditor shall notify his county treasurer of the amount of such tax and the county to which it is due. The county treasurer shall remit the tax to the appropriate county within 30 days.

Subd. (3) 4. If any operator fails to make the report required by subdivision (2) 3 or files an erroneous report, the county auditor shall, by the fifth working day after the date the report became due, determine the amount of tax due and notify the operator by registered mail of the amount of tax so determined. An operator may, within 30 days from the date of mailing the notice, file in the office of the county auditor a written statement of objections to the amount of taxes determined to be due. The statement of objections shall be deemed to be a petition within the meaning of chapter 278, and shall be governed by sections 278.02 to 278.13.

Subd. (4) 5. Failure to file the report shall result in a penalty of \$5 for each of the first 30 days, beginning on the 14th day after the date when the county auditor has sent notice to the (TAXPAYER) *operator* as provided in subdivision (3) 4, during which the report is overdue and no statement of objection has been filed. For each subsequent day during which the report is overdue and no statement of objection has been filed, a penalty of \$10 shall be assessed against the (PERSON) *operator* who is required to file the report. The penalties imposed by this subdivision shall be collected as part of the tax. If neither the report nor a statement of objection has been filed after more than 60 days have elapsed from the date when the notice was sent, the (PERSON) *operator* who is required to file the report is guilty of a misdemeanor.

Subd. (5) 6. It is a misdemeanor for any operator to remove (GRAVEL) *aggregate material* from a pit, quarry, or deposit unless all taxes due under this section for the *previous reporting period* have been paid or objections thereto have been filed pursuant to subdivision (3) 4.

Subd. (6) 7. All moneys collected as taxes under this section shall be deposited in the county treasury and credited as follows, for expenditure by the county board:

(a) Sixty percent to the county road and bridge fund for expenditure for the maintenance, construction and reconstruction of roads (TRAVELED BY VEHICLES HAULING GRAVEL), *highways and bridges*;

(b) Thirty percent to the (TOWN) road and bridge fund of *those towns as determined by the county board and to the general fund or other designated fund of those cities as determined by the county board*, (FOR EXPENDITURE) *to be expended for maintenance, construction and reconstruction of roads (TRAVELED BY VEHICLES HAULING GRAVEL, IN A MANNER DETERMINED BY THE COUNTY), highways and bridges*; and

(c) Ten percent to a special reserve fund which is hereby established, for expenditure for the restoration of abandoned (GRAVEL) pits, *quarries*, or deposits *located upon (LANDS TO WHICH THE COUNTY HOLDS TITLE OR UPON) public and tax forfeited lands within the county.*

In the event that there are no abandoned pits, quarries or deposits located upon public or tax forfeited lands within the county, this portion of the tax shall be deposited in the county road and bridge fund for expenditure for the maintenance, construction and reconstruction of roads, highways and bridges.

Sec. 2. [REPEALER.]

Minnesota Statutes, 1981 Supplement, Section 298.76, is repealed.

Sec. 3. [EFFECTIVE DATE.]

This article is effective upon the last day of the calendar quarter of its enactment.

ARTICLE VI

Section 1. Minnesota Statutes 1981 Supplement, Section 290.17, Subdivision 2, is amended to read:

Subd. 2. [OTHER TAXPAYERS.] In the case of taxpayers not subject to the provisions of subdivision 1, items of gross income shall be assigned to this state or other states or countries in accordance with the following principles:

(1) (a) The entire income of all resident or domestic taxpayers from compensation for labor or personal services, or

from a business consisting principally of the performance of personal or professional services, shall be assigned to this state, and the income of nonresident taxpayers from such sources shall be assigned to this state if, and to the extent that, the labor or services are performed within it; all other income from such sources shall be treated as income from sources without this state (;).

(b) In the case of an individual who is a nonresident of Minnesota and who is an athlete or entertainer, income from compensation for labor or personal services performed within this state shall be determined in the following manner.

(i) The amount of income to be assigned to Minnesota for an individual who is a nonresident salaried athlete shall be determined by using a fraction in which the denominator contains the total number of days in which the individual is under a duty to perform for the employer, and the numerator is the total number of those days spent in Minnesota. The term "other substantial services" as used in this clause does not include practice time by an athlete. Any income assigned to Minnesota under the provisions of this clause for a nonresident athlete who is employed by an athletic team whose operations are not based in this state shall be excluded from income if the state or province in which the athletic team is based provides a similar income exclusion. If the state or province in which the athletic team's operations are based does not have an income tax on an individual's personal service income, it will be deemed that that state or province has a similar income exclusion. As used in the preceding sentence, the term "province" means a province of Canada.

(ii) The amount of income to be assigned to Minnesota for an individual who is a nonresident, and who is an athlete not listed in clause (i) or who is an entertainer, for that person's athletic or entertainment performance in Minnesota shall be determined by assigning to this state all income from performances or athletic contests in this state.

(2) Income from the operation of a farm shall be assigned to this state if the farm is located within this state and to other states only if the farm is not located in this state. Income and gains received from tangible property not employed in the business of the recipient of such income or gains, and from tangible property employed in the business of such recipient if such business consists principally of the holding of such property and the collection of the income and gains therefrom, shall be assigned to this state if such property has a situs within it, and to other states only if it has no situs in this state. Income or gains from intangible personal property not employed in the business of the recipient of such income or gains, and from intangible personal property employed in the business of such recipient if such business consists principally of the holding of such property and the

collection of the income and gains therefrom, wherever held, whether in trust, or otherwise, shall be assigned to this state if the recipient thereof is domiciled within this state; income or gains from intangible personal property wherever held, whether in trust or otherwise shall be assigned to this state if the recipient of such income or gains is domiciled within this state, or if the grantor of any trust is domiciled within this state and such income or gains would be taxable to such grantor under section 290.28 or 290.29;

(3) Income derived from carrying on a trade or business, including in the case of a business owned by natural persons the income imputable to the owner for his services and the use of his property therein, shall be assigned to this state if the trade or business is conducted wholly within this state, and to other states if conducted wholly without this state. This provision shall not apply to business income subject to the provisions of clause (1);

(4) When a trade or business is carried on partly within and partly without this state, the entire income derived from such trade or business, including income from intangible property employed in such business and including, in the case of a business owned by natural persons, the income imputable to the owner for his services and the use of his property therein, shall be governed, except as otherwise provided in sections 290.35 and 290.36, by the provisions of section 290.19, notwithstanding any provisions of this section to the contrary. This shall not apply to business income subject to the provisions of clause (1). For the purposes of this clause, a trade or business located in Minnesota is carried on partly within and partly without this state if tangible personal property is sold by such trade or business and delivered or shipped to a purchaser located outside the state of Minnesota.

In determining whether or not intangible property is employed in a unitary business carried on partly within and partly without this state so that income derived therefrom is subject to apportionment under section 290.19 the following rules and guidelines shall apply.

(a) Intangible property is employed in a business if the business entity owning intangible property holds it as a means of furthering the business operation of which a part is located within the territorial confines of this state.

(b) Where a business operation conducted in Minnesota, is owned by a business entity which carries on business activity outside of the state different in kind from that conducted within this state, and such other business is conducted entirely outside the state, it will be presumed that the two business operations are unitary in nature, interrelated, connected and interdependent unless it can be shown to the contrary.

(5) In the case of a nonresident who is liable for payment of a penalty for having withdrawn funds from an individual housing account established pursuant to section 290.08, subdivision 25, the amount so withdrawn and for which a deduction was allowed shall be an item of income assignable to this state, and the penalty tax of ten percent shall remain an additional liability of that taxpayer.

(6) For purposes of this section, amounts received by a nonresident from the United States, its agencies or instrumentalities, the Federal Reserve Bank, the state of Minnesota or any of its political or governmental subdivisions, or a Minnesota volunteer fireman's relief association, by way of payment as a pension, public employee retirement benefit, or any combination thereof, or as a retirement or survivor's benefit made from a plan qualifying under section 401, 403, 404, 405, 408, 409 or 409A of the Internal Revenue Code of 1954, as amended through December 31, 1979, are not considered income derived from carrying on a trade or business or from performing personal or professional services in Minnesota, and are not taxable under this chapter.

(7) All other items of gross income shall be assigned to the taxpayer's domicile.

Sec. 2. Minnesota Statutes 1980, Section 290.19, Subdivision 1, is amended to read:

Subdivision 1. [COMPUTATION, BUSINESS CONDUCTED PARTLY WITHIN STATE; APPORTIONMENT.] The taxable net income from a trade or business carried on partly within and partly without this state shall be computed by deducting from the gross income of such business, wherever derived, deductions of the kind permitted by section 290.09, so far as connected with or allocable against the production or receipt of such income. The remaining net income shall be apportioned to Minnesota as follows:

(1) If the business consists of the mining, producing, smelting, refining, or any combination of these activities of copper and nickel ores, or of the manufacture of personal property and the sale of said property within and without the state, the remainder shall be apportioned to Minnesota on the basis of the percentage obtained by taking the arithmetical average of the following three percentages:

(a) The percentage which the sales made within this state is of the total sales wherever made;

(b) The percentage which the total tangible property, real, personal, and mixed, owned or rented, and used by the taxpayer in this state during the tax period in connection with such trade

or business is of the total tangible property, real, personal, or mixed, wherever located, owned or rented and, used by the taxpayer in connection with such trade or business during the tax period; and,

(c) The percentage which the taxpayer's total payrolls paid or incurred in this state or paid in respect to labor performed in this state in connection with such trade or business is of the taxpayer's total payrolls paid or incurred in connection with such entire trade or business;

(d) The percentage of such remainder to be assigned to this state shall not be in excess of the sum of the following percentages: 70 percent of the percentage determined under clause (1) (a), 15 percent of the percentage determined under clause (1) (b), and 15 percent of the percentage determined under clause (1) (c);

(2) (a) In all other cases the remainder shall be apportioned to Minnesota on the basis of the percentage obtained by taking the arithmetical average of the following three percentages:

(1) The percentage which the sales, gross earnings, or receipts from business operations, in whole or in part, within this state bear to the total sales, gross earnings, or receipts from business operations wherever conducted;

(2) The percentage which the total tangible property, real, personal, and mixed, owned or rented, and used by the taxpayer in this state during the tax period in connection with such trade or business is of the total tangible property, real, personal, or mixed, wherever located, owned, or rented, and used by the taxpayer in connection with such trade or business during the tax period; and

(3) The percentage which the taxpayer's total payrolls paid or incurred in this state or paid in respect to labor performed in this state in connection with such trade or business is of the taxpayer's total payrolls paid or incurred in connection with such entire trade or business;

(4) The percentage of such remainder to be assigned to this state shall not be in excess of the sum of the following percentages: 70 percent of the percentage determined under clause (2) (a) (1), 15 percent of the percentage determined under clause (2) (a) (2), and 15 percent of the percentage determined under clause (2) (a) (3);

(b) If the methods prescribed under clause (2) (a) will not properly reflect taxable net income assignable to the state, there may be used, if practicable and if such use will properly and fairly reflect such income, the percentage which the sales, gross earn-

ings, or receipts from business operations, in whole or in part, within this state bear to the total sales, gross earnings, or receipts from business operations wherever conducted; or the separate or segregated accounting method; or for athletic teams the commissioner may prescribe that all of the team's income is apportioned to the state in which the team's operation is based;

(3) The sales, payrolls, earnings, and receipts referred to in this section shall be those for the taxable year in respect of which the tax is being computed. The property referred to in this section shall be the average of the property owned or used by the taxpayer during the taxable year in respect of which the tax is being computed.

Sec. 3. Minnesota Statutes 1980, Section 290.92, Subdivision 4a, is amended to read:

Subd. 4a. [TAX WITHHELD FROM NONRESIDENTS.]
(1) [“WAGES” PAID TO NONRESIDENT EMPLOYEES.] For the purposes of this section: The term “wages” means all remuneration taxable under this chapter including all remuneration paid to a nonresident employee for services performed in this state.

(2) [“EMPLOYER”, “WAGES” AND “EMPLOYEE” CONCERNING NONRESIDENTS.] Notwithstanding any other provision of this section, under rules and regulations to be prescribed by the commissioner of revenue, for purposes of this section any person having control, receipt, custody, disposal or payment of compensation taxable under this chapter and earned by a nonresident for personal services, shall be deemed an employer, any compensation taxable under this chapter and earned by a nonresident for personal services shall be deemed wages, and a nonresident entitled to compensation taxable under this chapter and earned by him for personal services shall be deemed an employee.

When compensation for personal services is paid to a corporation in which all or substantially all of the shareholders are individual entertainers, performers or athletes who gave an entertainment or athletic performance in this state for which the compensation was paid, the compensation shall be deemed wages of the individual entertainers, performers or athletes and shall be subject to the provisions of this section. Advance payments of compensation for personal services to be performed in Minnesota shall be deemed wages and subject to the provisions of this section. The individual, and not the corporation, shall be subject to the Minnesota income tax as provided in this chapter on the compensation for personal services.

(3) [NONRESIDENTS, EMPLOYER'S DUTY.] The employer of any employee domiciled in a state with which Minnesota has reciprocity under section 290.081 is not required to with-

hold under this chapter from the wages earned by such employee in this state.

Sec. 4. Minnesota Statutes 1981 Supplement, Section 290.081, is amended to read:

290.081 [INCOME OF NONRESIDENTS, RECIPROCITY.]

(a) The compensation received for the performance of personal or professional services within this state by an individual who resides and has his place of abode and place to which he customarily returns at least once a month in another state, shall be excluded from gross income to the extent such compensation is subject to an income tax imposed by the state of his residence; provided that such state allows a similar exclusion of compensation received by residents of Minnesota for services performed therein, or

(b) Whenever a nonresident taxpayer has become liable for income taxes to the state where he resides upon his net income for the taxable year derived from the performance of personal or professional services within this state and subject to taxation under this chapter, there shall be allowed as a credit against the amount of income tax payable by him under this chapter, such proportion of the tax so paid by him to the state where he resides as his gross income subject to taxation under this chapter bears to his entire gross income upon which the tax so paid to such other state was imposed; provided, that such credit shall be allowed only if the laws of such state grant a substantially similar credit to residents of this state subject to income tax under such laws, or

(c) If any taxpayer who is a resident of this state, or a domestic corporation or corporation commercially domiciled therein, has become liable for taxes on or measured by net income to another state or a province or territory of Canada upon, if the taxpayer is an individual, *or if the taxpayer is an athletic team and all of the team's income is apportioned to Minnesota*, any income, or if it is a corporation, estate, or trust, upon income derived from the performance of personal or professional services within such other state or province or territory of Canada and subject to taxation under this chapter he or it shall be entitled to a credit against the amount of taxes payable under this chapter, of such proportion thereof, as such gross income subject to taxation in such state or province or territory of Canada bears to his entire gross income subject to taxation under this chapter; provided (1) that such credit shall in no event exceed the amount of tax so paid to such other state or province or territory of Canada on the gross income earned within such other state or province or territory of Canada and subject to taxation under this chapter, and (2) that such credit shall not be allowed if such other state or province or territory of Canada allows residents

of this state a credit against the taxes imposed by such state or province or territory of Canada for taxes payable under this chapter substantially similar to the credit provided for by paragraph (b) of this section, and (3) the allowance of such credit shall not operate to reduce the taxes payable under this chapter to an amount less than would have been payable if the gross income earned in such other state or province or territory of Canada had been excluded in computing net income under this chapter.

(d) The commissioner shall by regulation determine with respect to gross income earned in any other state the applicable clause of this section. When it is deemed to be in the best interests of the people of this state, the commissioner may determine that the provisions of clause (a) shall not apply.

(e) "Tax So Paid" as used in this section means taxes on or measured by net income payable to another state or province or territory of Canada on income earned within the taxable year for which the credit is claimed, provided that such tax is actually paid in that taxable year, or subsequent taxable years.

(f) For the purposes of clause (a), whenever the Wisconsin tax on Minnesota residents which would have been paid Wisconsin without clause (a) exceeds the Minnesota tax on Wisconsin residents which would have been paid Minnesota without clause (a), or vice versa, then the state with the net revenue loss resulting from clause (a) shall receive from the other state the amount of such loss. This provision shall be effective for all years beginning after December 31, 1972. The data used for computing the loss to either state shall be determined on or before September 30 of the year following the close of the previous calendar year.

Interest shall be payable on all delinquent balances relating to taxable years beginning after December 31, 1977. The commissioner of revenue is authorized to enter into agreements with the state of Wisconsin specifying the reciprocity payment due date, conditions constituting delinquency, interest rates, and a method for computing interest due on any delinquent amounts.

If an agreement cannot be reached as to the amount of the loss, the commissioner of revenue and the taxing official of the state of Wisconsin shall each appoint a member of a board of arbitration and these members shall appoint the third member of the board. The board shall select one of its members as chairman. Such board may administer oaths, take testimony, subpoena witnesses, and require their attendance, require the production of books, papers and documents, and hold hearings at such places as are deemed necessary. The board shall then make a determination as to the amount to be paid the other state which determination shall be final and conclusive.

Notwithstanding the provisions of section 290.61, the commissioner may furnish copies of returns, reports, or other information to the taxing official of the state of Wisconsin, a member of the board of arbitration, or a consultant under joint contract with the states of Minnesota and Wisconsin for the purpose of making a determination as to the amount to be paid the other state under the provisions of this section. Prior to the release of any information under the provisions of this section, the person to whom the information is to be released shall sign an agreement which provides that he will protect the confidentiality of the returns and information revealed thereby to the extent that it is protected under the laws of the state of Minnesota.

Sec. 5. [EFFECTIVE DATE.]

Section 1 is effective for taxable years ending after the date of final enactment. Sections 2, 3, and 4 are effective the day after final enactment.

ARTICLE VII

Section 1. Minnesota Statutes 1980, Section 168.012, is amended by adding a subdivision to read:

Subd. 10. If a vehicle is used for a purpose which would make it exempt pursuant to subdivision 1 but title is held by a seller or a vendor or is assigned to a third party under a lease purchase agreement or installment sale permitted under section 465.71, exemption shall be determined by the use rather than the holder of the title.

Sec. 2. Minnesota Statutes 1981 Supplement, Section 297A.25, Subdivision 1, as amended by Laws 1981, Third Special Session Chapter 2, Article V, Section 2, is amended to read:

Subdivision 1. The following are specifically exempted from the taxes imposed by sections 297A.01 to 297A.44:

(a) The gross receipts from the sale of food products including but not limited to cereal and cereal products, butter, cheese, milk and milk products, oleomargarine, meat and meat products, fish and fish products, eggs and egg products, vegetables and vegetable products, fruit and fruit products, spices and salt, sugar and sugar products, coffee and coffee substitutes, tea, cocoa and cocoa products, but not including foods which are prepared or specially sliced, wrapped, arranged or displayed, and sold cold or hot for immediate consumption on or off the premises on which the sale is made, whether sold in individual servings or in larger quantities, except food products which are not taxable pursuant to section 297A.01, subdivision 3, clause (c) and which are sold by a retailer, organized as a nonprofit

corporation or association, within a place located on property owned by the state or an agency or instrumentality of the state, the entrance to which is subject to an admission charge;

(b) The gross receipts from the sale of prescribed drugs and medicine intended for use, internal or external, in the cure, mitigation, treatment or prevention of illness or disease in human beings and products consumed by humans for the preservation of health, including prescription glasses, therapeutic and prosthetic devices, but not including cosmetics or toilet articles notwithstanding the presence of medicinal ingredients therein;

(c) The gross receipts from the sale of and the storage, use or other consumption in Minnesota of tangible personal property, tickets, or admissions, electricity, gas, or local exchange telephone service, which under the Constitution or laws of the United States or under the Constitution of Minnesota, the state of Minnesota is prohibited from taxing;

(d) The gross receipts from the sale of tangible personal property (i) which, without intermediate use, is shipped or transported outside Minnesota and thereafter used in a trade or business or is stored, processed, fabricated or manufactured into, attached to or incorporated into other tangible personal property transported or shipped outside Minnesota and thereafter used in a trade or business outside Minnesota, and which is not thereafter returned to a point within Minnesota, except in the course of interstate commerce (storage shall not constitute intermediate use); or (ii) which the seller delivers to a common carrier for delivery outside Minnesota, places in the United States mail or parcel post directed to the purchaser outside Minnesota, or delivers to the purchaser outside Minnesota by means of the seller's own delivery vehicles, and which is not thereafter returned to a point within Minnesota, except in the course of interstate commerce;

(e) The gross receipts from the sale of packing materials used to pack and ship household goods, the ultimate destination of which is outside the state of Minnesota and which are not thereafter returned to a point within Minnesota, except in the course of interstate commerce;

(f) The gross receipts from the sale of and storage, use or consumption of petroleum products upon which a tax has been imposed under the provisions of chapter 296, whether or not any part of said tax may be subsequently refunded;

(g) The gross receipts from the sale of clothing and wearing apparel except the following:

(i) all articles commonly or commercially known as jewelry, whether real or imitation; pearls, precious and semi-precious

stones, and imitations thereof; articles made of, or ornamented, mounted or fitted with precious metals or imitations thereof; watches; clocks; cases and movements for watches and clocks; gold, gold-plated, silver, or sterling flatware or hollow ware and silver-plated hollow ware; opera glasses; lorgnettes; marine glasses; field glasses and binoculars.

(ii) articles made of fur on the hide or pelt, and articles of which such fur is the component material or chief value, but only if such value is more than three times the value of the next most valuable component material.

(iii) perfume, essences, extracts, toilet waters, cosmetics, petroleum jellies, hair oils, pomades, hair dressings, hair restoratives, hair dyes, aromatic cachous and toilet powders. The tax imposed by this act shall not apply to lotion, oil, powder, or other article intended to be used or applied only in the case of babies.

(iv) trunks, valises, traveling bags, suitcases, satchels, overnight bags, hat boxes for use by travelers, beach bags, bathing suit bags, brief cases made of leather or imitation leather, salesmen's sample and display cases, purses, handbags, pocketbooks, wallets, billfolds, card, pass, and key cases and toilet cases.

(h) The gross receipts from the sale of and the storage, use, or consumption of all materials, including chemicals, fuels, petroleum products, lubricants, packaging materials, including returnable containers used in packaging food and beverage products, feeds, seeds, fertilizers, electricity, gas and steam, used or consumed in agricultural or industrial production of personal property intended to be sold ultimately at retail, whether or not the item so used becomes an ingredient or constituent part of the property produced. Such production shall include, but is not limited to, research, development, design or production of any tangible personal property, manufacturing, processing (other than by restaurants and consumers) of agricultural products whether vegetable or animal, commercial fishing, refining, smelting, reducing, brewing, distilling, printing, mining, quarrying, lumbering, generating electricity and the production of road building materials. Such production shall not include painting, cleaning, repairing or similar processing of property except as part of the original manufacturing process. Machinery, equipment, implements, tools, accessories, appliances, contrivances, furniture and fixtures, used in such production and fuel, electricity, gas or steam used for space heating or lighting, are not included within this exemption; however, accessory tools, equipment and other short lived items, which are separate detachable units used in producing a direct effect upon the product, where such items have an ordinary useful life of less than 12 months, are included within the exemption provided herein;

(i) The gross receipts from the sale of and storage, use or other consumption in Minnesota of tangible personal property (except as provided in section 297A.14) which is used or consumed in producing any publication regularly issued at average intervals not exceeding three months, and any such publication. For purposes of this subsection, "publication" as used herein shall include, without limiting the foregoing, a legal newspaper as defined by Minnesota Statutes 1965, Section 331.02, and any supplements or enclosures with or part of said newspaper; and the gross receipts of any advertising contained therein or therewith shall be exempt. For this purpose, advertising in any such publication shall be deemed to be a service and not tangible personal property, and persons or their agents who publish or sell such newspapers shall be deemed to be engaging in a service with respect to gross receipts realized from such newsgathering or publishing activities by them, including the sale of advertising. Machinery, equipment, implements, tools, accessories, appliances, contrivances, furniture and fixtures used in such publication and fuel, electricity, gas or steam used for space heating or lighting, are not exempt;

(j) The gross receipts from all sales, *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 or a state and its agencies, instrumentalities and political subdivisions;

(k) The gross receipts from the isolated or occasional sale of tangible personal property in Minnesota not made in the normal course of business of selling that kind of property, and the storage, use, or consumption of property acquired as a result of such a sale;

(l) The gross receipts from sales of rolling stock and the storage, use or other consumption of such property by railroads, freight line companies, sleeping car companies and express companies taxed on the gross earnings basis in lieu of ad valorem taxes. For purposes of this clause "rolling stock" is defined as the portable or moving apparatus and machinery of any such company which moves on the road, and includes, but is not limited to, engines, cars, tenders, coaches, sleeping cars and parts necessary for the repair and maintenance of such rolling stock.

(m) The gross receipts from sales of airflight equipment and the storage, use or other consumption of such property by airline companies taxed under the provisions of sections 270.071 to 270.-079. For purposes of this clause, "airflight equipment" includes airplanes and parts necessary for the repair and maintenance of such airflight equipment, and flight simulators.

(n) The gross receipts from the sale of telephone central office telephone equipment used in furnishing intrastate and interstate telephone service to the public.

(o) The gross receipts from the sale of and the storage, use or other consumption by persons taxed under the in lieu provisions of chapter 298, of mill liners, grinding rods and grinding balls which are substantially consumed in the production of taconite, the material of which primarily is added to and becomes a part of the material being processed.

(p) The gross receipts from the sale of tangible personal property to, and the storage, use or other consumption of such property by, any corporation, society, association, foundation, or institution organized and operated exclusively for charitable, religious or educational purposes if the property purchased is to be used in the performance of charitable, religious or educational functions, or any senior citizen group or association of groups that in general limits membership to persons age 55 or older and is organized and operated exclusively for pleasure, recreation and other nonprofit purposes, no part of the net earnings of which inures to the benefit of any private shareholders;

(q) The gross receipts from the sale of caskets and burial vaults;

(r) The gross receipts from the sale of an automobile or other conveyance if the purchaser is assisted by a grant from the United States in accordance with 38 United States Code, Section 1901, as amended.

(s) The gross receipts from the sale to the licensed aircraft dealer of an aircraft for which a commercial use permit has been issued pursuant to section 360.654, if the aircraft is resold while the permit is in effect.

(t) The gross receipts from the sale of building materials to be used in the construction or remodeling of a residence when the construction or remodeling is financed in whole or in part by the United States in accordance with 38 United States Code, Sections 801 to 805, as amended. This exemption shall not be effective at time of sale of the materials to contractors, subcontractors, builders or owners, but shall be applicable only upon a claim for refund to the commissioner of revenue filed by recipients of the benefits provided in Title 38 United States Code, Chapter 21, as amended. The commissioner shall provide by regulation for the refund of taxes paid on sales exempt in accordance with this paragraph.

(u) The gross receipts from the sale of textbooks which are prescribed for use in conjunction with a course of study in a public or private school, college, university and business or trade school to students who are regularly enrolled at such institutions.

For purposes of this clause a "public school" is defined as one that furnishes course of study, enrollment and staff that meets standards of the state board of education and a private school is one which under the standards of the state board of education, provides an education substantially equivalent to that furnished at a public school. Business and trade schools shall mean such schools licensed pursuant to section 141.25.

(v) The gross receipts from the sale of and the storage of material designed to advertise and promote the sale of merchandise or services, which material is purchased and stored for the purpose of subsequently shipping or otherwise transferring outside the state by the purchaser for use thereafter solely outside the state of Minnesota.

(w) The gross receipt from the sale of residential heating fuels in the following manner:

(i) all fuel oil, coal, wood, steam, propane gas, and L.P. gas sold to residential customers for residential use;

(ii) natural gas sold for residential use to customers who are metered and billed as residential users and who use natural gas for their primary source of residential heat, for the billing months of November, December, January, February, March and April;

(iii) electricity sold for residential use to customers who are metered and billed as residential users and who use electricity for their primary source of residential heat, for the billing months of November, December, January, February, March and April.

(x) The gross receipts from the sale or use of tickets or admissions to the premises of or events sponsored by an association, corporation or other group of persons which provides an opportunity for citizens of the state to participate in the creation, performance or appreciation of the arts and which qualifies as a tax-exempt organization within the meaning of section 290.05, subdivision 1, clause (i).

(y) The gross receipts from either the sales to or the storage, use or consumption of tangible personal property by an organization of military service veterans or an auxiliary unit of an organization of military service veterans, provided that:

(i) the organization or auxiliary unit is organized within the state of Minnesota and is exempt from federal taxation pursuant to section 501(c), clause (19), of the Internal Revenue Code as amended through December 31, 1978; and

(ii) the tangible personal property which is sold to or stored, used or consumed by the organization or auxiliary unit is for

charitable, civic, educational, or nonprofit uses and not for social, recreational, pleasure or profit uses.

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

Sec. 3. Minnesota Statutes 1980, 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 any person described in and subject to the conditions provided in section 297A.25, subdivision 1, clauses (j), (p) and (s).

(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 moved his residence to 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 sections 351 or 721 of the Internal Revenue Code of 1954, as amended through December 31, 1974.

Sec. 4. Minnesota Statutes 1980, Section 465.71, is amended to read:

465.71 [INSTALLMENT PURCHASES AND LEASE PURCHASES OF PROPERTY; HOME RULE CHARTER AND STATUTORY CITIES; COUNTIES, SCHOOL DISTRICTS.]

A (SECOND, THIRD OR FOURTH CLASS) home rule charter city, *statutory city, county, or school district* may purchase real or personal property under an installment contract, or *lease personal property with an option to purchase under a lease purchase agreement, by which contract or agreement title is retained by the seller or vendor or assigned to a third party as security for the purchase price, including interest, if any,* but

such purchases are subject to statutory and charter provisions applicable to the purchase of real or personal property. *For purposes of the bid requirements contained in section 471.345, "the amount of the contract" shall include the total of all lease payments for the entire term of the lease under a lease-purchase agreement. The obligation created by a lease purchase agreement shall not be included in the calculation of net debt for purposes of section 475.53, and shall not constitute debt under any other statutory provision. No election shall be required in connection with the execution of a lease purchase agreement authorized by this section. The city, county, or school district shall have the right to terminate a lease purchase agreement at the end of any fiscal year during its term. As provided by section 290.08, subdivision 7, interest, if any, payable under any installment contract or lease purchase agreement authorized by this section shall not be included in gross income for the purpose of computing any tax imposed under chapter 290.*

ARTICLE VIII

Section 1. Minnesota Statutes 1980, Section 278.01, is amended to read:

278.01 [DEFENSE OR OBJECTION TO TAX ON LAND; SERVICE AND FILING.]

Subdivision 1. [PETITION FOR DETERMINATION.] Any person having any estate, right, title, or interest in or lien upon any parcel of land, who claims that (SUCH) *that* property has been partially, unfairly, or unequally assessed in comparison with other property in the city or county, (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) *property* 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 his 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) *petition*, with proof of service, in the office of the clerk of the district court before the first day of June 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 *and one copy 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 June 1 of the year in which the taxes are payable.

Subd. 2. [HOMESTEADS.] Any person having any estate, right, title or interest in or lien upon any parcel which is classified as homestead under the provisions of section 273.13, subdivisions 6, 6a, 7, 7b, 10 or 12, who claims that (SAID) *the* parcel 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 that parcel is located, for which the commissioner is able to establish and publish a sales ratio study as determined by the applicable real estate assessment/sales ratio study published by the commissioner of revenue, may have the validity of his 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) *petition*, with proof of (SUCH) service, in the office of the clerk of the district court before the first day of June of the year in which (SUCH) *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 *and one copy 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.

Subd. 3. [LIMITATION.] The procedures established by this section shall not be available to contest the validity or amount of any special assessment made pursuant to chapters 429, 430, any special law or city charter.

Sec. 2. Minnesota Statutes 1980, Section 278.05, Subdivision 2, is amended to read:

Subd. 2. [RESPONSIBLE ATTORNEY; SCHOOL DISTRICT REPRESENTATIVE.] If the property on which the taxes have been levied is located in a home rule charter or statutory city or town which employs its own certified assessor, the attorney for that governmental unit may, within 20 days after receipt by the governmental unit of the copy of the petition forwarded by the county auditor, give notice to the county attorney and to the petitioner or his attorney that the home rule charter or statutory city or town is taking charge of and prosecuting the proceeding. If the attorney for the home rule charter or statutory city or town does not give notice, the attorney of the county in which (THESE) *the* taxes are levied shall take charge of and prosecute the proceedings, but the county board may employ any other attorney to assist him. *A representative of the school district in which the property is located shall be notified of all proceedings and all offers to reduce valuations*

and shall be given an opportunity to appear and testify on any trial of the issues raised.

ARTICLE IX

Section 1. Minnesota Statutes 1981 Supplement, Section 270.063, is amended to read:

270.063 [COLLECTION OF DELINQUENT TAXES.]

For the purpose of collecting delinquent state tax liabilities from taxpayers who do not reside or are not located in Minnesota, there is appropriated to the commissioner of revenue an amount representing the cost of collection, not to exceed one-third of the amount collected by contract with collection agencies or attorneys to enable the commissioner to reimburse these agencies for this service. The commissioner shall report quarterly on the status of this program to the chairmen of the house tax and appropriation committees and senate tax and finance committees.

Notwithstanding section 16A.15, subdivision 3, the commissioner of revenue may authorize the prepayment of sheriff's fees or court costs to be incurred in connection with the collection out of state of delinquent tax liabilities owed to the commissioner of revenue.

Sec. 2. Minnesota Statutes 1980, Section 270.06, is amended to read:

270.06 [POWERS AND DUTIES.]

It shall be the duty of the commissioner of revenue and he shall have power and authority:

(1) To 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) To 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) To 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 to 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) To 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) To 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 he may prescribe;

(6) To 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) To summon witnesses to appear and give testimony, and to produce books, records, papers and documents relating to any tax matter which he 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 the summons is served 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 he may have authority to investigate or determine;

(9) To investigate the tax laws of other states and countries and to formulate and submit to the legislature such legislation as he may deem expedient to prevent evasions of assessment and taxing laws, and to secure just and equal taxation and improvement in the system of assessment and taxation in this state;

(10) To 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 to furnish the governor, from time to time, such assistance and information as he may require relating to tax matters;

(11) To 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) To 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) To exercise and perform such further powers and duties as may be required or imposed upon the commissioner of revenue by law;

(14) The commissioner of revenue may promulgate rules and regulations for the administration and enforcement of the property tax. Such rules and regulations shall have the force and effect of law;

(15) To 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) To administer and enforce the provisions of sections 325.64 to 325.76, the Minnesota unfair cigarette sales act.

Sec. 3. Minnesota Statutes 1980, Section 270.07, Subdivision 1, is amended to read:

Subdivision 1. The commissioner of revenue shall prescribe the form of all blanks and books required under this chapter. He shall hear and determine all matters of grievance relating to taxation. Except as otherwise provided by law, he shall have power to grant such reduction or abatement of assessed valuations or taxes and of any costs, penalties or interest thereon as he may deem just and equitable, and to order the refundment, in whole or in part, of any taxes, costs, penalties or interest thereon which have been erroneously or unjustly paid. Application therefor shall be submitted with a statement of facts in the case and the favorable recommendation of the county board or of the board of abatement of any city where any such board exists, and the county auditor of the county wherein such tax was levied or paid. In the case of gross earnings taxes the application may be made directly to the commissioner without the favorable action of the county board and county auditor, and the commissioner shall direct that any gross earnings taxes which may have been erroneously or unjustly paid shall be applied against unpaid taxes due from the applicant for such refundment. No reduction, abatement, or refundment of any special assessments made or levied by any municipality for local improvements shall be made unless it is also approved by the board of review or similar taxing authority of such municipality. The commissioner may refer any question that may arise in reference to the true construction of this chapter to the attorney general, and his decision thereon shall be in force and effect until annulled by the judgment of a court of competent jurisdiction. The commissioner shall forward to the county auditor a copy of the order by him made in all cases in which the approval of the county board is required. The commissioner may by written order abate, reduce, or refund any penalty or interest imposed by any law relating to taxation, if in his opinion the (ENFORCEMENT OF SUCH A PENALTY OR THE PAYMENT OF SUCH INTEREST WOULD BE UNJUST AND INEQUITABLE) *failure to timely pay the tax or failure to timely file the return is due to reasonable cause.* Such order shall, in the case of real and personal property taxes, be made only on application and approval as provided in this section; in the case of all other taxes, such order shall be made on application of the taxpayer to the commissioner and, if the order is for an abatement, reduction or refund of over (\$500) \$5,000, it shall be valid only if approved in writing by the attorney general.

An appeal may not be taken to the tax court from any order of the commissioner of revenue made in the exercise of the discretionary authority granted to him in this subdivision in response to a taxpayer's application for an abatement, reduction or refund of taxes, assessed valuations, costs, penalties or interest.

Sec. 4. Minnesota Statutes 1980, Section 270.10, Subdivision 1, is amended to read:

Subdivision 1. [IN WRITING; APPROVAL BY ATTORNEY GENERAL.] All orders and decisions of the commissioner of revenue, or any of his subordinates, respecting any tax, assessment, or other obligation, shall be in writing, filed in the offices of the department. No order or decision increasing or decreasing any tax, assessment, or other obligation by a sum exceeding \$500 on real or personal property, or the assessed valuation thereof, or other obligation relating thereto, the result of which is to increase or decrease the total amount payable including penalties and interest, by a sum exceeding \$1,000, and no order or decision increasing or decreasing any other tax by a sum exceeding \$1,000 exclusive of penalties and interest, shall be made without the written signature or facsimile signature of the commissioner, a deputy commissioner, assistant commissioner, division director, or acting division director in each case. Written notice of every order granting a reduction, abatement, or refundment exceeding (\$1,000) \$5,000 of any tax exclusive of penalties and interest, shall be given within five days to the attorney general. The attorney general shall forthwith examine such order, and if he deems the same proper and legal he shall approve the same in writing, and may waive the right of appeal therefrom in behalf of the state; otherwise he shall take an appeal from the order in behalf of the state as herein provided; but written approval of the commissioner or his deputy and written notice to the attorney general, shall not be required with respect to the following orders: (1) orders reducing assessed valuation of property by reason of its classification as a homestead; (2) orders not involving refunds which have the effect only of correcting income and franchise tax assessments to conform to the amounts shown on final returns filed as provided by section 290.42, clause (6); (3) original orders for the refundment of gasoline and special fuel taxes.

Sec. 5. [270.65] [CONTRACTS WITH STATE; COMPLIANCE WITH TAX LAWS.]

No department of the state of Minnesota, nor any political or governmental subdivision of the state, shall make final settlement with any contractor until satisfactory showing is made that the contractor, and subcontractors, if any, has complied with the tax laws administered by the commissioner of revenue with regard to the specific job under contract. A certificate by the commissioner shall satisfy this requirement.

Sec. 6. Minnesota Statutes 1981 Supplement, Section 270.66, is amended to read:

270.66 [RIGHT OF SETOFF.]

Subdivision 1. [CERTIFICATION BY COMMISSIONER.] Upon certification by the commissioner of revenue to the commissioner of finance, or to any state agency described in subdivision 3 which disburses its own funds, within five years after

the tax should have been paid or the return is filed, whichever is later, that a taxpayer has an uncontested delinquent tax liability owed to the commissioner of revenue, (AND NOTICE THAT THE STATE HAS PURCHASED PERSONAL SERVICES, SUPPLIES, CONTRACT SERVICE, OR PURCHASED PROPERTY FROM SAID TAXPAYER,) the commissioner of finance or the state agency shall apply to such delinquent tax liability funds sufficient to satisfy such unpaid tax liability from funds appropriated for payment of (SAID) an obligation of the state or any of its agencies that are due and owing the taxpayer, provided however, that such credit shall not be made against any funds exempt under section 550.37 or those funds owed (THE) an individual taxpayer who receives assistance under the provisions of chapter 256 (OR 256B).

Subd. 2. [SETOFF SATISFIES STATE OBLIGATION.] All funds, whether general or dedicated, shall be subject to setoff in the manner herein provided. Transfer of funds as herein provided is payment of the obligation of the state or any of its agencies to such taxpayer and any actions for said funds, if any, shall be had against the department of revenue on the issue of such tax liability. Nothing in this section shall be construed to limit the previously existing right of the state or any of its agencies to setoff.

Subd. 3. [AGENCIES SHALL MAINTAIN RECORDS.] Notwithstanding any provision to the contrary, every person, organization, or corporation doing business (hereafter called vendor) with the state of Minnesota or any of its departments, agencies, or educational institutions including the University of Minnesota (all hereafter called agency) shall provide that agency with their social security number or Minnesota tax identification number. The agency shall maintain records of this information, and shall make these records available to the commissioner, upon his request, for the sole purpose of identifying people who have not filed state tax returns or who have not paid uncontested state tax liabilities (hereafter called delinquent taxpayer). When an agency is notified by the commissioner that a vendor is a delinquent taxpayer, payments shall not be made by the agency to the vendor until the commissioner notifies the agency that the vendor no longer is a delinquent taxpayer. Furthermore, if the vendor has an uncontested delinquent tax liability, the setoff provided in subdivision 1 may be implemented. The commissioner shall determine that a vendor no longer is a delinquent taxpayer when the vendor has filed all delinquent state tax returns, paid all uncontested state tax liabilities or entered into an agreement with the commissioner which provides for the payment of these liabilities. The commissioner may notify an agency concerning a vendor, notwithstanding the provisions of sections 290.61 or 297A.43.

Sec. 7. [270.67] [AGREEMENTS REGARDING TAX LIABILITY OR EXTENSION OF PAYMENT OF TAX.]

Subdivision 1. [LIABILITY AGREEMENTS.] The commissioner of revenue, or any officer or employee of the department of revenue authorized in writing by the commissioner, is authorized to enter into an agreement in writing with any taxpayer, or duly authorized agent or representative of the taxpayer, relating to the liability of the taxpayer in respect of any state tax administered by the commissioner for any taxable period ending prior to the date of the agreement. If the agreement is approved by the commissioner within the time stated in the agreement, or later agreed to, the agreement shall be final and conclusive; and, except upon a showing of fraud or malfeasance, or misrepresentation of a material fact, the case shall not be reopened as to the matters agreed upon, or the agreement modified, by an officer, employee, or agent of the state; and, in any suit, action, or proceeding, the agreement, or any determination, assessment, collection, payment, abatement, refund, or credit made in accordance with the agreement, shall not be annulled, modified, set aside, or disregarded.

Subd. 2. [EXTENSION AGREEMENTS.] When any portion of any tax payable to the commissioner of revenue together with interest and penalty thereon, if any, has not been paid six months from the date prescribed by law for its payment, the commissioner may extend the time for payment for a further period not to exceed 36 months. When the authority of this section is invoked, the extension shall be evidenced by written agreement signed by the taxpayer and the commissioner, stating the amount of the tax with penalty and interest, if any, and providing for the payment of the amount in regular weekly, semimonthly or monthly installments. The agreement shall contain a confession of judgment for the amount and for any unpaid portion thereof and shall provide that the commissioner may forthwith enter judgment against the taxpayer in the district court of the county of his residence as shown upon his tax return for the unpaid portion of the amount specified in the extension agreement. The principal sum specified in the agreement shall bear interest at the rate specified in section 270.75 on all unpaid portions thereof until the same has been fully paid or the unpaid portion thereof has been entered as a judgment. The judgment shall bear interest at the rate specified in section 270.75. If it appears to the commissioner that the tax reported by the taxpayer is in excess of the amount actually owing by the taxpayer, the extension agreement or the judgment entered pursuant thereto shall be corrected. If after making the extension agreement or entering judgment with respect thereto, the commissioner determines that the tax as reported by the taxpayer is less than the amount actually due, the commissioner shall assess a further tax in accordance with the provisions of law applicable to the tax. The authority granted to the commissioner by this section is in addition to any other authority granted to the commissioner by law to extend the time of payment or the time for filing a return and shall not be construed in limitation thereof.

Sec. 8. [270.68] [LEGAL ACTION; CONFESSION OF JUDGMENT.]

Subdivision 1. [LEGAL ACTION.] In addition to all other methods authorized by law for the collection of tax, if any tax payable to the commissioner of revenue or to the department of revenue, including penalties and interest thereon, is not paid within 60 days after it is required by law to be paid, the commissioner of revenue may, within five years after the date the tax should have been paid or the return is filed, whichever is later, bring an action at law against the person liable for the payment or collection of the tax, in the name of the state, for the recovery of the tax and interest and penalties due in respect thereof. The action shall be brought in the district court of the judicial district in which lies the county of the residence or principal place of business within this state of the taxpayer, or, in the case of an estate or trust, of the place of its principal administration, and for this purpose the place named as such in the return, if any, made by the taxpayer shall be conclusive against the taxpayer in this matter. If no place is named in the return, the action may be commenced in Ramsey county. The action shall be commenced by filing with the clerk of the court a statement showing the name and address of the taxpayer, if known, an itemized summary of the taxable periods and the type of tax, the tax due and unpaid and the interest and penalties due with respect thereto under the provisions of law applicable to the tax, and shall contain a prayer that the court adjudge the taxpayer to be indebted on account of the taxes, interest, and penalties in the amount specified in the statement; a copy of the statement shall be furnished to the clerk therewith. The clerk shall mail a copy of the statement by certified mail to the taxpayer at the address given in the return, if any; and, if no address is given, then at his last known address, within five days after the same is filed, except that, if the taxpayer's address is not known, notice to him shall be made by posting a copy of the statement for ten days in the place in the courthouse where public notices are regularly posted. The taxpayer shall, if he desires to litigate the claim, or any part thereof, file a verified answer with the clerk setting forth his objections to the claim, or any part thereof; the answer shall be filed on or before the lapse of the 20th day after the date of mailing the statement; or, if notice has been given by posting, on or before the 20th day after the expiration of the period during which the notice was required to be posted. If no answer is filed within the specified time, the clerk, upon the filing of an affidavit of default, shall enter judgment for the state in the amount prayed for, plus costs of \$10. If an answer is filed, the issues raised shall stand for trial as soon as possible after the filing of the answer, and the court shall determine the issues and direct judgment accordingly; and, if the taxes, interest, or penalties are sustained to any extent over the amount rendered by the taxpayer, shall assess \$10 costs against the taxpayer. The court shall disregard all technicalities and matters of form not affecting the substantial merits. The commissioner may call upon the

county attorney or the attorney general to conduct the proceedings on behalf of the state. Execution shall be issued upon the judgment at the request of the commissioner, and the execution shall, in all other respects, be governed by the laws applicable to executions issued on judgments. Only the homestead and household goods of the judgment debtor shall be exempt from seizure and sale upon the execution.

Subd. 2. [APPEALS.] *Either party to an action or a judgment for the recovery of any taxes, interest, or penalties under subdivision 1 may remove the judgment to the supreme court by appeal, as provided for appeals in civil cases.*

Subd. 3. [TAX PRESUMED VALID.] *The tax, as assessed by the commissioner, with any penalties included therein, shall be presumed to be valid and correctly determined and assessed, and the burden shall be upon the taxpayer to show its incorrectness or invalidity. The statement filed by the commissioner with the clerk of court, as provided in subdivision 1, or any other certificate by the commissioner of the amount of the tax and penalties as determined or assessed by him, shall be admissible in evidence and shall establish prima facie the facts set forth therein.*

Subd. 4. [CONFESSION OF JUDGMENT.] (a) *The commissioner may, within 3-1/2 years after any return or report is filed, notwithstanding section 541.09, enter judgment on any confession of judgment contained in the return or report after ten days notice served upon the taxpayer by mail at the address shown in his return or report. The judgment shall be entered by the clerk of court of any county upon the filing of a photocopy or similar reproduction of that part of the return or report containing the confession of judgment along with a statement of the commissioner or his agent that the tax has not been paid.*

(b) *Notwithstanding any other provision of the law to the contrary, the commissioner may, within five years after a written agreement is signed by the taxpayer and the commissioner under the provisions of section 7, subdivision 2, enter judgment on the confession of judgment contained within the agreement after ten days notice served upon the taxpayer at the address shown in the agreement. Such judgment shall be entered by the clerk of court of any county upon the filing of the agreement or a certified copy thereof along with a statement of the commissioner or his agent that the tax has not been paid.*

Sec. 9. [270.69] [LIEN FOR TAXES.]

Subdivision 1. [CREATION OF LIEN.] *The tax imposed by any chapter administered by the commissioner of revenue, and interest and penalties imposed with respect thereto, shall become a lien upon all the property within this state, both real and personal, of the person liable for the payment or collection*

of the tax, except his homestead, from and after the filing by the commissioner of a notice of lien in the office of the county recorder of the county in which the property is situated, or in the case of personal property belonging to an individual who is not a resident of this state, or which is a corporation, partnership, or other organization, in the office of the secretary of state.

Subd. 2. [INDEXING OF LIENS.] The indexing of liens filed pursuant to this section and, notwithstanding section 386.-77, the fees charged for such filing and indexing, shall be as prescribed in sections 272.483 and 272.484.

Subd. 3. [EXEMPT PROPERTY.] The lien imposed on personal property by this section, even though properly filed, shall not be valid as against a purchaser with respect to tangible personal property purchased at retail or as against the personal property listed as exempt in sections 550.37, 550.38, and 550.39.

Subd. 4. [PERIOD OF LIMITATIONS.] The lien imposed by this section shall, notwithstanding any other provision of law to the contrary, be valid and enforceable for ten years from the date of filing the notice of lien, which must be filed by the commissioner within five years after the tax should have been paid or the return is filed, whichever is later.

Subd. 5. [PRIORITY OF LIEN.] Only for the purpose of determining the order of priority of the lien imposed by this section and a federal tax lien, the lien imposed by this section shall arise at the time the state tax assessment is made.

Subd. 6. [ENFORCEABILITY OF LIEN.] The lien imposed by this section shall be enforceable by levy as authorized in section 270.70, or by judgment lien foreclosure as authorized in chapter 550.

Subd. 7. [NOTICE OF MORTGAGE FORECLOSURE OR CONTRACT TERMINATION.] If a lien has been filed by the commissioner of revenue against real property pursuant to this section, and, subsequent to the recording of the lien, a mortgage foreclosure upon the real property is commenced under chapter 580, or a termination of contract of sale of the real property is commenced under section 559.21, notice of the mortgage foreclosure or termination of contract of sale shall be mailed to the commissioner not less than 25 days prior to the foreclosure or termination.

Sec. 10. Minnesota Statutes 1980, Section 270.70, Subdivision 1, is amended to read:

Subdivision 1. [AUTHORITY OF COMMISSIONER.] If any tax payable to the commissioner of revenue or to the department of revenue is not paid when due, such tax may be collected

by the commissioner of revenue *within five years after the tax should have been paid or the return is filed, whichever is later*, by a levy upon all property and rights to property of the person liable for the *payment or collection of such tax* (,) (except that which is exempt from execution pursuant to section 550.37) or *property on which there is a lien provided in section 9*. For this purpose, the term "tax" shall include any penalty, interest and costs properly payable. The term "levy" includes the power of distraint and seizure by any means.

Sec. 11. Minnesota Statutes 1980, Section 270.70, Subdivision 2, is amended to read:

Subd. 2. [NOTICE AND DEMAND; JEOPARDY COLLECTION.] Before a levy is made, notice and demand for payment of the amount due shall be given to the person liable for the *payment or collection of the tax* at least ten days prior to the levy. If the commissioner has reason to believe that collection of the tax is in jeopardy, notice and demand for immediate payment of (SUCH) *the tax* may be made by the commissioner. If the tax is not paid, the commissioner may proceed to collect by levy without regard to the ten day period provided herein.

Sec. 12. Minnesota Statutes 1980, Section 270.70, Subdivision 3, is amended to read:

Subd. 3. [MANNER OF EXECUTION AND SALE.] In making the execution of the levy and in collecting the taxes due, the commissioner shall have all of the powers provided in chapter 550 and in any other law for purposes of effecting an execution against property in this state. The sale of property levied upon, and the time and manner of redemption therefrom, shall (BE AS), *to the extent not provided in sections 18 to 26, be governed by chapter 550*. The seal of the court, subscribed by the clerk, as provided in section 550.04, shall not be required. The levy for collection of taxes may be made whether or not the commissioner has commenced a legal action for collection of such taxes.

Sec. 13. Minnesota Statutes 1980, Section 270.70, Subdivision 5, is amended to read:

Subd. 5. [PROBATE COURT JURISDICTION.] Where a levy has been made to collect taxes pursuant to (SUBDIVISION 1) *this section* and the property seized is properly included in a formal proceeding commenced under sections 524.3-401 to 524.3-505 and maintained under full supervision of the court, such property shall not be sold until the probate proceedings are completed or until the court so orders.

Sec. 14. Minnesota Statutes 1980, Section 270.70, is amended by adding a subdivision to read:

Subd. 13. [LEVY AND SALE BY SHERIFF.] If any tax payable to the commissioner of revenue or to the department of revenue is not paid as provided in subdivision 2, the commissioner may, within five years after the tax should have been paid or the return is filed, whichever is later, delegate the authority granted to him by subdivision 1, by means of issuing his warrant to the sheriff of any county of the state commanding him, as agent for the commissioner, to levy upon and sell the real and personal property of the person liable for the payment or collection of the tax and to levy upon the rights to property of that person within the county, or to levy upon and seize any property within the county on which there is a lien provided in section 9, and to return the warrant to the commissioner and pay to the commissioner the money collected by virtue thereof by a time to be therein specified not less than 60 days from the date of the warrant. The sheriff shall proceed thereunder to levy upon and seize any property of the person and to levy upon the rights to property of the person within the county (except his homestead or that property which is exempt from execution pursuant to section 550.37), or to levy upon and seize any property within the county on which there is a lien provided in section 9. For purposes of the preceding sentence, the term "tax" shall include any penalty, interest and costs properly payable. The sheriff shall then sell so much of the property levied upon as is required to satisfy the taxes, interest, and penalties, together with his costs; but the sales, and the time and manner of redemption therefrom, shall, to the extent not provided in sections 18 to 26, be governed by chapter 550. The proceeds of the sales, less the sheriff's costs, shall be turned over to the commissioner, who shall then apply the proceeds as provided in section 25.

Sec. 15. Minnesota Statutes 1980, Section 270.70, is amended by adding a subdivision to read:

Subd. 14. [PRIORITY OF LEVY.] A levy by the commissioner made pursuant to the provisions of this section upon a taxpayer's funds on deposit in a financial institution located in this state, shall have priority over any unexercised right of setoff of the financial institution to apply the levied funds toward the balance of an outstanding loan or loans owed by the taxpayer to the financial institution. A claim by the financial institution that it exercised its right to setoff prior to the levy by the commissioner must be substantiated by evidence of the date of the setoff, and shall be verified by the sworn statement of a responsible corporate officer of the financial institution. Furthermore, for purposes of determining the priority of any levy made under this section, the levy shall be treated as if it were an execution made pursuant to chapter 550.

Sec. 16. Minnesota Statutes 1980, Section 270.70, is amended by adding a subdivision to read:

Subd. 15. [EFFECT OF HONORING LEVY.] Any person in possession of (or obligated with respect to) property or rights to property subject to levy upon which a levy has been made who, upon demand by the commissioner, surrenders the property or rights to property (or who pays a liability under subdivision 8) shall be discharged from any obligation or liability to the person liable for the payment or collection of the delinquent tax with respect to the property or rights to property so surrendered or paid.

Sec. 17. Minnesota Statutes 1980, Section 270.70, is amended by adding a subdivision to read:

Subd. 16. [NOTICE OF LEVY.] Notwithstanding any other provision of law to the contrary, the notice of any levy authorized by this section may be served by mail or by delivery by an employee or agent of the department of revenue.

Sec. 18. [270.701] [SALE OF SEIZED PROPERTY.]

Subdivision 1. [NOTICE OF SEIZURE.] As soon as practicable after seizure of property, notice in writing shall be given by the commissioner of revenue to the owner of the property (or, in the case of personal property, the possessor thereof), and shall be served in like manner as a summons in a civil action in the district court. If the owner cannot be readily located, or has no dwelling or place of business within this state, the notice may be mailed to his last known address. The notice shall specify the sum demanded and shall contain, in the case of personal property, an account of the property seized and, in the case of real property, a description with reasonable certainty of the property seized.

Subd. 2. [NOTICE OF SALE.] The commissioner shall as soon as practicable after the seizure of the property give notice of sale of the property to the owner, in the manner of service prescribed in subdivision 1. In the case of personal property, the notice shall be served at least ten days prior to the sale. In the case of real property, the notice shall be served at least four weeks prior to the sale. The commissioner shall also cause public notice of each sale to be made. In the case of personal property, notice shall be posted at least ten days prior to the sale at the post office nearest the place where the seizure is made, and in not less than two other public places. In the case of real property, six weeks' published notice shall be given prior to the sale, in a newspaper published or generally circulated in the county. The notice of sale provided in this subdivision shall specify the property to be sold, and the time, place, manner and conditions of the sale. Whenever levy is made without regard to the ten-day period provided in section 270.70, subdivision 2, public notice of sale of the property seized shall not be made within the ten-day period unless section 19 (relating to sale of perishable goods) is applicable.

Subd. 3. [SALE OF INDIVISIBLE PROPERTY.] If any property liable to levy is not divisible, so as to enable the commissioner by sale of a part thereof to raise the whole amount of the tax and expenses, the whole of the property shall be sold.

Subd. 4. [TIME AND PLACE OF SALE.] The time of sale shall be after the expiration of the notice periods prescribed in subdivision 2. The place of sale shall be within the county in which the property is seized, except by special order of the commissioner.

Subd. 5. [MANNER AND CONDITIONS OF SALE.] (a) Before the sale the commissioner shall determine a minimum price for which the property shall be sold, and if no person offers for the property at the sale the amount of the minimum price, the property shall be declared to be purchased at the minimum price for the state of Minnesota; otherwise the property shall be declared to be sold to the highest bidder. In determining the minimum price, the commissioner shall take into account the expense of making the levy and sale. The announcement of the minimum price determined by the commissioner may be delayed until the receipt of the highest bid.

(b) The sale shall not be conducted in any manner other than:

(i) by public auction, or

(ii) by public sale under sealed bids.

(c) In the case of seizure of several items of property, the items may be offered separately, in groups, or in the aggregate, and shall be sold under whichever method produces the highest aggregate amount.

(d) Payment in full shall be required at the time of acceptance of a bid, except that a part of the payment may be deferred by the commissioner for a period not to exceed 30 days.

(e) Other methods (including advertising) in addition to those prescribed in subdivision 2 may be used in giving notice of the sale.

(f) The commissioner may adjourn the sale from time to time for a period not to exceed 30 days.

(g) If payment in full is required at the time of acceptance of a bid and is not then and there paid, the commissioner shall forthwith proceed to again sell the property in the manner provided in this section. If the conditions of the sale permit part of the payment to be deferred, and if the part is not paid within the prescribed period, suit may be instituted against the purchaser

for the purchase price or that part thereof as has not been paid, together with interest at the rate specified in section 549.09 from the date of the sale; or, in the discretion of the commissioner, the sale may be declared by the commissioner to be null and void for failure to make full payment of the purchase price and the property may again be advertised and sold as provided in this section. In the event of a readvertisement and sale, any new purchaser shall receive the property or rights to property free and clear of any claim or right of the former defaulting purchaser, of any nature whatsoever, and the amount paid upon the bid price by the defaulting purchaser shall be forfeited.

Sec. 19. [270.702] [SALE OF PERISHABLE GOODS.]

If the commissioner determines that any property seized is liable to perish or become greatly reduced in price or value by keeping, or that the property cannot be kept without great expense, he shall appraise the value of the property, and if the owner of the property can be readily found, the commissioner shall give the owner notice of the determination of the appraised value of the property. The property shall be returned to the owner if, within the time specified in the notice, the owner (a) pays to the commissioner an amount equal to the appraised value, or (b) gives bond in the form, with the sureties, and in the amount as the commissioner prescribes to pay the appraised amount at the time the commissioner determines to be appropriate in the circumstances. If the owner does not pay the amount or furnish the bond in accordance with this section, the commissioner shall as soon as practicable make public sale of the property in accordance with section 18.

Sec. 20. [270.703] [REDEMPTION OF PROPERTY.]

Subdivision 1. [BEFORE SALE.] Any person whose property has been levied upon shall have the right to pay the amount due, together with the expenses of the proceeding, if any, to the commissioner at any time prior to the sale thereof, and upon payment the commissioner shall restore the property to him, and all further proceedings in connection with the levy on the property shall cease from the time of payment.

Subd. 2. [REDEMPTION OF REAL ESTATE AFTER SALE.] The owners of any real property sold as provided in this section, their heirs, executors, or administrators, or any person having any interest therein, or a lien thereon, or any person in their behalf, shall be permitted to redeem the property sold, or any particular tract of the property, at any time within six months, or in case the real property sold exceeds ten acres in size, at any time within 12 months, after the sale thereof. The property or tract of property shall be permitted to be redeemed upon payment to the purchaser (or in case he cannot be found in the county in which the property to be redeemed

is situated, then to the commissioner, for the use of the purchaser, his heirs, or assigns) of the amount paid by the purchaser together with interest at the rate specified in section 549.09 from the date of the sale.

Subd. 3. [RECORD.] When any lands sold are redeemed as provided in this section, the commissioner shall cause entry of the fact to be made upon the record required by section 23 and the entry shall be evidence of the redemption.

Sec. 21. [270.704.] [CERTIFICATE OF SALE.]

In the case of property sold as provided in section 18, the commissioner shall give to the purchaser a certificate of sale upon payment in full of the purchase price. In the case of real property the certificate shall set forth the real property purchased, for whose taxes the property was sold, the name of the purchaser, and the price paid. If real property is declared purchased by the state of Minnesota, the commissioner shall within ten days from the sale cause the certificate of sale to be duly recorded by the county recorder of the county in which the real property is located.

Sec. 22. [270.705] [EFFECT OF CERTIFICATE OF SALE.]

Subdivision 1. [PERSONAL PROPERTY.] (a) In all cases of sale pursuant to section 18 of personal property, the certificate of sale given pursuant to section 21 shall be prima facie evidence of the right of the commissioner to make the sale, and conclusive evidence of the regularity of his proceedings in making the sale. The certificate shall transfer to the purchaser all right, title, and interest of the party delinquent in and to the property sold.

(b) If the property consists of stocks, the certificate of sale shall be notice, when received, to any corporation, company, or association of the transfer, and shall be authority to the corporation, company, or association to record the transfer on its books and records in the same manner as if the stocks were transferred or assigned by the party holding the same, in lieu of any original or prior certificate, which shall be void, whether cancelled or not.

(c) If the subject of sale is securities or other evidences of debt, the certificate of sale shall be a good and valid receipt to the person holding the same, as against any person holding or claiming to hold possession of the securities or other evidences of debt.

(d) If the property consists of a motor vehicle, the certificate of sale shall be notice, when received, to the registrar

of motor vehicles of this state of the transfer, and shall be authority to the registrar to record the transfer on his books and records in the same manner as if the certificate of title to the motor vehicle were transferred or assigned by the party holding the same, in lieu of any original or prior certificate, which shall be void, whether cancelled or not.

Subd. 2. [REAL PROPERTY.] In the case of the sale of real property pursuant to section 18, the certificate of sale given pursuant to section 21 shall be prima facie evidence of the facts therein stated, and shall be considered and operate as a conveyance of all the right, title, and interest the party delinquent had in and to the real property thus sold at the time the lien of the state of Minnesota attached thereto.

Subd. 3. [JUNIOR ENCUMBRANCES.] A certificate of sale of personal property or real property given pursuant to section 21 shall discharge the property from all liens, encumbrances, and titles over which the lien of the state of Minnesota with respect to which the levy was made had priority.

Sec. 23. [270.706] [RECORDS OF SALE.]

The commissioner shall, for the department of revenue, keep a record of all sales of property under section 18 and of redemptions of real property. The record shall set forth the tax for which the sale was made, the dates of seizure and sale, the name of the party assessed and all proceedings in making the sale, the amount of expenses, the names of the purchasers, and the date of the certificate of sale. A copy of the record, or any part thereof, certified by the commissioner shall be evidence in any court of the truth of the facts therein stated.

Sec. 24. [270.707] [EXPENSE OF LEVY AND SALE.]

The commissioner shall determine the expenses to be allowed in all cases of levy and sale.

Sec. 25. [270.708] [APPLICATION OF PROCEEDS OF LEVY.]

Subdivision 1. [COLLECTION OF LIABILITY.] Any money realized by proceedings under this chapter, whether by seizure, by surrender under section 270.70 (except pursuant to subdivision 9 thereof), by sale of seized property, or by sale of property redeemed by the state of Minnesota (if the interest of the state of Minnesota in the property was a lien arising under the provisions of section 9), shall be applied as follows:

- (a) *First, against the expenses of the proceedings; then*

(b) *If the property seized and sold is subject to a tax administered by the commissioner of revenue which has not been paid, the amount remaining after applying clause (a) shall next be applied against the tax liability (and, if the tax was not previously assessed, it shall then be assessed); and*

(c) *The amount, if any, remaining after applying clauses (a) and (b) shall be applied against the tax liability in respect of which the levy was made or the sale was conducted.*

Subd. 2. [SURPLUS PROCEEDS.] Any surplus proceeds remaining after the application of subdivision 1 shall, upon application and satisfactory proof in support thereof, be credited or refunded by the commissioner to the person or persons legally entitled thereto.

Sec. 26. [270.709] [AUTHORITY TO RELEASE LEVY AND RETURN PROPERTY.]

Subdivision 1. [RELEASE OF LEVY.] It shall be lawful for the commissioner to release the levy upon all or part of the property or rights to property levied upon if the commissioner determines that the release will facilitate the collection of the liability, but the release shall not operate to prevent any subsequent levy.

Subd. 2. [RETURN OF PROPERTY.] If the commissioner determines that property has been wrongfully levied upon, it shall be lawful for the commissioner to return:

(a) *The specific property levied upon, at any time;*

(b) *An amount of money equal to the amount of money levied upon, at any time before the expiration of nine months from the date of the levy; or*

(c) *An amount of money equal to the amount of money received by the state of Minnesota from a sale of the property, at any time before the expiration of nine months from the date of the sale.*

For purposes of clause (c), if property is declared purchased by the state of Minnesota at a sale pursuant to section 18, subdivision 5 (relating to manner and conditions of sale), the state of Minnesota shall be treated as having received an amount of money equal to the minimum price determined pursuant to section 18, subdivision 5 or, if larger, the amount received by the state of Minnesota from the resale of the property.

Sec. 27. [270.71] [ACQUISITION AND RESALE OF SEIZED PROPERTY.]

For the purpose of enabling the commissioner of revenue to purchase or redeem seized property in which the state of Minnesota has an interest arising from a lien for unpaid taxes, there is appropriated to the commissioner an amount representing the cost of such purchases or redemptions. Seized property acquired by the state of Minnesota to satisfy unpaid taxes shall be resold by the commissioner. The commissioner shall preserve the value of seized property while it is under his control, including but not limited to the procurement of insurance. For the purpose of refunding the proceeds from the sale of levied or redeemed property which are in excess of the actual tax liability plus costs of acquiring the property, there is hereby created a levied and redeemed property refund account in the agency fund. All amounts deposited into this account are appropriated to the commissioner of revenue. The commissioner shall report quarterly on the status of this program to the chairmen of the house taxes and appropriations committees and senate taxes and tax laws and finance committees.

Sec. 28. Minnesota Statutes 1981 Supplement, Section 270.75, as amended by Laws 1981, Third Special Session Chapter 2, Article III, Section 1, is amended by adding a subdivision to read:

Subd. 6. Notwithstanding section 549.09, if judgment is entered upon any tax payable to the commissioner of revenue which has not been paid within the time specified by law for payment, the unpaid judgment shall bear interest at the rate specified in this section from the date judgment is entered until the date of payment.

Sec. 29. Minnesota Statutes 1980, Section 290.45, Subdivision 2, is amended to read:

Subd. 2. [EXTENSIONS.] ((A)) At the request of the taxpayer, and for good cause shown, the commissioner may extend the time for payment of the amount determined as the tax by the taxpayer, or any installment thereof, or any amount determined as a deficiency, for a period not to exceed six months from the date prescribed for the payment of the tax or an installment thereof. In such case the amount in respect of which the extension is granted shall be paid together with interest at the rate specified in section 270.75 on or before the date of the expiration of the period of the extension.

((B)) WHEN ANY PORTION OF THE TAX AS REPORTED BY THE TAXPAYER TOGETHER WITH INTEREST AND PENALTY THEREON, IF ANY, HAS NOT BEEN PAID SIX MONTHS FROM THE DATE PRESCRIBED BY LAW FOR THE PAYMENT THEREOF THE COMMISSIONER MAY EXTEND THE TIME FOR PAYMENT THEREOF FOR A FURTHER PERIOD NOT TO EXCEED 30 MONTHS. WHEN THE AUTHORITY OF THIS PARAGRAPH (B) IS

INVOKED, THE EXTENSION SHALL BE EVIDENCED BY WRITTEN AGREEMENT SIGNED BY THE TAXPAYER AND THE COMMISSIONER, STATING THE AMOUNT OF SUCH TAX WITH PENALTY AND INTEREST, IF ANY, AND PROVIDING FOR THE PAYMENT OF SUCH AMOUNT IN REGULAR WEEKLY, SEMI-MONTHLY OR MONTHLY INSTALLMENTS, WHICH AGREEMENT SHALL CONTAIN A CONFESSION OF JUDGMENT FOR SUCH AMOUNT AND FOR ANY UNPAID PORTION THEREOF AND PROVIDING THAT THE COMMISSIONER MAY FORTHWITH ENTER JUDGMENT AGAINST THE TAXPAYER IN THE DISTRICT COURT OF THE COUNTY OF HIS RESIDENCE AS SHOWN UPON HIS TAX RETURN FOR THE UNPAID PORTION OF THE AMOUNT SPECIFIED IN SAID EXTENSION AGREEMENT. THE PRINCIPAL SUM SPECIFIED IN SAID AGREEMENT SHALL BEAR INTEREST AT THE RATE SPECIFIED IN SECTION 270.75 ON ALL UNPAID PORTIONS THEREOF UNTIL THE SAME HAS BEEN FULLY PAID OR THE UNPAID PORTION THEREOF HAS BEEN ENTERED AS A JUDGMENT, WHICH JUDGMENT SHALL BEAR INTEREST AT THE RATE SPECIFIED IN SECTION 270.75. IF IT SHALL APPEAR TO THE SATISFACTION OF THE COMMISSIONER THAT THE TAX REPORTED BY THE TAXPAYER IS IN EXCESS OF THE AMOUNT ACTUALLY OWING BY THE TAXPAYER, THE EXTENSION AGREEMENT OR THE JUDGMENT ENTERED PURSUANT THERETO SHALL BE SO CORRECTED. IF AFTER MAKING SUCH EXTENSION AGREEMENT OR ENTERING JUDGMENT WITH RESPECT THERETO, THE COMMISSIONER SHALL DETERMINE THAT THE TAX AS REPORTED BY THE TAXPAYER IS LESS THAN THE AMOUNT ACTUALLY DUE, THE COMMISSIONER SHALL ASSESS SUCH FURTHER TAX IN ACCORDANCE WITH THE PROVISIONS OF THIS CHAPTER. THE AUTHORITY GRANTED TO THE COMMISSIONER BY THIS PARAGRAPH (B) IS IN ADDITION TO ANY OTHER AUTHORITY GRANTED TO THE COMMISSIONER BY LAW TO EXTEND THE TIME OF PAYMENT OR THE TIME FOR FILING A RETURN AND SHALL NOT BE CONSTRUED IN LIMITATION THEREOF.)

Sec. 30, Minnesota Statutes 1980, Section 290.48, Subdivision 3, is amended to read:

Subd. 3. [COLLECTION JEOPARDIZED BY DELAY.] The commissioner may (ALSO) proceed under the provisions of (SUBDIVISION 2) *section 270.70* when he has reasonable grounds for believing that the collection of any taxes, interest, or penalties due under this chapter will be jeopardized by delays incident to other methods of collection; and, in such cases, no preliminary notice and demand shall be required.

Sec. 31, Minnesota Statutes 1980, Section 290.48, Subdivision 4, is amended to read:

Subd. 4. [(TAXPAYER ABOUT TO REMOVE FROM STATE) ASSESSMENT JEOPARDIZED BY DELAY.] If the commissioner has reasonable grounds for believing that a taxpayer is about to remove himself or his property from this state with the purpose of evading the tax imposed by this chapter, or that the collection of the tax will be jeopardized by delays incident to other methods of collection, he may immediately declare the taxpayer's taxable year at an end and assess a tax on the basis of his own knowledge or information available to him, mail the taxpayer written notice of the amount thereof, at his last known address, demand its immediate payment; and, if payment is not immediately made, collect the tax by (THE) any method prescribed in (SUBDIVISION 2) chapter 270, except that it need not await the expiration of the periods of time therein specified.

Sec. 32. Minnesota Statutes 1980, Section 290.48, Subdivision 6, is amended to read:

Subd. 6. [APPEALS.] Either party to an action or a judgment for the recovery of any taxes, interest, or penalties under (SUBDIVISION 1 OR) subdivision 5 may remove the judgment to the supreme court by appeal, as provided for appeals in civil cases.

Sec. 33. Minnesota Statutes 1980, Section 290.48, Subdivision 8, is amended to read:

Subd. 8. [TAX PRESUMED VALID.] The tax, as assessed by the commissioner, with any penalties included therein, shall be presumed to be valid and correctly determined and assessed, and the burden shall be upon the taxpayer to show its incorrectness or invalidity. (THE) Any statement filed by the commissioner with the clerk of court, (AS PROVIDED HEREIN,) or any other certificate by the commissioner of the amount of the tax and penalties as determined or assessed by him, shall be admissible in evidence and shall establish prima facie the facts set forth therein.

Sec. 34. Minnesota Statutes 1980, Section 290.53, Subdivision 2, is amended to read:

Subd. 2. [FAILURE TO MAKE AND FILE RETURN (, NOT DUE TO WILFUL NEGLIGENCE).] In case of any failure to make and file a return as required by this chapter within the time prescribed by law or prescribed by the commissioner in pursuance of law, (UNLESS IT IS SHOWN THAT SUCH FAILURE IS NOT DUE TO WILFUL NEGLIGENCE,) there shall be added to the tax in lieu of the penalty provided in subdivision 1: ten percent if the failure is for not more than 30 days with an additional five percent for each additional 30 days or fraction thereof during which such failure continues, not exceeding 25 percent in the aggregate. The amount so added to any tax shall

be collected at the same time and in the same manner and as a part of the tax, and the amount of said tax together with the amount so added shall bear interest at the rate specified in section 270.75 from the time such tax should have been paid until paid unless the tax has been paid before the discovery of the neglect, in which case the amount so added shall be collected in the same manner as the tax.

For the purposes of this subdivision the amount of any taxes required to be shown on the return shall be reduced by the amount of any part of the tax which is paid on or before the date prescribed for payment of the tax and by the amount of any credit against the tax which may be claimed upon the return.

Sec. 35. Minnesota Statutes 1980, Section 290.53, Subdivision 5, is amended to read:

Subd. 5. [ALLOCATION OF PAYMENTS.] All payments received may, in the discretion of the commissioner of revenue, be credited first to the oldest liability not secured by a judgment or lien, but in all cases shall be credited first to penalties, next to interest, and then to the tax due.

Sec. 36. Minnesota Statutes 1980, Section 290.54, is amended to read:

290.54 [TAX A PERSONAL DEBT.]

The tax imposed by this chapter, and interest and penalties imposed with respect thereto, shall become a personal debt of the taxpayer from the time the liability therefor arises, irrespective of when the time for discharging such liability by payment occurs. The debt shall, in the case of the personal representative of the estate of a decedent and in the case of any fiduciary, be that of such person in his official or fiduciary capacity only unless he shall have voluntarily distributed the assets held in such capacity without reserving sufficient assets to pay such tax, interest, and penalties, in which event he shall be personally liable for any deficiency. This provision shall apply only to cases in which this state is legally competent to impose such personal liability.

(THE TAX IMPOSED BY THIS CHAPTER, AND INTEREST AND PENALTIES IMPOSED WITH RESPECT THERETO, SHALL BECOME A LIEN UPON ALL OF THE PROPERTY, BOTH REAL AND PERSONAL, OF THE TAXPAYER WITHIN THIS STATE, EXCEPT HIS HOMESTEAD, FROM AND AFTER THE FILING BY THE COMMISSIONER OF A NOTICE OF SUCH LIEN IN THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY IN WHICH SUCH PROPERTY IS SITUATED, OR IN THE CASE OF PERSONAL PROPERTY BELONGING TO AN INDIVIDUAL WHO IS NOT A RESIDENT OF THIS STATE, OR WHICH

IS A CORPORATION, PARTNERSHIP, OR OTHER ORGANIZATION, IN THE OFFICE OF THE SECRETARY OF STATE.)

(THE LIEN CREATED UNDER THIS SECTION SHALL BECOME EFFECTIVE WITH RESPECT TO PERSONAL PROPERTY FROM AND AFTER THE DATE OF FILING BY THE COMMISSIONER OF A NOTICE OF SUCH LIEN DESCRIBING THE PROPERTY TO WHICH THE LIEN ATTACHES IN THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY IN WHICH THE COMMISSIONER BELIEVES THE PROPERTY IS LOCATED AT THE TIME SUCH LIEN IS FILED, AND WITH THE SECRETARY OF STATE.)

(THE LIEN IMPOSED ON PERSONAL PROPERTY BY THIS SECTION, EVEN, THOUGH PROPERLY FILED, SHALL NOT BE VALID AS AGAINST A PURCHASER WITH RESPECT TO TANGIBLE PERSONAL PROPERTY PURCHASED AT RETAIL OR AS AGAINST THE PERSONAL PROPERTY LISTED AS EXEMPT IN SECTIONS 550.37, 550.38, AND 500.39.)

Sec. 37. Minnesota Statutes 1981 Supplement, Section 290.92, Subdivision 6, is amended to read:

Subd. 6. [RETURNS, DEPOSITS.] (1) (a) [RETURNS.] Every employer who is required to deduct and withhold tax under subdivision 2a or 3 shall file a return with the commissioner for each quarterly period, on or before the last day of the month following the close of each quarterly period, unless otherwise prescribed by the commissioner. Any tax required to be deducted and withheld during the quarterly period shall be paid with the return unless an earlier time for payment is provided herein. However, any such return may be filed on or before the tenth day of the second calendar month following such period if such return shows timely deposits in full payment of such taxes due for such period. For the purpose of the preceding sentence, a deposit which is not required to be made within such return period, may be made on or before the last day of the first calendar month following the close of such period. Every employer, in preparing said quarterly return, shall take credit for monthly deposits previously made in accordance with this subdivision.

The return shall be in the form and contain the information prescribed by the commissioner. The commissioner may grant a reasonable extension of time for filing the return and paying the tax, but no extension shall be granted for more than six months.

(b) [ADVANCE DEPOSITS REQUIRED IN CERTAIN CASES.] (i) Unless clause (ii) is applicable, if during any

calendar month, other than the last month of the calendar quarter, the aggregate amount of the tax withheld during that quarter under subdivision 2a or 3 exceeds \$200, or beginning January 1, 1982, \$500, the employer shall deposit the aggregate amount with the commissioner within 15 days after the close of the calendar month. (ii) If at the close of any eighth-monthly period the aggregate amount of undeposited taxes is \$3,000 or more, the employer shall deposit the undeposited taxes with the commissioner within three banking days after the close of the eighth-monthly period. For purposes of this subparagraph, the term "eighth-monthly period" means the first three days of a calendar month, the fourth day through the seventh day of a calendar month, the eighth day through the 11th day of a calendar month, the 12th day through the 15th day of a calendar month, the 16th day through the 19th day of a calendar month, the 20th day through the 22nd day of a calendar month, the 23rd day through the 25th day of a calendar month, or the portion of a calendar month following the 25th day of such month.

(c) [OTHER METHODS.] The commissioner shall have the power by rule to prescribe other return periods or deposit requirements. In prescribing the reporting period, the commissioner may classify employers according to the amount of their tax liability and may adopt an appropriate reporting period for each class which he deems to be consistent with efficient tax collection. In no event shall the duration of the reporting period be more than one year, provided that for employers with annual withholding tax liabilities of less than \$1,200 the reporting period shall be no more frequent than quarterly.

(2) If less than the correct amount of such tax is paid to the commissioner, proper adjustments, with respect to both the tax and the amount to be deducted, shall be made, without interest, in such manner and at such times as the commissioner may prescribe. If such underpayment cannot be so adjusted the amount of the underpayment shall be assessed and collected in such manner and at such times as the commissioner may prescribe.

(3) If any employer fails to make and file any return required by paragraph (1) at the time prescribed therefor, or makes and files a false or fraudulent return, the commissioner shall make for him a return from his own knowledge and from such information as he can obtain through testimony, or otherwise, and assess a tax on the basis thereof. The amount of tax shown thereon shall be paid to the commissioner at such times as the commissioner may prescribe. Any such return or assessment so made by the commissioner shall be prima facie correct and valid, and the employer shall have the burden of establishing its incorrectness or invalidity in any action or proceeding in respect thereto.

(4) If the commissioner, in any case, has reason to believe that the collection of the tax provided for in paragraph (1) of

this subdivision, and any added penalties and interest, if any, will be jeopardized by delay, he may immediately assess such tax, whether or not the time otherwise prescribed by law for making and filing the return and paying such tax has expired.

(5) Any assessment under this subdivision shall be made by recording the liability of the employer in the office of the commissioner in accordance with regulations prescribed by the commissioner. Upon request of the employer, the commissioner shall furnish the employer a copy of the record of assessment.

(6) Any assessment of tax under this subdivision shall be made within three and one-half years after the due date of the return required by paragraph (1), or the date the return was filed, whichever is later; except that in the case of a false or fraudulent return or failure to file a return, the tax may be assessed at any time.

(7) (a) Except as provided in (b) of this paragraph, every employer who fails to pay to or deposit with the commissioner any sum or sums required by this section to be deducted, withheld and paid, shall be personally and individually liable to the state of Minnesota for such sum or sums (and any added penalties and interest); and any sum or sums deducted and withheld in accordance with the provisions of subdivision 2a or subdivision 3 shall be held to be a special fund in trust for the state of Minnesota.

(b) If the employer, in violation of the provision of this section, fails to deduct and withhold the tax under this section, and thereafter the taxes against which such tax may be credited are paid, the tax so required to be deducted and withheld shall not be collected from the employer; but this shall in no case relieve the employer from liability for any penalties and interest otherwise applicable in respect of such failure to deduct and withhold.

(8) Upon the failure of any employer to pay to or deposit with the commissioner within the time provided by paragraphs (1), (2) or (3) of this subdivision any tax required to be withheld in accordance with the provisions of subdivision 2a or subdivision 3, or if the commissioner has assessed a tax pursuant to paragraph (4), such tax shall become immediately due and payable, and the commissioner may deliver to the attorney general a certified statement of the tax, penalties and interest due from such employer. The statement shall also give the address of the employer owing such tax, the period for which the tax is due, the date of the delinquency, and such other information as may be required by the attorney general. It shall be the duty of the attorney general to institute legal action in the name of the state to recover the amount of such tax, penalties, interest and costs. The commissioner's certified statement to the attorney general shall for all purposes and in all courts

be prima facie evidence of the facts therein stated and that the amount shown therein is due from the employer named in the statement. In event action is instituted as herein provided, the court shall, upon application of the attorney general, appoint a receiver of the property and business of the delinquent employer for the purpose of impounding the same as security for any judgment which has been or may be recovered. Any such action shall be brought within four years and three months after the due date of the return or deposit required by paragraph (1), or the date the return was filed, or deposit made whichever is later; except that in the case of failure to make and file such return or if such return is false or fraudulent, or such deposit is not made such action may be brought at any time.

(9) (THE TAX REQUIRED TO BE WITHHELD UNDER SUBDIVISION 2A OR SUBDIVISION 3 OR PAID TO, OR DEPOSITED WITH THE COMMISSIONER UNDER THIS SUBDIVISION, TOGETHER WITH PENALTIES, INTEREST AND COSTS, SHALL BECOME A LIEN UPON ALL OF THE REAL PROPERTY OF THE EMPLOYER WITHIN THIS STATE, EXCEPT HIS HOMESTEAD, FROM AND AFTER THE FILING BY THE COMMISSIONER OF A NOTICE OF SUCH LIEN IN THE OFFICES OF THE COUNTY RECORDER OF THE COUNTY IN WHICH SUCH REAL PROPERTY IS SITUATED.)

((10)) Either party to an action for the recovery of any tax, interest or penalties under this subdivision may remove the judgment to the supreme court by appeal, as provided for appeals in civil cases.

((11)) (10) No suit shall lie to enjoin the assessment or collection of any tax imposed by this section, or the interest and penalties added thereto.

((12)) WHEN ANY TAX IS DUE AND PAYABLE AS PROVIDED IN PARAGRAPH (8) THE COMMISSIONER MAY ISSUE HIS WARRANT TO THE SHERIFF OF ANY COUNTY OF THE STATE COMMANDING HIM TO LEVY UPON AND SELL THE REAL AND PERSONAL PROPERTY OF THE EMPLOYER AND TO LEVY UPON THE RIGHTS TO PROPERTY OF THE EMPLOYER WITHIN THE COUNTY AND TO RETURN SUCH WARRANT TO THE COMMISSIONER AND PAY TO HIM THE MONEY COLLECTED BY VIRTUE THEREOF BY A TIME TO BE THEREIN SPECIFIED, NOT LESS THAN 60 DAYS FROM THE DATE OF THE WARRANT. THE SHERIFF SHALL PROCEED THEREUNDER TO LEVY UPON AND SEIZE ANY PROPERTY OF THE EMPLOYER AND TO LEVY UPON THE RIGHTS TO PROPERTY OF THE EMPLOYER WITHIN HIS COUNTY, EXCEPT THE HOMESTEAD AND HOUSEHOLD GOODS OF THE EMPLOYER AND PROPERTY OF THE EMPLOYER NOT LIABLE TO ATTACHMENT, GAR-

NISHMENT, OR SALE ON ANY FINAL PROCESS ISSUED FROM ANY COURT UNDER THE PROVISIONS OF SECTION 550.37, AND SHALL SELL SO MUCH THEREOF AS IS REQUIRED TO SATISFY SUCH TAXES, INTEREST, AND PENALTIES, TOGETHER WITH HIS COSTS; BUT SUCH SALES SHALL, AS TO THEIR MANNER, BE GOVERNED BY THE LAWS APPLICABLE TO SALES OF LIKE PROPERTY ON EXECUTION ISSUED AGAINST PROPERTY UPON A JUDGMENT OF A COURT OF RECORD. THE PROCEEDS OF SUCH SALES, LESS THE SHERIFF'S COSTS, SHALL BE TURNED OVER TO THE COMMISSIONER, WHO SHALL RETAIN SUCH PART THEREOF AS IS REQUIRED TO SATISFY THE TAX, INTEREST, PENALTIES AND COSTS, AND PAY OVER ANY BALANCE TO THE TAXPAYER. ANY ACTION TAKEN BY THE COMMISSIONER PURSUANT TO THIS SUBDIVISION SHALL NOT CONSTITUTE AN ELECTION BY THE STATE TO PURSUE A REMEDY TO THE EXCLUSION OF ANY OTHER REMEDY PROVIDING FOR THE COLLECTION OF TAXES REQUIRED TO BE WITHHELD BY EMPLOYERS.)

Sec. 38. Minnesota Statutes 1981 Supplement, Section 290.92, Subdivision 15, is amended to read:

Subd. 15. [PENALTIES.] (1) If any tax required to be deducted and withheld under subdivision 2a or subdivision 3, or any portion thereof, is not paid to or deposited with the commissioner within the time specified in subdivision 6 for the payment thereof, there shall be added thereto a penalty equal to ten percent of the amount so remaining unpaid. Such penalty shall be collected as part of said tax, and the amount of said tax not timely paid, together with said penalty, shall bear interest at the rate specified in section 270.75 from the time such tax should have been paid or deposited until paid. Where an extension of time for payment has been granted under the provisions of subdivision 6, interest shall be paid at the rate specified in section 270.75 from the date when such payment or deposit should have been made if no extension had been granted, until such tax is paid. If payment is not made at the expiration of the extended period the penalties provided in this subdivision shall apply.

(2) In the case of any failure to withhold a tax on wages, make and file quarterly returns or make payments to or deposits with the commissioner of amounts withheld, as required by this section, within the time prescribed by law, (UNLESS IT IS SHOWN THAT SUCH FAILURE IS NOT DUE TO WILFUL NEGLIGENCE,) there shall be added to the tax in lieu of the penalty provided in paragraph (1) a penalty equal to ten percent of the amount of tax that should have been properly withheld and paid over to or deposited with the commissioner if the failure is for not more than 30 days with an additional five

percent for each additional 30 days or fraction thereof during which such failure continues, not exceeding 25 percent in the aggregate. The amount of the tax together with this amount shall bear interest at the rate specified in section 270.75 from the time the tax should have been paid until paid. The amount so added to the tax shall be collected at the same time and in the same manner and as a part of the tax unless the tax has been paid before the discovery of the negligence, in which case the amount so added shall be collected in the same manner as the tax.

(3) If any employer required to withhold a tax on wages, make deposits, make and file quarterly returns and make payments to the commissioner of amounts withheld, as required by sections 290.92 to 290.97, wilfully fails to withhold such a tax or make such deposits, files a false or fraudulent return, wilfully fails to make such a payment or deposit, or wilfully attempts in any manner to evade or defeat any such tax or the payment or deposit thereof, there shall also be imposed on such employer as a penalty an amount equal to 50 percent of the amount of tax (less any amount paid or deposited by such employer on the basis of such false or fraudulent return or deposit) that should have been properly withheld and paid over or deposited with the commissioner. The amount of the tax together with this amount shall bear interest at the rate specified in section 270.75 from the time the tax should have been paid until paid. The penalty imposed by this paragraph shall be collected as a part of the tax, and shall be in addition to any other penalties civil and criminal, prescribed by this subdivision.

(4) If any person required under the provisions of subdivision 7 to furnish a statement to an employee or payee and a duplicate statement to the commissioner, or to furnish a reconciliation of such statements (and quarterly returns) to the commissioner, wilfully furnishes a false or fraudulent statement to an employee or payee or a false or fraudulent duplicate statement or reconciliation of statements (and quarterly returns) to the commissioner, or wilfully fails to furnish a statement or such reconciliation in the manner, at the time, and showing the information required by the provisions of subdivision 7, or regulations prescribed by the commissioner thereunder, there shall be imposed on such a person a penalty of \$10 for each such act or failure to act. The penalty imposed by this paragraph shall become due and payable within ten days after the mailing of a written demand therefor, and may be collected in the manner prescribed in subdivision 6(8).

(5) In addition to the penalties hereinbefore prescribed, any person required to withhold a tax on wages, make and file quarterly returns and make payments or deposits to the commissioner of amounts withheld, as required by this section, who wilfully fails to withhold such a tax or truthfully make and file such a

quarterly return or make such a payment or deposit, shall be guilty of a gross misdemeanor.

(6) In lieu of any other penalty provided by law, except the penalty provided by paragraph (4), any person required under the provisions of subdivision 7 to furnish a statement of wages to an employee and a duplicate statement to the commissioner, who wilfully furnishes a false or fraudulent statement of wages to an employee or a false or fraudulent duplicate statement of wages to the commissioner, or who wilfully fails to furnish such a statement in the manner, at the time, and showing the information required by the provisions of subdivision 7, or regulations prescribed by the commissioner thereunder, shall be guilty of a gross misdemeanor.

(7) Any employee required to supply information to his employer under the provisions of subdivision 5, who wilfully fails to supply information thereunder which would require an increase in the tax to be deducted and withheld under subdivision 2a or subdivision 3, shall be guilty of a misdemeanor.

(8) The term "person," as used in this section, includes an officer or employee of a corporation, or a member or employee of a partnership, who as such officer, employee, or member is under a duty to perform the act in respect of which the violation occurs.

(9) All payments received, *may, in the discretion of the commissioner of revenue, be credited first to the oldest liability not secured by a judgment or lien, but in all cases shall be credited first to penalties, next to interest, and then to the tax due.*

(10) In addition to any other penalty provided by law, any employee who furnishes a withholding exemption certificate to his employer which the employee has reason to know contains a materially incorrect statement shall be liable to the commissioner of revenue for a penalty of \$100 for each instance. The penalty shall be immediately due and payable and may be collected in the same manner as any delinquent income tax.

(11) In addition to any other penalty provided by law, any employer who fails to submit a copy of a withholding exemption certificate required by section 26, clause (1)(a), (1)(b), or (2) shall be liable to the commissioner of revenue for a penalty of \$50 for each instance. The penalty shall be immediately due and payable and may be collected in the manner provided in subdivision 6(8).

Sec. 39. Minnesota Statutes 1980, Section 290.92, Subdivision 23, is amended to read:

Subd. 23. [WITHHOLDING BY EMPLOYER OF DELINQUENT TAXES.] (1) The commissioner may, *within five years after the taxes should have been paid or the return is filed, whichever is later*, give notice to any employer deriving income which has a taxable situs in this state regardless of whether the income is exempt from taxation, that an employee of that employer is delinquent in a certain amount with respect to any state taxes, including penalties, interest and costs. The commissioner can proceed under this subdivision only if the tax is uncontested or if the time for appeal of the tax has expired. The commissioner shall not proceed under this subdivision until the expiration of 30 days after mailing to the taxpayer, at his last known address, a written notice of (a) the amount of taxes, interest, and penalties due from the taxpayer and demand for their payment, and (b) the commissioner's intention to require additional withholding by the taxpayer's employer pursuant to this subdivision. The effect of the notice shall expire (90) 180 days after it has been mailed to the taxpayer provided that the notice may be renewed by mailing a new notice which is in accordance with this subdivision. The renewed notice shall have the effect of reinstating the priority of the original claim. The notice to the taxpayer shall be in substantially the same form as that provided in section 571.41. The notice shall further inform the taxpayer of the wage exemptions contained in section 550.37, subdivision 14. If no statement of exemption is received by the commissioner within 30 days from the mailing of the notice, he may proceed under this subdivision. The notice to the taxpayer's employer may be served by mail or by delivery by an employee of the department of revenue and shall be in substantially the same form as provided in section 571.495. Upon receipt of notice, the employer shall withhold from compensation due or to become due to the employee, the total amount shown by the notice, subject to the provisions of section 571.55. The employer shall continue to withhold each pay period until the total amount shown by the notice is paid in full. Upon receipt of notice by the employer, the claim of the state of Minnesota shall have priority over any subsequent garnishments or wage assignments. The commissioner may arrange between the employer and the employee for withholding a portion of the total amount due the employee each pay period, until the total amount shown by the notice plus accrued interest has been withheld.

The "compensation due" any employee is defined in accordance with the provisions of section 571.55. The maximum withholding allowed under this subdivision for any one pay period shall be decreased by any amounts payable pursuant to a garnishment action with respect to which the employer was served prior to being served with the notice of delinquency and any amounts covered by any irrevocable and previously effective assignment of wages; the employer shall give notice to the department of the amounts and the facts relating to such assignments within ten days after the service of the notice of delinquency on the form provided by the department of revenue as

noted in this subdivision. In crediting amounts withheld against delinquent taxes of an employee, the department shall apply amounts withheld in the following order: penalties, interest, tax and costs.

(2) If the employee ceases to be employed by the employer before the full amount set forth in a notice of delinquency plus accrued interest has been withheld, the employer shall immediately notify the commissioner in writing of the termination date of the employee and the total amount withheld. No employer may discharge any employee by reason of the fact that the commissioner has proceeded under this subdivision. If an employer discharges an employee in violation of this provision, the employee shall have the same remedy as provided in section 571.61, subdivision 2.

(3) The employer shall, by the date prescribed in subdivision 6, remit to the commissioner, on a form and in the manner prescribed by the commissioner, the amount withheld during the calendar quarter under this subdivision. Should any employer, after notice, willfully fail to withhold in accordance with the notice and this subdivision, or willfully fail to remit any amount withheld as required by this subdivision, the employer shall be liable for the total amount set forth in the notice together with accrued interest which may be collected by any means provided by law relating to taxation. No amount required to be paid by an employer by reason of his failure to remit under this subdivision, may be deducted from the gross income of the employer, under sections 290.09, subdivision 4 or 290.01, subdivision 20. Any amount collected from the employer for failure to withhold or for failure to remit under this subdivision shall be credited to the employee's account in the following manner: penalties, interest, tax and costs.

(4) Clauses (1), (2) and (3), except provisions imposing a liability on the employer for failure to withhold or remit, shall apply to cases in which the employer is the United States or any instrumentality thereof or this state or any municipality or other subordinate unit thereof.

(5) The commissioner shall refund to the employee excess amounts withheld from him under this subdivision. If any excess results from payments by the employer because of willful failure to withhold or remit as prescribed in clause (3) above, the excess attributable to the employer's payment shall be refunded to the employer.

(6) Employers required to withhold delinquent taxes, penalties, interest and costs under this subdivision shall not be required to compute any additional interest, costs or other charges to be withheld.

(7) *The collection remedy provided to the commissioner by this subdivision shall have the same legal effect as if it were a levy made pursuant to section 270.70.*

Sec. 40. Minnesota Statutes 1980, Section 296.01, Subdivision 8, is amended to read:

Subd. 8. [PERSON.] "Person" means any individual, firm, trust, estate, partnership, association, cooperative association, joint stock company or corporation, public or private, or any representative appointed by order of any court; or an officer or employee of a corporation, or a member or employee of a partnership, who as such officer, employee or member is under a duty to perform any act prescribed by this chapter.

Sec. 41. Minnesota Statutes 1981 Supplement, Section 296.12, Subdivision 4, is amended to read:

Subd. 4. [MONTHLY REPORTS; SHRINKAGE ALLOWANCE.] On or before the 23rd day of each month, the persons subject to the provisions of this section shall file in the office of the commissioner at St. Paul, Minnesota, a report in the following manner:

(1) Distributors and special fuel dealers shall report the total number of gallons delivered to them during the preceding calendar month and shall pay the special fuel excise tax due thereon to the commissioner. Credit for the excise tax due or previously paid on special fuel used by the distributor or special fuel dealer for heating his place of business, or special fuel sold for any purpose other than use in licensed motor vehicles and evidenced by an invoice issued at time of sale, may be allowed in computing the tax liability. The invoice must show the true and correct name and address of the purchaser, and the purchaser's signature. The report shall contain such other information as the commissioner may require.

(2) Distributors and special fuel dealers who have elected to pay the special fuel excise tax on all special fuel delivered into the supply tank of an aircraft or licensed motor vehicle as provided in section 296.12, subdivision 3, shall report the total number of gallons delivered into the supply tank of an aircraft or licensed motor vehicle during the preceding calendar month and shall pay the special fuel excise tax due thereon to the commissioner.

(3) Bulk purchasers shall report and pay the special fuel excise tax on all special fuel purchased by them for storage, during the preceding calendar month. In such cases as the commissioner may permit, credit for the excise tax due or previously paid on special fuel not used in aircraft or licensed motor vehicles, may be allowed in computing tax liability. The report shall

contain such other information as the commissioner may require.

(4) In computing the special fuel excise tax due under clauses (1), (2), and (3), a deduction of one percent of the quantity of special fuel on which tax is due shall be made for evaporation and loss.

(5) *Each report shall contain a confession of judgment for the amount of the tax shown due thereon to the extent not timely paid.*

Sec. 42. Minnesota Statutes 1980, Section 296.14, Subdivision 1, is amended to read:

Subdivision 1. [CONTENTS; PAYMENT OF TAX; SHRINKAGE ALLOWANCE.] On or before the twenty-third day of each month, every person who is required to pay gasoline tax or inspection fee on petroleum products and every distributor shall file in the office of the commissioner at St. Paul, Minnesota, a report in a manner approved by the commissioner showing the number of gallons of petroleum products received by him during the preceding calendar month, and such other information as the commissioner may require. The number of gallons of gasoline shall be reported in U.S. standard liquid gallons (231 cubic inches), except that the commissioner may upon written application therefor and for cause shown permit the distributor to report the number of gallons of such gasoline as corrected to a 60 degree Fahrenheit temperature. If such application is granted, all gasoline covered in such application and as allowed by the commissioner must continue to be reported by the distributor on the adjusted basis for a period of one year from the date of the granting of the application. The number of gallons of petroleum products other than gasoline shall be reported as originally invoiced.

Each report shall show separately the number of gallons of aviation gasoline received by him during such calendar month.

Each report shall be accompanied by remittance covering inspection fees on petroleum products and gasoline tax on gasoline received by him during the preceding month; provided that in computing such tax a deduction of three percent of the quantity of gasoline received by a distributor shall be made for evaporation and loss; provided further that at the time of remittance the distributor shall submit satisfactory evidence that one-third of such three percent deduction shall have been credited or paid to dealers on quantities sold to them. The report and remittance shall be deemed to have been filed as herein required if post-marked on or before the twenty-third day of the month in which payable.

Each report shall contain a confession of judgment for the amount of the tax shown due thereon to the extent not timely paid.

Sec. 43. Minnesota Statutes 1980, Section 296.17, Subdivision 11, is amended to read:

Subd. 11. [REPORTS.] Every motor carrier subject to the road tax shall, on or before the last day of April, July, October and January, file with the commissioner such reports of his operations during the previous three months as the commissioner may require and such other reports from time to time as the commissioner may deem necessary. The commissioner by regulation may exempt from the reporting requirements of this section those motor carriers all or substantially all of whose mileage is within this state, or states with which Minnesota has reciprocity and require in such instances an annual affidavit attesting to the intrastate or substantially intrastate character of their operations, provided that the enforcement of subdivisions 7 to 22 is not adversely affected thereby and that the commissioner is satisfied that an equitable amount of motor fuel is purchased within this state by such carriers.

Each report shall contain a confession of judgment for the amount of the tax shown due thereon to the extent not timely paid.

Sec. 44. Minnesota Statutes 1980, Section 297A.33, Subdivision 2, is amended to read:

Subd. 2. If the commissioner has reason to believe that the person required to file the return is about to remove himself or his property from this state with the purpose of evading the tax and penalties imposed by sections 297A.01 to 297A.44, or that the collection of such tax will be jeopardized by delays incident to other methods of collection, he may immediately declare such person's reporting period at an end and assess a tax on the basis of his own knowledge or information available to him, demand its immediate payment; and, if payment is not immediately made, collect the tax by any method prescribed in (THIS) chapter 270. It shall not be a defense to any assessment made under this section that the tax period has not terminated, or that the time otherwise allowed by law for filing a return has not expired, or that the notices otherwise required by law for making an assessment have not been given, or that the time otherwise allowed by law for taking or prosecuting an appeal or for paying the tax has not expired.

Sec. 45. Minnesota Statutes 1980, Section 297A.39, Subdivision 2, is amended to read:

Subd. 2. In case of any failure to make and file a return within the time prescribed by sections 297A.01 to 297A.44 or an extension thereof, (UNLESS IT IS SHOWN THAT SUCH

FAILURE IS NOT DUE TO WILFUL NEGLIGENCE,) there shall be added to the tax in lieu of the ten percent specific penalty provided in subdivision 1 ten percent if the failure is for not more than 30 days with an additional five percent for each additional 30 days or fraction thereof during which such failure continues, not exceeding 25 percent in the aggregate. If the penalty as computed does not exceed \$10, a minimum penalty of \$10 shall be assessed. The amount so added to any tax shall be collected at the same time and in the same manner and as a part of the tax unless the tax has been paid before the discovery of the negligence, in which case the amount so added shall be collected in the same manner as the tax.

Sec. 46. Minnesota Statutes 1980, Section 297A.39, Subdivision 5, is amended to read:

Subd. 5. All payments received *may, in the discretion of the commissioner of revenue, be credited first to the oldest liability not secured by a judgment or lien, but in all cases shall be credited first to penalties, next to interest, and then to the tax due.*

Sec. 47. Minnesota Statutes 1980, Section 508.25, is amended to read:

508.25 [RIGHTS OF PERSON HOLDING CERTIFICATE OF TITLE.]

Every person receiving a certificate of title pursuant to a decree of registration and every subsequent purchaser of registered land who receives a certificate of title in good faith and for a valuable consideration shall hold the same free from all encumbrances and adverse claims, excepting only such estates, mortgages, liens, charges, and interests as may be noted in the last certificate of title in the office of the registrar, and also excepting any of the following rights or encumbrances subsisting against the same, if any:

- (1) Liens, claims, or rights arising or existing under the laws or the constitution of the United States, which this state cannot require to appear of record;
- (2) The lien of any tax or special assessment for which the land has not been sold at the date of the certificate of title;
- (3) Any lease for a period not exceeding three years when there is actual occupation of the premises thereunder;
- (4) All rights in public highways upon the land;
- (5) Such right of appeal, or right to appear and contest the application, as is allowed by this chapter;

(6) The rights of any person in possession under deed or contract for deed from the owner of the certificate of title;

(7) *Liens or judgments, notwithstanding section 508.63, arising under the laws of this state for the nonpayment of any tax administered by the commissioner of revenue.*

Sec. 48. Minnesota Statutes 1980, Section 559.21, is amended by adding a subdivision to read:

Subd. 5. When required by and in the manner provided in section 9, subdivision 7, the notice required by this section shall also be given to the commissioner of revenue.

Sec. 49. Minnesota Statutes 1980, Section 580.15, is amended to read:

580.15 [PERPETUATING EVIDENCE OF SALE.]

Any party desiring to perpetuate the evidence of any sale made in pursuance of this chapter may procure:

(1) An affidavit of the publication of the notice of sale and of any notice of postponement to be made by the printer of the newspaper in which the same was inserted or by some person in his employ knowing the facts;

(2) An affidavit or return of service of such notice upon the occupant of the mortgaged premises to be made by the officer or person making such service or, in case the premises were vacant or unoccupied at the time the service must be made, an affidavit or return showing that fact, to be made by the officer or person attempting to make such service;

(3) An affidavit by the person foreclosing the mortgage, or his attorney, or someone knowing the facts, setting forth the facts relating to the military service status of the owner of the mortgaged premises at the time of sale.

(4) An affidavit by the person foreclosing the mortgage, or his attorney, or someone having knowledge of the facts, setting forth the fact of service of notice of sale upon the secretary of the treasury of the United States or his delegate in accordance with the provisions of Section 7425 of the Internal Revenue Code of 1954 as amended by Section 109 of the Federal Tax Lien Act of 1966, and also setting forth the fact of service of notice of sale upon the commissioner of revenue of the state of Minnesota in accordance with the provisions of section 9, subdivision 7. Any such affidavit recorded prior to May 16, 1967 shall be effective as prima facie evidence of the facts therein contained as though recorded subsequent to May 16, 1967.

Such affidavits and returns shall be recorded by the county recorder and they and the records thereof, and certified copies of such records, shall be prima facie evidence of the facts therein contained.

The affidavit provided for in clause (3) hereof may be made and filed for record for the purpose of complying with the provisions of the Soldiers' and Sailors' Civil Relief Act of 1940, passed by the Congress of the United States and approved on October 17, 1940, and may be made and filed for record at any time subsequent to the date of the mortgage foreclosure sale.

Sec. 50. [REPEALER.]

Minnesota Statutes 1980, Sections 290.48, Subdivisions 1 and 9; 290.51; 290.97; 297A.33, Subdivision 6; 297A.36; 297A.39, Subdivision 6; 297A.40, Subdivision 2; and Minnesota Statutes 1981 Supplement, Section 290.48, Subdivision 2, are repealed.

Sec. 51. [EFFECTIVE DATE.]

This article is effective July 1, 1982, but shall not apply to any tax the collection of which is barred by statute of limitations on July 1, 1982.

ARTICLE X

Section 1. Minnesota Statutes 1980, Section 274.19, Subdivision 3, is amended to read:

Subd. 3. Not later than July 15 in the year of assessment the county treasurer shall mail to the taxpayer a statement of tax due on class 2a property. The taxes shall be due on the last day of August. Taxes remaining unpaid after the due date shall be deemed delinquent, and a penalty of eight percent shall be assessed and collected as part of the unpaid taxes. On September (10) 30 the county treasurer shall make a list of taxes remaining unpaid and shall certify the list immediately to the clerk of district court, who shall issue warrants to the sheriff for collection.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective for taxes payable in 1982 and thereafter.

ARTICLE XI

Section 1. Minnesota Statutes 1981 Supplement, Section 297A.01, Subdivision 3, is amended to read:

Subd. 3. A "sale" and a "purchase" includes, but is not limited to, each of the following transactions:

(a) Any transfer of title or possession, or both, of tangible personal property, whether absolutely or conditionally, and the leasing of or the granting of a license to use or consume tangible personal property, for a consideration in money or by exchange or barter;

(b) The production, fabrication, printing or processing of tangible personal property for a consideration for consumers who furnish either directly or indirectly the materials used in the production, fabrication, printing or processing;

(c) The furnishing, preparing or serving for a consideration of food, meals or drinks, not including hospitals, sanatoriums, nursing homes or senior citizens homes, meals or drinks purchased for and served exclusively to individuals who are 60 years of age or over and their spouses or to the handicapped and their spouses by governmental agencies, nonprofit organizations, agencies, or churches or pursuant to any program funded in whole or part through 42 USCA sections 3001 through 3045, wherever delivered, prepared or served, meals and lunches served at public and private schools, universities or colleges, or the occasional meal thereof by a charitable or church organization. *Notwithstanding section 297A.25, subdivision 1, clause (a), taxable food or meals include, but is not limited to, the following:*

(i) heated food or drinks;

(ii) sandwiches prepared by the retailer;

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

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

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

(vi) gum;

(vii) ice;

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

(ix) party trays prepared by the retailers; and

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

(d) The granting of the privilege of admission to places of amusement or athletic events and the privilege of use of amusement devices or athletic facilities;

(e) The furnishing for a consideration of lodging and related services by a hotel, rooming house, tourist court, motel or trailer camp and of the granting of any similar license to use real property other than the renting or leasing thereof for a continuous period of 30 days or more;

(f) The furnishing for a consideration of electricity, gas, water, or steam for use or consumption within this state, or local exchange telephone service and intrastate toll service except such service provided by means of coin operated telephones; the tax imposed on amounts paid for telephone services is the liability of and shall be paid by the person paying for the services. Sales by municipal corporations in a proprietary capacity are included in the provisions of this clause. The furnishing of water and sewer services for residential use shall not be considered a sale.

Sec. 2. Minnesota Statutes 1981 Supplement, Section 297A.-25, Subdivision 1, as amended by Laws 1981, Third Special Session Chapter 2, Article V, Section 2, is amended to read:

Subdivision 1. The following are specifically exempted from the taxes imposed by sections 297A.01 to 297A.44:

(a) The gross receipts from the sale of food products including but not limited to cereal and cereal products, butter, cheese, milk and milk products, oleomargarine, meat and meat products, fish and fish products, eggs and egg products, vegetables and vegetable products, fruit and fruit products, spices and salt, sugar and sugar products, coffee and coffee substitutes, tea, cocoa and cocoa products, (BUT NOT INCLUDING FOODS WHICH ARE PREPARED OR SPECIALLY SLICED, WRAPPED, ARRANGED OR DISPLAYED, AND SOLD COLD OR HOT FOR IMMEDIATE CONSUMPTION ON OR OFF THE PREMISES ON WHICH THE SALE IS MADE, WHETHER SOLD IN INDIVIDUAL SERVINGS OR IN LARGER QUANTITIES, EXCEPT) and food products which are not taxable pursuant to section 297A.01, subdivision 3, clause (c) and which are sold by a retailer, organized as a nonprofit corporation or association, within a place located on property owned by the state or an agency or instrumentality of the state, the entrance to which is subject to an admission charge;

(b) The gross receipts from the sale of prescribed drugs and medicine intended for use, internal or external, in the cure, mitigation, treatment or prevention of illness or disease in human beings and products consumed by humans for the preservation of health, including prescription glasses, therapeutic and prosthetic devices, but not including cosmetics or toilet articles notwithstanding the presence of medicinal ingredients therein;

(c) The gross receipts from the sale of and the storage, use or other consumption in Minnesota of tangible personal property,

tickets, or admissions, electricity, gas, or local exchange telephone service, which under the Constitution or laws of the United States or under the Constitution of Minnesota, the state of Minnesota is prohibited from taxing;

(d) The gross receipts from the sale of tangible personal property (i) which, without intermediate use, is shipped or transported outside Minnesota and thereafter used in a trade or business or is stored, processed, fabricated or manufactured into, attached to or incorporated into other tangible personal property transported or shipped outside Minnesota and thereafter used in a trade or business outside Minnesota, and which is not thereafter returned to a point within Minnesota, except in the course of interstate commerce (storage shall not constitute intermediate use); or (ii) which the seller delivers to a common carrier for delivery outside Minnesota, places in the United States mail or parcel post directed to the purchaser outside Minnesota, or delivers to the purchaser outside Minnesota by means of the seller's own delivery vehicles, and which is not thereafter returned to a point within Minnesota, except in the course of interstate commerce;

(e) The gross receipts from the sale of packing materials used to pack and ship household goods, the ultimate destination of which is outside the state of Minnesota and which are not thereafter returned to a point within Minnesota, except in the course of interstate commerce;

(f) The gross receipts from the sale of and storage, use or consumption of petroleum products upon which a tax has been imposed under the provisions of chapter 296, whether or not any part of said tax may be subsequently refunded;

(g) The gross receipts from the sale of clothing and wearing apparel except the following:

(i) all articles commonly or commercially known as jewelry, whether real or imitation; pearls, precious and semi-precious stones, and imitations thereof; articles made of, or ornamented, mounted or fitted with precious metals or imitations thereof; watches; clocks; cases and movements for watches and clocks; gold, gold-plated, silver, or sterling flatware or hollow ware and silver-plated hollow ware; opera glasses; lorgnettes; marine glasses; field glasses and binoculars.

(ii) articles made of fur on the hide or pelt, and articles of which such fur is the component material or chief value, but only if such value is more than three times the value of the next most valuable component material.

(iii) perfume, essences, extracts, toilet waters, cosmetics, petroleum jellies, hair oils, pomades, hair dressings, hair restora-

tives, hair dyes, aromatic cachous and toilet powders. The tax imposed by this act shall not apply to lotion, oil, powder, or other article intended to be used or applied only in the case of babies.

(iv) trunks, valises, traveling bags, suitcases, satchels, overnight bags, hat boxes for use by travelers, beach bags, bathing suit bags, brief cases made of leather or imitation leather, salesmen's sample and display cases, purses, handbags, pocketbooks, wallets, billfolds, card, pass, and key cases and toilet cases.

(h) The gross receipts from the sale of and the storage, use, or consumption of all materials, including chemicals, fuels, petroleum products, lubricants, packaging materials, including returnable containers used in packaging food and beverage products, feeds, seeds, fertilizers, electricity, gas and steam, used or consumed in agricultural or industrial production of personal property intended to be sold ultimately at retail, whether or not the item so used becomes an ingredient or constituent part of the property produced. Such production shall include, but is not limited to, research, development, design or production of any tangible personal property, manufacturing, processing (other than by restaurants and consumers) of agricultural products whether vegetable or animal, commercial fishing, refining, smelting, reducing, brewing, distilling, printing, mining, quarrying, lumbering, generating electricity and the production of road building materials. Such production shall not include painting, cleaning, repairing or similar processing of property except as part of the original manufacturing process. Machinery, equipment, implements, tools, accessories, appliances, contrivances, furniture and fixtures, used in such production and fuel, electricity, gas or steam used for space heating or lighting, are not included within this exemption; however, accessory tools, equipment and other short lived items, which are separate detachable units used in producing a direct effect upon the product, where such items have an ordinary useful life of less than 12 months, are included within the exemption provided herein;

(i) The gross receipts from the sale of and storage, use or other consumption in Minnesota of tangible personal property (except as provided in section 297A.14) which is used or consumed in producing any publication regularly issued at average intervals not exceeding three months, and any such publication. For purposes of this subsection, "publication" as used herein shall include, without limiting the foregoing, a legal newspaper as defined by Minnesota Statutes 1965, Section 331.02, and any supplements or enclosures with or part of said newspaper; and the gross receipts of any advertising contained therein or therewith shall be exempt. For this purpose, advertising in any such publication shall be deemed to be a service and not tangible personal property, and persons or their agents who publish or sell such newspapers shall be deemed to be engaging in a service with respect to gross receipts realized from such newsgathering or publishing activities by them, including the sale of advertis-

ing. Machinery, equipment, implements, tools, accessories, appliances, contrivances, furniture and fixtures used in such publication and fuel, electricity, gas or steam used for space heating or lighting, are not exempt;

(j) The gross receipts from all sales of tangible personal property to, and all storage, use or consumption of such property by, the United States and its agencies and instrumentalities or a state and its agencies, instrumentalities and political subdivisions;

(k) The gross receipts from the isolated or occasional sale of tangible personal property in Minnesota not made in the normal course of business of selling that kind of property, and the storage, use, or consumption of property acquired as a result of such a sale;

(l) The gross receipts from sales of rolling stock and the storage, use or other consumption of such property by railroads, freight line companies, sleeping car companies and express companies taxed on the gross earnings basis in lieu of ad valorem taxes. For purposes of this clause "rolling stock" is defined as the portable or moving apparatus and machinery of any such company which moves on the road, and includes, but is not limited to, engines, cars, tenders, coaches, sleeping cars and parts necessary for the repair and maintenance of such rolling stock.

(m) The gross receipts from sales of airflight equipment and the storage, use or other consumption of such property by airline companies taxed under the provisions of sections 270.071 to 270.079. For purposes of this clause, "airflight equipment" includes airplanes and parts necessary for the repair and maintenance of such airflight equipment, and flight simulators.

(n) The gross receipts from the sale of telephone central office telephone equipment used in furnishing intrastate and interstate telephone service to the public.

(o) The gross receipts from the sale of and the storage, use or other consumption by persons taxed under the in lieu provisions of chapter 298, of mill liners, grinding rods and grinding balls which are substantially consumed in the production of taconite, the material of which primarily is added to and becomes a part of the material being processed.

(p) The gross receipts from the sale of tangible personal property to, and the storage, use or other consumption of such property by, any corporation, society, association, foundation, or institution organized and operated exclusively for charitable, religious or educational purposes if the property purchased is to be used in the performance of charitable, religious or educational

functions, or any senior citizen group or association of groups that in general limits membership to persons age 55 or older and is organized and operated exclusively for pleasure, recreation and other nonprofit purposes, no part of the net earnings of which inures to the benefit of any private shareholders;

(q) The gross receipts from the sale of caskets and burial vaults;

(r) The gross receipts from the sale of an automobile or other conveyance if the purchaser is assisted by a grant from the United States in accordance with 38 United States Code, Section 1901, as amended.

(s) The gross receipts from the sale to the licensed aircraft dealer of an aircraft for which a commercial use permit has been issued pursuant to section 360.654, if the aircraft is resold while the permit is in effect.

(t) The gross receipts from the sale of building materials to be used in the construction or remodeling of a residence when the construction or remodeling is financed in whole or in part by the United States in accordance with 38 United States Code, Sections 801 to 805, as amended. The exemption shall not be effective at time of sale of the materials to contractors, subcontractors, builders or owners, but shall be applicable only upon a claim for refund to the commissioner of revenue filed by recipients of the benefits provided in Title 38 United States Code, Chapter 21, as amended. The commissioner shall provide by regulation for the refund of taxes paid on sales exempt in accordance with this paragraph.

(u) The gross receipts from the sale of textbooks which are prescribed for use in conjunction with a course of study in a public or private school, college, university and business or trade school to students who are regularly enrolled at such institutions. For purposes of this clause a "public school" is defined as one that furnishes course of study, enrollment and staff that meets standards of the state board of education and a private school is one which under the standards of the state board of education, provides an education substantially equivalent to that furnished at a public school. Business and trade schools shall mean such schools licensed pursuant to section 141.25.

(v) The gross receipts from the sale of and the storage of material designed to advertise and promote the sale of merchandise or services, which material is purchased and stored for the purpose of subsequently shipping or otherwise transferring outside the state by the purchaser for use thereafter solely outside the state of Minnesota.

(w) The gross receipt from the sale of residential heating fuels in the following manner:

(i) all fuel oil, coal, wood, steam, propane gas, and L.P. gas sold to residential customers for residential use;

(ii) natural gas sold for residential use to customers who are metered and billed as residential users and who use natural gas for their primary source of residential heat, for the billing months of November, December, January, February, March and April;

(iii) electricity sold for residential use to customers who are metered and billed as residential users and who use electricity for their primary source of residential heat, for the billing months of November, December, January, February, March and April.

(x) The gross receipts from the sale or use of tickets or admissions to the premises of or events sponsored by an association, corporation or other group of persons which provides an opportunity for citizens of the state to participate in the creation, performance or appreciation of the arts and which qualifies as a tax-exempt organization within the meaning of section 290.05, subdivision 1, clause (i).

(y) The gross receipts from either the sales to or the storage, use or consumption of tangible personal property by an organization of military service veterans or an auxiliary unit of an organization of military service veterans, provided that;

(i) the organization or auxiliary unit is organized within the state of Minnesota and is exempt from federal taxation pursuant to section 501(c), clause (19), of the Internal Revenue Code as amended through December 31, 1978; and

(ii) the tangible personal property which is sold to or stored, used or consumed by the organization or auxiliary unit is for charitable, civic, educational, or nonprofit uses and not for social, recreational, pleasure or profit uses.

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

Sec. 3. [EFFECTIVE DATE.]

Sections 1 and 2 are effective the day following final enactment.

ARTICLE XII

Section 1. Minnesota Statutes 1980, Section 105.482, Subdivision 1, is amended to read:

Subdivision 1. [PURPOSE.] The public health, safety, and welfare is promoted by the orderly repair and restoration of dams serving the public interest and by the use of existing dams and potential dam sites for hydroelectric or hydromechanical power generation wherever that use is economically justified and environmentally sound. In furtherance of this objective, it is the purpose of this section to facilitate the repair and restoration of dams owned by the state and local governmental units and to investigate and analyze hydroelectric or hydromechanical generating capability of publicly owned dams and potential dam sites.

Sec. 2. Minnesota Statutes 1980, Section 105.482, is amended by adding a subdivision to read:

Subd. 8. [HYDROPOWER GENERATION POLICY; LEASING OF DAMS AND DAM SITES.] Consistent with laws relating to dam construction, reconstruction, repair, and maintenance, the legislature finds that the public health, safety, and welfare of the state is also promoted by the use of state waters to produce hydroelectric or hydromechanical power. Further, the legislature finds that the leasing of existing dams and potential dam sites primarily for such power generation is a valid public purpose. A local governmental unit, or the commissioner of natural resources with the approval of the state executive council, may provide pursuant to a lease or development agreement for the development and operation of dams, dam sites, and hydroelectric or hydromechanical power generation plants owned by the respective government by an individual, a corporation, an organization, or other legal entity upon such terms and conditions as the local governmental unit or the commissioner may negotiate for a period not to exceed 50 years. If the dam, dam site or power generation plant is located in or contiguous to a city or town, other than the lessor governmental unit, the lease or agreement shall not be effective unless it is approved by the governing body of such city or town. For purposes of this subdivision, city means a statutory or home rule charter city.

Sec. 3. Minnesota Statutes 1980, Section 105.482, is amended by adding a subdivision to read:

Subd. 9. [CONTENTS OF DEVELOPMENT AGREEMENT.] An agreement for the development or redevelopment of a hydropower site may contain, but need not be limited to, the following provisions:

(a) Length of the development agreement, subject to negotiations between the parties but not more than 50 years, and conditions for extension, modification, or termination;

(b) Provisions for a performance bond on the developer, or, certification that the equipment and its installation have a design life at least as long as the lease;

(c) Provisions to assure adequate maintenance and safety in the impoundment structures, if any, and to assure access to recreational sites, if any.

Sec. 4. Minnesota Statutes 1980, Section 272.02, Subdivision 1, is amended to read:

Subdivision 1. Except as provided in other subdivisions of this section or in section 272.025, or section 273.13, subdivisions 17, 17b, 17c or 17d, 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 property assessed pursuant to section 273.13, subdivisions 17, 17b, 17c or 17d;
- (7) All public property exclusively used for any public purpose;
- (8) All natural cheese held in storage for aging by the original Minnesota manufacturer;
- (9) (a) Class 2 property of every household of the value of \$100, maintained in the principal place of residence of the owner thereof. The county auditor shall deduct such exemption from the total valuation of such property as equalized by the revenue commissioner assessed to such household, and extend the levy of taxes upon the remainder only. The term "household" as used in this section is defined to be a domestic establishment maintained either (1) by two or more persons living together within the same house or place of abode, subsisting in common and constituting a domestic or family relationship, or (2) by one person.
- (b) During the period of his active service and for six months after his discharge therefrom, no member of the armed

forces of the United States shall lose status of a householder under paragraph (a) which he had immediately prior to becoming a member of the armed forces.

In case there is an assessment against more than one member of a household the \$100 exemption shall be divided among the members assessed in the proportion that the assessed value of the Class 2 property of each bears to the total assessed value of the Class 2 property of all the members assessed. The Class 2 property of each household claimed to be exempt shall be limited to property in one taxing district, except in those cases where a single domestic establishment is maintained in two or more adjoining districts.

Bonds and certificates of indebtedness hereafter issued by the state of Minnesota, or by any county or city of the state, or any town, or any common or independent school district of the state, or any governmental board of the state, or any county or city thereof, shall hereafter be exempt from taxation; provided, that nothing herein contained shall be construed as exempting such bonds from the payment of a tax thereon, as provided for by section 291.01, when any of such bonds constitute, in whole or in part, any inheritance or bequest, taken or received by any person or corporation.

(10) Farm machinery manufactured prior to 1930, which is used only for display purposes as a collectors item;

(11) The taxpayer shall be exempted with respect to, all agricultural products, inventories, stocks of merchandise of all sorts, all materials, parts and supplies, furniture and equipment, manufacturers material, manufactured articles including the inventories of manufacturers, wholesalers, retailers and contractors; and the furnishings of a room or apartment in a hotel, rooming house, tourist court, motel or trailer camp, tools and machinery which by law are considered as personal property, and the property described in section 272.03, subdivision 1, clause (c), except personal property which is part of an electric generating, transmission, or distribution system or a pipeline system transporting or distributing water, gas, 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. Railroad docks and wharves which are part of the operating property of a railroad company as defined in section 270.80 are not exempt.

(12) Containers of a kind customarily in the possession of the consumer during the consumption of commodities, the sale of which are subject to tax under the provisions of the excise tax imposed by Extra Session Laws 1967, Chapter 32;

(13) All livestock, poultry, all horses, mules and other animals used exclusively for agricultural purposes;

(14) All agricultural tools, implements and machinery used by the owners in any agricultural pursuit.

(15) 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. Any such equipment or device shall meet standards, regulations 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. If the commissioner determines that property qualifies for exemption, he shall issue an order exempting such property from taxation. Any such 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.

(16) Wetlands. For purposes of this subdivision, "wetlands" means land which is mostly under water, produces little if any income, and has no use except for wildlife or water conservation purposes. "Wetlands" shall be land preserved in its natural condition, drainage of which would be feasible and practical and would provide land suitable 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. 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.

(17) 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. 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 his 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.

(18) *To the extent provided by section 5, real and personal property used or to be used primarily for the production of hy-*

droelectric or hydromechanical power on a site owned by the state or a local governmental unit which is developed and operated pursuant to the provisions of sections 1 to 3.

Sec. 5. [295.44] [HYDROPOWER FACILITIES; EXEMPTION; TAXATION IN LIEU OF PROPERTY TAXATION.]

Subdivision 1. [EXEMPTION.] Notwithstanding the provisions of sections 272.01, subdivision 2, 272.02, subdivision 5, and 273.19, subdivision 1, real or personal property used or to be used primarily for the production of hydroelectric or hydromechanical power on a site owned by the state or a local governmental unit and developed and operated pursuant to sections 1 to 3 shall be exempt from property taxation for the five calendar years succeeding the year in which the development agreement is executed.

Subd. 2. [GROSS EARNINGS TAX.] On or before March first of each year, every lessee or operator of a hydropower facility pursuant to sections 1 to 3 shall pay into the treasury of the county where the hydropower facility is principally located ten percent of the gross earnings of the facility for the preceding calendar year. This tax shall be in lieu of all ad valorem taxes upon the real or personal property of the hydropower facility for the calendar year, and the tax shall be imposed for as long as the property is exempt from property taxation under subdivision 1.

Subd. 3. [PROCEEDS; DISTRIBUTION.] The county auditor shall distribute the proceeds of the gross earnings tax to the taxing districts in which the hydropower facility is located. The proceeds shall be apportioned on the basis of the mill rates of the respective taxing districts. If the facility consists of two or more parcels of property which are located in different taxing districts, the proceeds of the tax shall first be apportioned on the basis of the market value of the respective parcels in each of the taxing districts and then apportioned on the basis of the respective taxing districts' mill rates.

Subd. 4. [CALCULATION OF LEVY LIMITS.] In calculating the levy limits pursuant to sections 275.50 to 275.515, the amount of any proceeds of the gross receipts tax distributed to a governmental subdivision shall be deducted from the levy limitation determined under section 275.51, subdivision 3e for the year following the year in which the distribution was received.

Sec. 6. [EFFECTIVE DATE.]

This article is effective the day following final enactment.

ARTICLE XIII

Section 1. Minnesota Statutes 1980, Section 273.111, Subdivision 9, is amended to read:

Subd. 9. When real property which is being, or has been valued and assessed under this section (IS SOLD OR) no longer qualifies under subdivisions 3 and 6, the portion (SOLD) *no longer qualifying* shall be subject to additional taxes, in the amount equal to the difference between the taxes determined in accordance with subdivision 4, and the amount determined under subdivision 5, provided, however, that the amount determined under subdivision 5 shall not be greater than it would have been had the actual bona fide sale price of the real property at an arms length transaction been used in lieu of the market value determined under subdivision 5. Such additional taxes shall be extended against the property on the tax list for the current year, provided, however, that no interest or penalties shall be levied on such additional taxes if timely paid, and provided further, that such additional taxes shall only be levied with respect to the last three years that the said property has been valued and assessed under this section.

Sec. 2. Minnesota Statutes 1980, Section 273.111, Subdivision 11, is amended to read:

Subd. 11. The payment of special local assessments levied after the date of Extra Session Laws 1967, Chapter 60, for improvements made to any real property described in subdivision 3 together with the interest thereon shall, on timely application as provided in subdivision 8, be deferred as long as such property meets the conditions contained in subdivisions 3 and 6. If special assessments against the property have been deferred pursuant to this subdivision, the governmental unit shall file with the county recorder in the county in which the property is located a certificate containing the legal description of the affected property and of the amount deferred. When such property (IS SOLD OR) no longer qualifies under subdivisions 3 and 6, all deferred special assessments plus interest shall be payable within 90 days. Penalty shall not be levied on any such special assessments if timely paid. If not paid within such 90 days, the county auditor shall include such deferred special assessments plus a ten percent penalty on the tax list for the current year.

Sec. 3. Minnesota Statutes 1980, Section 273.111, is amended by adding a subdivision to read:

Subd. 11a. When real property qualifying under subdivisions 3 and 6 is sold, no additional taxes or deferred special assessments plus interest shall be extended against the property provided the property continues to qualify pursuant to subdivi-

visions 3 and 6, and provided the new owner files an application for continued deferment within 30 days after the sale.

For purposes of meeting the income requirements of subdivision 6, the property purchased shall be considered in conjunction with other qualifying property owned by the purchaser.

Sec. 4. [EFFECTIVE DATE.]

This article is effective for sales of qualifying property made after the day of final enactment.

ARTICLE XIV

Section 1. [273.123] [REASSESSMENT OF HOMESTEAD PROPERTY DAMAGED BY A DISASTER.]

Subdivision 1. [DEFINITIONS.]

For purposes of this section (a) "disaster or emergency" means

(1) a major disaster as determined by the president of the United States;

(2) a natural disaster as determined by the secretary of agriculture;

(3) a disaster as determined by the administrator of the small business administration; or

(4) a tornado, storm, flood, earthquake, landslide, explosion, fire or similar catastrophe, as a result of which a local emergency is declared pursuant to section 12.29.

(b) "disaster or emergency area" means an area

(1) in which the president of the United States, the secretary of agriculture, or the administrator of the small business administration has determined that a disaster exists pursuant to federal law or in which a local emergency has been declared pursuant to section 12.29; and

(2) for which an application by the local unit of government requesting property tax relief under this section has been received by the governor and approved by the executive council.

(c) "homestead property" means homestead dwelling located on property classified pursuant to section 273.13, subdivision 6, 6a, 7, 7b, 7d, or 14a, including mobile homes and sectional homes

used as homesteads and taxed pursuant to section 273.13, subdivision 3, clause (b), (c), or (d).

Subd. 2. [REASSESSMENT OF HOMESTEAD PROPERTY.] *The county assessor shall reassess all homestead property located within a disaster or emergency area which is physically damaged by the disaster or emergency and shall adjust the valuation for taxes payable the following year to reflect the loss in market value caused by the damage as follows: Subtract the market value of the property as reassessed from the market value of the property as assessed for January 1 of the year in which the disaster or emergency occurred; multiply the remainder by a fraction, the numerator of which is the number of full months remaining in the year on the date the disaster or emergency occurred, and the denominator of which is 12; subtract the product of the calculation from the market value of the property as assessed for January 1 of the year in which the disaster or emergency occurred; the remainder is the estimated market value to be used for taxes payable the following year. The assessor shall report to the county auditor the assessed value based on the assessment of January 1 of the year in which the disaster or emergency occurred and the assessed value based on the reassessment made pursuant to this subdivision.*

Subd. 3. [COMPUTATION OF MILL RATES.] *When computing mill rates, the county auditor shall use the valuation reported by the assessor for the assessment made on January 1 of the year in which the disaster or emergency occurred.*

Subd. 4. [STATE REIMBURSEMENT.] *The county auditor shall calculate the tax on the property described in subdivision 2 based on the assessment made on January 1 of the year in which the disaster or emergency occurred. The difference between the tax determined on the January 1 assessed value and the tax actually payable based on the reassessed value determined under subdivision 2 shall be reimbursed to each taxing jurisdiction in which the damaged property is located. The amount shall be certified by the county auditor and reported to the commissioner of revenue. The commissioner shall make the payments to the taxing jurisdictions containing the property at the time distributions are made pursuant to section 273.13, subdivision 15a, in the same proportion that the ad valorem tax is distributed.*

Subd. 5. [COMPUTATION OF CREDITS.] *The amounts of any homestead, agricultural, or similar credits or tax relief which reduce the gross tax shall be computed upon the reassessed value determined under subdivision 2. For purposes of the property tax refund, property taxes payable, as defined in section 290A.03, subdivision 13, and net property taxes payable, as defined in section 290A.04, subdivision 2d, shall be computed upon the reassessed value determined under subdivision 2.*

Subd. 6. [APPROPRIATION.] There is annually appropriated from the general fund to the commissioner of revenue an amount necessary to make the payments required by this section.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective for taxes levied in 1982 and thereafter, payable in 1988 and thereafter.

ARTICLE XV

Section 1. [RICE LAKE; EXCESS LEVY.]

Subdivision 1. [LEVY INCREASE.] Notwithstanding any contrary provision of other law, the town board of Rice Lake may levy for taxes payable in 1982 the sum of \$20,000 to meet the cost of construction of a fire hall. The levy shall be in addition to the 1981 levy of \$118,000 for taxes payable in 1982 previously authorized for the town. No penalty shall be imposed on this levy pursuant to Minnesota Statutes, Section 275.51, Subdivision 4.

Subd. 2. [ADMINISTRATION.] As soon as practicable after enactment of this provision, the St. Louis county auditor shall be notified of the additional levy required by Rice Lake. Collection of the tax shall proceed according to Minnesota Statutes, Chapter 276 except that, if the statements of real property taxes due have been mailed or processed so that it would be uneconomical to revise them, a supplementary tax statement for the additional levy shall be prepared and mailed as expeditiously as possible.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective the day after compliance with Minnesota Statutes, Section 645.021, Subdivision 3, by the Rice Lake town board.

ARTICLE XVI

Section 1. Minnesota Statutes 1980, Section 290.50, is amended by adding a subdivision to read:

Subd. 6. [WITHHOLDING OF REFUNDS FROM CHILD SUPPORT DEBTORS.]

Upon a finding by a court of this state that a person obligated to pay child support is delinquent in making payments, the amount of child support unpaid and owing shall be withheld from a refund due the person under this section. The public agency responsible for child support enforcement or the parent

or guardian of a child for whom the support is owed may petition the district or county court for an order providing for the withholding of the amount of child support unpaid and owing as determined by court order. The person from whom the refund may be withheld shall be notified of the petition pursuant to the rules of civil procedure prior to the issuance of an order pursuant to this subdivision. The order may be granted on a showing to the court that required support payments have not been made when they were due.

On order of the court, the support money shall be withheld by the commissioner from the refund due to the person obligated to pay the support and the amount withheld shall be remitted to the public agency responsible for child support enforcement or to the parent or guardian petitioning on behalf of the child. Any amount received by the responsible public agency or the petitioning parent or guardian in excess of the amount of public assistance expended for the benefit of the child to be supported, or the amount of any support that had been the subject of the claim pursuant to this subdivision which has been paid by the taxpayer prior to the diversion of the refund, shall be remitted to the person entitled to the money. If the refund is based on a joint or combined return, the portion of the refund that shall be remitted to the petitioner shall be the proportion of the total refund that equals the proportion of the total federal adjusted gross income of the spouses that is the federal adjusted gross income of the spouse who is delinquent in making the child support payments. A petition filed pursuant to this subdivision shall be in effect with respect to any refunds due under this section during a period of one year from the date when the petition was filed. If a petition is filed pursuant to this subdivision and a claim is made pursuant to chapter 270A with respect to the same individual's refund and notices of both are received prior to the time when payment of the refund is made on either claim, the commissioner shall transmit the claims to the court that issued the order under this subdivision. The court shall order that the claim relating to the liability that accrued first in time shall be paid first; any amount of the refund remaining shall then be applied to the other claim. The provisions of section 290.61 shall not prohibit the exchange of information among the department, the petitioner, and the court to the extent necessary to accomplish the intent of this subdivision. Not later than five days after the court has notified the department of its withholding order, the department shall send a written notification of the order to the person to whom the refund would otherwise be paid.

Sec. 2. [EFFECTIVE DATE.]

This article is effective the day following final enactment and shall terminate June 30, 1984.

ARTICLE XVII

Section 1. Minnesota Statutes 1981 Supplement, Section 168.013, Subdivision 1e, is amended to read:

Subd. 1e. [TRUCKS; TRACTORS; COMBINATIONS; EXCEPTIONS.] On all trucks and tractors except those in this chapter defined as farm trucks, and urban trucks, and on all truck-tractor and semi-trailer combinations except those defined as farm combinations and urban combinations and on commercial zone vehicles, the tax based on total gross weight shall be graduated according to the Minnesota base rate schedule prescribed in this subdivision, but in no event less than \$120.

MINNESOTA BASE RATE SCHEDULE

Scheduled taxes include five percent surtax provided for in subdivision 14

TOTAL GROSS
WEIGHT
IN POUNDS

		Tax
A	0 - 1,500	\$ 15
B	1,501 - 3,000	20
C	3,001 - 4,500	25
D	4,501 - 6,000	35
E	6,001 - 9,000	45
F	9,001 - 12,000	70
G	12,001 - 15,000	105
H	15,001 - 18,000	145
I	18,001 - 21,000	190
J	21,001 - 27,000	270
K	27,001 - 33,000	360
L	33,001 - 39,000	470
M	39,001 - 45,000	590
N	45,001 - 51,000	710

O	51,001 - 57,000	860
P	57,001 - 63,000	1010
Q	63,001 - 69,000	1180
R	69,001 - 73,280	1320
S	73,281 - 78,000	1520
T	78,001 - 81,000	1620

For each vehicle with a gross weight in excess of 81,000 pounds an additional tax of \$50 is imposed for each ton or fraction thereof in excess of 81,000 pounds, subject to provisions of subdivision 12.

All truck-tractors except those herein defined as farm and urban truck-tractors and commercial zone vehicles shall be taxed in accord with the foregoing gross weight tax schedule on the basis of the combined gross weight of such truck-tractor and any semi-trailer or semitrailers which the applicant proposes to combine with the truck-tractor. In addition, to the gross weight tax imposed on the truck-tractor, each semi-trailer shall be taxed a fee of \$10 for a one year period or \$50 for a five year period whichever the applicant elects.

Commercial zone trucks include only all trucks and all truck-tractors and semi-trailers which are:

(1) used by an authorized local cartage carrier operating under a permit issued pursuant to section 221.296 and whose gross transportation revenue consists of at least 60 percent obtained solely from local cartage carriage, and are operated solely within the area defined in section 221.296, subdivision 1; or,

(2) operated by an interstate carrier registered pursuant to section 221.61 or 221.62, or by an authorized local cartage carrier or other carrier receiving operating authority pursuant to chapter 221, and operated solely within a zone exempt from regulation by the Interstate Commerce Commission pursuant to 49 U.S.C. 10526(b).

The license plates issued for commercial zone vehicles shall be plainly marked. Any person operating a commercial zone vehicle outside the zone or area in which its operation is authorized is guilty of a misdemeanor and, in addition to the penalty therefor, shall have the registration of the vehicle as a commercial zone vehicle revoked by the registrar and shall be required to re-register the vehicle at 100 percent of the full annual tax prescribed in the Minnesota base rate schedule, and no part of this tax shall be refunded during the balance of the registration year.

On commercial zone trucks the tax shall be based on the total gross weight of the vehicle and during the first eight years of vehicle life shall be 75 percent of the Minnesota base rate schedule. During the ninth and succeeding years of vehicle life the tax shall be 50 percent of the Minnesota base rate schedule, except as otherwise provided in this subdivision. On commercial zone trucks, during the ninth and succeeding years of vehicle life, the tax shall be:

(a) for the 1982 registration year, 35 percent of the tax imposed in the Minnesota base rate schedule;

(b) for the 1983 registration year, 40 percent of the tax imposed in the Minnesota base rate schedule;

(c) for the 1984 registration year, 45 percent of the tax imposed in the Minnesota base rate schedule;

(d) for the 1985 registration year, and each succeeding year, 50 percent of the tax imposed in the Minnesota base rate schedule.

On all trucks, truck-tractors and semi-trailer combinations, except those defined as farm trucks and farm combinations, and except for those urban trucks and combinations and commercial zone vehicles specifically provided for in this subdivision, the tax for the first eight years of vehicle life shall be 100 percent of the tax imposed in the Minnesota base rate schedule, and during the ninth and succeeding years of vehicle life, the tax shall be 75 percent of the Minnesota base rate prescribed by this subdivision, except as otherwise provided in this subdivision.

On all trucks, truck-tractors, and semi-trailer combinations, except those defined as farm trucks and farm combinations, and except for those urban trucks and combinations and commercial zone vehicles specifically provided for in this (SUBDIVISION) section, during each of the first eight years of vehicle life the tax shall be:

(a) for the registration year 1982, 83 percent of the tax imposed in the Minnesota base rate schedule;

(b) for the registration year 1983, 89 percent of the tax imposed in the Minnesota base rate schedule;

(c) for the registration year 1984, 95 percent of the tax imposed in the Minnesota base rate schedule;

(d) for the registration year 1985, and each succeeding year, 100 percent of the tax imposed in the Minnesota base rate schedule.

On all trucks, truck-tractors and semi-trailer combinations, except those defined as farm trucks and farm combinations, and except for those urban trucks and combinations and commercial zone vehicles specifically provided for in this section, during the ninth and succeeding years of vehicle life the tax shall be:

(a) for the registration year 1982, 75 percent of the tax imposed in the Minnesota base rate schedule;

(b) for the registration year 1983, 60 percent of the tax imposed in the Minnesota base rate schedule;

(c) for the registration year 1984, 66 percent of the tax imposed in the Minnesota base rate schedule;

(d) for the registration year 1985 and each succeeding year, 75 percent of the tax imposed in the Minnesota base rate schedule.

Sec. 2. [EFFECTIVE DATE.]

This article is effective the day following final enactment, for registration year 1982 and subsequent years.

ARTICLE XVIII

Section 1. [FIRE PROTECTION LEVY: TOWNS OF ERIN, FOREST, WEBSTER, AND WHEATLAND.]

The provisions of Minnesota Statutes, Section 368.85, Subdivision 6, limiting the levy of a town for the support of a fire protection district shall not apply to the levies of the towns of Erin, Forest, Webster, and Wheatland in Rice County for the purposes of providing fire protection.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective the day after compliance with Minnesota Statutes, Section 645.021, Subdivision 3 by the governing bodies of the towns of Erin, Forest, Webster, and Wheatland in Rice County.

ARTICLE XIX

Section 1. Laws 1981, Third Special Session Chapter 2, Article III, Section 6, is amended to read:

Sec. 6. [290.068] [CREDIT FOR RESEARCH AND EXPERIMENTAL EXPENDITURES.]

Subdivision 1. [CREDIT ALLOWED.] In addition to the deduction provided in section 290.09, a credit shall be allowed against the tax imposed by this chapter for the taxable year equal to (TEN PERCENT OF RESEARCH AND EXPERIMENTAL EXPENDITURES PAID OR INCURRED IN MINNESOTA DURING THE TAXABLE YEAR.)

(a) 12.5 percent of the first \$2 million of the excess (if any) of

(1) the qualified research expenses for the taxable year, over

(2) the base period research expenses; and

(b) 6.25 percent on all of such excess expenses over \$2 million.

Subd. 2. [(DEFINITION) DEFINITIONS.] For purposes of this section, the following terms have the meanings given.

(a) "Qualified research (AND EXPERIMENTAL EXPENDITURES) expenses" means (EXPENDITURES INCURRED IN MINNESOTA WHICH QUALIFY FOR THE DEDUCTION PROVIDED IN SECTION 290.09, SUBDIVISION 18, TO THE EXTENT THE EXPENDITURES EXCEED THE AVERAGE OF THE THREE PRECEDING TAXABLE YEARS' QUALIFYING EXPENDITURES UNDER SECTION 290.09, SUBDIVISION 18, INCURRED IN MINNESOTA. IF THE TAXPAYER HAS NOT CONDUCTED TRADE OR BUSINESS IN MINNESOTA FOR THE THREE PRECEDING TAXABLE YEARS, THE AVERAGE EXPENDITURES INCURRED SHALL BE DETERMINED BY DIVIDING THE EXPENDITURES BY THE LESSER NUMBER OF COMPLETE PRIOR TAXABLE YEARS. IF THERE HAS BEEN LESS THAN ONE PRIOR TAXABLE YEAR OF TRADE OR BUSINESS CONDUCTED IN MINNESOTA THE AVERAGE EXPENDITURES FOR THE THREE PRECEDING TAXABLE YEARS SHALL BE ZERO) qualified research expenses as defined in section 44F(b) and (e) of the Internal Revenue Code, except it shall not include expenses incurred for basic research conducted outside the state of Minnesota pursuant to section 44F(e).

(b) "Qualified research" means qualified research as defined in section 44F(d) of the Internal Revenue Code, except that the term shall not include qualified research conducted outside the state of Minnesota.

(c) "Base period research expenses" means base period research expenses as defined in section 44F(c) of the Internal Revenue Code, except that "December 31, 1981" shall be substituted for "June 30, 1981" in subparagraph (B) of paragraph

(2) and the definitions contained in clauses (a) and (b) shall apply.

(d) "Internal Revenue Code" means the Internal Revenue Code of 1954, as amended through December 31, 1981.

Subd. 3. [LIMITATION; CARRYBACK AND CARRY-OVER.] (a)(1) The credit for the taxable year shall not exceed (\$300,000 OR TEN PERCENT OF) the liability for tax (, WHICHEVER IS LESS). "Liability for tax" for purposes of this section means the tax imposed under this chapter for the taxable year reduced by the sum of the credits allowed under section 290.06, except the credit allowed under section 290.06, subdivision 13.

(2) In the case of an individual who

(A) owns an interest in an unincorporated business,

(B) is a partner in a partnership,

(C) is a beneficiary of an estate or trust, or

(D) is a shareholder in a small business corporation, having a valid election in effect under section 1372 of the Internal Revenue Code,

the credit allowed for the taxable year shall not exceed the lesser of the amount determined under clause (1) for the taxable year or an amount (separately computed with respect to such person's interest in the trade or business or entity) equal to the amount of tax attributable to that portion of a person's taxable income which is allocable or apportionable to the person's interest in the trade or business or entity.

(b) If the amount of the credit determined under (SUBDIVISION 2) this section for any taxable year exceeds (THIS) the limitation under clause (a), the excess shall be a research credit carryback to each of the three preceding taxable years and a research credit carryover to each of the (SEVEN) 15 succeeding taxable years (, PROVIDED THE AGGREGATE OF THE CREDIT FOR THE TAXABLE YEAR AND ANY CARRYOVER AND CARRYBACK CREDITS SHALL NOT EXCEED \$300,000 OR TEN PERCENT OF THE LIABILITY FOR TAX, WHICHEVER IS LESS). The entire amount of the excess unused credit for the taxable year shall be carried first to the earliest of the taxable years to which the credit may be carried and then to each successive year to which the credit may be carried. The amount of the unused credit which may be added under this clause shall not exceed the taxpayer's liability for tax less the research credit for the taxable year.

Subd. 4. [SMALL BUSINESS CORPORATIONS; PARTNERSHIPS.] In the case of small business corporations, hav-

ing a valid election in effect, under section 1372 of the Internal Revenue Code of 1954, estates and trusts, and partnerships, the credit shall be allocated in the same manner provided by section 44F(f)(2) of the Internal Revenue Code.

Subd. 5. [ADJUSTMENTS; ACQUISITIONS AND DISPOSITIONS.] If a taxpayer acquires or disposes of the major portion of a trade or business or the major portion of a separate unit of a trade or business in a transaction with another taxpayer, the taxpayer's qualified research expenses and base period shall be adjusted in the same manner provided by section 44F(f)(3) of the Internal Revenue Code, except that "December 31, 1980" shall be substituted for "June 30, 1980."

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective for taxable years beginning after December 31, 1981.

ARTICLE XX

Section 1. Minnesota Statutes 1980, Section 273.121, is amended to read:

273.121 [VALUATION OF REAL PROPERTY, NOTICE.]

Any county assessor or city assessor having the powers of a county assessor, valuing or classifying taxable real property shall in each year notify those persons whose property is to be assessed or reclassified that year if the person's address is known to the assessor, otherwise the occupant of the property. *In the case of property owned by a married couple in joint tenancy or tenancy in common, the assessor shall not deny the 3b, 3c or 3cc property classification 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.* The notice shall be in writing and shall be sent by ordinary mail at least ten days before the meeting of the local board of review or equalization. It shall contain the amount of the valuation in terms of market value, the new classification, the assessor's office address, and the dates, places, and times set for the meetings of the local board of review or equalization and the county board of equalization. If the assessment roll is not complete, the notice shall be sent by ordinary mail at least ten days prior to the date on which the board of review has adjourned. The assessor shall attach to the assessment roll a statement that the notices required by this section have been mailed. Any such assessor who is not provided sufficient funds from his governing body to provide such notices, may make application to the commissioner of revenue to finance such notices. The commissioner of revenue shall conduct an investigation and if he is satisfied that the assessor does not have the necessary funds, issue his certification to the commissioner of finance of the amount necessary to provide such

notices. The commissioner of finance shall issue a warrant for such amount and shall deduct such amount from any state payment to such county or municipality. The necessary funds to make such payments are hereby appropriated. Failure to receive the notice shall in no way affect the validity of the assessment, the resulting tax, the procedures of any board of review or equalization, or the enforcement of delinquent taxes by statutory means.

Sec. 2. Minnesota Statutes 1980, Section 273.13, Subdivision 7c, is amended to read:

Subd. 7c. [TOWNHOUSES; COMMON AREAS; CONDOMINIUMS.] (a) Townhouse property shall be classified and valued as is other property under this section except that the value of the townhouse property shall be increased by the value added by the right to use any common areas in connection with the townhouse development. The common areas of the development shall not be separately taxed. The total value of the townhouse property, including the value added as provided herein, shall have the benefit of homestead treatment or other special classification if the townhouse otherwise qualifies.

(b) *Condominium property qualifying as a homestead under section 515A.1-105 shall have the benefit of homestead treatment or other special classification if the condominium otherwise qualifies. In the event that the condominium is owned by the occupant and used for the purposes of a homestead but is located upon land which is leased, that leased land shall be valued and assessed as if it were homestead property within the scope of class 3c or 3cc, whichever is applicable, if all of the following criteria are met:*

(1) *The occupant is using the property as his permanent residence;*

(2) *The occupant is paying the ad valorem property taxes and any special assessments levied against the land and structure;*

(3) *The occupant has signed a land lease; and*

(4) *The term of the land lease is at least 50 years, notwithstanding the fact that the amount of the rental payment may be renegotiated at shorter intervals.*

Sec. 3. Minnesota Statutes 1980, 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 ac-

cumulated to prepare the studies which is prepared by the commissioner of revenue for the equalization aid review committee for use in determining school aids shall be admissible in evidence as a public record without the laying of a foundation. *Additional evidence relevant to the sales ratio study is also admissible.*

Sec. 4. [EFFECTIVE DATE.]

Sections 1 and 2 are effective for property taxes levied in 1982 and thereafter, payable in 1983 and thereafter.

ARTICLE XXI

Section 1. Minnesota Statutes 1981 Supplement, Section 290.61, is amended to read:

290.61 [PUBLICITY OF RETURNS, INFORMATION.]

It shall be unlawful for the commissioner or any other public official or employee to divulge or otherwise make known in any manner any particulars set forth or disclosed in any report or return required by this chapter, or any information concerning, the taxpayer's affairs acquired from his or its records, officers, or employees while examining or auditing any taxpayer's liability for taxes imposed hereunder, except in connection with a proceeding involving taxes due under this chapter from the taxpayer making such return or to comply with the provisions of sections 290.612 and 302A.821. The commissioner may furnish a copy of any taxpayer's return to any official of the United States or of any state having duties to perform in respect to the assessment or collection of any tax imposed upon or measured by income, if such taxpayer is required by the laws of the United States or of such state to make a return therein. Prior to the release of any information to any official of the United States or any other state under the provisions of this section, the person to whom the information is to be released shall sign an agreement which provides that he will protect the confidentiality of the returns and information revealed thereby to the extent that it is protected under the laws of the state of Minnesota. The commissioner and all other public officials and employees shall keep and maintain the same secrecy in respect to any information furnished by any department, commission, or official of the United States or of any other state in respect to the income of any person as is required by this section in respect to information concerning the affairs of taxpayers under this chapter. Nothing herein contained shall be construed to prohibit the commissioner from publishing statistics so classified as not to disclose the identity of particular returns or reports and the items thereof. Upon request of a majority of the members of the senate tax committee or of the house tax committee or the tax study commission, the commissioner shall furnish abstracted financial information to those committees for research purposes from returns or reports filed pursuant to this chapter, provided that he shall not disclose the

name, address, social security number, business identification number or any other item of information associated with any return or report which the commissioner believes is likely to identify the taxpayer. The commissioner shall not furnish the actual return, or a portion thereof, or a reproduction or copy of any return or portion thereof. "Abstracted financial information" means only the dollar amounts set forth on each line on the form including the filing status.

Any person violating the provisions of this section shall be guilty of a gross misdemeanor.

In order to locate the named payee on state warrants issued pursuant to this chapter or chapter 290A and undeliverable by the United States postal service, the commissioner may publish in any English language newspaper of general circulation in this state a list of the name and last known address of the payee as shown on the reports or returns filed with the commissioner. The commissioner may exclude the names of payees whose refunds are in an amount which is less than a minimal amount to be determined by the commissioner. The published list shall not contain any particulars set forth on any report or return. The publication shall include instructions on claiming the warrants.

An employee of the department of revenue may, in connection with his official duties relating to any audit, collection activity, or civil or criminal tax investigation or any other offense under this chapter, disclose return information to the extent that such disclosure is necessary in obtaining information, which is not otherwise reasonably available, with respect to the correct determination of tax, liability for tax, or the amount to be collected or with respect to the enforcement of any other provision of this chapter.

In order to facilitate processing of returns and payments of taxes required by this chapter, the commissioner may contract with outside vendors and may disclose private and nonpublic data to the vendor. The data disclosed will be administered by the vendor consistent with this section.

Sec. 2. Minnesota Statutes 1980, Section 297A.43, is amended to read:

297A.43 [CONFIDENTIAL NATURE OF INFORMATION.]

It shall be unlawful for the commissioner or any other public official or employee to divulge or otherwise make known in any manner any particulars disclosed in any report or return required by sections 297A.01 to 297A.44, or any information concerning the affairs of the person making the return acquired from his records, officers, or employees while examining or auditing under the authority of sections 297A.01 to 297A.44, except in connection with a proceeding involving taxes due under

this chapter from the taxpayer making such report or return or to comply with the provisions of section 297A.431 or where a question arises as to the proper tax applicable, that is, sales or use tax. In the latter instance, the commissioner may furnish information to a buyer and a seller with respect to the specific transaction in question. Nothing herein contained shall be construed to prohibit the commissioner from publishing statistics so classified as not to disclose the identity of particular returns or reports and the contents thereof. Any person violating the provisions of this section shall be guilty of a gross misdemeanor.

The commissioner may enter into an agreement with the commissioner or other taxing officials of another state for the interpretation and administration of the acts of their several states providing for the collection of a sales and/or use tax for the purpose of promoting fair and equitable administration of such acts and to eliminate double taxation.

Notwithstanding the above provisions of this section, the commissioner, at his discretion, in order to implement the purposes of this chapter, may furnish information on a reciprocal basis to the taxing officials of another state, or to the taxing officials of any municipality of the state of Minnesota which has a local sales and/or use tax.

In order to facilitate processing of returns and payments of taxes required by this chapter, the commissioner may contract with outside vendors and may disclose private and nonpublic data to the vendor. The data disclosed will be administered by the vendor consistent with this section.

Sec. 3. [EFFECTIVE DATE.]

Sections 1 and 2 are effective the day following final enactment.

ARTICLE XXII

Section 1. Minnesota Statutes 1981 Supplement, Section 290A.03, Subdivision 8, is amended to read:

Subd. 8. [CLAIMANT.] "Claimant" means a person, other than a dependent, who filed a claim authorized by sections 290A.01 to 290A.20 and who was domiciled in this state during the calendar year for which the claim for relief was filed. In the case of a claim relating to rent constituting property taxes, the claimant shall have resided in a rented or leased unit on which ad valorem taxes or payments made in lieu of ad valorem taxes, including payments of special assessments imposed in lieu of ad valorem taxes, are payable at some time during the calendar year covered by the claim (, EXCEPT THAT A CLAIMANT WHO IS DISABLED OR WHO HAS ATTAINED

THE AGE OF 65 ON THE DATE SPECIFIED IN SECTION 290A.04, SUBDIVISION 1, MAY FILE A CLAIM BASED ON RESIDENCE IN A NURSING HOME ON WHICH AD VALOREM TAXES WERE NOT PAYABLE.) "Claimant" shall not include a resident of a nursing home, intermediate care facility, or long term residential facility whose rent constituting property taxes is paid pursuant to the supplemental security income program under Title XVI of the social security act, the Minnesota supplemental aid program under sections 256D.35 to 256D.41, the medical assistance program pursuant to Title XIX of the social security act, or the general assistance medical care program pursuant to section 256D.03, Subdivision 3. If only a portion of the rent constituting property taxes is paid by these programs, the resident shall be a claimant for purposes of this chapter, but the refund calculated pursuant to section 290A.04 shall be multiplied by a fraction, the numerator of which is income as defined in subdivision 3 reduced by the total amount of income from the above sources other than vendor payments under the medical assistance program or the general assistance medical care program and the denominator of which is income as defined in subdivision 3 plus vendor payments under the medical assistance program or the general assistance medical care program, to determine the allowable refund pursuant to this chapter. In the case of a claim for rent constituting property taxes of a part year resident, the income and rental reflected in this computation shall be for the period of Minnesota residency only. Any rental expenses paid which may be reflected in arriving at federal adjusted gross income cannot be utilized for this computation. When two individuals of a household are able to meet the qualifications for a claimant, they may determine among them as to who the claimant shall be. If they are unable to agree, the matter shall be referred to the commissioner of revenue and his decision shall be final. If a homestead property owner was a part year resident, the income reflected in the computation made pursuant to section 290A.04 shall be for the entire calendar year, including income not assignable to Minnesota.

If a homestead is occupied by two or more renters, who are not husband and wife, the rent shall be deemed to be paid equally by each, and separate claims shall be filed by each. The income of each shall be his household income for purposes of computing the amount of credit to be allowed.

Sec. 2. Minnesota Statutes 1981 Supplement, Section 290A.-03, Subdivision 11, is amended to read:

Subd. 11. [RENT CONSTITUTING PROPERTY TAXES.] "Rent constituting property taxes" means (23 PERCENT) *the amount* of the gross rent actually paid in cash, or its equivalent, or (THAT PORTION) *the amount* of gross rent which is paid in lieu of property taxes, *which is attributable to the tax paid*

on the rental unit in any calendar year by a claimant solely for the right of occupancy of his Minnesota homestead in the calendar year, and which rent constitutes the basis, in the succeeding calendar year of a claim for relief under sections 290A.01 to 290A.20 by the claimant. The amount attributable to taxes paid on the unit shall be determined by multiplying the net tax on the property where the unit is located by a fraction, the numerator of which is the gross rent paid for the calendar year for the unit and the denominator of which is the gross rent paid for the calendar year for the building where the unit is located.

Sec. 3. Minnesota Statutes 1981 Supplement, Section 290A.03, Subdivision 13, is amended to read:

Subd. 13. [PROPERTY TAXES PAYABLE.] "Property taxes payable" means the property tax exclusive of special assessments, penalties, and interest payable on a claimant's homestead before reductions made pursuant to section 273.13, subdivisions 6, 7 and 14a, but after deductions made pursuant to sections 124.213, 273.115, 273.116, 273.135 and 273.139 in any calendar year. No apportionment or reduction of the "property taxes payable" shall be required for the use of a portion of the claimant's homestead for a business purpose if the claimant does not deduct any business depreciation expenses for the use of a portion of the homestead in the determination of federal adjusted gross income. For homesteads which are mobile homes as defined in section 168.011, subdivision 8, "property taxes payable" shall also include (23 PERCENT) *the amount of gross rent paid in the preceding year for the site on which the homestead is located, exclusive of charges for utilities or services which is attributable to the net tax paid on the site; that amount shall be determined by multiplying the net tax on the parcel where the site is located by a fraction, the numerator of which is the gross rent paid for the calendar year for the site and the denominator of which is the gross rent paid for the calendar year for the parcel.* When a homestead is owned by two or more persons as joint tenants or tenants in common, such tenants shall determine between them which tenant may claim the property taxes payable on the homestead. If they are unable to agree, the matter shall be referred to the commissioner of revenue and his decision shall be final. Property taxes are considered payable in the year prescribed by law for the payment of the taxes.

In the case of a claim relating to "property taxes payable", the claimant must have owned and occupied the homestead on January 2 of the year in which the tax is payable and (i) the property must have been classified as homestead property pursuant to section 273.13, subdivisions 6, 7, or 14a on or before June 1 of the year in which the "property taxes payable" were levied; or (ii) the claimant must provide documentation from the local assessor that application for homestead classification has been made prior to July 1 of the year in which the "property taxes payable" were payable.

For property taxes levied in 1981, payable 1982, "property taxes payable" shall be limited to that portion of the property taxes eligible for the homestead credit as determined pursuant to section 273.13, subdivision 15b.

Sec. 4. Minnesota Statutes 1980, Section 290A.03, is amended by adding a subdivision to read:

Subd. 14. [NET TAX.] "Net tax" means the property tax, exclusive of special assessments, interest, and penalties, or payments made in lieu of ad valorem taxes, including payments of special assessments imposed in lieu of ad valorem taxes, for the calendar year in which the rent was paid. If a portion of the property is occupied as a homestead or is used for other than rental purposes, the net tax shall be the amount of tax before reductions pursuant to section 273.13, subdivisions 6, 7, and 14a, reduced by the proportion which the square footage of the non-rental use is of the total.

Sec. 5. [EFFECTIVE DATE.]

Sections 1 to 4 are effective for claims based on rent paid in 1982 and thereafter.

ARTICLE XXIII

Section 1. Minnesota Statutes 1981 Supplement, Section 298.225, is amended to read:

298.225 [APPROPRIATION.]

If a taconite producer ceases beneficiation operation, either temporarily or permanently, and if the recipients of the taconite production tax as provided in section 298.28, subdivision 1, clauses (1) to (4) and (5) (b) to (8), would receive decreased distributions as a result thereof, then the distribution to these recipients in each of the two years immediately following the year in which operations ceased shall be equal to the amount they received in the last full year before operations ceased. There is hereby appropriated to the commissioner of revenue from the taconite environmental protection fund and the northeast Minnesota economic protection fund in equal proportions the amount needed to make the above payments.

If a taconite producer (, WHICH) ceases beneficiation operations (EITHER TEMPORARILY OR) permanently (,) and is required by a special law to make bond payments for a school district, the northeast Minnesota economic protection fund shall assume the payments of the taconite producer if the producer ceases to make the needed payments. There is hereby appropriated from the northeast Minnesota economic protection fund

to the commissioner of revenue the amounts needed to make these school bond payments.

Sec. 2. Minnesota Statutes 1981 Supplement, Section 298.24, Subdivision 3, is amended to read:

Subd. 3. (a) A credit in the amount of (THREE) *not to exceed four cents per gross ton of merchantable iron ore concentrate produced shall be allowed against the tax imposed by subdivision 1, with respect to the production of iron ore concentrate from taconite plants which, together with the lands upon which they are located and lands used in connection with the mining, quarrying and concentration of taconite and buildings, machinery, equipment and other fixtures used in the production of taconite, and notwithstanding the provisions of section 298.25, have by law been made subject to direct taxes for the payment of principal and interest on bonds issued by a school district or city (; PROVIDED HOWEVER, THAT).*

(b) *Notwithstanding clause (a), a credit of not to exceed seven cents shall be allowed a producer for the payment of taxes for bonds, and interest on them, issued by Independent School District 703 prior to July 1, 1983, for which the producer's property has been made subject to direct taxes.*

(c) *The credit allowed in this subdivision shall be allowed against taxes payable in the calendar years following the issuance and sale of the bonds until the total credit allowed in all years equals the total liability of the producer for direct taxes for the payment of the bonds and interest. If necessary to equal the total liability of the producer, the credit may be taken in years after the years when the taxes for the bond principal and interest were paid.*

The (TOTAL) amount of credit allowable hereunder *in any year with respect to production from any plant subjected to (SUCH) direct taxes shall not exceed the amount of the direct taxes levied in the prior year against (SUCH) the plant (AND PAYABLE AFTER JANUARY 1, 1969, AND UNTIL SAID BONDS) for the bonds and interest and the indebtedness secured thereby (HAVE BEEN PAID IN FULL).*

Sec. 3. [INDEPENDENT SCHOOL DISTRICTS 319 AND 703; BONDS.]

Subdivision 1. Independent School District 319 may issue bonds in an aggregate principal amount not exceeding \$850,000 and Independent School District 703 may issue bonds in an aggregate principal amount not exceeding \$5,480,000, in addition to any bonds already issued or authorized, to provide funds to construct, equip, furnish, remodel, rehabilitate, and acquire land for school facilities and buildings. They may spend the proceeds

of the bond sale for those purposes and any architects', engineers', and legal fees incidental to those purposes or the sale. Except as permitted by this section, the bonds shall be authorized, issued, sold, executed, and delivered in the manner provided by Minnesota Statutes, Chapter 475. A resolution of the board levying taxes for the payment of the bonds and interest on them as authorized by this section and pledging the proceeds of the levies for the payment of the bonds and interest on them shall be deemed to be in compliance with the provisions of chapter 475 with respect to the levying of taxes for their payment.

Subd. 2. Taconite plants, lands containing taconite, and lands where taconite plants are located or which are used in connection with them and the buildings, machinery, equipment, and other fixtures used in the production of taconite, as defined in Minnesota Statutes, Sections 298.23 to 298.28, located in the school district are made subject to taxes for payments of 90 percent of the principal and interest on the bonds issued under authority of this section, notwithstanding any contrary provision of sections 298.23 to 298.28. If the properties are all owned by one person, corporation, partnership or joint venture, it shall not be necessary to make any determination of their value. If the properties are owned by more than one person, corporation, partnership or joint venture, the taxes shall be apportioned annually among them by the county auditor on the basis of their relative values, upon investigation of the facts as the auditor deems necessary. Taxes levied in accordance with subdivisions 2 to 4 shall be collected in the same manner as taxes levied by a school district upon real property subject to taxation but any portion of taxes levied for the payment of installments of principal and interest of bonds may be paid without penalty on or before October 31 of the year in which the taxes become due and payable if the installment of principal and interest is not due until more than 60 days thereafter.

Subd. 3. After the sale and before the delivery of any bonds under authority of this section, the school board shall, by resolution, levy upon all of the property described in subdivision 2 located in the school district a direct, general tax for each year of the term of the bonds in amounts that, if collected in full, will produce 90 percent of the amounts needed to meet when due the principal and interest payments on the bonds. A copy of the resolution shall be filed and the taxes levied shall be collected as nearly as possible as specified in Minnesota Statutes, Section 475.61.

Subd. 4. Bonds issued under authority of this section shall be the general obligations of the school district, for which its full faith and credit and unlimited taxing powers shall be pledged. If there are any deficiencies in the collections of the taxes levied pursuant to subdivision 3, and they are not made good as provided by section 298.225, they shall be made good by general levies, not subject to limit, on all taxable properties in the district in

accordance with Minnesota Statutes, Section 475.74. If any deficiency levies are necessary, the school board may effect a temporary loan or loans on certificates of indebtedness issued in anticipation of them to meet payments of principal or interest on the bonds due or about to become due.

Subd. 5. In addition to the levies made in accordance with subdivisions 2 and 3, the school board shall at the same time by resolution levy on all property in the school district subject to the general ad valorem school tax levies, and not subject to taxation under Minnesota Statutes, Sections 298.23 to 298.28, a direct annual, ad valorem tax for each year of the term of the bonds in amounts that, if collected in full, will produce the amounts needed to meet when due ten percent of the principal and interest payments on the bonds. A copy of the resolution shall be filed, and the necessary taxes shall be extended, assessed, collected, and remitted in accordance with Minnesota Statutes, Section 475.61.

Subd. 6. The lien imposed by taxes levied by Independent School District 319 upon the properties described in subdivision 2 shall be subordinate to all mortgages or other encumbrances of record and on file on the effective date of this section.

Subd. 7. Taxes levied pursuant to this section shall be disregarded in the calculation of any other tax levies or limits on tax levies provided by other law.

Subd. 8. Bonds may be issued under authority of this section notwithstanding any limitations upon the indebtedness of a district, and their amounts shall not be included in computing the indebtedness of a district for any purpose, including the issuance of subsequent bonds and the incurring of subsequent indebtedness.

Subd. 9. This section is effective for Independent School District 319 the day after its governing body complies with Minnesota Statutes, Section 645.021, Subdivision 3 and for Independent School District 703 the day after its governing body complies with Minnesota Statutes, Section 645.021, Subdivision 3.

Sec. 4. [INDEPENDENT SCHOOL DISTRICT 710.]

Subdivision 1. Commencing with taxes payable in 1983, the commissioner of revenue shall deduct and annually pay to Independent School District 710 an amount equal to four cents per gross ton of merchantable iron concentrate produced but not less than \$240,000 annually from the taxes paid pursuant to sections 298.23 to 298.28 by a person, corporation, partnership, operator, joint venture or other owner of a taconite plant and taconite properties located within the school district. The deduction shall be made from the amount which would otherwise have been distributed to the northeast Minnesota economic protection fund

in the apportionment fund in the state treasury under section 298.28, subdivision 1. A sum is annually appropriated to the commissioner from the proceeds of the taxes sufficient to make the payments required by this section.

Subd. 2. If the producer described in subdivision 1 ceases operations or decreases its operations so that the amount of the deduction of four cents per gross ton of concentrate produced is insufficient to raise \$240,000 annually, then the difference between the deduction of four cents per gross ton of concentrate produced and \$240,000 shall be paid as provided in section 298.225.

Subd. 3. The revenue received pursuant to this section by Independent School District 710 shall be deposited in the bond redemption fund of the district and shall be used only to retire the bonds issued on May 1, 1981 in the amount of \$6,000,000.

Subd. 4. The deduction and payment provided in subdivisions 1 and 2 shall terminate upon maturity or payment of the last of those bonds.

Subd. 5. This section is effective the day after compliance with Minnesota Statutes, Section 645.021, Subdivision 3, by the governing body of Independent School District 710.

Sec. 5. [EFFECTIVE DATE.]

The credit provided by section 2 shall be allowed for direct taxes levied in 1982 and thereafter and payable in 1983 and thereafter. Except as otherwise provided in this article, this article is effective the day after final enactment.

ARTICLE XXIV

Section 1. Minnesota Statutes 1980, Section 273.42, as amended by Laws 1981, First Special Session Chapter 1, Article II, Section 15, is amended to read:

273.42 [RATE OF TAX; ENTRY AND CERTIFICATION; CREDIT ON PAYMENT; PROPERTY TAX CREDIT.]

Subdivision 1. The property set forth in section 273.37, subdivision 2, consisting of transmission lines of less than 69 kv and transmission lines of 69 kv and above located in an unorganized township, and distribution lines not taxed as provided in sections 273.38, 273.40 and 273.41 shall be taxed at the average rate of taxes levied for all purposes throughout the county and shall be entered on the tax lists by the county auditor against the owner thereof and certified to the county treasurer at the same time

and in the same manner that other taxes are certified, and, when paid, shall be credited (, 35) as follows: 50 percent to the general revenue fund of the county (,) and 50 percent to the general school fund of the county, (AND 15 PERCENT TO THE TOWNSHIPS WITHIN THE COUNTY IN WHICH THE LINES ARE LOCATED. THE AMOUNT AVAILABLE FOR DISTRIBUTION TO THE TOWNSHIPS SHALL BE DIVIDED AMONG THE TOWNSHIPS IN THE SAME PROPORTION THAT THE LENGTH OF TRANSMISSION LINE IN EACH TOWNSHIP BEARS TO THE TOTAL LENGTH OF TRANSMISSION LINE IN THE COUNTY) *except that if there are high voltage transmission lines as defined in section 116C.52, the construction of which was commenced after July 1, 1974 and which are located in unorganized townships within the county, then the distribution of taxes within this subdivision shall be credited as follows: 50 percent to the general revenue fund of the county, 40 percent to the general school fund of the county and 10 percent to a utility property tax credit fund, which is hereby established.*

Subd. 2. Owners of land defined as class 3, 3b, 3c, 3cc, 3d or 3f pursuant to section 273.13 listed on records of the county auditor or county treasurer over which runs a high voltage transmission line as defined in section 116C.52, subdivision 3, except a high voltage transmission line the construction of which was commenced prior to July 1, 1974, shall receive a property tax credit in an amount determined by multiplying a fraction, the numerator of which is the length of high voltage transmission line which runs over that parcel and the denominator of which is the total length of that particular line running over all property within the city (,) or township (OR UNORGANIZED TOWNSHIP) by ten percent of the transmission line tax revenue derived from the tax on that portion of the line within the city (,) or township (OR UNORGANIZED TOWNSHIP) pursuant to section 273.36. *In the case of property owners in unorganized townships, the property tax credit shall be determined by multiplying a fraction, the numerator of which is the length of the qualifying high voltage transmission line which runs over the parcel and the denominator of which is the total length of the qualifying high voltage transmission line running over all property within all the unorganized townships within the county, by the total utility property tax credit fund amount available within the county for that year pursuant to section 273.42, subdivision 1.* Where a right-of-way width is shared by more than one property owner, the numerator shall be adjusted by multiplying the length of line on the parcel by the proportion of the total width of the parcel owned by that property owner. The amount of credit for which the property qualifies shall not exceed 20 percent of the total gross tax on the parcel prior to deduction of the state paid agricultural credit and the state paid homestead credit, provided that, if the property containing the right of way is included in a parcel which exceeds 40 acres, the total gross tax on the parcel shall be multiplied by a fraction, the numerator of which is the sum of the number of acres

in each quarter-quarter section or portion thereof which contains a right of way and the denominator of which is the total number of acres in the parcel set forth on the tax statement, and the maximum credit shall be 20 percent of the product of that computation, prior to deduction of those credits. The auditor of the county in which the affected parcel is located shall calculate the amount of the credit due for each parcel and transmit that information to the county treasurer. The county auditor, in computing the credits received pursuant to sections 273.13 and 273.135, shall reduce the gross tax by the amount of the credit received pursuant to this section, unless the amount of the credit would be less than \$10.

If, after the county auditor has computed the credit to those qualifying property owners in unorganized townships, there is money remaining in the utility property tax credit fund, then that excess amount in the fund shall be returned to the general school fund of the county.

Sec. 2. Minnesota Statutes 1980, Section 273.425, is amended to read:

273.425 [ADJUSTMENT OF LEVY.]

When preparing tax lists pursuant to section 275.28 for each levy year for which credits will be payable under section 273.42, the county auditor shall deduct from the assessed valuation of the property within the county an amount equal to ten percent of the assessed valuation of transmission lines with respect to which a credit is to be paid *and which are valued pursuant to section 273.36*. The mill rate necessary to be applied to this reduced total valuation in order to raise the required amount of tax revenue for the local taxing authorities shall be applied to the value of all taxable property in the county, including the entire valuation of those transmission lines. The proceeds of the tax levied against the excluded ten percent of the value of those transmission lines shall be available for purposes of funding of the credit provided in section 273.42. If the amount of that portion of the levy exceeds the amount necessary to fund the credits, the excess shall be distributed to the taxing districts within which the affected property is located in proportion to their respective mill rates, to be used for general levy purposes.

Sec. 3 [EFFECTIVE DATE.]

This article is effective for taxes levied in 1982 and thereafter, payable in 1983 and thereafter.

ARTICLE XXV

Section 1. Minnesota Statutes 1981 Supplement, Section 297A.01, Subdivision 3, is amended to read:

Subd. 3. A "sale" and a "purchase" includes, but is not limited to, each of the following transactions:

(a) Any transfer of title or possession, or both, of tangible personal property, whether absolutely or conditionally, and the leasing of or the granting of a license to use or consume tangible personal property *other than manufactured homes used for residential purposes for a continuous period of 30 days or more*, for a consideration in money or by exchange or barter;

(b) The production, fabrication, printing or processing of tangible personal property for a consideration for consumers who furnish either directly or indirectly the materials used in the production, fabrication, printing or processing;

(c) The furnishing, preparing or serving for a consideration of food, meals or drinks, not including hospitals, sanatoriums, nursing homes or senior citizens homes, meals or drinks purchased for and served exclusively to individuals who are 60 years of age or over and their spouses or to the handicapped and their spouses by governmental agencies, nonprofit organizations, agencies, or churches or pursuant to any program funded in whole or part through 42 USCA sections 3001 through 3045, wherever delivered, prepared or served, meals and lunches served at public and private schools, universities or colleges, or the occasional meal thereof by a charitable or church organization;

(d) The granting of the privilege of admission to places of amusement or athletic events and the privilege of use of amusement devices or athletic facilities;

(e) The furnishing for a consideration of lodging and related services by a hotel, rooming house, tourist court, motel or trailer camp and of the granting of any similar license to use real property other than the renting or leasing thereof for a continuous period of 30 days or more;

(f) The furnishing for a consideration of electricity, gas, water, or steam for use or consumption within this state, or local exchange telephone service and intrastate toll service except such service provided by means of coin operated telephones; the tax imposed on amounts paid for telephone services is the liability of and shall be paid by the person paying for the services. Sales by municipal corporations in a proprietary capacity are included in the provisions of this clause. The furnishing of water and sewer services for residential use shall not be considered a sale.

Sec. 2. Minnesota Statutes 1981 Supplement, Section 297A.-25, Subdivision 1, as amended by Laws 1981, Third Special Session Chapter 2, Article V, Section 2, is amended to read:

Subdivision 1. The following are specifically exempted from the taxes imposed by sections 297A.01 to 297A.44:

(a) The gross receipts from the sale of food products including but not limited to cereal and cereal products, butter, cheese, milk and milk products, oleomargarine, meat and meat products, fish and fish products, eggs and egg products, vegetables and vegetable products, fruit and fruit products, spices and salt, sugar and sugar products, coffee and coffee substitutes, tea, cocoa and cocoa products, but not including foods which are prepared or specially sliced, wrapped, arranged or displayed, and sold cold or hot for immediate consumption on or off the premises on which the sale is made, whether sold in individual servings or in larger quantities, except food products which are not taxable pursuant to section 297A.01, subdivision 3, clause (c) and which are sold by a retailer, organized as a nonprofit corporation or association, within a place located on property owned by the state or an agency or instrumentality of the state, the entrance to which is subject to an admission charge;

(b) The gross receipts from the sale of prescribed drugs and medicine intended for use, internal or external, in the cure, mitigation, treatment or prevention of illness or disease in human beings and products consumed by humans for the preservation of health, including prescription glasses, therapeutic and prosthetic devices, but not including cosmetics or toilet articles notwithstanding the presence of medicinal ingredients therein;

(c) The gross receipts from the sale of and the storage, use or other consumption in Minnesota of tangible personal property, tickets, or admissions, electricity, gas, or local exchange telephone service, which under the Constitution or laws of the United States or under the Constitution of Minnesota, the state of Minnesota is prohibited from taxing;

(d) The gross receipts from the sale of tangible personal property (i) which, without intermediate use, is shipped or transported outside Minnesota and thereafter used in a trade or business or is stored, processed, fabricated or manufactured into, attached to or incorporated into other tangible personal property transported or shipped outside Minnesota and thereafter used in a trade or business outside Minnesota, and which is not thereafter returned to a point within Minnesota, except in the course of interstate commerce (storage shall not constitute intermediate use); or (ii) which the seller delivers to a common carrier for delivery outside Minnesota, places in the United States mail or parcel post directed to the purchaser outside Minnesota, or delivers to the purchaser outside Minnesota by means of the seller's own delivery vehicles, and which is not thereafter returned to a point within Minnesota, except in the course of interstate commerce;

(e) The gross receipts from the sale of packing materials used to pack and ship household goods, the ultimate destination of which is outside the state of Minnesota and which are not thereafter returned to a point within Minnesota, except in the course of interstate commerce;

(f) The gross receipts from the sale of and storage, use or consumption of petroleum products upon which a tax has been imposed under the provisions of chapter 296, whether or not any part of said tax may be subsequently refunded;

(g) The gross receipts from the sale of clothing and wearing apparel except the following:

(i) all articles commonly or commercially known as jewelry, whether real or imitation; pearls, precious and semi-precious stones, and imitations thereof; articles made of, or ornamented, mounted or fitted with precious metals or imitations thereof; watches; clocks; cases and movements for watches and clocks; gold, gold-plated, silver, or sterling flatware or hollow ware and silver-plated hollow ware; opera glasses; lorgnettes; marine glasses; field glasses and binoculars.

(ii) articles made of fur on the hide or pelt, and articles of which such fur is the component material or chief value, but only if such value is more than three times the value of the next most valuable component material.

(iii) perfume, essences, extracts, toilet waters, cosmetics, petroleum jellies, hair oils, pomades, hair dressings, hair restoratives, hair dyes, aromatic cachous and toilet powders. The tax imposed by this act shall not apply to lotion, oil, powder, or other article intended to be used or applied only in the case of babies.

(iv) trunks, valises, traveling bags, suitcases, satchels, overnight bags, hat boxes for use by travelers, beach bags, bathing suit bags, brief cases made of leather or imitation leather, salesmen's sample and display cases, purses, handbags, pocketbooks, wallets, billfolds, card, pass, and key cases and toilet cases.

(h) The gross receipts from the sale of and the storage, use, or consumption of all materials, including chemicals, fuels, petroleum products, lubricants, packaging materials, including returnable containers used in packaging food and beverage products, feeds, seeds, fertilizers, electricity, gas and steam, used or consumed in agricultural or industrial production of personal property intended to be sold ultimately at retail, whether or not the item so used becomes an ingredient or constituent part of the property produced. Such production shall include, but is not limited to, research, development, design or production of any tangible personal property, manufacturing, processing (other

than by restaurants and consumers) of agricultural products whether vegetable or animal, commercial fishing, refining, smelting, reducing, brewing, distilling, printing, mining, quarrying, lumbering, generating electricity and the production of road building materials. Such production shall not include painting, cleaning, repairing or similar processing of property except as part of the original manufacturing process. Machinery, equipment, implements, tools, accessories, appliances, contrivances, furniture and fixtures, used in such production and fuel, electricity, gas or steam used for space heating or lighting, are not included within this exemption; however, accessory tools, equipment and other short lived items, which are separate detachable units used in producing a direct effect upon the product, where such items have an ordinary useful life of less than 12 months, are included within the exemption provided herein;

(i) The gross receipts from the sale of and storage, use or other consumption in Minnesota of tangible personal property (except as provided in section 297A.14) which is used or consumed in producing any publication regularly issued at average intervals not exceeding three months, and any such publication. For purposes of this subsection, "publication" as used herein shall include, without limiting the foregoing, a legal newspaper as defined by Minnesota Statutes 1965, Section 331.02, and any supplements or enclosures with or part of said newspaper; and the gross receipts of any advertising contained therein or therewith shall be exempt. For this purpose, advertising in any such publication shall be deemed to be a service and not tangible personal property, and persons or their agents who publish or sell such newspapers shall be deemed to be engaging in a service with respect to gross receipts realized from such newsgathering or publishing activities by them, including the sale of advertising. Machinery, equipment, implements, tools, accessories, appliances, contrivances, furniture and fixtures used in such publication and fuel, electricity, gas or steam used for space heating or lighting, are not exempt;

(j) The gross receipts from all sales of tangible personal property to, and all storage, use or consumption of such property by, the United States and its agencies and instrumentalities or a state and its agencies, instrumentalities and political subdivisions;

(k) The gross receipts from the isolated or occasional sale of tangible personal property in Minnesota not made in the normal course of business of selling that kind of property, and the storage, use, or consumption of property acquired as a result of such a sale;

(l) The gross receipts from sales of rolling stock and the storage, use or other consumption of such property by railroads, freight line companies, sleeping car companies and express companies taxed on the gross earnings basis in lieu of ad valorem

taxes. For purposes of this clause "rolling stock" is defined as the portable or moving apparatus and machinery of any such company which moves on the road, and includes, but is not limited to, engines, cars, tenders, coaches, sleeping cars and parts necessary for the repair and maintenance of such rolling stock.

(m) The gross receipts from sales of airflight equipment and the storage, use or other consumption of such property by airline companies taxed under the provisions of sections 270.071 to 270.079. For purposes of this clause, "airflight equipment" includes airplanes and parts necessary for the repair and maintenance of such airflight equipment, and flight simulators.

(n) The gross receipts from the sale of telephone central office telephone equipment used in furnishing intrastate and interstate telephone service to the public.

(o) The gross receipts from the sale of and the storage, use or other consumption by persons taxed under the in lieu provisions of chapter 298, of mill liners, grinding rods and grinding balls which are substantially consumed in the production of faconite, the material of which primarily is added to and becomes a part of the material being processed.

(p) The gross receipts from the sale of tangible personal property to, and the storage, use or other consumption of such property by, any corporation, society, association, foundation, or institution organized and operated exclusively for charitable, religious or educational purposes if the property purchased is to be used in the performance of charitable, religious or educational functions, or any senior citizen group or association of groups that in general limits membership to persons age 55 or older and is organized and operated exclusively for pleasure, recreation and other nonprofit purposes, no part of the net earnings of which inures to the benefit of any private shareholders;

(q) The gross receipts from the sale of caskets and burial vaults;

(r) The gross receipts from the sale of an automobile or other conveyance if the purchaser is assisted by a grant from the United States in accordance with 38 United States Code, Section 1901, as amended.

(s) The gross receipts from the sale to the licensed aircraft dealer of an aircraft for which a commercial use permit has been issued pursuant to section 360.654, if the aircraft is resold while the permit is in effect.

(t) The gross receipts from the sale of building materials to be used in the construction or remodeling of a residence when the construction or remodeling is financed in whole or in part

by the United States in accordance with 38 United States Code, Sections 801 to 805, as amended. This exemption shall not be effective at time of sale of the materials to contractors, subcontractors, builders or owners, but shall be applicable only upon a claim for refund to the commissioner of revenue filed by recipients of the benefits provided in Title 38 United States Code, Chapter 21, as amended. The commissioner shall provide by regulation for the refund of taxes paid on sales exempt in accordance with this paragraph.

(u) The gross receipts from the sale of textbooks which are prescribed for use in conjunction with a course of study in a public or private school, college, university and business or trade school to students who are regularly enrolled at such institutions. For purposes of this clause a "public school" is defined as one that furnishes course of study, enrollment and staff that meets standards of the state board of education and a private school is one which under the standards of the state board of education, provides an education substantially equivalent to that furnished at a public school. Business and trade schools shall mean such schools licensed pursuant to section 141.25.

(v) The gross receipts from the sale of and the storage of material designed to advertise and promote the sale of merchandise or services, which material is purchased and stored for the purpose of subsequently shipping or otherwise transferring outside the state by the purchaser for use thereafter solely outside the state of Minnesota.

(w) The gross receipts from the sale of residential heating fuels in the following manner:

(i) all fuel oil, coal, wood, steam, propane gas, and L.P. gas sold to residential customers for residential use;

(ii) natural gas sold for residential use to customers who are metered and billed as residential users and who use natural gas for their primary source of residential heat, for the billing months of November, December, January, February, March and April;

(iii) electricity sold for residential use to customers who are metered and billed as residential users and who use electricity for their primary source of residential heat, for the billing months of November, December, January, February, March and April.

(x) The gross receipts from the sale or use of tickets or admissions to the premises of or events sponsored by an association, corporation or other group of persons which provides an opportunity for citizens of the state to participate in the creation, performance or appreciation of the arts and which qualifies as a

tax-exempt organization within the meaning of section 290.05, subdivision 1, clause (i).

(y) The gross receipts from either the sales to or the storage, use or consumption of tangible personal property by an organization of military service veterans or an auxiliary unit of an organization of military service veterans, provided that:

(i) the organization or auxiliary unit is organized within the state of Minnesota and is exempt from federal taxation pursuant to section 501(c), clause (19), of the Internal Revenue Code as amended through December 31, 1978; and

(ii) the tangible personal property which is sold to or stored, used or consumed by the organization or auxiliary unit is for charitable, civic, educational, or nonprofit uses and not for social, recreational, pleasure or profit uses.

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

(aa) *The gross receipts from the sale of a manufactured home, as defined in section 327.31, subdivision 6, to be used by the purchaser for residential purposes, unless the sale is the first retail sale of the manufactured home in this state.*

Sec. 3. [EFFECTIVE DATE.]

Section 1 is effective retroactive to January 1, 1972; provided, however, that the department of revenue shall not entertain any refund claims to those taxpayers who have paid the sales tax on those rentals. Section 2 is effective for sales made on or after July 1, 1982.

ARTICLE XXVI

Section 1. [CLEARWATER COUNTY LEVY LIMIT INCREASE.]

Any limitation imposed upon the levy of Clearwater County by Minnesota Statutes, Sections 275.50 to 275.56, shall be increased for taxes levied in 1982, payable 1983 and subsequent years by an amount authorized by the county board, not to exceed one mill, to cover the expenses of the agricultural society as authorized by Minnesota Statutes, Section 38.27.

ARTICLE XXVII

Section 1. Laws 1980, Chapter 453, is amended by adding a section to read:

Sec. 3. [BLOOMINGTON; PORT AUTHORITY.]

Subdivision 1. As used in this section, the terms defined in Minnesota Statutes, Section 273.73 shall have the meanings given them therein and the terms defined in this subdivision have the meanings given them.

(a) "Port authority" means the port authority of the city of Bloomington.

(b) "City" means the city of Bloomington.

(c) "Development district" means a district established by the port authority pursuant to Minnesota Statutes, Section 458-191.

(d) "City council" means the city council of the city.

Subd. 2. Notwithstanding any contrary provision of other law or charter, any action taken by the port authority to adopt bylaws or rules of procedure, issue bonds, notes or other evidences of indebtedness, or establish development districts or tax increment districts within the city shall not be effective until approved by the city council.

Subd. 3. The port authority may exercise the powers of an authority under Minnesota Statutes, Sections 273.73 to 273.78.

Subd. 4. Notwithstanding any contrary provision of other law or charter, the port authority may establish one or more tax increment financing districts pursuant to Minnesota Statutes, Sections 273.73 to 273.78 except provided that:

(a) Tax increments may only be used to pay debt service on any bonds, including maintaining any reserve for them, and administrative expenses for the development district;

(b) Any tax increments received in any year in excess of those required to pay debt service on any bonds, including maintaining any reserve for them and administrative expenses for the development district in the year, shall be used to prepay any bonds unless the county board and school board by resolution adopted prior to approval of the tax increment financing plan by the city direct that the excess tax increments be distributed among the city, county, and school district by the county auditor in accordance with the tax increment financing plan;

(c) The aggregate principal amount of bonds secured by a pledge of tax increments that may be issued may not exceed five percent of the total assessed valuation of taxable property in the city as most recently certified by the commissioner of revenue as of the date any bonds are issued, which valuation shall be without regard to the existence of any tax increment district and

before the application of the fiscal disparities provisions of Minnesota Statutes, Chapter 473;

(d) Tax increments may be paid to the port authority for a period of not to exceed 12 years from date of receipt of the first tax increment or 14 years from approval of the tax increment financing plan, whichever is less, for an economic development district; and

(e) The limitation on tax increments in Minnesota Statutes, Section 273.75, Subdivision 6, may be extended for such time as may be approved by resolution of the county board and school board.

Subd. 5. Notwithstanding any contrary provisions of law or charter, any tax increment financing plan of the port authority may provide for the financing of land acquisition and public improvements, including relocation costs and administrative expenses in connection therewith, located anywhere in the development district in which the tax increment financing district is located.

Subd. 6. The port authority may exercise any of the powers granted a redevelopment agency in Minnesota Statutes, Chapter 474, to provide for the financing of any properties, real or personal, used or useful in connection with a revenue producing enterprise, or any combination of two or more revenue producing enterprises engaged in any business, including any project described in Minnesota Statutes, Section 474.02, Subdivisions 1, 1a, 1b, 1c, and 1e and any equipment regardless of where located so long as the equipment is related to facilities located within the city. The project must be approved in accordance with Minnesota Statutes, Chapter 474, and not include any property described in Minnesota Statutes, Section 474.02, Subdivision 1d.

Subd. 7. The formation of the port authority and all actions taken by the city and the port authority that would have been authorized if this article had been effective on the date the actions were taken are validated.

Subd. 8. The powers conferred by this section are in addition and supplemental to the powers conferred by any other law. Insofar as the provisions of any other law or charter are inconsistent with this section, the provisions of this section shall be controlling as to projects instituted under this section.

Sec. 2. [LOCAL APPROVAL.]

This article is effective the day after compliance with Minnesota Statutes, Section 645.021, Subdivision 3, by the governing body of the city of Bloomington.

ARTICLE XXVIII

Section 1. Minnesota Statutes 1980, Section 473H.02, Subdivision 2, is amended to read:

Subd. 2. "Agricultural preserve" or "preserve" means a land area (COVENANTED) *created and restricted* according to section 473H.05 to remain in agricultural use.

Sec. 2. Minnesota Statutes 1980, Section 473H.02, is amended by adding a subdivision to read:

Subd. 11. "County recorder" means registrar of titles for the purposes of registered property.

Sec. 3. Minnesota Statutes 1980, Section 473H.04, Subdivision 1, is amended to read:

Subdivision 1. (ON OR BEFORE JANUARY 1, 1981) Each authority in the metropolitan area having land classified agricultural pursuant to section 273.13 shall certify by resolution using appropriate maps which lands, if any, are eligible for designation as agricultural preserves. Maps shall be in sufficient detail to identify eligible lands by property boundaries. (NOTIFICATION OF THE CERTIFICATION SHALL BE PUBLISHED) *At least two weeks before the resolution is to be adopted, the authority shall publish notice of its intended action in a newspaper having a general circulation within the area of jurisdiction of the authority. No additional lands shall qualify for designation as agricultural preserves until the authority certifies qualification.*

Sec. 4. Minnesota Statutes 1980, Section 473H.04, Subdivision 2, is amended to read:

Subd. 2. Land shall cease to be eligible for designation as an agricultural preserve when the comprehensive plan and zoning for the land have been amended so that the land is no longer planned for long term agricultural use and is no longer zoned for long term agricultural use, evidenced by a maximum residential density permitting more than one unit per 40 acres. When changes have been made, the authority shall certify by resolution and appropriate maps which lands are no longer eligible. (NOTIFICATION OF THE DECERTIFICATION SHALL BE PUBLISHED) *At least two weeks before the resolution is to be adopted, the authority shall publish a notice of its intended action in a newspaper having a general circulation within the area of jurisdiction of the authority.*

Sec. 5. Minnesota Statutes 1980, Section 473H.05, Subdivision 1, is amended to read:

Subdivision 1. An owner or owners of certified long term agricultural land may apply to the authority with jurisdiction over the land on forms provided by the commissioner of agriculture for the creation of an agricultural preserve at any time. *If the land to be placed in a preserve is registered property, the owner shall submit the owner's duplicate certificate of title together with the application.* Land for which application is received prior to March 1 of any year shall be assessed pursuant to section 473H.10 for taxes payable in the following year. Land for which application is received on or after March 1 of any year shall be assessed pursuant to section 473H.10 in the following year. The application shall contain at least the following information and such other information as the commissioner deems necessary:

(a) Legal description of the area proposed to be designated (OR) and parcel identification numbers (AS) if so designated by the county auditor;

(b) Name and address of owner;

(c) An affidavit by the authority evidencing that the land is certified long term agricultural land at the date of application;

(d) A witnessed signature of the owner covenanting that the land shall be kept in agricultural use, and shall be used in accordance with the provisions of sections 473H.02 to 473H.17 which exist on the date of application;

(e) A statement that the restrictive covenant shall be binding on the owner or his successor or assignee, and shall (BE AN EASEMENT RUNNING) run with the land (;)

((F) DATE OF APPLICATION AND DATE THAT DESIGNATION IS EFFECTUATED).

Sec. 6. Minnesota Statutes 1980, Section 473H.05, is amended by adding a subdivision to read:

Subd. 3. [REGISTERED PROPERTY.] In the case of registered property, the applicant shall submit the owner's duplicate certificate at the time the application is made to the authority. The county recorder shall memorialize the restrictive covenant upon the certificate of title and owner's duplicate certificate of title. When the property or any portion of it ceases to be an agricultural preserve in accordance with section 473H.08 and the passage of the required time period, section 473H.09 or 473H.15, the county recorder upon presentation of the owner's duplicate certificate of title shall cause the restrictive covenant to be cancelled upon the effective date of the expiration, termination or taking.

Sec. 7. Minnesota Statutes 1980, Section 473H.06, Subdivision 1, is amended to read:

Subdivision 1. *Upon receipt of an application, the authority shall determine if all material required in section 473H.05 has been submitted and, if so, shall determine that the application is complete. When used in this chapter, the term "date of application" means the date the application is determined complete by the authority. Within five days of the date of application, the authority shall forward (COPIES OF) the completed and signed application to the county recorder, together with the owner's duplicate certificate of title in the case of registered property, and copies to the county auditor, the county assessor, the metropolitan council, and the county soil and water conservation district.*

Sec. 8. Minnesota Statutes 1980, Section 473H.06, Subdivision 2, is amended to read:

Subd. 2. *The county recorder shall (FILE AND) record the restrictive covenant and return it to the applicant. If the property is registered property, the recorder shall memorialize the restrictive covenant upon presentation of the owner's duplicate certificate of title. The authority shall be notified by the recorder that the covenant has been recorded or memorialized.*

Sec. 9. Minnesota Statutes 1980, Section 473H.06, Subdivision 5, is amended to read:

Subd. 5. *The metropolitan council shall maintain agricultural preserve maps, illustrating (a) certified long term agricultural lands; and (b) lands covenanted as agricultural preserves. The council shall make yearly reports to the state planning agency, the department of agriculture, and such other agencies as the council deems appropriate.*

Sec. 10. Minnesota Statutes 1980, Section 473H.08, Subdivision 4, is amended to read:

Subd. 4. *Upon receipt of the notice provided in subdivision 2, or upon notice served by the authority as provided in subdivision 3, the authority shall forward the original notice to the county recorder for recording and shall notify the (COUNTY RECORDER,) county auditor, county assessor, the metropolitan council, and the county soil and water conservation district of the date of expiration. Designation as an agricultural preserve and all benefits and limitations accruing through sections 473H.02 to 473H.17 for the preserve shall cease on the date of expiration. The restrictive covenant filed with the application shall terminate on the date of expiration.*

Sec. 11. Minnesota Statutes 1980, Section 473H.14, is amended to read:

473H.14 [ANNEXATION PROCEEDINGS.]

Agricultural preserve land within a township shall not be annexed to a municipality pursuant to chapter 414, without a specific finding by the Minnesota municipal board that either (a) the expiration period as provided for in section 473H.08 has begun; (b) the (SURVIVING UNIT OF GOVERNMENT) township due to size, tax base, population or other relevant factors would not be able to provide normal governmental functions and services; or (c) the agricultural preserve would be completely surrounded by lands within a municipality.

This section shall not apply to annexation agreements approved by the Minnesota municipal board prior to creation of the preserve.

Sec. 12. Minnesota Statutes 1980, Section 473H.15, is amended by adding a subdivision to read:

Subd. 10. The agricultural preserve designation and all benefits and limitations accruing through sections 473H.02 to 473H.17 for the preserve and the restrictive covenant for that portion of the preserve taken, shall cease on the date the final certificate is filed with the clerk of district court in accordance with section 117.205.

Sec. 13. Minnesota Statutes 1980, Section 473H.16, Subdivision 3, is amended to read:

Subd. 3. Any owner who fails to implement corrective measures to the satisfaction of the authority within one year of notice from the authority shall be subject to a (FINE) civil penalty of not more than \$1,000. The authority may recover the penalty by a civil action in a court of competent jurisdiction.

Sec. 14. [473H.18] [TRANSFER FROM AGRICULTURAL PROPERTY TAX LAW TREATMENT.]

When land which has been receiving the special agricultural valuation and tax deferral provided in section 273.111 becomes an agricultural preserve pursuant to sections 473H.02 to 473H.17, the recapture of deferred tax and special assessments, as provided in section 273.111, subdivisions 9 and 11, shall not be made. Special assessments deferred under section 273.111, at the date of commencement of the preserve, shall continue to be deferred for the duration of the preserve. All special assessments so deferred shall be payable within 90 days of the date of expiration unless other terms are mutually agreed upon by the authority and the owner. In the event of early termination of a preserve or a portion of it under section 473H.09, all special assessments accruing to the terminated portion plus interest shall be payable within 90 days of the date of termination unless otherwise deferred or abated by executive order of the governor. In the

event of a taking under section 473H.15 all special assessments accruing to the taken portion plus interest shall be payable within 90 days of the date the final certificate is filed with the clerk of district court in accordance with section 117.205.

Sec. 15. [APPLICATION.]

This article applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott and Washington.

Sec. 16. [EFFECTIVE DATE.]

This article is effective the day following final enactment.

ARTICLE XXIX

Section 1. Minnesota Statutes 1981 Supplement, Section 272.-46, is amended to read:

272.46 [AUDITOR TO FURNISH STATEMENT OF TAX LIENS AND TAX SALES; FEES; APPLICATION.]

Subdivision 1. [CERTIFICATION OF TAX LIENS.] The county auditor, upon written application of any person, shall make search of the records of his office, and ascertain the existence of all tax liens and tax sales as to any lands described in the application, and certify the result of such search under his hand and the seal of his office, giving the description of the land and all tax liens and tax sales shown by such records, and the amount thereof, the year of tax covered by such lien, the date of tax sale, and the name of the purchaser at such tax sale.

For such service the county auditor shall charge a fee not to exceed \$5 for each lot or tract of land described in the certificate. The amount of the fee will be established by the county board on or before July 1 of each year. Any number of contiguous tracts of land not exceeding one section, assessed as broad acres, or adjoining lots in the same block, in the city, shall be considered as one lot or parcel within the meaning of this section. The provisions of this section shall not apply to counties having a population of more than 225,000.

Subd. 2. [AUDITOR TO COMBINE LEGAL DESCRIPTIONS.] The county auditor, upon written application of any person, shall for property tax purposes only, combine legal descriptions, as defined in section 272.195, of contiguous parcels to which the applicants hold title.

Sec. 2. Minnesota Statutes 1981 Supplement, Section 273.11, Subdivision 1, is amended to read:

Subdivision 1. [GENERALLY.] Except as provided in subdivisions 2, 6 and 7 or section 273.17, subdivision 1, all property shall be valued at its market value. *The market value as determined pursuant to this section shall be stated such that any amount under \$100 is rounded up to \$100 and any amount exceeding \$100 shall be rounded to the nearest \$100.* In estimating and determining such value, the assessor shall not adopt a lower or different standard of value because the same is to serve as a basis of taxation, nor shall he adopt as a criterion of value the price for which such property would sell at auction or at a forced sale, or in the aggregate with all the property in the town or district; but he shall value each article or description of property by itself, and at such sum or price as he believes the same to be fairly worth in money. In assessing any tract or lot of real property, the value of the land, exclusive of structures and improvements, shall be determined, and also the value of all structures and improvements thereon, and the aggregate value of the property, including all structures and improvements, excluding the value of crops growing upon cultivated land. In valuing real property upon which there is a mine or quarry, it shall be valued at such price as such property, including the mine or quarry, would sell for a fair, voluntary sale, for cash. In valuing real property which is vacant, the fact that such property is platted shall not be taken into account. An individual lot of such platted property shall not be assessed in excess of the assessment of the land as if it were unplatted until the lot is improved with a permanent improvement all or a portion of which is located upon the lot, or for a period of three years after final approval of said plat whichever is shorter. When a lot is sold or construction begun, the assessed value of that lot or any single contiguous lot fronting on the same street shall be eligible for reassessment. All property, or the use thereof, which is taxable under sections 272.01, subdivision 2, or 273.19, shall be valued at the market value of such property and not at the value of a leasehold estate in such property, or at some lesser value than its market value.

Sec. 3. Minnesota Statutes 1980, Section 282.014, is amended to read:

282.014 [COMPLETION OF SALE AND CONVEYANCE.]

Upon compliance by the purchaser with the provisions of sections 282.011 to 282.015 and with the terms and conditions of the sale, and upon full payment for the land, *plus a \$10 fee in addition to the sale price*, the sale shall be complete and a conveyance of the land shall be issued to the purchaser as provided by the appropriate statutes according to the status of the land upon forfeiture.

Sec. 4. Minnesota Statutes 1980, Section 282.09, Subdivision 1, is amended to read:

Subdivision 1. [MONEYS PLACED IN FUND.] The county auditor and county treasurer shall place all moneys received through the operation of sections 282.01 to 282.13 in a fund to be known as the forfeited tax sale fund and all disbursements and costs shall be charged against that fund, when allowed by the county board. Members of the county board may be paid a per diem pursuant to section 375.055, subdivision 1, and reimbursed for their necessary expenses, and may receive mileage as now or hereafter fixed by law. Compensation of a land commissioner and his assistants, if a land commissioner is appointed, shall be in such amount as shall be determined by the county board. The county auditor shall receive 50 cents for each certificate of sale, each contract for deed and each lease executed by him, and in counties where no land commissioner is appointed such additional annual compensation, not exceeding \$300, as shall be fixed by the county board. Compensation of any other clerical help that may be needed by the county auditor or land commissioner shall be in such amount as shall be determined by the county board. All compensation provided for herein shall be in addition to other compensation allowed by law. (OUT OF THE GROSS PROCEEDS IN THIS FUND THERE SHALL BE PAID TO THE STATE, IN ADDITION TO ANY DISTRIBUTION OF NET PROCEEDS THEREFROM, A FEE OF \$3 FOR EACH AND EVERY STATE DEED HEREAFTER ISSUED OR REISSUED BY THE COMMISSIONER OF REVENUE PURSUANT TO THE SALE OF ANY TAX-FORFEITED LANDS.) Fees so charged *in addition to the fee imposed in section 3* shall be included in the annual settlement by the county auditor as hereinafter provided. On or before February 1 in each year, the commissioner of revenue shall certify to the commissioner of finance, by counties, the total number of state deeds issued and reissued during the preceding calendar year for which such fees are charged and the total amount thereof. When disbursements are made from the fund for repairs, refundments, expenses of actions to quiet title, or any other purpose which particularly affects specific parcels of forfeited lands, the amount of such disbursements shall be charged to the account of the taxing districts interested in such parcels. The county auditor shall make an annual settlement of the net proceeds received from sales and rentals by the operation of sections 282.01 to 282.13, at the regular March settlement, for the preceding calendar year.

Sec. 5. [297.041] [SALES TO INDIAN TRIBES.]

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 his stock necessary for the conduct of his 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 fifteenth 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. The commissioner may also revoke this permission to maintain a stock of unstamped goods for sale to a specific Indian tribal organization when it appears that sales of unstamped cigarettes to persons who are not enrolled members of a recognized Indian tribe are taking place, or have taken place, within the exterior boundaries of the reservation occupied by that tribe.

Subd. 2. [RETAILERS.] Retailers who are Indian tribal organizations may maintain unstamped stock intended for sale to qualified purchasers.

Subd. 3. [QUALIFIED PURCHASERS.] A qualified purchaser of unstamped cigarettes means only an enrolled member of the Indian tribe which is offering the cigarettes for sale.

Subd. 4. [SALES TO NONQUALIFIED BUYERS.] Any 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 the retailer fails to collect the tax from the buyer or transferee, or fails to remit the tax, the retailer shall be 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 cigarettes may, after deducting all costs and expenses, be applied to any tax liability owed by the retailer.

The provisions of this section shall not relieve the buyer or possessor of unstamped cigarettes from personal liability for the tax.

ARTICLE XXX

Section 1. Minnesota Statutes 1981 Supplement, Section 290.01, Subdivision 20, as amended by Laws 1981, Third Special Session Chapter 2, Article III, Section 2, is amended to read:

Subd. 20. [GROSS INCOME.] Except as otherwise provided in this chapter, the term "gross income," as applied to corporations includes every kind of compensation for labor or personal services of every kind from any private or public employment, office, position or services; income derived from the ownership or use of property; gains or profits derived from every kind

of disposition of, or every kind of dealing in, property; income derived from the transaction of any trade or business; and income derived from any source; except that gross income shall not include "exempt function income" of a "homeowners association" as those terms are defined in Section 528 of the Internal Revenue Code of 1954, as amended through December 31, 1980.

The term "gross income" in its application to individuals, estates, and trusts shall mean the adjusted gross income as defined in the Internal Revenue Code of 1954, as amended through the date specified herein for the applicable taxable year, with the modifications specified in this subdivision. For estates and trusts the adjusted gross income shall be their federal taxable income as defined in the Internal Revenue Code of 1954, as amended through the date specified herein for the applicable taxable year, with the modifications specified in this subdivision and with the modification that the federal deduction for personal exemptions for trusts and estates shall not be allowed.

(i) The Internal Revenue Code of 1954, as amended through December 31, 1974, shall be in effect for the taxable years beginning after December 31, 1974.

(ii) The Internal Revenue Code of 1954, as amended through December 31, 1976, including the amendments made to section 280A (relating to licensed day care centers) in H.R. 3477 as it passed the Congress on May 16, 1977, shall be in effect for the taxable years beginning after December 31, 1976. The provisions of the Tax Reform Act of 1976, P.L. 94-455, which affect adjusted gross income shall become effective for purposes of this chapter at the same time they become effective for federal income tax purposes. Section 207 (relating to extension of period for nonrecognition of gain on sale or exchange of residence) and section 402 (relating to time for making contributions to pension plans of self employed people) of P.L. 94-12 shall be effective for taxable years beginning after December 31, 1974.

The provisions of section 4 of P.L. 95-458, sections 131, 133, 134, 141, 152, 156, 157, 405, and 543 of P.L. 95-600, and section 2 of P.L. 96-608 (relating to pensions, individual retirement accounts, deferred compensation plans, the sale of a residence and to conservation payments to farmers) including the amendments made to these sections in P.L. 96-222 shall be effective at the same time that these provisions became effective for federal income tax purposes.

(iii) The Internal Revenue Code of 1954, as amended through December 31, 1979, shall be in effect for taxable years beginning after December 31, 1979.

(iv) The Internal Revenue Code of 1954, as amended through December 31, 1980, and as amended by sections 302(b) and 501 to 509 of Public Law Number 97-34, shall be in effect

for taxable years beginning after December 31, 1980 including the provisions of section 404 (relating to partial exclusions of dividends and interest received by individuals) of the Crude Oil Windfall Profit Tax Act of 1980, P.L. 96-223. The provisions of P.L. 96-471 (relating to installment sales) (AND) sections 122, 123, 126, 201, 202, 203, 204, 211, 213, 214, 251, 261, 264, 265, 311(g)(3), 313, 314(a)(1), 321(a), 501 to 507, 811, and 812 of the Economic Recovery Tax Act of 1981, Public Law Number 97-34 and section 113 of Public Law Number 97-119 shall be effective at the same time that they become effective for federal income tax purposes.

(v) The Internal Revenue Code of 1954, as amended through December 31, 1981, shall be in effect for taxable years beginning after December 31, 1981.

References to the Internal Revenue Code of 1954 in clauses (a), (b) and (c) following shall mean the code in effect for the purpose of defining gross income for the applicable taxable year.

(a) Modifications increasing federal adjusted gross income. There shall be added to federal adjusted gross income:

(1) Interest income on obligations of any state other than Minnesota or a political subdivision of any other state exempt from federal income taxes under the Internal Revenue Code of 1954;

(2) A business casualty loss if the taxpayer elected to deduct the loss on the current year's federal income tax return but had deducted the loss on the previous year's Minnesota income tax return;

(3) Income taxes imposed by this state or any other taxing jurisdiction, to the extent deductible in determining federal adjusted gross income and not credited against federal income tax;

(4) Interest on indebtedness incurred or continued to purchase or carry securities the income from which is exempt from tax under this chapter, to the extent deductible in determining federal adjusted gross income;

(5) Amounts received as reimbursement for an expense of sickness or injury which was deducted in a prior taxable year to the extent that the deduction for the reimbursed expenditure resulted in a tax benefit;

(6) The amount of any federal income tax overpayment for any previous taxable year, received as refund or credited to another taxable year's income tax liability, proportionate to the percentage of federal income tax that was claimed as a deduction in determining Minnesota income tax for the previous taxable year.

The amount of the federal income tax overpayment shall be reported only to the extent that the amount resulted in a reduction of the tax imposed by this chapter.

The overpayment refund or credit, determined with respect to a husband and wife on a joint federal income tax return for a previous taxable year, shall be reported on joint, combined, or separate Minnesota income tax returns. In the case of combined or separate Minnesota returns, the overpayment shall be reported by each spouse proportionately according to the relative amounts of federal income tax claimed as a deduction on his or her combined or separate Minnesota income tax return for such previous taxable year;

(7) In the case of a change of residence from Minnesota to another state or nation, the amount of moving expenses which exceed total reimbursements and which were therefore deducted in arriving at federal adjusted gross income;

(8) The amount of any increase in the taxpayer's federal tax liability under section 47 of the Internal Revenue Code of 1954 to the extent of the credit under section 38 of the Internal Revenue Code of 1954 that was previously allowed as a deduction either under section 290.01, subdivision 20 (b) (7);

(9) Expenses and losses arising from a farm which are not allowable under section 290.09, subdivision 29;

(10) Expenses and depreciation attributable to substandard buildings disallowed by section 290.101;

(11) The amount by which the gain determined pursuant to section 41.59, subdivision 2 exceeds the amount of such gain included in federal adjusted gross income;

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

(13) Interest income from qualified scholarship funding bonds as defined in section 103(e) of the Internal Revenue Code of 1954, if the nonprofit corporation is domiciled outside of Minnesota;

(14) Exempt-interest dividends, as defined in section 852(b)(5)(A) of the Internal Revenue Code of 1954, not included in federal adjusted gross income pursuant to section 852(b)(5)(B) of the Internal Revenue Code of 1954, except for that portion of exempt-interest dividends derived from interest income on obligations of the state of Minnesota, any of its politi-

cal or governmental subdivisions, any of its municipalities, or any of its governmental agencies or instrumentalities;

(15) The amount of any excluded gain recognized by a trust on the sale or exchange of property as defined in section 641(c) (1) of the Internal Revenue Code of 1954;

(16) (FOR TAXABLE YEARS BEGINNING AFTER DECEMBER 31, 1980 BUT BEFORE JANUARY 1, 1983, IN THE CASE OF RECOVERY PROPERTY WITHIN THE MEANING OF SECTION 168 OF THE INTERNAL REVENUE CODE OF 1954 AS AMENDED THROUGH DECEMBER 31, 1981, THE AMOUNT ALLOWED UNDER SECTION 167 OF THE INTERNAL REVENUE CODE;)

((17)) To the extent not included in the taxpayer's federal adjusted gross income, the amount of any gain, from the sale or other disposition of property having a lower adjusted basis for Minnesota income tax purposes than for federal income tax purposes. This modification shall not exceed the difference in basis. If the gain is considered a long term capital gain for federal income tax purposes, the modification shall be limited to 40 percent of the portion of the gain. This modification is limited to property that qualified for the energy credit contained in section 290.06, subdivision 14, and to property acquired in exchange for the release of the taxpayer's marital rights contained in section 290.14, clause (9);

((18)) (17) The amount of any loss from a source outside of Minnesota which is not allowed under section 290.17 including any capital loss or net operating loss carryforwards or carrybacks resulting from the loss;

((19)) (18) The amount of a distribution from an individual housing account which is to be included in gross income as required under section 290.08, subdivision 25;

((20)) (19) To the extent deducted in computing the taxpayer's federal adjusted gross income, interest, taxes and other expenses which are not allowed under section 290.10, clause (9) or (10);

((21)) (20) To the extent excluded from federal adjusted gross income, in the case of a city manager or city administrator who elects to be excluded from the public employees retirement association and who makes contributions to a deferred compensation program pursuant to section 353.028, the amount of contributions made by the city manager or administrator which is equal to the amount which would have been the city manager's or administrator's employee contribution pursuant to section 353.27, subdivision 2, if he were a member of the public employees retirement association;

(21) *The deduction for two-earner married couples provided in section 221 of the Internal Revenue Code of 1954; and*

(22) (FOR TAXABLE YEARS BEGINNING AFTER DECEMBER 31, 1980 BUT BEFORE JANUARY 1, 1983, IN THE CASE OF SECTION 179 PROPERTY WITHIN THE MEANING OF THE INTERNAL REVENUE CODE OF 1954, THE AMOUNT ALLOWED AS A DEDUCTION UNDER SECTION 179 OF THE INTERNAL REVENUE CODE) *Interest on all-savers certificates which is excluded under section 128 of the Internal Revenue Code of 1954.*

(b) Modifications reducing federal adjusted gross income. There shall be subtracted from federal adjusted gross income:

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

(2) The portion of any gain, from the sale or other disposition of property having a higher adjusted basis for Minnesota income tax purposes than for federal income tax purposes, that does not exceed such difference in basis; but if such gain is considered a long-term capital gain for federal income tax purposes, the modification shall be limited to 60 per centum of the portion of the gain. This modification shall not be applicable if the difference in basis is due to disallowance of depreciation pursuant to section 290.101.

(3) Interest or dividend income on securities to the extent exempt from income tax under the laws of this state authorizing the issuance of the securities but includible in gross income for federal income tax purposes;

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

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

(6) To the extent included in federal adjusted gross income, or the amount reflected as the ordinary income portion of a lump sum distribution under section 402(e) of the Internal Revenue Code of 1954, notwithstanding any other law to the contrary, the amount received by any person (i) from the United States, its agencies or instrumentalities, the Federal Reserve Bank or from the state of Minnesota or any of its political or governmental subdivisions or from any other state or its political or governmental subdivisions, or a Minnesota volunteer firefighters relief association, by way of payment as a pension, public employee retirement benefit, or any combination thereof, or (ii) as a retirement or survivor's benefit made from a plan qualifying under section 401, 403, 404, 405, 408, 409 or 409A of the Internal Revenue Code of 1954. The maximum amount of this subtraction shall be \$11,000 less the amount by which the individual's federal adjusted gross income, plus the ordinary income portion of a lump sum distribution as defined in section 402(e) of the Internal Revenue Code of 1954, exceeds \$17,000. In the case of a volunteer firefighter who receives an involuntary lump sum distribution of his pension or retirement benefits, the maximum amount of this subtraction shall be \$11,000; this subtraction shall not be reduced by the amount of the individual's federal adjusted gross income in excess of \$17,000;

(7) The amount of any credit to the taxpayer's federal tax liability under section 38 of the Internal Revenue Code of 1954 but only to the extent that the credit is connected with or allocable against the production or receipt of income included in the measure of the tax imposed by this chapter;

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

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

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

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

(12) The amount of any income earned for personal services rendered outside of Minnesota prior to the date when the taxpayer became a resident of Minnesota. This modification does not apply to compensation defined in clause (b) (6);

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

(14) In the case of work incentive program expenses paid or incurred on or after January 1, 1979, the amount of any credit for expenses of work incentive programs under sections 40, 50A and 50B of the Internal Revenue Code of 1954 which is claimed as a credit against the taxpayer's federal tax liability, but only to the extent that the credit is connected with or allocable against the production or receipt of income included in the measure of the tax imposed by this chapter;

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

(16) To the extent included in federal adjusted gross income, severance pay that may be treated as a lump sum distribution under the provisions of section 290.032, subdivision 5;

(17) The amount of any income or gain which is not assignable to Minnesota under the provisions of section 290.17;

(18) Minnesota exempt-interest dividends as provided by subdivision 27;

(19) A business casualty loss which the taxpayer elected to deduct on the current year's Minnesota income tax return but did not deduct on the current year's federal income tax return; and

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

(21) To the extent included in federal adjusted gross income, in the case of a city manager or city administrator who elects to be excluded from the public employees retirement association and who makes contributions to a deferred compensation program pursuant to section 353.028, the amount of payments from the deferred compensation program equivalent to the amount of contributions taxed under clause (a) ((21)) (20);

(22) Contributions to and interest earned on an individual housing account as provided by section 290.08, subdivision 25;

(23) Interest earned on a contract for deed entered into for the purchase of property for agricultural use if the rate of interest set in the contract is no more than eight percent per year for the duration of the term of the contract. This exclusion shall be available only if (1) the purchaser is an individual who, together with his spouse and dependents, has a total net worth valued at less than \$150,000 and (2) the property purchased under the contract is farm land as defined in section 41.52, subdivision 6 of no more than 1,000 acres that the purchaser intends to use for agricultural purposes. Compliance with these requirements shall be stated in an affidavit to be filed with the first income tax return on which the taxpayer claims the exclusion provided in this clause. Upon request accompanied by the information necessary to make the determination, the commissioner shall determine whether interest to be paid on a proposed transaction will qualify for this exclusion; the determination shall be provided within 30 days of receipt of the request, unless the commissioner finds it necessary to obtain additional information, or verification of the information provided, in which case the determination shall be provided within 30 days of receipt of the final item of information or verification. The exclusion provided in this clause shall apply to interest earned on contracts for deed entered into after December 31, 1981 and before July 1, 1983; *and*

(24) (FOR THE TAXABLE YEAR BEGINNING AFTER DECEMBER 31, 1980, BUT BEFORE JANUARY 1, 1982, AN AMOUNT EQUAL TO 85 PERCENT OF THE DEDUCTION ALLOWED UNDER SECTION 168 OF THE INTERNAL REVENUE CODE OF 1954 AS AMENDED THROUGH DECEMBER 31, 1981. FOR THE TAXABLE YEAR BEGINNING AFTER DECEMBER 31, 1981 BUT BEFORE JANUARY 1, 1983, 83 PERCENT OF THE DEDUCTION ALLOWED UNDER SECTION 168 OF THE INTERNAL REVENUE CODE OF 1954 AS AMENDED THROUGH DECEMBER 31, 1981. THE DEPRECIATION ADJUSTMENTS MADE TO BASIS IN THE CASE OF RECOVERY PROPERTY WITHIN THE MEANING OF SECTION 168 OF THE INTERNAL REVENUE CODE OF 1954 AS AMENDED THROUGH DECEMBER 31, 1981 SHALL BE THE DEPRECIATION ADJUSTMENTS MADE FOR FEDERAL INCOME TAX PURPOSES UNDER THE INTERNAL REVENUE CODE OF 1954, AS AMENDED THROUGH DECEMBER 31, 1981. ADOPTION OF THIS PROVISION SHALL NOT BE CONSTRUED AS INDICATING THE INTENT OF THE LEGISLATURE TO ENACT PROVISIONS AUTHORIZING AMORTIZATION OF THE AMOUNT OF DEPRECIATION NOT EXCLUDABLE UNDER THIS CLAUSE; AND)

((25) FOR TAXABLE YEARS BEGINNING AFTER DECEMBER 31, 1980 BUT BEFORE JANUARY 1, 1983, AN AMOUNT EQUAL TO THE DEDUCTION ALLOWED UNDER SECTION 179 OF THE INTERNAL REVENUE CODE OF 1954 AS AMENDED THROUGH DECEMBER 31, 1981) *The penalty on the early withdrawal of an all-savers certificate as provided in section 128(e) of the Internal Revenue Code of 1954 to the extent that the interest was included in income under clause (a)(22).*

(c) A modification affecting shareholders of electing small business corporations under section 1372 of the Internal Revenue Code of 1954 shall be made.

In cases where the election under section 1372 of the Internal Revenue Code of 1954 antedates the election under this chapter and at the close of the taxable year immediately preceding the effective election under this chapter the corporation has a reserve of undistributed taxable income previously taxed to shareholders under the provisions of the Internal Revenue Code of 1954, in the event and to the extent that the reserve is distributed to shareholders the distribution shall be taxed as a dividend for purposes of this chapter.

(d) Amounts transferred from a reserve or other account, if in effect transfers to surplus, shall, to the extent that the amounts were accumulated through deductions from gross income or entered into the computation of taxable net income during any taxable year, be treated as gross income for the year in which the transfer occurs, but only to the extent that the amounts resulted in a reduction of the tax imposed by this chapter and amounts received as refunds on account of taxes deducted from gross income during any taxable year shall be treated as gross income for the year in which actually received, but only to the extent that such amounts resulted in a reduction of the tax imposed by this chapter.

(e) Modification in computing taxable income of the estate of a decedent. Amounts allowable under section 291.07, subdivision 1, clause (2) in computing Minnesota inheritance or estate tax liability shall not be allowed as a deduction (or as an offset against the sale price of property in determining gain or loss) in computing the taxable income of the estate or any person unless there is filed within the time and in the manner and form prescribed by the commissioner a statement that the amounts have not been allowed as a deduction under section 291.07 and a waiver of the right to have the amounts allowed at any time as deductions under section 291.07. The provisions of this paragraph shall not apply with respect to deductions allowed under section 290.077 (relating to income in respect of decedents). In the event that the election made for federal tax purposes under section 642(g) of the Internal Revenue Code of 1954 differs from the election made under this paragraph appropriate modifi-

cation of the estate's federal taxable income shall be made to implement the election made under this paragraph in accordance with regulations prescribed by the commissioner.

(f) A modification shall be made for the allowable deduction under the accelerated cost recovery system as provided in section 2.

Sec. 2. Minnesota Statutes 1980, Section 290.01, is amended by adding a subdivision to read:

Subd. 28. The allowable deduction for the accelerated cost recovery system as provided in section 168 of the Internal Revenue Code shall be the same amount as provided in that section for individuals, estates, and trusts with the following modifications:

(1) For property placed in service after December 31, 1980 and for taxable years beginning before January 1, 1982, 15 percent of the allowance provided in section 168 of the Internal Revenue Code shall not be allowed.

(2)(a) For taxable years beginning after December 31, 1981 and before December 31, 1982, for 15 year real property as defined in section 168 of the Internal Revenue Code, 40 percent of the allowance provided in section 168 of the Internal Revenue Code shall not be allowed and for all other property, 17 percent of the allowance shall not be allowed.

(2)(b) For taxable years beginning after December 31, 1982, for 15 year real property as defined in section 168 of the Internal Revenue Code, 40 percent of the allowance provided in section 168 of the Internal Revenue Code shall not be allowed and for all other property 20 percent of the allowance shall not be allowed.

(3) For property placed in service after December 31, 1980 for which the taxpayer elects to use the straight line method provided in section 168(b)(3) or a method provided in section 168(e)(2) of the Internal Revenue Code, the modifications provided in clauses (1) and (2) do not apply.

(4) For property subject to the modifications contained in clause (1) or (2) above, the following modification shall be made after the entire amount of the allowable deduction for that property under the provisions of section 168 of the Internal Revenue Code has been obtained. The remaining basis in those assets for Minnesota purposes shall be a depreciation allowance computed by using the straight line method over the following number of years:

(a) 3 year property - 1 year.

- (b) 5 year property - 2 years.
- (c) 10 year property - 5 years.
- (d) All 15 year property - 7 years.

(5) *The basis of property to which section 168 of the Internal Revenue Code applies shall be its basis as provided in this chapter and including the modifications provided in this subdivision. The recapture tax provisions provided in sections 1245 and 1250 of the Internal Revenue Code shall apply but shall be calculated using the basis provided in the preceding sentence. When an asset is exchanged for another asset including an involuntary conversion and under the provision of the Internal Revenue Code gain is not recognized in whole or in part on the exchange of the first asset, the basis of the second asset shall be the same as its federal basis provided that the difference in basis due to clause (1) or (2) can be written off as provided in clause (4).*

(6) *Wherever used in this subdivision, the term "Internal Revenue Code" shall mean the Internal Revenue Code of 1954, as amended through December 31, 1981.*

(7) *The modifications provided in this subdivision shall apply before applying any limitation to out of state losses contained in section 290.17 or farm losses contained in section 290.09, subdivision 29.*

Sec. 3. Minnesota Statutes 1981 Supplement, Section 290.09, Subdivision 7, as amended by Laws 1981, Third Special Session Chapter 2, Article III, Section 8, is amended to read:

Subd. 7. [DEPRECIATION.] (A) [CUMULATIVE DEPRECIATION.] (a) There shall be allowed as a depreciation deduction a reasonable allowance for the exhaustion, wear and tear (including a reasonable allowance for obsolescence) :

- (1) of property used in the trade or business, or
- (2) of property held for the production of income.

(b) The term "reasonable allowance" as used in clause (a) shall include (but shall not be limited to) an allowance computed in accordance with regulations prescribed by the commissioner, under any of the following methods:

- (1) the straight line method.
- (2) the declining balance method, using a rate not exceeding twice the rate which would have been used had the annual

allowance been computed under the method described in paragraph (1).

(3) the sum of the years-digits method, and

(4) any other consistent method productive of an annual allowance, which, when added to all allowances for the period commencing with the taxpayer's use of the property and including the taxable year, does not, during the first two-thirds of the useful life of the property, exceed the total of such allowances which would have been used had such allowances been computed under the method described in (2). Nothing in this clause (b) shall be construed to limit or reduce an allowance otherwise allowable under clause (a).

(c) For purposes of this subdivision "reasonable allowance" shall (NOT) include the accelerated cost recovery system provisions of section 168 of the Internal Revenue Code of 1954, as amended through December 31, 1981, except as provided in this subdivision (UNLESS SPECIFICALLY AUTHORIZED BY LEGISLATION ENACTED AFTER THE FINAL ENACTMENT OF THIS SECTION). In the case of recovery property within the meaning of section 168 of the Internal Revenue Code of 1954, as amended through December 31, 1981, the term "reasonable allowance" as used in clause (a) shall mean 85 percent of the deduction allowed pursuant to section 168 of the Internal Revenue Code of 1954 for *property placed in service after December 31, 1980 and for taxable years beginning (AFTER DECEMBER 31, 1980 AND) before January 1, 1982* (; AND 83 PERCENT OF THE DEDUCTION ALLOWED PURSUANT TO SECTION 168 OF THE INTERNAL REVENUE CODE OF 1954 FOR TAXABLE YEARS BEGINNING AFTER DECEMBER 31, 1981 AND BEFORE JANUARY 1, 1983).

For taxable years beginning after December 31, 1981 the term reasonable allowance as used in clause (a) shall mean the following percent of the deduction allowed pursuant to section 168 of the Internal Revenue Code of 1954, as amended through December 31, 1981:

(1) *For 3, 5 and 10 year property and for 15 year public utility property the allowable percentage is 83 percent and 80 percent for taxable years beginning after December 31, 1982.*

(2) *For 15 year real property the allowable percentage is 60 percent.*

For property placed in service after December 31, 1980 the term "reasonable allowance" as used in clause (a) shall mean 100 percent of the deduction allowed pursuant to section 168 of the Internal Revenue Code of 1954 where the taxpayer elects to use the straight line method provided in section 168(b)(3) or a method provided in section 168(e)(2) of the Internal Revenue Code of 1954, as amended through December 31, 1981. For prop-

erty placed in service after December 31, 1980 and for which the full amount of the deduction allowed under section 168 of the Internal Revenue Code of 1954, as amended through December 31, 1981 has been allowed, the remaining basis in those assets for Minnesota purposes shall be a depreciation allowance computed by using the straight line method over the following number of years:

- (1) 3 year property - 1 year.*
- (2) 5 year property - 2 years.*
- (3) 10 year property - 5 years.*
- (4) All 15 year property - 7 years.*

When an asset is exchanged for another asset including an involuntary conversion and under the provision of the Internal Revenue Code gain is not recognized in whole or in part on the exchange of the first asset, the basis of the second asset shall be the same as its federal basis provided that the difference in basis due to the limitations provided in this clause can be written off as provided in the preceding sentence.

The modification provided in this clause shall apply before applying a limitation on farm losses as contained in section 290.09, subdivision 29.

(d) Paragraphs (2), (3), and (4) of clause (b) shall apply only in the case of property (other than intangible property) described in clause (a) with a useful life of three years or more.

(1) the construction, reconstruction, or erection of which is completed after December 31, 1958, and then only to that portion of the basis which is properly attributable to such construction, reconstruction, or erection after December 31, 1958, or

(2) acquired after December 31, 1958, if the original use of such property commenced with the taxpayer and commences after such date.

(e) Where, under regulations prescribed by the commissioner, the taxpayer and the commissioner have, after June 30, 1959, entered into an agreement in writing specifically dealing with the useful life and rate of depreciation of any property, the rate so agreed upon shall be binding on both the taxpayer and the commissioner in the absence of facts or circumstances not taken into consideration in the adoption of such agreement. The responsibility of establishing the existence of such facts and circumstances shall rest with the party initiating the modification.

Any change in the agreed rate and useful life specified in the agreement shall not be effective for taxable years before the taxable year in which notice in writing by certified mail is served by the party to the agreement initiating such change.

(f) In the absence of an agreement under clause ((D)) (e) containing a provision to the contrary, a taxpayer may at any time elect in accordance with regulations prescribed by the commissioner to change from the method of depreciation prescribed in clause (b)(2) to the method described in clause (b)(1).

(g) The basis on which exhaustion, wear and tear, and obsolescence are to be allowed in respect of any property shall be the adjusted basis provided in (SECTIONS 290.131 TO 290.139, 290.14 AND 290.15) *this chapter* for the purpose of determining the gain on the sale or other disposition of such property (EXCEPT THAT IN THE CASE OF RECOVERY PROPERTY WITHIN THE MEANING OF SECTION 168 OF THE INTERNAL REVENUE CODE AS AMENDED THROUGH DECEMBER 31, 1981, FOR TAXABLE YEARS BEGINNING AFTER DECEMBER 31, 1980 BUT BEFORE JANUARY 1, 1983, THE DEPRECIATION ADJUSTMENT TO BASIS SHALL BE THE SAME AS THE DEPRECIATION ADJUSTMENTS UNDER THE INTERNAL REVENUE CODE OF 1954 AS AMENDED THROUGH DECEMBER 31, 1981).

((H) IN THE CASE OF PROPERTY HELD BY ONE PERSON FOR LIFE WITH REMAINDER TO ANOTHER PERSON, THE DEDUCTION SHALL BE COMPUTED AS IF THE LIFE TENANT WERE THE ABSOLUTE OWNER OF THE PROPERTY AND SHALL BE ALLOWED TO THE LIFE TENANT. IN THE CASE OF PROPERTY HELD IN TRUST THE ALLOWABLE DEDUCTION SHALL BE APPORTIONED BETWEEN THE INCOME BENEFICIARY AND THE TRUSTEE IN ACCORDANCE WITH THE PERTINENT PROVISIONS OF THE INSTRUMENT CREATING THE TRUST, OR, IN THE ABSENCE OF SUCH PROVISIONS, ON THE BASIS OF THE TRUST INCOME ALLOCABLE TO EACH. IN THE CASE OF AN ESTATE, THE ALLOWABLE DEDUCTION SHALL BE APPORTIONED BETWEEN THE ESTATE AND THE HEIRS, LEGATEES, AND DEVISEES ON THE BASIS OF THE INCOME OF THE ESTATE ALLOCABLE TO EACH.)

((I) IN THE CASE OF BUILDINGS (OR OTHER STRUCTURES OR IMPROVEMENTS CONSTRUCTED OR MADE ON LEASED PREMISES BY A LESSEE, AND THE FIXTURES AND MACHINERY THEREIN INSTALLED, THE LESSEE ALONE SHALL BE ENTITLED TO THE ALLOWANCE OF THIS DEDUCTION.)

(B) [FIRST YEAR DEPRECIATION.] ((A) IN THE CASE OF SECTION 1 PROPERTY,) The term "reasonable

allowance" as used (IN) *this* subdivision (7.) may, at the election of the taxpayer, include an (ALLOWANCE, FOR THE FIRST TAXABLE YEAR FOR WHICH A DEDUCTION IS ALLOWABLE UNDER SUBDIVISION 7, TO THE TAXPAYER WITH RESPECT TO SUCH PROPERTY, OF 20 PERCENT OF THE COST OF SUCH PROPERTY. FOR TAXABLE YEARS BEGINNING AFTER DECEMBER 31, 1980 AND BEFORE JANUARY 1, 1983, IN THE CASE OF RECOVERY PROPERTY WITHIN THE MEANING OF SECTION 168 OF THE INTERNAL REVENUE CODE OF 1954, AS AMENDED THROUGH DECEMBER 31, 1981, THE FIRST YEAR DEPRECIATION ALLOWANCE SHALL BE THE ALLOWANCE FOR FEDERAL INCOME TAX PURPOSES) *amount as provided* under section 179 of the Internal Revenue Code of 1954, as amended through December 31, 1981.

((B) IF IN ANY ONE TAXABLE YEAR THE COST OF SECTION 1 PROPERTY WITH RESPECT TO WHICH THE TAXPAYER MAY ELECT AN ALLOWANCE UNDER (A) FOR SUCH TAXABLE YEAR EXCEEDS \$10,000, THEN (A) SHALL APPLY WITH RESPECT TO THOSE ITEMS SELECTED BY THE TAXPAYER, BUT ONLY TO THE EXTENT OF AN AGGREGATE COST OF \$10,000. IN THE CASE OF A HUSBAND AND WIFE WHO FILE A JOINT RETURN UNDER SECTION 290.38 FOR THE TAXABLE YEAR, THE LIMITATION UNDER THE PRECEDING SENTENCE SHALL BE \$20,000 IN LIEU OF \$10,000.)

((C) (1) THE ELECTION UNDER THIS SUBDIVISION FOR ANY TAXABLE YEAR SHALL BE MADE WITHIN THE TIME PRESCRIBED BY LAW (INCLUDING EXTENSIONS THEREOF) FOR FILING THE RETURN FOR SUCH TAXABLE YEAR. THE ELECTION SHALL BE MADE IN SUCH MANNER AS THE COMMISSIONER MAY BY REGULATIONS PRESCRIBE.)

((2) ANY ELECTION MADE UNDER THIS SUBDIVISION MAY NOT BE REVOKED EXCEPT WITH THE CONSENT OF THE COMMISSIONER.)

((D) (1) FOR PURPOSES OF THIS SUBDIVISION, THE TERM "SECTION 1 PROPERTY" MEANS TANGIBLE PERSONAL PROPERTY (EXCLUDING BUILDINGS AND STRUCTURES))

((A) OF A CHARACTER SUBJECT TO THE ALLOWANCE FOR DEPRECIATION UNDER SUBDIVISION 7.)

((B) ACQUIRED BY PURCHASE AFTER DECEMBER 31, 1958. FOR USE IN A TRADE OR BUSINESS OR FOR HOLDING FOR PRODUCTION OF INCOME, AND)

((C) WITH A USEFUL LIFE (DETERMINED AT THE TIME OF SUCH ACQUISITION) OF SIX YEARS OR MORE.)

((2) FOR PURPOSES OF PARAGRAPH (1), THE TERM "PURCHASE" MEANS ANY ACQUISITION OF PROPERTY, BUT ONLY IF)

((A) THE PROPERTY IS NOT ACQUIRED FROM A PERSON WHOSE RELATIONSHIP TO THE PERSON ACQUIRING IT WOULD RESULT IN THE DISALLOWANCE OF LOSSES UNDER SECTION 290.10(6),)

((B) THE PROPERTY IS NOT ACQUIRED BY ONE COMPONENT MEMBER OF A CONTROLLED GROUP FROM ANOTHER COMPONENT MEMBER OF THE SAME CONTROLLED GROUP, AND)

((C) THE BASIS OF THE PROPERTY IN THE HANDS OF THE PERSON ACQUIRING IT IS NOT DETERMINED)

((I) IN WHOLE OR IN PART BY REFERENCE TO THE ADJUSTED BASIS OF SUCH PROPERTY IN THE HANDS OF THE PERSON FROM WHOM ACQUIRED, OR)

((II) UNDER SECTION 290.14(4) (RELATING TO PROPERTY ACQUIRED FROM A DECEDENT).)

((3) FOR PURPOSES OF THIS SUBDIVISION, THE COST OF PROPERTY DOES NOT INCLUDE SO MUCH OF THE BASIS OF SUCH PROPERTY AS IS DETERMINED BY REFERENCE TO THE BASIS OF OTHER PROPERTY HELD AT ANY TIME BY THE PERSON ACQUIRING SUCH PROPERTY.)

((4) THIS SUBDIVISION SHALL NOT APPLY TO TRUSTS.)

((5) IN THE CASE OF AN ESTATE, ANY AMOUNT APPORTIONED TO AN HEIR, LEGATEE, OR DEVISEE SHALL NOT BE TAKEN INTO ACCOUNT IN APPLYING (B) OF THIS SUBDIVISION TO SECTION 1 PROPERTY OF SUCH HEIR, LEGATEE, OR DEVISEE NOT HELD BY SUCH ESTATE.)

((6) FOR PURPOSES OF (B) OF THIS SUBDIVISION)

((A) ALL COMPONENT MEMBERS OF A CONTROLLED GROUP SHALL BE TREATED AS ONE TAXPAYER, AND)

((B) THE COMMISSIONER SHALL APPORTION THE DOLLAR LIMITATION CONTAINED IN SUCH (B) AMONG THE COMPONENT MEMBERS OF SUCH CONTROLLED

GROUP IN SUCH MANNER AS HE SHALL BY REGULATIONS PRESCRIBE.)

((7) FOR PURPOSES OF PARAGRAPHS (2) AND (6), THE TERM "CONTROLLED GROUP" HAS THE MEANING ASSIGNED TO IT BY SECTION 1563(A) OF THE INTERNAL REVENUE CODE OF 1954, AS AMENDED THROUGH DECEMBER 31, 1979, EXCEPT THAT, FOR SUCH PURPOSES, THE PHRASE "MORE THAN 50 PERCENT" SHALL BE SUBSTITUTED FOR THE PHRASE "AT LEAST 80 PERCENT" EACH PLACE IT APPEARS IN SECTION 1563(A) (1) OF THE INTERNAL REVENUE CODE OF 1954, AS AMENDED THROUGH DECEMBER 31, 1979.)

Sec. 4. Minnesota Statutes 1981 Supplement, Section 290.09, Subdivision 29, is amended to read:

Subd. 29. [DEDUCTIONS ATTRIBUTABLE TO FARMING.] (a) [DEFINITIONS.] For purposes of this subdivision, income and gains and expenses and losses shall be considered as "arising from a farm" if such items are received or incurred in connection with cultivating the soil, or in connection with raising or harvesting any agricultural or horticultural commodity, including the raising, shearing, feeding, caring for, training, and management of livestock, bees, poultry, and fur-bearing animals and wildlife, and all operations incident thereto, including but not limited to the common use of "hedging".

(b) [DEDUCTIONS LIMITED.] Except as provided in this subdivision, expenses and losses, except for interest and taxes, arising from a farm shall not be allowed as deductions in excess of income and gains arising from a farm.

(c) [DEDUCTIONS ALLOWED; CARRYOVER DEDUCTIONS.] (FOR TAXABLE YEARS BEGINNING ON OR AFTER JANUARY 1, 1974.) Expenses and losses arising from a farm or farms shall be allowed as deductions up to the amount of the income and gains arising from a farm or farms in any taxable year, plus the first \$15,000 of non-farm gross income, or non-farm taxable net income in the case of a corporation, provided however that in any case where non-farm income exceeds \$15,000, the maximum allowable amount of \$15,000 shall be reduced by twice the amount by which the non-farm income exceeds the amount of \$15,000. For this purpose and for the purpose of applying the limitation in the following paragraph regarding the application of any carryback or carryforward, the term gross income shall include the ordinary income portion of a lump sum distribution as defined in section 402(e) of the Internal Revenue Code of 1954, as amended through December 31, 1980, and no deduction shall be allowed for two-earner married couples as provided in section 221 of the Internal Revenue Code of 1954, as amended through December 31, 1981.

Any remaining balance of the deductions shall be carried back three years and carried forward five years, in chronological order, provided, however, that in any case in which any individual, estate or trust which elects a net operating loss carry-forward under section 172(b)(3)(C) of the Internal Revenue Code of 1954, as amended through December 31, 1980, such losses shall not be carried back but shall only be carried forward.

Current expenses and losses shall be utilized as deductions in any taxable year, to the extent herein allowable, prior to the application of any carryback or carryover deductions. In any event, the combined amounts of such current expenses and losses and carryback or carryover deductions shall be allowed as deductions up to the amount of the income and gains arising from a farm or farms in any taxable year, plus the first \$15,000 of non-farm gross income, or non-farm taxable net income in the case of a corporation, provided however that in any case where non-farm income exceeds \$15,000, the maximum allowable amount of \$15,000 shall be reduced by twice the amount by which the non-farm income exceeds the amount of \$15,000.

(d) [SHAREHOLDERS SEPARATE ENTITIES.] For purposes of this subdivision, individual shareholders of an electing small business corporation shall be considered separate entities.

(e) [SPECIAL PERIOD OF LIMITATION WITH RESPECT TO FARM LOSS LIMITATION CARRYBACKS.] For the purposes of sections 290.46 and 290.50, if the claim for refund relates to an overpayment attributable to a farm loss limitation carryback under this subdivision, in lieu of the period of limitation prescribed in sections 290.46 and 290.50, the period of limitation shall be that period which ends with the expiration of the 15th day of the 46th month (or the 45th month, in the case of a corporation) following the end of the taxable year of the farm loss which results in the carryback. (NO DEDUCTION OR REFUND SHALL BE ALLOWED ON 1974 RETURNS FOR FARM LOSSES WHICH HAVE BEEN PREVIOUSLY CARRIED BACK TO EARLIER YEARS AND FOR WHICH A TAX REFUND OR REDUCTION HAS BEEN ALLOWED.)

(f) [INTEREST ON CLAIMS.] In any case in which a taxpayer is entitled to a refund in a carryback year due to the carryback of a farm loss, interest shall be computed only from the end of the taxable year in which the loss occurs.

(g) [ORDER OF APPLICATION.] The application of this subdivision shall be made after applying any limitation to out of state losses contained in section 290.17.

Sec. 5. Minnesota Statutes 1981 Supplement, Section 290.091, as amended by Laws 1981, Third Special Session Chapter 2, Article III, Section 9, is amended to read:

290.091 [MINIMUM TAX ON PREFERENCE ITEMS.]

In addition to all other taxes imposed by this chapter there is hereby imposed, a tax which, in the case of a resident individual, shall be equal to 40 percent of the amount of the taxpayer's minimum tax liability for tax preference items pursuant to the provisions of sections 55 to 58 and 443(d) of the Internal Revenue Code of 1954 as amended through December 31, 1980 except that for purposes of the tax imposed by this section, capital gain as defined in section 57(a) of the Internal Revenue Code shall not include that portion of any gain occasioned by sale, transfer or the granting of a perpetual easement pursuant to any eminent domain proceeding or threat thereof as described in section 290.13, subdivision 5. This modification shall apply to the years in which the gain or reduction in loss is actually included in federal adjusted gross income even though amounts received pursuant to the eminent domain proceedings were received in prior years. In the case of a resident individual, having preference items which could not be taken to reduce income from sources outside the state pursuant to section 290.17, subdivision 1, or any other taxpayer the tax shall equal 40 percent of that federal liability, multiplied by a fraction the numerator of which is the amount of the taxpayer's preference item income allocated to this state pursuant to the provisions of sections 290.17 to 290.20, and the denominator of which is the taxpayer's total preference item income for federal purposes.

For property placed in service after December 31, 1980, the preference items contained in section 57 (a) (12) of the Internal Revenue Code of 1954, as amended through December 31, 1981, shall not apply to individuals, estates, trusts, or corporations.

Sec. 6. Minnesota Statutes 1981 Supplement, Section 290.095, Subdivision 11, is amended to read:

Subd. 11. [CARRYBACK OR CARRYOVER ADJUSTMENTS.] (a) For individuals the amount of a net operating loss that may be carried back or carried over shall be the same dollar amount allowable in the determination of federal adjusted gross income. For estates and trusts the amount of a net operating loss that may be carried back or carried over shall be the same dollar amount allowable in the determination of federal taxable income.

(b) The following adjustments to the amount of the net operating loss that may be carried back or carried over must be made for:

(1) Nonassignable income or losses as required by section 290.17, subdivision 2.

(2) Losses which constitute tax preference items as required in section 290.17, subdivision 1.

(3) Modifications required because of the restrictions on farm losses as provided in section 290.09, subdivision 29.

(4) Adjustments to the determination of federal adjusted gross income that must be made because of changes in the Internal Revenue Code that have not yet been adopted by the legislature by updating the reference to the Internal Revenue Code contained in section 290.01, subdivision 20.

(5) Modifications to income and loss contained in federal adjusted gross income according to the provisions of section 290.01, subdivision 20, clause (c).

(6) Gains or losses which result from the sale or other disposition of property having a higher adjusted basis for Minnesota income tax purposes than for federal income tax purposes subject to the limitations contained in section 290.01, subdivision 20, clause (b) (2) and (4).

(7) Interest, taxes, and other expenses not allowed under section 290.10, clauses (9) and (10) or section 290.101.

(8) *The modification for accelerated cost recovery system depreciation as provided in section 2.*

(c) (1) The net operating loss carryback or carryover applied as a deduction in the taxable year to which the net operating loss is carried back or carried over shall be equal to the net operating loss carryback or carryover applied in the taxable year in arriving at federal adjusted gross income (or federal taxable income for trusts and estates) subject to the modifications contained in clause (b) and to the following modifications:

(A) Increase the amount of carryback or carryover applied in the taxable year by the amount of losses and interest, taxes and other expenses not assignable or allowable to Minnesota incurred in the taxable year.

(B) Decrease the amount of carryback or carryover applied in the taxable year by the amount of income not assignable to Minnesota earned in the taxable year and the amount of federal jobs credit or WIN credit earned in the taxable year.

(C) A taxpayer who is not a resident of Minnesota during any part of the taxable year and who has no income assignable

to Minnesota during the taxable year shall apply no net operating loss carryback or carryover in the taxable year.

(2) The provisions of section 172(b) of the Internal Revenue Code of 1954 as amended through December 31, 1980 (relating to carrybacks and carryovers) shall apply. The net operating loss carryback or carryover to the next consecutive taxable year shall be the net operating loss carryback or carryover as calculated in clause (c) (1) less the amount applied in the earlier taxable year(s). No additional net operating loss carryback or carryover shall be allowed if the entire amount has been used to offset Minnesota income in a year earlier than was possible on the federal return. A net operating loss carryback or carryover that was allowed to offset federal income in a year earlier than was possible on the Minnesota return shall still be allowed to offset Minnesota income but only if the loss was assignable to Minnesota in the year the loss occurred.

(d) A net operating loss shall be allowed to be carried back or carried forward only to the extent that loss was assignable to Minnesota in the year the loss occurred or in the year to which the loss was carried over, whichever would allow more of the loss to be allowed for Minnesota purposes.

(e) If a taxpayer has a net operating loss for federal purposes and the provisions of the farm loss limitation as provided in section 290.09, subdivision 29 apply, the limitations applying to the farm losses that are carried back or carried over are applied first and the net operating loss that is carried back or carried over is limited to the excess, if any, that the net operating loss exceeds the farm loss limitation.

Sec. 7. Minnesota Statutes 1980, Section 290.16, Subdivision 15, as amended by Laws 1981, Third Special Session Chapter 2, Article III, Section 11, is amended to read:

Subd. 15. [GAIN FROM DISPOSITIONS OF CERTAIN DEPRECIABLE PROPERTY.] For purposes of this subdivision "depreciable property" shall mean "Section 1245 property" as that phrase is defined in Section 1245(a) (3) of the Internal Revenue Code of 1954, as amended through December 31, (1979) 1981.

In determining net income of any corporate taxpayer, the gain realized from the disposition of "depreciable property" shall be treated in the same manner as is provided by Section 1245 of the Internal Revenue Code of 1954, as amended through December 31, (1979) 1981 and regulations adopted pursuant thereto except that the determination shall be made using the basis computed under this chapter.

Sec. 8. Minnesota Statutes 1980, Section 290.16, Subdivision 16, as amended by Laws 1981, Third Special Session Chapter 2, Article III, Section 12, is amended to read:

Subd. 16. [GAIN FROM DISPOSITION OF CERTAIN DEPRECIABLE REALTY.] For purposes of this subdivision "depreciable realty" shall mean "Section 1250 realty" as that phrase is defined in Section 1250(c) of the Internal Revenue Code of 1954, as amended through December 31, (1979) 1981.

In determining net income of any corporate taxpayer, the gain realized from the disposition of "depreciable realty" shall be treated in the same manner as is provided by Section 1250 of the Internal Revenue Code of 1954, as amended through December 31, (1979) 1981, and regulations adopted pursuant thereto except that the determination shall be made using the basis computed under this chapter.

Sec. 9. Minnesota Statutes 1981 Supplement, Section 290.92, Subdivision 15, is amended to read:

Subd. 15. [PENALTIES.] (1) If any tax required to be deducted and withheld under subdivision 2a or subdivision 3, or any portion thereof, is not paid to or deposited with the commissioner within the time specified in subdivision 6 for the payment thereof, there shall be added thereto a penalty equal to ten percent of the amount so remaining unpaid. Such penalty shall be collected as part of said tax, and the amount of said tax not timely paid, together with said penalty, shall bear interest at the rate specified in section 270.75 from the time such tax should have been paid or deposited until paid. Where an extension of time for payment has been granted under the provisions of subdivision 6, interest shall be paid at the rate specified in section 270.75 from the date when such payment or deposit should have been made if no extension had been granted, until such tax is paid. If payment is not made at the expiration of the extended period the penalties provided in this subdivision shall apply.

(2) In the case of any failure to withhold a tax on wages, make and file quarterly returns or make payments to or deposits with the commissioner of amounts withheld, as required by this section, within the time prescribed by law, unless it is shown that such failure is not due to wilful neglect, there shall be added to the tax in lieu of the penalty provided in paragraph (1) a penalty equal to ten percent of the amount of tax that should have been properly withheld and paid over to or deposited with the commissioner if the failure is for not more than 30 days with an additional five percent for each additional 30 days or fraction thereof during which such failure continues, not exceeding 25 percent in the aggregate. The amount of the tax together with this amount shall bear interest at the rate specified in section 270.75 from the time the tax should have been

paid until paid. The amount so added to the tax shall be collected at the same time and in the same manner and as a part of the tax unless the tax has been paid before the discovery of the negligence, in which case the amount so added shall be collected in the same manner as the tax.

(3) If any employer required to withhold a tax on wages, make deposits, make and file quarterly returns and make payments to the commissioner of amounts withheld, as required by sections 290.92 to 290.97, wilfully fails to withhold such a tax or make such deposits, files a false or fraudulent return, wilfully fails to make such a payment or deposit, or wilfully attempts in any manner to evade or defeat any such tax or the payment or deposit thereof, there shall also be imposed on such employer as a penalty an amount equal to 50 percent of the amount of tax (less any amount paid or deposited by such employer on the basis of such false or fraudulent return or deposit) that should have been properly withheld and paid over or deposited with the commissioner. The amount of the tax together with this amount shall bear interest at the rate specified in section 270.75 from the time the tax should have been paid until paid. The penalty imposed by this paragraph shall be collected as a part of the tax, and shall be in addition to any other penalties civil and criminal, prescribed by this subdivision.

(4) If any person required under the provisions of subdivision 7 to furnish a statement to an employee or payee and a duplicate statement to the commissioner, or to furnish a reconciliation of such statements (and quarterly returns) to the commissioner, wilfully furnishes a false or fraudulent statement to an employee or payee or a false or fraudulent duplicate statement or reconciliation of statements (and quarterly returns) to the commissioner, or wilfully fails to furnish a statement or such reconciliation in the manner, at the time, and showing the information required by the provisions of subdivision 7, or regulations prescribed by the commissioner thereunder, there shall be imposed on such a person a penalty of \$10 for each such act or failure to act. The penalty imposed by this paragraph shall become due and payable within ten days after the mailing of a written demand therefor, and may be collected in the manner prescribed in subdivision 6(8).

(5) In addition to the penalties hereinbefore prescribed, any person required to withhold a tax on wages, make and file quarterly returns and make payments or deposits to the commissioner of amounts withheld, as required by this section, who wilfully fails to withhold such a tax or truthfully make and file such a quarterly return or make such a payment or deposit, shall be guilty of a gross misdemeanor.

(6) In lieu of any other penalty provided by law, except the penalty provided by paragraph (4), any person required under the provisions of subdivision 7 to furnish a statement

of wages to an employee and a duplicate statement to the commissioner, who wilfully furnishes a false or fraudulent statement of wages to an employee or a false or fraudulent duplicate statement of wages to the commissioner, or who wilfully fails to furnish such a statement in the manner, at the time, and showing the information required by the provisions of subdivision 7, or regulations prescribed by the commissioner thereunder, shall be guilty of a gross misdemeanor.

(7) Any employee required to supply information to his employer under the provisions of subdivision 5, who wilfully fails to supply information thereunder which would require an increase in the tax to be deducted and withheld under subdivision 2a or subdivision 3, shall be guilty of a misdemeanor.

(8) The term "person," as used in this section, includes an officer or employee of a corporation, or a member or employee of a partnership, who as such officer, employee, or member is under a duty to perform the act in respect of which the violation occurs.

(9) All payments received shall be credited first to penalties, next to interest, and then to the tax due.

(10) In addition to any other penalty provided by law, any employee who furnishes a withholding exemption certificate to his employer which the employee has reason to know contains a materially incorrect statement shall be liable to the commissioner of revenue for a penalty of (\$100) \$500 for each instance. The penalty shall be immediately due and payable and may be collected in the same manner as any delinquent income tax.

(11) In addition to any other penalty provided by law, any employer who fails to submit a copy of a withholding exemption certificate required by subdivision 5a, clause (1) (a), (1) (b), or (2) shall be liable to the commissioner of revenue for a penalty of \$50 for each instance. The penalty shall be immediately due and payable and may be collected in the manner provided in subdivision 6(8).

Sec. 10. Minnesota Statutes 1981 Supplement, Section 290.93, Subdivision 1, is amended to read:

Subdivision 1. [REQUIREMENT OF DECLARATION.]

(1) Every individual shall, at the time prescribed in subdivision 5 of this section, make and file with the commissioner a declaration of his estimated tax for the taxable year if

(a) The gross income (as defined in section 290.01, subdivision 20) for the taxable year can reasonably be expected to exceed the gross income amounts set forth in section 290.37,

subdivision 1 pertaining to the requirements for making a return; and

(b) Such gross income can reasonably be expected to include more than \$500 from sources other than wages upon which a tax has been deducted and withheld under section 290.92, subdivision 2a or subdivision 3.

(2) If the individual is an infant or incompetent person, the declaration shall be made by his guardian.

(3) Notwithstanding the provisions of this section, no declaration is required if the estimated tax (as defined in subdivision 3) **(CAN REASONABLY BE EXPECTED TO BE)** is less than (\$100) \$200 for taxable years beginning after December 31, 1981, \$300 for taxable years beginning after December 31, 1982, \$400 for taxable years beginning after December 31, 1983, and \$500 for taxable years beginning after December 31, 1984.

Sec. 11. Minnesota Statutes 1981 Supplement, Section 290.934, Subdivision 4, is amended to read:

Subd. 4. [EXCEPTION.] (a) Notwithstanding the provisions of the preceding subdivisions, the addition to the tax with respect to any underpayment of any installment shall not be imposed if the total amount of all payments of estimated tax made on or before the last date prescribed for the payment of such installment equals or exceeds the amount which would have been required to be paid on or before such date if the estimated tax were whichever of the following is the lesser

(1) The tax shown on the return of the corporation for the preceding taxable year, if a return showing a liability for tax was filed by the corporation for the preceding taxable year and such preceding year was a taxable year of 12 months.

(2) An amount equal to the tax computed at the rates applicable to the taxable year but otherwise on the basis of the facts shown on the return of the corporation for, and the law applicable to, the preceding taxable year.

(3) (A) *An amount equal to the tax for the taxable year computed by placing on an annualized basis the taxable income:*

(i) for the first two months of the taxable year, in the case of the installment required to be paid in the third month,

(ii) for the first two months or for the first five months of the taxable year, in the case of the installment required to be paid in the sixth month,

(iii) for the first six months or for the first eight months of the taxable year in the case of the installment required to be paid in the ninth month, and

(iv) for the first nine months or for the first 11 months of the taxable year, in the case of the installment required to be paid in the 12th month of the taxable year.

(B) For purposes of this paragraph, the taxable income shall be placed on an annualized basis by

(i) multiplying by 12 the taxable income referred to in subparagraph (A), and

(ii) dividing the resulting amount by the number of months in the taxable year (2, 5, 6, 8, 9, or 11, as the case may be) referred to in subparagraph (A).

(b) Notwithstanding clause (a) (1) and (2), in the case of a large corporation, the addition to the tax with respect to any underpayment of any installment shall be imposed if the total amount of all payments of estimated tax made on or before the last date prescribed for the payment of the installment is less than the amount required to be paid on or before the date. The amount required to be paid as estimated tax for the taxable year shall in no event be less than (60 PERCENT) *the applicable percentage* of (A) the tax shown on the return for the taxable year, or (B) if no return was filed, the tax for the year. The term "large corporation" means any corporation (or any predecessor corporation) which had taxable net income of \$1,000,000 or more for any taxable year during the testing period. The term "testing period" means the three taxable years immediately preceding the taxable year involved. The term "*applicable percentage*" means 65 percent for taxable years beginning after April 30, 1982, 75 percent for taxable years beginning after December 31, 1982, and 80 percent for taxable years beginning after December 31, 1983.

Sec. 12. Minnesota Statutes 1981 Supplement, Section 290A.03, Subdivision 3, is amended to read:

Subd. 3. [INCOME.] (1) "Income" means the sum of the following:

(a) federal adjusted gross income as defined in the Internal Revenue Code of 1954 as amended through December 31, (1980) 1981; and

(b) the sum of the following amounts to the extent not included in clause (a):

(i) additions to federal adjusted gross income as provided in Minnesota Statutes, Section 290.01, Subdivision 20, Clause (a) (1), (a) (3), (a) (9), (a) (14), (AND) (a) (15), and (a) (21);

(ii) all nontaxable income;

(iii) recognized net long term capital gains;

(iv) dividends and interest excluded from federal adjusted gross income under (SECTION) sections 116 or 128 of the Internal Revenue Code of 1954;

(v) cash public assistance and relief;

(vi) any pension or annuity (including railroad retirement benefits, all payments received under the federal social security act, supplemental security income, and veterans benefits), which was not exclusively funded by the claimant or spouse, or which was funded exclusively by the claimant or spouse and which funding payments were excluded from federal adjusted gross income in the years when the payments were made;

(vii) nontaxable interest received from the state or federal government or any instrumentality or political subdivision thereof;

(viii) workers' compensation;

(ix) unemployment benefits;

(x) nontaxable strike benefits; and

(xi) the gross amounts of payments received in the nature of disability income or sick pay as a result of accident, sickness, or other disability, whether funded through insurance or otherwise. In the case of an individual who files an income tax return on a fiscal year basis, the term "federal adjusted gross income" shall mean federal adjusted gross income reflected in the fiscal year ending in the calendar year.

(2) "Income" does not include

(a) amounts excluded pursuant to the Internal Revenue Code, Sections 101(a), 102, 117, and 121;

(b) amounts of any pension or annuity which was exclusively funded by the claimant or spouse and which funding payments were not excluded from federal adjusted gross income in the years when the payments were made;

- (c) gifts from nongovernmental sources;
- (d) surplus food or other relief in kind supplied by a governmental agency;
- (e) relief granted under sections 290A.01 to 290A.20;
- (f) child support payments received under a temporary or final decree of dissolution or legal separation; (OR)
- (g) federal adjusted gross income shall be reduced by wage or salary expense, or expense of work incentive programs which are not allowed as a deduction under provisions of section 280C of the Internal Revenue Code of 1954; or

(h) federal adjusted gross income shall be reduced by the amount of the penalty on the early withdrawal of an all-savers certificate as provided in section 128(e) of the Internal Revenue Code of 1954.

Sec. 13. [DIRECTION TO REVISOR.]

In the next edition of Minnesota Statutes, the revisor of statutes shall substitute the phrase "Internal Revenue Code of 1954, as amended through December 31, 1981" for the words "Internal Revenue Code of 1954, as amended through December 31, 1980" wherever the phrase occurs in chapter 290, except section 290.01, subdivision 20.

Sec. 14. [REPEALER.]

Minnesota Statutes 1980, Section 290.65, Subdivisions 2, 3, 4, 5, 6, and 7 are repealed.

Sec. 15. [EFFECTIVE DATE.]

Section 1 is effective for taxable years beginning after December 31, 1981, except as otherwise provided. In section 1, the repeal of the language concerning depreciation contained in clauses (a)(16), (a)(22), (b)(24), and (b)(25) and the provision of clause (f) is effective for property placed in service after December 31, 1980 in taxable years ending after that date. Sections 2, 3, Part (A), 5, 6, 7, and 8 are effective for property placed in service after December 31, 1980 in taxable years ending after that date, except as otherwise provided. Part (B) of section 3 is effective for taxable years beginning after December 31, 1980. Sections 4, 10, 13, and 14 are effective for taxable years beginning after December 31, 1981. Section 9 is effective on May 1, 1982. Section 11 is effective for taxable years beginning after April 30, 1982. Section 12 is effective for claims based on rent paid in 1981 and subsequent years and property taxes payable in 1982 and subsequent years."

Delete the title in its entirety and insert:

"A bill for an act relating to the financing of government in this state; extending the effective date of residential energy credits; providing the interest rate maximum on certain public indebtedness; providing an action to enjoin certain tax return preparers from engaging in certain conduct or from preparing returns; making technical corrections and administrative changes to the income tax and property tax refund; clarifying the taxation of gravel and the distribution of revenue; providing for allocation of income for nonresident athletes and entertainers; providing for apportionment of income for athletic teams; permitting leases and installment purchases of equipment by local governments and providing for their tax and fiscal treatment; requiring notification to school districts of certain property tax assessment challenge proceedings; authorizing school districts to participate at certain hearings; providing for the collection of taxes; altering the date on which warrants are issued to the sheriff for collection of certain delinquent mobile home property taxes; clarifying the taxation of meals and food products for sales tax purposes; providing for the lease of hydropower sites by the state or local governmental units; eliminating tax recapture or payment acceleration of deferred special assessments upon certain sales of qualifying agricultural property; providing for reassessment of homestead property damaged by a disaster; allowing the town of Rice Lake to levy in excess of its levy limitation for taxes payable in 1982; providing for withholding of income tax refunds from child support debtors; providing for taxation of certain motor vehicles and combinations in the ninth and succeeding years of vehicle life; permitting the towns of Erin, Forest, Webster, and Wheatland in Rice County to impose a special levy for fire protection purposes; adopting certain federal definitions for purposes of the credit for research and experimental expenditures; providing for homestead treatment of certain condominium leased land; clarifying the homestead classification in certain cases of joint tenancy; clarifying use of additional sales ratio study information; allowing disclosure of private data to permit vendor processing of income and sales tax returns; redefining rent constituting property taxes; providing for the rate and disposition of certain taconite credits; providing for school bonds and related taxation in certain school districts; providing that landowners in unorganized townships receive a property tax credit for certain high voltage transmission lines; providing for the imposition of sales tax on certain retail sales of manufactured homes; allowing a levy limit increase for Clearwater County; granting the city of Bloomington port authority certain redevelopment financing powers; requiring county auditors to combine certain legal descriptions for property tax purposes; providing for sales of unstamped cigarettes to members of Indian tribes; imposing a fee on completion of tax forfeited land sales; revising the metropolitan agricultural preserves act; adopting certain federal income tax amendments; altering the adoption of

accelerated cost recovery system; imposing penalties; appropriating money; amending Minnesota Statutes 1980, Sections 105.482, Subdivision 1, and by adding subdivisions; 168.012, by adding a subdivision; 270.06; 270.07, Subdivision 1; 270.10, Subdivision 1; 270.70, Subdivisions 1, 2, 3, and 5, and by adding subdivisions; 272.02, Subdivision 1; 273.111, Subdivisions 9, 11, and by adding a subdivision; 273.121; 273.13, Subdivision 7c; 273.42, as amended; 273.425; 274.19, Subdivision 3; 278.01; 278.05, Subdivisions 2 and 4; 282.014; 282.09, Subdivision 1; 290.01, by adding a subdivision; 290.012, Subdivision 2; 290.02; 290.03; 290.032, Subdivision 5; 290.06, Subdivisions 9 and 9a; 290.079, Subdivision 1; 290.09, Subdivisions 16 and 17; 290.095, Subdivision 4; 290.13, Subdivision 1; 290.133, Subdivision 1; 290.16, Subdivision 15, as amended, and 16, as amended; 290.19, Subdivision 1; 290.281, Subdivision 1; 290.31, Subdivisions 5 and 19; 290.36; 290.45, Subdivisions 1 and 2; 290.48, Subdivisions 3, 4, 6, and 8; 290.49, Subdivisions 3, 7, and by adding a subdivision; 290.50, by adding a subdivision; 290.53, Subdivisions 2 and 5, and by adding a subdivision; 290.54; 290.65, Subdivisions 9 and 11; 290.91; 290.92, Subdivisions 4a, 13, and 23; 290.93, Subdivision 9; 290.936; 290A.03, by adding a subdivision; 290A.11, by adding a subdivision; 296.01, Subdivision 8; 296.14, Subdivision 1; 296.17, Subdivision 11; 297A.33, Subdivision 2; 297A.39, Subdivisions 2 and 5; 297A.43; 297B.03; 465.71; 473H.02, Subdivision 2, and by adding a subdivision; 473H.04, Subdivisions 1 and 2; 473H.05, Subdivision 1, and by adding a subdivision; 473H.06, Subdivisions 1, 2, and 5; 473H.08, Subdivision 4; 473H.14; 473H.15, by adding a subdivision; 473H.16, Subdivision 3; 475.55, Subdivision 1, and by adding a subdivision; 508.25; 559.21, by adding a subdivision; 580.15; Minnesota Statutes 1981 Supplement, Sections 168.013, Subdivision 1e; 270.063; 270.66; 270.75, Subdivisions 4, as amended, and 5, as amended, and by adding a subdivision; 272.46; 273.11, Subdivision 1; 290.01, Subdivisions 20, as amended, and 27; 290.05, Subdivisions 1 and 4; 290.06, Subdivision 14; 290.075; 290.081; 290.09, Subdivisions 4, 7, as amended, 15, and 29; 290.091, as amended; 290.095, Subdivision 11; 290.10; 290.131, Subdivision 1; 290.132, Subdivision 1; 290.136, Subdivision 1; 290.14; 290.17, Subdivision 2; 290.18, Subdivisions 1 and 2; 290.21, Subdivision 3; 290.23, Subdivision 3; 290.31, Subdivisions 3 and 4; 290.32; 290.37, Subdivision 1; 290.41, Subdivision 2; 290.42; 290.431; 290.61; 290.92, Subdivisions 2a, 5, 5a, 6 and 15; 290.93, Subdivisions 1 and 10; 290.934, Subdivision 4; 290.9725; 290.974; 290A.03, Subdivisions 3, 8, 11, and 13; 290A.07, Subdivision 2a; 290A.11, Subdivision 1; 296.12, Subdivision 4; 297A.01, Subdivision 3; 297A.25, Subdivision 1, as amended; 298.225; 298.24, Subdivision 3; 298.75; Laws 1980, Chapter 453, by adding a section; Laws 1981, Third Special Session Chapter 2, Article III, Section 6; proposing new law coded in Minnesota Statutes, Chapters 270, 273, 290, 295, 297, and 473H; repealing Minnesota Statutes 1980, Sections 62E.03, Subdivision 2; 290.06, Subdivision 3c; 290.0781; 290.079, Subdivisions 2, 3, 4, and 5; 290.08, Subdivision 21; 290.09, Subdivision 24; 290.13, Subdivisions 2, 4, and

10; 290.136, Subdivision 8; 290.26, Subdivision 5; 290.281, Subdivisions 3, 4, and 6; 290.31, Subdivisions 7, 8, 12, 13, 14, 15, 16, 17, 18, 20, 22, 23, 24, 25, and 26; 290.48, Subdivisions 1 and 9; 290.51; 290.65, Subdivisions 2, 3, 4, 5, 6, and 7; 290.97; 290.973; 297A.33, Subdivision 6; 297A.36; 297A.39, Subdivision 6; 297A.40, Subdivision 2; Minnesota Statutes 1981 Supplement, Sections 290.079, Subdivision 6; 290.09, Subdivision 17a; 290.131, Subdivisions 2 and 3; 290.132, Subdivision 2; 290.133, Subdivision 2; 290.21, Subdivision 7; 290.26, Subdivisions 1 and 3; 290.281, Subdivision 2; 290.31, Subdivisions 6, 8a, 9, 10, 11, and 21; 290.48, Subdivision 2; 290.971, Subdivision 7; and 298.76.”

With the recommendation that when so amended the bill pass.

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. No. 1872 was read for the second time.

CONSIDERATION UNDER RULE 1.10

Pursuant to rule 1.10, Sieben, M., requested immediate consideration of H. F. No. 1690.

H. F. No. 1690, A bill for an act relating to public welfare; requiring the commissioner of public welfare to promulgate rules which establish foster care maintenance payments by the state; establishing a state goal for the reduction of the number of children in residential facilities for more than 24 months; requiring the commissioner of public welfare to comply with the requirements of Title IV-E of the federal Social Security Act in order to obtain adoption assistance funds for eligible children; expanding the eligibility for medical assistance to include children receiving foster care maintenance payments under Title IV-E of the federal Social Security Act; authorizing the transfer of funds; amending Minnesota Statutes 1980, Sections 256.82; 257.071, by adding a subdivision; and 259.40, Subdivisions 2, 3, and 10; Minnesota Statutes 1981 Supplement, Section 256B.06, Subdivision 1, as amended.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 130 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Aasness	Anderson, B.	Anderson, I.	Begich	Blatz
Ainley	Anderson, G.	Battaglia	Berkelman	Brandl

Brinkman	Gustafson	Lehto	Onnen	Sieben, M.
Byrne	Halberg	Lemen	Osthoff	Simoneau
Carlson, D.	Hanson	Levi	Otis	Skoglund
Carlson, L.	Hauge	Long	Peterson, B.	Stadum
Clark, J.	Haukoos	Ludeman	Peterson, D.	Staten
Clark, K.	Heap	Luknic	Piepho	Stowell
Clawson	Heinitz	Mann	Pogemiller	Stumpf
Dahlvang	Himle	Marsh	Redalen	Sviggum
Dean	Hoberg	McCarron	Reding	Swanson
Dempsey	Hokanson	McDonald	Rees	Tomlinson
Den Ouden	Hokr	McEachern	Reif	Valan
Drew	Jacobs	Mehrkens	Rice	Valento
Eken	Jennings	Metzen	Rodriguez, C.	Vanasek
Elioff	Johnson, C.	Minne	Rodriguez, F.	Vellenga
Ellingson	Johnson, D.	Munger	Rose	Voss
Erickson	Jude	Murphy	Rothenberg	Weaver
Esau	Kahn	Nelsen, B.	Samuelson	Welch
Evans	Kaley	Niehaus	Sarna	Welker
Ewald	Kalis	Norton	Schafer	Wenzel
Fjoslien	Kelly	Novak	Schoenfeld	Wieser
Forsythe	Knickerbocker	Nysether	Schreiber	Wigley
Frerichs	Kostohryz	O'Connor	Searles	Wynia
Greenfield	Kvam	Ogren	Shea	Zubay
Gruenes	Laidig	Olsen	Sherman	Spkr. Sieben, H.

The bill was passed and its title agreed to.

SPECIAL ORDERS

H. F. No. 1459 was reported to the House.

Eken moved that H. F. No. 1459 be returned to its author. The motion prevailed.

H. F. No. 612 was reported to the House.

Skoglund moved that H. F. No. 612 be continued for one day. The motion prevailed.

The Speaker called Wynia to the Chair.

H. F. No. 1499 was reported to the House.

Clawson moved to amend H. F. No. 1499, the second engrossment, as follows:

Page 19, line 25, delete "12" and insert "14"

Page 23, line 18, delete "statement"

Page 24, line 4, after "by" insert "this"

Page 24, line 4, delete "14"

Page 24, line 7, delete "this section" and insert "sections 15 and 16"

Page 34, line 10, after "receive" insert "as"

Page 34, line 11, delete everything after "compensation" and insert "the sum of \$50 for each day or any portion thereof"

Page 34, line 12, delete "welfare for time"

Page 44, line 36, after "receive" insert "as"

Page 44, line 36, delete everything after "compensation" and insert "the sum of \$50 for each day or any portion thereof"

Page 45, line 1, delete "public welfare for time"

The motion prevailed and the amendment was adopted.

H. F. No. 1499, A bill for an act relating to the commitment of persons who are mentally ill, mentally ill and dangerous, mentally retarded, or chemically dependent; providing for informal admissions by consent, involuntary emergency admissions and for involuntary commitment by civil judicial procedures; providing for rights of persons admitted under voluntary, emergency or involuntary judicial procedures; requiring pre-petition screening; providing for commitment hearings and procedures in conformance with due process; requiring a hearing and review before final determination of commitment; providing for commitment for determinate periods; providing for provisional discharge and partial hospitalization; requiring special review boards for mentally ill and dangerous and psychopathic personalities; establishing review boards for civilly committed persons; providing penalties; proposing new law coded in Minnesota Statutes, Chapter 253A; repealing Minnesota Statutes 1980, Sections 253A.01 to 253A.23.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 127 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Aasness	Carlson, D.	Erickson	Haukoos	Kaley
Ainley	Carlson, L.	Esau	Heap	Kalis
Anderson, B.	Clark, J.	Evans	Heinitz	Kelly
Anderson, G.	Clark, K.	Ewald	Himle	Kostohryz
Anderson, I.	Clawson	Fjoslien	Hoberg	Kvam
Battaglia	Dahlvang	Forsythe	Hokanson	Laidig
Begich	Dean	Frerichs	Hokr	Lehto
Berkelman	Dempsey	Greenfield	Jacobs	Lemen
Blatz	Den Ouden	Gruenes	Johnson, C.	Levi
Brandl	Eken	Gustafson	Johnson, D.	Long
Brinkman	Elioff	Hanson	Jude	Ludeman
Byrne	Ellingson	Hauge	Kahn	Luknic

Mann	Novak	Rees	Sherman	Vellenga
Marsh	Nysether	Reif	Sieben, M.	Voss
McCarron	O'Connor	Rice	Simoneau	Weaver
McDonald	Ogren	Rodriguez, C.	Skoglund	Welch
McEachern	Olsen	Rodriguez, F.	Stadum	Welker
Mehrkens	Onnen	Rose	Staten	Wenzel
Metzen	Osthoff	Rothenberg	Stowell	Wieser
Minne	Otis	Samuelson	Stumpf	Wigley
Munger	Peterson, B.	Sarna	Sviggum	Wynia
Murphy	Peterson, D.	Schafer	Swanson	Zubay
Nelsen, B.	Piepho	Schoenfeld	Tomlinson	Spkr. Sieben, H.
Nelson, K.	Pogemiller	Schreiber	Valan	
Niehaus	Redalen	Searles	Valento	
Norton	Reding	Shea	Vanasek	

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

H. F. No. 1625, A bill for an act relating to retirement; public employees retirement association; changing the reduction factors for early retirement; amending Minnesota Statutes 1980, Section 353.30, Subdivisions 1 and 1a; Minnesota Statutes 1981 Supplement, Section 353.30, Subdivision 1c; repealing Minnesota Statutes 1980, Section 353.30, Subdivision 1b.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 124 yeas and 5 nays as follows:

Those who voted in the affirmative were:

Aasness	Ellingson	Kostohryz	O'Connor	Sherman
Ainley	Evans	Kvam	Ogren	Sieben, M.
Anderson, B.	Fjoslien	Laidig	Olsen	Simoneau
Anderson, G.	Forsythe	Lehto	Onnen	Skoglund
Anderson, I.	Frerichs	Lemen	Osthoff	Stadum
Anderson, R.	Greenfield	Levi	Otis	Staten
Battaglia	Gruenes	Long	Peterson, B.	Stowell
Begich	Gustafson	Ludeman	Peterson, D.	Stumpf
Berkelman	Halberg	Luknic	Piepho	Sviggum
Blatz	Hanson	Mann	Pogemiller	Swanson
Brandl	Harens	Marsh	Redalen	Tomlinson
Brinkman	Haukoos	McCarron	Reding	Valan
Byrne	Heap	McDonald	Rees	Valento
Carlson, D.	Himle	McEachern	Reif	Vanasek
Carlson, L.	Hoberg	Mehrkens	Rice	Vellenga
Clark, J.	Hokanson	Metzen	Rodriguez, C.	Voss
Clark, K.	Hokr	Minne	Rodriguez, F.	Weaver
Clawson	Jacobs	Munger	Rose	Welch
Dahlvang	Jennings	Murphy	Rothenberg	Welker
Dean	Johnson, C.	Nelsen, B.	Samuelson	Wenzel
Dempsey	Johnson, D.	Nelson, K.	Sarna	Wieser
Den Ouden	Jude	Niehaus	Schafer	Wigley
Drew	Kahn	Norton	Schoenfeld	Wynia
Eken	Kalis	Novak	Schreiber	Spkr. Sieben, H.
Elioff	Kelly	Nysether	Shea	

Those who voted in the negative were:

Erickson	Esau	Hauge	Kaley	Zubay
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The bill was passed and its title agreed to.

H. F. No. 1701, A bill for an act relating to the city of Hibbing; authorizing increases in certain firefighters service pensions and survivor benefits; amending Laws 1977, Chapter 169, Section 1 and Laws 1971, Chapter 614, Section 1, Subdivision 2.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 129 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Aasness	Erickson	Kalis	Nysether	Sherman
Ainley	Esau	Kelly	O'Connor	Sieben, M.
Anderson, B.	Evans	Kostohryz	Ogren	Simoneau
Anderson, G.	Fjoslien	Kvam	Olsen	Skoglund
Anderson, I.	Forsythe	Laidig	Onnen	Stadum
Anderson, R.	Frerichs	Lehto	Osthoff	Staten
Battaglia	Greenfield	Lemen	Otis	Stowell
Begich	Gruenes	Levi	Peterson, B.	Stumpf
Berkelman	Gustafson	Long	Peterson, D.	Sviggum
Blatz	Halberg	Ludeman	Piepho	Swanson
Brandl	Hanson	Luknic	Pogemiller	Tomlinson
Brinkman	Harens	Mann	Redalen	Valan
Byrne	Hauge	Marsh	Reding	Valento
Carlson, D.	Haukoos	McCarron	Rees	Vanasek
Carlson, L.	Heap	McDonald	Reif	Vellenga
Clark, J.	Heinitz	McEachern	Rice	Voss
Clark, K.	Himle	Mehrkens	Rodriguez, C.	Weaver
Clawson	Hoberg	Metzen	Rodriguez, F.	Welch
Dahlvang	Hokanson	Minne	Rose	Welker
Dean	Hokr	Munger	Rothenberg	Wenzel
Dempsey	Jacobs	Murphy	Samuelson	Wieser
Den Ouden	Jennings	Nelsen, B.	Sarna	Wigley
Drew	Johnson, C.	Nelson, K.	Schafer	Wynia
Eken	Johnson, D.	Niehaus	Schoenfeld	Zubay
Elioff	Jude	Norton	Searles	Spkr. Sieben, H.
Ellingson	Kaley	Novak	Shea	

The bill was passed and its title agreed to.

H. F. No. 1795 was reported to the House.

Staten moved to amend H. F. No. 1795, as follows:

Page 1, line 15, after the period insert *"In addition to the limitations of sections 462C.03, subdivision 10, and 462C.05, subdivision 2, at least 30 percent of the dwelling units financed with bonds issued pursuant to chapter 462C and located in a development district within the city of Minneapolis shall be held for occupancy by persons and families of moderate income."*

A roll call was requested and properly seconded.

The question was taken on the amendment and the roll was called. There were 43 yeas and 81 nays as follows:

Those who voted in the affirmative were:

Aasness	Drew	Kahn	Nysether	Shea
Ainley	Frerichs	Kelly	Ogren	Staten
Anderson, G.	Greenfield	Long	Otis	Sviggum
Anderson, I.	Gustafson	Ludeman	Reding	Tomlinson
Battaglia	Harens	Marsh	Rice	Welker
Begich	Heap	McEachern	Rothenberg	Wenzel
Brandl	Hokr	Metzen	Samuelson	Wynia
Clark, K.	Jennings	Niehaus	Sarna	
Den Ouden	Jude	Novak	Schoenfeld	

Those who voted in the negative were:

Anderson, R.	Ewald	Knickerbocker	Onnen	Skoglund
Berkelman	Fjoslien	Kostohryz	Osthoff	Stowell
Blatz	Forsythe	Kvam	Peterson, B.	Stumpf
Brinkman	Gruenes	Laidig	Peterson, D.	Swanson
Byrne	Halberg	Lehto	Piepho	Valan
Carlson, D.	Hanson	Lemen	Pogemiller	Valento
Carlson, L.	Hauge	Levi	Redalen	Vanasek
Clark, J.	Haukoos	Luknic	Rees	Vellenga
Dahlvang	Heinitz	Mann	Reif	Voss
Dean	Himle	McCarron	Rodriguez, C.	Weaver
Dempsey	Hoberg	McDonald	Rodriguez, F.	Welch
Eken	Hokanson	Mehrkens	Rose	Wigley
Elioff	Jacobs	Minne	Schafer	Spkr. Sieben, H.
Ellingson	Johnson, C.	Murphy	Schreiber	
Erickson	Johnson, D.	Nelsen, B.	Searles	
Esau	Kaley	O'Connor	Sieben, M.	
Evans	Kalis	Olsen	Simoneau	

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

H. F. No. 1795, A bill for an act relating to the city of Minneapolis; changing limitations on housing programs in two Minneapolis development districts; amending Laws 1971, Chapter 677.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 91 yeas and 34 nays as follows:

Those who voted in the affirmative were:

Anderson, I.	Carlson, L.	Evans	Heap	Kalis
Anderson, R.	Clark, J.	Fjoslien	Heinitz	Kelly
Battaglia	Clawson	Forsythe	Himle	Kostohryz
Begich	Dahlvang	Gruenes	Hoberg	Laidig
Berkelman	Dean	Gustafson	Hokanson	Lehto
Blatz	Dempsey	Halberg	Jacobs	Lemen
Brinkman	Eken	Hanson	Johnson, C.	Levi
Byrne	Elioff	Harens	Jude	Luknic
Carlson, D.	Ellingson	Haukoos	Kaley	Mann

McCarron	O'Connor	Rees	Sieben, M.	Voss
McEachern	Olsen	Reif	Simoneau	Weaver
Mehrkens	Onnen	Rodriguez, C.	Skoglund	Welch
Metzen	Osthoff	Rodriguez, F.	Stumpf	Wenzel
Minne	Peterson, B.	Rose	Swanson	Wigley
Munger	Peterson, D.	Samuelson	Tomlinson	Spkr. Sieben, H.
Murphy	Piepho	Sarna	Valan	
Nelson, K.	Pogemiller	Schoenfeld	Valento	
Norton	Redalen	Schreiber	Vanasek	
Novak	Reding	Searles	Vellenga	

Those who voted in the negative were:

Aasness	Erickson	Kahn	Nysether	Staten
Ainley	Esau	Kvam	Ogren	Stowell
Anderson, G.	Ewald	Long	Otis	Welker
Brandl	Frerichs	Ludeman	Rice	Wieser
Clark, K.	Greenfield	McDonald	Rothenberg	Wynia
Den Ouden	Jennings	Nelsen, B.	Schafer	Zubay
Drew	Johnson, D.	Niehaus	Shea	

The bill was passed and its title agreed to.

There being no objection the order of business reverted to Reports of Standing Committees.

REPORTS OF STANDING COMMITTEES

Vanasek from the Committee on Criminal Justice to which was referred:

H. F. No. 1758, A bill for an act relating to controlled substances; prohibiting conspiracies to violate controlled substances laws; prescribing penalties; proposing new law coded in Minnesota Statutes 1980, Chapter 152.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. [152.095] [CONSPIRACIES PROHIBITED.]

Subdivision 1. [PROHIBITED ACTS; PENALTIES.] Any person who conspires to commit any act prohibited by section 152.09, except possession or distribution for no remuneration of a small amount of marijuana as defined in section 152.01, subdivision 16, is guilty of a felony and upon conviction may be imprisoned, fined, or both, up to the maximum amount authorized by law for the act the person conspired to commit.

Subd. 2. [CONVICTION OF CO-CONSPIRATOR NOT REQUIRED.] A person liable under this section may be charged with and convicted of conspiracy although the person or persons with whom he conspired have not been convicted or have been convicted of some other crime based on the same act.

Sec. 2. Minnesota Statutes 1980, Section 609.485, Subdivision 3, is amended to read:

Subd. 3. [EXCEPTIONS.] This section does not apply to a person who is free on bail or who is on parole or probation, or subject to a stayed sentence or stayed execution of sentence, unless he (1) has been taken into actual custody upon revocation of the parole, probation, or stay of the sentence or execution of sentence, or (2) is in custody in a county jail or workhouse as a condition of a stayed sentence."

Delete the title and insert:

"A bill for an act relating to crimes; prohibiting conspiracies to violate controlled substances laws; clarifying the crime of escape from jail; prescribing penalties; amending Minnesota Statutes 1980, Section 609.485, Subdivision 3; proposing new law coded in Minnesota Statutes 1980, Chapter 152."

With the recommendation that when so amended the bill pass.

The report was adopted.

Anderson, I., from the Committee on Taxes to which was referred:

H. F. No. 2080, A bill for an act relating to economic development; providing for a Minnesota conference on job formation; appropriating money.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [CONFERENCE CREATED.]

The Minnesota conference on job formation is established. The conference shall be directed by three commissioners. One shall be appointed by the governor, one by the speaker of the house of representatives, and one by the subcommittee on committees of the committee on rules and administration of the senate. The commissioners shall select a chairperson from among themselves. They shall meet from time to time to discharge the duties imposed by this act.

Sec. 2. [STATE MEETING; PROCEDURES.]

The Minnesota conference commissioners shall establish procedures for a state meeting of representatives from labor, industry, and government to discuss job formation and the opportunity and need for job formation within the state. The meeting shall

be held as soon as possible and be conducted according to the rules and procedures provided by the conference commissioners.

Sec. 3. [REPORT.]

The conference shall report proposals for action to assist in the formation of jobs to the legislature and governor by January 15, 1983.

Sec. 4. [APPROPRIATION.]

Expenses of the Minnesota conference on job formation for the purposes of this act shall be paid from appropriations previously made to the office of the governor, the senate, and the house of representatives. Gifts to the conference are also appropriated to it for the purposes of this act. The commissioners shall submit a budget request, showing proposed income and expenditures, to the governor, the senate committee on rules and administration, and the house committee on rules and legislative administration for their approval. Amounts transferred by the governor, the senate, and the house of representatives to the conference are appropriated to the conference for the purposes of this act. These appropriations cancel March 31, 1983.

Sec. 5. [EFFECTIVE DATE.]

This act is effective the day following final enactment."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Voss from the Committee on Local and Urban Affairs to which was referred:

H. F. No. 2174, A bill for an act relating to housing; directing the department of energy, planning and development to administer certain federal money; proposing new law coded in Minnesota Statutes, Chapter 362.

Reported the same back with the following amendments:

Page 1, line 8, delete "362.171" and insert "4.131"

Page 1, line 17, delete everything after the period

Page 1, delete lines 18 and 19

Page 1, delete line 20 to the period and insert "*Criteria used for determining distribution of money shall give primary*

consideration to the extent to which proposed projects directly benefit low and moderate income persons. All funded activities must benefit low or moderate income persons; or aid in the prevention or elimination of slums and blight; or meet other community development needs which are urgent because existing conditions pose a serious and immediate threat to the health or welfare of the community and other financial resources are not available to meet such urgent needs"

Page 1, line 22, after "possible" delete the balance of the line

Page 1, line 23, delete everything before the period

Page 2, line 2, delete "the joint development"

Page 2, delete line 3

Page 2, delete line 4 to the period and insert "local officials to seek the advice of concerned and affected citizens in the development of proposals for funding"

Page 2, line 14, delete "The department" and insert "If established, the advisory council on local government"

Page 2, line 16, delete "whether a project"

Page 2, delete line 17 to the period and insert "the extent to which grant money is used to directly benefit low and moderate income persons. If the advisory council is not established, the monitoring and evaluation function shall be performed by the department"

Page 2, after line 17 insert:

"Sec. 2. [EFFECTIVE DATE.]

This act is effective the day following final enactment and will apply to grants to be awarded during the federal fiscal year 1983 and subsequent years."

Amend the title as follows:

Page 1, line 5, delete "362" and insert "4"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

McCarron from the Committee on Reapportionment and Elections to which was referred:

H. F. No. 2199, A bill for an act relating to elections; recodifying municipal elections law; amending Minnesota Statutes 1980, Sections 205.02; 205.07, Subdivision 1; 205.13, as amended; 205.16; 205.17, as amended; 205.20, as amended; and 205.84; Minnesota Statutes 1981 Supplement, Section 205.10; proposing new law coded in Minnesota Statutes, Chapter 205; repealing Minnesota Statutes 1980, Sections 205.021; 205.04; 205.11, Subdivisions 1, 2, 3, 4 and 5; 205.14, Subdivisions 1, 2 and 3; 205.18; and 205.19; and Minnesota Statutes 1981 Supplement, Sections 205.03; 205.10; 205.11, Subdivision 4a; 205.121; 205.14, Subdivision 4; and 205.15.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

McCarron from the Committee on Reapportionment and Elections to which was referred:

S. F. No. 85, A bill for an act relating to towns; providing for separate election of town supervisors; amending Minnesota Statutes 1980, Section 367.03, by adding a subdivision.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1980, Section 367.03, Subdivision 2, is amended to read:

Subd. 2. [VACANCIES.] When a vacancy occurs in any town office the town board shall fill the same by appointment. The person so appointed shall hold his office until the next annual town meeting and until his successor qualifies; provided, that a vacancy in the office of supervisor shall be filled by the remaining supervisors and the town clerk until the next annual town meeting, when his successor shall be elected to hold for the unexpired term. *When, because of a vacancy, more than one supervisor is to be chosen at the same election, candidates for the offices of supervisor shall file for one of the specific terms being filled.*"

Amend the title as follows:

Page 1, line 2, delete "separate"

Page 1, line 4, delete "by adding a subdivision" and insert "Subdivision 2"

With the recommendation that when so amended the bill pass.

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 1758 and 2199 were read for the second time.

SECOND READING OF SENATE BILLS

S. F. No. 85 was read for the second time.

SPECIAL ORDERS, Continued

H. F. No. 1799, A bill for an act relating to health; providing for evaluation of certain changes in certificate of need review; requiring certain price information to be reported and disseminated; requiring monitoring; amending the thresholds of review; providing for additional waivers; requiring reports; amending Minnesota Statutes 1980, Sections 145.833, Subdivision 5; 145.835, Subdivisions 3 and 4; Minnesota Statutes 1981 Supplement, Sections 250.05, Subdivision 4; 447.45, Subdivision 1; and 474.03; proposing new law coded in Minnesota Statutes, Chapter 144; repealing Minnesota Statutes 1980, Sections 145.832 to 145.845, as amended; and Minnesota Statutes 1981 Supplement, Sections 62D.22, Subdivision 6; 145.834; and 145.845.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 131 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Aasness	Dahlvang	Hanson	Kelly	Minne
Ainley	Dempsey	Harens	Knickerbocker	Munger
Anderson, B.	Den Ouden	Hauge	Kostohryz	Murphy
Anderson, G.	Drew	Haukoos	Kvam	Nelsen, B.
Anderson, I.	Eken	Heap	Laidig	Nelson, K.
Anderson, R.	Elioff	Heinitz	Lehto	Niehaus
Battaglia	Ellingson	Himle	Lemen	Norton
Begich	Erickson	Hoberg	Levi	Novak
Berkelman	Esau	Hokanson	Long	Nysether
Blatz	Evans	Hokr	Ludeman	O'Connor
Brandl	Ewald	Jacobs	Luknic	Ogren
Brinkman	Fjoslien	Jennings	Mann	Olsen
Byrne	Forsythe	Johnson, C.	Marsh	Onnen
Carlson, D.	Frerichs	Johnson, D.	McCarron	Osthoff
Carlson, L.	Greenfield	Jude	McDonald	Otis
Clark, J.	Gruenes	Kahn	McEachern	Peterson, B.
Clark, K.	Gustafson	Kaley	Mehrkens	Peterson, D.
Clawson	Halberg	Kalis	Metzen	Piepho

Redalen	Samuelson	Simoneau	Valan	Wieser
Reding	Sarna	Skoglund	Valento	Wigley
Rees	Schafer	Stadum	Vanasek	Wynia
Reif	Schoenfeld	Staten	Vellenga	Zubay
Rice	Schreiber	Stowell	Voss	Spkr. Sieben, H.
Rodriguez, C.	Searles	Stumpf	Weaver	
Rodriguez, F.	Shea	Sviggum	Welch	
Rose	Sherman	Swanson	Welker	
Rothenberg	Sieben, M.	Tomlinson	Wenzel	

The bill was passed and its title agreed to.

Anderson, R., was excused for the remainder of today's session.

H. F. No. 1852, A bill for an act relating to waters; making the water well contractors and exploratory borers advisory council permanent; amending Minnesota Statutes 1980, Section 156A.06, Subdivision 1.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 115 yeas and 12 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Evans	Kaley	O'Connor	Shea
Anderson, G.	Ewald	Kalis	Ogren	Sherman
Anderson, I.	Fjoslien	Kelly	Olsen	Sieben, M.
Battaglia	Forsythe	Knickerbocker	Onnen	Simoneau
Begich	Greenfield	Kostohryz	Osthoff	Skoglund
Berkelman	Gruenes	Kvam	Otis	Stadum
Blatz	Gustafson	Laidig	Peterson, B.	Staten
Brandl	Halberg	Lehto	Peterson, D.	Stumpf
Brinkman	Hanson	Levi	Piepho	Swanson
Byrne	Harens	Long	Pogemiller	Tomlinson
Carlson, D.	Hauge	Luknic	Redalen	Valan
Carlson, L.	Haukoos	Mann	Reding	Valento
Clark, J.	Heap	Marsh	Reif	Vanasek
Clark, K.	Heinitz	McCarron	Rice	Vellenga
Clawson	Himle	Mehrkens	Rodriguez, C.	Voss
Dahlvang	Hoberg	Metzen	Rodriguez, F.	Weaver
Dempsey	Hokanson	Minne	Rose	Welch
Drew	Jacobs	Munger	Rothenberg	Wenzel
Eken	Jennings	Murphy	Samuelson	Wieser
Elioff	Johnson, C.	Nelson, K.	Sarna	Wigley
Ellingson	Johnson, D.	Niehaus	Schoenfeld	Wynia
Erickson	Jude	Norton	Schreiber	Zubay
Esau	Kahn	Novak	Searles	Spkr. Sieben, H.

Those who voted in the negative were:

Ainley	Lemen	Nysether	Stowell	Welker
Den Ouden	Ludeman	Rees	Sviggum	
Frerichs	McDonald	Schafer		

The bill was passed and its title agreed to.

H. F. No. 1863, A bill for an act relating to credit unions; providing for approval of amendments to certificates of organization and bylaws; authorizing the board of directors to appoint a credit committee or a credit manager; prescribing the powers of a credit committee and credit manager; allowing certain nonmembers to establish individual retirement accounts; amending Minnesota Statutes 1980, Sections 52.02; 52.08; 52.09, Subdivisions 2 and 3; 52.10; and 52.135.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 128 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Aasness	Ewald	Kelly	O'Connor	Sieben, M.
Ainley	Fjoslien	Knickerbocker	Ogren	Simoneau
Anderson, B.	Forsythe	Kostohryz	Olsen	Skoglund
Anderson, G.	Frerichs	Kvam	Onnen	Stadum
Anderson, I.	Greenfield	Laidig	Osthoff	Staten
Battaglia	Gruenes	Lehto	Otis	Stowell
Begich	Gustafson	Lemen	Peterson, B.	Stumpf
Berkelman	Halberg	Levi	Peterson, D.	Sviggum
Blatz	Hanson	Long	Piepho	Swanson
Brandl	Harens	Ludeman	Pogemiller	Tomlinson
Brinkman	Hauge	Luknic	Redalen	Valan
Byrne	Haukoos	Mann	Rees	Valento
Carlson, D.	Heap	Marsh	Reif	Vanasek
Carlson, L.	Heinitz	McCarron	Rice	Vellenga
Clark, J.	Himle	McDonald	Rodriguez, C.	Voss
Clark, K.	Hoberg	McEachern	Rodriguez, F.	Weaver
Clawson	Hokanson	Mehrkens	Rose	Welch
Dahlvang	Hokr	Metzen	Rothenberg	Welker
Dempsey	Jacobs	Minne	Samuelson	Wenzel
Den Ouden	Jennings	Murphy	Sarna	Wieser
Drew	Johnson, C.	Nelsen, B.	Schafer	Wigley
Eken	Johnson, D.	Nelson, K.	Schoenfeld	Wynia
Elioff	Jude	Niehaus	Schreiber	Zubay
Ellingson	Kahn	Norton	Searles	Spkr. Sieben, H.
Erickson	Kaley	Novak	Shea	
Evans	Kalis	Nysether	Sherman	

The bill was passed and its title agreed to.

H. F. No. 1941, A bill for an act relating to agriculture; setting a standard of proof and procedures for decision and appeal for claims of damage to livestock by endangered species; amending Minnesota Statutes 1980, Section 3.737, by adding a subdivision.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 127 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Aasness	Evans	Kelly	O'Connor	Sherman
Ainley	Ewald	Knickerbocker	Ogren	Sieben, M.
Anderson, B.	Fjoslien	Kostohryz	Olsen	Simoneau
Anderson, G.	Forsythe	Kvam	Onnen	Skoglund
Anderson, I.	Frerichs	Laidig	Osthoff	Stadum
Battaglia	Greenfield	Lehto	Otis	Staten
Begich	Gruenes	Lemen	Peterson, B.	Stowell
Berkelman	Gustafson	Levi	Peterson, D.	Stumpf
Blatz	Halberg	Long	Piepho	Svigggum
Brandl	Hanson	Ludeman	Pogemiller	Swanson
Brinkman	Harens	Luknic	Redalen	Valan
Byrne	Hauge	Mann	Reding	Valento
Carlson, D.	Haukoos	Marsh	Rees	Vellenga
Carlson, L.	Heap	McCarron	Reif	Voss
Clark, J.	Heinitz	McDonald	Rice	Weaver
Clark, K.	Hoberg	McEachern	Rodriguez, C.	Welch
Clawson	Hokanson	Mehrkens	Rodriguez, F.	Welker
Dahlvang	Hokr	Metzen	Rose	Wenzel
Dempsey	Jacobs	Minne	Rothenberg	Wieser
Den Ouden	Jennings	Murphy	Samuelson	Wigley
Drew	Johnson, C.	Nelsen, B.	Sarna	Wynia
Eken	Johnson, D.	Nelson, K.	Schafer	Zubay
Elioff	Jude	Niehaus	Schoenfeld	Spkr. Sieben, H.
Ellingson	Kahn	Norton	Schreiber	
Erickson	Kaley	Novak	Searles	
Esau	Kalis	Nysether	Shea	

The bill was passed and its title agreed to.

H. F. No. 1975, A bill for an act relating to local government; permitting towns to issue off-sale liquor licenses; amending Minnesota Statutes 1980, Section 340.11, by adding a subdivision.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 124 yeas and 2 nays as follows:

Those who voted in the affirmative were:

Aasness	Dempsey	Heinitz	Long	O'Connor
Ainley	Den Ouden	Himle	Ludeman	Ogren
Anderson, B.	Drew	Hoberg	Luknic	Olsen
Anderson, G.	Eken	Hokanson	Mann	Onnen
Anderson, I.	Elioff	Hokr	Marsh	Osthoff
Battaglia	Ellingson	Jacobs	McCarron	Otis
Begich	Evans	Jennings	McDonald	Peterson, D.
Berkelman	Ewald	Johnson, C.	McEachern	Piepho
Blatz	Fjoslien	Johnson, D.	Mehrkens	Pogemiller
Brandl	Forsythe	Jude	Metzen	Redalen
Brinkman	Frerichs	Kahn	Minne	Reding
Byrne	Greenfield	Kaley	Munger	Rees
Carlson, D.	Gruenes	Kelly	Murphy	Reif
Carlson, L.	Gustafson	Knickerbocker	Nelsen, B.	Rice
Clark, J.	Halberg	Kostohryz	Nelson, K.	Rodriguez, C.
Clark, K.	Hanson	Kvam	Niehaus	Rodriguez, F.
Clawson	Hauge	Laidig	Norton	Rose
Dahlvang	Haukoos	Lemen	Novak	Rothenberg
Dean	Heap	Levi	Nysether	Samuelson

Sarna	Sherman	Stowell	Valento	Wieser
Schafer	Sieben, M.	Stumpf	Vellenga	Wigley
Schoenfeld	Simoneau	Sviggum	Voss	Wynia
Schreiber	Skoglund	Swanson	Weaver	Zubay
Searles	Stadum	Tomlinson	Welker	Spkr. Sieben, H.
Shea	Staten	Valan	Wenzel	

Those who voted in the negative were :

Erickson Welch

The bill was passed and its title agreed to.

H. F. No. 1993, A bill for an act relating to intoxicating liquor; veteran's organization licenses in first class cities; amending Minnesota Statutes 1930, Section 340.11, Subdivision 11.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 119 yeas and 4 nays as follows :

Those who voted in the affirmative were :

Ainley	Fjoslien	Kelly	Nysether	Shea
Anderson, B.	Forsythe	Knickerbocker	O'Connor	Sherman
Anderson, G.	Frerichs	Kostohryz	Ogren	Sieben, M.
Anderson, I.	Greenfield	Kvam	Olsen	Simoneau
Battaglia	Gruenes	Laidig	Onnen	Skoglund
Begich	Gustafson	Levi	Osthoff	Stadum
Blatz	Halberg	Long	Otis	Staten
Brandl	Hanson	Ludeman	Peterson, D.	Stumpf
Brinkman	Harens	Luknic	Piepho	Sviggum
Byrne	Hauge	Mann	Pogemiller	Swanson
Carlson, D.	Haukoos	Marsh	Redalen	Tomlinson
Carlson, L.	Heap	McCarron	Reding	Valan
Clark, J.	Heinitz	McDonald	Rees	Valento
Clark, K.	Himle	McEachern	Reif	Vellenga
Clawson	Hoberg	Mehrrens	Rice	Voss
Dahlvang	Hokanson	Metzen	Rodriguez, C.	Weaver
Dean	Hokr	Minne	Rodriguez, F.	Welker
Dempsey	Jacobs	Munger	Rothenberg	Wenzel
Drew	Jennings	Murphy	Samuelson	Wieser
Eken	Johnson, C.	Nelsen, B.	Sarna	Wigley
Elioff	Johnson, D.	Nelson, K.	Schafer	Wynia
Ellingson	Jude	Niehaus	Schoenfeld	Zubay
Esau	Kahn	Norton	Schreiber	Spkr. Sieben, H.
Ewald	Kaley	Novak	Searles	

Those who voted in the negative were :

Aasness Den Ouden Erickson Stowell

The bill was passed and its title agreed to.

H. F. No. 2011 was reported to the House.

Dempsey moved to amend H. F. No. 2011, the first engrossment, as follows:

Page 3, line 2, delete "(g)" and insert "(f)"

Page 3, line 16, strike everything after "(e)"

Page 3, strike lines 17 to 23

Page 3, line 24, strike "whichever is less. The" and delete the new language

Page 3, lines 25 and 26, delete the new language

Page 3, line 26, strike "manufacturer has no"

Page 3, strike lines 27 to 33

Page 3, line 34, strike everything before the semicolon and insert "*A sum equal to the current fair rental value of the dealership facilities for a period of one year from the effective date of the termination or cancellation, or the remainder of the term of the lease, whichever is less. Payment under this clause shall not be required if the termination or cancellation was for good cause based on a conviction or plea of nolo contendere of the dealer or one of its principal owners for a crime which constitutes a felony as described in section 609.02, subdivision 2, or if it has been demonstrated that the dealer has exhibited a course of conduct constituting fraud with respect to the manufacturer or the general public*"

Page 3, line 35, strike everything after "(f)"

Page 3, strike line 36

Page 4, strike lines 1 to 5

Page 4, line 6, strike "apply" and delete the semicolon

Page 4, line 7, delete "(g)"

Page 4, line 11, after "*inventory*" insert "*acquired from the manufacturer*"

Page 4, line 14, delete "*non-current*" and insert "*noncurrent*"

Page 4, line 15, after "*manufacturer*" insert "*and drafted on the dealer's financing source or paid for*"

Page 4, line 16, after the first "*the*" insert "*effective date of the*"

Page 5, line 4, delete "*clauses (e) and (f)*" and insert "*clause (e)*"

Pages 5 and 6, delete sections 6 and 7

Renumber the remaining sections

Pages 6 to 9, delete section 10

Renumber the remaining sections

Page 10, line 13, delete "*13*" and insert "*10*"

Amend the title as follows :

Page 1, line 4, delete "; specifying" and insert "and certain payments to be made by manufacturers in the event thereof;"

Page 1, delete lines 5 to 8

Page 1, line 14, delete "80E.10, Subdivision 5;"

Page 1, line 14, delete "1,"

Page 1, line 15, delete "80E.13;"

The motion prevailed and the amendment was adopted.

H. F. No. 2011, A bill for an act relating to commerce; motor vehicle sale and distribution; providing for the termination or cancellation of franchise agreements and certain payments to be made by manufacturers in the event thereof; specifying certain circumstances establishing good cause for entering into or relocating an additional franchise for the same line make; amending Minnesota Statutes 1981 Supplement, Sections 80E.03, Subdivision 8; 80E.07, Subdivision 1; 80E.09, Subdivisions 1, 2 and 3; 80E.11, Subdivisions 2 and 6; and 80E.14, Subdivision 2; and proposing new law coded in Minnesota Statutes, Chapter 80E.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 113 yeas and 7 nays as follows:

Those who voted in the affirmative were:

Aasness	Begich	Carlson, L.	Den Ouden	Erickson
Anderson, B.	Blatz	Clark, J.	Drew	Esau
Anderson, G.	Brandl	Clawson	Eken	Evans
Anderson, I.	Brinkman	Dahlvang	Elioff	Ewald
Battaglia	Carlson, D.	Dempsey	Ellingson	Fjoslien

Forsythe	Kaley	Minne	Reding	Skoglund
Frerichs	Kalis	Munger	Rees	Stadum
Greenfield	Kelly	Murphy	Reif	Stowell
Gruenes	Knickerbocker	Nelson, B.	Rice	Stumpf
Gustafson	Kostohryz	Nelson, K.	Rodriguez, C.	Sviggum
Halberg	Kvam	Niehaus	Rodriguez, F.	Swanson
Hanson	Laidig	Norton	Rose	Tomlinson
Hauge	Lehto	Novak	Rothenberg	Valan
Heap	Lemen	O'Connor	Samuelson	Valento
Himle	Levi	Ogren	Sarna	Vanasek
Hoberg	Long	Olsen	Schafer	Vellenga
Hokanson	Luknic	Osthoff	Schoenfeld	Welch
Jacobs	Mann	Otis	Schreiber	Wenzel
Jennings	Marsh	Peterson, B.	Searles	Wigley
Johnson, C.	McCarron	Peterson, D.	Shea	Wynia
Johnson, D.	McEachern	Piepho	Sherman	Spkr. Sieben, H.
Jude	Mehrkens	Pogemiller	Sieben, M.	
Kahn	Metzen	Redalen	Simoneau	

Those who voted in the negative were:

Ainley	McDonald	Welker	Wieser	Zubay
Ludeman	Weaver			

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

H. F. No. 2058 was reported to the House.

Hokanson moved to amend H. F. No. 2058, as follows:

Page 3, line 21, after "substantiated" insert "*or the report is unsubstantiated but the agency finds that the reporter acted in good faith and exercised due care*"

Page 3, line 24, after "unsubstantiated" insert "*and the agency finds that the reporter did not act in good faith and exercise due care*"

Page 3, line 35, after "data" insert "*except that when the agency has found that the reporter acted in good faith and exercised due care, the reporter's name shall be confidential but shall be accessible to the individual subject of the record upon court order*"

The motion prevailed and the amendment was adopted.

H. F. No. 2058, A bill for an act relating to public welfare; providing for classification, access, and destruction of certain child abuse report records; clarifying the classification of reports regarding vulnerable adults; amending Minnesota Statutes 1980, Sections 626.556, Subdivisions 3, 7, and by adding a subdivision; 626.557, by adding a subdivision; and Minnesota Statutes 1981 Supplement, Section 626.556, Subdivision 11.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 129 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Aasness	Evans	Kelly	Nysether	Shea
Ainley	Ewald	Knickerbocker	O'Connor	Sherman
Anderson, B.	Fjoslien	Kostohryz	Ogren	Sieben, M.
Anderson, G.	Forsythe	Kvam	Olsen	Simoneau
Anderson, I.	Frerichs	Laidig	Onnen	Skoglund
Battaglia	Greenfield	Lehto	Osthoff	Stadum
Begich	Gruenes	Lemen	Otis	Stowell
Berkelman	Gustafson	Levi	Peterson, B.	Stumpf
Blatz	Halberg	Long	Peterson, D.	Sviggum
Brandl	Hanson	Ludeman	Piepho	Swanson
Brinkman	Hauge	Luknic	Pogemiller	Tomlinson
Byrne	Haukoos	Mann	Redalen	Valan
Carlson, D.	Heap	Marsh	Reding	Valento
Carlson, L.	Heinitz	McCarron	Rees	Vanasek
Clark, J.	Himle	McDonald	Reif	Vellenga
Clawson	Hoberg	McEachern	Rice	Voss
Dahlvang	Hokanson	Mehrkens	Rodriguez, C.	Weaver
Dean	Hokr	Metzen	Rodriguez, F.	Welch
Dempsey	Jacobs	Minne	Rose	Welker
Den Ouden	Jennings	Munger	Rothenberg	Wenzel
Drew	Johnson, C.	Murphy	Samuelson	Wieser
Eken	Johnson, D.	Nelsen, B.	Sarna	Wigley
Elioff	Jude	Nelson, K.	Schafer	Wynia
Ellingson	Kahn	Niehaus	Schoenfeld	Zubay
Erickson	Kaley	Norton	Schreiber	Sprk. Sieben, H.
Esau	Kalis	Novak	Searles	

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

H. F. No. 2079 was reported to the House.

There being no objection H. F. No. 2079 was continued one day.

H. F. No. 2170, A bill for an act relating to state lands; authorizing sale and conveyance of a certain tract in order to correct a survey error.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 127 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Aasness	Brandl	Dean	Esau	Gustafson
Ainley	Brinkman	Dempsey	Evans	Hanson
Anderson, B.	Byrne	Den Ouden	Ewald	Hauge
Anderson, G.	Carlson, D.	Drew	Fjoslien	Haukoos
Anderson, I.	Carlson, L.	Eken	Forsythe	Heap
Battaglia	Clark, J.	Elioff	Frerichs	Heinitz
Begich	Clawson	Ellingson	Greenfield	Himle
Blatz	Dahlvang	Erickson	Gruenes	Hoberg

Hokanson	Ludeman	O'Connor	Rothenberg	Tomlinson
Hokr	Luknic	Ogren	Samuelson	Valan
Jacobs	Mann	Olsen	Sarna	Valento
Johnson, C.	Marsh	Onnen	Schafer	Vanasek
Johnson, D.	McCarron	Osthoff	Schoenfeld	Vellenga
Jude	McDonald	Otis	Schreiber	Voss
Kahn	McEachern	Peterson, B.	Searles	Weaver
Kaley	Mehrkens	Peterson, D.	Shea	Welch
Kalis	Metzen	Piepho	Sherman	Welker
Kelly	Minne	Pogemiller	Sieben, M.	Wenzel
Knickerbocker	Munger	Redalen	Simoneau	Wieser
Kostohryz	Murphy	Reding	Skoglund	Wigley
Kvam	Nelsen, B.	Rees	Stadum	Wynia
Laidig	Nelson, K.	Reif	Staten	Zubay
Lehto	Niehaus	Rice	Stowell	Spkr. Sieben, H.
Lemen	Norton	Rodriguez, C.	Stumpf	
Levi	Novak	Rodriguez, F.	Sviggum	
Long	Nysether	Rose	Swanson	

The bill was passed and its title agreed to.

H. F. No. 1572 was reported to the House.

Byrne moved to amend H. F. No. 1572, the first engrossment, as follows:

Page 4, line 35, after the semicolon insert "*and*"

Page 4, line 36, after "(22)" delete to the end of the line

Page 5, delete lines 1 and 2

Page 5, line 3, delete "(23)" and delete "*and*" and insert "*or*"

Page 5, line 5, delete "*her*" and insert "*the patient*"

Page 5, line 8, before the period insert "*and the risks associated with each potential effective method of treatment*"

Amend the title as follows:

Page 1, lines 4 and 5, delete "and the right of all patients to be informed of the risks of treatment"

The motion prevailed and the amendment was adopted.

H. F. No. 1572, A bill for an act relating to health; establishing the right to complete information on all alternative treatments for patients with breast cancer; amending Minnesota Statutes 1980, Section 144.651.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 128 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Aasness	Evans	Kelly	O'Connor	Sherman
Ainley	Ewald	Knickerbocker	Ogren	Sieben, M.
Anderson, B.	Fjoslien	Kostohryz	Olsen	Simoneau
Anderson, G.	Forsythe	Kvam	Onnen	Skoglund
Anderson, I.	Frerichs	Laidig	Osthoff	Stadum
Battaglia	Greenfield	Lehto	Otis	Staten
Begich	Gruenes	Lemen	Peterson, B.	Stowell
Berkelman	Halberg	Levi	Peterson, D.	Stumpf
Blatz	Hanson	Long	Piepho	Sviggum
Brandl	Harens	Ludeman	Pogemiller	Swanson
Brinkman	Hauge	Luknic	Redalen	Tomlinson
Byrne	Haukoos	Mann	Reding	Valan
Carlson, D.	Heap	McCarron	Rees	Valento
Carlson, L.	Heinitz	McDonald	Reif	Vanasek
Clark, J.	Himle	McEachern	Rice	Vellenga
Clawson	Hoberg	Mehrkens	Rodriguez, C.	Voss
Dahlvang	Hokanson	Metzen	Rodriguez, F.	Weaver
Dean	Hokr	Minne	Rose	Welch
Dempsey	Jacobs	Munger	Rothenberg	Wenzel
Den Ouden	Jennings	Murphy	Samuelson	Wieser
Drew	Johnson, C.	Nelsen, B.	Sarna	Wigley
Eken	Johnson, D.	Nelson, K.	Schafer	Wynia
Elioff	Jude	Niehaus	Schoenfeld	Zubay
Ellingson	Kahn	Norton	Schreiber	Spkr. Sieben, H.
Erickson	Kaley	Novak	Searles	
Esau	Kalis	Nysether	Shea	

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

The Speaker resumed the Chair.

H. F. No. 1707, A bill for an act relating to transportation; allowing certain vehicles to cross certain railroad crossings without stopping; removing the requirement for designated routes for certain buses; modifying the public transit capital grant assistance program; providing for public transit contract procedures; amending Minnesota Statutes 1980, Sections 169.28; 169.29; 169.80, Subdivisions 2 and 2a; 174.245; Laws 1981, Chapter 363, Section 55, Subdivision 1, as amended; repealing Minnesota Statutes 1980, Section 219.21.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 126 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Aasness	Begich	Byrne	Dahlvang	Eken
Ainley	Berkelman	Carlson, L.	Dean	Elioff
Anderson, B.	Blatz	Clark, J.	Dempsey	Ellingson
Anderson, I.	Brandl	Clark, K.	Den Ouden	Erickson
Battaglia	Brinkman	Clawson	Drew	Esau

Evans	Kahn	Minne	Reif	Sviggum
Ewald	Kaley	Munger	Rice	Swanson
Fjoslien	Kalis	Murphy	Rodriguez, C.	Tomlinson
Forsythe	Kelly	Nelsen, B.	Rodriguez, F.	Valan
Frerichs	Knickerbocker	Nelson, K.	Rose	Valento
Greenfield	Kostohryz	Niehaus	Rothenberg	Vanasek
Gruenes	Kvam	Norton	Samuelson	Vellenga
Gustafson	Laidig	Novak	Sarna	Voss
Hanson	Lehto	Nysether	Schafer	Weaver
Hauge	Lemen	O'Connor	Schoenfeld	Welch
Haukoos	Levi	Ogren	Schreiber	Welker
Heap	Long	Olsen	Searles	Wenzel
Heinitz	Ludeman	Onnen	Shea	Wieser
Himle	Luknic	Osthoff	Sherman	Wigley
Hoberg	Mann	Otis	Sieben, M.	Wynia
Hokanson	Marsh	Peterson, B.	Simoneau	Zubay
Hokr	McCarron	Peterson, D.	Skoglund	Spkr. Sieben, H.
Jacobs	McDonald	Piepho	Stadum	
Johnson, C.	McEachern	Pogemiller	Staten	
Johnson, D.	Mehrkens	Reding	Stowell	
Jude	Metzen	Rees	Stumpf	

The bill was passed and its title agreed to.

H. F. No. 1794, A bill for an act relating to health; providing for an advisory task force to make recommendations on the distribution of funds for maternal and child health care needs; proposing new law coded in Minnesota Statutes, Chapter 145.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 129 yeas and 1 nay as follows:

Those who voted in the affirmative were:

Aasness	Ellingson	Johnson, D.	Murphy	Rose
Aimley	Erickson	Jude	Nelsen, B.	Rothenberg
Anderson, B.	Evans	Kahn	Nelson, K.	Samuelson
Anderson, G.	Ewald	Kaley	Niehaus	Sarna
Anderson, I.	Fjoslien	Norton	Novak	Schafer
Battaglia	Forsythe	Knickerbocker	Nysether	Schoenfeld
Begich	Frerichs	Kostohryz	O'Connor	Schreiber
Berkelman	Greenfield	Kvam	Ogren	Searles
Blatz	Gruenes	Laidig	Olsen	Shea
Brandl	Gustafson	Lehto	Onnen	Sherman
Brinkman	Halberg	Levi	Osthoff	Sieben, M.
Byrne	Hanson	Long	Otis	Simoneau
Carlson, D.	Harens	Ludeman	Peterson, B.	Skoglund
Carlson, L.	Hauge	Luknic	Peterson, D.	Stadum
Clark, J.	Haukoos	Mann	Piepho	Staten
Clark, K.	Heap	Marsh	Pogemiller	Stowell
Clawson	Heinitz	McCarron	Redalen	Stumpf
Dahlvang	Himle	McDonald	Rees	Sviggum
Dean	Hoberg	McEachern	Rees	Swanson
Dempsey	Hokanson	Mehrkens	Reif	Tomlinson
Den Ouden	Hokr	Metzen	Rice	Valan
Drew	Jacobs	Minne	Rodriguez, C.	Valento
Eken	Jennings	Munger	Rodriguez, F.	Vanasek
Elioff	Johnson, C.			Vellenga

Voss
Weaver

Welch
Welker

Wenzel
Wigley

Wynia
Zubay

Spkr. Sieben, H.

Those who voted in the negative were:

Lemen

The bill was passed and its title agreed to.

GENERAL ORDERS

Eken moved that the bills on General Orders for today be continued one day. The motion prevailed.

MOTIONS AND RESOLUTIONS

Staten moved that his name be stricken as an author on H. F. No. 1795. The motion prevailed.

Hanson moved that the name of Vellenga be added as an author on H. F. No. 2218. The motion prevailed.

Swanson moved that the names of Metzen, Halberg and Blatz be added as authors on H. F. No. 1901. The motion prevailed.

Clark, K., moved that S. F. No. 1589 be recalled from the Committee on Criminal Justice and together with H. F. No. 1875, now on the Technical Consent Calendar, be referred to the Chief Clerk for comparison. The motion prevailed.

Lehto moved that the name of Wenzel be added as second author on H. F. No. 1477. The motion prevailed.

Brinkman moved that H. F. No. 1780 be returned to its author. The motion prevailed.

Ellingson moved that the name of Jacobs be added as an author on H. F. No. 2228. The motion prevailed.

Clark, K., moved that her name be stricken as chief author and the name of Anderson, G., be added as chief author on H. F. No. 1220. The motion prevailed.

ADJOURNMENT

Eken moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 2:00 p.m., Friday, March 5, 1982.

EDWARD A. BURDICK, Chief Clerk, House of Representatives